

Essity Group

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Executive Vice President and CFO

Danske Bank
Copenhagen Winter Seminar 2022



Libero[®]

Touch Hybrid Diaper





This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read our most recent annual and sustainability report for a better understanding of these risks and uncertainties.



Our Purpose

Breaking Barriers to Well-being

Figures 2021

121,867

Net sales
SEKm

13,680

Adjusted EBITA¹⁾
SEKm

150

Sales in countries
approximately

46,000

Employees
approximately

¹⁾ Excluding items affecting comparability



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Three Attractive Business Areas

HEALTH & MEDICAL



- Incontinence Products
- Health Care
- Wound Care
- Compression Therapy
- Orthopedics

SEK 22bn
Share of Group
net sales 2021
18%

CONSUMER GOODS



- Incontinence Products
- Retail
- Feminine Care
- Baby Care
- Consumer Tissue
- Consumer Tissue Private Label Europe

SEK 74bn
Share of Group
net sales 2021
60%

PROFESSIONAL HYGIENE



- Hygiene Solutions
- Tissue
- Skin Care
- Cleaning & Wiping

SEK 26bn
Share of Group
Sales2021
22%

Favorable Market Trends

A photograph of two women jogging on a path in a park. The woman on the left is older, with short blonde hair, wearing a light grey zip-up hoodie over a blue top and dark leggings. The woman on the right is younger, with dark hair tied back, wearing a green long-sleeved top and light blue leggings. They are both smiling and appear to be in good health. The background is a lush green park with trees and a path.

Growing and
Aging Population

Increased Prevalence
of Chronic Conditions

Increased Disposable Income
and Higher Living Standards

Increased Awareness
about Hygiene and Health

Sustainability

Digitalisation

Financial Targets and Policies

Target

Annual sales growth¹⁾

>5%

Adjusted return
on capital employed²⁾

>17%
by 2025

Policy

Capital structure

Maintain a solid investment grade rating

Dividend

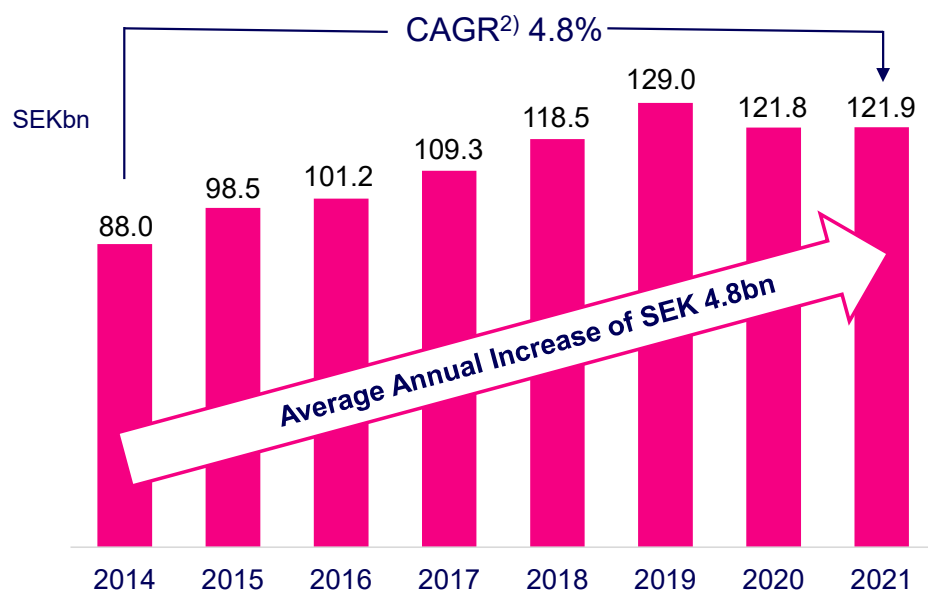
Long-term stable and rising dividends



¹⁾ Including organic sales growth and acquisitions
²⁾ Excluding items affecting comparability

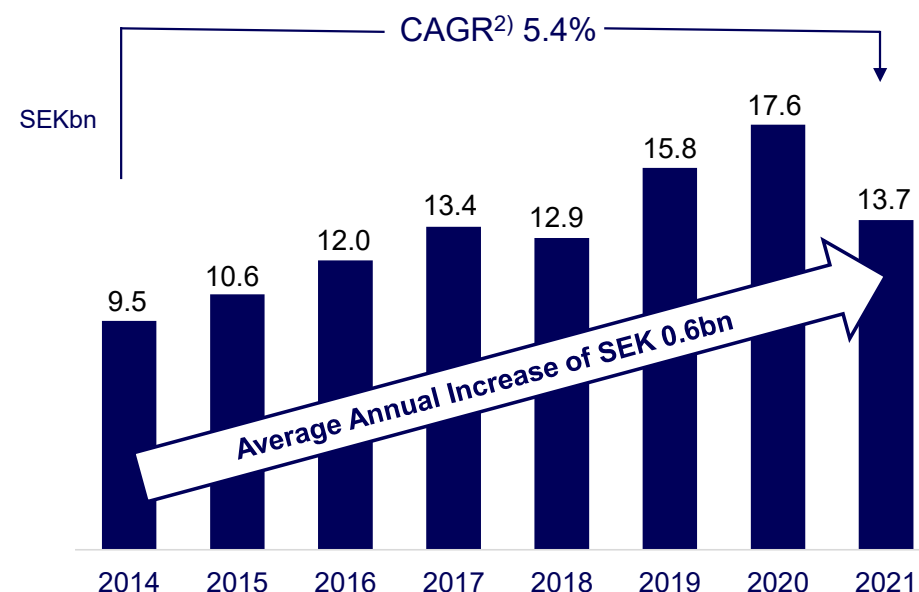
Development of Sales and Profitability

Net Sales



Sales Growth³⁾ +6% +6% +7.5% +5.0% +4.5% -1.8% +4.5%

Adjusted EBITA¹⁾



Adjusted EBITA Margin¹⁾ 10.8% 10.8% 11.8% 12.3% 10.9% 12.3% 14.5% 11.2%

¹⁾ Excluding items affecting comparability

²⁾ Compound Annual Growth Rate

³⁾ Including organic sales growth and acquisitions

Global Market Positions



Health & Medical

Consumer Goods

Professional Hygiene

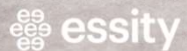
Incontinence Products	#1	Incontinence Products	#2	Professional Hygiene	#1
Compression Therapy	#1	Consumer Tissue	#2		
Orthopedics	#3	Feminine Care	#5		
Wound Care	#5	Baby Care	#5		

Source: The information has been compiled by Essity for presentation purposes based on data taken from external market sources including but not limited to retail audit companies, Price Hanna Consultants, SmartTRAK, Fastmarkets RISI and national macroeconomic data.

Innovating Leading Brands and Sustainable Solutions

#1 or #2 Position

~90%
of Branded
Sales



Committed to Net Zero Emissions by 2050



Essity's climate targets

in line with the Science Based Targets Initiative (SBTi)

Near-term target 2030:

Scope 1 and 2: **-35%**

Scope 3: **-18%**

Long-term commitment 2050:

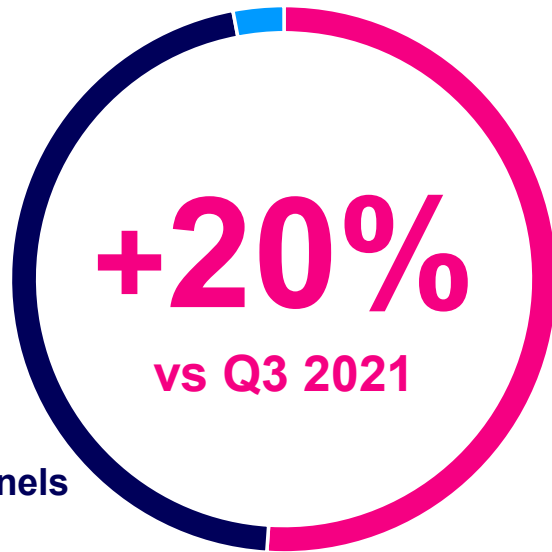
net zero



E-commerce

14% of Net Sales Q3 2022

Direct-to-Consumer



Pure Players

Multi-channels



A photograph of two men in a factory setting. The man on the left is older, with a grey beard and glasses, wearing a yellow safety cap and a green safety vest over a green shirt. He is pointing towards a device. The man on the right is younger, wearing a grey and yellow safety cap with the 'essity' logo, safety glasses, and a dark blue t-shirt. He is looking intently at the device. The background is a blurred industrial environment.

Improving Efficiency

**Manufacturing
Roadmap**

SG&A

**Cost culture and
continuous improvement**

Acceleration of Acquisitions



COACH | **ZONAS** | **ELASTIKON**



Modibodi



Hydrofera

knix



knix

 essity

Modibodi[®]

Leakproof Apparel

The fastest growing segment within Intimate Hygiene

- Includes period pants and incontinence underwear
- Today ~7% of the Intimate Hygiene market
- Expected CAGR 2021-2026 above 20%

Source: Estimate based on market data compiled by Essity excluding Asia.



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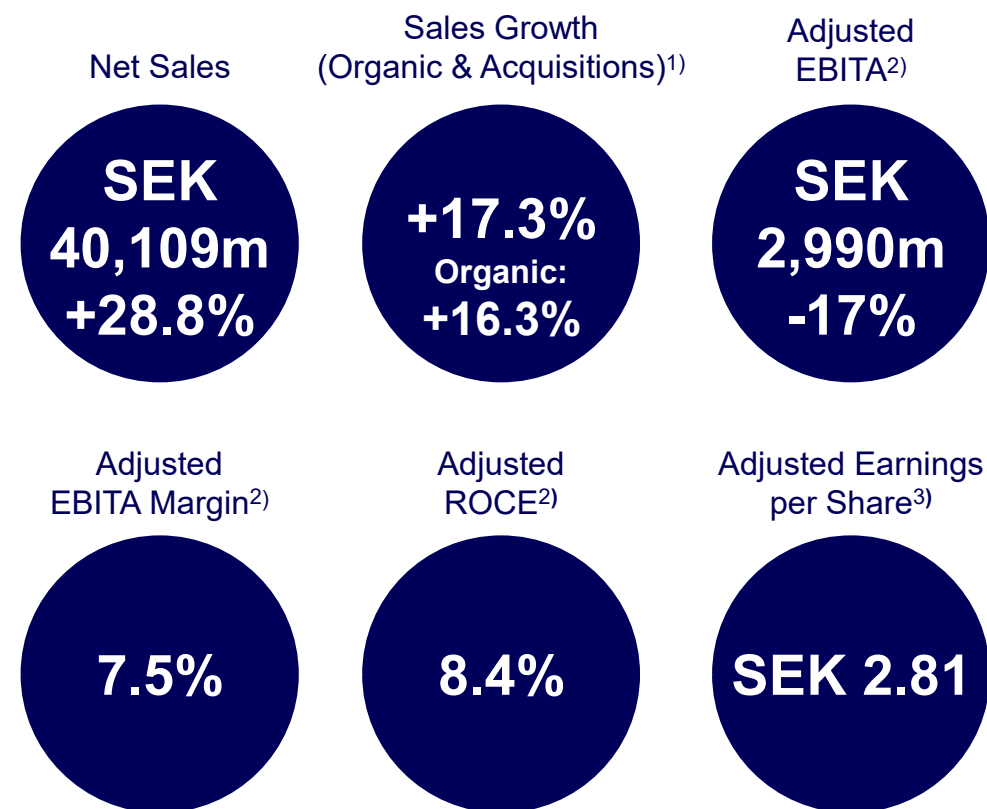


Summary

Q3 2022

- Strong price execution
- Higher volumes
- Significant cost inflation
- Continued focus and execution on
 - Innovations and brand building
 - Efficiency improvements
 - Digitalization of processes and offerings
 - Sustainability
- Knix and Modibodi acquisitions finalized

Q3 2022 vs Q3 2021



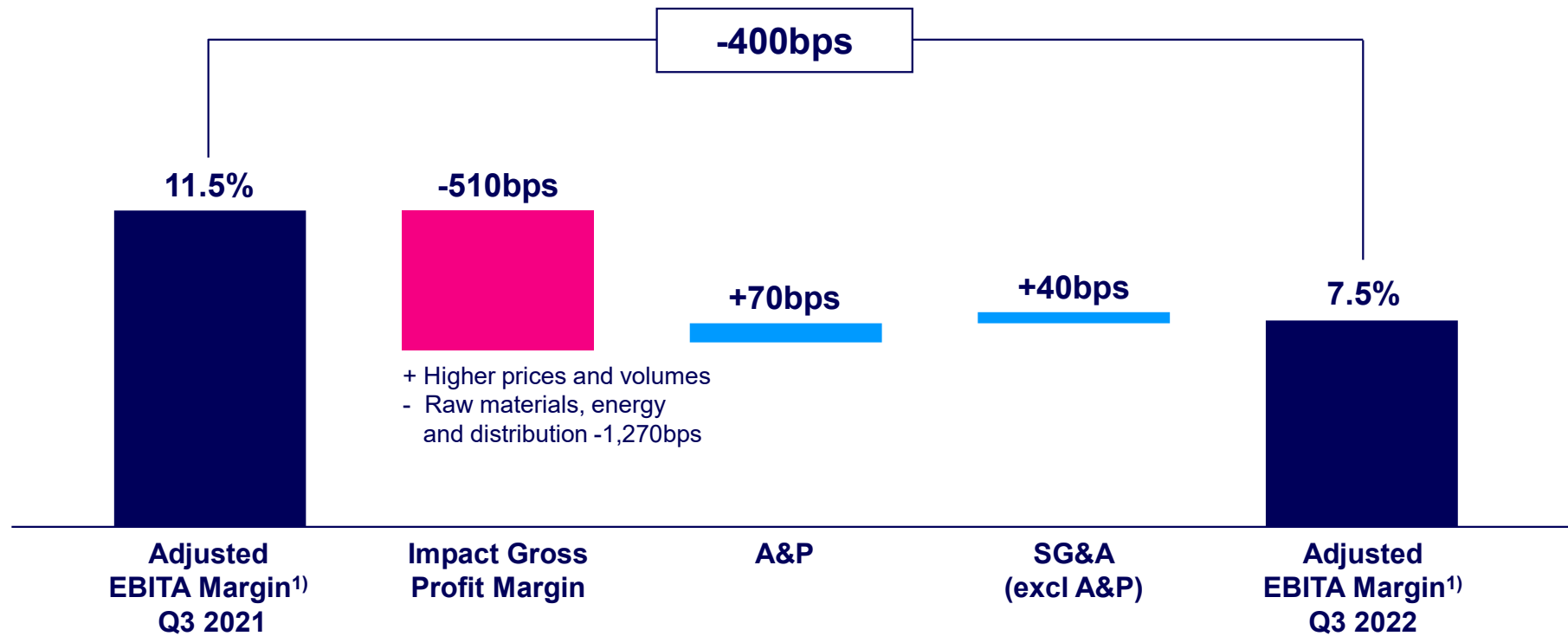
¹⁾ Net sales which excludes exchange rate effects and divestments

²⁾ Excluding items affecting comparability

³⁾ Excluding items affecting comparability and amortization of acquisition-related intangible assets

Adjusted EBITA Margin

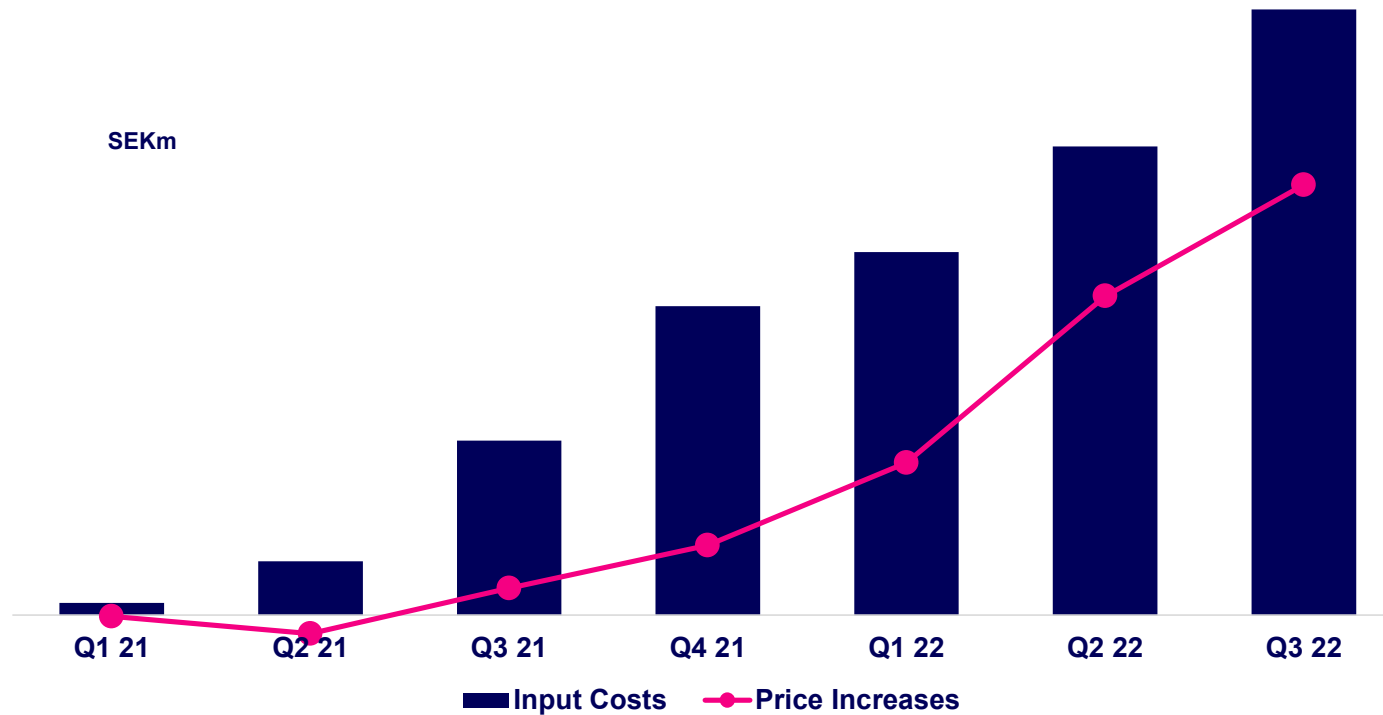
Q3 2022 vs Q3 2021



¹⁾ Excluding items affecting comparability

Input Cost Increases vs Implemented Price Increases

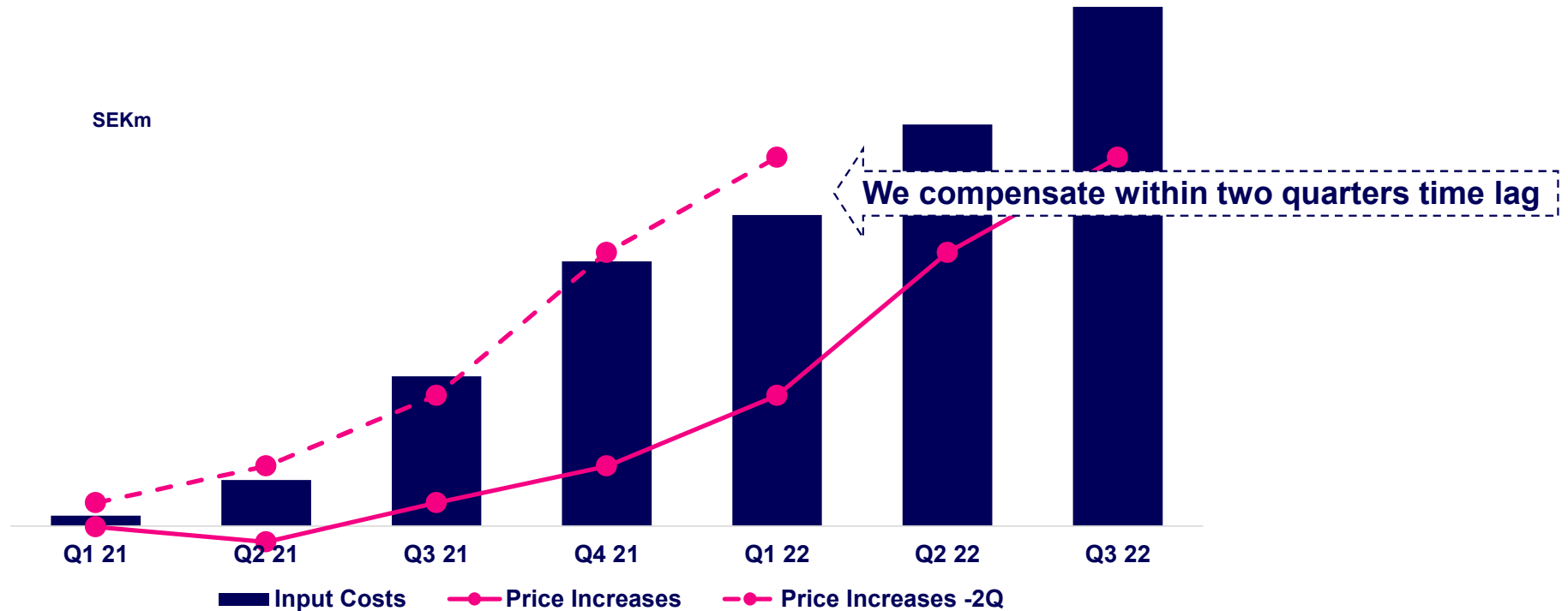
Accumulated sequential development since Q4 2020



Input Costs: Raw Material, Energy and Distribution.

Input Cost Increases vs Implemented Price Increases

Accumulated sequential development since Q4 2020



Input Costs: Raw Material, Energy and Distribution.

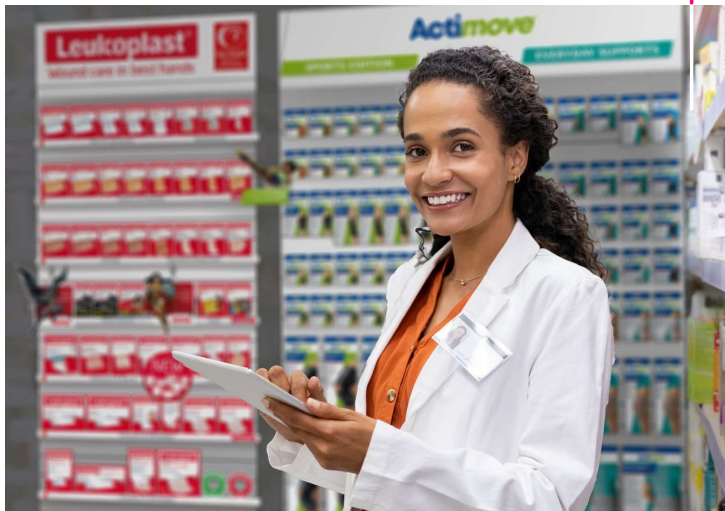
Priorities

- Continued price execution
- Innovations and brand building
- Efficiency improvements
- Digitalization of processes and offerings
- Sustainability



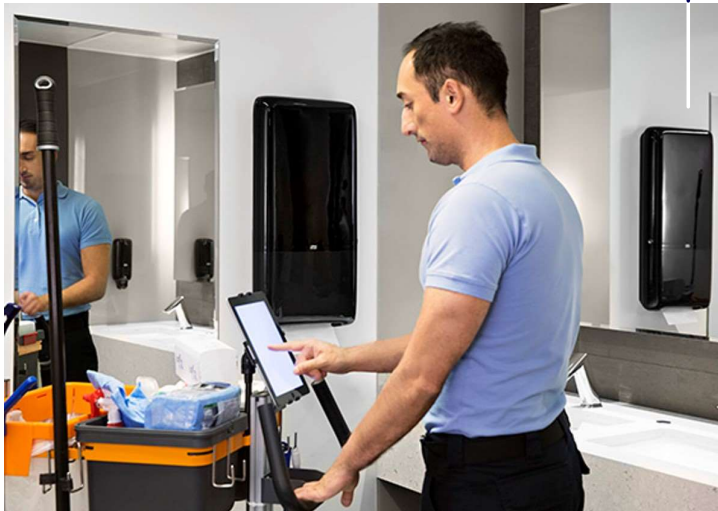
Welcome to web presentations of Essity's Business Areas!

HEALTH & MEDICAL



December 7, 2022
at 15:00– 16:15 CET

PROFESSIONAL HYGIENE



December 8, 2022
at 15:00– 16:00 CET

CONSUMER GOODS



December 9, 2022
at 15:00– 16:00 CET

Q & A

Cutimed®
Sorbion® Sachet XL

Cutimed®
Siltec® Sacrum
Self-adherent silicone
bordered foam dressing
with super absorbers

New
design

