

# Interim Report

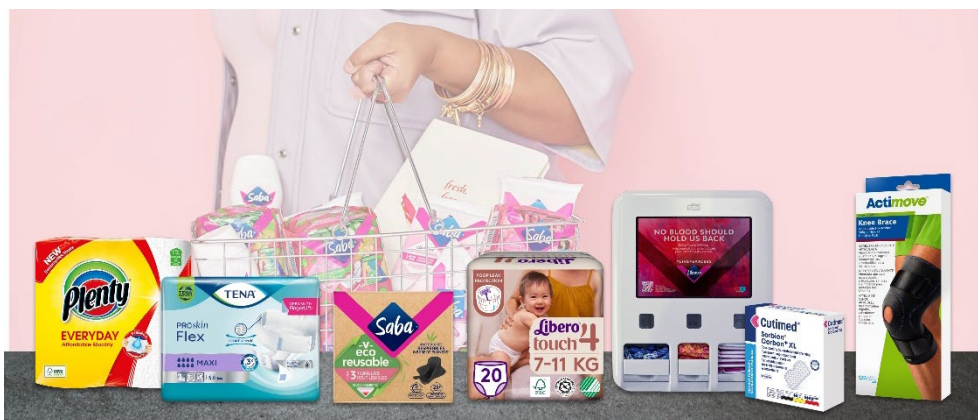
Quarter 3, 2024



# Profitable growth and higher market shares

## Quarter 3, 2024

- Net sales decreased 2.2% to SEK 36,274m (37,092)
- Organic growth amounted to 1.9%, of which volume accounted for 2.0% and price/mix -0.1%. Excluding restructuring, organic growth increased 3.4%.
- EBITA increased 47% to SEK 5,130m (3,497)
- EBITA excl. IAC decreased 1% to SEK 5,097m (5,147). Excluding currency translation effects, EBITA excl. IAC increased 6%.
- EBITA margin excl. IAC increased 0.2 percentage points to 14.1% (13.9).
- ROCE increased to 17.8% (11.7) and ROCE excl. IAC increased 0.5 percentage points to 17.7% (17.2).
- Operating cash flow increased 7% to SEK 6,453m (6,054)
- Profit for the period, total operations, amounted to SEK 3,329m (1,651)
- Earnings per share, continuing operations, increased to SEK 4.73 (2.20). Earnings per share, total operations, increased to SEK 4.73 (2.26).



# 1.9%

Organic growth

# 14.1%

EBITA margin excl. IAC

## Financial overview, continuing operations

	2024:3	2023:3	%	2409	2309	%
Net sales, SEKm	36,274	37,092	-2	107,741	110,522	-3
Organic sales growth, %	1.9	2.4	-1.0	8.3		
EBITA, SEKm	5,130	3,497	47	14,890	11,996	24
EBITA margin, %	14.1	9.4		13.8	10.9	
EBITA excl. IAC, SEKm	5,097	5,147	-1	15,375	14,045	9
EBITA margin excl. IAC, %	14.1	13.9		14.3	12.7	
Profit for the period, SEKm	3,329	1,563	113	9,140	6,659	37
Earnings per share, SEK	4.73	2.20	116	12.96	9.40	38
Earnings per share*, SEK	4.97	4.83	3	14.44	13.02	11
ROCE, %	17.8	11.7		17.0	13.5	
ROCE excl. IAC, %	17.7	17.2		17.6	15.5	
Operating cash flow, SEKm	6,453	6,054	7	13,945	11,771	18

\*Earnings per share excl. IAC and amortization of acquisition-related intangible assets

## Financial overview, total operations

	2024:3	2023:3	%	2409	2309	%
Profit for the period, SEKm	3,329	1,651	102	18,155	6,905	163
Earnings per share, SEK	4.73	2.26	109	25.68	9.58	168
Net debt/EBITDA excl. IAC				1.11	2.29	



# CEO's comments

The third quarter was characterized by strong earnings with profitable growth and record-high cash flow. Our focus on growth resulted in higher volumes and increased market shares all over the world.

## Volume growth and higher market shares

Every day Essity cares for the hygiene and health of a billion people across 150 countries. Our solutions are needed regardless of the economic situation and we are working to constantly increase the value of customer and consumer offerings. Although the global economy remains challenging, we have higher volumes in all categories, excluding restructuring.

Growth was strong in Health & Medical, especially in Europe and Latin America. Our TENA Pants in Incontinence Products Health Care continued to drive both volume and higher margins and it is gratifying to see that the products are appreciated by both caregivers and patients. Growth was also particularly high in wound care products under our Leukoplast and Cutimed brands. We continued to gain market share in Consumer Goods, a result of our long-term work on innovation combined with investments in marketing. Growth was strong in Europe, but the development was also favorable in Latin America. In Professional Hygiene, growth was affected by restructuring, but underlying growth was strong, especially in the premium range.

## Strong earnings

All business areas contributed to the Group's good profitability. Earnings were positively impacted by the economies of scale we achieved through higher volumes and by a favorable product mix. We have also had good

price discipline, despite lower costs of goods sold, and sales prices were higher compared with the second quarter of 2024. We continued to realize high cost savings through continuous efficiency improvements and have so far this year achieved more than SEK 1bn in savings. Combined, this led to a strong result for the quarter.

## Record-high cash flow

The operations generated strong cash flow during the quarter and net debt was further reduced. Our share buyback program is ongoing and by the end of the quarter, we had repurchased about 4 million of Essity's Class B shares.

*"All business areas contributed to the Group's good profitability. Earnings were positively impacted by the economies of scale we achieved through higher volumes."*

## Looking ahead

With customers and consumers at the heart of our business, we will continue to win in the growing hygiene and health market through successful innovation, leading brands, sustainability and efficiency.

At the Capital Markets Day on December 3 in our production facility in Spain, we will provide deeper insights into the operations and how we are working toward our vision – to be the undisputed global leader in hygiene and health. I hope to see you there. Welcome!

## Magnus Groth

President and CEO



# Group

## Net sales

Net sales decreased 2.2% in the third quarter of 2024 compared with the corresponding period a year ago and amounted to SEK 36,274m (37,092).

Organic sales growth increased by 1.9%. Excluding restructuring in Professional Hygiene, growth for the Group increased 3.4%. Volume growth was good. All categories in Consumer Goods and Health & Medical reported higher volumes and the underlying volume growth in Professional Hygiene was positive. Professional Hygiene and Health & Medical contributed to a positive mix. Sales prices were lower, mainly related to price reductions in Consumer Tissue in 2023. Compared with the second quarter of 2024, sales prices increased.

Organic growth in emerging markets, which accounted for 25% of net sales, was high.

## Change in net sales

%	2024:3 vs 2023:3
<b>Total</b>	<b>-2.2</b>
Volume	2.0
Price/Mix	-0.1
<b>Organic growth</b>	<b>1.9</b>
Acquisitions	0.0
Divestments	-0.1
Currency translation	-4.0

## Operating profit

The gross margin increased by 4.2 percentage points to 33.0% (28.8). Gross margin excl. IAC increased 1.1 percentage points to 32.6% (31.5). The higher margin was primarily related to higher volumes, a positive mix and good price discipline combined with lower cost of goods sold. The cost savings amounted to approximately SEK 280m. Lower sales prices and salary inflation had a negative impact.

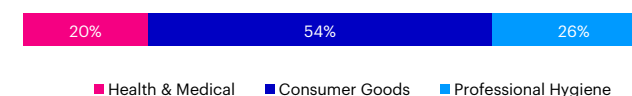
EBITA increased 47% to SEK 5,130m (3,497) and EBITA excl. IAC decreased 1% to SEK 5,097m (5,147). Excluding currency translation effects, EBITA excl. IAC increased 6%. EBITA margin excl. IAC increased and amounted to 14.1% (13.9). The improvement was mainly a result of the increased gross margin, while investments in sales and marketing were higher to drive growth. In addition, salary inflation increased costs.

## Change in EBITA excl. IAC

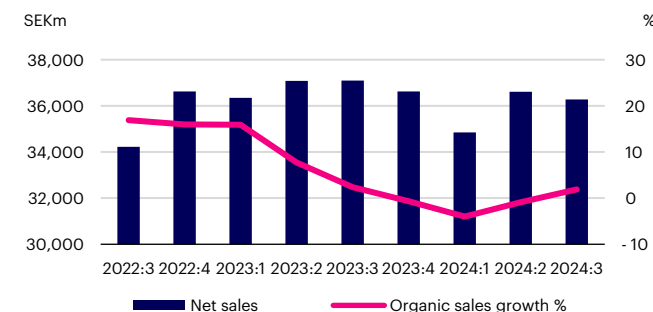
	SEKm
<b>EBITA excl. IAC 2023:3</b>	<b>5,147</b>
Volume	97
Price/Mix	100
Cost of goods sold	552
Sales & Admin	-568
Currency translation	-334
Other	103
<b>EBITA excl. IAC 2024:3</b>	<b>5,097</b>

Marketing costs as a percent of net sales increased 0.5 percentage points to 5.1%. IAC amounted to SEK 33m (-1,967).

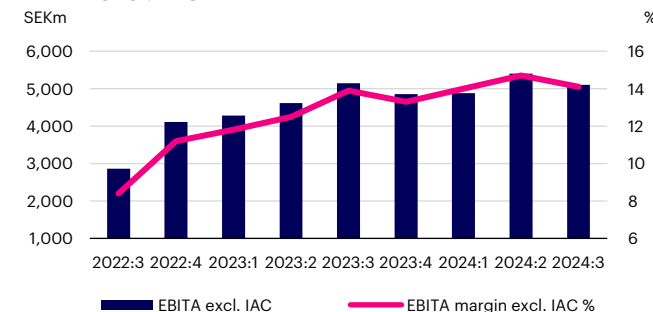
## Net sales 2409 by business area



## Net sales



## EBITA excl. IAC



## Financial items

Financial items decreased to SEK -430m (-644) on account of lower average net debt.

## Tax

The tax expense was SEK 1,109m (696), corresponding to a tax rate of 25.0% (30.8). The tax expense excl. IAC was SEK 1,097m (995), corresponding to a tax rate of 24.9% (23.5).

## Profit for the period

Profit for the period, total operations, amounted to SEK 3,329m (1,651). Profit for the period, continuing operations, was SEK 3,329m (1,563).

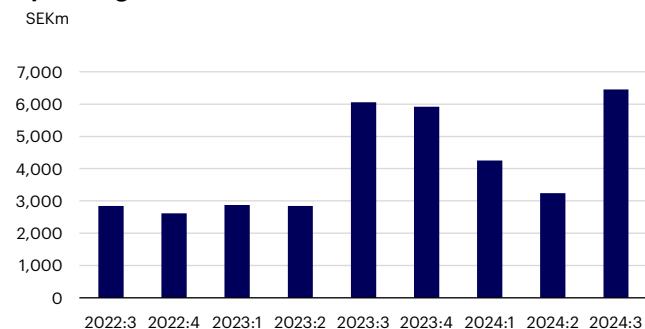
## Cash flow

Operating cash flow amounted to SEK 6,453m (6,054). Net cash flow for continuing operations was SEK 3,875m (6,116), and for discontinued operations SEK 0m (1,312).

## Operating cash flow statement

SEKm	2024:3	2023:3	2409	2309
Operating cash surplus	6,734	6,824	20,360	19,064
Change in inventories	-276	819	-1,330	1,150
Change in operating receivables	-491	1,033	-1,218	-150
Change in operating liabilities	2,252	-311	2,163	-2,492
Investments in non-current assets, net	-1,565	-1,834	-4,722	-4,561
Restructuring costs, etc.	-109	-369	-986	-908
Investments in operating assets through leases	-92	-108	-322	-332
<b>Operating cash flow</b>	<b>6,453</b>	<b>6,054</b>	<b>13,945</b>	<b>11,771</b>
Financial items	-430	-644	-1,515	-1,857
Income taxes paid	-1,073	-523	-3,673	-2,159
Other	-1	-13	33	-53
<b>Cash flow from current operations</b>	<b>4,949</b>	<b>4,874</b>	<b>8,790</b>	<b>7,702</b>
Acquisitions of Group companies and other operations	0	0	-17	-16
Divestments of Group companies and other operations	0	1,242	23,908	1,242
<b>Cash flow before transactions with shareholders</b>	<b>4,949</b>	<b>6,116</b>	<b>32,681</b>	<b>8,928</b>
Dividend	0	0	-5,443	-5,092
Dividend to non-controlling interests	0	0	-1	-2
Repurchase of own shares	-1,074	0	-1,208	0
<b>Net cash flow, continuing operations</b>	<b>3,875</b>	<b>6,116</b>	<b>26,029</b>	<b>3,834</b>
Net cash flow, discontinued operations	0	1,312	-467	-502
<b>Net cash flow, total operations</b>	<b>3,875</b>	<b>7,428</b>	<b>25,562</b>	<b>3,332</b>

## Operating cash flow



## Financial position

Net debt decreased by SEK 24,581m compared with December 31, 2023, and amounted to SEK 29,122m, primarily driven by the divestment of Vinda which contributed SEK 19,360m, and a strong operating cash flow.

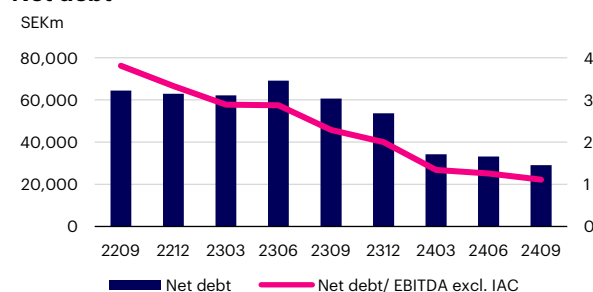
Compared with December 31, 2023, working capital increased to SEK 10,034m, mainly due to higher inventory levels and trade receivables. Higher trade payables reduced working capital. Working capital amounted to 7% (8) of net sales.

Equity attributable to owners of the Parent company increased SEK 12,536m compared with December 31, 2023. Profit for the period attributable to owners of the Parent company increased the equity of owners of the Parent company by SEK 18,763m, mainly related to the divestment of Vinda. The dividend of SEK 5,443m reduced equity attributable to owners of the Parent company. The Group's total equity increased SEK 4,430m during the first nine months.

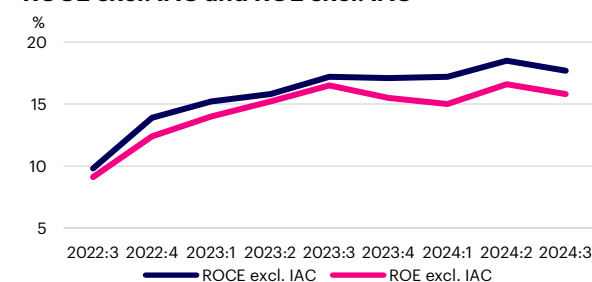
## Share buyback

During the July 1 – September 30, 2024 period, Essity repurchased 3,564,000 own Class B shares for a total amount of SEK 1,074m. The share buyback is part of the SEK 3bn buyback program announced by Essity on June 17, 2024 and that will extend from June 17, 2024 until the 2025 Annual General Meeting. As of September 30, 2024, Essity has repurchased 4,050,000 own Class B shares for a total amount of SEK 1,208m in the program. As of September 30, 2024, Essity's holdings of treasury shares correspond to 0.58% of the total number of shares outstanding. The repurchased shares are expected to be canceled. The share repurchase will be financed using cash flow from current operations after the ordinary dividend with the ambition to continue with share buybacks over time as a recurring part of Essity's capital allocation.

## Net debt



## ROCE excl. IAC and ROE excl. IAC



## Financial position

	2409	2309	2312
Working capital, SEKm	10,034	12,111	8,771
Capital employed, SEKm	112,957	116,928	110,750
Net debt, SEKm	29,122	60,633	53,703
Debt/equity ratio	0.35	0.75	0.68
Debt payment capacity, %	64	32	34
Net debt/EBITDA	1.13	2.44	2.16
Net debt/EBITDA excl. IAC	1.11	2.29	2.00

## Return

%	2024:3	2023:3	2409	2309
ROCE	17.8	11.7	17.0	13.5
ROCE excl. IAC	17.7	17.2	17.6	15.5
ROE	15.9	8.2	25.6	11.6
ROE excl. IAC	15.8	16.5	15.7	14.4

## Change in net debt

SEKm	2409	2309	2312
<b>Net debt at the beginning of the period</b>	<b>-53,703</b>	<b>-62,869</b>	<b>-62,869</b>
Net cash flow	25,562	3,332	8,464
Remeasurements to equity	802	1,143	1,339
Investments in non-operating assets through leases	-442	-312	-491
Translation differences	-1,341	-1,927	-146
<b>Net debt at the end of the period</b>	<b>-29,122</b>	<b>-60,633</b>	<b>-53,703</b>

# Health & Medical

- Higher volumes
- Increased sales prices and positive product mix
- Higher EBITA and margin, excl. IAC

## Net sales

Net sales increased organically 2.8%. Volume growth was good, prices developed positively and the product mix was favorable.

In Incontinence Products Health Care, organic growth was favorable in Europe with higher demand in several countries. Growth was also favorable in North America and Latin America. Both volumes and prices were higher. The positive product mix was largely related to increased sales of TENA Pants.

In Medical Solutions, organic growth was particularly high in Europe and Latin America. Sales of wound care products continued to show a strong trend. Volume growth remained high and prices were higher.

## EBITA excl. IAC

EBITA and EBITA margin excl. IAC increased, mainly driven by higher volumes, a positive mix, price increases, lower costs for raw materials and energy, and cost savings. In total, cost of goods sold was lower. Investments in sales to drive growth increased costs. Currency translation effects had a negative impact on earnings of SEK 47m compared with the corresponding period a year ago.



The improved flexibility of new Cutimed® Sorbion®, a super-absorbent dressing, allows for easier and more convenient application of the product on difficult wounds and different body contours. A product development that is an improvement both for patients and healthcare professionals.

## Change in net sales

%	2024:3 vs 2023:3
<b>Total</b>	<b>-0.4</b>
Volume	2.1
Price/Mix	0.7
<b>Organic growth</b>	<b>2.8</b>
Acquisitions	0.0
Divestments	-0.3
Currency translation	-2.9

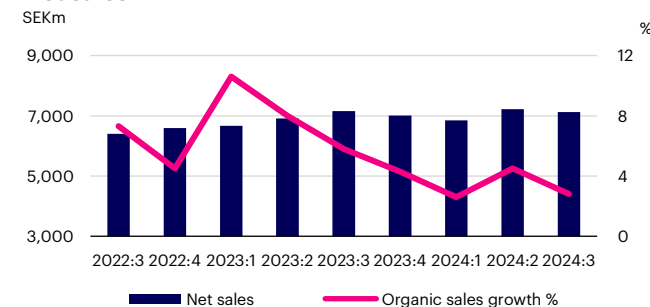
## Organic sales growth

%	2024:3 vs 2023:3	% of net sales
Incontinence Products Health Care	3.0	57
Medical Solutions	2.6	43

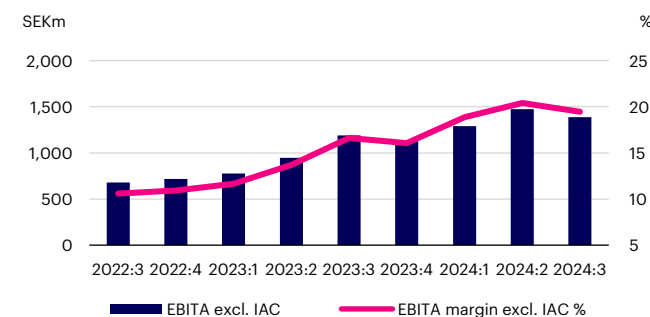
## Financial overview

	2024:3	2023:3	%
Net sales, SEKm	7,127	7,158	0
Organic sales growth, %	2.8	5.8	
Gross profit margin excl. IAC, %	44.7	42.0	
EBITA excl. IAC, SEKm	1,386	1,188	17
EBITA margin excl. IAC, %	19.4	16.6	
ROCE excl. IAC, %	16.5	13.3	
Operating cash flow, SEKm	1,674	1,676	0

## Net sales



## EBITA excl. IAC





# Consumer Goods

- Higher volumes in all categories
- Strong growth in Incontinence Products Retail and Feminine Care
- Sequentially higher sales prices

## Net sales

Net sales increased organically by 3.0%, primarily driven by higher volumes in all categories. Sales prices were slightly lower.

Incontinence Products Retail reported high organic growth, mainly due to higher volumes in both Europe and Latin America. Feminine Care also showed strong volume development in both regions, combined with higher sales prices. Baby Care reported slightly positive organic growth, driven by volume. In Consumer Tissue, volumes increased while the sales price was lower compared with the preceding year, mainly related to price reductions in 2023. Compared with the second quarter of 2024, sales prices increased.

## EBITA excl. IAC

EBITA excl. IAC decreased, but excluding translation currency effects the result increased. EBITA margin excl. IAC declined slightly, mainly due to lower sales prices and higher costs for raw materials. Investments in sales and marketing to drive growth also increased costs. Higher volumes, lower costs for energy, and cost savings contributed positively to the results. In total, cost of goods sold was lower. Currency translation effects had a negative impact on earnings of SEK 144m compared with the corresponding period a year ago.



New TENA Pants protect+ offer even better leakage protection, while the product is comfortable and gentle on the skin.

## Change in net sales

%	2024:3 vs 2023:3
<b>Total</b>	<b>-1.6</b>
Volume	5.3
Price/Mix	-2.3
<b>Organic growth</b>	<b>3.0</b>
Acquisitions	0.0
Divestments	0.0
Currency translation	-4.6

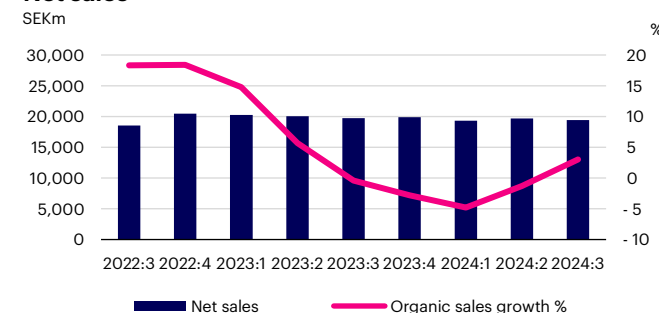
## Organic sales growth

%	2024:3 vs 2023:3	% of net sales
Incontinence Products Retail	6.3	15
Feminine Care	4.9	18
Baby Care	0.1	9
Consumer Tissue	2.0	59

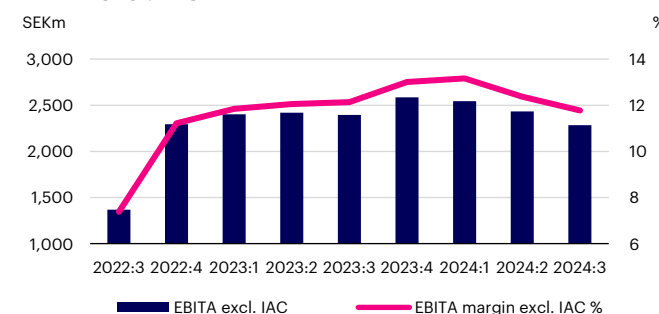
## Financial overview

	2024:3	2023:3	%
Net sales, SEKm	19,410	19,729	-2
Organic sales growth, %	3.0	-0.4	
Gross profit margin excl. IAC, %	28.5	28.3	
EBITA excl. IAC, SEKm	2,285	2,395	-5
EBITA margin excl. IAC, %	11.8	12.1	
ROCE excl. IAC, %	17.1	17.2	
Operating cash flow, SEKm	2,793	2,235	25

## Net sales



## EBITA excl. IAC





# Professional Hygiene

- Strong growth in premium products
- High growth in Latin America
- Continued high EBITA and margin, excl. IAC

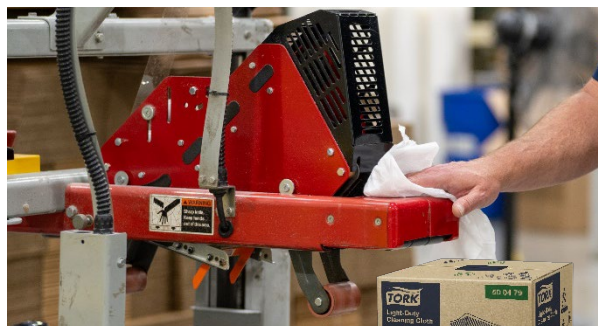
## Net sales

Net sales decreased organically 0.8%, primarily as a result of lower volumes due to restructuring in North America and Europe. Excluding the effect of this, growth was 4.7%. Sales prices were higher and the product mix was positive. The proportion of premium products, which are characterized by high margins and customer loyalty, increased.

In Latin America, organic growth was high driven by higher volumes and higher sales prices.

## EBITA excl. IAC

EBITA excl. IAC decreased, but excluding translation currency effects the result increased. EBITA margin excl. IAC increased. The strong mix trend combined with higher prices and lower costs for energy had a positive impact on earnings. In total, cost of goods sold was lower despite higher costs for raw materials. Investments in sales in order to drive growth increased costs. Lower volumes had a negative earnings effect. Currency translation effects had a negative impact on earnings of SEK 156m compared with the corresponding period a year ago.



Tork exelCLEAN is a cleaning cloth for lighter cleaning tasks. Stronger and with longer durability than cleaning cloths made from paper, they can be rinsed and re-used.

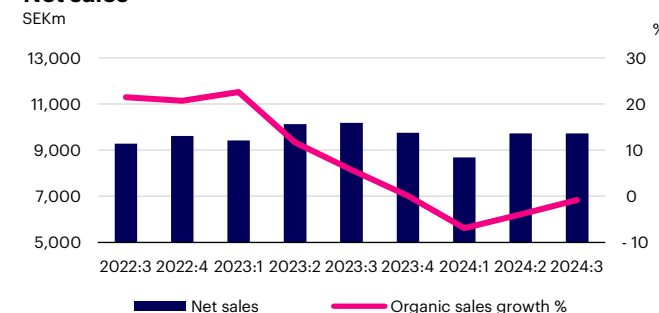
## Change in net sales

%	2024:3 vs 2023:3
<b>Total</b>	<b>-4.5</b>
Volume	-4.6
Price/Mix	3.8
<b>Organic growth</b>	<b>-0.8</b>
Acquisitions	0.0
Divestments	0.0
Currency translation	-3.7

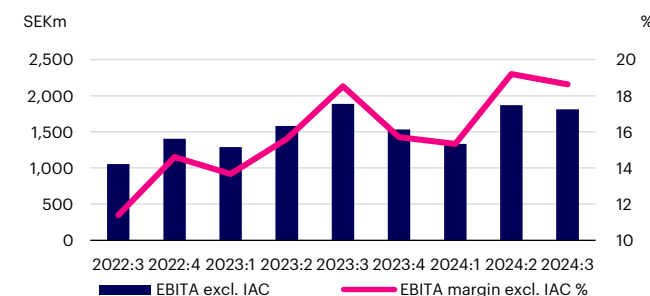
## Financial overview

	2024:3	2023:3	%
Net sales, SEKm	9,729	10,184	-4
Organic sales growth, %	-0.8	5.7	
Gross profit margin excl. IAC, %	31.8	30.2	
EBITA excl. IAC, SEKm	1,812	1,887	-4
EBITA margin excl. IAC, %	18.6	18.5	
ROCE excl. IAC, %	28.7	28.0	
Operating cash flow, SEKm	2,153	2,370	-9

## Net sales



## EBITA excl. IAC



# Other Group information

## Sustainability

Sustainability is integrated into Essity's strategy and is a priority for long-term profitable growth.

### Climate targets validated by the Science Based Targets initiative

Essity's long-term target is to achieve net-zero emissions in the entire value chain by 2050. In August 2024, all long and short-term targets in Scopes 1, 2 and 3 were validated by the Science Based Targets initiative (SBTi). The roadmap was created as part of the UN Global Compact's "Business Ambition for 1.5°C."

The company's short-term targets for Scopes 1 and 2 (the company's energy consumption and purchased electricity) are to achieve a reduction of 35% by 2030, and the short-term target in Scope 3 (including purchased goods and services, transportation, waste generated in operations, and end of life treatment of sold products) was updated from a reduction of 18% to 35% within the same timeframe. All targets are based on base year 2016.

### Essity's climate targets

Near-term target 2030:  
Scope 1 and 2

**-35 %**

Near-term target 2030:  
Scope 3

**-35 %**

Long-term target 2050:

**Net zero**

The short-term targets include only the largest Scope 3 categories. The long-term targets include all Scope 3 categories.

## Events after the quarter

### Essity has received a demand for early repayment of bonds

On October 17, 2024, Essity announced that the company had received a demand for early payment from a few bondholders regarding bonds maturing in 2029, 2030 and 2031. Essity disputes the demand.

The demand refers to a minority part of the total amount of the bonds with these maturing dates. These bondholders claim that an Event of Default has occurred under the terms. As previously stated, Essity is confident, after having obtained professional advice, that an Event of Default has not occurred and that the demand is unfounded.

Stockholm, October 24, 2024  
Essity Aktiebolag (publ)

Magnus Groth  
President and CEO

### Essity is a global, leading hygiene and health

**company.** Every day, our products, solutions and services are used by a billion people around the world. Our purpose is to break barriers to well-being for the benefit of consumers, patients, caregivers, customers and society. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands such as Actimove, Cutimed, JOBST, Knix, Leukoplast, Libero, Libresse, Lotus, Modibodi, Nosotras, Saba, Tempo, TOM Organic and Zewa. In 2023, Essity had net sales of approximately SEK 147bn (EUR 13bn) and employed 36,000 people. The company's headquarters is in Stockholm, Sweden and Essity is listed on Nasdaq Stockholm.

More information at [essity.com](https://essity.com) and follow Essity on social media.



NB: This information is such information that Essity Aktiebolag (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of Karl Stoltz, Media Relations Director, at 07:00 CET on October 24, 2024.

This interim report has not been reviewed by the company's auditors.

# First nine months 2024

## Net sales

Net sales decreased 2.5% in the first nine months of 2024 compared with the corresponding period in the preceding year and amounted to SEK 107,741m (110,522).

Sales decreased organically by 1.0% (+0.7 % excl. restructuring and exited contracts). Sales prices were lower, mainly in Consumer Tissue. Health & Medical reported higher sales prices. The volumes were somewhat positive, despite restructuring in Professional Hygiene and exited contracts with insufficient profitability in Incontinence Products Health Care. Consumer Goods and Health & Medical reported higher volumes and the underlying volume growth in Professional Hygiene was positive. The mix was positive for the Group.

## Operating profit

The gross margin increased by 4.1 percentage points to 32.6% (28.5). Gross margin excl. IAC increased 3.3 percentage points to 33.0% (29.7). The higher margin was primarily related to a positive mix and good price discipline combined with lower cost of goods sold. Savings amounted to approximately SEK 1.1bn. Lower sales prices and salary inflation had a negative impact.

EBITA increased 24% to SEK 14,890m (11,996). Excl. IAC, EBITA increased 9% (+11 % excluding translation currency effects) to SEK 15,375m (14,045) and the margin amounted to 14.3% (12.7). The improvement was mainly the result of the increased gross margin, while investments in sales and marketing were higher to drive growth. In addition, salary inflation increased costs.

Group	2409	2309	%
Net sales, SEKm	107,741	110,522	-3
Organic sales growth, %	-1.0	8.3	
Gross profit margin excl. IAC, %	33.0	29.7	
EBITA excl. IAC, SEKm	15,375	14,045	9
EBITA margin excl. IAC, %	14.3	12.7	
ROCE excl. IAC, %	17.6	15.5	
Operating cash flow, SEKm	13,945	11,771	

Marketing costs as a percent of net sales increased 0.6 percentage points to 5.3% (4.7). IAC amounted to SEK -555m (-2,399) mainly attributed to restructuring measures. Currency translation effects had a negative impact on earnings of SEK 167m.

## Financial items

Financial items decreased to SEK -1,515m (-1,857) on account of lower average net debt. Higher interest rates had a negative impact on net interest items.

## Tax

The tax expense was SEK 3,325m (2,291), corresponding to a tax rate of 26.7% (25.6). The tax expense excl. IAC was SEK 3,452m (2,739), corresponding to a tax rate of 26.5% (24.1). The tax rate was negatively affected by non-recurring items.

## Profit for the period

Profit for the period, total operations, amounted to SEK 18,155m (6,905). Earnings were impacted positively by the capital gain of approximately SEK 9bn from the divestment of the holding in Vinda. Profit for the period, continuing operations, was SEK 9,140m (6,659).

Health & Medical	2409	2309	%
Net sales, SEKm	21,182	20,728	2
Organic sales growth, %	3.3	8.1	
Gross profit margin excl. IAC, %	45.2	39.7	
EBITA excl. IAC, SEKm	4,148	2,912	42
EBITA margin excl. IAC, %	19.6	14.0	
ROCE excl. IAC, %	15.6	10.4	
Operating cash flow, SEKm	3,883	2,269	

Consumer Goods	2409	2309	%
Net sales, SEKm	58,420	60,042	-3
Organic sales growth, %	-1.1	6.3	
Gross profit margin excl. IAC, %	29.3	26.9	
EBITA excl. IAC, SEKm	7,264	7,212	1
EBITA margin excl. IAC, %	12.4	12.0	
ROCE excl. IAC, %	18.4	17.3	
Operating cash flow, SEKm	6,566	5,727	

Professional Hygiene	2409	2309	%
Net sales, SEKm	28,144	29,729	-5
Organic sales growth, %	-3.8	12.6	
Gross profit margin excl. IAC, %	31.5	28.3	
EBITA excl. IAC, SEKm	5,012	4,757	5
EBITA margin excl. IAC, %	17.8	16.0	
ROCE excl. IAC, %	26.0	22.0	
Operating cash flow, SEKm	4,471	5,103	

# Financial statements

## Condensed consolidated income statement

SEKm	2024:3	2023:3	%	2409	2309	%
Net sales	36,274	37,092	-2	107,741	110,522	-3
Cost of goods sold	-24,448	-25,422		-72,198	-77,722	
Items affecting comparability (IAC) - cost of goods sold	136	-987		-377	-1,304	
<b>Gross profit</b>	<b>11,962</b>	<b>10,683</b>	<b>12</b>	<b>35,166</b>	<b>31,496</b>	<b>12</b>
<b>Gross profit excl. IAC</b>	<b>11,826</b>	<b>11,670</b>	<b>1</b>	<b>35,543</b>	<b>32,800</b>	<b>8</b>
Sales, general and administration	-6,735	-6,545		-20,232	-18,787	
Items affecting comparability (IAC) - sales, general and administration	-103	-663		-108	-745	
Share of profits of associates and joint ventures	6	22		64	32	
<b>Operating profit before amortization of acquisition-related intangible assets (EBITA)</b>	<b>5,130</b>	<b>3,497</b>	<b>47</b>	<b>14,890</b>	<b>11,996</b>	<b>24</b>
<b>Operating profit before amortization of acquisition-related intangible assets (EBITA) excl. IAC</b>	<b>5,097</b>	<b>5,147</b>	<b>-1</b>	<b>15,375</b>	<b>14,045</b>	<b>9</b>
Amortization of acquisition-related intangible assets	-262	-277		-840	-839	
Items affecting comparability (IAC) - acquisition-related intangible assets	0	-317		-70	-350	
<b>Operating profit</b>	<b>4,868</b>	<b>2,903</b>	<b>68</b>	<b>13,980</b>	<b>10,807</b>	<b>29</b>
<b>Operating profit excl. IAC</b>	<b>4,835</b>	<b>4,870</b>	<b>-1</b>	<b>14,535</b>	<b>13,206</b>	<b>10</b>
Financial items	-430	-644		-1,515	-1,857	
<b>Profit before tax</b>	<b>4,438</b>	<b>2,259</b>	<b>96</b>	<b>12,465</b>	<b>8,950</b>	<b>39</b>
<b>Profit before tax excl. IAC</b>	<b>4,405</b>	<b>4,226</b>	<b>4</b>	<b>13,020</b>	<b>11,349</b>	<b>15</b>
Income taxes	-1,109	-696		-3,325	-2,291	
<b>Profit for the period, continuing operations</b>	<b>3,329</b>	<b>1,563</b>	<b>113</b>	<b>9,140</b>	<b>6,659</b>	<b>37</b>
Profit for the period, discontinued operations	0	88		9,015	246	
<b>Profit for the period, total operations</b>	<b>3,329</b>	<b>1,651</b>	<b>102</b>	<b>18,155</b>	<b>6,905</b>	<b>163</b>
<b>Profit for the period excl. IAC, continuing operations</b>	<b>3,308</b>	<b>3,231</b>	<b>2</b>	<b>9,568</b>	<b>8,610</b>	<b>11</b>
Items affecting comparability (IAC) before tax	33	-1,967		-555	-2,399	
Items affecting comparability (IAC) after tax	21	-1,668		-428	-1,951	
Tax on amortization of acquisition-related intangible assets	73	93		236	249	

SEKm	2024:3	2023:3	2409	2309
<b>Earnings attributable to:</b>				
<b>Owners of the Parent company</b>				
Profit for the period, continuing operations	3,314	1,542	9,095	6,604
Profit for the period, discontinued operations	0	44	8,919	124
<b>Profit for the period, total operations</b>	<b>3,314</b>	<b>1,586</b>	<b>18,014</b>	<b>6,728</b>
<b>Non-controlling interests</b>				
Profit for the period, continuing operations	15	21	45	55
Profit for the period, discontinued operations	0	44	96	122
<b>Profit for the period, total operations</b>	<b>15</b>	<b>65</b>	<b>141</b>	<b>177</b>
<b>Earnings per share</b>				
<b>-owners of the Parent company</b>				
Earnings per share before and after dilution effects, continuing operations, SEK	4.73	2.20	12.96	9.40
Earnings per share before and after dilution effects, discontinued operations, SEK	0.00	0.06	12.72	0.18
Earnings per share before and after dilution effects, total operations, SEK	4.73	2.26	25.68	9.58
Average numbers of shares before and after dilution effects, million	700.0	702.3	701.5	702.3



## Consolidated statement of comprehensive income

SEKm	2024:3	2023:3	%	2409	2309	%	SEKm	2024:3	2023:3	2409	2309
Profit for the period, continuing operations	3,329	1,563	113	9,140	6,659	37	<b>Items that have been or may be reclassified subsequently to the income statement</b>				
Profit for the period, discontinued operations	0	88		9,015	246		Cash flow hedges:				
<b>Profit for the period, total operations</b>	<b>3,329</b>	<b>1,651</b>	<b>102</b>	<b>18,155</b>	<b>6,905</b>	<b>163</b>	Result from remeasurement of derivatives recognized in equity	-104	-605	-349	-3,428
<b>Other comprehensive income for the period</b>							Transferred to profit or loss for the period	363	730	1,526	1,161
<b>Items that will not be reclassified to the income statement</b>							Translation differences in foreign operations	-3,226	-644	719	4,439
Actuarial gains/losses on defined benefit pension plans	-61	26		798	1,143		Gains/losses from hedges of net investments in foreign operations	492	224	-577	-327
Fair value through other comprehensive income	3	-2		4	0		Income tax attributable to components in other comprehensive income	-173	-67	-209	688
Income tax attributable to components in other comprehensive income	7	-21		-228	-293		<b>Total, continuing operations</b>	<b>-2,648</b>	<b>-362</b>	<b>1,110</b>	<b>2,533</b>
<b>Total, continuing operations</b>	<b>-51</b>	<b>3</b>		<b>574</b>	<b>850</b>		Total, discontinued operations	0	-175	-557	-292
<b>Total, total operations</b>	<b>-51</b>	<b>3</b>		<b>574</b>	<b>850</b>		<b>Total, total operations</b>	<b>-2,648</b>	<b>-537</b>	<b>553</b>	<b>2,241</b>
							<b>Other comprehensive income for the period, net of tax</b>	<b>-2,699</b>	<b>-534</b>	<b>1,127</b>	<b>3,091</b>
							Of which, continuing operations	-2,699	-359	1,684	3,383
							Of which, discontinued operations	0	-175	-557	-292
							<b>Total comprehensive income for the period</b>	<b>630</b>	<b>1,117</b>	<b>19,282</b>	<b>9,996</b>
							Of which, continuing operations	630	1,204	10,824	10,042
							Of which, discontinued operations	0	-87	8,458	-46
							<b>Total comprehensive income attributable to:</b>				
							Owners of the Parent company	630	1,160	18,763	9,959
							Non-controlling interests	0	-43	519	37

## Consolidated balance sheet

SEKm	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	39,769	45,777	39,337
Other intangible assets	20,679	25,431	21,345
Property, plant and equipment	45,478	59,348	44,909
Right-of-use assets	3,916	5,371	3,934
Investments in associates and joint ventures	330	299	294
Shares and participations	8	6	6
Surplus in funded pension plans	3,788	2,780	3,072
Non-current financial assets	127	130	117
Deferred tax assets	2,195	3,071	2,343
Other non-current assets	746	884	745
<b>Total non-current assets</b>	<b>117,036</b>	<b>143,097</b>	<b>116,102</b>
<b>Current assets</b>			
Inventories	18,814	24,784	17,546
Trade receivables	22,447	26,824	21,920
Current tax assets	1,243	1,159	1,289
Other current receivables	3,860	4,481	3,391
Current financial assets	5,166	5,127	5,259
Cash and cash equivalents	11,826	6,391	5,159
<b>Total current assets</b>	<b>63,356</b>	<b>68,766</b>	<b>54,564</b>
<b>Total assets, continuing operations</b>	<b>180,392</b>	<b>211,863</b>	<b>170,666</b>
Assets held for sale	0	0	32,327
<b>Total assets, total operations</b>	<b>180,392</b>	<b>211,863</b>	<b>202,993</b>

SEKm	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Owners of the Parent company			
Share capital	2,350	2,350	2,350
Reserves	9,624	13,883	9,421
Retained earnings including profit/loss for the period	71,408	55,951	59,075
<b>Equity attributable to owner of the Parent company</b>	<b>83,382</b>	<b>72,184</b>	<b>70,846</b>
Non-controlling interests	453	8,935	8,559*
<b>Total equity</b>	<b>83,835</b>	<b>81,119</b>	<b>79,405</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	39,205	54,486	45,336
Provisions for pensions	2,472	2,446	2,587
Deferred tax liabilities	7,183	8,117	6,935
Other non-current provisions	511	395	466
Other non-current liabilities	511	1,187	1,073
<b>Total non-current liabilities</b>	<b>49,882</b>	<b>66,631</b>	<b>56,397</b>
<b>Current liabilities</b>			
Current financial liabilities	8,352	18,129	15,648
Trade payables	16,009	19,529	15,119
Current tax liabilities	2,003	2,353	2,165
Current provisions	1,024	1,328	1,408
Other current liabilities	19,287	22,774	19,143
<b>Total current liabilities</b>	<b>46,675</b>	<b>64,113</b>	<b>53,483</b>
<b>Total liabilities, continuing operations</b>	<b>96,557</b>	<b>130,744</b>	<b>109,880</b>
Liabilities directly attributable to assets held for sale	0	0	13,708
<b>Total equity and liabilities, total operations</b>	<b>180,392</b>	<b>211,863</b>	<b>202,993</b>

\* Of which, attributable to discontinued operations

8,145

## Consolidated statement of change in equity

SEKm	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
<b>Equity attributable to owners of the Parent company</b>			
Value, beginning of the period	70,846	67,346	67,346
Total comprehensive income for the period	18,763	9,959	8,617
Dividend	-5,443	-5,092	-5,092
Repurchase of own shares	-1,208	0	0
Acquisition of non-controlling interests	0	1	1
Transferred to cost of hedged investments	29	28	52
Revaluation effect upon acquisition of non-controlling interests	395	-58	-78
<b>Value, end of period</b>	<b>83,382</b>	<b>72,184</b>	<b>70,846</b>
<b>Non-controlling interests</b>			
Value, beginning of period	8,559	9,218	9,218
Total comprehensive income for the period	519	37	-340
Dividend	-1	-320	-319
Divestment of non-controlling interests	-8,624	0	0
<b>Value, end of period</b>	<b>453</b>	<b>8,935</b>	<b>8,559</b>
<b>Total equity, value end of period</b>	<b>83,835</b>	<b>81,119</b>	<b>79,405</b>

## Consolidated cash flow statement

SEKm	2409	2309
<b>Operating activities</b>		
<b>Operating profit</b>	<b>13,980</b>	<b>10,807</b>
Adjustments for non-cash items <sup>1)</sup>	6,057	7,848
<b>Operating profit excluding non-cash items</b>	<b>20,037</b>	<b>18,655</b>
Interest paid	-2,162	-1,064
Interest received	427	262
Other financial items	-176	-1,036
Capitalized expenditures to fulfill contracts with customers	-349	-362
Change in liabilities relating to restructuring programs, etc.	-281	-190
Paid tax	-3,673	-2,159
<b>Cash flow from operating activities before changes in working capital</b>	<b>13,823</b>	<b>14,106</b>
<b>Cash flow from changes in working capital</b>		
Change in inventories	-1,330	1,150
Change in operating receivables	-1,218	-150
Change in operating liabilities	2,163	-2,492
<b>Cash flow from operating activities, continuing operations</b>	<b>13,438</b>	<b>12,614</b>
Cash flow from operating activities, discontinued operations	-368	773
<b>Cash flow from operating activities, total operations</b>	<b>13,070</b>	<b>13,387</b>
<b>Investing activities</b>		
Acquisitions of Group companies and other operations	-17	-16
Divestments of Group companies and other operations, see note 5	17,980	1,227
Investments in intangible assets and property, plant and equipment	-4,745	-4,582
Paid interest capitalized in intangible assets and property, plant and equipment	-33	-7
Sale of property, plant and equipment	55	28
Purchase and sale of financial assets with short maturities	-1,357	-681
<b>Cash flow from investing activities, continuing operations</b>	<b>11,883</b>	<b>-4,031</b>
Cash flow from investing activities, discontinued operations	-87	-916
<b>Cash flow from investing activities, total operations</b>	<b>11,796</b>	<b>-4,947</b>

SEKm	2409	2309
<b>Financing activities</b>		
Proceeds from borrowings <sup>2)</sup>	207	18,115
Repayment of borrowings <sup>2)</sup>	-13,530	-23,153
Change in borrowings with short maturities, etc. <sup>2)</sup>	3	1,990
Dividend	-5,443	-5,092
Dividend to non-controlling interests	-1	-2
Repurchase of own shares	-1,208	0
<b>Cash flow from financing activities, continuing operations</b>	<b>-19,972</b>	<b>-8,142</b>
Cash flow from financing activities, discontinued operations	-12	1,807
<b>Cash flow from financing activities, total operations</b>	<b>-19,984</b>	<b>-6,335</b>
<b>Cash flow for the period, continuing operations</b>	<b>5,349</b>	<b>441</b>
<b>Cash flow for the period, discontinued operations</b>	<b>-467</b>	<b>1,664</b>
<b>Cash flow for the period, total operations</b>	<b>4,882</b>	<b>2,105</b>
Cash and cash equivalents at the beginning of the period	6,927	4,288
Translation differences in cash and cash equivalents	17	-2
<b>Cash and cash equivalents at the end of the period, total operations</b>	<b>11,826</b>	<b>6,391</b>

### <sup>1)</sup>Adjustments for non-cash items

SEKm	2409	2309
Depreciation/amortization and impairment of non-current assets	5,678	6,332
Depreciation of capitalized selling expenses	353	369
Gain/loss on sale of assets	-28	11
Gain/loss on divestment and liquidation	0	531
Non-cash items relating to efficiency program	133	494
Other	-79	111
<b>Total</b>	<b>6,057</b>	<b>7,848</b>

<sup>2)</sup>From the second quarter of 2024, borrowings with short maturities, etc. are presented separately in the cash flow statement. The comparative figures have been restated.



**Consolidated cash flow statement, cont.**

<b>SEKm</b>	<b>2409</b>	<b>2309</b>
<b>Reconciliation with consolidated operating cash flow statement</b>		
Cash flow for the period, continuing operations	5,349	441
Proceeds from borrowings <sup>1)</sup>	-207	-18,115
Repayment of borrowings <sup>1)</sup>	13,530	23,153
Change in borrowings with short maturities, etc. <sup>1)</sup>	-3	-1,990
Purchase and sale of financial assets with short maturities	1,357	681
Net debt in acquired and divested operations	5,928	15
Investments in operating assets through leases	-322	-332
Accrued interest	397	-18
Other	0	-1
<b>Net cash flow according to consolidated operating cash flow statement</b>	<b>26,029</b>	<b>3,834</b>

<sup>1)</sup>From the second quarter of 2024, borrowings with short maturities, etc. are presented separately in the cash flow statement. The comparative figures have been restated.

# Condensed financial statements, Parent company

## Condensed Parent company income statement

SEKm	2409	2309
Administrative expenses	-926	-774
Other operating income	494	34
<b>Operating loss</b>	<b>-432</b>	<b>-740</b>
Financial items	12,147	329
<b>Profit/loss before tax</b>	<b>11,715</b>	<b>-411</b>
Income taxes	16	132
<b>Profit/loss for the period</b>	<b>11,731</b>	<b>-279</b>

## Parent company statement of comprehensive income

SEKm	2409	2309
Profit/loss for the period	11,731	-279
Other comprehensive income for the period	0	0
<b>Total comprehensive income for the period</b>	<b>11,731</b>	<b>-279</b>

## Condensed Parent company balance sheet

SEKm	Sep 30, 2024	Dec 31, 2023
<b>Assets</b>		
Intangible assets	0	0
Property, plant and equipment	12	10
Financial non-current assets	177,198	176,774
<b>Total non-current assets</b>	<b>177,210</b>	<b>176,784</b>
Total current assets	492	2,178
<b>Total assets</b>	<b>177,702</b>	<b>178,962</b>
<b>Equity, provisions and liabilities</b>		
<b>Equity</b>		
Restricted equity	2,350	2,350
Non-restricted equity	76,609	71,530
<b>Total equity</b>	<b>78,959</b>	<b>73,880</b>
Untaxed reserves	828	828
Provisions	887	880
Non-current liabilities	36,848	42,901
Current liabilities	60,180	60,473
<b>Total equity, provisions and liabilities</b>	<b>177,702</b>	<b>178,962</b>

# Notes

## Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR) and RFR 2 for the Parent company. A few amended accounting standards published by the IASB® entered into force on January 1, 2024 following approval by the EU. Essity Aktiebolag (publ) applies these amendments, which have not had any material impact on the Group's or the Parent company's financial statements.

The Group is subject to the OECD Pillar II model rules that came into effect on January 1, 2024. According to the legislation, the Parent company is to pay a top-up tax on the profits of its subsidiaries that are taxed at an effective tax rate that is less than 15%. Based on the Safe Harbour tests and further analysis, Essity does not see the need for any material current or future top-up tax payments.

In other respects, the accounting principles and calculation methods applied correspond to those described in Essity's 2023 Annual Report.

## Note 2 Risks and uncertainties

### Processes for risk management

Essity's Board determines the Group's strategic direction based on recommendations from the Executive Management Team. Responsibility for the long-term, overall management of strategic risks corresponds to the company's delegation structure, from the Board of Directors to the CEO and from the CEO to the Business Unit Presidents. This means that most operational risks are managed by Essity's business units at the local level, but they are centrally coordinated when considered necessary. The tools used for coordination consist primarily of the business units' regular reporting and the annual strategy process, which includes risks and risk management.

Essity's financial risk management is centralized, as is its internal bank for financial transactions conducted by Group companies and the management of the Group's energy risks. Financial risks are managed in accordance with the Group's Finance Policy, which is adopted by Essity's Board and, together with Essity's Energy Risk Policy, provides a management framework. Risks are continuously compiled and monitored to

ensure compliance with these guidelines. Essity has also centralized other risk management.

Essity has a staff function for internal audit, which monitors compliance with the Group's policies.

Essity's risk exposure and risk management are described on pages 40–48 in the 2023 Annual Report and in the sections under environmental information and social information on pages 61–89. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analyzed in the due diligence processes that Essity carries out prior to all acquisitions. In cases where acquisitions have been carried out that may affect the assessment of Essity's risk exposure, these are described under the heading "Events during the quarter" in the interim or year-end reports.

### Note 3 Financial assets and liabilities

Measurement principles and classifications of financial instruments, as described in Essity's 2023 Annual Report, Note E1, were applied consistently throughout the reporting period. Financial liabilities are measured at amortized cost provided they are not part of a fair value hedge when they are recognized at fair value through profit or loss. The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, trade payables and other current and non-current liabilities is estimated to be equal to their carrying amount.

SEKm	Carrying amount in the balance sheet		Carrying amount in the balance sheet		Measurement level <sup>1)</sup>
	Sep 30, 2024	Sep 30, 2024	Dec 31, 2023	Dec 31, 2023	
Assets					
Derivatives	542	542	1,989	1,989	2
Non-current financial assets	104	104	98	98	1
<b>Total assets</b>	<b>646</b>	<b>646</b>	<b>2,087</b>	<b>2,087</b>	
Liabilities					
Derivatives	3,445	3,445	6,788	6,788	2
Current financial liabilities <sup>2)</sup>	6,571	6,571	12,676	12,676	2
Non-current financial liabilities <sup>2)</sup>	33,851	33,292	39,061	38,429	2
<b>Total liabilities</b>	<b>43,867</b>	<b>43,308</b>	<b>58,525</b>	<b>57,893</b>	

<sup>1)</sup> No financial instruments have been classified to level 3.

<sup>2)</sup> The measurement level refers to liabilities measured at fair value in a hedging relationship.

### Note 4 Share Number of shares

	2024:3	2023:3	2409	2309
<b>Number of shares, end of period</b>	<b>702,342,489</b>	<b>702,342,489</b>	<b>702,342,489</b>	<b>702,342,489</b>
Of which class A-shares	60,412,986	61,158,047	60,412,986	61,158,047
Of which class B-shares	641,929,503	641,184,442	641,929,503	641,184,442
Number of Class B shares held by Essity, end of period	4,050,000	0	4,050,000	0
Number of outstanding shares before and after dilution, end of period	698,292,489	702,342,489	698,292,489	702,342,489
Average number of Class B shares held by Essity	2,317,891	0	793,051	0
Average number of shares before and after dilution	700,024,598	702,342,489	701,549,438	702,342,489

During the third quarter, 557,000 Class A shares were converted to Class B shares at the request of shareholders. 3,564,000 Class B shares were repurchased during the quarter.

### Note 5 Acquisitions and divestments

On March 21, 2024, Essity completed the divestment of its holding of 51.59% of shares in the Asian hygiene company Vinda International Holdings Limited (Vinda). The sales proceeds amounted to approximately HKD 14.6bn (SEK 19,360m).

### Statement of profit for the period, discontinued operations

SEKm	2409	2309
Profit for the period, Vinda	217	246
Other profit for the period, Vinda	8,798 <sup>1)</sup>	0
<b>Profit for the period, discontinued operations</b>	<b>9,015</b>	<b>246</b>

<sup>1)</sup>Of which:

Profit from divestment	8,366
Reclassification of realized translation differences after tax	748
Transaction cost	-227
Impairment of Essity owned intangible asset related to Vinda after tax	-89

### Income statement, discontinued operations

SEKm	2409	2309
Net sales	4,533	19,850
Operating expenses	-4,261	-19,530
<b>Operating profit</b>	<b>272</b>	<b>320</b>
Financial items	-27	-122
<b>Profit before tax</b>	<b>245</b>	<b>198</b>
Income taxes	-28	48
<b>Profit for the period, discontinued operations</b>	<b>217</b>	<b>246</b>



**Note 5 cont.****Income statement, discontinued operations, cont.**

SEKm	2409	2309
<b>Profit for the period, discontinued operations attributable to:</b>		
Owners of the Parent company	8,919	124
Non-controlling interests	96	122
<b>Earnings per share, discontinued operations - Owners of the Parent company</b>		
Earnings per share, discontinued operations before and after dilution effects, SEK	12.72	0.18
Average numbers of shares before and after dilution, million	701.5	702.3

**Balance sheet, discontinued operations**

SEKm	Dec 31, 2023
<b>ASSETS</b>	
Intangible assets	7,080
Property, plant and equipment	14,300
Financial assets excl. cash and cash equivalents	1
Operating assets	9,178
Cash and cash equivalents	1,768
<b>Total assets held for sale</b>	<b>32,327</b>
<b>LIABILITIES</b>	
Financial liabilities	5,508
Operating liabilities	7,283
Deferred tax liabilities	917
<b>Total liabilities directly attributable to assets held for sale</b>	<b>13,708</b>

**Assets and liabilities included in divestments of Group companies and other operations**

SEKm	Sep 30, 2024
Intangible assets	7,404
Property, plant and equipment	14,724
Other non-current assets	1,090
Operating assets	8,901
Cash and cash equivalents	1,380
Provisions and other non-current liabilities	-1,107
Net debt excluding cash and cash equivalents	-5,928
Operating liabilities	-6,846
Non-controlling interests	-8,624
Profit from divestment <sup>1)</sup>	8,366
<b>Compensation received</b>	<b>19,360</b>
Less:	
Cash and cash equivalents in divested companies	-1,380
<b>Impact on the Group's cash and cash equivalents, divestments of Group's companies and other operations</b>	<b>17,980</b>
Add:	
Divested net debt excluding cash and cash equivalents	5,928
<b>Divestment of Group companies and other operations during the period, including net debt transferred</b>	<b>23,908</b>

<sup>1)</sup> Excluding realized translation difference SEK 775m in divested company that is reclassified to the income statement. The profit from the divestment is included as a part of the profit for the period, discontinued operations in the income statement.

## Note 6 Use of non-International Financial Reporting Standards (IFRS®) performance measures

Guidelines for Alternative Performance Measures (APMs) for companies with securities listed on a regulated market in the EU have been issued by ESMA (European Securities and Markets Authority). These guidelines are to be applied for APMs not supported under IFRS.

This interim report refers to a number of performance measures not defined in IFRS. These performance measures are used to help investors, management and other stakeholders to analyze the company's operations. These non-IFRS performance measures may differ from similarly titled measures among other companies. Essity's Annual Report 2023, pages 116–120, describes the various non-IFRS performance measures that are used as a complement to the financial information presented in accordance with IFRS. Abbreviations are used in the report for the performance and return measures below.

From the first quarter of 2024, Essity resolved to replace the term "Adjusted" when referring to non-IFRS performance measures and instead use "excl. IAC".

Abbreviation	Complete expression
EBITA	Operating profit before amortization of acquisition-related intangible assets
EBITDA	Operating profit before depreciation and amortization and impairment of property, plant and equipment and intangible assets
IAC	Items affecting comparability
ROCE	Return on capital employed
ROE	Return on equity

New terms for non-IFRS performance measure (used since the interim report for the first quarter of 2024)	Previous term for non-IFRS performance measure
Return on capital employed, ROCE excl. IAC	Adjusted return on capital employed, ROCE
Return on equity excl. IAC	Adjusted return on equity
Debt payment capacity excl. IAC	Adjusted debt payment capacity
Net debt/EBITDA excl. IAC	Net debt/Adjusted EBITDA
Gross profit excl. IAC	Adjusted gross profit
Operating profit before depreciation, amortization and impairment of property, plant and equipment and intangible assets (EBITDA) excl. IAC	Adjusted operating profit before depreciation, amortization and impairment of property, plant and equipment and intangible assets (EBITDA)
Operating profit before amortization and impairment of acquisition-related intangible assets (EBITA) excl. IAC	Adjusted operating profit before amortization of acquisition-related intangible assets (EBITA)
Gross margin excl. IAC	Adjusted gross margin
EBITA margin excl. IAC	Adjusted EBITA margin
Operating margin excl. IAC	Adjusted operating margin
Operating profit excl. IAC	Adjusted operating profit
Profit before tax excl. IAC	Adjusted profit before tax
Taxes excl. IAC	Adjusted tax
Profit for the period excl. IAC	Adjusted profit for the period
Earnings per share excl. IAC	Adjusted earnings per share
Cash earnings excl. IAC	Adjusted cash earnings

**Note 6 cont.****Capital employed**

<b>SEKm</b>	<b>2409</b>	<b>2309</b>	<b>2312</b>
Total assets	180,392	211,863	202,993
-Total assets, discontinued operations	0	0	-32,327
-Financial assets	-20,907	-14,428	-13,607
-Non-current non-interest bearing liabilities	-8,205	-9,699	-8,474
-Current non-interest bearing liabilities	-38,323	-45,984	-37,835
<b>Capital employed</b>	<b>112,957</b>	<b>141,752</b>	<b>110,750</b>
Capital employed, continuing operations	112,957	116,928	110,750

**Working capital**

<b>SEKm</b>	<b>2409</b>	<b>2309</b>	<b>2312</b>
Inventories	18,814	24,784	17,546
Trade receivables	22,447	26,824	21,920
Other current receivables	3,860	4,481	3,391
Trade payables	-16,009	-19,529	-15,119
Other current liabilities	-19,287	-22,774	-19,143
Other	209	570	176
<b>Working capital</b>	<b>10,034</b>	<b>14,356</b>	<b>8,771</b>
Working capital, continuing operations	10,034	12,111	8,771

**Net debt**

<b>SEKm</b>	<b>2409</b>	<b>2309</b>	<b>2312</b>
Surplus in funded pension plans	3,788	2,780	3,072
Non-current financial assets	127	130	117
Current financial assets	5,166	5,127	5,259
Cash and cash equivalents	11,826	6,391	5,159
<b>Financial assets</b>	<b>20,907</b>	<b>14,428</b>	<b>13,607</b>
Non-current financial liabilities	39,205	54,486	45,336
Provisions for pensions	2,472	2,446	2,587
Current financial liabilities	8,352	18,129	15,648
<b>Financial liabilities</b>	<b>50,029</b>	<b>75,061</b>	<b>63,571</b>
Net debt, continuing operations	29,122	55,681	49,964
Net debt, discontinued operations	0	4,952	3,739
<b>Net debt, total operations</b>	<b>29,122</b>	<b>60,633</b>	<b>53,703</b>

**EBITA**

SEKm	2024:3	2023:3	2409	2309
Operating profit	4,868	2,903	13,980	10,807
-Amortization of acquisition-related intangible assets	262	277	840	839
-Items affecting comparability (IAC) - impairment of acquisition-related intangible assets	0	317	70	350
<b>Operating profit before amortization and impairment of acquisition-related intangible assets (EBITA)</b>	<b>5,130</b>	<b>3,497</b>	<b>14,890</b>	<b>11,996</b>
EBITA margin (%)	14.1	9.4	13.8	10.9
-Items affecting comparability (IAC) - cost of goods sold	-136	987	377	1,304
-Items affecting comparability (IAC) - sales, general and administration	103	663	108	745
<b>EBITA excl. IAC</b>	<b>5,097</b>	<b>5,147</b>	<b>15,375</b>	<b>14,045</b>
EBITA margin excl. IAC (%)	14.1	13.9	14.3	12.7

**EBITDA**

SEKm	2024:3	2023:3	2409	2309
Operating profit	4,868	2,903	13,980	10,807
-Amortization of acquisition-related intangible assets	262	277	840	839
-Depreciation/amortization	1,249	1,265	3,712	3,746
-Depreciation right-of-use asset	273	274	812	792
-Impairment	24	11	26	48
-Items affecting comparability (IAC) - impairment net	2	500	218	557
-Items affecting comparability (IAC) - impairment of acquisition-related intangible assets	0	317	70	350
<b>EBITDA</b>	<b>6,678</b>	<b>5,547</b>	<b>19,658</b>	<b>17,139</b>
-Items affecting comparability (IAC) excluding depreciation/amortization and impairment	-35	1,150	267	1,492
<b>EBITDA excl. IAC</b>	<b>6,643</b>	<b>6,697</b>	<b>19,925</b>	<b>18,631</b>

**Organic growth**

SEKm	2024:3	2023:3	2409	2309
Organic sales growth	704	836	-1,102	7,867
Acquisitions	0	295	0	1,228
Divestments	-20	-785	-1,318	-785
Exchange rate effect <sup>1)</sup>	-1,502	2,520	-361	7,522
<b>Recognized change</b>	<b>-818</b>	<b>2,866</b>	<b>-2,781</b>	<b>15,832</b>

<sup>1)</sup> Consists solely of currency translation effects

# Other financial information

## Group information by quarter

	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Net sales, SEKm	36,274	36,617	34,850	36,625	37,092	37,078	36,352	36,629	34,226
Organic sales growth, %	1.9	-0.9	-4.0	-0.7	2.4	7.7	15.9	16.0	16.9
Gross profit, SEKm	11,962	12,003	11,201	11,675	10,683	10,454	10,359	9,935	8,214
Gross profit excl. IAC, SEKm	11,826	12,150	11,567	11,720	11,670	10,809	10,321	10,237	8,345
EBITA, SEKm	5,130	5,237	4,523	4,611	3,497	4,131	4,368	3,818	2,657
EBITA excl. IAC, SEKm	5,097	5,398	4,880	4,853	5,147	4,617	4,281	4,112	2,863
Operating profit, SEKm	4,868	4,978	4,134	4,341	2,903	3,819	4,085	3,519	2,367
Profit for the period, SEKm	3,329	3,334	2,477	2,858	1,563	2,445	2,651	2,222	1,530
Operating cash flow, SEKm	6,453	3,239	4,253	5,914	6,054	2,847	2,870	2,621	2,849
ROCE, %	17.8	17.9	15.9	16.2	11.7	14.2	15.5	12.9	9.1
ROCE excl. IAC, %	17.7	18.5	17.2	17.1	17.2	15.8	15.2	13.9	9.8
Capital employed, SEKm	112,957	117,076	116,439	110,750	116,928	122,817	110,265	114,793	122,530
ROE, %	15.9	16.1	56.9	14.4	8.2	13.3	14.4	11.2	8.1
ROE excl. IAC, %	15.8	16.6	15.0	15.5	16.5	15.2	14.0	12.4	9.1
Debt/equity ratio, %	0.35	0.40	0.42	0.68	0.75	0.86	0.84	0.82	0.77
Equity/assets ratio, %	46	46	44	35	34	32	30	32	33
Net debt, SEKm	29,122	33,214	34,263	53,703	60,633	69,124	62,114	62,869	64,387
Earnings per share, SEK	4.73	4.72	3.51	4.04	2.20	3.46	3.75	3.14	2.16
Earnings per share excl. IAC, SEK	4.97	5.13	4.33	4.54	4.83	4.26	3.93	3.75	2.74
Equity per share, SEK	119	119	117	113	115	114	105	109	119

Margins (%)	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Gross margin	33.0	32.8	32.1	31.9	28.8	28.2	28.5	27.1	24.0
Gross margin excl. IAC	32.6	33.2	33.2	32.0	31.5	29.2	28.4	27.9	24.4
EBITA margin	14.1	14.3	13.0	12.6	9.4	11.1	12.0	10.4	7.8
EBITA margin excl. IAC	14.1	14.7	14.0	13.3	13.9	12.5	11.8	11.2	8.4
Operating margin	13.4	13.6	11.9	11.9	7.8	10.3	11.2	9.6	6.9
Operating margin excl. IAC	13.3	14.0	13.1	12.5	13.1	11.7	11.0	10.4	7.5
Financial net margin	-1.2	-1.3	-1.7	-1.4	-1.7	-1.6	-1.7	-1.5	-1.0
Profit margin	12.2	12.3	10.2	10.5	6.1	8.7	9.5	8.1	5.9
Profit margin excl. IAC	12.1	12.7	11.4	11.1	11.4	10.1	9.3	8.9	6.5
Income taxes	-3.1	-3.2	-3.0	-2.7	-1.9	-2.1	-2.2	-2.0	-1.4
Income taxes excl. IAC	-3.0	-3.3	-3.3	-2.9	-2.7	-2.5	-2.2	-2.2	-1.4
Net margin	9.1	9.1	7.2	7.8	4.2	6.6	7.3	6.1	4.5
Net margin excl. IAC	9.1	9.4	8.1	8.2	8.7	7.6	7.1	6.7	5.1

## Information by business area

### Net sales

SEKm	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Health & Medical	7,127	7,213	6,842	7,001	7,158	6,905	6,665	6,589	6,404
Consumer Goods	19,410	19,672	19,338	19,870	19,729	20,056	20,257	20,454	18,537
Professional Hygiene	9,729	9,729	8,686	9,752	10,184	10,123	9,422	9,617	9,279
Other	8	3	-16	2	21	-6	8	-31	6
<b>Total</b>	<b>36,274</b>	<b>36,617</b>	<b>34,850</b>	<b>36,625</b>	<b>37,092</b>	<b>37,078</b>	<b>36,352</b>	<b>36,629</b>	<b>34,226</b>

### Capital employed

SEKm	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Health & Medical	33,112	34,245	34,153	32,762	34,956	36,532	34,472	34,062	35,076
Consumer Goods	52,560	54,342	54,612	52,009	54,676	56,725	52,926	52,667	57,161
Professional Hygiene	24,501	25,976	25,663	24,021	25,765	28,225	27,500	27,741	30,596
Other	2,784	2,513	2,011	1,958	1,531	1,335	-4,633	323	-303
<b>Total</b>	<b>112,957</b>	<b>117,076</b>	<b>116,439</b>	<b>110,750</b>	<b>116,928</b>	<b>122,817</b>	<b>110,265</b>	<b>114,793</b>	<b>122,530</b>

### Organic sales growth

%	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Health & Medical	2.8	4.5	2.6	4.3	5.8	8.0	10.6	4.5	7.3
Consumer Goods	3.0	-1.3	-4.8	-2.8	-0.4	5.7	14.8	18.4	18.3
Professional Hygiene	-0.8	-3.9	-6.9	0.1	5.7	11.7	22.6	20.7	21.5
<b>Total</b>	<b>1.9</b>	<b>-0.9</b>	<b>-4.0</b>	<b>-0.7</b>	<b>2.4</b>	<b>7.7</b>	<b>15.9</b>	<b>16.0</b>	<b>16.9</b>

### ROCE excl. IAC

%	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Health & Medical	16.5	17.2	15.4	13.3	13.3	10.7	9.1	8.3	7.8
Consumer Goods	17.1	17.9	19.1	19.4	17.2	17.6	18.2	16.7	10.3
Professional Hygiene	28.7	28.9	21.4	24.6	28.0	22.7	18.6	19.3	14.2
<b>Total</b>	<b>17.7</b>	<b>18.5</b>	<b>17.2</b>	<b>17.1</b>	<b>17.2</b>	<b>15.8</b>	<b>15.2</b>	<b>13.9</b>	<b>9.8</b>

### EBITA excl. IAC

SEKm	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Health & Medical	1,386	1,472	1,290	1,125	1,188	947	777	719	678
Consumer Goods	2,285	2,434	2,545	2,585	2,395	2,417	2,400	2,293	1,368
Professional Hygiene	1,812	1,868	1,332	1,531	1,887	1,582	1,288	1,405	1,057
Other	-386	-376	-287	-388	-323	-329	-184	-305	-240
<b>Total</b>	<b>5,097</b>	<b>5,398</b>	<b>4,880</b>	<b>4,853</b>	<b>5,147</b>	<b>4,617</b>	<b>4,281</b>	<b>4,112</b>	<b>2,863</b>

### Operating cash flow

SEKm	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Health & Medical	1,674	879	1,330	1,411	1,676	323	270	818	887
Consumer Goods	2,793	1,442	2,331	2,506	2,235	1,732	1,760	1,043	877
Professional Hygiene	2,153	1,538	780	2,227	2,370	1,782	951	1,344	1,207
Other	-167	-620	-188	-230	-227	-990	-111	-584	-122
<b>Total</b>	<b>6,453</b>	<b>3,239</b>	<b>4,253</b>	<b>5,914</b>	<b>6,054</b>	<b>2,847</b>	<b>2,870</b>	<b>2,621</b>	<b>2,849</b>

### EBITA margin excl. IAC

%	2024:3	2024:2	2024:1	2023:4	2023:3	2023:2	2023:1	2022:4	2022:3
Health & Medical	19.4	20.4	18.9	16.1	16.6	13.7	11.7	10.9	10.6
Consumer Goods	11.8	12.4	13.2	13.0	12.1	12.1	11.8	11.2	7.4
Professional Hygiene	18.6	19.2	15.3	15.7	18.5	15.6	13.7	14.6	11.4
<b>Total</b>	<b>14.1</b>	<b>14.7</b>	<b>14.0</b>	<b>13.3</b>	<b>13.9</b>	<b>12.5</b>	<b>11.8</b>	<b>11.2</b>	<b>8.4</b>



# Invitation to presentation

President and CEO Magnus Groth and Executive Vice President and CFO Fredrik Rystedt will present the interim report at a live webcast and teleconference at 09:00 CET on October 24, 2024.

Link to the live presentation, which can also be viewed afterwards:  
<https://essity.videosync.fi/2024-10-24-q3>

Contact information for conference call with the possibility to ask questions:

UK: +44 (0) 33 0551 02 00  
USA: +1 786 697 35 01  
SWE: +46 (0) 8 505 204 24

Please call in well in advance of the start of the presentation. Indicate: "Essity".

## For additional information, please contact:

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# Calendar 2024–2025

Capital Markets Day	December 3, 2024
Year-end Report 2024	January 23, 2025
Annual Report 2024	March 2025
Annual General Meeting 2025	March 27, 2025
Interim report, Quarter 1 2025	April 24, 2025
Interim report, Quarter 2 2025	July 17, 2025
Interim report, Quarter 3 2025	October 23, 2025

