

Half-year Report 2023

Magnus Groth

President and CEO

Fredrik Rystedt

CFO and Executive Vice President

Johan Karlsson

Vice President Investor Relations



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.



Key Achievements

Q2 2023

- High sales growth and significant earnings improvement
- Exited Russia
- Strategic Review progressing according to plan
- Sustainable innovations for increased well-being
- Progress towards ROCE target



Summary

Q2 2023 vs Q2 2022

- **Sales growth of +8.7%**
 - Price/mix +11.0%
 - Volumes -3.6%
 - Acquisitions +1.3%
- **Adjusted EBITA +49%**
- **Adjusted EBITA margin increased to 10.7%**
 - Excluding businesses under strategic review 12.5%

Net Sales

**SEK
43,930m
+16%**

Sales Growth¹⁾

**+8.7%
Organic:
+7.4%**

Adjusted
EBITA²⁾

**SEK
4,701m
+49%**

Adjusted
EBITA Margin²⁾

**10.7%
+240bps**

Adjusted
ROCE²⁾

**13.2%
+360bps**

Adjusted Earnings
per Share³⁾

**SEK 4.33
46%**

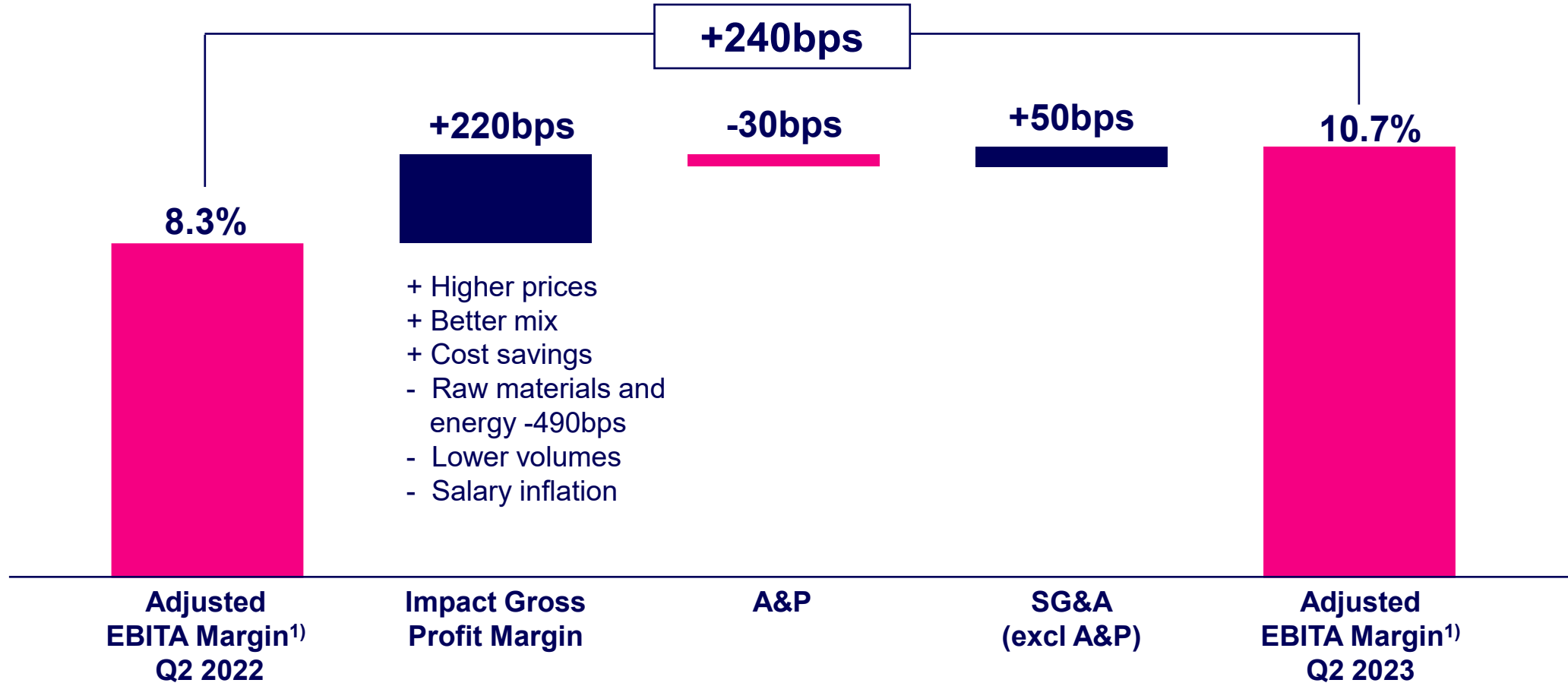
¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

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

Adjusted EBITA Margin

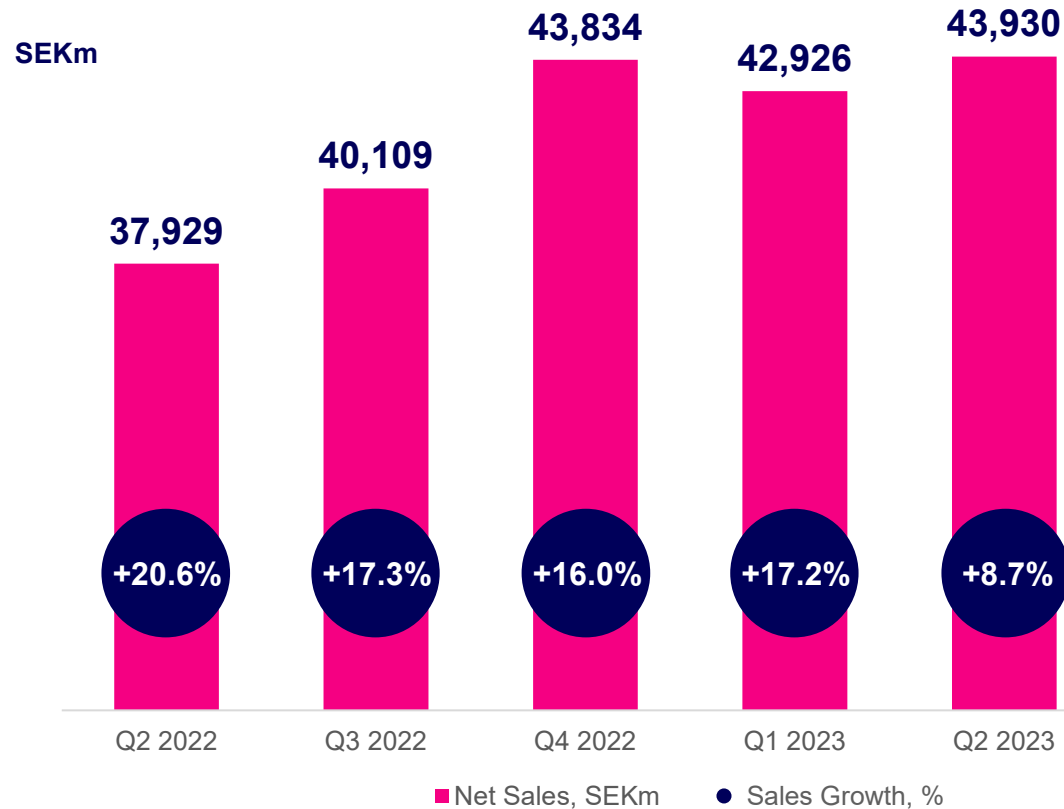
Q2 2023 vs Q2 2022



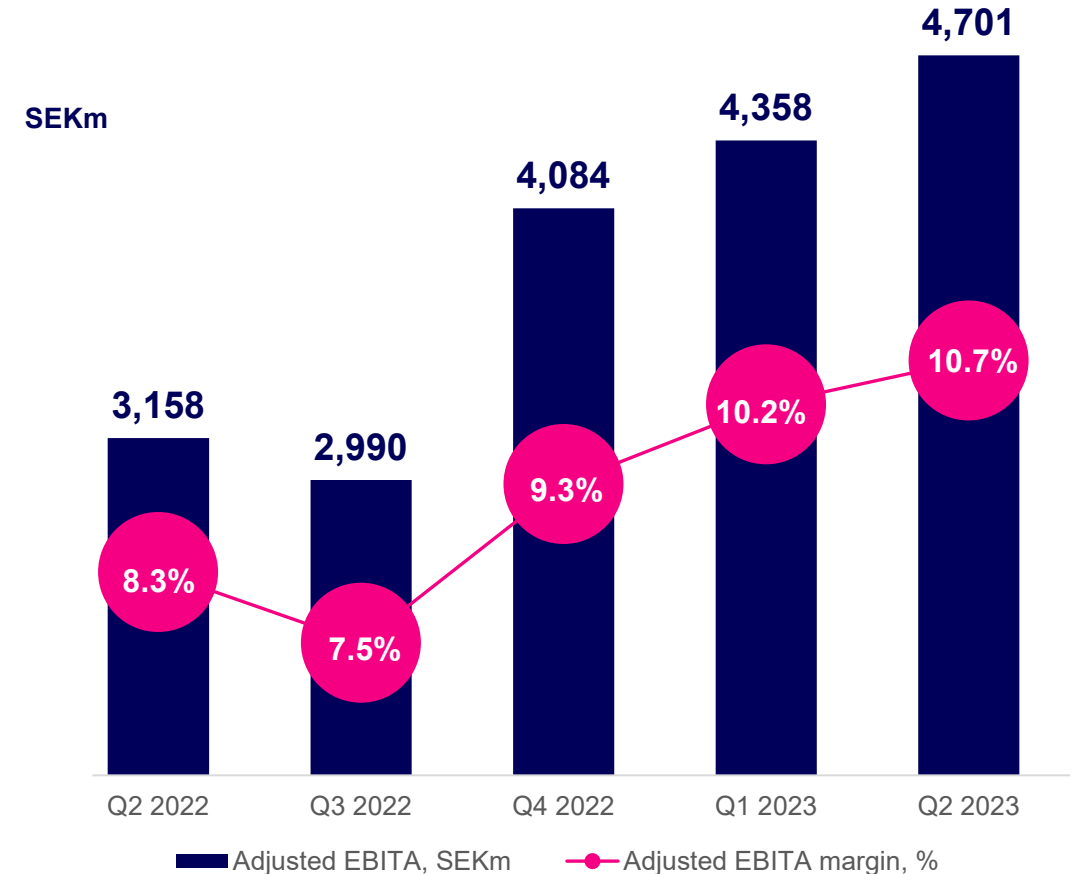
¹⁾ Excluding items affecting comparability

Quarterly Development Sales and Profitability

Net Sales and Sales Growth¹⁾



Adjusted EBITA and EBITA margin²⁾



¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

Exit of Russia

- Essity exited Russia on July 17, 2023
- Work began in April 2022 to exit the Russian market
- Russia accounted for about 2% of Group net sales in 2022
- Purchase price of approximately SEK 1.2bn on a cash and debt-free basis
- Earnings impact of approx. SEK -0.5bn
 - Including accumulated exchange rate differences
 - Will be reported as an item affecting comparability in the third quarter of 2023

Efficiency Improvements

**Energy Savings
Material
Rationalization
Sourcing
Waste
Reduction**

**Footprint
Optimization
and
Production
Efficiency**

**Integrated
Supply Chain**

SG&A

Innovations Q2 2023



The Tork Period Care dispenser –
Combining the strength of two
market leading brands

Innovations Q2 2023

70% LESS WASTE* SAME SABA PROTECTION



 
V-eco Reusable™
period pads


BUY NOW

*compared to the usage of 50 disposable towels

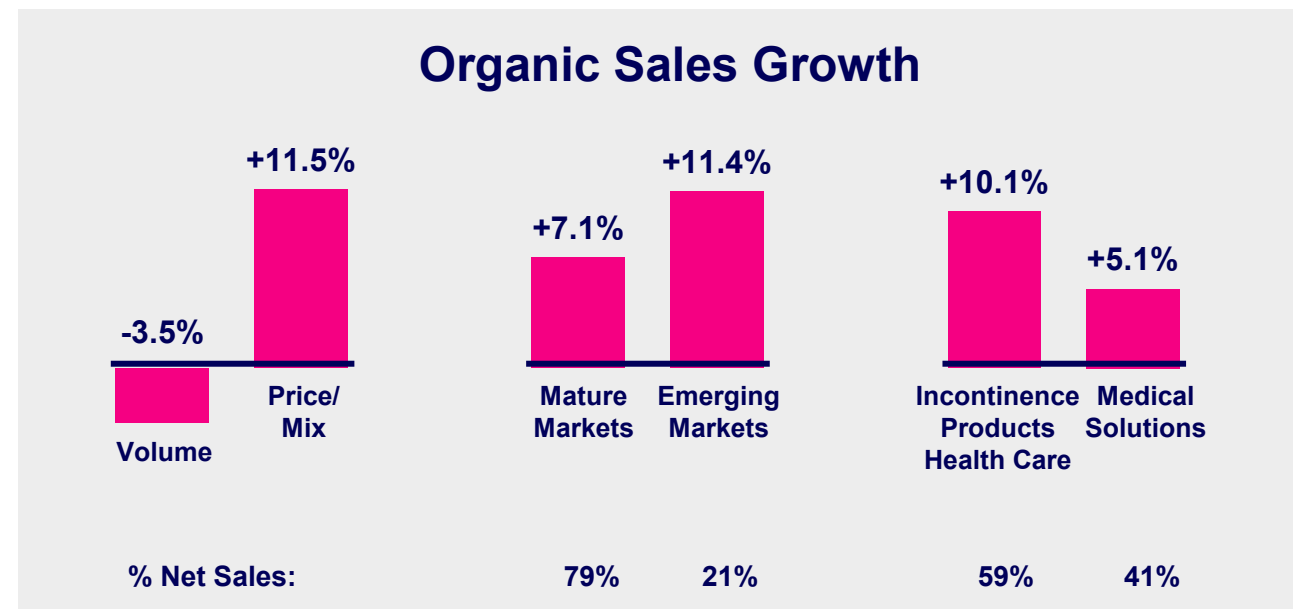
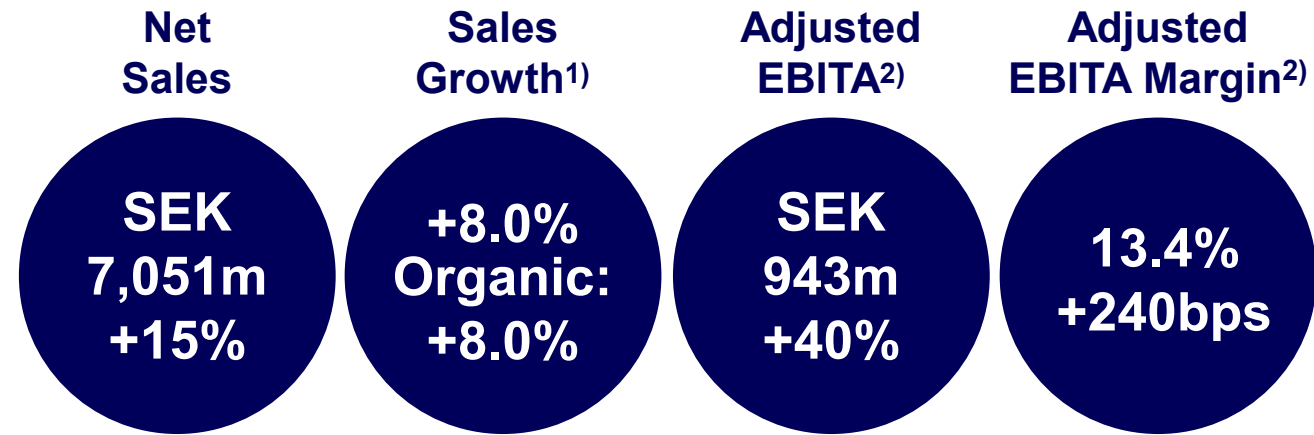
Health & Medical



Health & Medical

Q2 2023 vs Q2 2022

- Strong organic sales growth with higher prices
- Lower volumes in Incontinence Products related to exits of contracts with inadequate profitability
- Significant improvement in adjusted EBITA and adjusted EBITA margin
 - Higher prices and better mix
 - Cost savings
- Significant cost inflation



¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability



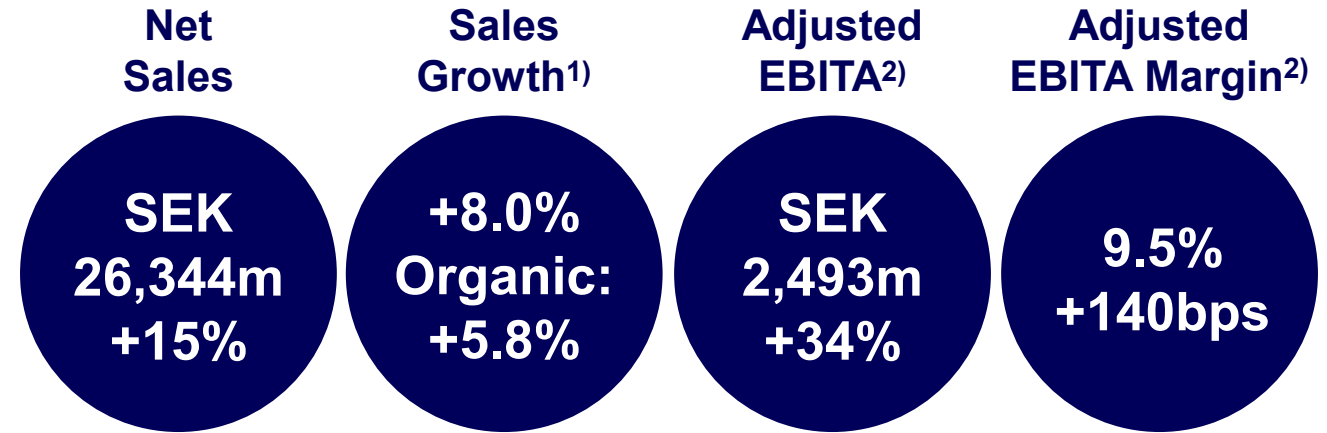
Consumer Goods

- TENA
- Libero
- Lotus Baby
- Libresse
- Saba
- Bodyform
- TOM ORGANIC
- knix
- modibodi
- Lotus
- Zewa
- Vinda
- Jembo

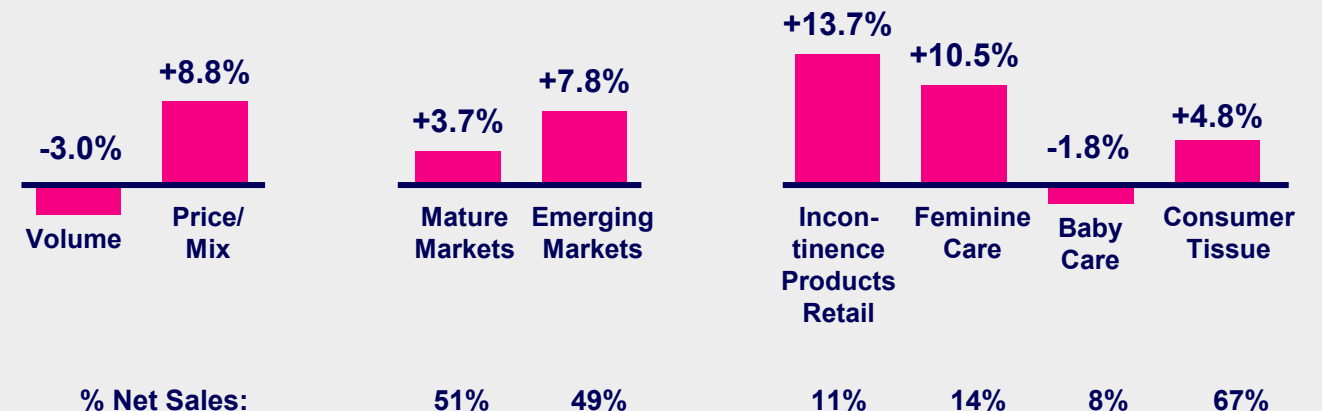
Consumer Goods

Q2 2023 vs Q2 2022

- Strong organic sales growth with higher prices
- Lower volumes related to prioritization of profitability
 - Baby Care impacted by exit from Latin America and contract in Europe
- Significant improvement in adjusted EBITA and EBITA margin
 - Higher prices and better mix
 - Cost savings
- Significant cost inflation



Organic Sales Growth



¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

Professional Hygiene

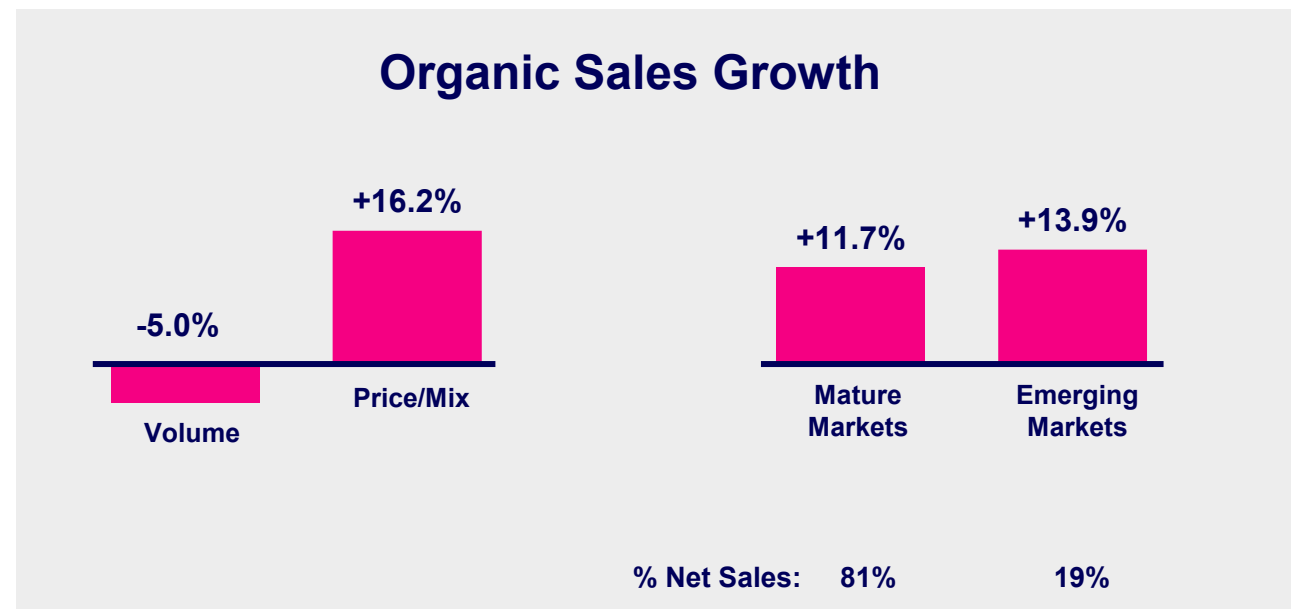
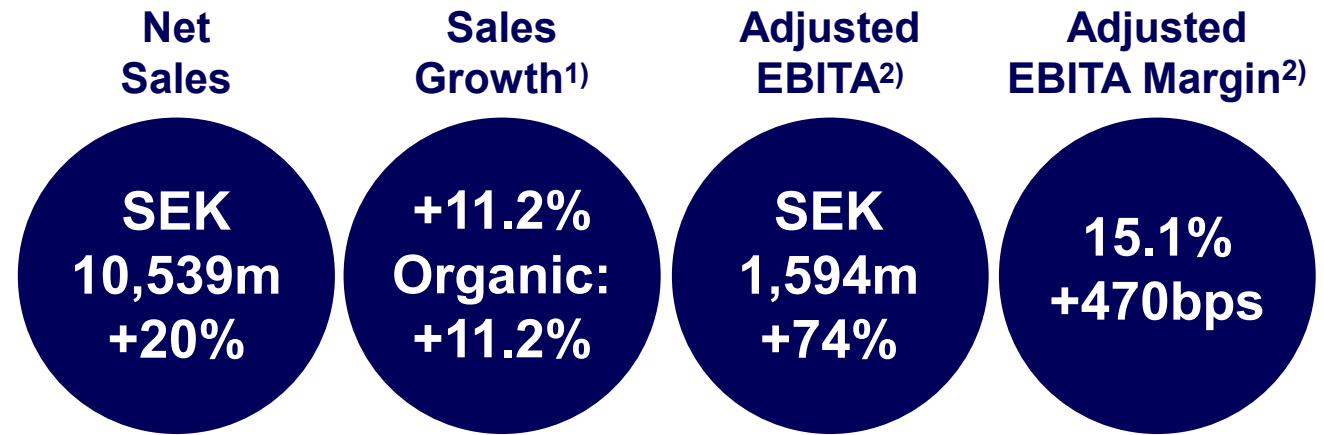


Think ahead.

Professional Hygiene

Q2 2023 vs Q2 2022

- Strong organic sales growth with higher prices
- Lower volumes related to prioritization of profitability
 - Restructuring measures in Europe
- Significant improvement in adjusted EBITA and EBITA margin
 - Higher prices and better mix
- Significant cost inflation
- Restructuring in the US during Q3



¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

Road to ROCE Target

Adjusted return on capital employed >17% by 2025



Essity – A global, leading hygiene and health company

Q&A



