

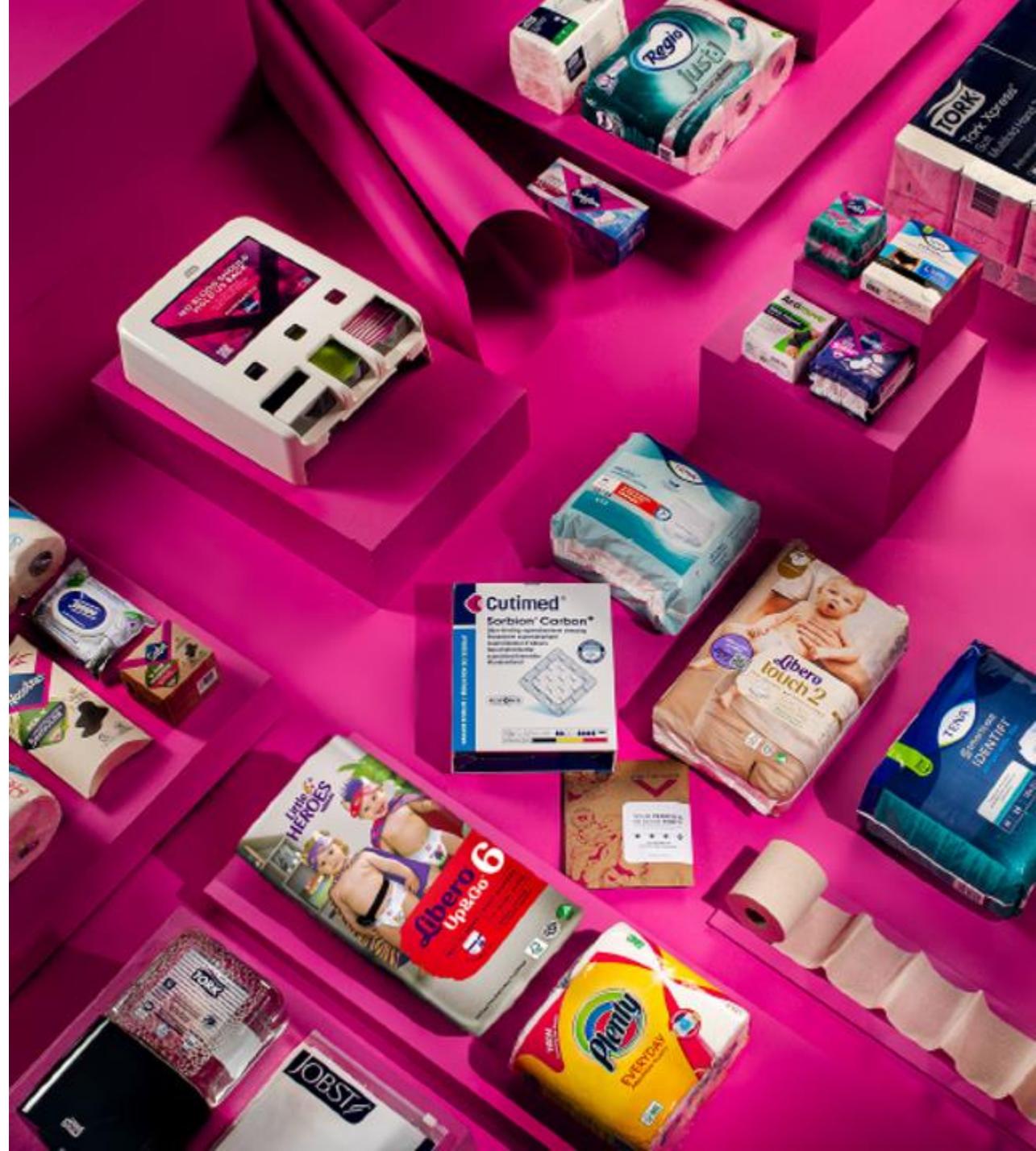
The Essity Group

Fredrik Rystedt
Executive Vice President and CFO



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.

The amounts stated in this presentation pertain to Continuing Operations unless otherwise indicated.





For everybody and every body

Every day our brands care for the hygiene and health of a billion people across 150 countries.



Essity – A Global, Leading Hygiene and Health Company

147.1 Net sales 2023
SEKbn

18.9 Adjusted EBITA 2023
SEKbn

36,000
employees



Three Attractive Business Areas

Health & Medical

Consumer Goods

Professional Hygiene



Leading Global Market Positions



Position #1 or #2
 ~90%
 of branded sales

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.

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-colored zip-up hoodie and dark leggings. The woman on the right is younger, with long dark hair, 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

Prevalence of
Chronic Conditions

Increased Disposable Income
and Higher Living Standards

Awareness about
Hygiene and Health

Sustainability

Digitalization

Key Achievements 2023

Highest profit ever and strong platform for growth

Substantially improved structural margins for all business areas

Good progress on key priorities – innovation, efficiency and sustainability

Pre-conditional public offer announced for the shares in Vinda – enabling more attractive portfolio



Pre-conditional Public Offer Announced for 100% of Shares in Vinda

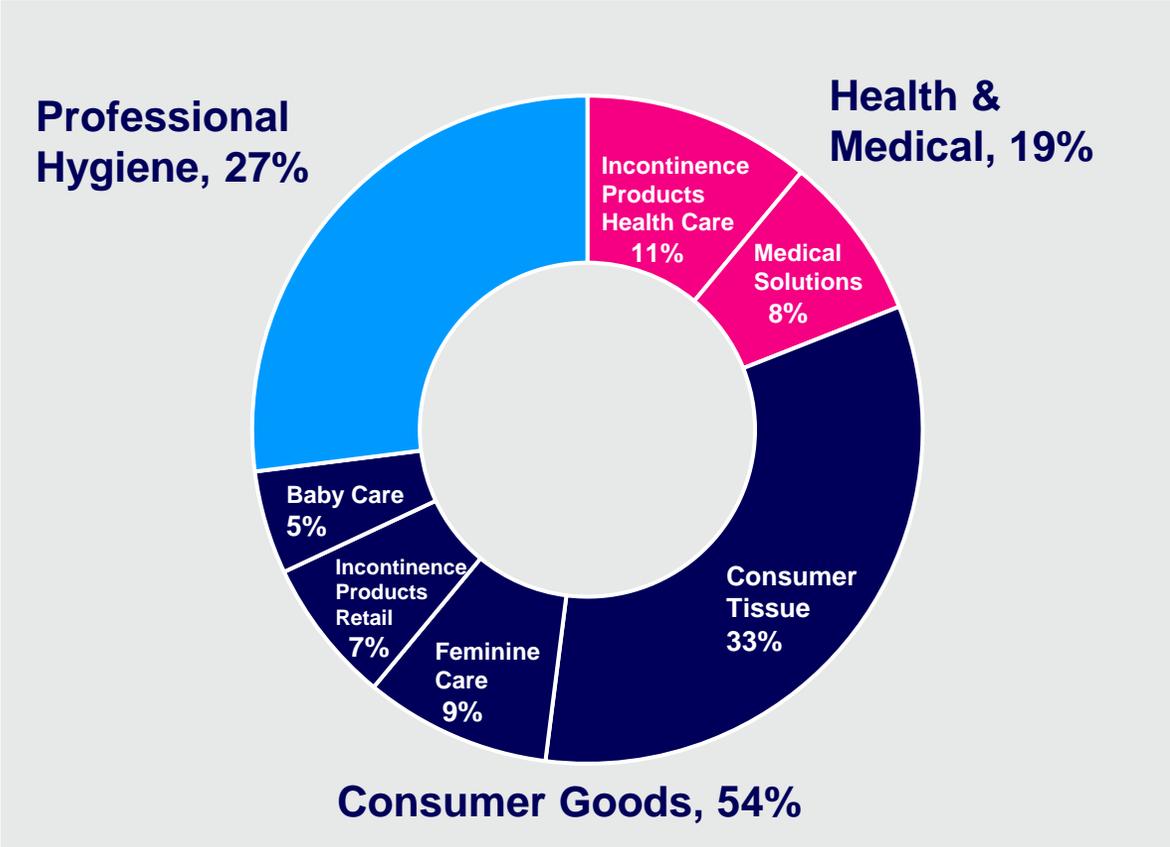
Attractive offer yielding an annual return on the investment of approx. 14% at an EV/EBITDA multiple of 18.1x

- Isola Castle Ltd has announced that it will make a pre-conditional public offer to acquire 100% of Vinda for a price per share of HKD 23.5
- Essity has signed an irrevocable undertaking to accept the offer in respect its 51.59% shareholding in Vinda
- Cash proceeds to Essity of approx. HKD 15bn (SEK 19bn)
- An exclusive license to continue to market and sell certain Essity branded products will be offered to Vinda after closing of the transaction to replace the existing license agreement
- The transaction is expected to be completed mid-2024
- Essity classifies the financial reporting of Vinda as discontinued operations as of Q4 2023

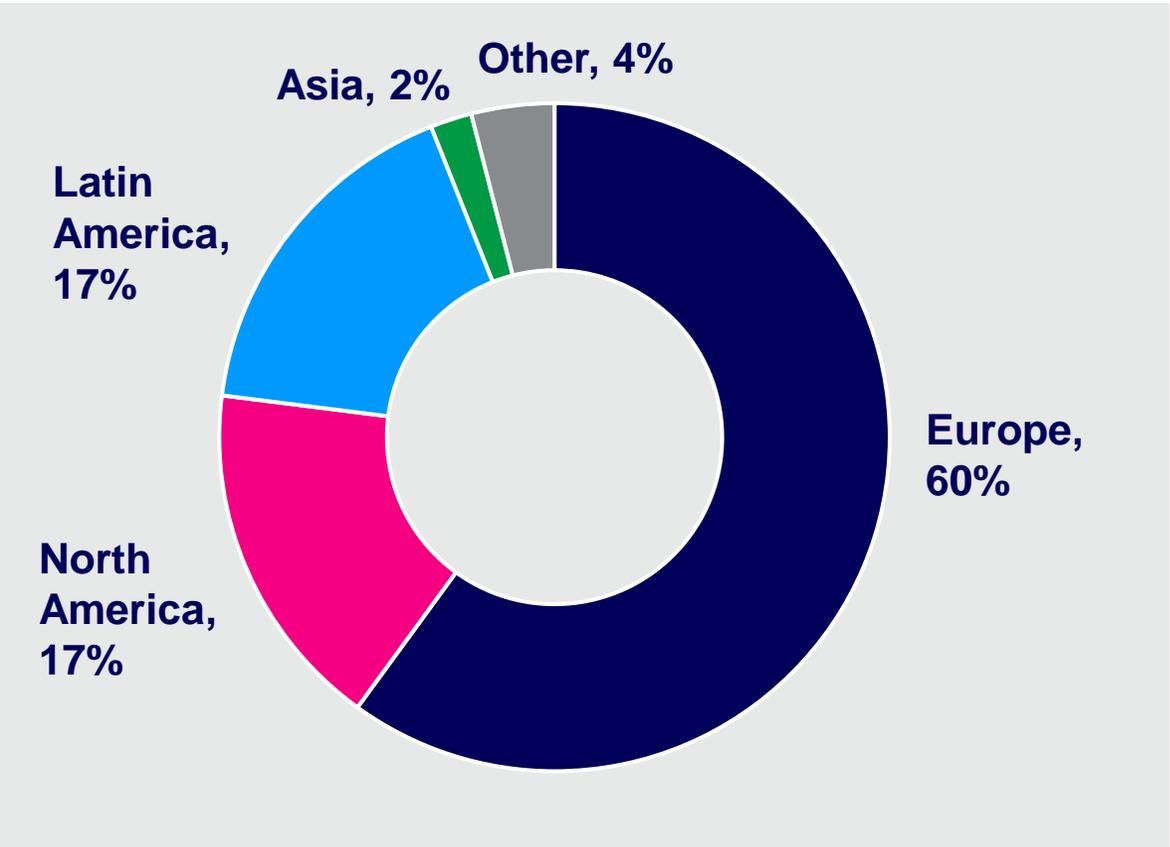


Net Sales Split 2023

By Business Area and Category



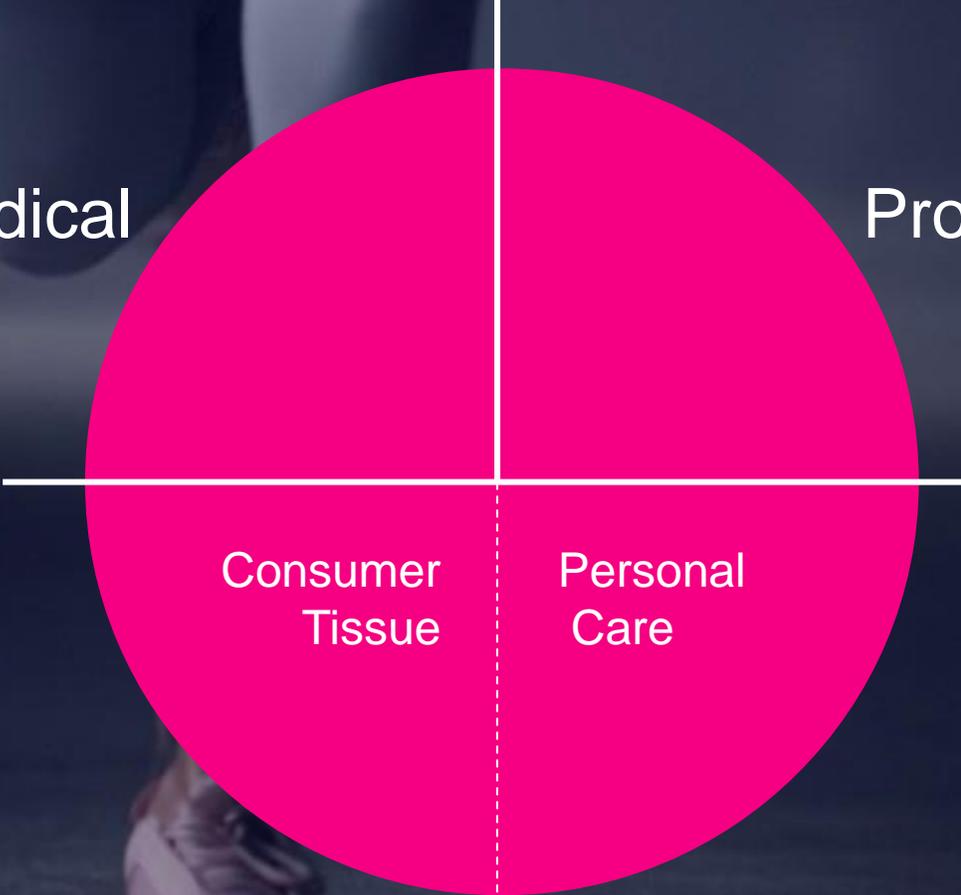
By Region



Long-term Portfolio Direction

Health & Medical

Professional Hygiene



Consumer
Tissue

Personal
Care

Consumer Goods

Value Creating Acquisitions

familia

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

Legacy

asaleo
care

AquaCast
LINER

Modibodi

abigo

Hydrofera

knix

Clear Long-term Financial Targets and Capital Allocation Priorities

Annual sales growth¹⁾

>5%

Capital structure

Baa1 long-term rating from Moody's and BBB+ from S&P

Maintain a solid investment grade rating

Adjusted return on capital employed²⁾

>17%
by 2025

Dividend

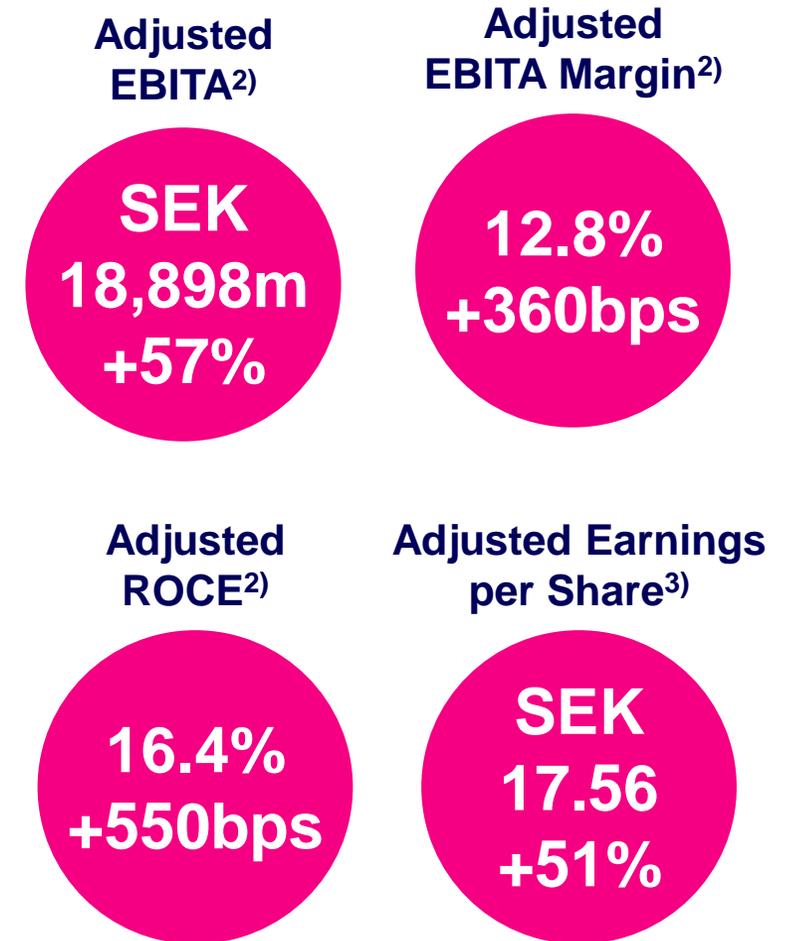
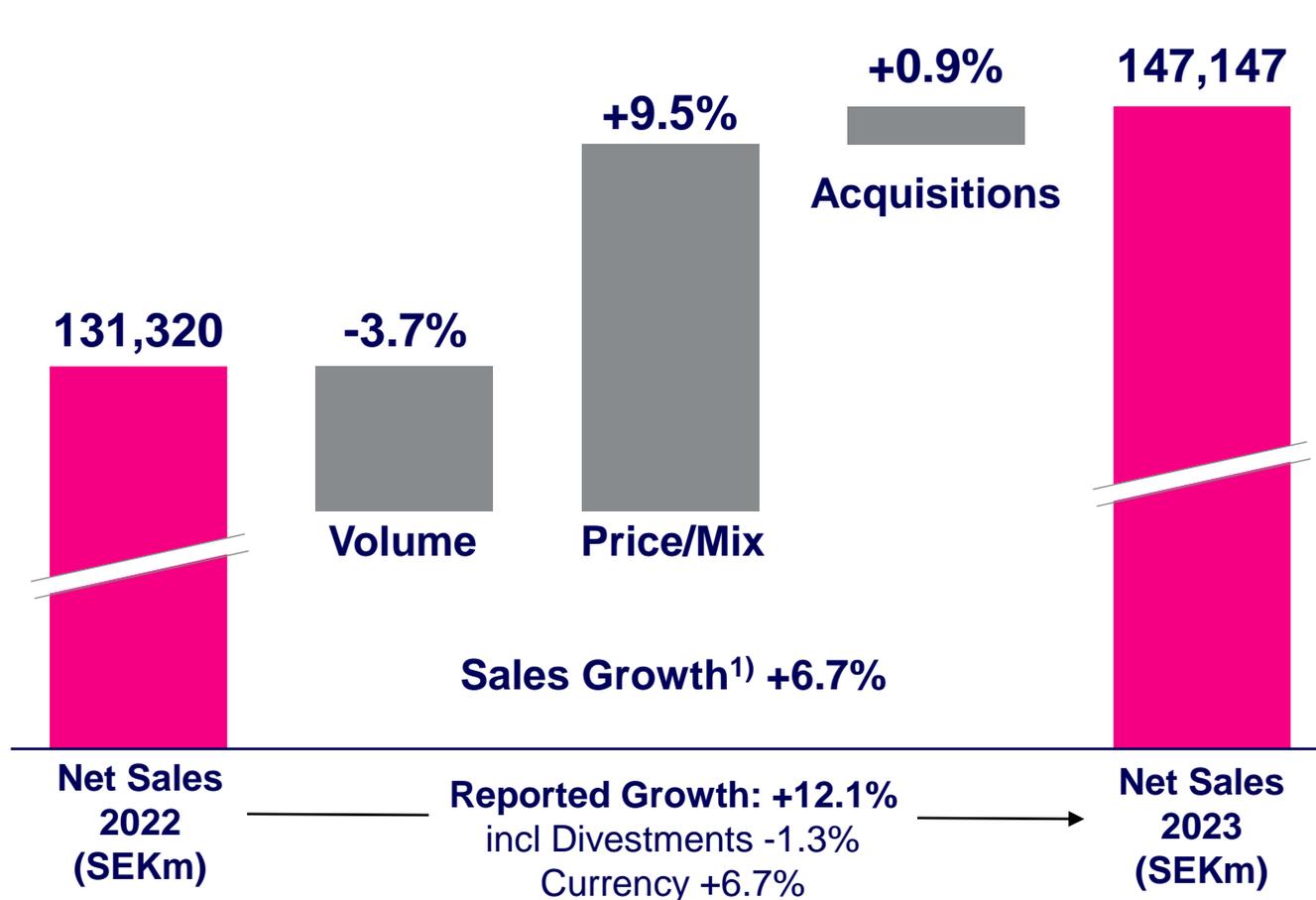
Dividend policy aiming for stable and rising dividends

Long-term stable and rising dividends

¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

2023 - Strong Sales Growth, Record High Adjusted EBITA



¹⁾ Including organic sales growth and acquisitions

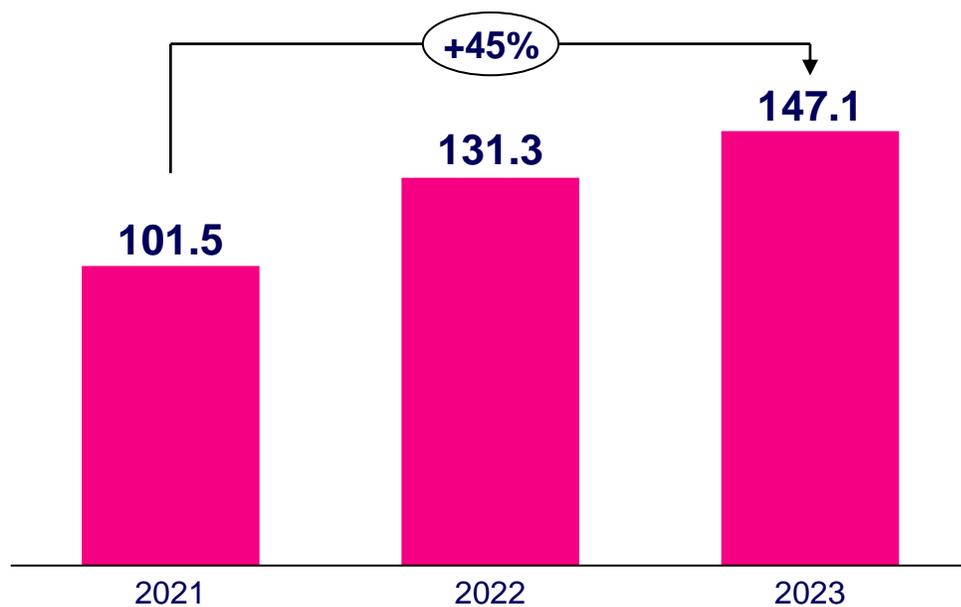
²⁾ Excluding items affecting comparability

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

Strong Development of Sales and Profits

Net Sales

SEKbn



Sales Growth²⁾

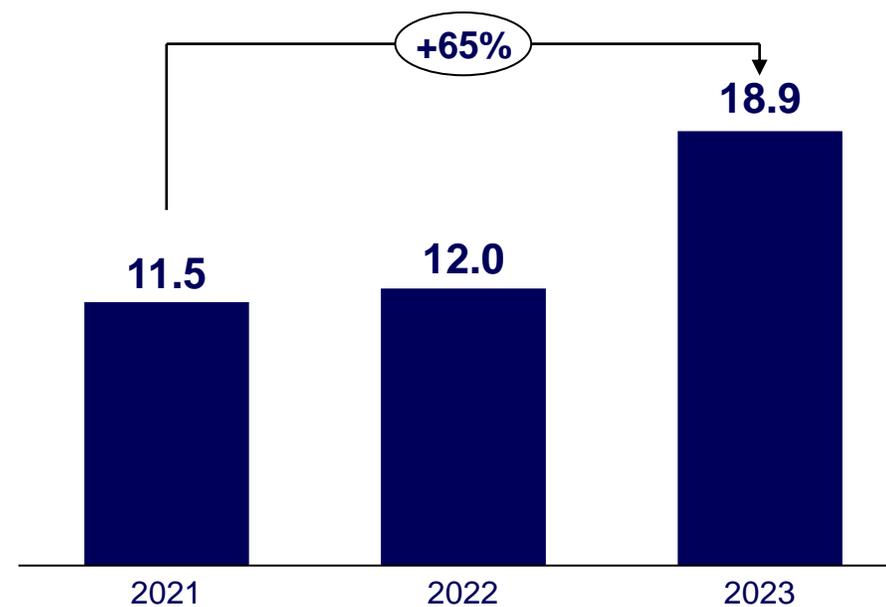
+4.0%

+19.7%

+6.7%

Adjusted EBITA¹⁾

SEKbn



Adjusted EBITA Margin¹⁾

+11.3%

+9.2%

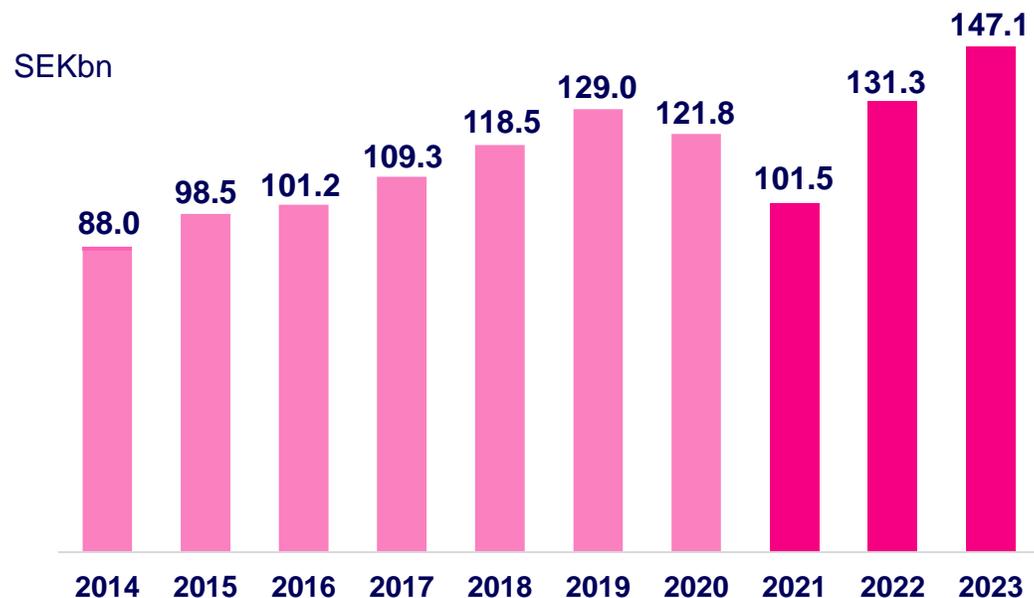
+12.8%

¹⁾ Excluding items affecting comparability

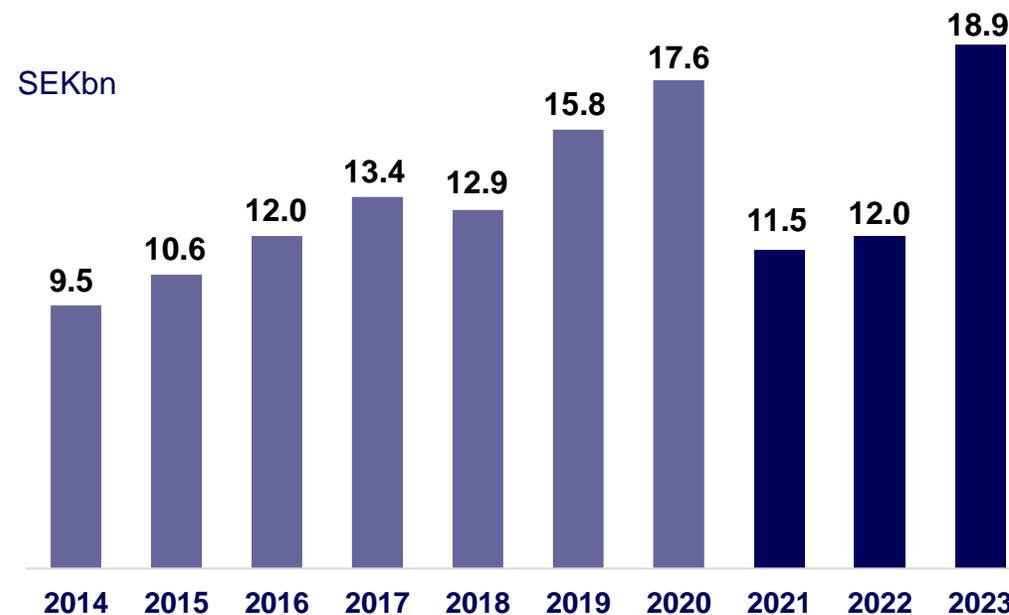
²⁾ Including organic sales growth and acquisitions

Strong Development of Sales and Profits

Net Sales



Adjusted EBITA¹⁾



Sales Growth²⁾ +6% +6% +7.5% +5.0% +4.5% -1.8% +4.0% +19.7% +6.7%

Adjusted EBITA Margin¹⁾ 10.8% 10.8% 11.8% 12.3% 10.9% 12.3% 14.5% 11.3% 9.2% 12.8%

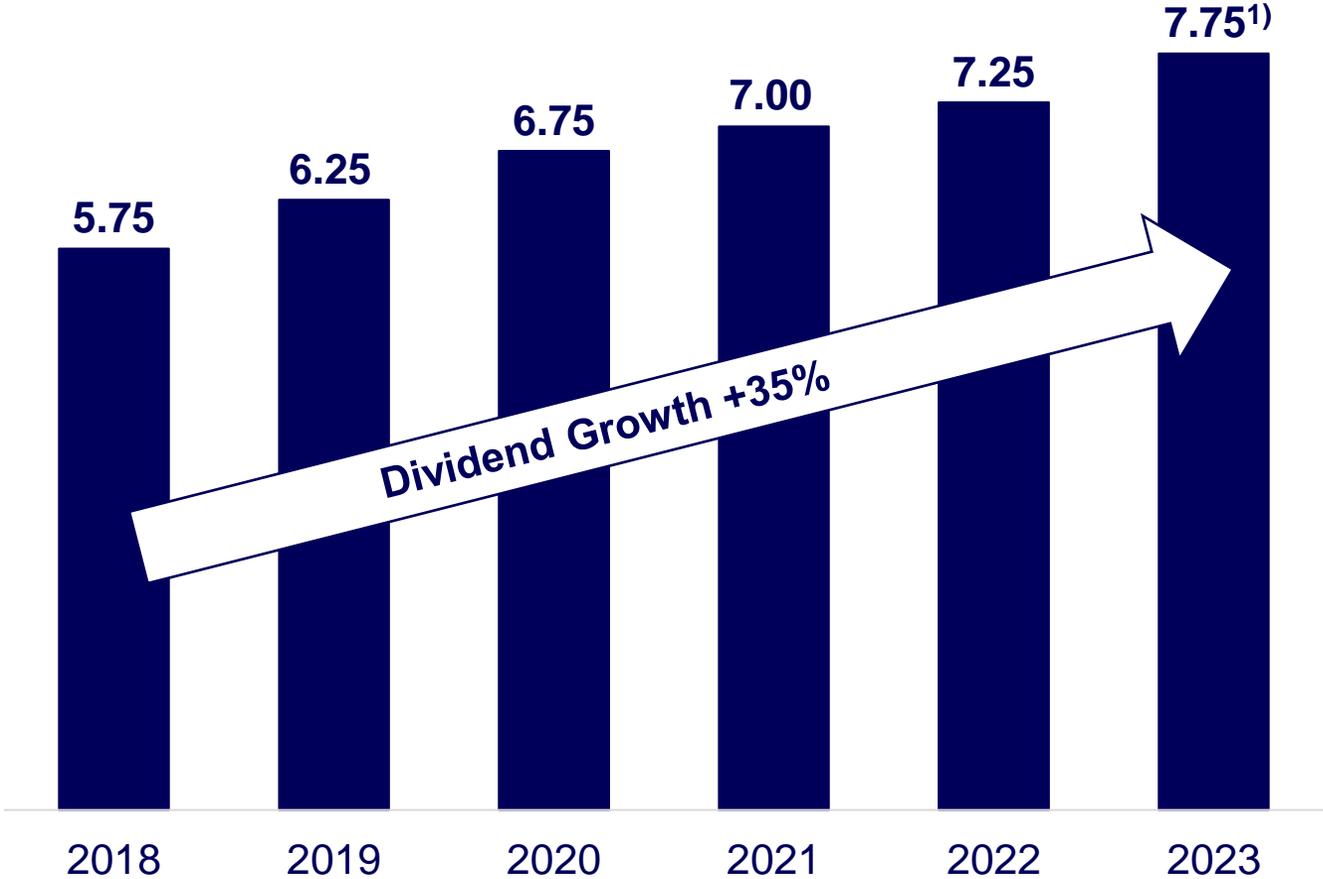
¹⁾ Excluding items affecting comparability

²⁾ Including organic sales growth and acquisitions

2014-2020 Not restated. 2021-2023 Vinda classified as discontinued operations.

Dividend

Proposed Dividend¹⁾



¹⁾ Board of Directors Proposal

Progress on Key Priorities

2023



Price Management

+8.9% in Price

Strong price effect while still successfully protecting our #1 and #2 positions

Innovation & Brands

+0.6% in Mix

Growth in high margin product segments and important product launches

Portfolio of growing and trusted brands used by one billion people world-wide



Cost Efficiency

SEK 433m

generated from cost savings

Examples:

- Operational efficiency
- Digitalization
- Raw material rationalization
- Fiber mix
- Sourcing negotiations
- E-save

Growth in Fastest Growing Categories and Channels

Inco Retail +14%
Feminine Care +13%
Compression +10%
Knix +18%
Hydrofera +23%
Legacy +19%

E-commerce +10%
to 9% of net sales 2023

Leading in Sustainability

Science Based Targets
 Scope 1 and 2 vs 2016

Target 2030: Outcome 2023:

-35% **-26%**

- Ranked as one of the world's most sustainable companies by Corporate Knights. The Global 100 list represents the top 1% of companies in the world in terms of sustainability performance.
- Recognized as a diversity leader by Financial Times

Committed to Sustainable Solutions and Net Zero Emissions by 2050

FT FINANCIAL TIMES

LEADER IN DIVERSITY
2021-2024

statista

PLATINUM Top 1%

2023
ecovadis
Sustainability Rating

MSCI
ESG RATINGS

AAA

CCC B BB BBB A AA AAA



FTSE4Good



A LIST
2022

FORESTS

Essity
Household Products

Sustainability
Yearbook Member
S&P Global ESG Score 2022

75 /100

As of February 7, 2023.
Position and Score are industry specific and reflect exclusions
tailoring criteria. Learn more at global.com/esg/yearbook
S&P Global Sustainable1

Tork PeakServe with 20+ patents



Highest capacity
on the market¹



250%
More capacity²



50%
Compression of towels



1/2
Cut refill
time in half²

1) Compared to competitor's longest roll towel in North America
2) Compared to Tork Universal refills and folded towel dispenser

Feminine Care



Accelerate Sustainable Solutions

3Rs



Reduce



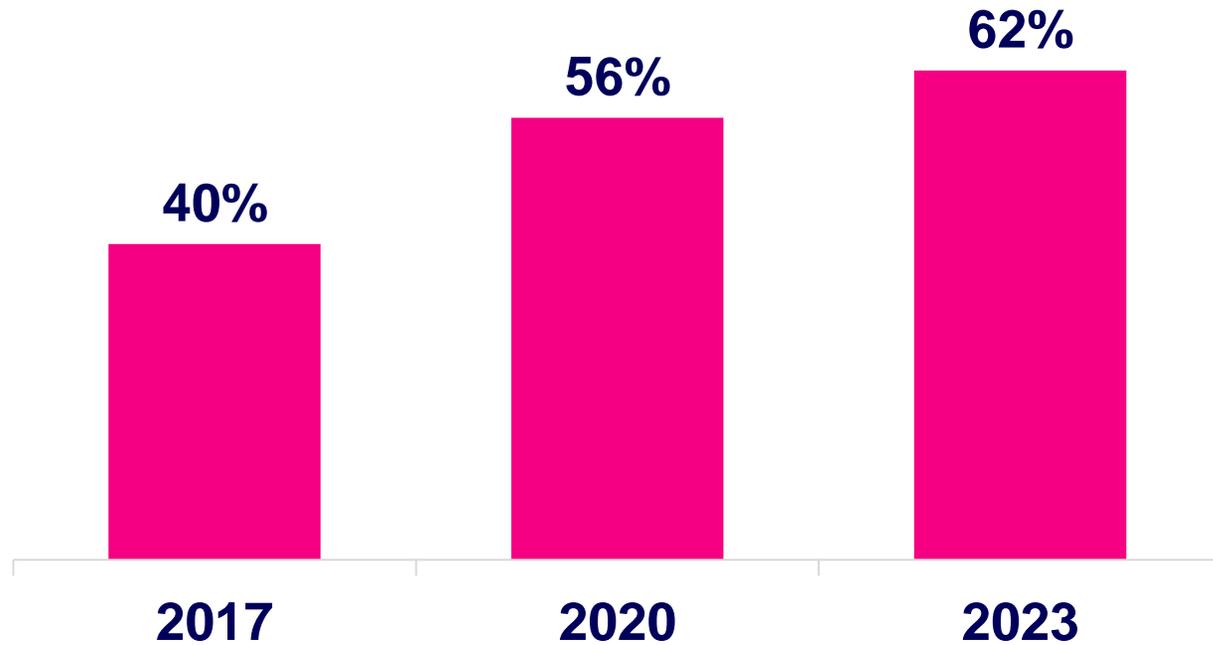
Reuse



Recycle

Superiority

Share of Net Sales with Superiority



Priorities 2024

Strong platform for growth

- Volume growth in high yielding segments
- Innovation, brands and market shares gains
- Price management
- Operational efficiency and digitalization
- Continued progress on ESG



Reasons to Invest in Essity



Fundamentally attractive market



Market leading brands



Sustainability at the core



Clear value creating strategy



Attractive financial profile



Proven execution





Q & A

