

SCA Year-end Report 2014



Jan Johansson, President and CEO



Summary 2014



- Highest profit before tax ever
- Good organic sales growth
- Strong growth in emerging markets
- Strong cash flow
- Higher sales and profits in all business areas
- Continued work with efficiency
- Introduced about 30 innovations and product launches
 - Libero, Libresse, Lotus, Saba, Tempo, TENA and Tork
- SCA transferred Chinese hygiene business to Vinda
- Inclusion in key sustainability indexes
- Proposed increase of 10.5% in the dividend to SEK 5.25 per share



Group

2014 vs. 2013



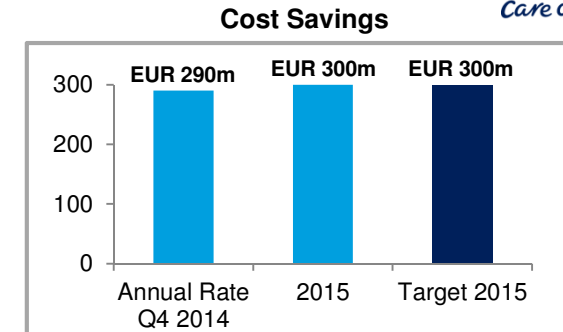
* Excluding items affecting comparability and including gains on forest swaps of SEK 336m (583) before tax

Efficiency Programs



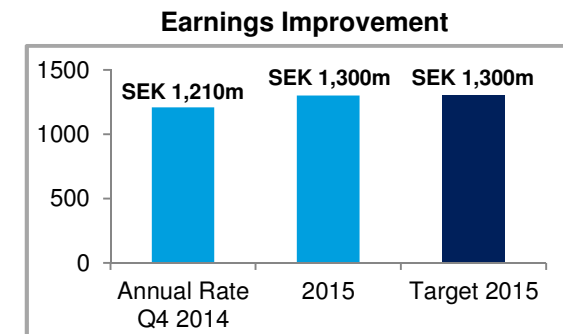
- Hygiene business cost and efficiency program

- ◆ Blueprint implementation in all sites
- ◆ Scale effects for sourcing realized
- ◆ Warehouse efficiency programs



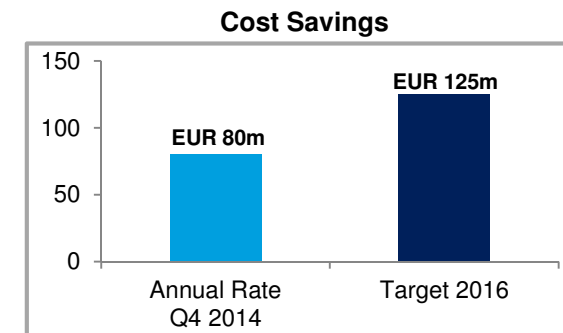
- Forest Products efficiency program

- ◆ Closure of two saw mills
- ◆ Rationalization of maintenance organization
- ◆ Higher productivity in harvesting activities



- Georgia-Pacific synergies

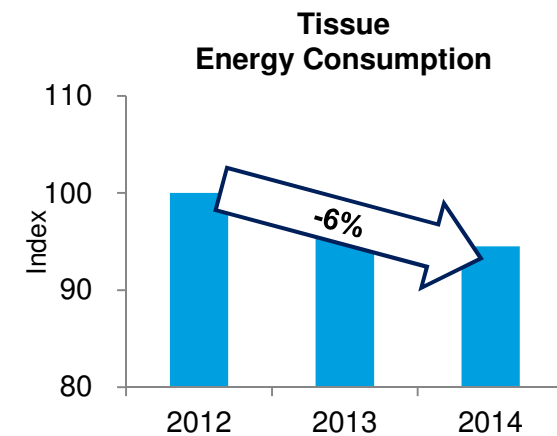
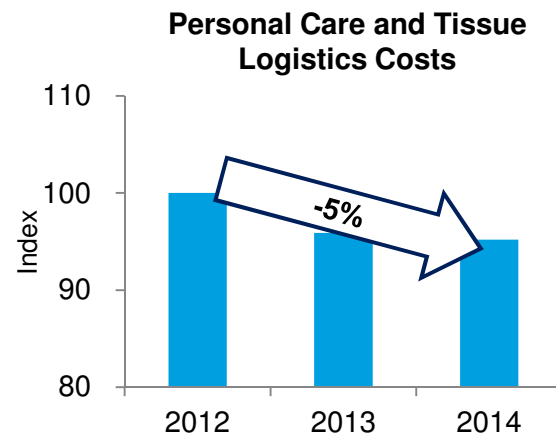
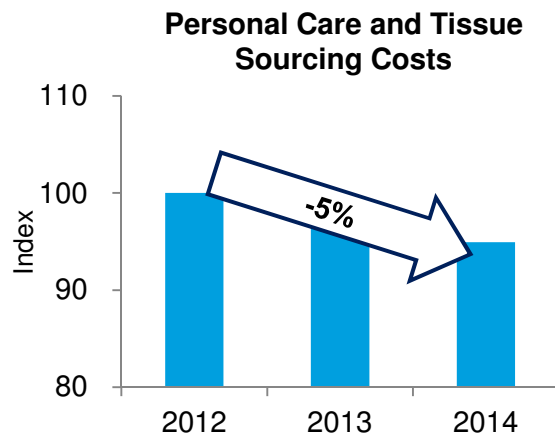
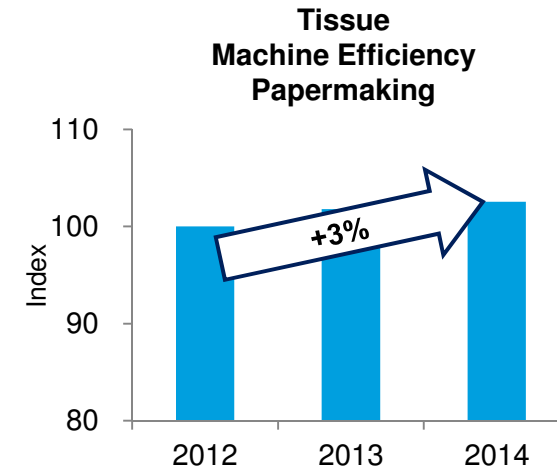
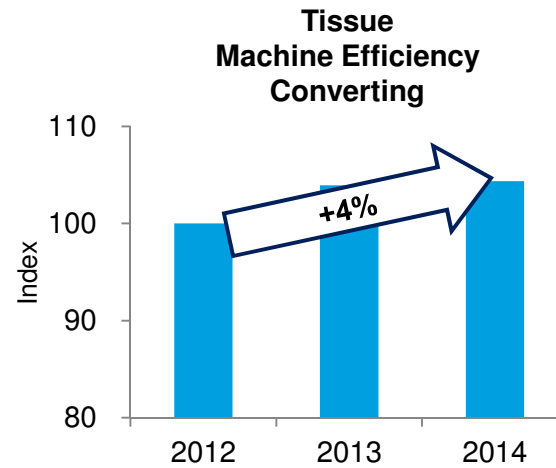
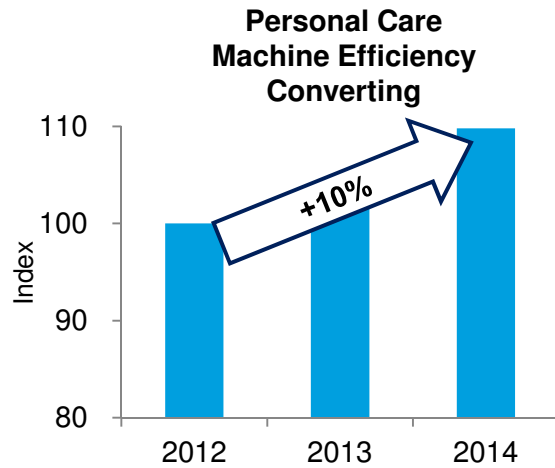
- ◆ Blueprint implementation on-going
- ◆ Footprint optimization on-going and four sites closed
- ◆ Most of scale effects for sourcing of raw materials realized



Cost Efficiency Work Continues

Efficiency Programs

Examples of improvements



Innovations and Product Launches

Q4 2014



TENA Pants Normal	TENA Lady Normal and Extra with Body Shaped Dry Zone	Drypers Drynights	Tempo "Traumreise" (Moments of Calm)
<ul style="list-style-type: none"> More comfortable: 20 percent thinner with body-close fit Skin health: Drier and softer surface High security: double leakage barriers and cup shaped core 	<ul style="list-style-type: none"> New body shaped dry zone, specifically shaped to offer superior protection to prevent leaks Coupled with our unique Fresh Odour Control™ technology, it's the perfect fit offering ultimate protection 	<ul style="list-style-type: none"> With "Our Longest Absorption Core", the night diaper is designed to effectively absorb and distribute urine for up to 12 hours of long-lasting dryness 	<ul style="list-style-type: none"> A new scented hanky product and pack, themed around being amid the lavender fields in the Provence Appealing to engaged hanky users that seek a sensorial experience, delivering a calming and soothing moment

Innovations and Product Launches 2014



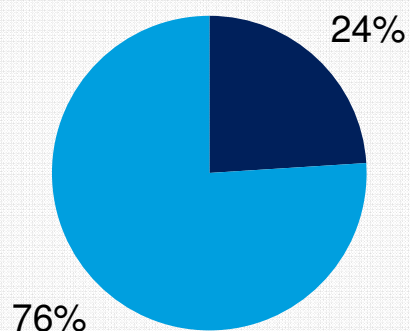
SCA Group

Mature markets and Emerging markets

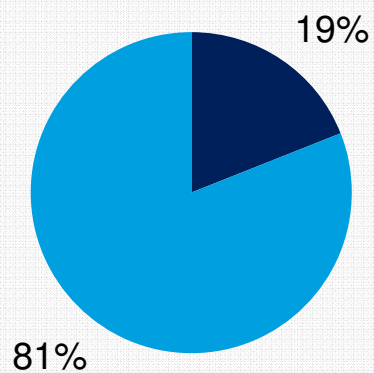


2012

Share of Net Sales

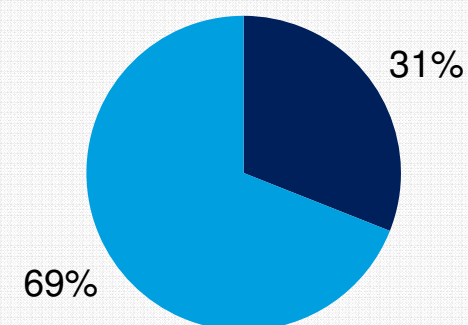


Share of Operating Profit

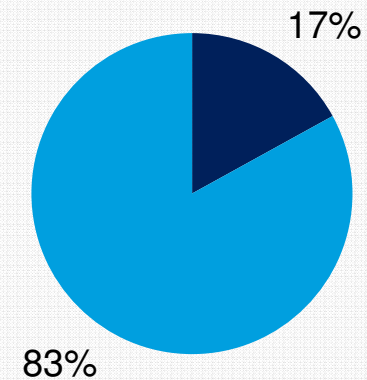


2014

Share of Net Sales



Share of Operating Profit

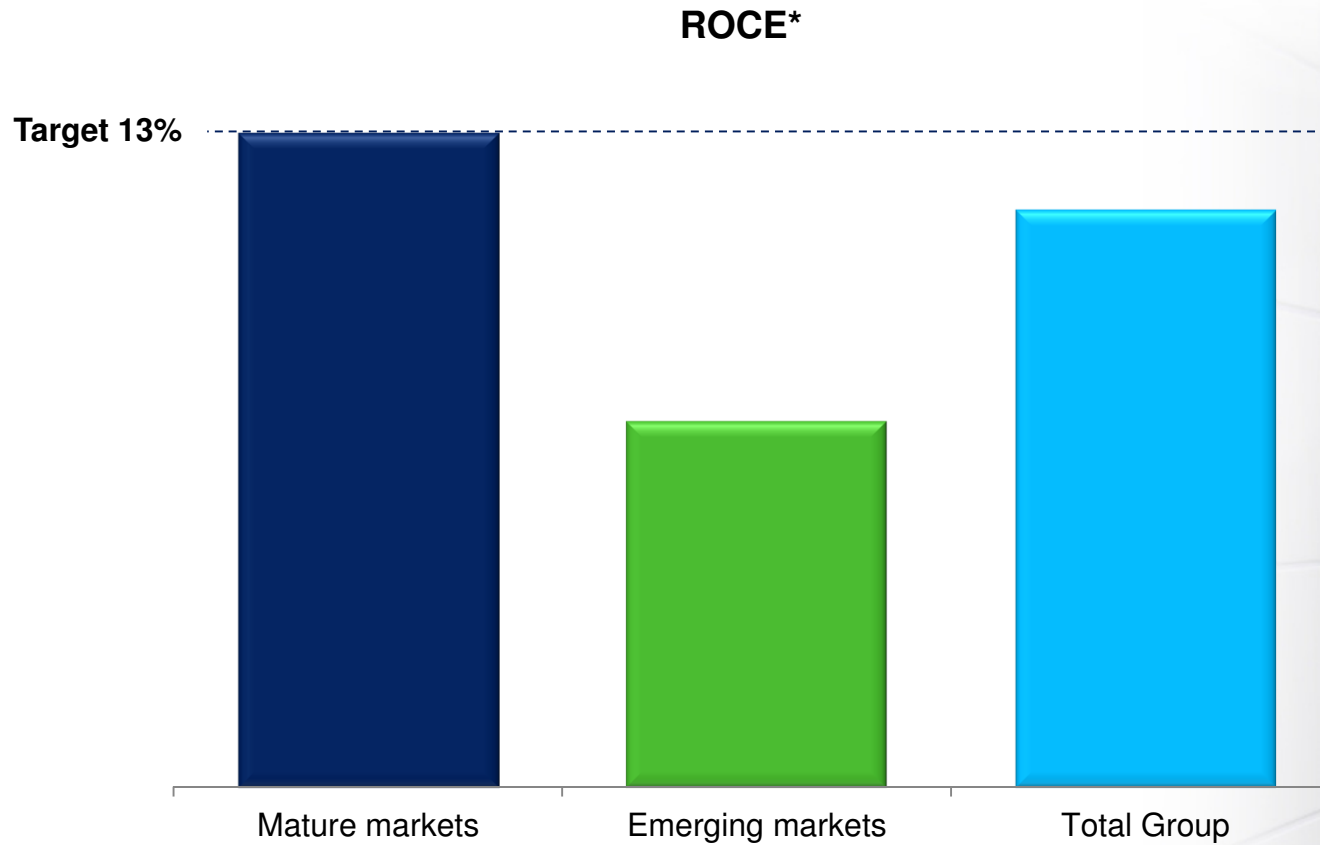


Operating Margin	2012	2013	2014
Mature markets	10.9%	12.3%	13.5%
Emerging markets	7.7%	7.7%	6.4%
Total Group	10.1%	11.2%	11.4%

■ Emerging markets
■ Mature markets

SCA Group ROCE* 2014

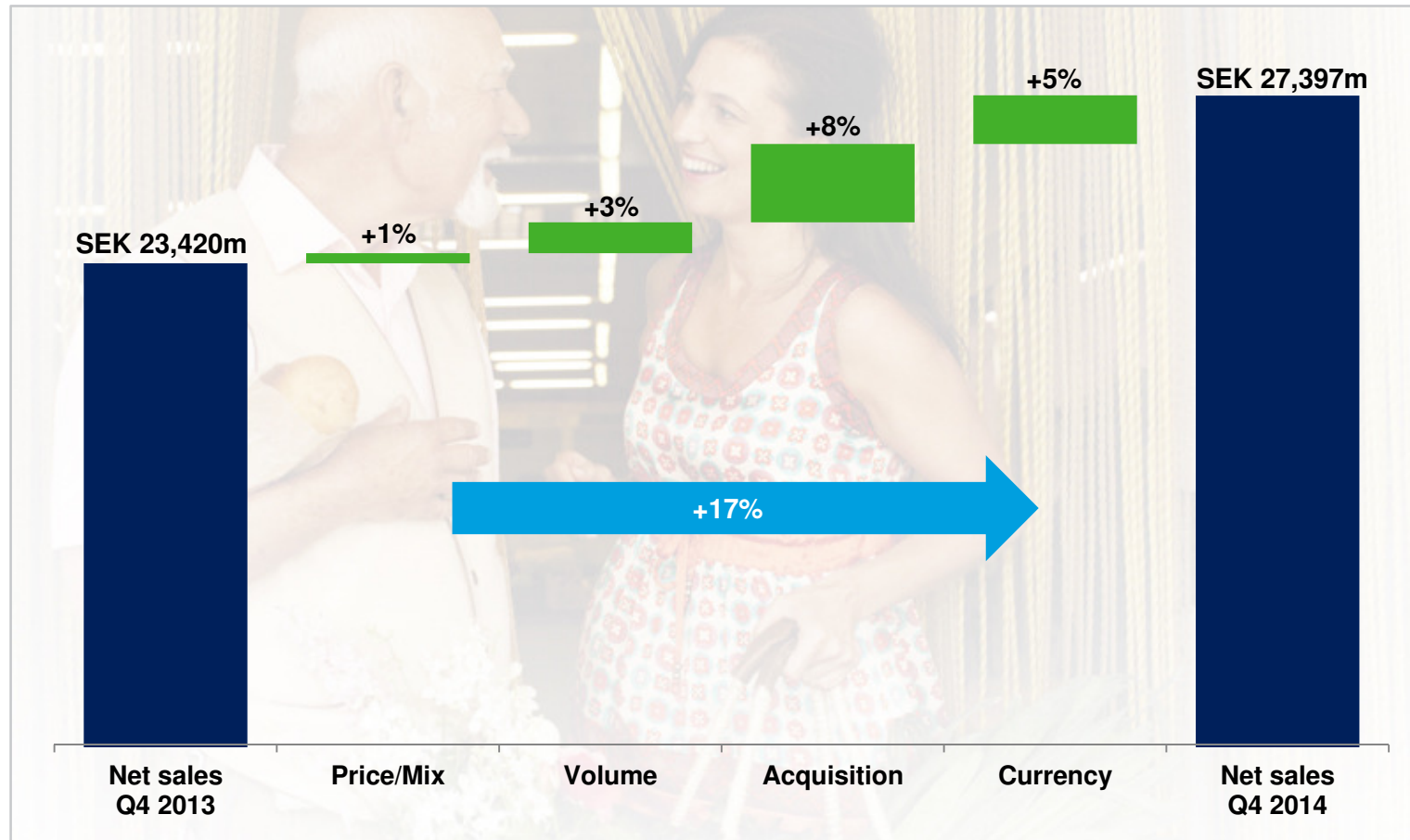
Mature markets and Emerging markets



**Return on capital employed excluding items affecting comparability*

Net Sales

Q4 2014 vs. Q4 2013



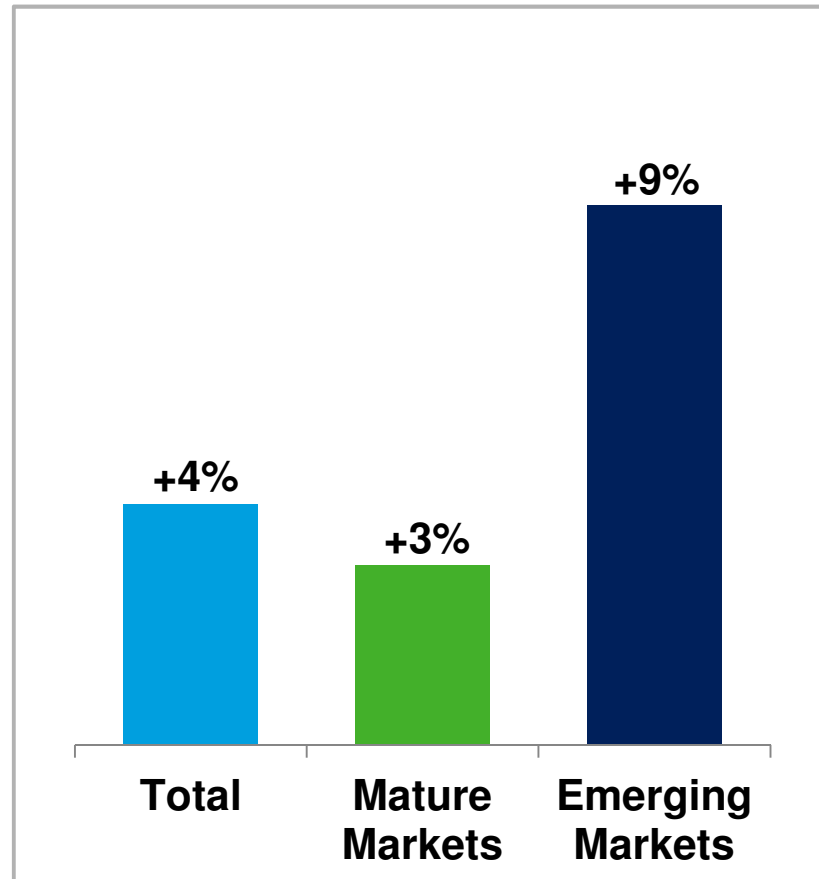
- Organic sales growth 4%
- ◆ Price/Mix +1%
- ◆ Volume +3%

Group

Organic Sales Growth Q4 2014 vs. Q4 2013



By region



■ Mature markets

- ◆ Strong growth for baby diapers and feminine care in Western Europe
- ◆ Higher sales for incontinence products in Western Europe
- ◆ Higher sales for AfH tissue in Western Europe
- ◆ Slightly lower sales for AfH tissue in North America
- ◆ Lower sales for incontinence products in North America

■ Emerging markets

- ◆ Strong growth in emerging markets
 - Incontinence products in Russia +23%
 - Tissue in Russia +16%
 - Incontinence products in Latin America +19%
 - Feminine care in Latin America +20%

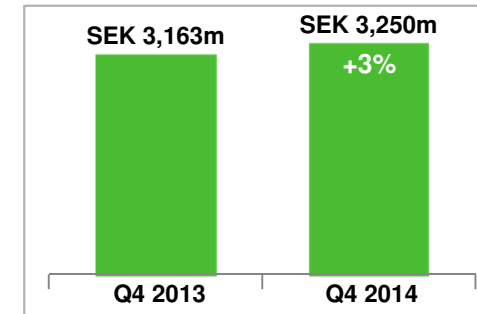
Group

Q4 2014 vs. Q4 2013

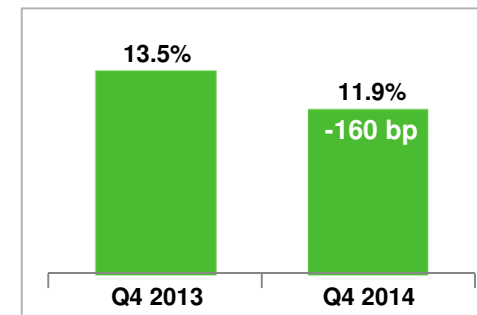


- Operating profit increased 3%* (+20%**)
 - ◆ Organic operating profit growth 11%***
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Consolidation of Vinda
 - ◆ Higher raw material costs
 - ◆ Lower gains on forest swaps
-
- Operating margin at 11.9%*
-
- Earnings per share of SEK 2.05
-
- Operating cash flow increased 31%

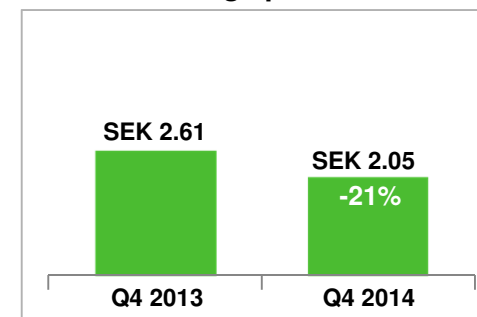
Operating Profit*



Operating Margin*



Earnings per Share



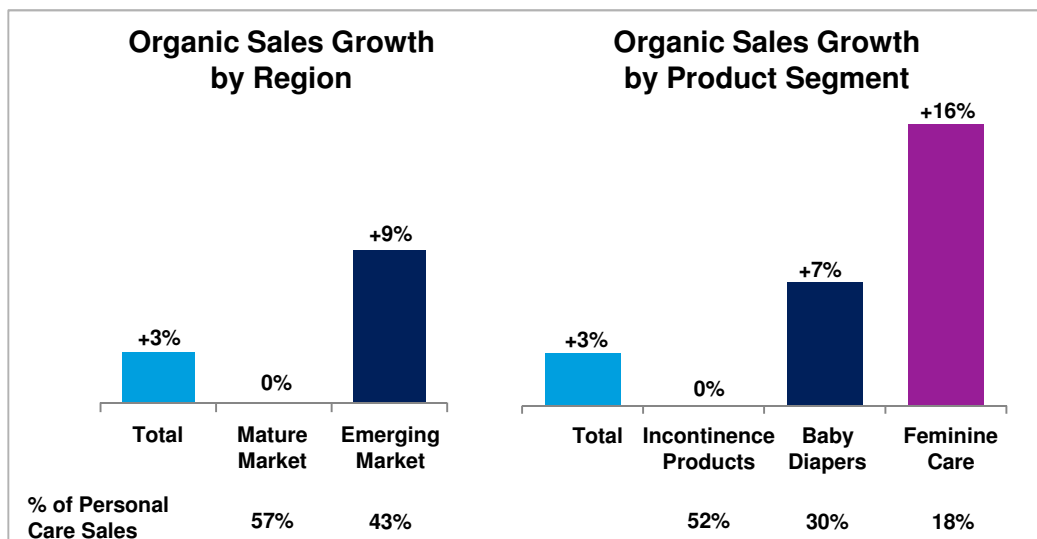
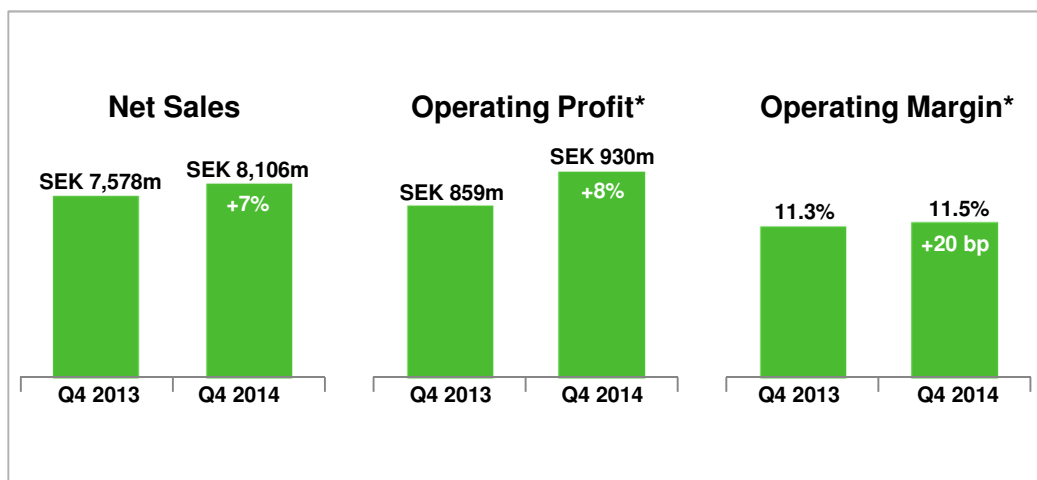
* Excluding items affecting comparability and including gains on forest swaps of SEK 3m (455) before tax

** Excluding items affecting comparability and excluding gains on forest swaps of SEK 3m (455) before tax

*** Excluding items affecting comparability and gains on forest swaps of SEK 3m (455) before tax, excluding effects from exchange rates and consolidation of Vinda

Personal Care

Q4 2014 vs Q4 2013



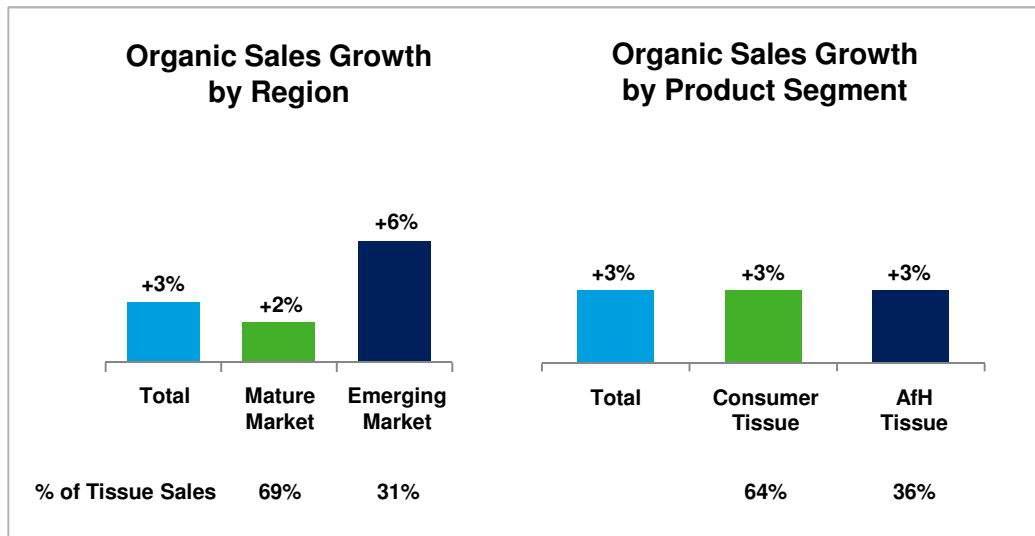
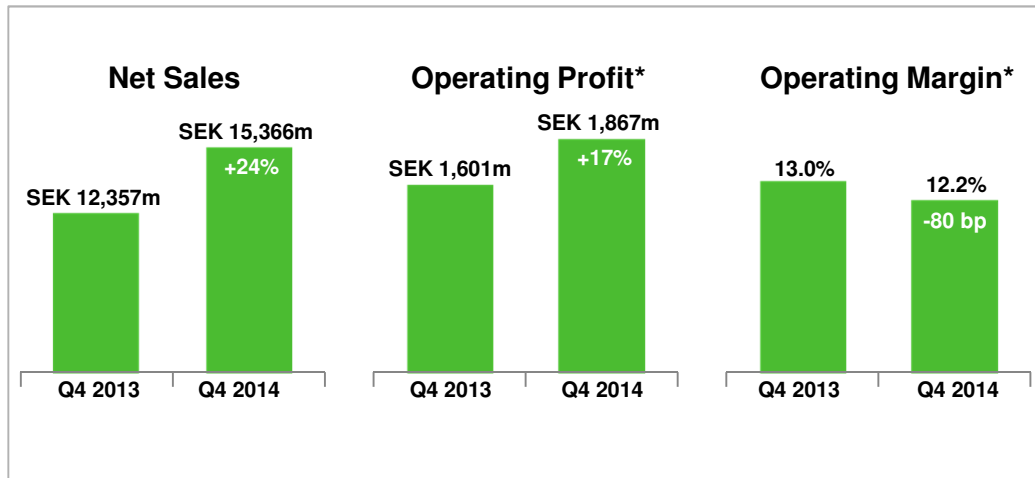
- **Sales growth 7%**
- **Organic sales growth 3%**
 - ◆ Price/mix +1%
 - ◆ Volume +2%
 - ◆ Strong growth in emerging markets
 - ◆ Strong growth for baby diapers and feminine care
- **Operating profit increased 8%***
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Higher raw material costs due to stronger USD and higher prices
- **Operating margin 11.5%***



* Excluding items affecting comparability

Tissue

Q4 2014 vs Q4 2013



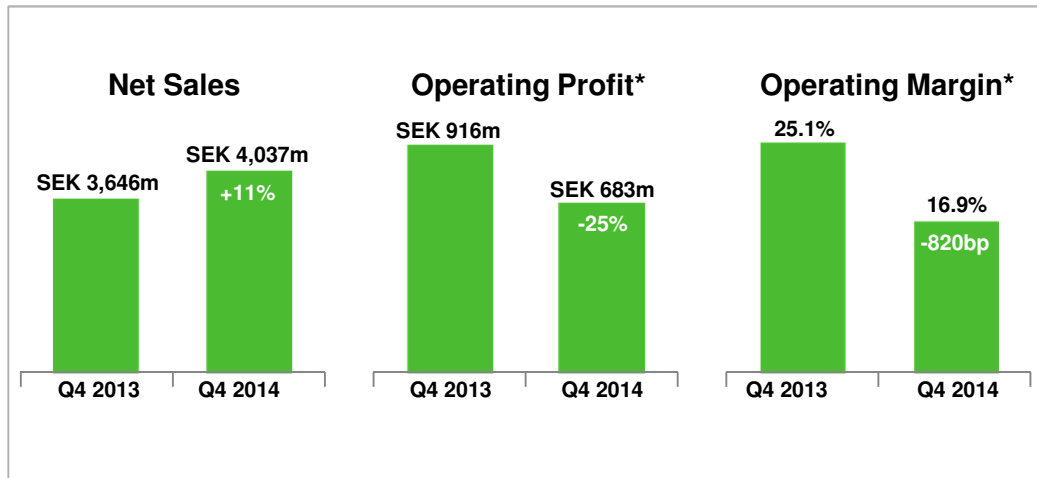
- **Sales growth 24%**
- **Organic sales growth 3%**
 - ◆ Price/mix 0%
 - ◆ Volume +3%
 - ◆ Good growth in emerging markets
- **Operating profit increased 17%***
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Consolidation of Vinda
 - ◆ Lower energy costs
 - ◆ Negative price/mix
 - ◆ Higher costs for raw material and distribution
 - ◆ Lower profit in AfH tissue North America due to increased competition
- **Operating margin 12.2%***
 - ◆ Margin at same level as last year excluding Vinda



* Excluding items affecting comparability

Forest Products

Q4 2014 vs Q4 2013



■ Sales growth 11%

- ◆ Price/mix +4%
- ◆ Volume +6%
- ◆ Currency +1%
- ◆ Growth in kraftliner and pulp

■ Operating profit decreased 25%* (increased 48%**)

- ◆ Lower gains on forest swaps
- ◆ Higher prices (including exchange rate effects)
- ◆ Cost savings
- ◆ Lower energy costs
- ◆ Higher harvesting costs

■ Operating margin 16.9%*



* Excluding items affecting comparability and including gains on forest swaps of SEK 3m (455) before tax

** Excluding items affecting comparability and excluding forest swaps of SEK 3m (455) before tax

Dividend



The Board of Directors proposes
an increase in the dividend by 10.5% to
SEK 5.25 per share (4.75)

Full year 2014

Summary

- Highest profit before tax ever
- Good organic sales growth
- Strong growth in emerging markets
- Strong cash flow
- Higher sales and profits in all business areas

Global Environment

- Low growth in mature markets and good growth in emerging markets for hygiene products
- FX headwinds due to stronger USD
- Competitive market environment





Q&A



SCA
Care of Life

