

The Essity Group

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.



A Leading Global Hygiene and Health Company



Essity 2020 in Figures

121,752 Net sales,
SEKm

17,626 Adjusted EBITA¹⁾,
SEKm

150 Sales in countries,
approximately

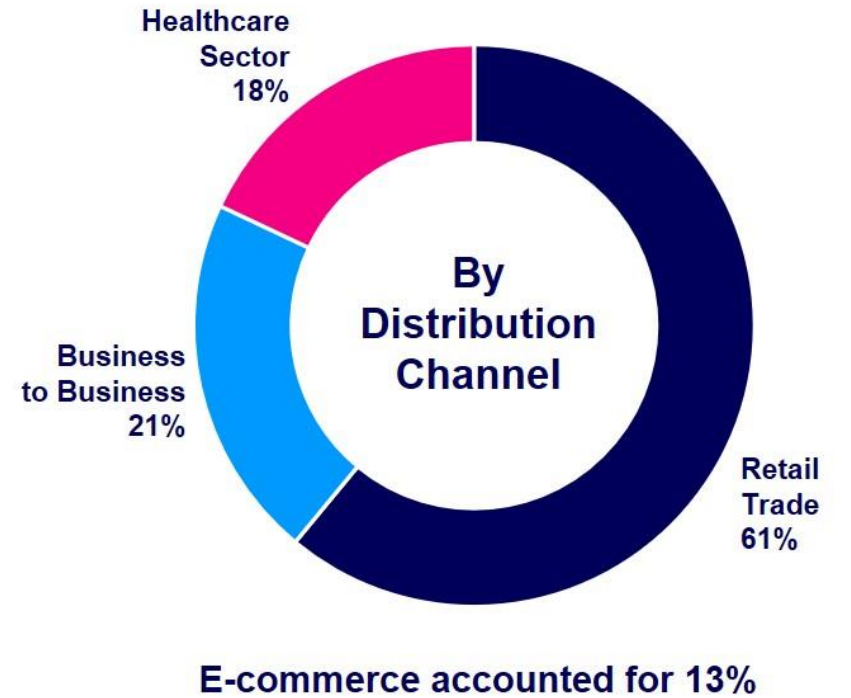
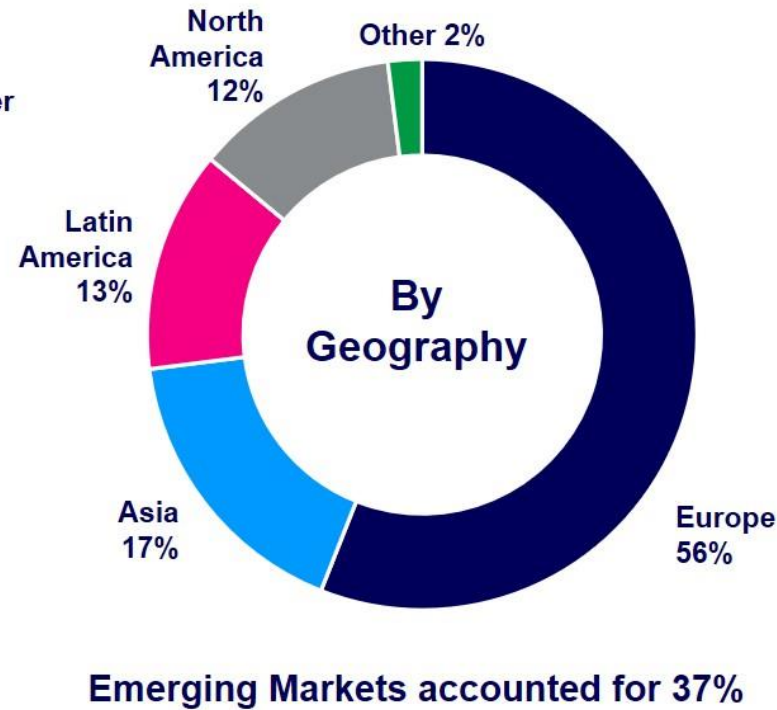
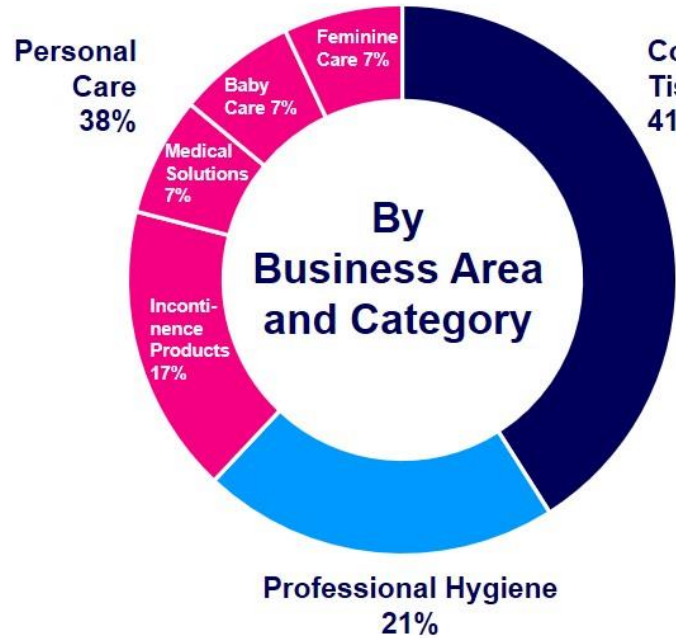
46,000 Employees,
approximately

¹⁾ Excluding items affecting comparability



Dedicated to improving well-being
through leading hygiene and
health solutions

Net Sales 2020



Financial Targets and Policies

Annual organic sales growth¹⁾

Target
>3%

Capital structure policy

Policy
 Maintain a solid investment grade rating

Adjusted return on capital employed²⁾

>17% by 2025

Dividend policy

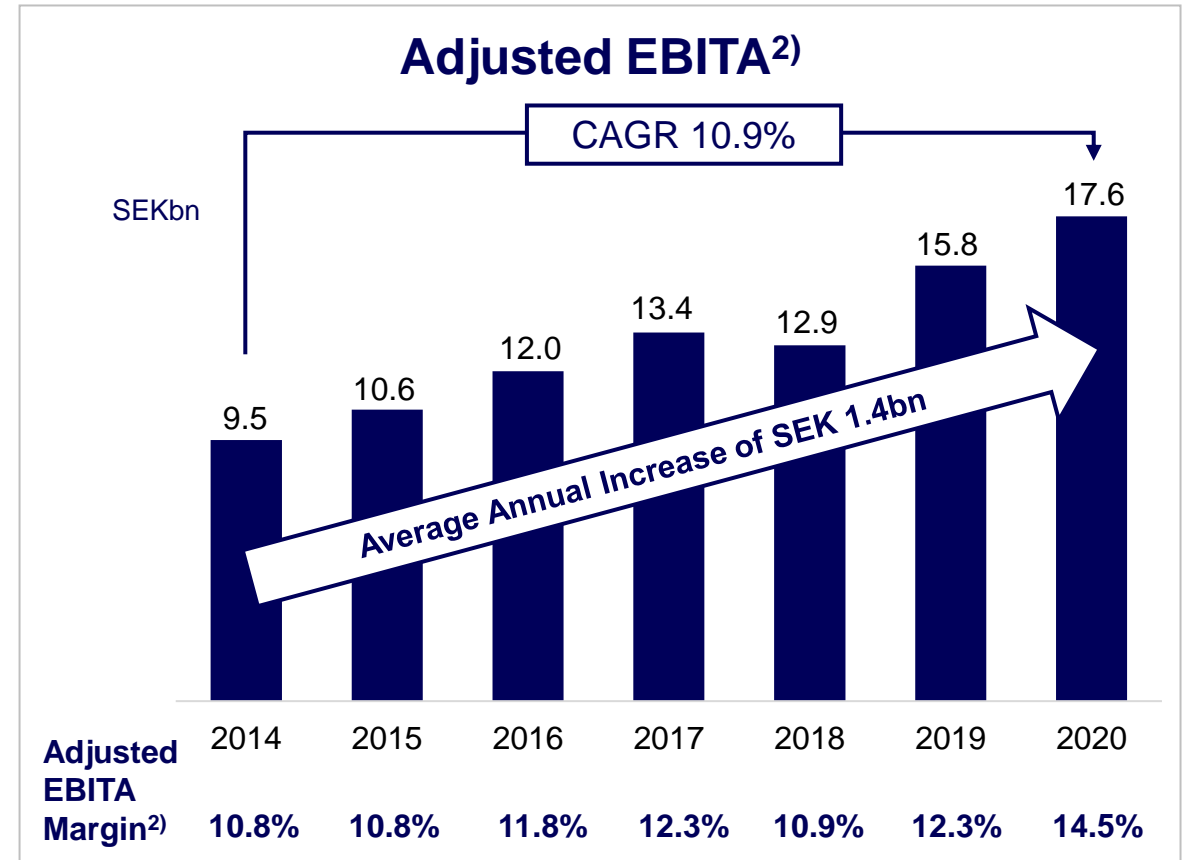
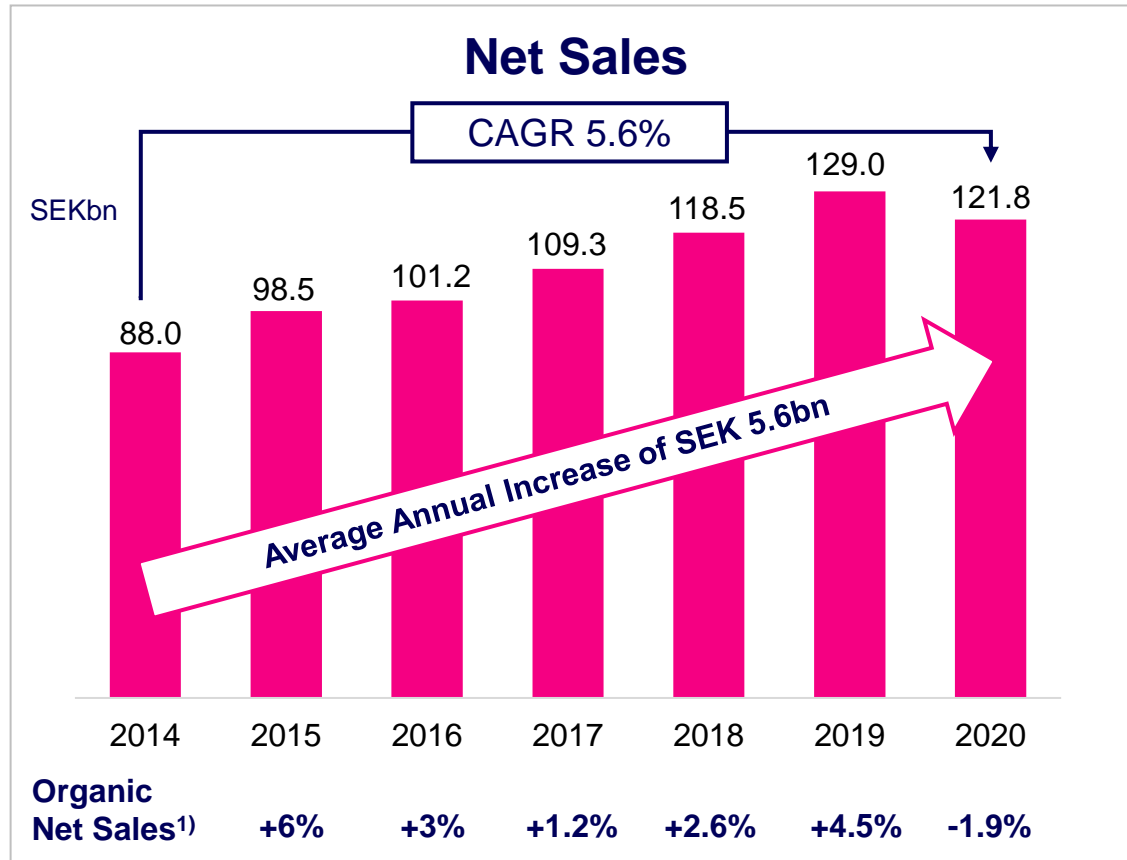
Long-term stable and rising dividends

The earlier target of >15% was achieved in 2020 and the target was raised to >17% by 2025



¹⁾ Net sales excluding exchange rate effects, acquisitions and divestments
²⁾ Excluding items affecting comparability

Strong Development of Sales and Profitability



¹⁾ Excluding exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability

Global Market Positions

#1 or #2 position in approximately 90 countries within at least one product category

Incontinence Products	1						
Professional Hygiene	1						
Consumer Tissue	2						
Medical Solutions	4						
Baby Care	5						
Feminine Care	5						

Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources, including IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Strengthened Market Shares and Brands

Positive Development Last 12 Months

Position #1 or #2 in

~90%

of our
branded sales

Increased Branded
Market Shares

>60%

market positions
in Retail

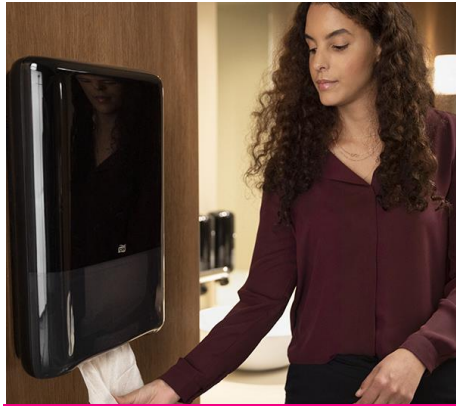


Increased Hygiene and Health Awareness

Make the Safer Choice and Securing Hygiene Standards



Soaps and Sanitizers



Converting
Air Dryers to
Tork PeakServe



Face Masks



Reposition
Products to
Hygienic Benefits

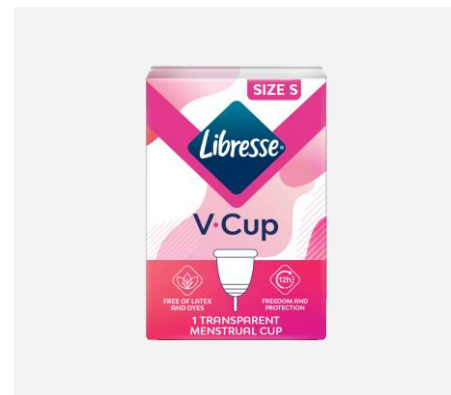
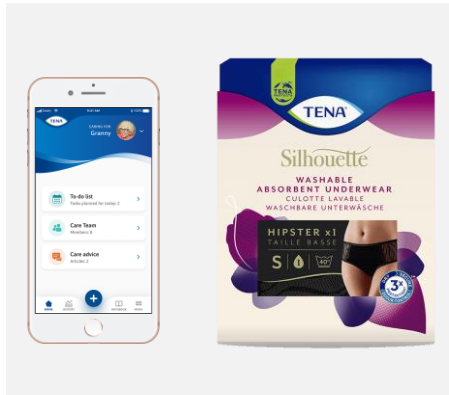
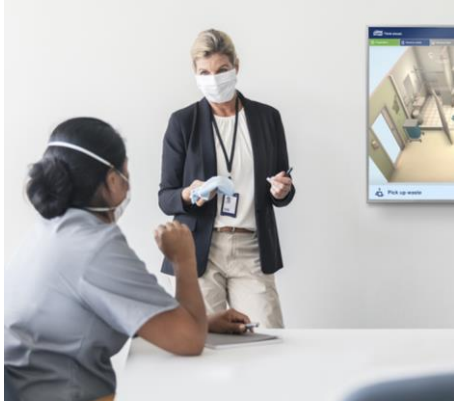


Anti-bacterial
Products



Innovations with Strong Sustainability Profile

Q1 2021



Digital Solutions

Tork EasyCube®



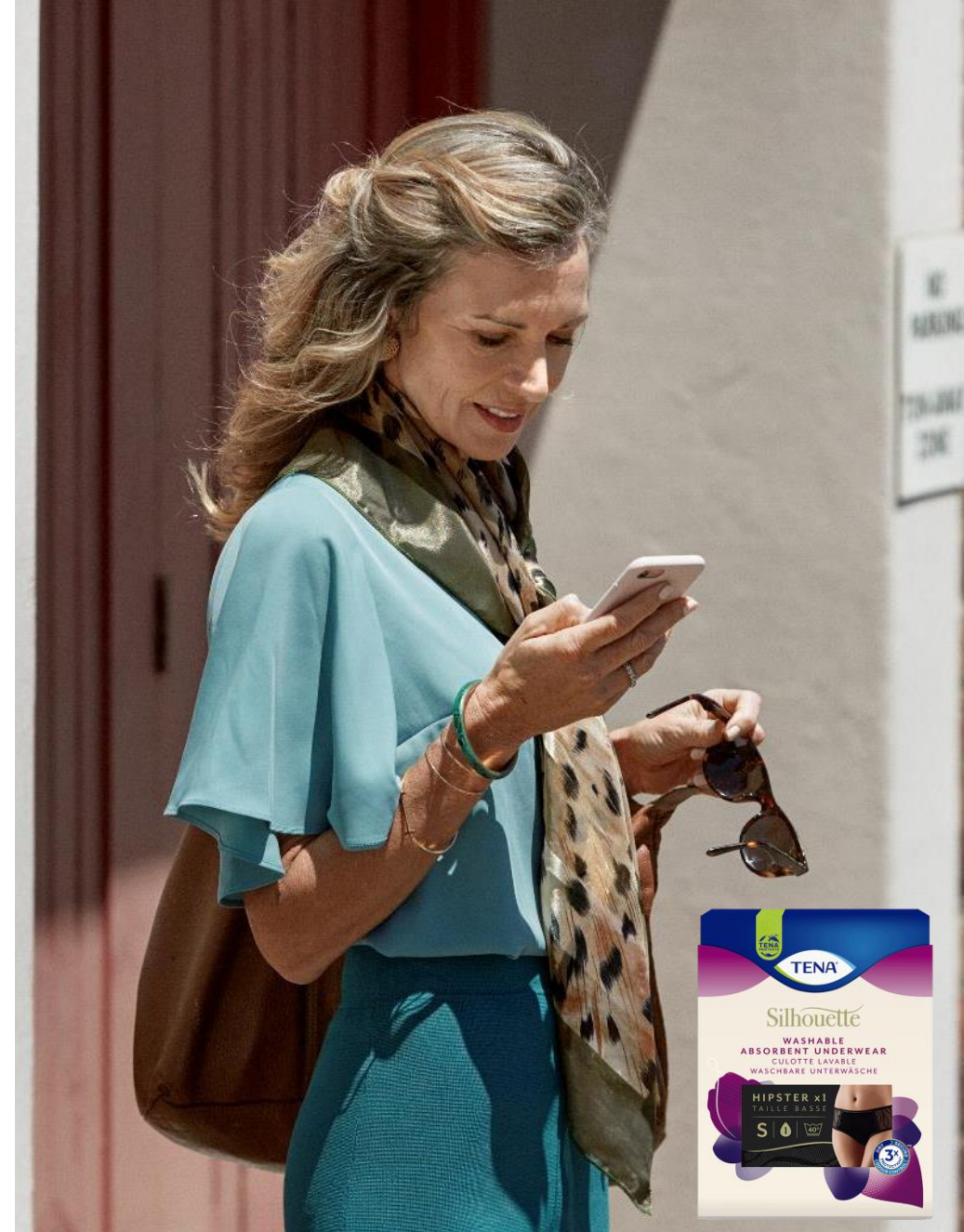
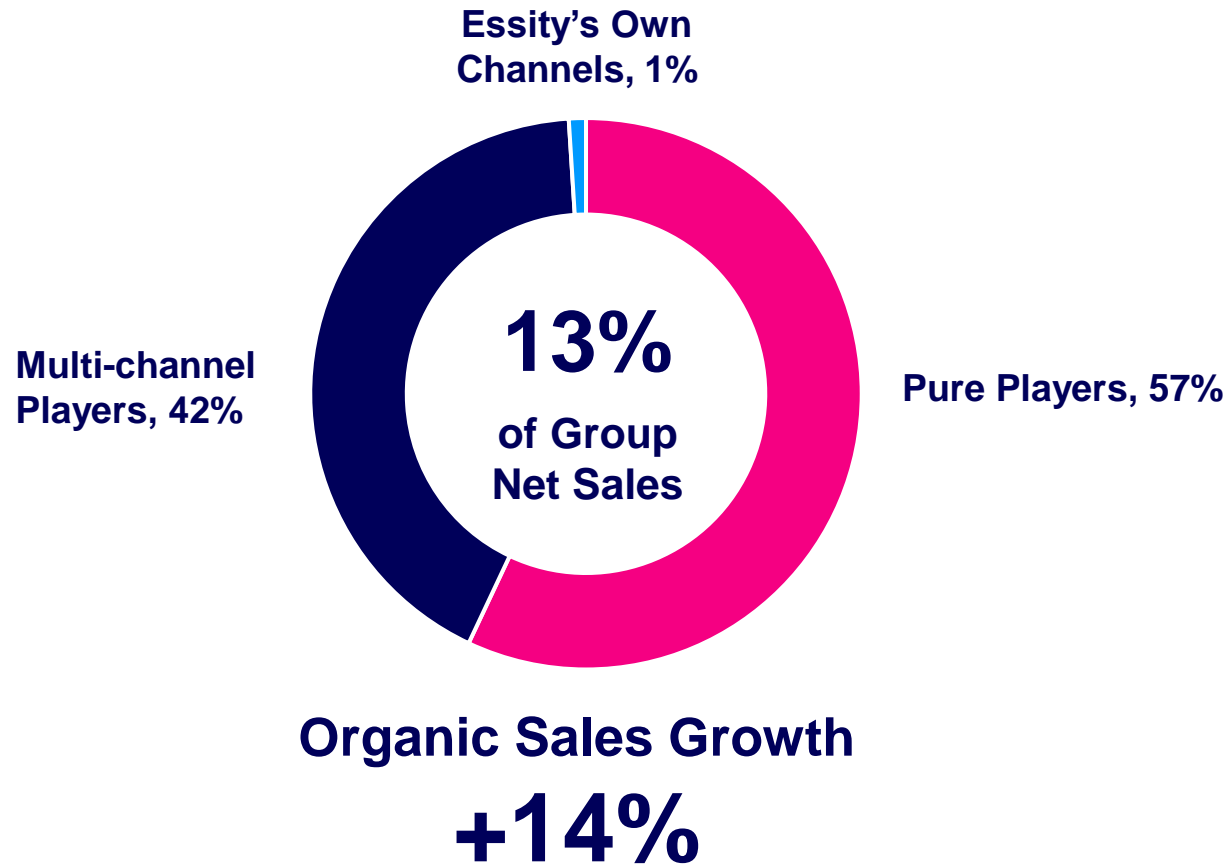
Think ahead.

TENA SmartCare®



Strong E-commerce Growth

Q1 2021



Value Creating Acquisitions

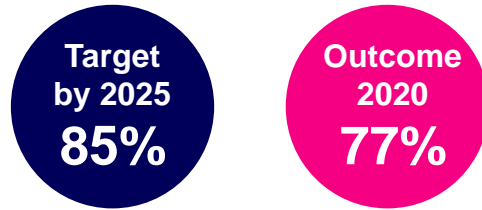


Sustainability Targets and Recognitions

Examples

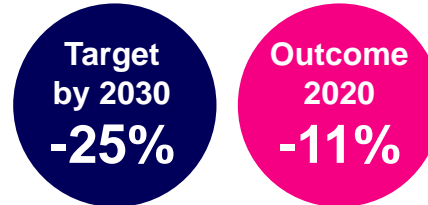
Packaging

Striving for 100% recyclability and 85% renewable or recycled material in packaging

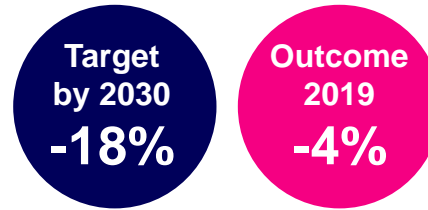


CO₂ Emissions

Scope 1 & 2:



Scope 3:



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Recognitions

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA



FORESTS



ESG Rating of AAA

Our Corporate Culture

We are committed to delivering superior results.



We care for our customers, consumers, the environment and each other.

Beliefs

We have the courage to take the lead.



We collaborate across teams, functions and businesses.

Acceleration of Digitalization

E-commerce



13%
of Net Sales Q1 2021
SEK 15bn in sales FY 2020

Digital Solutions



Tork EasyCube®
TENA SmartCare®
Collaboration with Microsoft
on Internet of Things

Social Media

libero.se/nya-liberoklubben
www.bodyform.co.uk www.tena.co.uk

Robotics, Automation, Analytics



Increases efficiency and improves quality in all parts of the business

Manufacturing Roadmap

**Optimization of Footprint and
Production Efficiency**

Digitalization

**Sustainability & Breakthrough
Technology**

Integrated Supply Chain

Manufacturing Roadmap

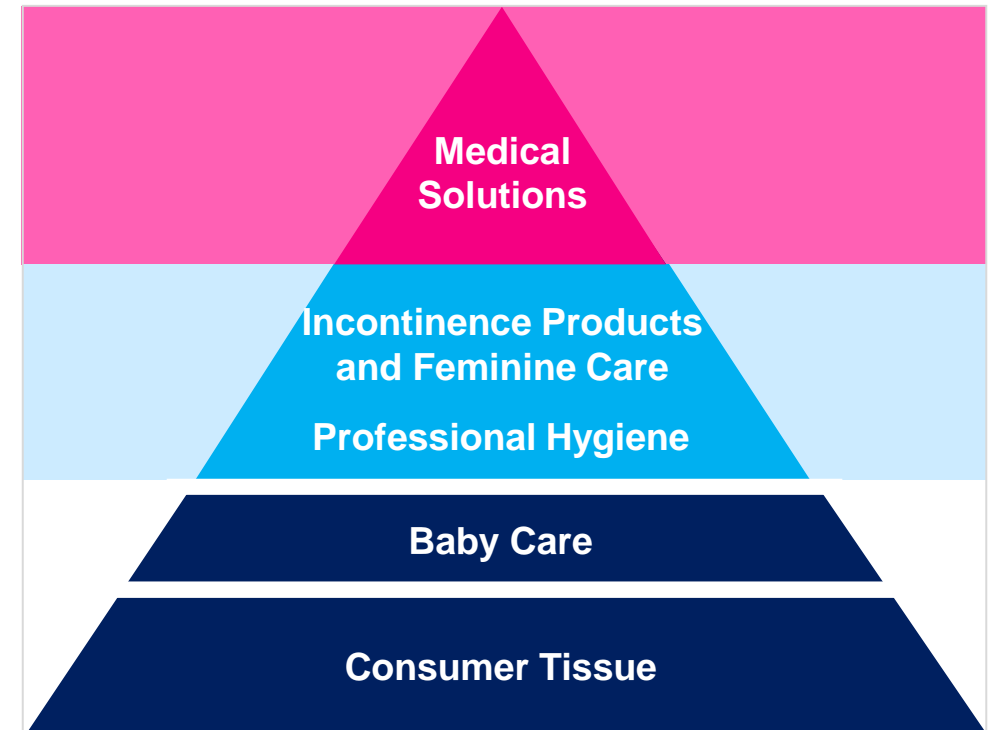
Results by 2025

- Annual cost savings of SEK 500m–1,000m
- Optimized asset utilization, productivity improvements and raw material and energy savings
- Capturing growth opportunities while optimizing CAPEX
- Reduced working capital of SEK >1bn
- Improved product quality, service levels and delivery pace
- Projects executed or in pipeline to lower wood-based fresh fiber pulp exposure with approximately 10% resulting in lower volatility in profits
- Faster delivery of our Science Based Targets through reduced resource consumption, lower carbon emissions, production waste and increased circularity



Priorities 2021

- Accelerate sales
- Price increases
- Innovation and expanding customer and consumer offerings
- Continued improvement of structural profitability
- Acquisitions in high margin categories
- Digital transformation in all areas
- Continue to lead in sustainability



**Execute on strategy and
continue our transformation journey!**

Forward-looking statements

Certain statements in this presentation includes forward-looking statements, including statements reflecting management's current views relating to the growth of the market, future market conditions, future events, financial conditions, and expected operational performance, including, in particular the following: - Our goals, strategies and operational expectations; - Industry trends, future characteristics and development of the markets in which we operate; - Our future liquidity, capital resources, capital expenditures and cost savings; - The expected demand for new products and services as well as plans to launch new products and services including R&D expenditures; - The ability to deliver on future plans and to realize potential for future growth; - The expected performance of strategic cooperation activities and joint ventures; - The time until acquired entities and businesses will be integrated and accretive to income; and - Technology and industry trends including the regulatory and standardization environment in which we operate, competition and customer structure.

The words "believe," "expect," "foresee," "anticipate," "assume," "intend," "likely," "projects," "may," "could," "plan," "estimate," "forecast," "will," "should," "would," "predict," "aim," "ambition," "seek," "potential," "target," "might," "continue," or, in each case, their negative or variations, and similar words or expressions are used to identify forward-looking statements. Any statement that refers to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

We caution investors that these statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond our control that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Risks and uncertainties to which our forward-looking statements are subject include, without limitation: (1) the ability to successfully manage global financial risks, including foreign currency fluctuations, currency exchange or pricing controls and localized volatility; (2) the ability to successfully manage local, regional or global economic volatility, including reduced market growth rates, and to generate sufficient income and cash flow to allow the Company to affect the expected share repurchases and dividend payments; (3) the ability to manage disruptions in credit markets or changes to our credit rating; (4) the ability to maintain key manufacturing and supply arrangements (including execution of supply chain optimizations, and sole supplier and sole manufacturing plant arrangements) and to manage disruption of business due to factors outside of our control, such as natural disasters and acts of war or terrorism; (5) the ability to successfully manage cost fluctuations and pressures, including prices of commodity and raw materials, and costs of labor, transportation, energy, pension and healthcare; (6) the ability to stay on the leading edge of innovation, obtain necessary intellectual property protections and successfully respond to changing consumer habits and technological advances attained by, and patents granted to, competitors; (7) the ability to compete with our local and global competitors in new and existing sales channels, including by successfully responding to competitive factors such as prices, promotional incentives and trade terms for products; (8) the ability to manage and maintain key customer relationships; (9) the ability to protect our reputation and brand equity by successfully managing real or perceived issues, including concerns about safety, quality, ingredients, efficacy or similar matters that may arise; (10) the ability to successfully manage the financial, legal, reputational and operational risk associated with third party relationships, such as our suppliers, distributors, contractors and external business partners; (11) the ability to rely on and maintain key company and third party information technology systems, networks and services, and maintain the security and functionality of such systems, networks and services and the data contained therein; (12) the ability to successfully manage uncertainties related to changing political conditions (including the United Kingdom's decision to leave the European Union) and potential implications such as exchange rate fluctuations and market contraction; (13) the ability to successfully manage regulatory and legal requirements and matters (including, without limitation, those laws and regulations involving product liability, intellectual property, antitrust, privacy, tax, environmental, and accounting and financial reporting) and to resolve pending matters within current estimates; (14) the ability to manage changes in applicable tax laws and regulations including maintaining our intended tax treatment of divestiture transactions; (15) the ability to successfully manage our ongoing acquisition, divestiture and joint venture activities, in each case to achieve the Company's overall business strategy and financial objectives, without impacting the delivery of base business objectives; and (16) the ability to successfully achieve productivity improvements and cost savings and manage ongoing organizational changes, while successfully identifying, developing and retaining key employees, including in key growth markets where the availability of skilled or experienced employees may be limited. For additional information concerning factors that could cause actual results and events to differ materially from those projected herein, please refer to our most recent Annual and Sustainability Report for a better understanding of these risks and uncertainties.

Important factors that could affect whether and to what extent any of our forward-looking statements materialize include, but are not limited to, the factors described above and in the section Risk factors in the most recent Annual and Sustainability Report and in our quarterly reports. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made and are not to be seen as projections or earnings guidance. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this presentation, to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events, whether as a result of new information, future events or otherwise.

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