



Interim Report Third Quarter 2019

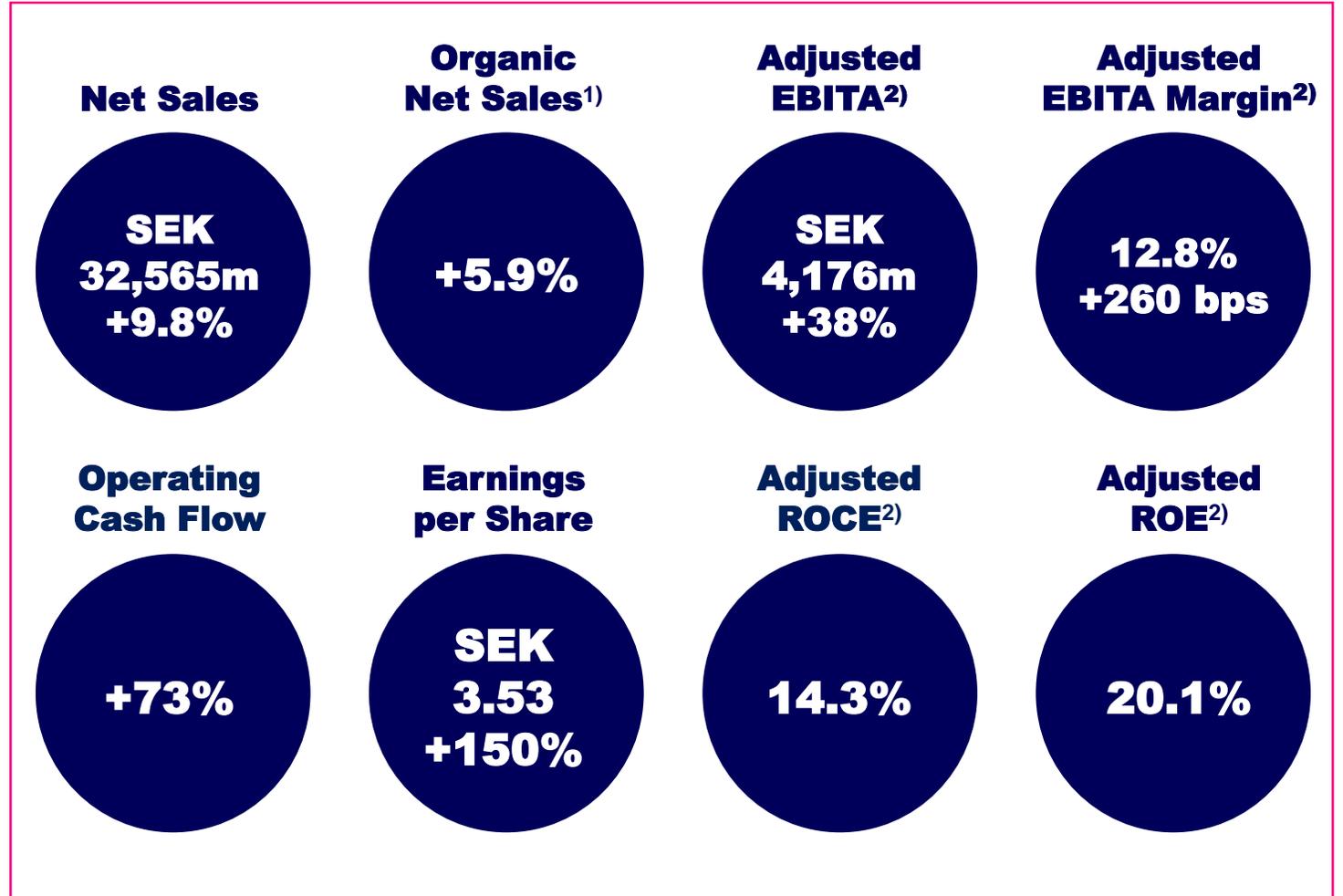


This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read our most recent annual and sustainability report for a better understanding of these risks and uncertainties.

Summary

Q3 2019 vs Q3 2018

- Strong organic net sales growth and higher adjusted EBITA margin in all business areas
- Higher prices, better mix, higher volumes and cost savings in all business areas
- Lower raw material and energy costs but negative impact from stock revaluation
- EPS increased 150% to SEK 3.53

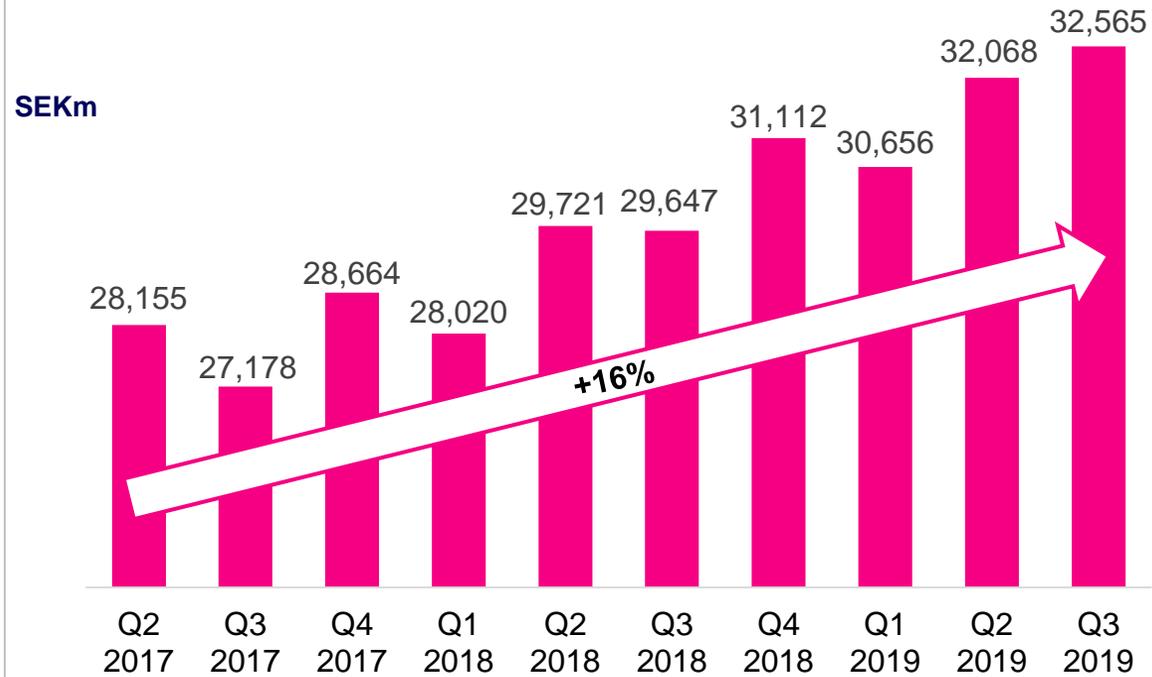


¹⁾ Net sales which excludes exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability

Increased Sales and Profits

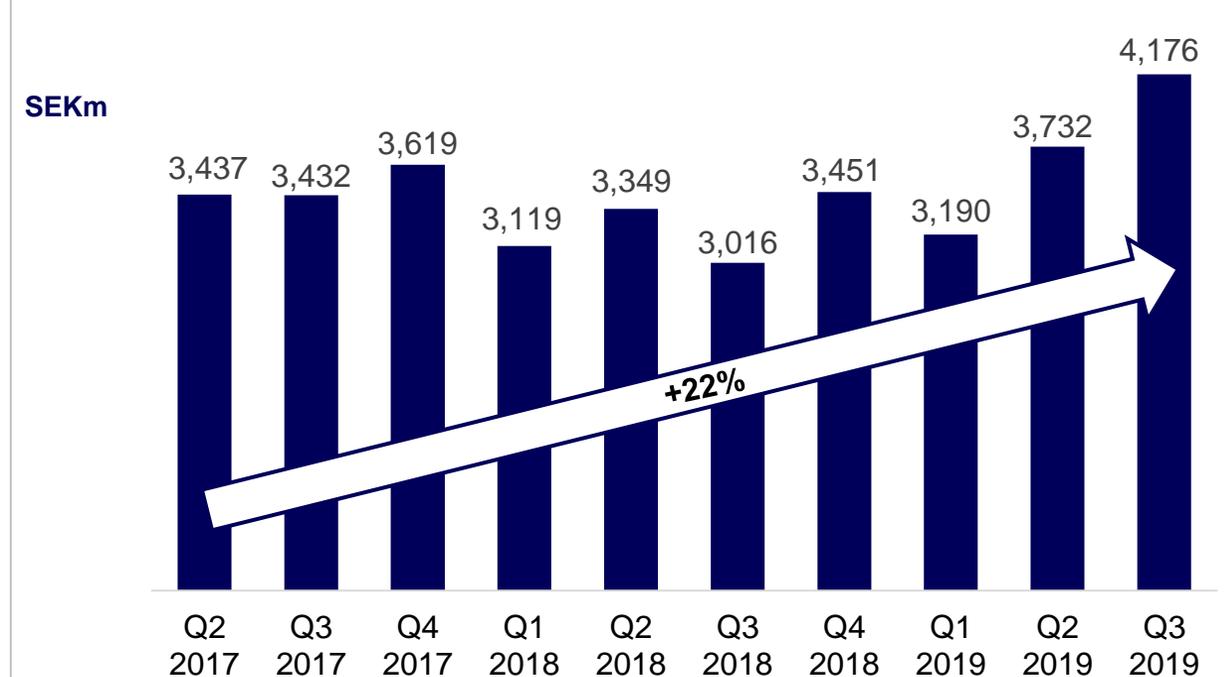
Net Sales



Organic Net Sales¹⁾

-0.1% +1.8% +1.8% +3.4% +2.3% +1.6% +3.3% +4.3% +3.9% +5.9%

Adjusted EBITA²⁾



Adjusted EBITA Margin²⁾

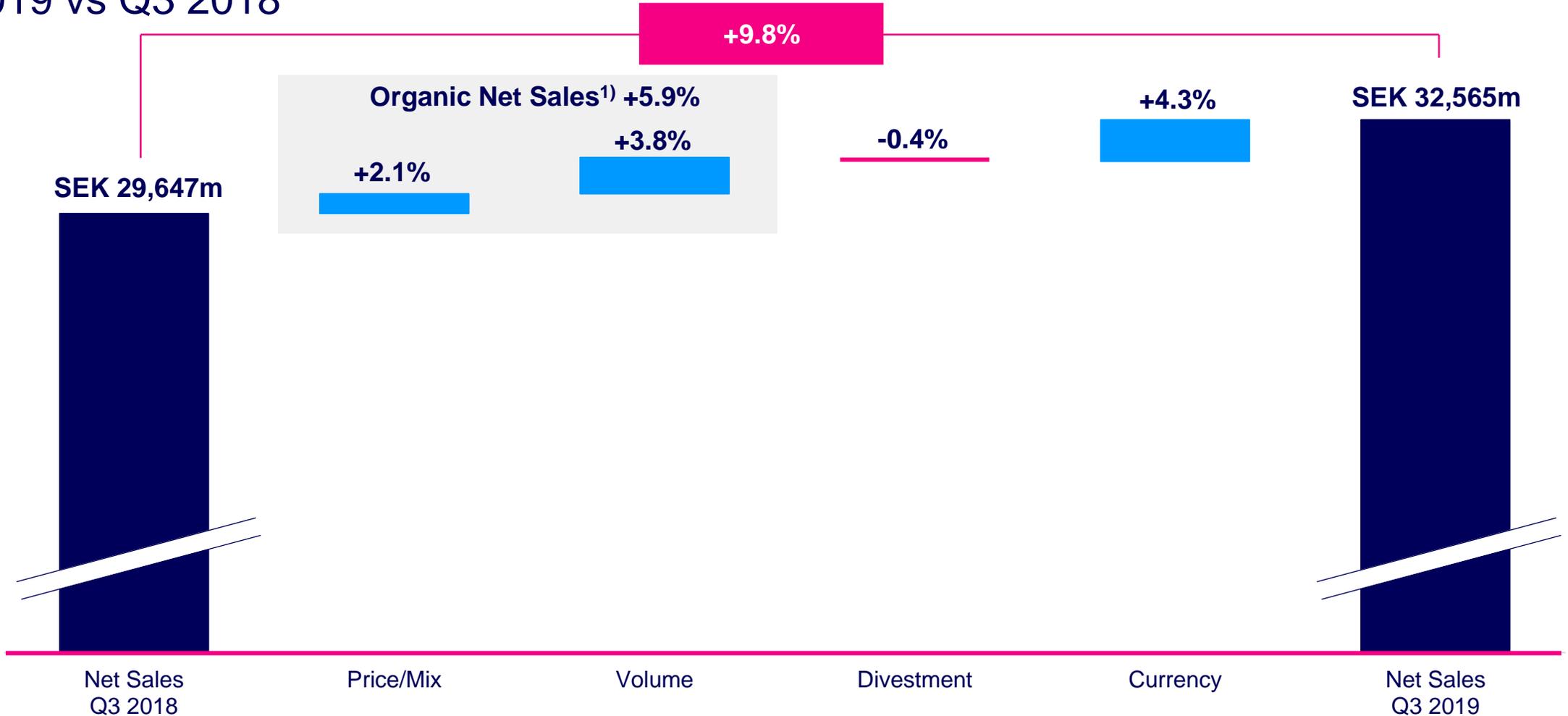
12.2% 12.6% 12.6% 11.1% 11.3% 10.2% 11.1% 10.4% 11.6% 12.8%

¹⁾ Excluding exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability

Net Sales

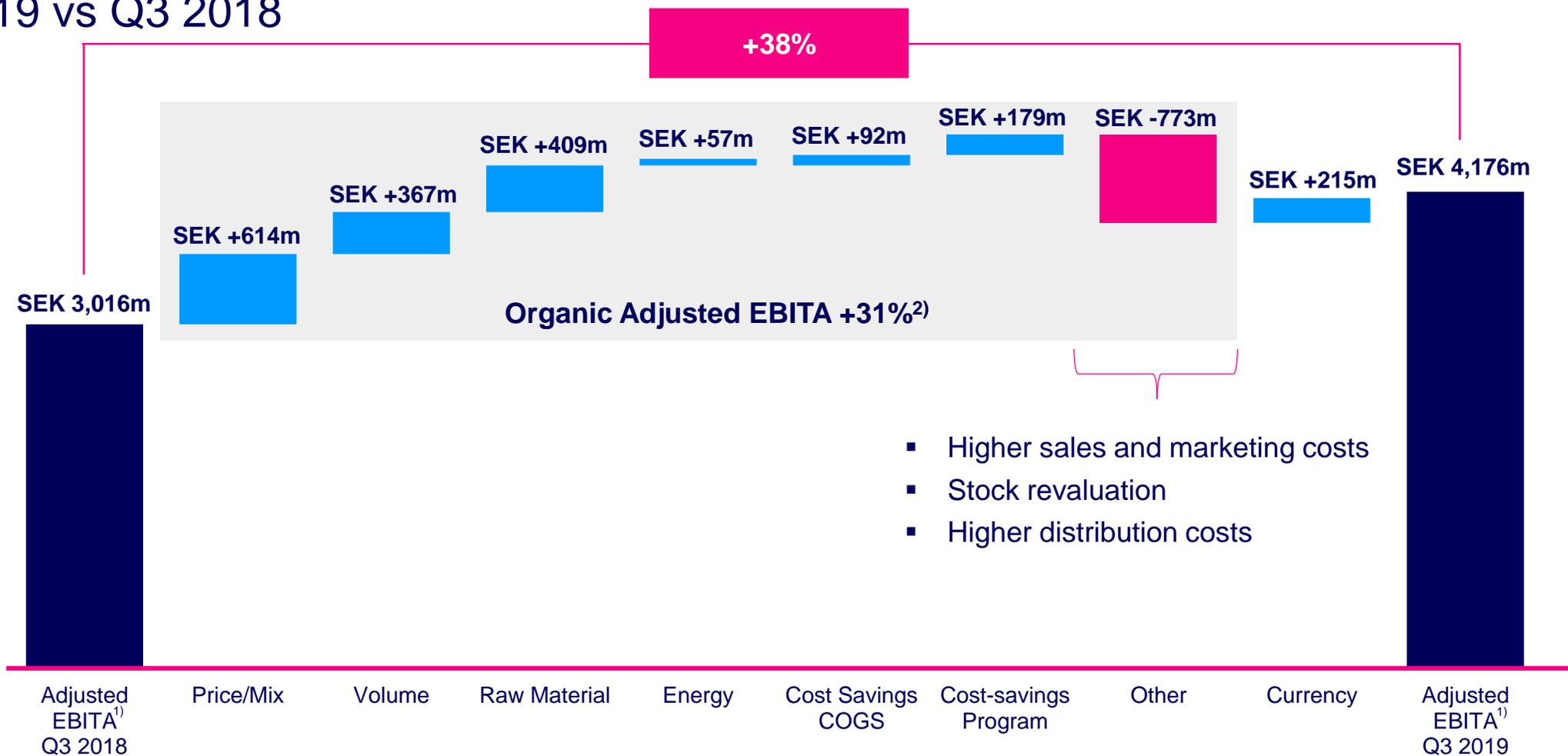
Q3 2019 vs Q3 2018



¹⁾ Net sales which excludes exchange rate effects, acquisitions and divestments

Adjusted EBITA¹⁾

Q3 2019 vs Q3 2018

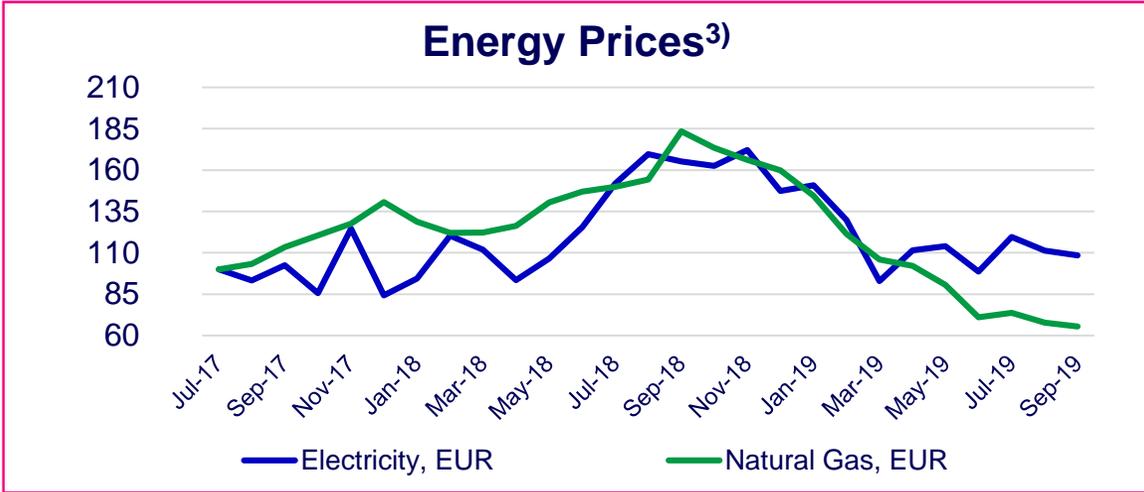
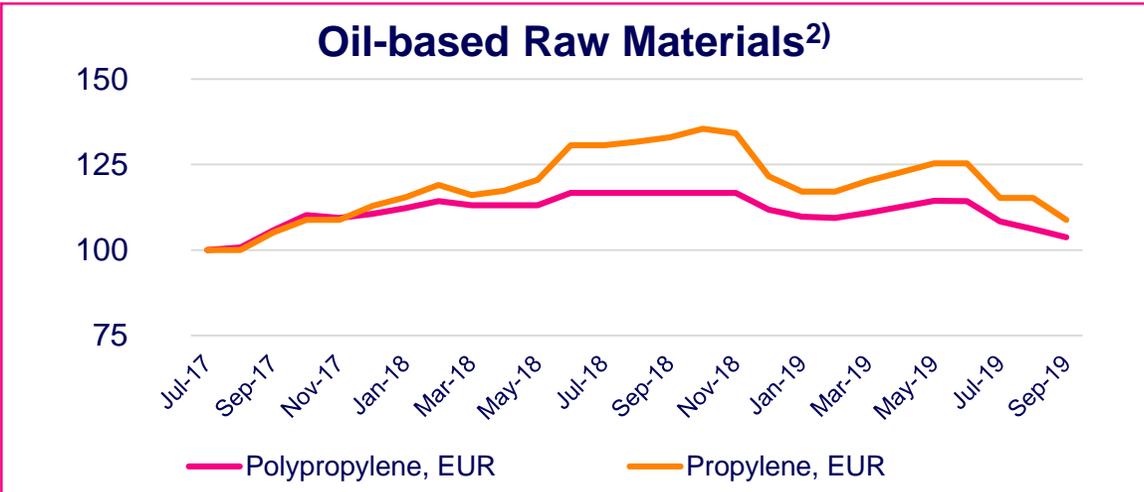
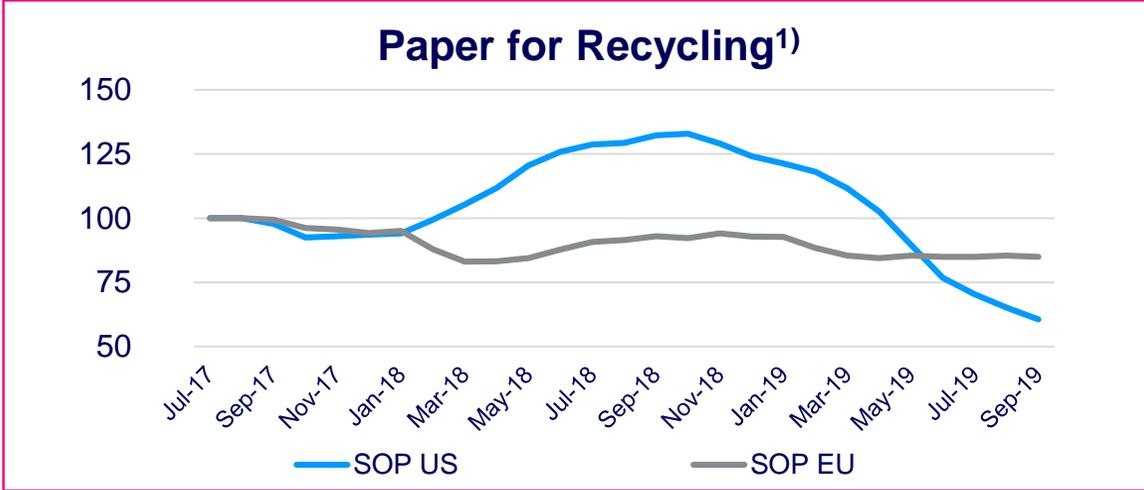
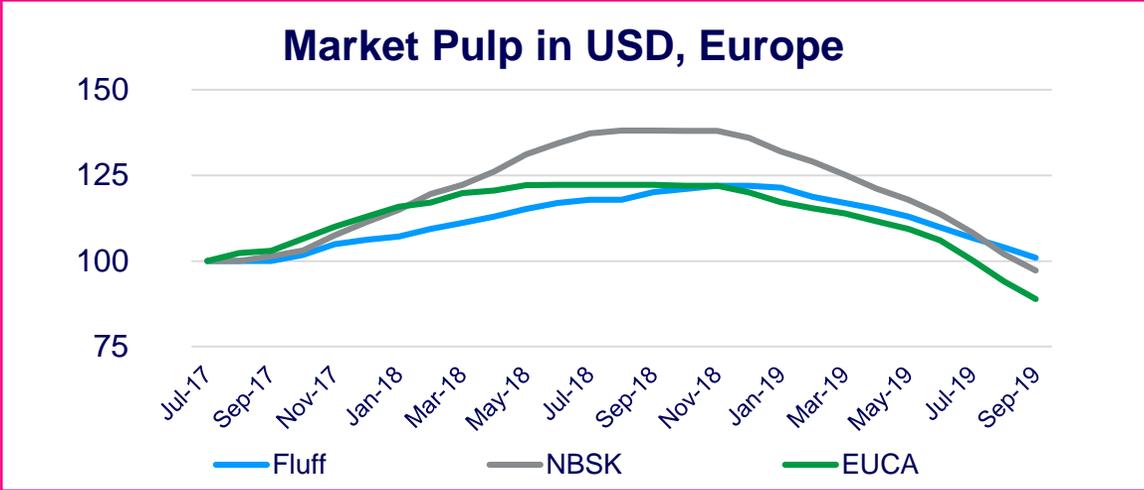


- Higher sales and marketing costs
- Stock revaluation
- Higher distribution costs

¹⁾ Excluding items affecting comparability

²⁾ Excluding items affecting comparability, currency translation effects and acquisitions

Raw Material Development



Source: Fastmarkets RISI, Fastmarkets FOEX, VDP, Macrobond, Epexspot, ICIS

Index 100 = July 2017
¹⁾ Sorted Office Paper. Index in local currencies. EU refers to Germany ²⁾ Polypropylene major feedstock of non-woven material, Propylene major feedstock of SAP material ³⁾ Electricity Germany. Natural Gas, TTF Index



COGS Savings

SEK 92m in Q3 2019

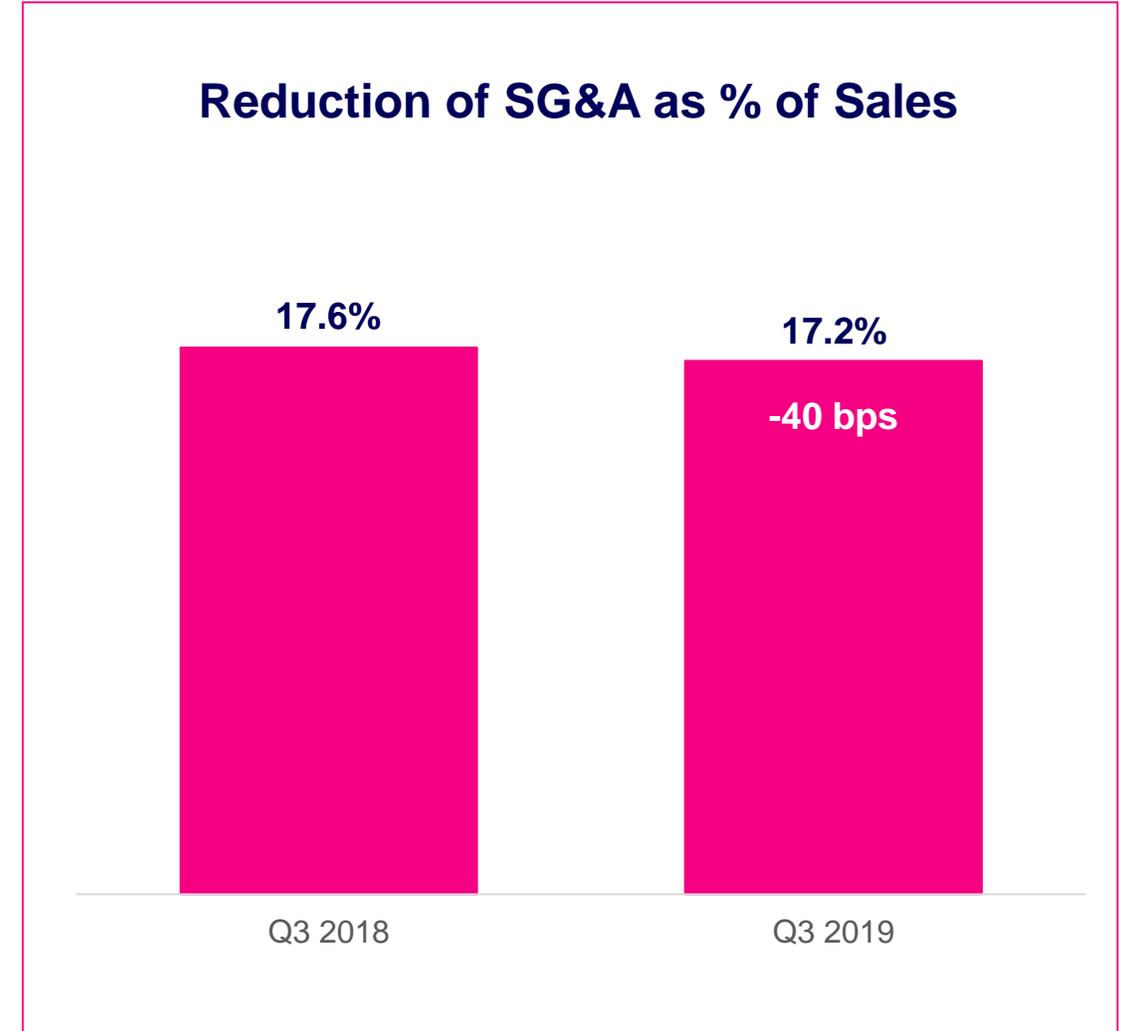
- Lower COGS savings in Q3 2019 due to temporarily higher production and distribution costs mainly due to disruptions related to
 - Start-up of new production capacity
 - Higher pace of product launches
 - Higher demand
- Changed ambition for COGS savings 2019: SEK 600-700m
- Savings from
 - Tissue Roadmap
 - Operational efficiency improvements
 - Material rationalization
 - Sourcing savings



Cost-savings Program

SEK 179m in Q3 2019

- Main impact in SG&A costs
- Expected annual cost savings of approx SEK 900m with full effect at the end of 2019
- End of Q3 2019 annualized run-rate cost savings SEK 799m
- Headcount reduction of approx. 880 positions out of 1,000
- Ambition for cost savings 2019: SEK 600m



Improving Everyday Life through Innovations

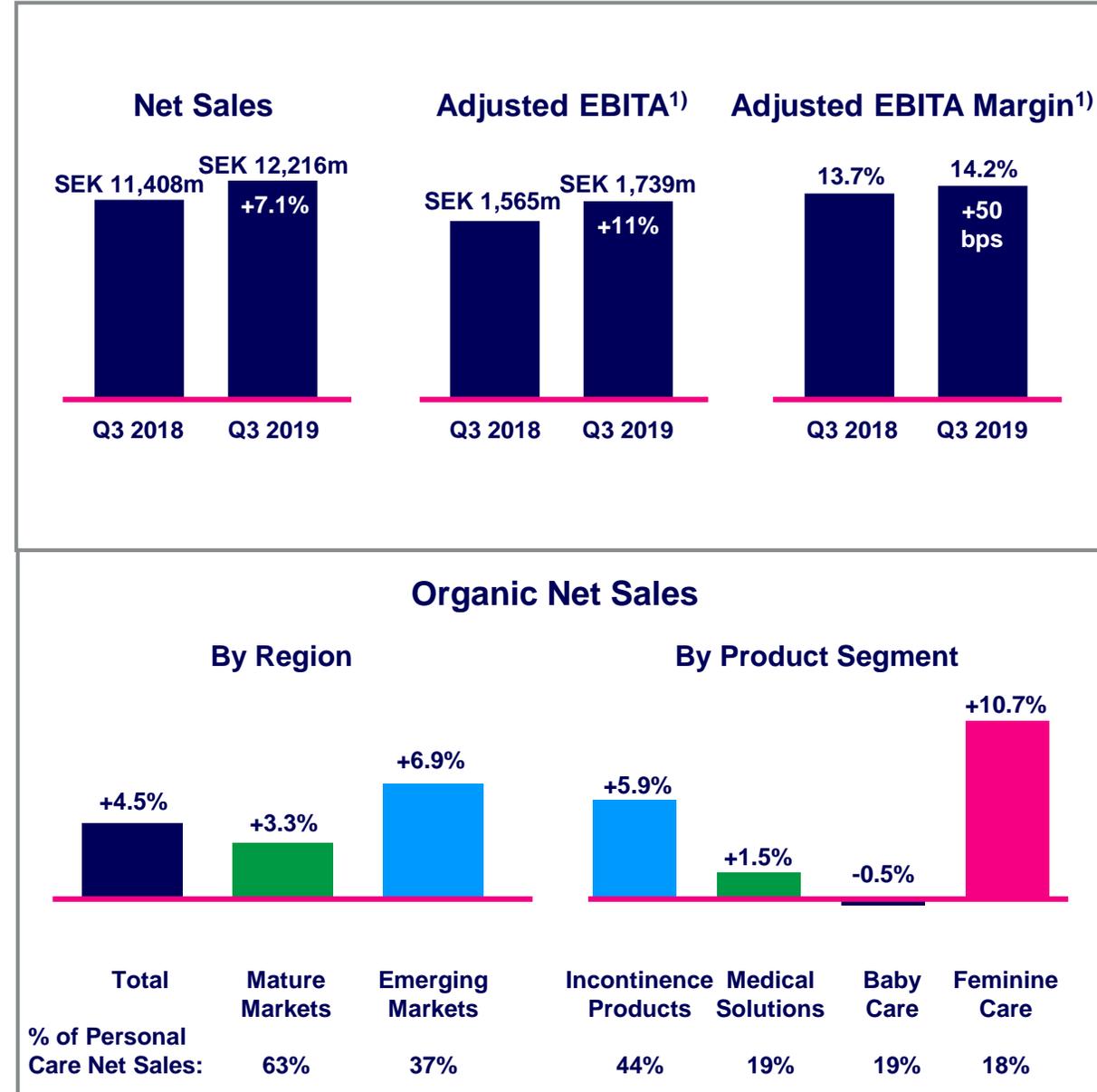


Personal Care

Q3 2019 vs Q3 2018

- Organic net sales increased 4.5%
 - Volume +3.3% and price/mix +1.2%
- Higher prices, better mix, higher volumes and cost savings
- Raw material and energy headwinds with negative impact of -100 bps on adjusted EBITA margin
- Higher distribution costs
- Investments in growth and costs related to implementation of Medical Device Regulation increased sales and marketing costs
- Exit of open baby diapers in Russia

¹⁾ Excluding items affecting comparability

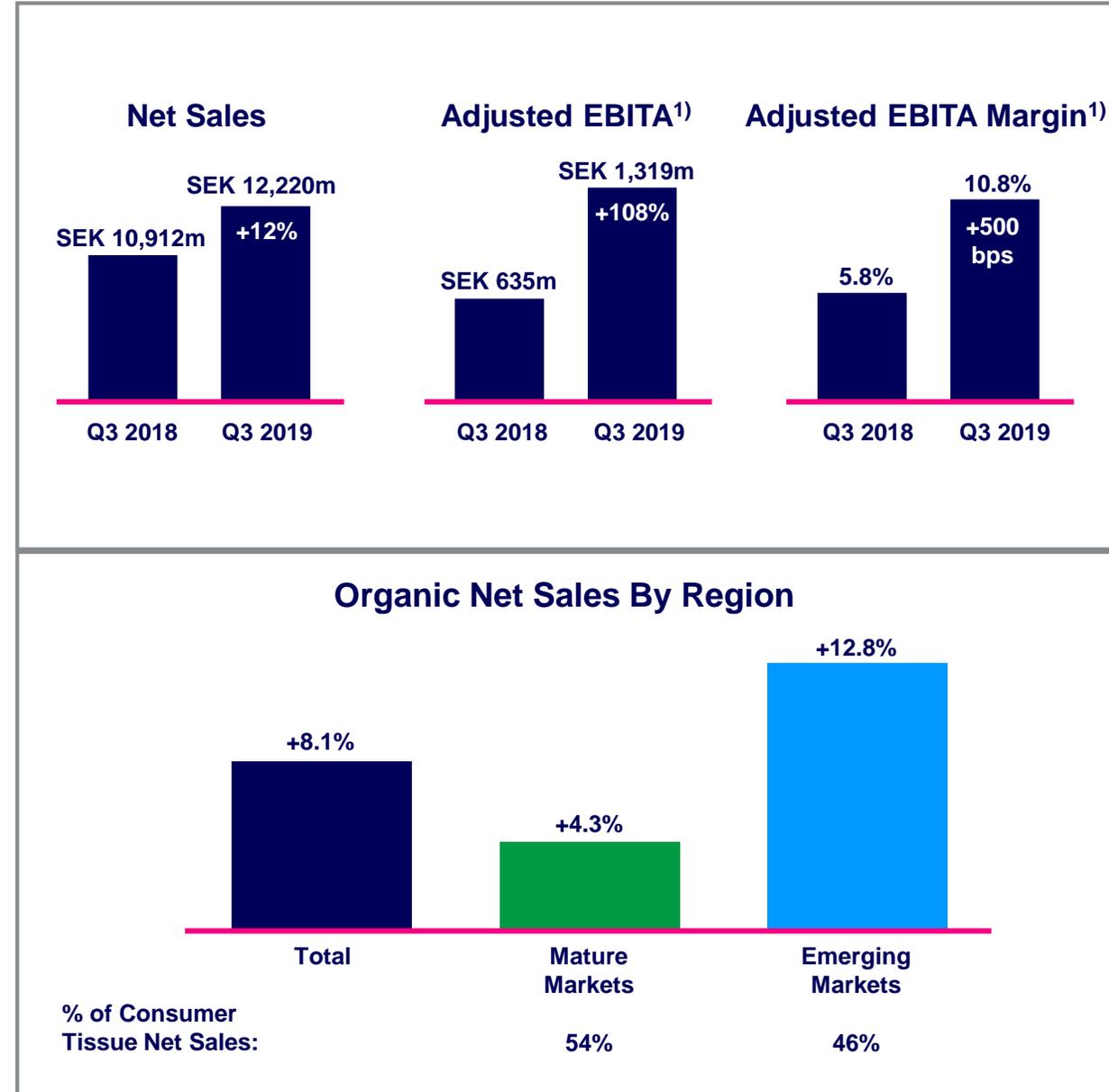


Consumer Tissue

Q3 2019 vs Q3 2018

- Organic net sales increased 8.1%
 - Volume +4.9% and price/mix +3.2%
- Higher prices, better mix, higher volumes and cost savings
- Lower raw material and energy costs but negative impact from stock revaluation
- Higher distribution costs
- Investments in growth with higher sales and marketing costs

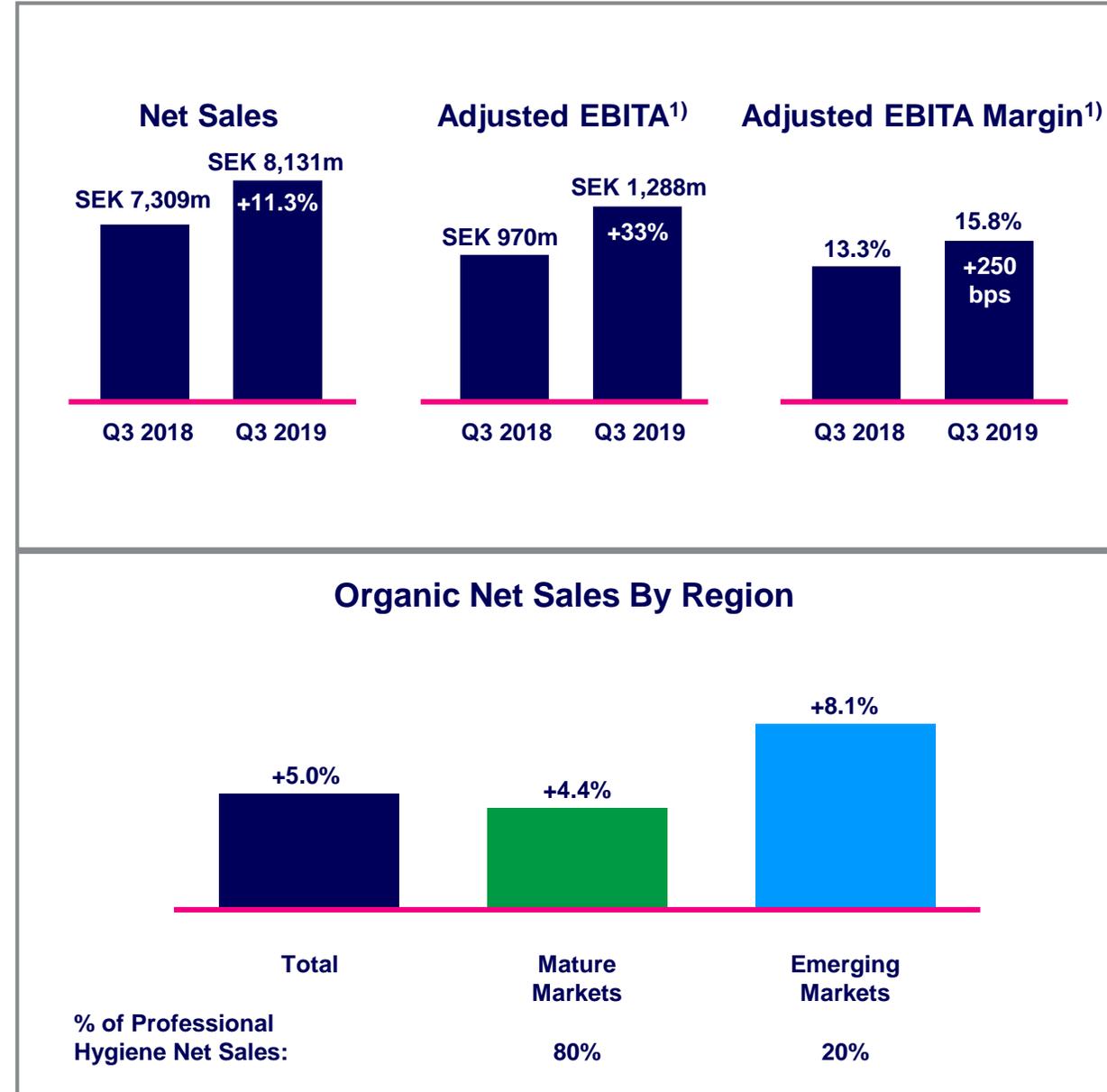
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Professional Hygiene

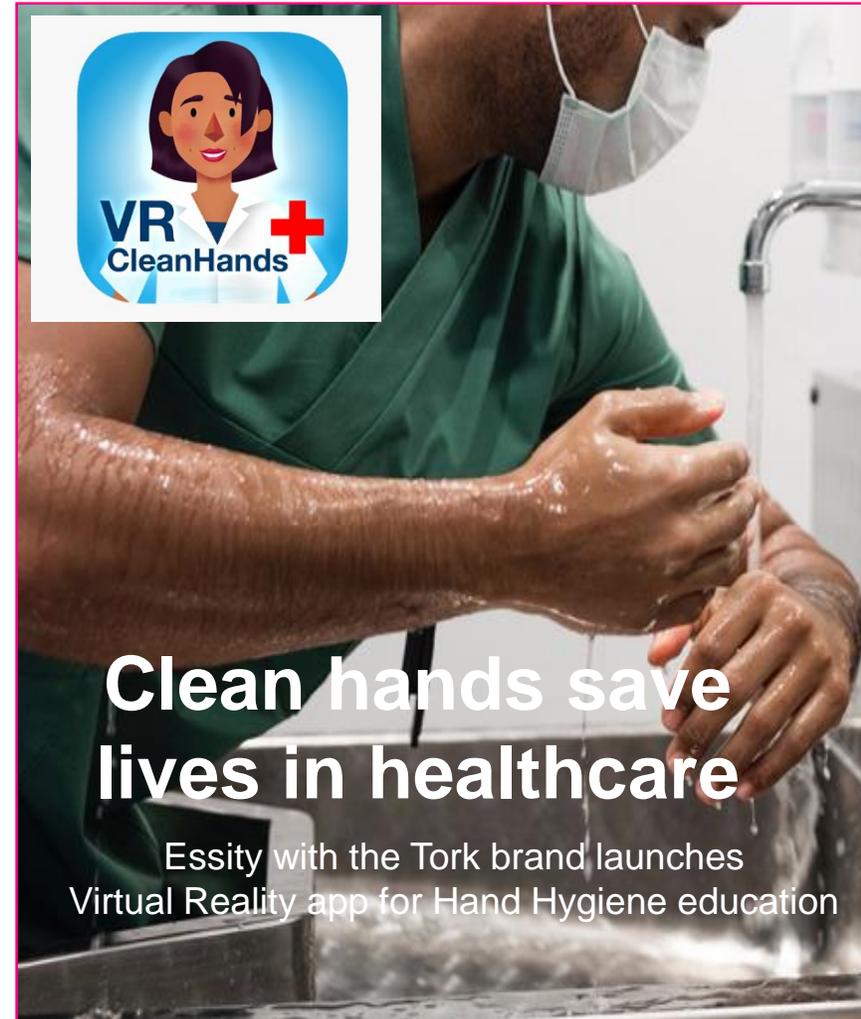
Q3 2019 vs Q3 2018

- Organic net sales increased 5.0%
 - Volume +3.2% and price/mix +1.8%
- Higher prices, better mix, higher volumes and cost savings
- Lower raw material and energy costs but negative impact from stock revaluation
- Investments in growth with higher sales costs



¹⁾ Excluding items affecting comparability

Continuing the Digital Journey



Summary

Q3 2019

- Strong organic sales growth and improved profitability in all business areas
- EPS increased 150% to SEK 3.53
- Continued high innovation pace improving well-being and strengthening our brands
- Investments in growth with higher sales and marketing costs but lower as % of sales
- Continued cost and efficiency focus





Q&A



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