

# Q1 2020

## January–March 2020 compared with January–March 2019

- Net sales declined 6% to SEK 4,793m (5,076). The decrease was mainly related to lower selling prices, which were offset by higher delivery volumes from the expanded pulp mill.
- EBITDA decreased to SEK 1,030m (1,560), which was mainly related to lower selling prices
- EBITDA margin amounted to 21.5% (30.7)
- Operating cash flow declined to SEK 341m (626)
- Earnings per share was SEK 0.69 (1.29)

## January–March 2020 compared with October–December 2019<sup>1</sup>

- Net sales increased 11% to SEK 4,793m (4,312), mainly related to higher delivery volumes, offset by lower selling prices
- EBITDA amounted to SEK 1,030m (1,055<sup>1</sup>), corresponding to an EBITDA margin of 21.5% (24.5<sup>1</sup>). Lower selling prices were offset by higher delivery volumes and lower costs for maintenance stops.

SEKm	Quarter				
	2020:1	2019:1	%	2019:4 <sup>1</sup>	%
Net sales	4,793	5,076	-6	4,312	11
EBITDA	1,030	1,560	-34	1,055	-2
<i>EBITDA margin</i>	21.5	30.7		24.5	
Operating profit	628	1,168	-46	637	-1
Net Profit	483	908	-47	478	1
<i>Earnings per share SEK</i>	0.69	1.29		0.68	
Operating cash flow	341	626		583	
Net Debt / EBITDA (LTM)	1.9x	1.6x		1.6x	

<sup>1</sup> Excluding the effect of changed accounting method for valuation of forest assets in Q4 2019



## COMMENTS ON THE FINANCIAL STATEMENTS

Earnings for the first quarter of 2020 were in line with the preceding quarter, but declined year on year. Lower selling prices were offset by higher delivery volumes for all product areas compared with the preceding quarter.

We are in the midst of a pandemic, the consequences of which are difficult to predict, but our highest priority is the health and safety of our employees and society. SCA also has a responsibility to deliver important input goods to, among others, hygiene products and packaging for food and medicines.

The impact on production, deliveries and demand for SCA's products as a result of the coronavirus has so far been limited. SCA has taken a number of actions to protect risk groups, reduce the spread of the virus and to maintain production and operations. SCA has a solid financial position and strong liquidity (see page 6).

The supply of wood to SCA's industries was stable. Wood consumption increased during the quarter due to higher delivery volumes in all business areas. The price of pulpwood and sawlogs declined slightly compared with the preceding quarter.

The consumption of solid-wood products remained stable during the period and SCA's deliveries increased compared with the preceding quarter. However, market prices decreased slightly.

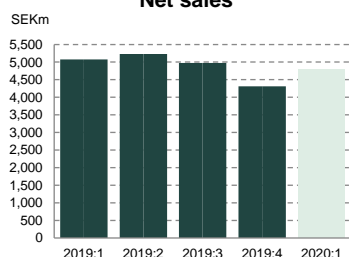
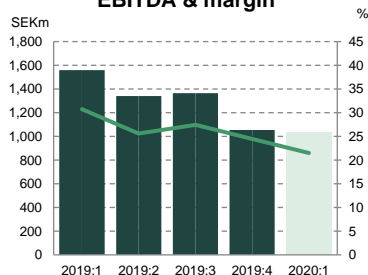
The pulp market improved during the quarter, driven by an increased demand for tissue and hygiene products, SCA's prioritized market segments in pulp. A price increase was implemented at the end of the quarter, the average selling price however remained lower than the preceding quarter.

Demand for kraftliner improved and European inventory levels continued to decline. SCA implemented a price increase for brown kraftliner from the end of the quarter, though the average selling price remained lower than the preceding quarter. For publication paper, demand and market prices declined.

### Higher growth enables increased harvesting

SCA performed a new forest survey in 2019 that showed a greater standing volume and higher growth than previously calculated. The annual net growth amounts to approximately 10.5 million m<sup>3</sup>fo, 1 million m<sup>3</sup>fo higher than the estimate in the previous survey. Higher growth gives greater long-term harvesting potential and means a further increase in the contribution made by SCA's forests to reduce the adverse effects of climate change.

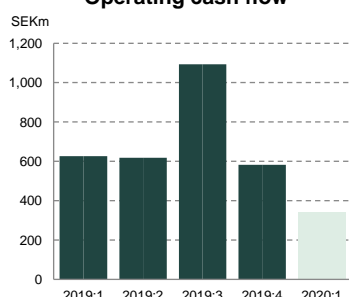
Based on the new forest survey, a new harvesting calculation is being conducted and a preliminary assessment indicates that annual harvesting can gradually increase from about 4.3 million m<sup>3</sup>sub in 2020 to 5.4 million m<sup>3</sup>sub in 2025 (see page 5).

**Net sales****EBITDA & margin**

Note: EBITDA 2019:4 excluding the impact of the changed accounting method for the valuation of forest assets

**Change in net sales (%)**

	2020:1 vs 2019:1	2020:1 vs 2019:4
<b>Total</b>	<b>-6</b>	<b>11</b>
Price/mix	-16	-4
Volume	11	16
Currency	2	-1
Acquisition and divestment	-3	0

**Operating cash flow****GROUP****SALES AND OPERATING PROFIT****January–March 2020 compared with January–March 2019**

Net sales amounted to SEK 4,793m (5,076), a decrease of 6%, of which price/mix accounted for -16%, volume for 11%, currency for 2% and acquisitions/divestments for -3%. The decrease was mainly related to lower selling prices in all business areas, offset by higher delivery volumes from the expanded pulp mill in Östrand. The merger with Groupe ISB, within Wood, had a negative effect on net sales since the merged company is not consolidated in SCA.

EBITDA decreased 34% to SEK 1,030m (1,560), which corresponds to an EBITDA margin of 21.5% (30.7). The decrease was mainly attributable to lower selling prices, which was somewhat offset by higher delivery volumes in Pulp and Kraftliner, lower raw material costs and positive exchange rate effects. The decline was also attributable to one-off items in SCA Wood France totaling SEK 0m (90), which increased earnings during the first quarter of 2019.

The cost of planned maintenance stops amounted to SEK 0m (0).

Operating profit decreased to SEK 628m (1,168).

**January–March 2020 compared with October–December 2019**

Net sales increased 11%, of which price/mix accounted for -4%, volume for 16%, currency for -1% and acquisitions/divestments for 0%, and amounted to SEK 4,793m (4,312). Growth was mainly attributable to higher sales volumes due to maintenance stops in the comparative period.

EBITDA amounted to SEK 1,030m (1,055<sup>1</sup>), corresponding to an EBITDA margin of 21.5% (24.5<sup>1</sup>). Lower selling prices were offset by higher delivery volumes, lower costs for planned maintenance stops of SEK 0m (185), lower costs for unscheduled maintenance stops at the Östrand pulp mill and a fire at the Ortvikén paper mill of SEK 0m (70), and lower raw material costs. The decrease was also related to a positive one-off item of SEK 0m (115) from forest land transactions, which increased earnings in the fourth quarter of 2019.

Operating profit amounted to SEK 628m (637<sup>1</sup>).

**CASH FLOW****January–March 2020 compared with January–March 2019**

The operating cash surplus amounted to SEK 690m (1,314). The cash flow effect of changes in working capital was SEK -146m (-353). Current capital expenditures, net, totaled SEK -175m (-168). Operating cash flow decreased to SEK 341m (626). See page 21.

Strategic capital expenditures totaled SEK -189m (-143). The cash flow effect of acquisitions amounted to SEK 0m (-158, pertaining to the acquisition of shares in Groupe ISB). Cash flow for the period was SEK 406m (-172). See page 17.

**FINANCING**

At March 31, 2020, net debt totaled SEK 9,087m, an increase during the quarter of SEK 490m. The increase in net debt was mainly due to the revaluation of pension assets. Net debt in relation to EBITDA amounted to 1.9x (1.6x in the preceding quarter<sup>1</sup>).

At March 31, 2020, gross debt amounted to SEK 10,614m with an average maturity of approximately 4.5 years (including the lease liability). The loan structure consists of short-term commercial paper as well as bonds and bilateral bank loans. The lease liability amounted to SEK 835m, a decrease by SEK 19m compared with the preceding quarter. Unused credit facilities amounted to SEK 5,000m and mature in 2024. Cash and cash equivalents amounted to SEK 867m at the end of the period, an increase by SEK 413m during the quarter. In the January–March 2020 period, financial items totaled SEK -24m compared with SEK -30m in the year-earlier period and compared with SEK -25m in the preceding quarter.

<sup>1</sup> Excluding changed accounting method for the valuation of forest assets.



## TAX

### January–March 2020 compared with January–March 2019

Tax amounted to SEK 121m (230), corresponding to an effective tax rate of 20.1% (20.2).

## EQUITY

### January–March 2020

Total consolidated equity decreased by SEK 259m during the period to SEK 68,251m at March 31, 2020. Equity decreased due to comprehensive income for the period of SEK -258m and other items of SEK -1m.

## CURRENCY EXPOSURE AND CURRENCY HEDGING

About 85% of sales are priced in currencies other than SEK, primarily EUR, USD and GBP. Most purchasing is conducted in SEK, but some purchasing is carried out in foreign currencies.

To reduce the risk of a weaker SEK, all balance sheet items in foreign currency are hedged, as well as major decided and contracted expenses in foreign currency for investments in fixed assets. In addition, a proportion of future net flows in the major currencies are hedged and, in some cases, special order flows.

The company has hedged about 70% of the expected EUR net exposure from sales minus purchases until the end of the third quarter of 2020, as well as approximately 50% for the fourth quarter of 2020 and 25% for the first quarter of 2021, at the average EUR/SEK exchange rate of 10.73. The company has hedged about 80% of the expected USD net exposure from sales minus purchases until the end of the third quarter of 2020, as well as approximately 60% for the fourth quarter of 2020 and 35% for the first quarter of 2021, at the average USD/SEK exchange rate of 9.62.

## PLANNED MAINTENANCE STOPS

No maintenance stops were carried out in the first quarter of 2020.

The estimated effect of the planned maintenance stops on earnings in 2020, calculated as the total of the direct cost of the maintenance and the effect from lower fixed cost coverage from reduced production during the stops, is shown in the table below.

SEKm	Actual				Total
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	
Pulp	0	0	0	138	138
Paper	0	63	0	47	110
<b>Total</b>	<b>0</b>	<b>63</b>	<b>0</b>	<b>185</b>	<b>248</b>

SEKm	Actual	Forecast			Total
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	
Pulp	0	0	35	110	145
Paper	0	65	45	0	110
<b>Total</b>	<b>0</b>	<b>65</b>	<b>80</b>	<b>110</b>	<b>255</b>

## INVESTMENTS

### SCA invests in Obbola kraftliner mill

SCA announced in September 2019 that the company is building a new paper machine for the production of kraftliner at its Obbola paper mill in Umeå. Production in Obbola will increase from the current 450,000 tonnes of kraftliner to 725,000 tonnes per year to meet an expected increase in demand for renewable packaging.

The total investment will be approximately SEK 7.5bn over a five-year period and will be reported as a strategic investment. The investment will replace necessary reinvestments in Obbola of about SEK 2.5bn. The investment will mainly be financed using operating cash flow, complemented with the Group's normal financing sources.

The new paper machine is being constructed in a new building, in line with the current paper machine. This means the mill will be in full operation during the construction period before switching over from the old machine to the new one ahead of its start-up in 2023. The new mill's ramp-up to full capacity is expected to take three years.

The investment of SEK 7.5bn includes environmental investments of approximately SEK 1bn, which include the reduction in oil consumption of 8,000 cubic meters per year and improve the water treatment capacity. Following the investment, SCA's own industrial processes will be 97% fossil-free.

## FOREST SURVEY

### Increase in standing volume in new forest survey

SCA performed a new forest survey in 2019. According to the new survey, SCA's standing volume in Sweden is estimated at 249 million m<sup>3</sup>fo as of December 31, 2019. This compares with the previous survey from 2012–2013 which indicated standing volume of 238 million m<sup>3</sup>fo at the end of 2019. Of the 11 million m<sup>3</sup>fo increase, about 6 million m<sup>3</sup>fo is related to higher than expected growth during the period between surveys (six years) and about 5 million m<sup>3</sup>fo is related to better data measurement compared with the previous survey.

The annual gross growth in Sweden amounted to approximately 10.5 million m<sup>3</sup>fo, 1 million m<sup>3</sup>fo higher than the estimate in the previous survey of about 9.5 million m<sup>3</sup>fo. Net growth, growth after harvesting and natural losses, amounted to approximately 4.0 million m<sup>3</sup>fo, compared with the previous estimate for annual net growth of about 3.0 million m<sup>3</sup>fo.

Together with 3 million m<sup>3</sup>fo of forest in the Baltic states, SCA's total standing volume amounts to 252 million m<sup>3</sup>fo.

### Higher growth enables increased harvesting

Higher growth gives greater long-term harvesting potential and means an increase in the contribution made by SCA's forests to reducing the adverse effects of climate change. Based on the new forest survey, a new harvesting calculation is being conducted and a preliminary assessment indicates that annual harvesting can gradually increase from about 4.3 million m<sup>3</sup>sub in 2020 to 5.4 million m<sup>3</sup>sub in 2025. The ramp up of the annual rate of harvesting is expected to be linear over five years.

The increased growth and harvesting potential is the result of ambitious investments in silviculture and more efficient forest management. In addition, growth is expected to increase further in the long term as the climate becomes warmer. Higher growth also increases SCA's contribution to a fossil-free society. Growing forests bind carbon dioxide at the same time as a higher level of timber production enables more substitution of fossil based products to renewable alternatives. In 2019, SCA contributed a total climate benefit of 10.5 million tonnes of carbon dioxide, which corresponds to the emissions from all passenger cars in Sweden.

## CORONAVIRUS PANDEMIC

Health and safety of our employees and society is the highest priority during the coronavirus pandemic. The impact on production, deliveries and demand for SCA's products, where SCA also has a responsibility to deliver important input goods to, among others, hygiene products and packaging for food and medicines, has so far been limited.

SCA has a solid financial position and strong liquidity. In addition, SCA works actively to secure cash flow, monitor inventory levels and secure the supply chain. SCA has also taken a number of actions to protect risk groups, reduce the spread of the virus and to maintain production and operations.

There is significant uncertainty going forward and the coronavirus may have a negative impact on SCA's earnings.

The Forest business area, where most of operations take place in Northern Sweden, has to date been unaffected by the pandemic. The business area is active to ensure the supply of raw material to SCA's industries, where access to harvesting resources is key.

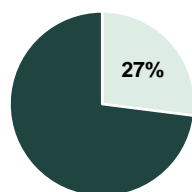
The impact on solid-wood products has been limited up to today, but there is substantial uncertainty moving forward. Delivery volumes to Scandinavia have remained stable, but the market weakened slightly toward the end of the quarter. Demand in Asia is recovering following lower demand in the first quarter of 2020. Demand in southern Europe, the UK and France decreased sharply due to the restrictions imposed, which will impact SCA's wood processing and distribution to the building materials trade in the UK and France. In response to lower demand, sawmills will limit production.

SCA is primarily focused on pulp to tissue and hygiene products – product areas where demand has increased due to the coronavirus. Demand for pulp for specialty paper has also risen while demand for pulp for publication paper has fallen.

Deliveries of kraftliner improved during the quarter and inventory levels declined. The coronavirus has increased demand for packaging paper to e-commerce and food, while demand has fallen for packaging to industrial products.

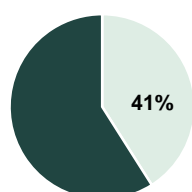
The ongoing pandemic has created greater uncertainty in the publication paper market and demand has fallen sharply as a result of the decrease in direct mail and advertising. In response to the current uncertain market conditions, the Ortviken paper mill has planned for potential temporary stoppages, which may come at short notice, in the coming quarters. Currently, about 5 weeks of stoppages are planned for the spring and summer.

### Share of Net sales Jan-Mar 2020\*



\* before elimination of intra-Group sales

### Share of EBITDA Jan-Mar 2020\*\*



\*\* share calculated of total EBITDA excluding central costs

## FOREST

SCA owns 2.6 million hectares of forest land in Northern Sweden and the Baltic region, an area corresponding to 6% of Sweden's land area. SCA's unique forest holding is a growing resource that provides access to high-quality forest raw materials while absorbing a net of more than 10% of Sweden's fossil CO<sub>2</sub> emissions.

SEKm	Quarter				
	2020:1	2019:1	%	2019:4	%
Net sales	1,833	1,651	11	1,694	8
EBITDA	452	331	37	607	-26
Depreciation	-54	-50	8	-58	-7
Operating profit	398	281	42	549	-28
EBITDA margin, %	24.6	20.0		35.8	
Operating margin, %	21.7	17.0		32.4	
Return on capital employed, %	2.8	4.1		5.2	
Harvesting of own forest, thousand m <sup>3</sup> sub	751	745	1	1,230	-39
Revaluation of biological assets <sup>1</sup>	333	232	44	223	49

### Management of SCA-owned forest

Forest includes net sales from timber sourced from SCA's own forests, and from timber purchased from other forest owners, which is sold internally to SCA's forest industry operations. The pricing method is based on an average of Forest's externally sourced timber prices.

During the first three months of the year, the volume of timber harvested from SCA-owned forest was 751,000 m<sup>3</sup> sub. The current planned rate of timber harvest in SCA-owned forest is approximately 4.3 million m<sup>3</sup> sub per year.<sup>2</sup>

### Revaluation of biological assets

The revaluation of biological assets recognized under the Forest segment is related to the underlying change in value. The revaluation is mainly driven by the annual increase in standing volume (net growth) and the market value of forest land. The non-recurring impact of the changed accounting method for the valuation of forest assets of approximately SEK 16 billion in the fourth quarter of 2019 was recognized in the Other segment.

### January–March 2020 compared with January–March 2019

Net sales increased 11% to SEK 1,833m (1,651), mainly related to higher delivery volumes to the expanded pulp mill.

EBITDA improved 37% to SEK 452m (331). The increase is mainly explained by higher earnings from the revaluation of biological assets due to the increased net growth according to the new forest survey and the changed accounting method for the valuation of forest assets.

EBITDA margin increased to 24.6% (20.0), mainly related to higher earnings from the revaluation of biological assets. An increase in externally sourced pulpwood to meet higher demand for wood for the expanded pulp mill had an adverse impact on the EBITDA margin. Externally sourced wood is sold to the industry at cost and thereby contributes to higher net sales, but not to increased profits, resulting in a lower margin.

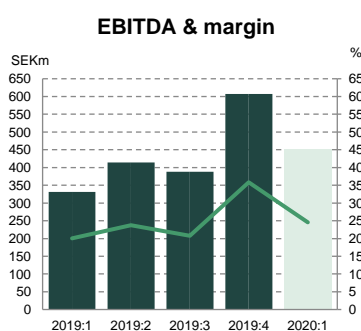
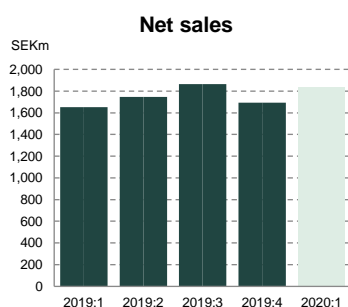
### January–March 2020 compared with October–December 2019

Net sales increased 8% to SEK 1,833m (1,694), primarily attributable to higher delivery volumes.

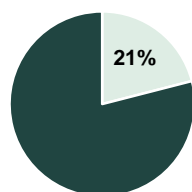
EBITDA amounted to SEK 452m (607), a decrease of 26%. The decrease was mainly related to seasonally lower harvesting from SCA-owned forest, lower selling prices and a positive one-off item of SEK 0m (115) from forest land transactions, which increased earnings in the fourth quarter of 2019. Higher earnings from the revaluation of biological assets had a positive impact on earnings.<sup>1</sup>

<sup>1</sup> The proportion of timber harvested from SCA-owned forest relative to deliveries from external suppliers varies between quarters. The expected annual change in value of the biological assets is distributed between the quarters in relation to seasonal variations in harvesting of SCA-owned forest. A higher share of harvesting from SCA-owned forest generally leads to a lower impact from the revaluation of biological assets.

<sup>2</sup> According to the previous forest survey from 2012–2013. Based on the new forest survey, a new harvesting calculation is being conducted and a preliminary assessment indicates that annual harvesting can gradually increase from about 4.3 million m<sup>3</sup>sub in 2020 to 5.4 million m<sup>3</sup>sub in 2025.

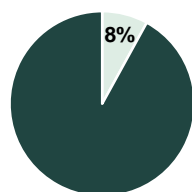


### Share of Net sales Jan-Mar 2020\*



\* before elimination of intra-Group sales

### Share of EBITDA Jan-Mar 2020\*\*



\*\* share calculated of total EBITDA excluding central costs

## WOOD

SCA is one of Europe's leading suppliers of wood-based products for the wood industry and building materials trade, with an annual production capacity of 2.2 m<sup>3</sup> of solid-wood products. SCA has five cost-efficient sawmills located close to its forest holdings in Northern Sweden, as well as wood processing and distribution to the building materials trade in Scandinavia, the UK and France.

SEKm	Quarter				
	2020:1	2019:1	%	2019:4	%
Net sales	1,436	1,678	-14	1,376	4
EBITDA	95	297	-68	125	-24
Depreciation	-64	-68	-6	-76	-16
Operating profit	31	230	-87	49	-37
EBITDA margin, %	6.6	17.7		9.1	
Operating margin, %	2.1	13.7		3.6	
Return on capital employed, %	3.5	28.3		6.0	
Deliveries, wood products, thousand m <sup>3</sup>	610	638	-4	578	6

### January–March 2020 compared with January–March 2019

Net sales declined 14% to SEK 1,436m (1,678). The decrease was mainly related to lower selling prices and the merger with Groupe ISB, which had a negative effect on net sales, since the merged company is not consolidated in SCA.

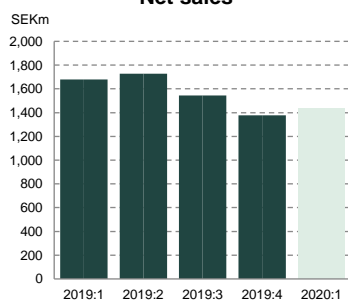
EBITDA decreased to SEK 95m (297), which was mainly attributable to lower selling prices and one-off items in SCA Wood France totaling SEK 0m (90), which increased earnings during the first quarter of 2019.

### January–March 2020 compared with October–December 2019

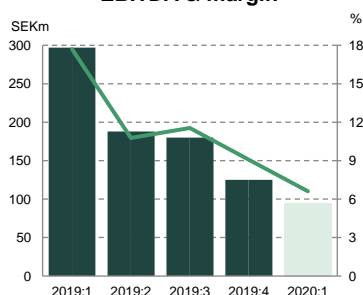
Net sales increased 4% to SEK 1,436m (1,376). This increase was primarily attributable to higher delivery volumes, which were offset by lower selling prices.

EBITDA amounted to SEK 95m (125), a decrease of 24%. The decrease was primarily attributable to lower selling prices, which were offset by lower raw material costs.

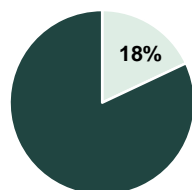
### Net sales



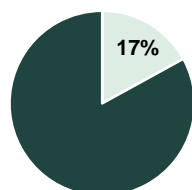
### EBITDA & margin





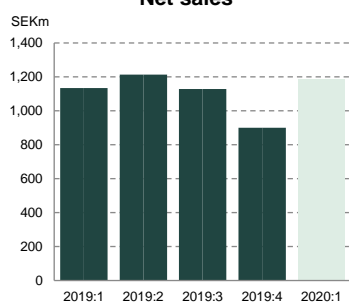
Share of Net sales  
Jan-Mar 2020\*

\* before elimination of intra-Group sales

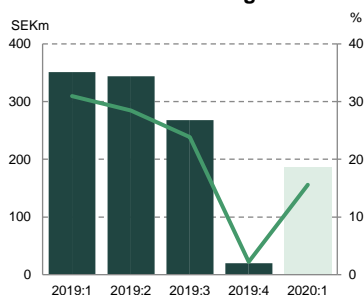
Share of EBITDA  
Jan-Mar 2020\*\*

\*\* share calculated of total EBITDA excluding central costs

Net sales



EBITDA &amp; margin



## PULP

SCA produces market pulp at Östrand pulp mill. Östrand is one of the largest and most cost-efficient production lines for softwood kraft pulp in the world. Together with thermomechanical pulp production, Östrand's annual capacity amounts to 1 million tonnes. SCA's pulp has high-strength properties, suitable for tissue and specialty paper.

SEKm	Quarter				
	2020:1	2019:1	%	2019:4	%
Net sales	1,188	1,134	5	900	32
EBITDA	186	351	-47	20	830
Depreciation	-131	-129	2	-128	2
Operating profit	55	221	-75	-109	150
EBITDA margin, %	15.6	31.0		2.2	
Operating margin, %	4.6	19.5		-12.1	
Return on capital employed, %	2.3	12.2		-4.7	
Deliveries, pulp, thousand tonnes	226	168	35	167	35

### January–March 2020 compared with January–March 2019

Net sales rose 5% to SEK 1,188m (1,134). This increase was primarily attributable to higher delivery volumes to the expanded pulp mill, which were offset by lower selling prices.

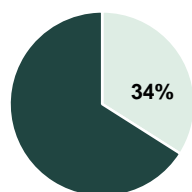
EBITDA declined 47% to SEK 186m (351), which was mainly attributable to lower selling prices. Higher delivery volumes and favorable exchange rate effects had a positive earnings effect. The cost of planned maintenance stops amounted to SEK 0m (0).

### January–March 2020 compared with October–December 2019

Net sales increased 32% to SEK 1,188m (900). The increase was primarily attributable to higher delivery volumes. Maintenance stops had a negative impact on delivery volumes for the comparative period. Lower selling prices had an adverse impact on net sales.

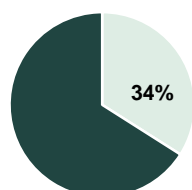
EBITDA improved to SEK 186m (20). The increase was primarily due to lower costs for planned maintenance stops of SEK 0m (138), lower costs for unscheduled maintenance stops of SEK 0m (50), and lower raw material costs. Lower selling prices had a negative impact on earnings.

### Share of Net sales Jan-Mar 2020\*



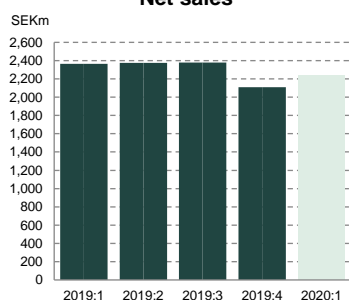
\* before elimination of intra-Group sales

### Share of EBITDA Jan-Mar 2020\*\*

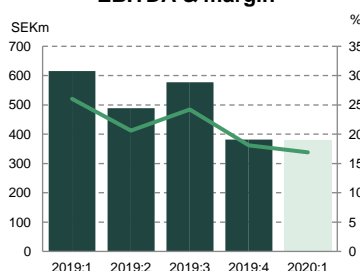


\*\* share calculated of total EBITDA excluding central costs

### Net sales



### EBITDA & margin



## PAPER

SCA produces kraftliner – paper for corrugated transport packaging – and publication paper for magazines, catalogs and commercial print. SCA is Europe's largest independent producer of kraftliner, with a total capacity of 865,000 tonnes per year. Kraftliner is produced at the paper mills in Munksund, Piteå, and in Obbola, Umeå. Publication paper is produced at the Ortvikens paper mill in Sundsvall, with a capacity of 775,000 tonnes per year.

SEKm	Quarter				
	2020:1	2019:1	%	2019:4	%
Net sales	2,242	2,366	-5	2,108	6
EBITDA	379	616	-38	382	-1
Depreciation	-143	-137	4	-149	-4
Operating profit	236	479	-51	233	1
EBITDA margin, %	16.9	26.0		18.1	
Operating margin, %	10.5	20.2		11.1	
Return on capital employed, %	14.3	28.7		13.9	
Deliveries, kraftliner, thousand tonnes	220	193	14	186	18
Deliveries, publication paper, thousand tonnes	175	174	1	163	7

### January–March 2020 compared with January–March 2019

Net sales declined 5% to SEK 2,242m (2,366). Lower selling prices for kraftliner and publication paper had an adverse impact on net sales, which was offset by higher delivery volumes for kraftliner.

EBITDA declined 38% to SEK 379m (616). The decrease was primarily attributable to lower selling prices for kraftliner and publication paper. Higher delivery volumes for kraftliner, lower raw material costs and favorable exchange rate effects had a positive earnings effect. The cost of planned maintenance stops amounted to SEK 0m (0).

### January–March 2020 compared with October–December 2019

Net sales rose 6% to SEK 2,242m (2,108). This increase was primarily attributable to higher delivery volumes for kraftliner and publication paper, which were offset by lower selling prices.

EBITDA amounted to SEK 379m (382), a decrease of 1%. Lower selling prices for kraftliner and publication paper were offset by higher sales volumes for kraftliner and publication paper, lower raw material costs, lower costs for maintenance stops of SEK 0m (47) and favorable exchange rate effects.

## RENEWABLE ENERGY

SCA's forest assets and industrial operations provide the company with significant potential to develop new business opportunities in the field of renewable energy. Greater value creation from by-products from the forest and industry create opportunities for profitable and sustainable growth.

SCA is now one of Europe's largest producers of forest-based bioenergy, with a total production of about 11.9 TWh per year. In Sweden, SCA has three pellets factories that have an annual production capacity of 300,000 tonnes.

SCA leases out land for wind power production. At the end of the first quarter of 2020, 536 wind turbines were operating on SCA's land with an annual production capacity of 5.0 TWh, equivalent to about 20% of Sweden's total wind power production. Together with previously agreed but not yet completed projects, production on SCA's land is expected to increase to 8.0 TWh by 2022.

The expanded pulp mill in Östrand will produce 1.2 TWh of green electricity, corresponding to almost 1% of Sweden's total electricity production. The mill is self-sufficient in electricity and the surplus of 0.5 TWh is sold on the electricity market.

SCA also develops products for the next-generation of biofuels and green chemicals.

## SHARE DISTRIBUTION

March 31, 2020	Class A	Class B	Total
Registered number of shares	64,587,672	637,754,817	702,342,489

At the end of the period, the proportion of Class A shares was 9.2%. No change was made to Class A and Class B shares during the first quarter. The total number of votes in the company amounts to 1,283,631,537.

## FUTURE REPORTS

- Financial statements for the second quarter will be published on July 21, 2020.
- Financial statements for the third quarter will be published on October 30, 2020.
- The year-end report will be published on January 29, 2021.

## INVITATION TO PRESS CONFERENCE ON INTERIM REPORT FOR THE FIRST QUARTER OF 2020

The press conference can be followed via webcast or telephone. The President and CEO, Ulf Larsson, and CFO, Toby Lawton, will present the report and answer any questions.

Time: Friday, April 24, 2020 at 10:00 a.m.

The press conference will be webcast live at [www.sca.com](http://www.sca.com). It is also possible to participate by telephone by calling:

Sweden: +46 (0)8 5069 2180  
 UK: +44 (0)2071 928000  
 US: +1 631 510 7495

Specify "SCA" or the conference ID: 6461139.

Sundsvall, April 24, 2020

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Ulf Larsson  
 President and CEO

### For further information, please contact

Toby Lawton, CFO, +46 (0)60 19 31 09

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Josefine Bonnevier, Investor Relations Director, +46 (0)60 19 33 90 (as of May 4)

### Please note:

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This is information that SCA is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of the contact person set out below, on April 24, 2020 at 08:00 a.m. CEST. The report has not been reviewed by the company's auditors.

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Björn Lyngfelt, Vice President, Communications, +46 (0)60 19 34 98

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

SEKm	Quarter				
	2020:1	2019:1	%	2019:4	%
Net sales	4,793	5,076	-6	4,312	11
Other income	511	570	-10	598	-15
Change in inventories	-256	196		114	
Change in value in biological assets	333	232	44	16,265	-98
Raw materials and consumables	-1,726	-2,025	-15	-1,574	10
Personnel costs	-787	-767	3	-738	7
Other external costs	-1,843	-1,723	7	-1,863	-1
Share of profits of associates	5	1		-16	
<b>EBITDA</b>	<b>1,030</b>	<b>1,560</b>	<b>-34</b>	<b>17,098</b>	<b>-94</b>
Depreciation	-402	-392	3	-498	-19
<b>Operating profit</b>	<b>628</b>	<b>1,168</b>	<b>-46</b>	<b>16,600</b>	<b>-96</b>
Financial items	-24	-30		-25	
<b>Profit before tax</b>	<b>604</b>	<b>1,138</b>	<b>-47</b>	<b>16,575</b>	<b>-96</b>
Tax	-121	-230		-3,422	
<b>Net Profit for the period</b>	<b>483</b>	<b>908</b>	<b>-47</b>	<b>13,153</b>	<b>-96</b>
<i>Earnings per share SEK<sup>1</sup></i>	<i>0.69</i>	<i>1.29</i>		<i>18.73</i>	
<b>Earnings attributable to:</b>					
Owners of the parent	483	908		13,153	
Average no. of shares, millions	702.3	702.3		702.3	
<b>Margins (%)</b>					
EBITDA margin	21.5	30.7		396.5	
Operating margin	13.1	23.0		385.0	
Net margin	10.1	17.9		305.0	

<sup>1</sup> There are no dilution effects.

For the Consolidated statement of profit or loss excluding the impact of the changed accounting method for the valuation of forest assets in 2019:4, see Note 8.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter		
	2020:1	2019:1	2019:4
<b>Profit for the period, continuing operations</b>	<b>483</b>	<b>908</b>	<b>13,153</b>
<b>Other comprehensive income for the period:</b>			
<b>Items that may not be reclassified to the income statement</b>			
Change of value land assets <sup>1</sup>	-	-	18,893
Revaluation of defined benefit pension plans	-572	35	353
Income tax attributable to components of other comprehensive income	118	-4	-3,966
<b>Total</b>	<b>-454</b>	<b>31</b>	<b>15,280</b>
<b>Items that have been or may be reclassified subsequently to the income statement</b>			
Cash flow hedges	-445	-204	-24
Hedge cost	-7	-	23
Translation differences in foreign operations	72	14	-20
Income tax attributable to components of other comprehensive income	93	42	0
<b>Total</b>	<b>-287</b>	<b>-148</b>	<b>-21</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-741</b>	<b>-117</b>	<b>15,259</b>
<b>Total comprehensive income for the period</b>	<b>-258</b>	<b>791</b>	<b>28,412</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	-258	791	28,412
Non-controlling interests	0	-	0

<sup>1</sup> Effect from change of accounting principal in 2019:4.

## CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	Mar 31, 2020	Dec 31, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill and other intangible assets	349	211
Buildings, land, machinery and equipment	18,309	18,184
Forest assets	70,097	69,682
<i>whereof land assets</i>	20,192	20,170
<i>whereof biological assets</i>	49,905	49,512
Right-of-use assets	819	841
Other non-current assets	1,113	1,468
<b>Total non-current assets</b>	<b>90,687</b>	<b>90,386</b>
<b>Current assets</b>		
Inventories	4,817	5,014
Trade receivables	2,767	2,313
Other current receivables	905	898
Cash and cash equivalents	867	454
<b>Total current assets</b>	<b>9,356</b>	<b>8,679</b>
<b>Total assets</b>	<b>100,043</b>	<b>99,065</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Owners of the Parent</b>		
Share capital	2,350	2,350
Share premium	6,830	6,830
Reserves	14,405	14,693
Retained earnings	44,666	44,637
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>68,251</b>	<b>68,510</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	5,892	5,888
Provisions for pensions	664	522
Deferred tax liabilities	15,628	15,780
Other non-current liabilities & provisions	199	161
<b>Total non-current liabilities</b>	<b>22,383</b>	<b>22,351</b>
<b>Current liabilities</b>		
Current financial liabilities	4,058	3,730
Trade payables	3,420	3,336
Other current liabilities	1,931	1,138
<b>Total current liabilities</b>	<b>9,409</b>	<b>8,204</b>
<b>Total liabilities</b>	<b>31,792</b>	<b>30,555</b>
<b>Total liabilities and equity</b>	<b>100,043</b>	<b>99,065</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>SEKm</b>	<b>Mar 31, 2020</b>	<b>Dec 31, 2019</b>
<b>Attributable to owners of the parent</b>		
Opening balance, January 1	68,510	39,062
Total comprehensive income for the period	-258	30,684
Cash flow hedge transferred at cost of hedged investments	-1	-8
Tax on cash flow hedge transferred at cost of hedged investments	0	2
Cash dividend	-	-1,229
Acquisition of non-controlling interests	0	0
Remeasurement effect upon acquisition of non-controlling interests	0	-1
<b>Closing balance</b>	<b>68,251</b>	<b>68,510</b>
<b>Non-controlling interests</b>		
Opening balance, January 1	0	-
Total comprehensive income for the period	0	-
Acquisition of non-controlling interests	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>
<b>Total equity, closing balance</b>	<b>68,251</b>	<b>68,510</b>

**CONSOLIDATED CASH FLOW STATEMENT**

SEKm	Jan-Mar	
	2020	2019
<b>Operating activities</b>		
Profit before tax	604	1,138
Adjustment for non-cash items <sup>1</sup>	43	-21
Paid tax	-42	-5
<b>Cash flow from operating activities before changes in working capital</b>	<b>605</b>	<b>1,112</b>
Cash flow from changes in working capital		
Change in inventories	202	-466
Change in operating receivables	-267	-306
Change in operating liabilities	-80	420
<b>Cash flow from operating activities</b>	<b>460</b>	<b>760</b>
<b>Investing activities</b>		
Acquisitions	0	-158
Current capital expenditures in non-current assets, net	-158	-142
Strategic capital expenditures in non-current assets	-189	-143
Acquisition of financial asset	0	-19
<b>Cash flow from investing activities</b>	<b>-347</b>	<b>-462</b>
<b>Financing activities</b>		
Loans raised	336	759
Amortization of loans, leasing	-43	0
Dividend	-	-1,229
<b>Cash flow from financing activities</b>	<b>293</b>	<b>-470</b>
<b>Net cash flow for the period</b>	<b>406</b>	<b>-172</b>
Cash and cash equivalents at the beginning of the period	454	648
Translation differences in cash and cash equivalents	7	13
<b>Cash and cash equivalents at the end of the period</b>	<b>867</b>	<b>489</b>
Cash flow from operating activities per share SEK	0.65	1.08
<sup>1</sup> Depreciation/amortization and impairment of non-current assets	402	392
Fair-value measurement of biological assets	-333	-232
Other	-26	-181
<b>Total</b>	<b>43</b>	<b>-21</b>

## INCOME STATEMENT PARENT COMPANY

SEKm	Jan-Mar	
	2020	2019
Other operating income	66	64
Other operating expenses	-43	-44
Personnel costs	-27	-23
<b>EBITDA</b>	<b>-4</b>	<b>-3</b>
Depreciation	-22	-22
<b>Operating profit</b>	<b>-26</b>	<b>-25</b>
Result from participations in Group companies	0	0
Financial items	4	30
<b>Profit before tax</b>	<b>-22</b>	<b>5</b>
Appropriations and tax	250	148
<b>Profit for the period</b>	<b>228</b>	<b>153</b>

Other operating income was mainly related to remuneration for the granting of felling rights for the Parent Company's forest assets.

## BALANCE SHEET PARENT COMPANY

SEKm	Mar 31, 2020	Dec 31, 2019
Tangible non-current assets	8,636	8,641
Financial non-current assets	9,765	9,681
<b>Total non-current assets</b>	<b>18,401</b>	<b>18,322</b>
Current assets	13,722	12,563
<b>Total assets</b>	<b>32,123</b>	<b>30,885</b>
Restricted equity	11,373	11,373
Non-restricted equity	8,779	8,551
<b>Total equity</b>	<b>20,152</b>	<b>19,924</b>
Provisions	1,591	1,594
Non-current liabilities	5,332	5,236
Current liabilities	5,048	4,131
<b>Total equity, provisions and liabilities</b>	<b>32,123</b>	<b>30,885</b>



## NOTES

### 1. ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board, and with regards to the Parent Company, RFR 2. The accounting principles are described in detail in SCA's 2019 Annual Report.

The definition of business acquisitions in IFRS 3 Business acquisitions has been changed. The criteria for classifying an acquisition as a business acquisition is that it must contain at least an input and a substantive process that together obviously make a significant contribute to the ability to create output. The change in IFRS 3 had no impact on SCA's interim report, but may affect future periods if SCA makes acquisitions.

Several amendments and interpretations apply for the first time from 2020, but they are not judged to have any material impact on the Group's interim report.

### 2. EVENTS AFTER THE END OF THE QUARTER

#### Financing

A loan of SEK 1,000m was paid in April, which together with cash, was used to reduce outstanding commercial papers. Also in April, a new supplementary credit facility was signed with all banks in the bank group. The facility has a framework of SEK 1,600m and will expire in 12 months, with an extension option of six months. Together with unutilized credit facilities and cash, SCA's liquidity reserve amounted to approximately SEK 7.5 billion. There are no financial covenants on SCA's debt.

### 3. REVENUE FROM CONTRACTS WITH CUSTOMERS

SEKm	Jan-Mar	
	2020	2019
Sweden	599	638
EU excl. Sweden	2,863	3,152
Rest of Europe	317	306
Rest of world	1,014	980
<b>Total Group</b>	<b>4,793</b>	<b>5,076</b>

### 4. RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 64–68 of the 2019 Annual Report.

The corona pandemic, the outcome and consequences of which are difficult to predict, has increased uncertainty and may impact the company's performance and profitability (see page 6).

### 5. RELATED PARTY TRANSACTIONS

No transactions took place between SCA and related parties with any material impact on the company's financial position or results.

## 6. FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	Measurement level	Mar 31, 2020	Dec 31, 2019
<b>Financial assets measured at fair value in the income statement</b>			
Derivatives - Current financial assets	2	1	3
Derivatives - Other current receivables	2	6	23
<b>Total</b>		<b>7</b>	<b>26</b>
<b>Financial liabilities measured at fair value in the income statement</b>			
Derivatives - Current financial liabilities	2	4	1
Derivatives - Other current financial liabilities	2	90	15
<b>Total</b>		<b>94</b>	<b>16</b>
<b>Financial assets measured at fair value through other comprehensive income</b>			
Equity instruments	3	14	14
<b>Total</b>		<b>14</b>	<b>14</b>
<b>Financial liabilities measured at amortized cost</b>			
Non-current financial liabilities excluding leasing	-	5,200	5,190
Non-current financial liabilities, leasing	-	679	698
Current financial liabilities excluding leasing	-	3,897	3,574
Current financial liabilities, leasing	-	156	156
<b>Total</b>		<b>9,932</b>	<b>9,618</b>
<b>Derivatives used for hedge accounting</b>			
Non-current financial assets	2	-	0
Other non-current assets	1,2	50	2
Other current receivables	1,2	18	78
<b>Total</b>		<b>68</b>	<b>80</b>
<b>Derivatives used for hedge accounting</b>			
Non-current financial liabilities	2	13	-
Other non-current financial liabilities	2	102	54
Other current financial liabilities	2	432	52
<b>Total</b>		<b>547</b>	<b>106</b>

The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, and the fair value of trade payables is estimated to be equal to their carrying amount. The total fair value of current and non-current financial liabilities was SEK 9,093m (8,749). The value of electricity derivatives is based on published prices in an active market. Other financial instruments are market to market, based on prevailing currency and interest rates on the balance sheet date. The fair value of debt instruments is determined using valuation models, such as discounting future cash flows at quoted market rates for the respective maturity.

## 7. CONTINGENT LIABILITIES, PLEDGED ASSETS AND COMMITMENTS

SEKm	Parent		Group	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2020	Dec 31, 2019
<b>Contingent liabilities</b>				
Guarantees for subsidiaries	783	750	-	-
associates	-	-	5	5
customers and others	-	-	29	31
Other contingent liabilities	316	285	16	18
<b>Total</b>	<b>1,099</b>	<b>1,035</b>	<b>50</b>	<b>54</b>
<b>Pledged assets</b>				
Chattel mortgages	20	20	20	20
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

## Commitments

SCA has a decided investment in Obbola totaling SEK 7.5bn over a five-year period. As of March 31, 2020, SEK 6.5bn remained. Of this amount, SEK 2.7bn is a contracted commitment and in its entirety refers to fixed assets.

## 8. ALTERNATIVE PERFORMANCE MEASURES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Including and excluding the impact of the changed accounting method for the valuation of forest assets*

SEKm	Quarter					
	2020:1	2019:1	%	2019:4	2019:4 <sup>1</sup>	% <sup>2</sup>
Net sales	4,793	5,076	-6	4,312	4,312	11
Other income	511	570	-10	598	598	-15
Change in inventories	-256	196		114	114	
Change in value in biological assets	333	232	44	16,265	222	50
Raw materials and consumables	-1,726	-2,025	-15	-1,574	-1,574	10
Personnel costs	-787	-767	3	-738	-738	7
Other external costs	-1,843	-1,723	7	-1,863	-1,863	-1
Share of profits of associates	5	1		-16	-16	
<b>EBITDA</b>	<b>1,030</b>	<b>1,560</b>	<b>-34</b>	<b>17,098</b>	<b>1,055</b>	<b>-2</b>
Depreciation	-402	-392	3	-498	-418	-4
<b>Operating profit</b>	<b>628</b>	<b>1,168</b>	<b>-46</b>	<b>16,600</b>	<b>637</b>	<b>-1</b>
Financial items	-24	-30		-25	-25	
<b>Profit before tax</b>	<b>604</b>	<b>1,138</b>	<b>-47</b>	<b>16,575</b>	<b>612</b>	<b>-1</b>
Tax	-121	-230		-3,422	-134	
<b>Net Profit for the period</b>	<b>483</b>	<b>908</b>	<b>-47</b>	<b>13,153</b>	<b>478</b>	<b>1</b>
<i>Earnings per share SEK<sup>1</sup></i>	<i>0.69</i>	<i>1.29</i>		<i>18.73</i>	<i>0.68</i>	
<b>Earnings attributable to:</b>						
Owners of the parent	483	908		13,153	478	
Average no. of shares, millions	702.3	702.3		702.3	702.3	
<b>Margins (%)</b>						
EBITDA margin	21.5	30.7		396.5	24.5	
Operating margin	13.1	23.0		385.0	14.8	
Net margin	10.1	17.9		305.0	11.1	

<sup>1</sup> Excluding the effect of changed accounting method for valuation of forest assets

<sup>2</sup> Comparison to profit excluding effect of changed accounting method of forest valuation of forest assets

For definitions of alternative performance measures, refer to SCA's 2019 Annual Report, pages 89–92.

### OPERATING CASH FLOW

SEKm	Quarter		
	2020:1	2019:1	2019:4
EBITDA	1,030	1,560	1,055
Changes in value biological assets and other non cash flow items	-340	-246	-323
<b>Operating cash surplus</b>	<b>690</b>	<b>1,314</b>	<b>732</b>
Change in working capital	-146	-353	140
Current capital expenditures, net <sup>1</sup>	-175	-168	-370
Other operating cash flow	-28	-167	81
<b>Operating cash flow</b>	<b>341</b>	<b>626</b>	<b>583</b>

<sup>1</sup> Including SEK 17m (26 in 2019:1 and 99 in 2019:4) of new leasing contracts

**CAPITAL STRUCTURE**

<b>SEKm</b>	<b>Mar 31, 2020</b>	<b>Dec 31, 2019</b>
Biological assets	70,097	69,682
Working capital	3,470	3,748
Deferred tax relating to forest assets	-14,107	-13,977
Other capital employed, net	17,878	17,654
<b>Total capital employed</b>	<b>77,338</b>	<b>77,107</b>
<i>Return on capital employed (%) <sup>1</sup></i>	31.9	36.7
<i>Return on capital employed excluding new method for valuation of forest assets (%) <sup>1</sup></i>	5.3	6.9
<i>Industrial return on capital employed (%) <sup>1,2</sup></i>	8.6	11.9
<b>Net debt, SEKm</b>	<b>9,087</b>	<b>8,597</b>
Net debt/EBITDA (LTM)	1.9x	1.6x
<b>Equity, SEKm</b>	<b>68,251</b>	<b>68,510</b>
Net debt/Equity (%)	13.3	12.5

<sup>1</sup> Rolling 12 months<sup>2</sup> Excluding constructions in progress**WORKING CAPITAL**

<b>SEKm</b>	<b>Mar 31, 2020</b>	<b>Dec 31, 2019</b>
Inventories	4,817	5,014
Accounts receivable	2,767	2,313
Other current receivables	815	790
Accounts payable	-3,420	-3,336
Other current liabilities	-1,841	-1,044
Adjustments <sup>1</sup>	332	11
<b>Working capital</b>	<b>3,470</b>	<b>3,748</b>
Working capital / net sales <sup>2</sup>	20.2	20.2
<sup>1</sup> Adjustments:		
Other current receivables, green certificates	0	-6
Accounts payable, strategic capital expenditures	257	62
Other current provisions	-41	-55
Other current liabilities, emission rights	116	10
<b>Sum adjustments</b>	<b>332</b>	<b>11</b>

<sup>2</sup> Calculated as an average of working capital for 13 months as a percentage of 12-month rolling net sales**NET DEBT**

<b>SEKm</b>	<b>Mar 31, 2020</b>	<b>Dec 31, 2019</b>
Surplus in funded pension plans	585	1,019
Non-current financial assets	74	67
Current financial assets	1	3
Cash and cash equivalents	867	454
<b>Financial receivables</b>	<b>1,527</b>	<b>1,543</b>
Non-current financial liabilities	5,892	5,888
Provisions for pensions	664	522
Current financial liabilities	4,058	3,730
<b>Financial liabilities</b>	<b>10,614</b>	<b>10,140</b>
<b>Net debt</b>	<b>-9,087</b>	<b>-8,597</b>

## 9. QUARTERLY DATA BY SEGMENT

### NET SALES

SEKm	Quarter								
	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4	2018:3	2018:2	2018:1
Forest	1,833	1,694	1,865	1,746	1,651	1,540	1,455	1,162	1,298
Wood	1,436	1,376	1,545	1,727	1,678	1,558	1,712	1,846	1,503
Pulp	1,188	900	1,129	1,214	1,134	1,049	743	485	589
Paper	2,242	2,108	2,380	2,375	2,366	2,421	2,413	2,426	2,383
Intra-group deliveries	-1,906	-1,766	-1,944	-1,834	-1,753	-1,642	-1,564	-1,249	-1,373
<b>Total net sales</b>	<b>4,793</b>	<b>4,312</b>	<b>4,975</b>	<b>5,228</b>	<b>5,076</b>	<b>4,926</b>	<b>4,759</b>	<b>4,670</b>	<b>4,400</b>

### EBITDA

SEKm	Quarter								
	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4	2018:3	2018:2	2018:1
Forest	452	607	388	414	331	427	292	371	304
Wood	95	125	180	188	297	226	276	230	172
Pulp	186	20	268	344	351	370	273	-112	178
Paper	379	382	577	489	616	536	728	618	586
Other	-82	-79	-49	-95	-35	-65	-20	-73	-65
<b>Total EBITDA<sup>1</sup></b>	<b>1,030</b>	<b>1,055</b>	<b>1,364</b>	<b>1,340</b>	<b>1,560</b>	<b>1,494</b>	<b>1,549</b>	<b>1,034</b>	<b>1,175</b>

<sup>1</sup> Including the effect of changed accounting method of forests assets, EBITDA amounted to SEK 16,649m for Forest and SEK 17,097m and for the Group in 2019:4.

### EBITDA MARGIN

Percent	Quarter								
	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4	2018:3	2018:2	2018:1
Forest	24.6	35.8	20.8	23.7	20.0	27.7	20.1	31.9	23.4
Wood	6.6	9.1	11.6	10.8	17.7	14.5	16.1	12.5	11.4
Pulp	15.6	2.2	23.8	28.4	31.0	35.3	36.7	-23.1	30.2
Paper	16.9	18.1	24.2	20.6	26.0	22.2	30.2	25.5	24.6
<b>EBITDA margin<sup>1</sup></b>	<b>21.5</b>	<b>24.5</b>	<b>27.4</b>	<b>25.6</b>	<b>30.7</b>	<b>30.3</b>	<b>32.5</b>	<b>22.1</b>	<b>26.7</b>

<sup>1</sup> Including effect of changed accounting method for valuation of forest assets, the EBITDA margin was 82,8% for Forest and 396,5% for the Group in 2019:4