

**BofA
ESG Consumer & Retail
Conference 2022**



**Magnus Groth
President and CEO**





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.

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



Highlights 2021

- Continued transformation including **six acquisitions** and creation of Consumer Tissue Private Label Europe division
- **Price increases** implemented and further increases in 2022
- **Significant cost savings**
- **High innovation pace**
- **E-commerce 14% of sales**, corresponding to SEK 17bn
- **Increased market shares**
- **Leading in sustainability** with roadmap to **Net Zero 2050**
- **Digital transformation** in all areas



Our Business Areas

Health & Medical



Incontinence Products
Health Care
Wound Care
Compression Therapy
Orthopedics

Consumer Goods



Incontinence Products
Retail
Feminine Care
Baby Care
Consumer Tissue Branded/Retail Branded

Division: Consumer Tissue
Private Label Europe

Professional Hygiene



Hygiene Solutions
Tissue
Skin Care
Cleaning & Wiping

Global Market Positions

Health & Medical

Incontinence Products #1
 Compression Therapy #1
 Orthopedics #3
 Wound Care #6



Consumer Goods

Incontinence Products #2
 Consumer Tissue #2
 Feminine Care #5
 Baby Care #5



Professional Hygiene

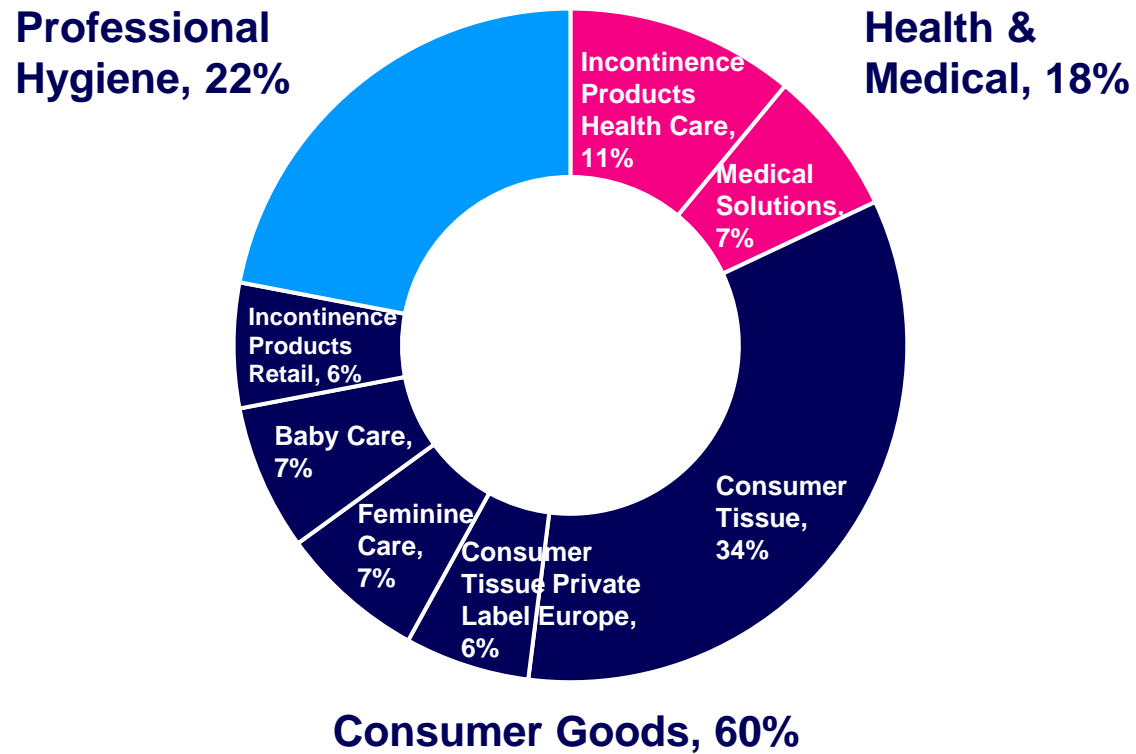
Professional Hygiene #1



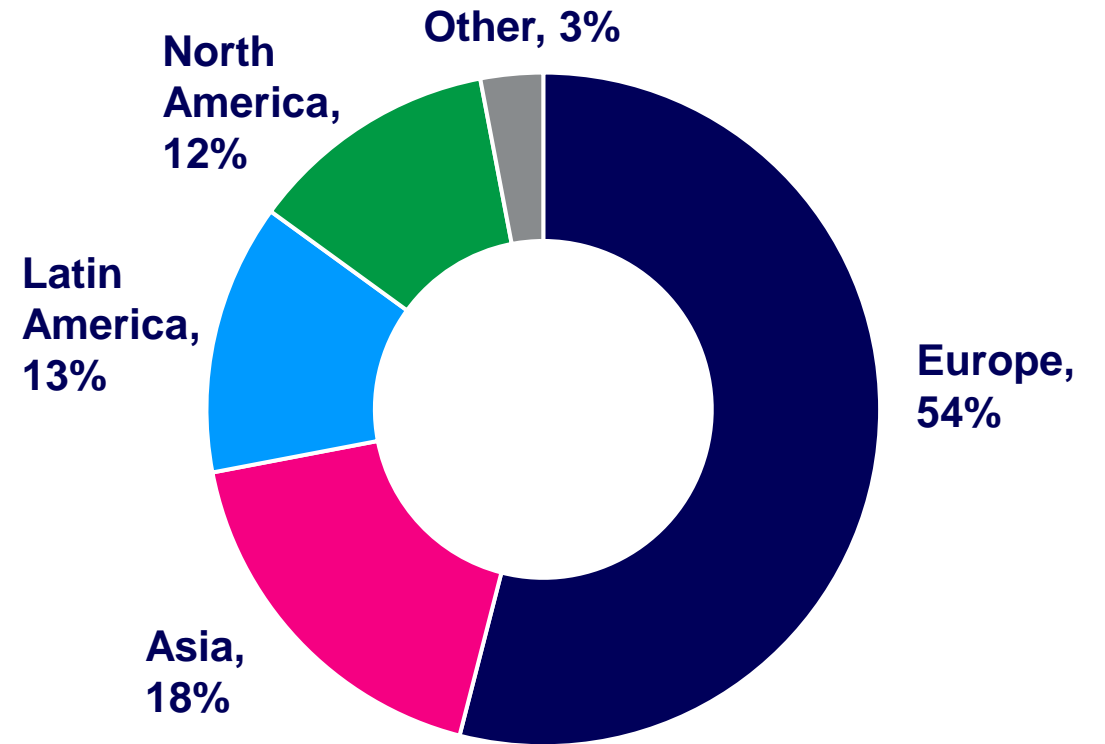
Source: The information has been compiled by Essity for presentation purposes based on data taken from external market sources including but not limited to retail audit companies, Price Hanna Consultants, SmartTRAK, Fastmarkets RISI and national macroeconomic data.

Net Sales Split 2021¹⁾

By Business Area and Category



By Geography



¹⁾ Proforma

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

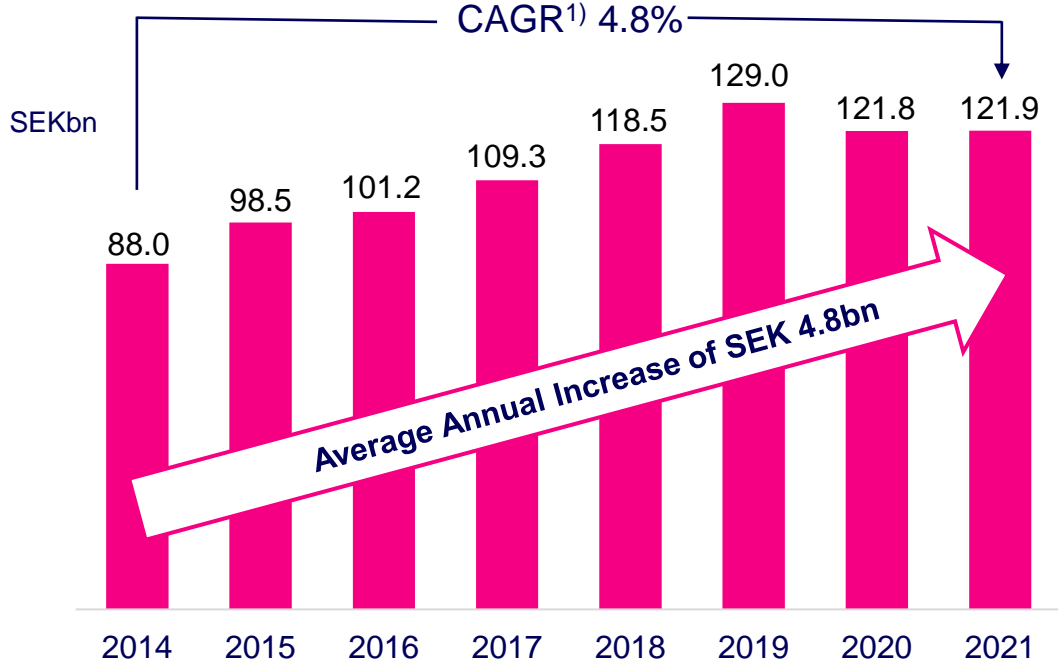


¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

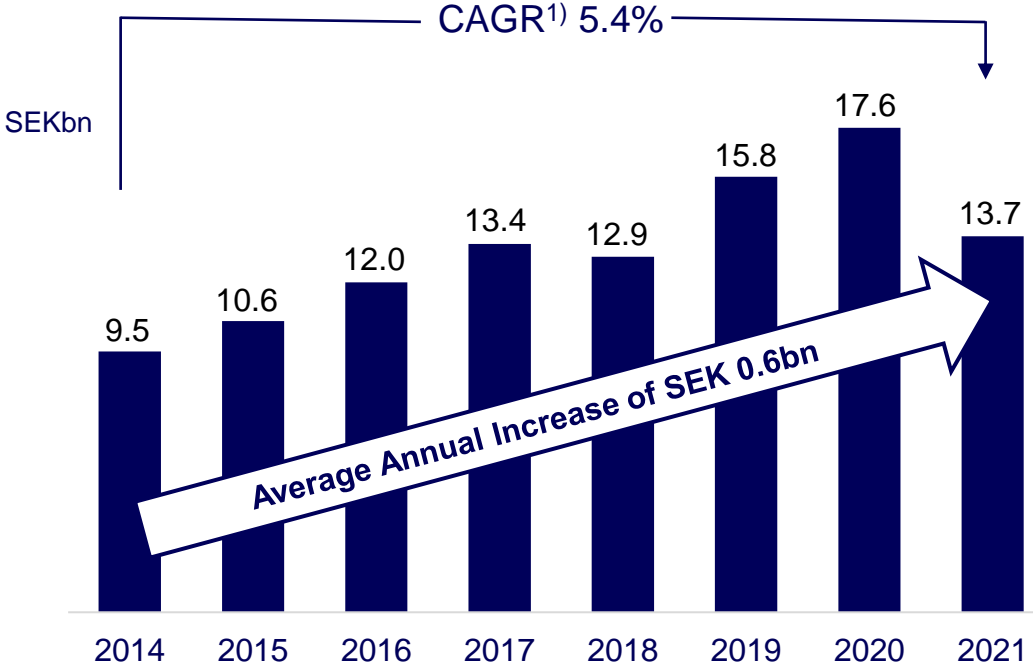
Development of Sales and Profitability

Net Sales



Sales Growth²⁾	+6%	+6%	+7.5%	+5.0%	+4.5%	-1.8%	+4.5%
Organic Net Sales³⁾	+6%	+3%	+1.2%	+2.6%	+4.5%	-1.9%	+3.3%

Adjusted EBITA⁴⁾

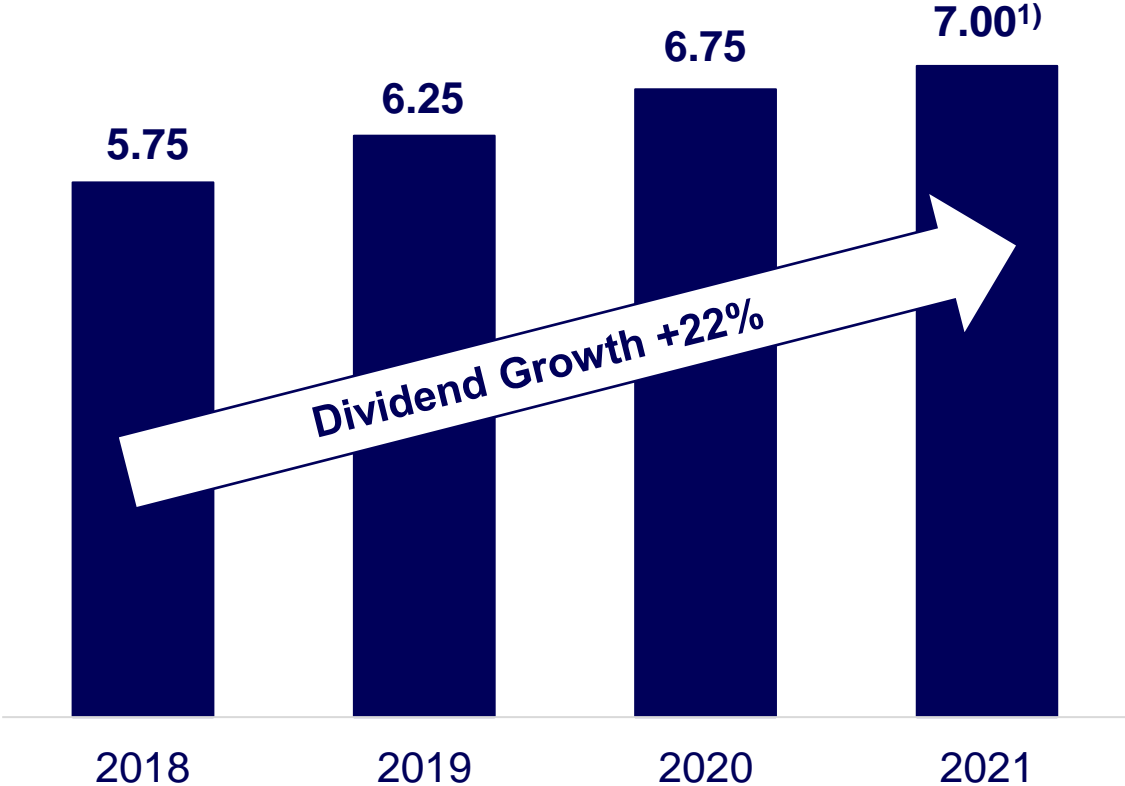


Adjusted EBITA Margin⁴⁾	10.8%	10.8%	11.8%	12.3%	10.9%	12.3%	14.5%	11.2%
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¹⁾ Compound Annual Growth Rate
²⁾ Including organic sales growth and acquisitions
³⁾ Net sales excluding exchange rate effects, acquisitions and divestments
⁴⁾ Excluding items affecting comparability

Dividend

**SEK
7.00
+4%**



Strategic Priorities

Winning with people and culture

**Continuing the
transformation
journey**

**Innovating
Leading
Brands**

**Accelerating
Digitalization**

**Leading in
Sustainability**

**Growing in
Emerging
Markets**

Efficiency in everything we do

Value Creating Acquisitions



Innovations 2021



Sustainable Innovations



Increased Market Shares

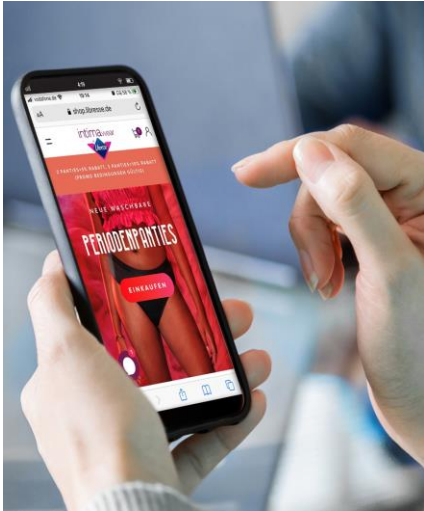
Position #1 or #2



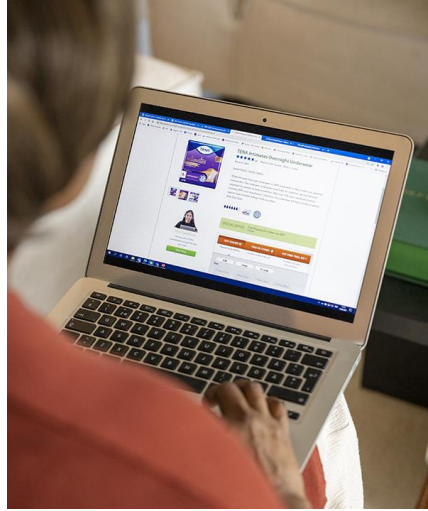
Increased Market Shares



Accelerating Digitalization



**Customer &
Consumer
Interaction**



E-commerce



**Digital
Solutions**



**Digitalization
in Operations**



**Data Analytics
&
Capabilities**

Leading in Sustainability



Initiatives and Recognitions



Growing in Emerging Markets

Share of Net Sales

36%

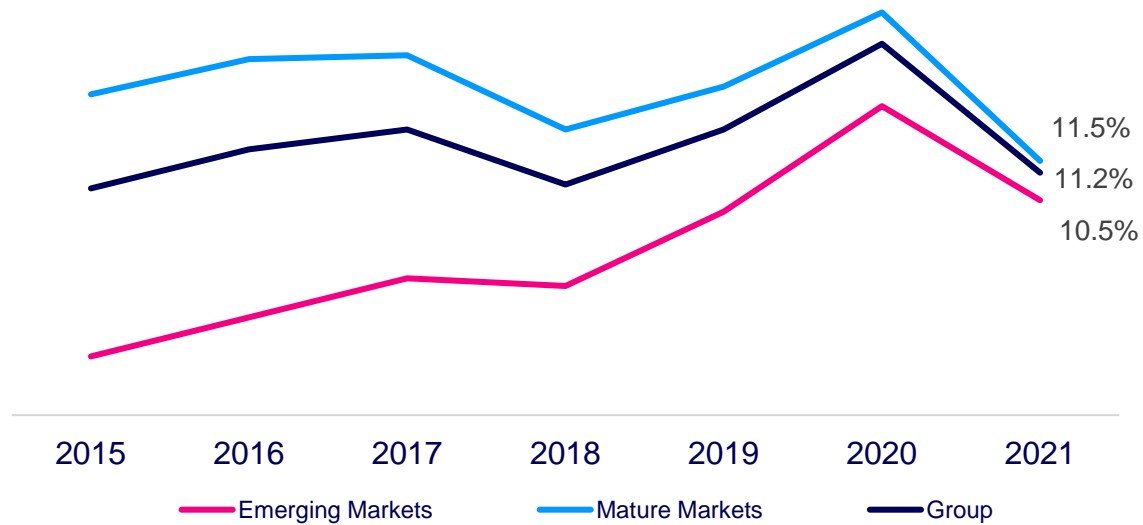
38%

Share of Adjusted EBITA¹⁾

22%

36%

Adjusted EBITA Margin¹⁾



¹⁾ Excluding items affecting comparability



Improving Efficiency

- Cost savings 2019-2021 of SEK 2.8bn
- Manufacturing Roadmap
Annual cost savings 2021-2025: SEK 0.5bn–1bn
- SG&A
- Cost culture and continuous improvement



2022 Priorities

- Price increases
- Cost savings
- Innovation, digitalization and sustainability
- Continued transformation with growth in high return businesses, organically and through acquisitions



