



Interim Report Quarter 3, 2023



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.





For everybody and every body

Every day our brands care for the hygiene and health of a billion people across 150 countries



Three Attractive Business Areas

Health & Medical



Holistic health and medical solutions along the continuum of care

Consumer Goods



Personal and home hygiene for all stages of life

Professional Hygiene



Hygiene management solutions for a broad set of commercial applications

Key Highlights Q3 2023

Strong profitable growth with significant improvement in all business areas

Progress on key priorities 2023

On path to deliver on our financial targets

Strategic review progressing according to plan



Financial Summary

Q3 2023 vs Q3 2022

Net Sales

SEK
43,516m
+8.5%

Sales Growth¹⁾

+4.6%
Organic:
+3.8%

Adjusted
EBITA²⁾

SEK
5,313m
+78%

Adjusted
EBITA Margin²⁾

12.2%
+470bps

Adjusted
ROCE²⁾

14.6%
+620bps

Adjusted Earnings
per Share³⁾

SEK 4.90
74%

¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

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

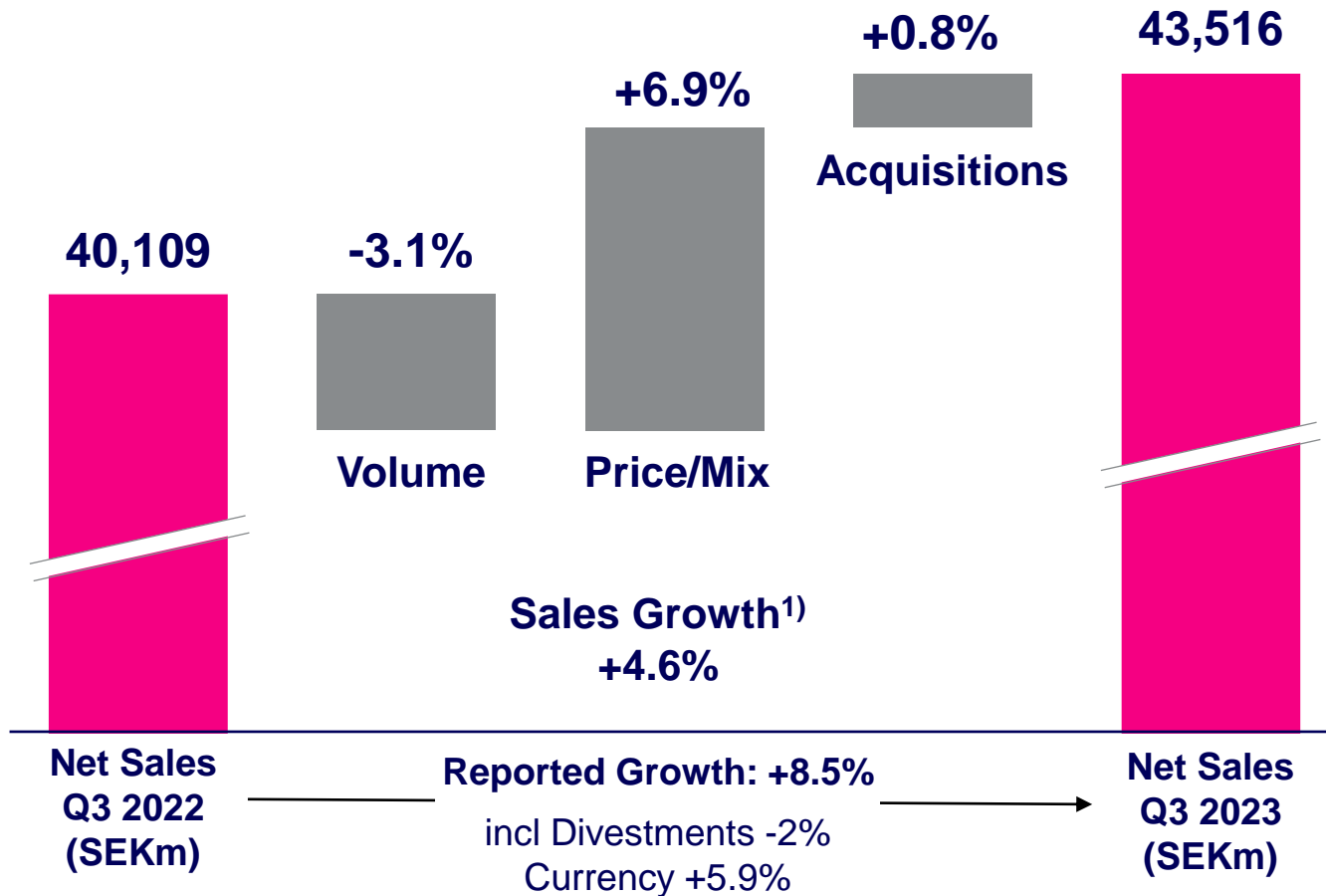


MOVE FEARLESS

DISCOVER NEXT-LEVEL
COMFORT WITH OUR
MOST ADAPTIVE LINERS



Strong Sales Growth



Restructuring in Professional Hygiene and deliberate exits of contracts with insufficient profitability in Incontinence Products Health Care and Baby Care had a negative impact on volumes growth with approx. 2%

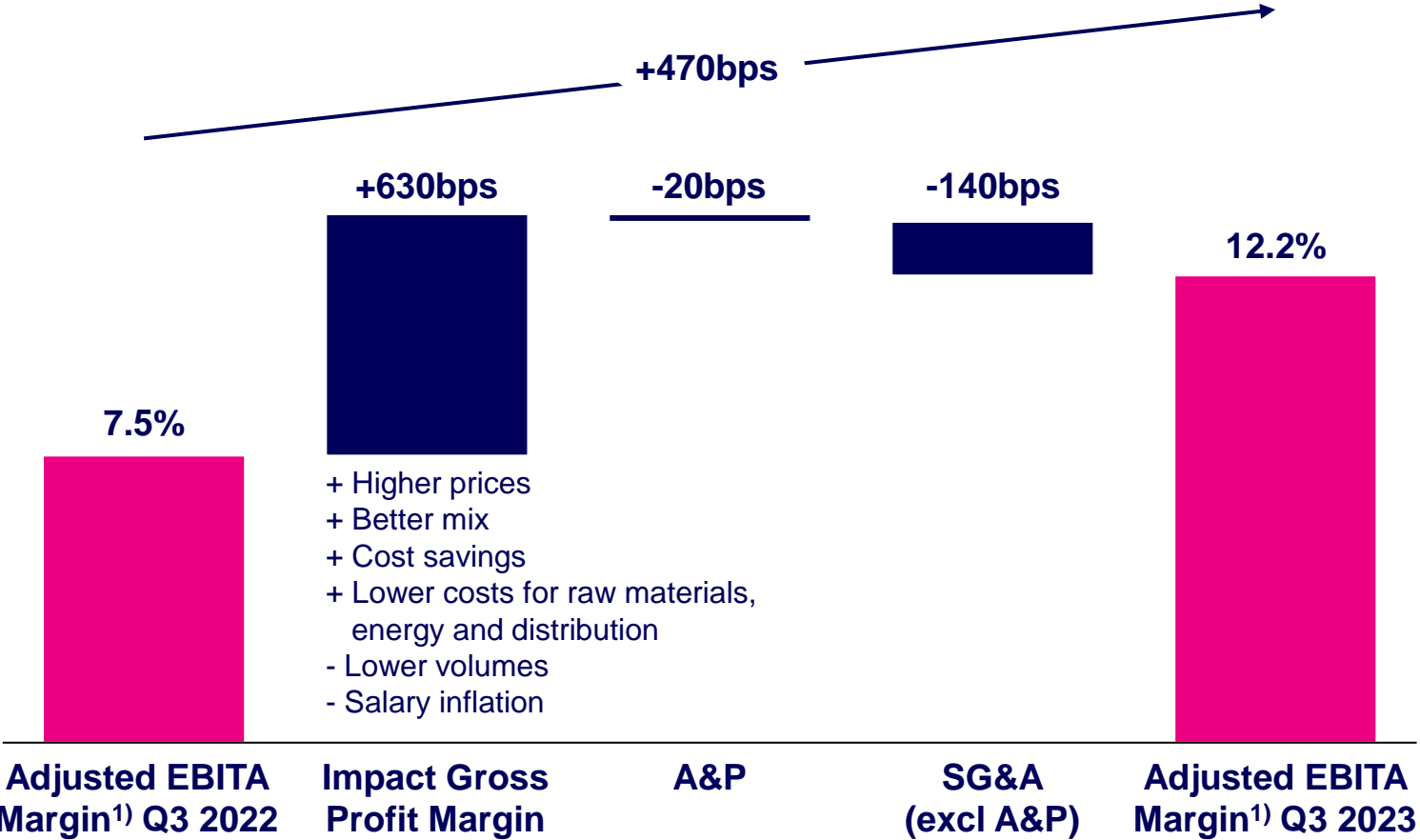
Higher prices +5.9%

Better mix +1%

High growth in Knix

¹⁾ Including organic sales growth and acquisitions

Higher Adjusted EBITA Margin



- + Higher prices
- + Better mix
- + Cost savings
- + Lower costs for raw materials, energy and distribution
- Lower volumes
- Salary inflation

Adjusted EBITA margin growth driven by higher prices, better mix and cost savings as well as lower costs for raw material, energy and distribution

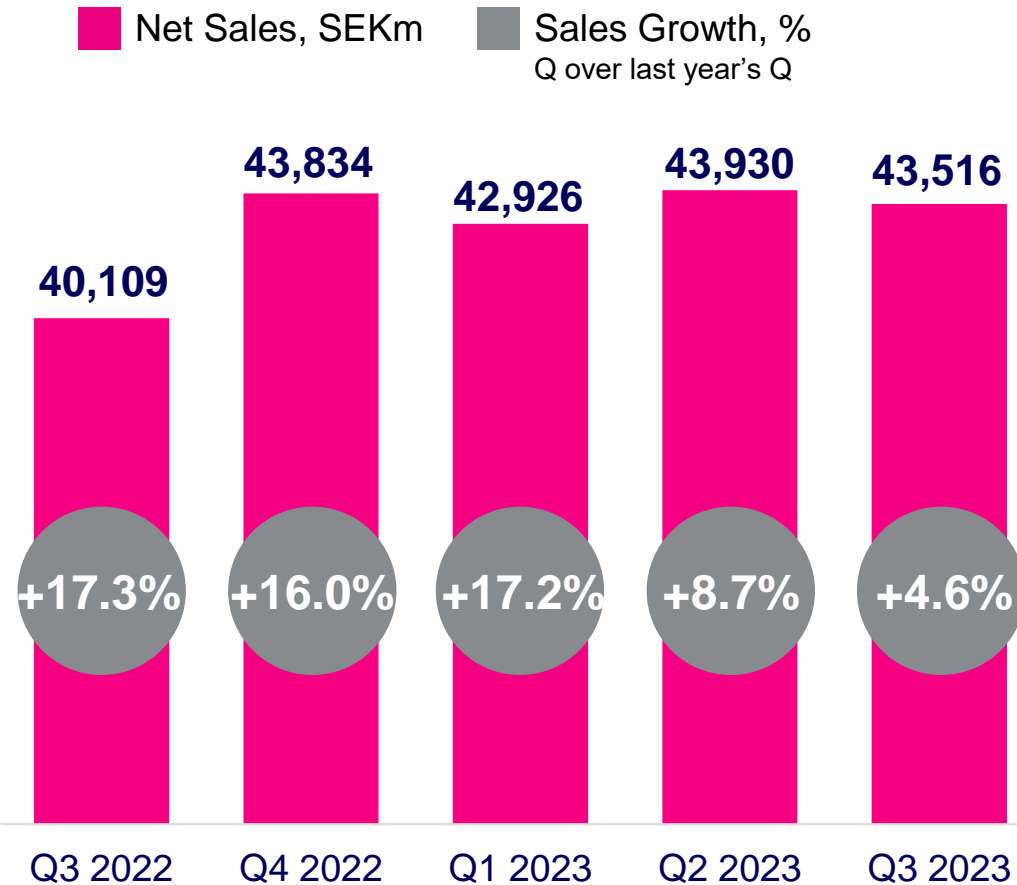
A&P higher due to marketing investments

SG&A higher due to salary inflation

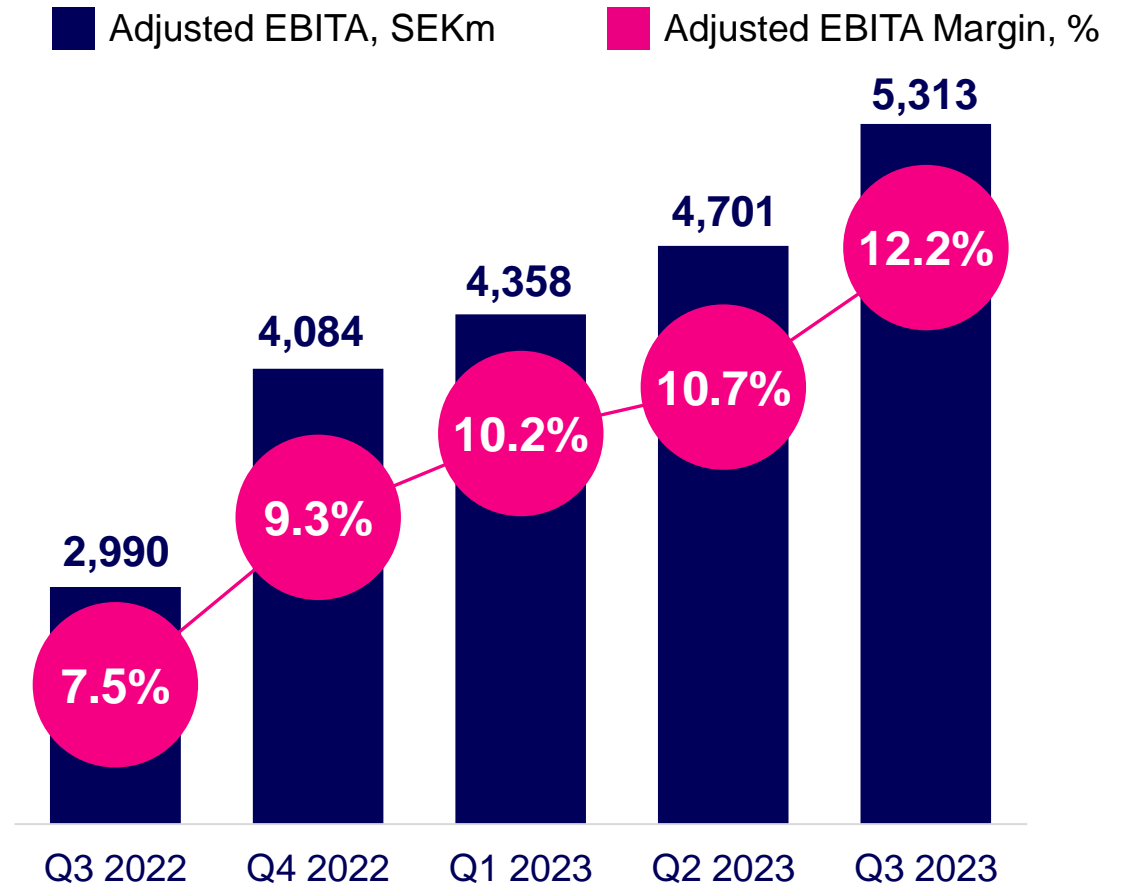
¹⁾ Excluding items affecting comparability

Strong Development of Sales and Profits

Net Sales and Sales Growth¹⁾



Adjusted EBITA and EBITA margin²⁾



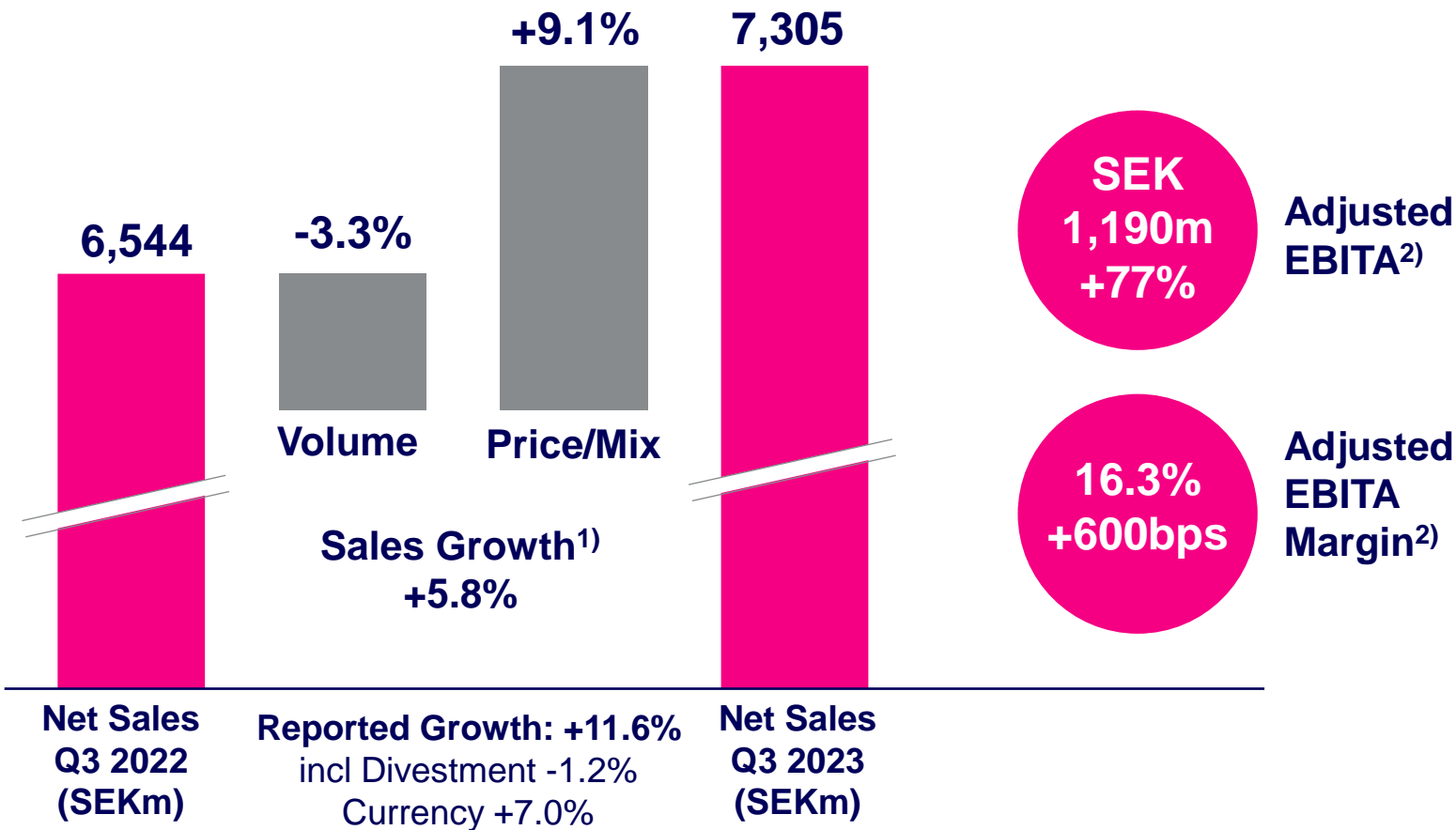
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Health & Medical



Health & Medical – Strong Sales Growth and Margin Development



Incontinence Products Health Care
+5.2%

Lower volumes related to exits of contracts with inadequate profitability

Medical Solutions
+6.6%

Strong growth in Wound Care and Compression Therapy

Significantly higher adjusted EBITA and adjusted EBITA margin

- Higher prices and better mix
- Cost savings
- Lower costs for raw materials, energy and distribution
- Higher SG&A

¹⁾ Including organic sales growth and acquisitions

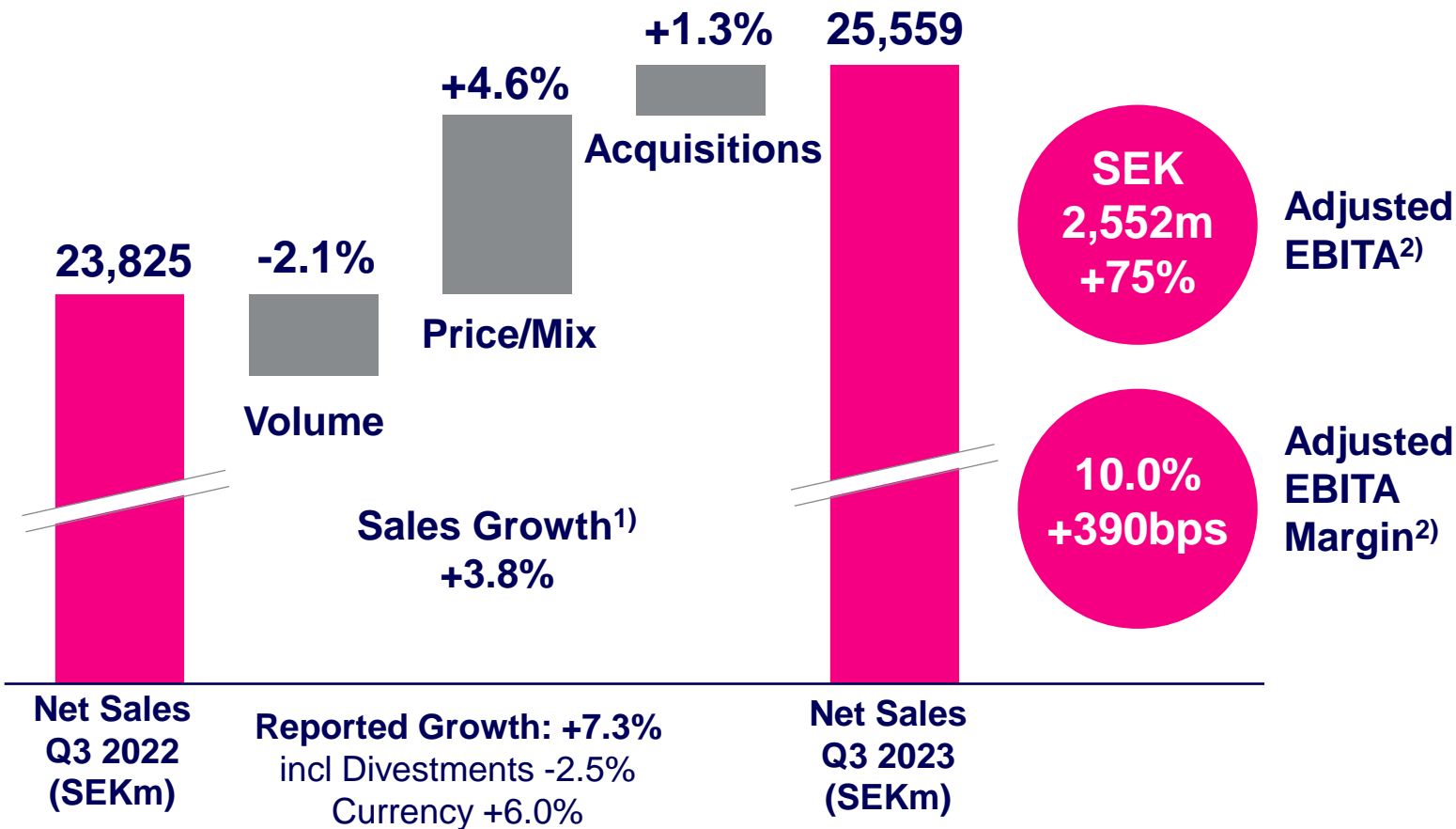
²⁾ Excluding items affecting comparability



Consumer Goods

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

Consumer Goods – Strong Growth in High Margin Categories



Incontinence Products Retail +14.9% & Feminine Care +9.1%

Higher volumes, higher prices and better mix

Baby Care -5.6% & Consumer Tissue +0.6%

Focus on profitable growth and margins

Significantly higher adjusted EBITA and adjusted EBITA margin

- Higher prices and better mix
- Cost savings
- Lower costs for raw materials, energy and distribution
- Higher SG&A

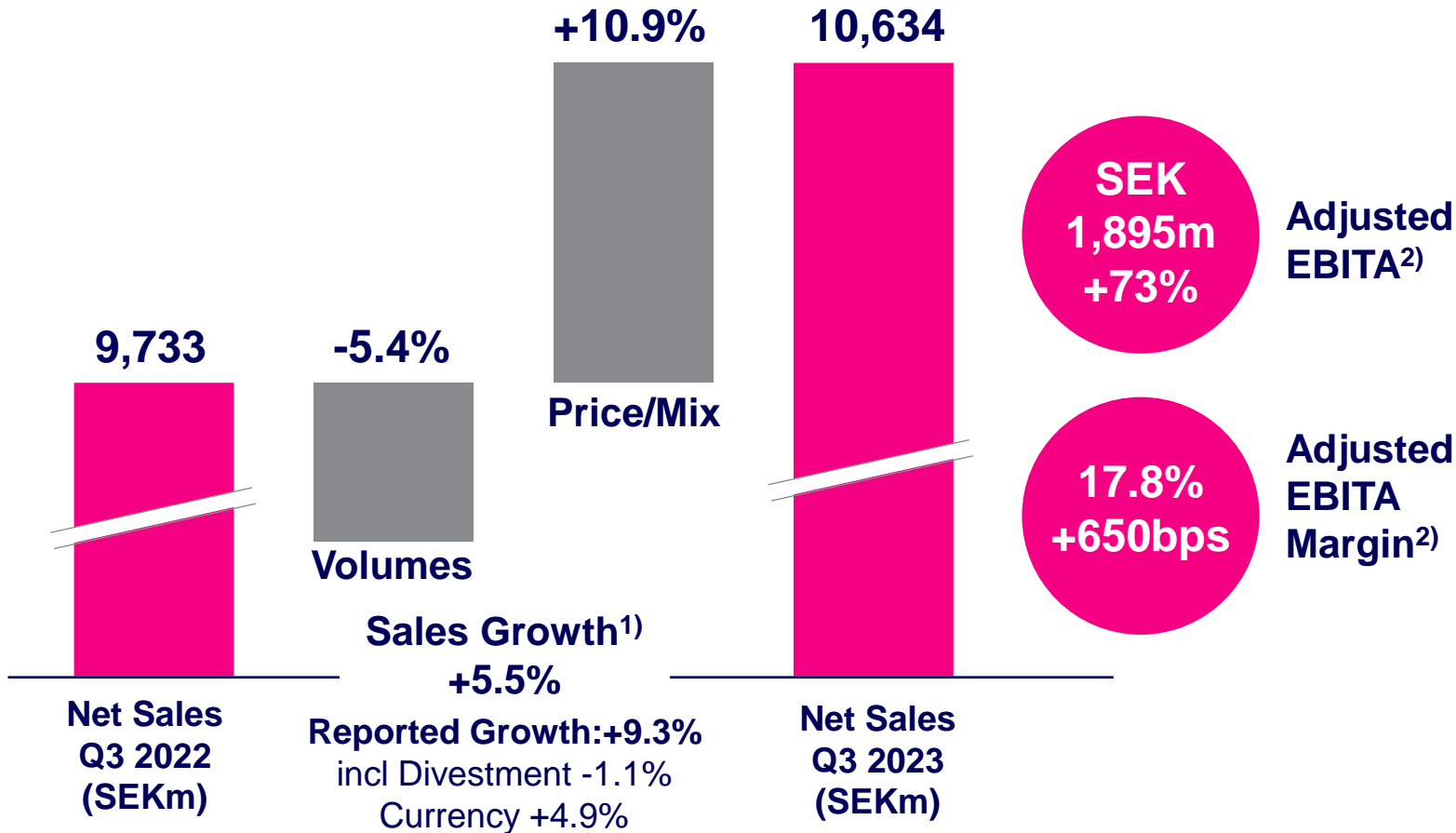
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Professional Hygiene

Professional Hygiene – Good Top-line Growth and Significant Margin Improvement



Lower volumes due to focus on profitable growth and restructuring in USA and Europe

Significantly higher adjusted EBITA and adjusted EBITA margin

- Higher prices and better mix
- Cost savings
- Lower costs for raw materials, energy and distribution
- Higher SG&A

¹⁾ Including organic sales growth and acquisitions

²⁾ Excluding items affecting comparability

Progress on Key Priorities



Price Management

+5.9% in Price

Strong price effect this quarter while still successfully protecting our #1 and #2 positions

Innovation & Brands

+1% in Mix

Growth in high margin product segments and important product launches

This quarter, products were launched under the brands TENA, JOBST, Actimove, Tempo and Plenty



Cost Efficiency

SEK 224m

generated from cost savings in Q3

Examples:

- Raw material rationalization
- Fiber mix
- Sourcing negotiations
- E-save

Growth in Fastest Growing Categories and Channels

Inco Retail +15%
Feminine Care +9%
Knix +15%
Compression +12%
Hydrofera +20%

E-commerce

14% of net sales
Q3 2023

Leading in Sustainability

Q3 initiatives:

Recycled waste as raw material in Hondouville, France

Green electricity generation in Suameer, Netherlands

[Full list of ESG targets and initiatives on website](#)

Value Creating Innovations for Customers and Consumers

INCONTINENCE PRODUCTS HEALTH CARE



TENA SmartCare Identifi™
Sensor Wear Flex

MEDICAL SOLUTIONS



JOBST UltraSheer and
JOBST Opaque
JOBST® Confidence



Actimove® Sports Edition
Plus Sizes

CONSUMER TISSUE



Tempo
Natural Skin Balance



Plenty® Everyday

Committed to Net Zero Emissions by 2050

**Science
Based Targets**
-35%
By 2030 vs 2016
Scope 1 and 2

Suameer, Netherlands

Committed to Net Zero Emissions by 2050

Science
Based Targets

-18%

2022 vs 2016
Scope 1 and 2

Hondouville, France

Clear Long-term Financial Targets and Capital Allocation Priorities

Annual sales growth¹⁾

Average sales growth
+6.6% 2015-9M 2023

>5%

Capital structure

Baa1 long-term rating from
Moody's and BBB+ from S&P

Maintain
solid
investment
grade rating

Adjusted return on capital employed²⁾

Adjusted ROCE has
increased from 8.4% Q3
2022 to 14.6% in Q3 2023

>17%
by 2025

Dividend

Dividend policy aiming for
stable and rising dividends
Dividend +26% 2018-2022

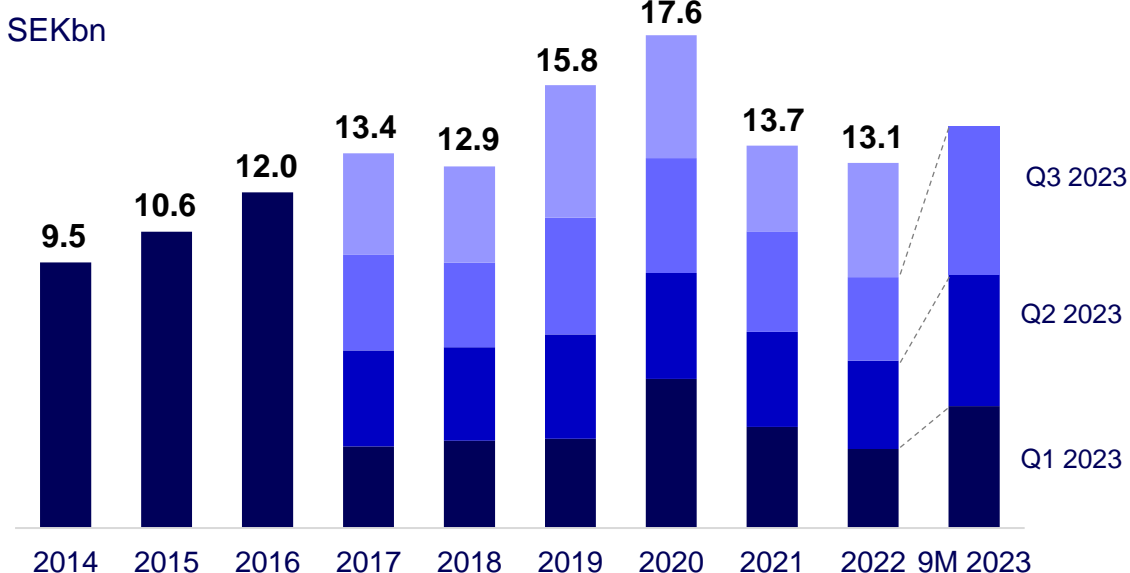
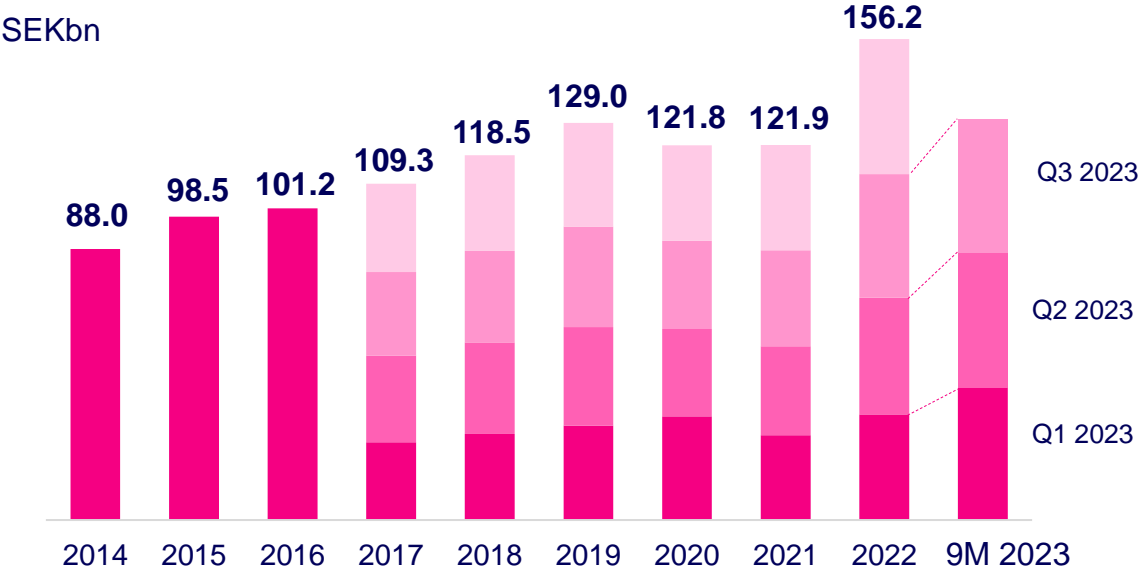
Long-term
stable and
rising
dividends

¹⁾ Including organic sales growth and acquisitions
²⁾ Excluding items affecting comparability

Back To Strong Sales and Profit Trajectory

Net Sales

Adjusted EBITA¹⁾

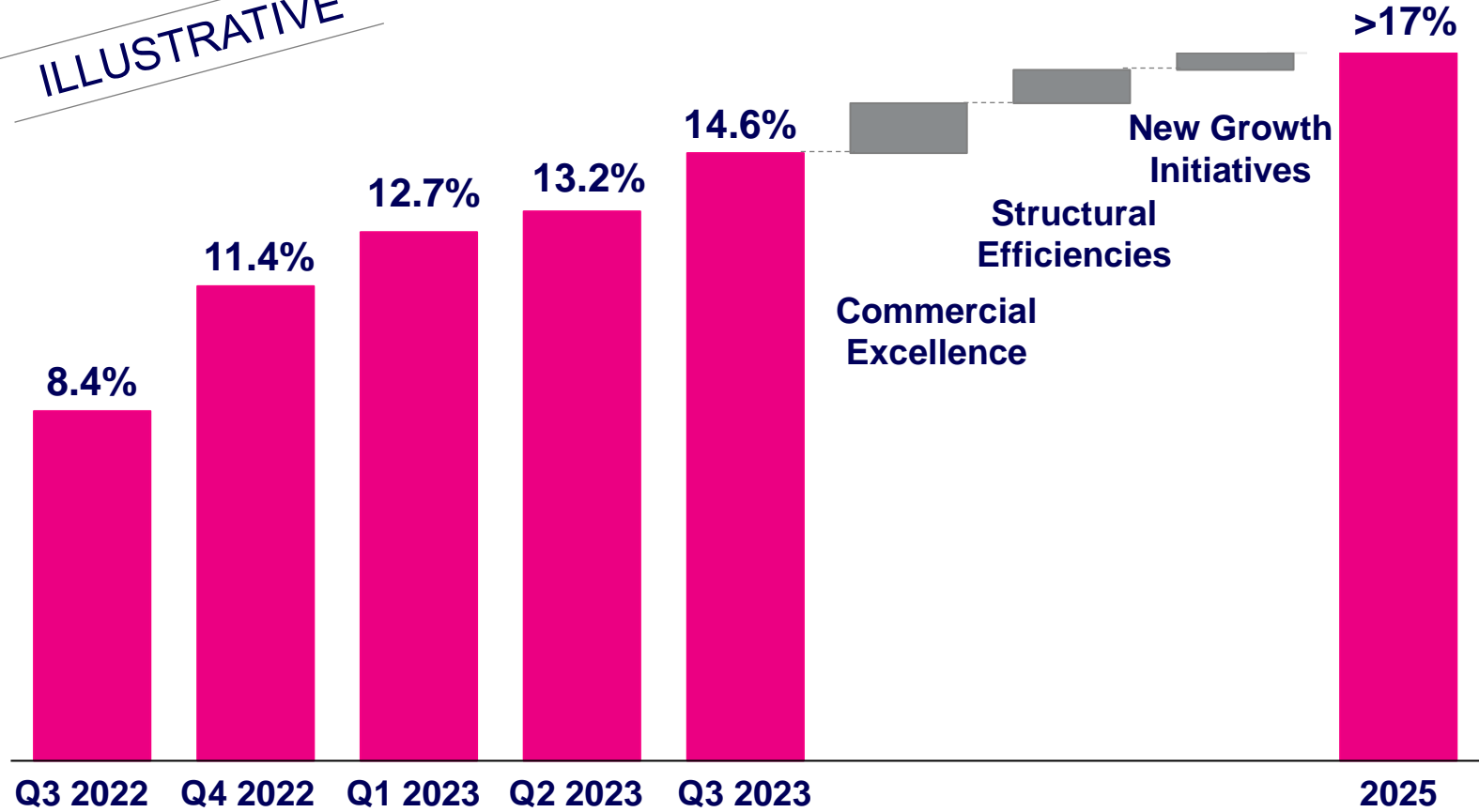


Sales Growth ²⁾	Adjusted EBITA Margin ¹⁾
+6%	10.8%
+6%	10.8%
+7.5%	11.8%
+5.0%	12.3%
+4.5%	10.9%
-1.8%	12.3%
+4.5%	14.5%
+17.7%	11.2%
+9.8%	8.4%
	11.0%

¹⁾ Excluding items affecting comparability
²⁾ Including organic sales growth and acquisitions

Roadmap to Adjusted ROCE >17%

ILLUSTRATIVE



Commercial Excellence

- Innovation & brand building
- Sustainable solutions
- Market share gains
- Price management
- Profitable growth

Structural Efficiencies

- Efficiency
- Service excellence
- Digitalization
- SG&A
- Continuous improvement

New Growth Initiatives

- Adjacent categories
- New digital models
- Expand into new categories



WELCOME
to Essity's webcast
Innovating for
Profitable and Sustainable Growth
November 27, 15:00 - 16:30 CET



Q & A



