

Essity – Fit for Profitable Growth

June 17, 2024



Magnus Groth

President and CEO



A close-up photograph of a baby sitting on a textured, brownish surface. The baby is wearing a white diaper and is smiling, looking slightly to the right. The background is softly blurred, showing more of the textured surface and some light-colored fabric.

Announcements

June 17, 2024

- New financial targets
 - Annual organic sales growth >3%
 - EBITA margin >15%
- Share buyback program of SEK 3bn

Essity – A Leading Hygiene and Health Company

147 Net sales 2023
SEKbn

150 Sales in
countries

36,000 employees

72 Production
facilities

Attractive Business Areas Focusing on Profitable Growth



20%
of sales
Q1 2024

Health & Medical

› Grow to scale



55%
of sales
Q1 2024

Consumer Goods

› Accelerate high-margin categories



25%
of sales
Q1 2024

Professional Hygiene

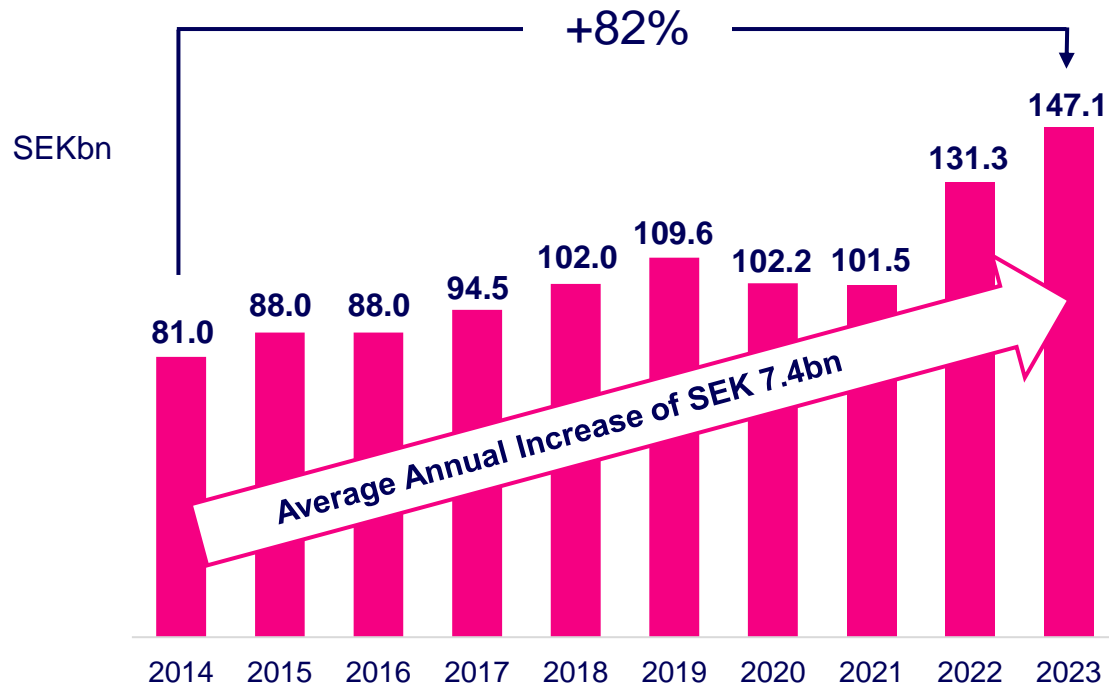
› Expand global leadership

A Decade of Continuous Change

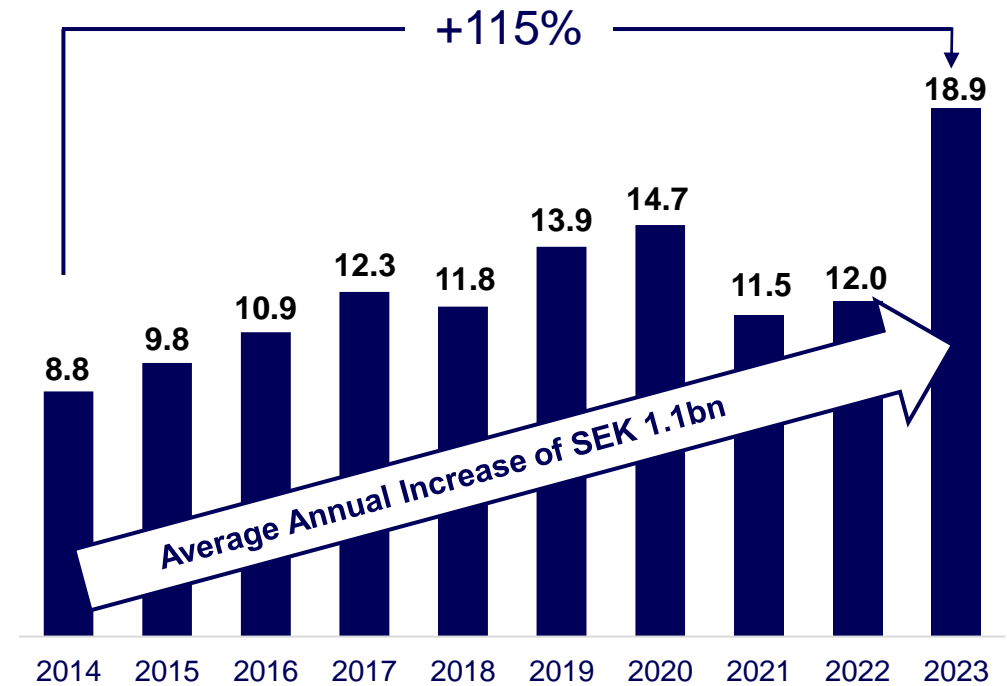


A Decade of Strong Financial Development

Sales

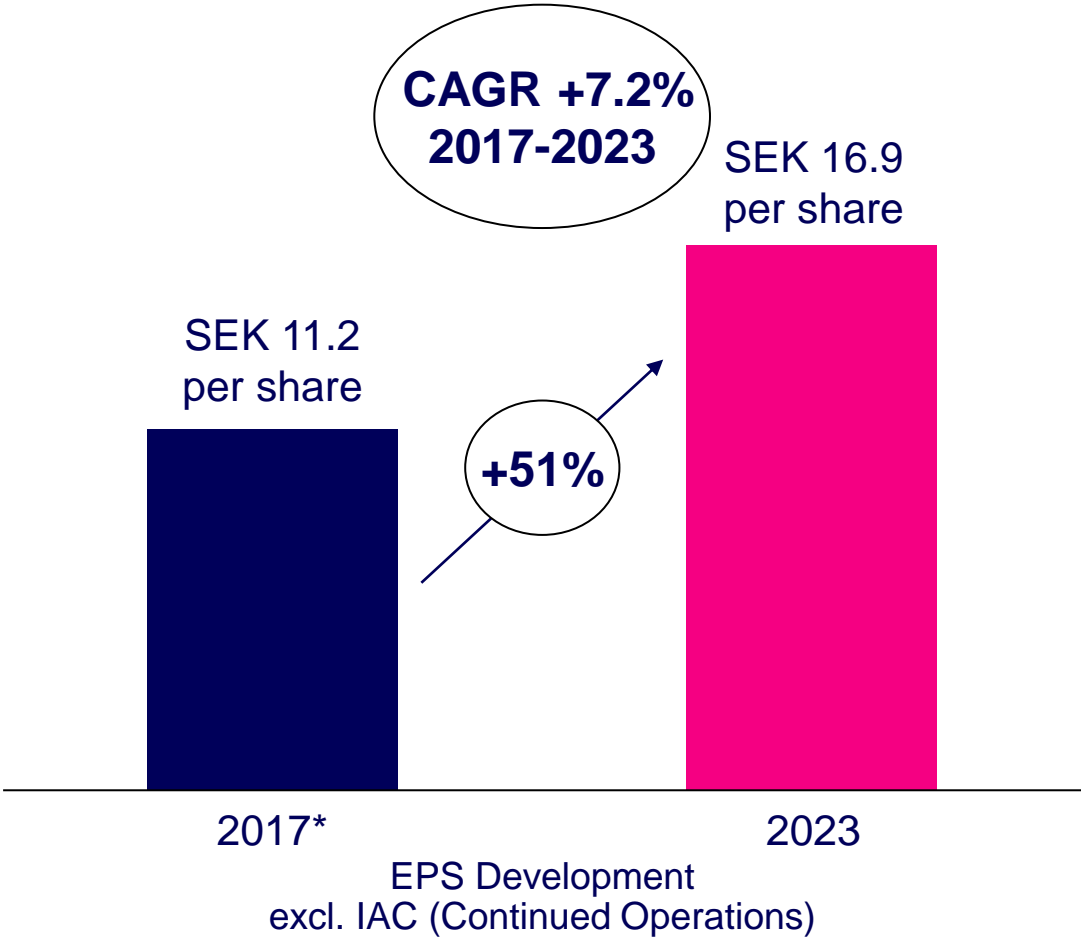


EBITA¹⁾



¹⁾ Excluding items affecting comparability
2014-2020 Excluding Vinda's published figures; 2021-2023 Vinda classified as discontinued operations.

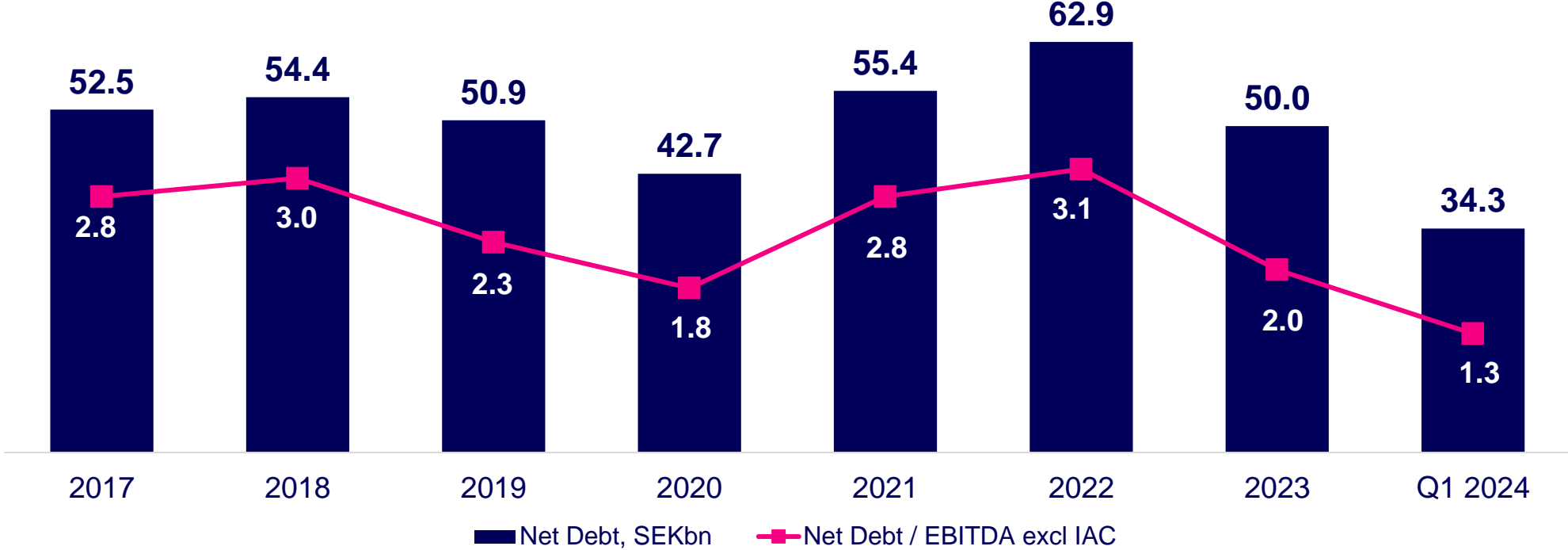
Generating High EPS Growth



*Adjusted for US Tax reform 2017



Strengthened Balance Sheet



2023 Continuing operations



Essity in Better Shape than Ever

More efficient production

Lower volatility

Pricing power

More profitable and attractive portfolio

Strong financial position



New Financial Targets – Higher Ambitions

A woman with curly hair is hugging a young child with blonde hair who is wearing a pink sweater. They are sitting in a wooden chair. The background is softly blurred.

Annual Organic
Sales Growth

>3%

EBITA Margin
excl. IAC

>15%

Financial Restrictions and Policies Unchanged

Capital Structure

Maintain
a solid
investment
grade rating

Dividend

Long-term
stable and
rising
dividends

Share Buyback Program

Allocation of Strong Operating Cash Flow

- Essity B share buyback program of SEK 3bn
- Begins June 17, 2024 and extends until AGM 2025
- Safe Harbour compliant

 **Ambition to use as a recurring part of Essity's capital allocation**

SEK
3bn

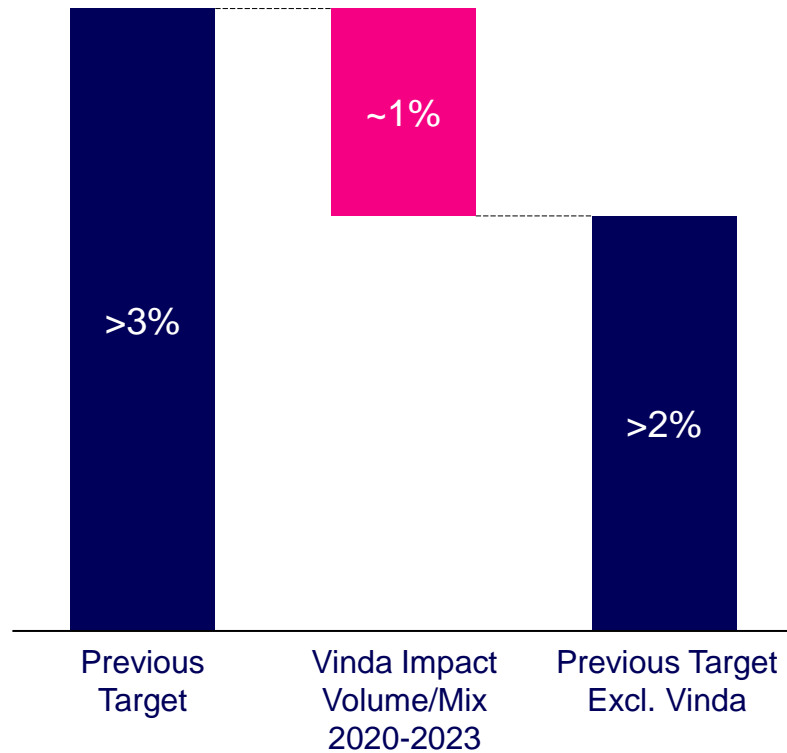
Fredrik Rystedt

CFO & Executive Vice President

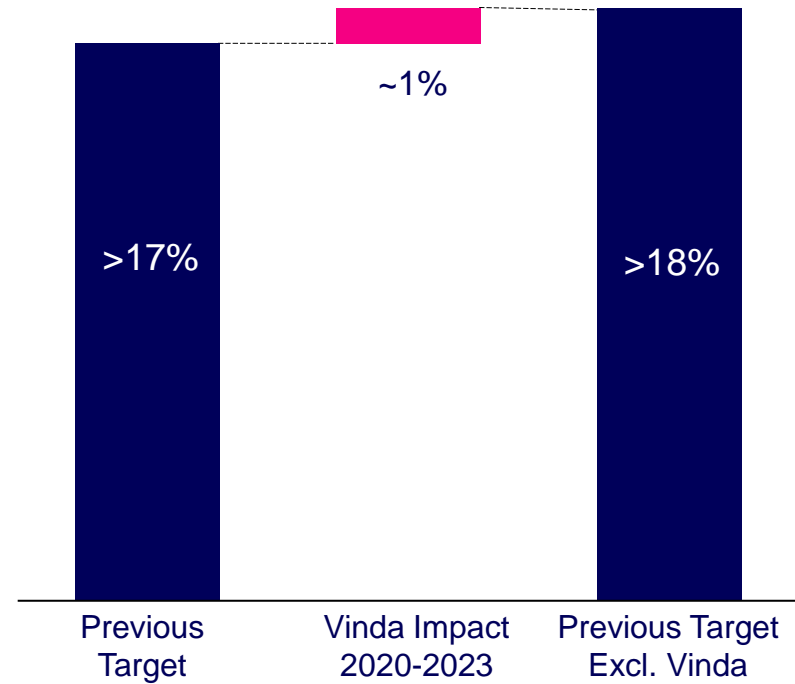


Vinda Impact on Growth and ROCE

Organic Sales Growth



ROCE¹⁾



¹⁾Excluding items affecting comparability

The ROCE Components



New Financial Targets – Higher Ambitions

From
(excl. Vinda)

To

Annual Organic
Sales Growth

>2%

Annual Organic
Sales Growth

>3%

EBITA Margin
excl. IAC

>14%

EBITA Margin
excl. IAC

>15%

Favorable Market Trends

Higher Living Standards and Disposable Income

Aging and Growing Population

Increased Awareness about Hygiene and Health

Higher Prevalence of Chronic Conditions



Essity's Global Market Growth Exposure

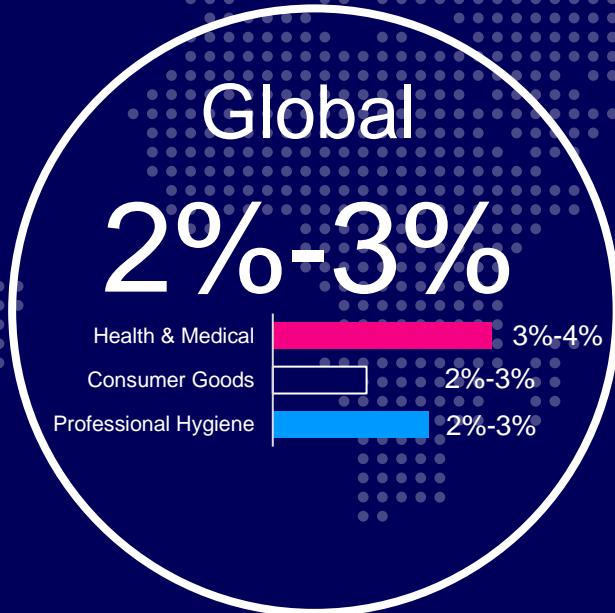
North America
2%-3%

Europe
1%-2%

Asia
3%-4%

Latin America
2%-3%

Other
4%-5%



Source: Essity Global Market Database, 2023 Edition (2023-2029 Growth Period Shown), "Essity Present" market growth rates

Shifting Gears to Growth

- **Focused organization**
 - Externally oriented after period of internal change and restructuring
 - Remuneration incentives geared to growth
- **Focused portfolio**
 - Good underlying market growth
 - Superior product assortment
 - Robust gross margin and value creating operating margin
- **Right to win**
 - Number 1 or 2 market position in 90% of sales
 - Increased A&P investments
 - Competitive cost position



Roadmap to EBITA Margin Target



Magnus Groth

President and CEO



Summary

- **New financial targets**
 - Annual organic sales growth >3%
 - EBITA margin >15%
- **Financial restrictions and policies unchanged**
 - Maintain solid investment grade rating
 - Stable and rising dividends
- **Share buyback program SEK 3bn**
 - Ambition to use as a recurring part of Essity's capital allocation



Essity – Fit for Profitable Growth to Drive Increased Shareholder Value



Globally leading in attractive and growing hygiene and health markets



Leading market positions based on strong brands and successful innovations



Focus to increase sales in fastest growing and most profitable segments and channels



Sustainability at the core and a winning corporate culture



Strong financial position with good, stable cash flow generation and attractive dividend and EPS growth



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 report for a better understanding of these risks and uncertainties.





For everybody and every body

Q&A



Thank you.