



Year-end Report 2021



Hydrofera[®]





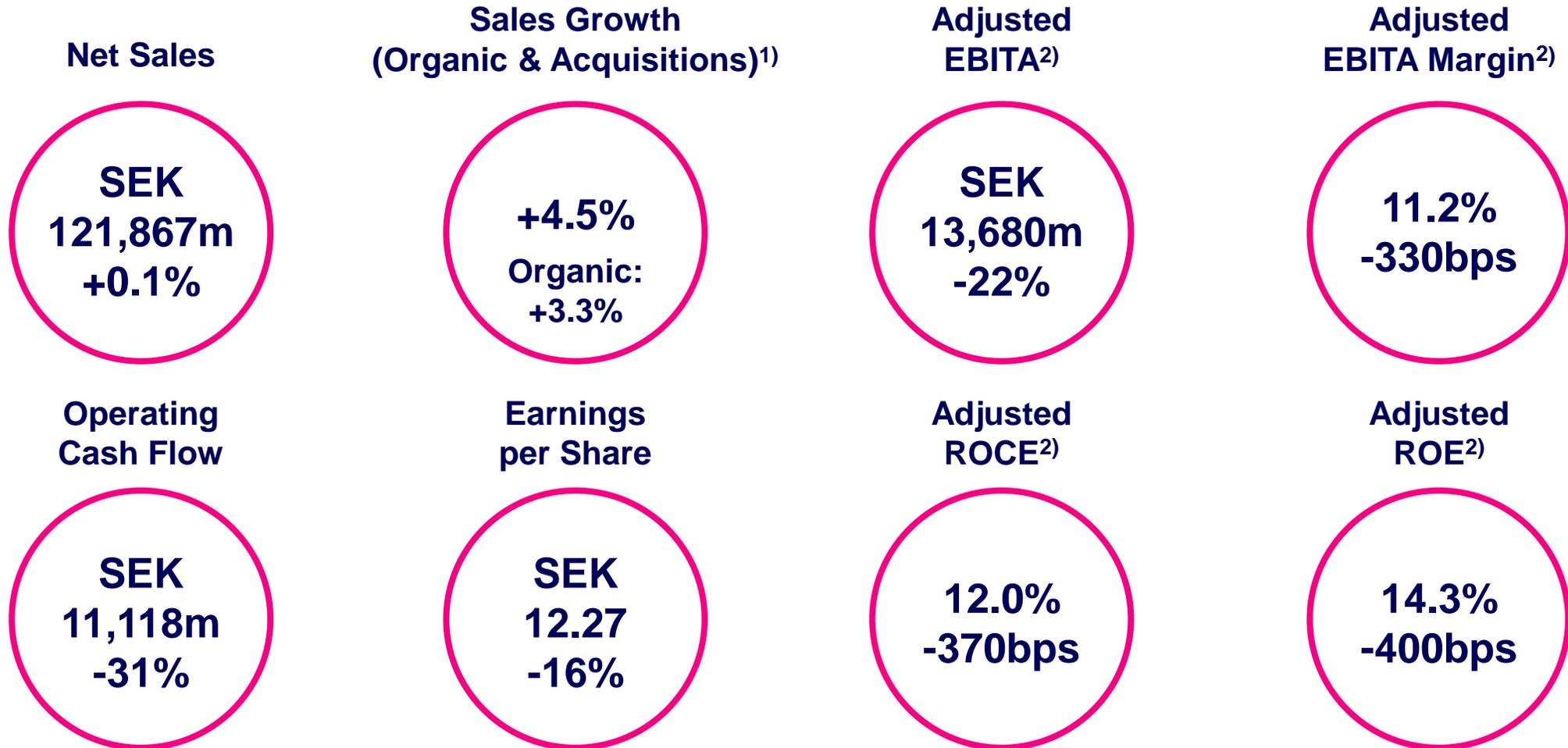
This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read our most recent annual and sustainability report for a better understanding of these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

Key Achievements 2021

- Continued transformation including six acquisitions and creation of Consumer Tissue Private Label Europe division
- Price increases implemented and further increases in 2022
- Significant cost savings
- High innovation pace
- E-commerce 14% of sales, corresponding to SEK 17bn
- Increased market shares
- Leading in sustainability with roadmap to Net Zero 2050
- Digital transformation in all areas



Financials 2021 vs 2020

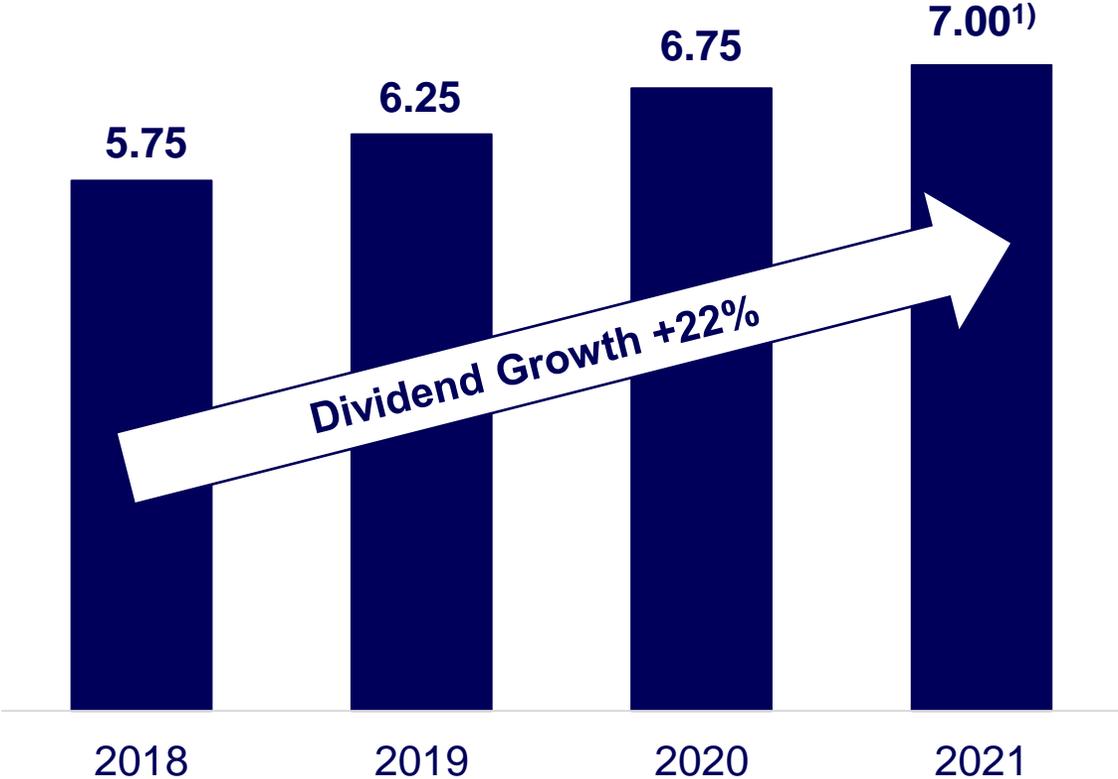


¹⁾ Net sales which excludes exchange rate effects and divestments

²⁾ Excluding items affecting comparability

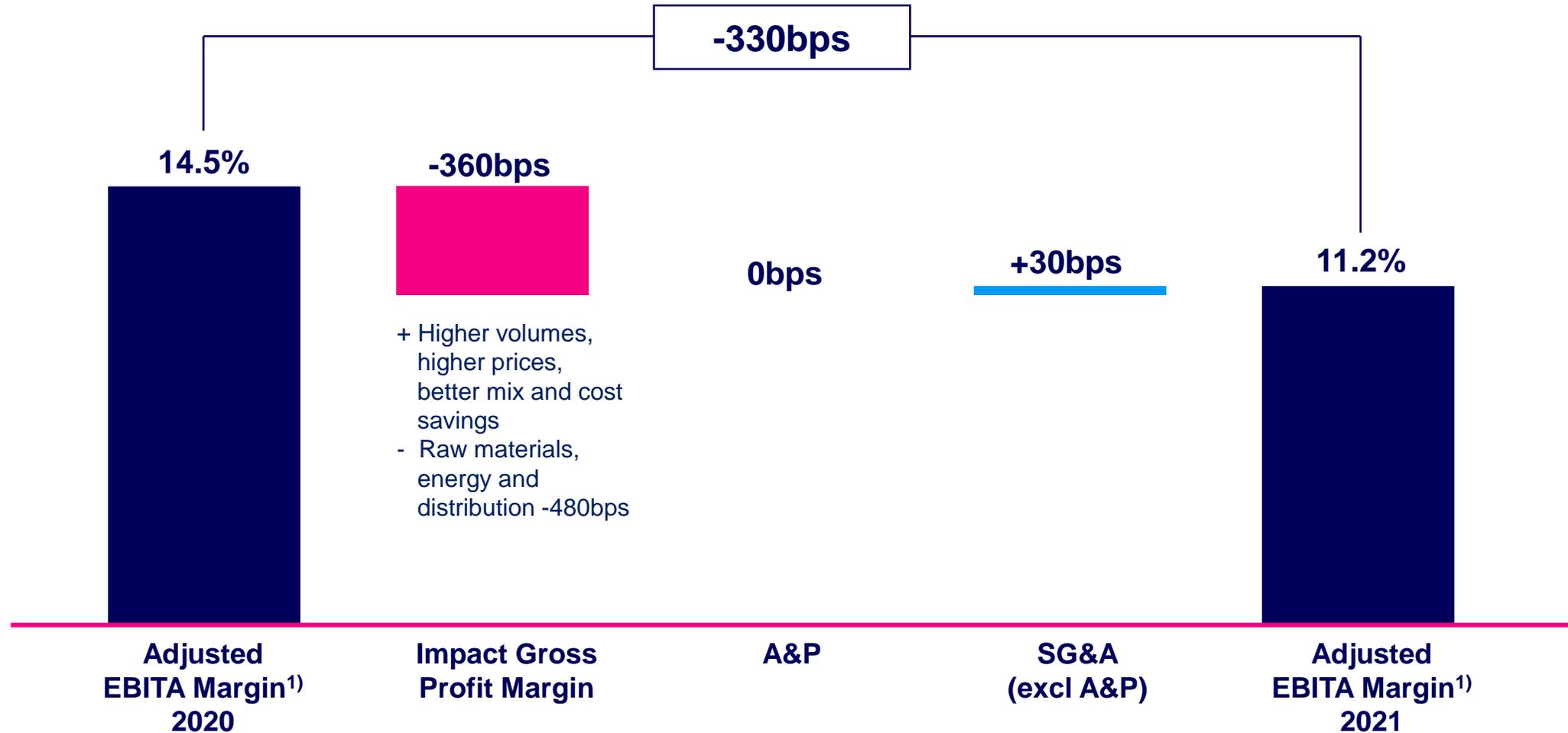
Dividend

Proposed Dividend¹⁾



¹⁾ Board of Directors Proposal

Adjusted EBITA Margin 2021 vs. 2020



¹⁾ Excluding items affecting comparability

Growing in Emerging Markets

Share of Net Sales

36%

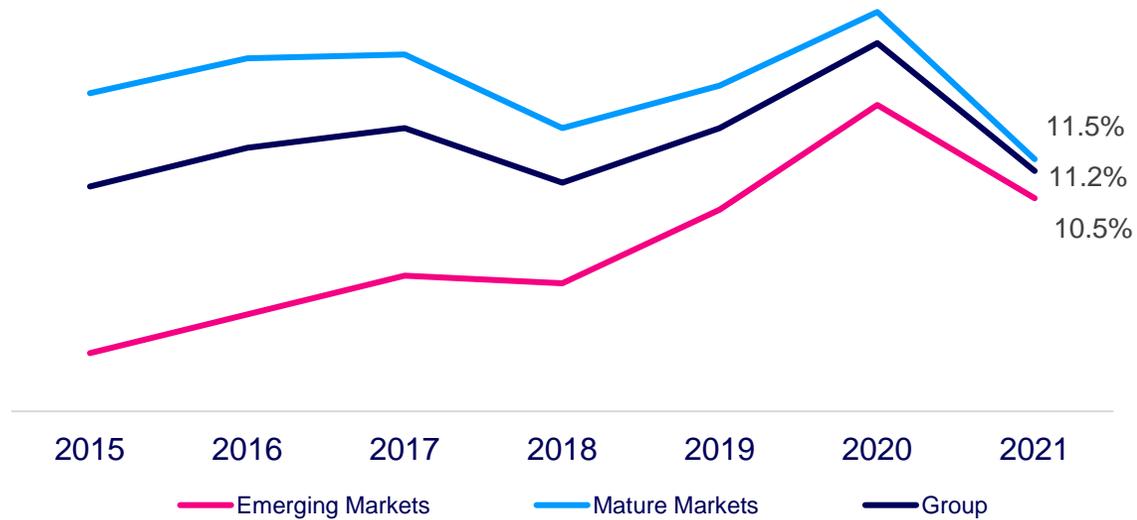
38%

Share of Adjusted EBITA¹⁾

22%

36%

Adjusted EBITA Margin¹⁾



¹⁾ Excluding items affecting comparability



Value Creating Acquisitions

Positioning Essity for Profitable Growth



Acquisition of Hydrofera Antibacterial Wound Dressings

- Expands offering in advanced wound care
- Shortens healing times, lowers treatment costs and delivers better patient outcomes
- Strengthens innovation capacity and US presence
- Financials (9M 2021):
 - Net sales: USD 20.7m (SEK 176m)
 - EBITDA: USD 5.9m (SEK 50m)
 - EBITA: USD 5.6m (SEK 48m)
 - EBITA margin: 27.2%
 - Sales growth: 22%
- Purchase price: USD 116m with potential additional earnout of approx. USD 15m on a cash and debt free basis
- Expected to be accretive to Essity's EPS from 2022



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Innovations 2021



Innovations with Well-being and Sustainability in Focus Q4 2021



Innovations with Well-being and Sustainability in Focus

Q4 2021



Increased Branded Market Shares

Positive Development 2021

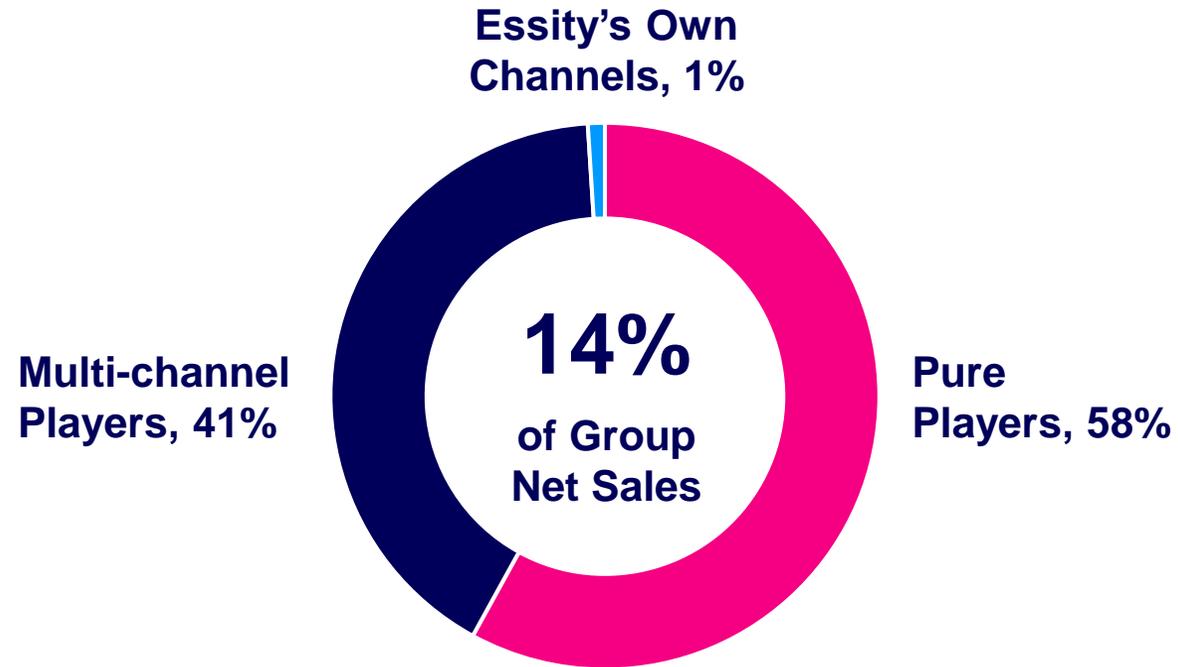
Position #1 or #2



Increased Branded Market Shares



Strong E-commerce Growth 2021



Organic Sales Growth
+16%



Leading in Sustainability

CO₂ Emissions



Actions and Recognitions



Financials

Q4 2021 vs. Q4 2020

- Strong organic sales growth
 - Volume +3.4%
 - Price/Mix +4.6%
 - +7.5% organic sales vs Q4 2019
 - +10.4% organic sales in Emerging Markets
 - Higher volumes, higher prices and better mix
 - Cost savings of SEK 228m
 - Significantly higher costs
 - Raw materials SEK 2,475m
 - Energy SEK 755m
 - Distribution SEK 245m
- Total margin impact -1,040bps

Net Sales (Organic & Acquisitions)¹⁾ **Sales Growth** **Adjusted EBITA²⁾** **Adjusted EBITA Margin²⁾**

SEK
34,226m
+10.6%

+10.3%
Organic:
+8.0%

SEK
3,077m
-30%

9.0%
-520bps

Operating Cash Flow

Earnings per Share

Adjusted ROCE²⁾

Adjusted ROE²⁾

SEK
3,206m
-22%

SEK
2.82
-25%

10.1%
-600bps

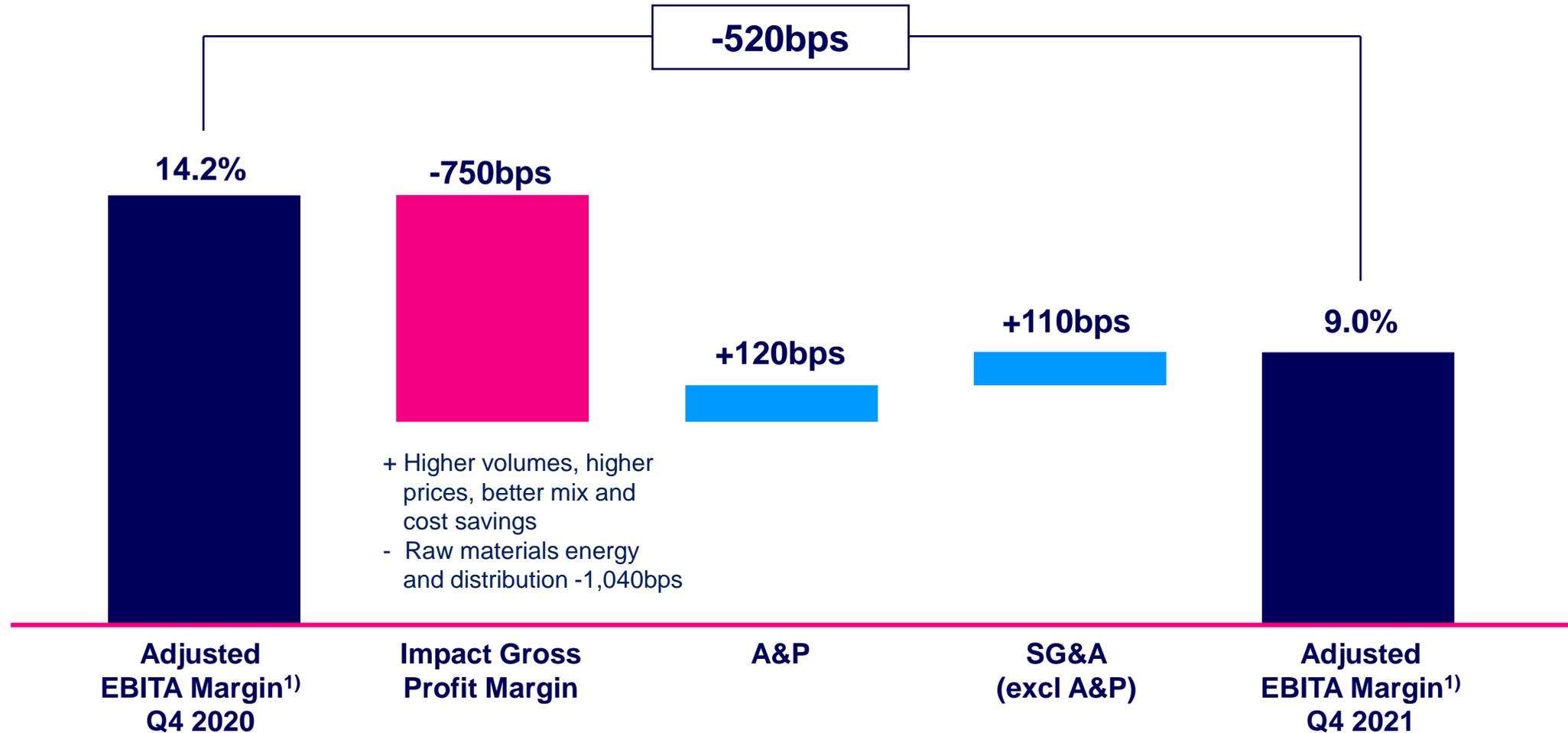
13.5%
-520bps

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²⁾ Excluding items affecting comparability

Adjusted EBITA Margin

Q4 2021 vs. Q4 2020

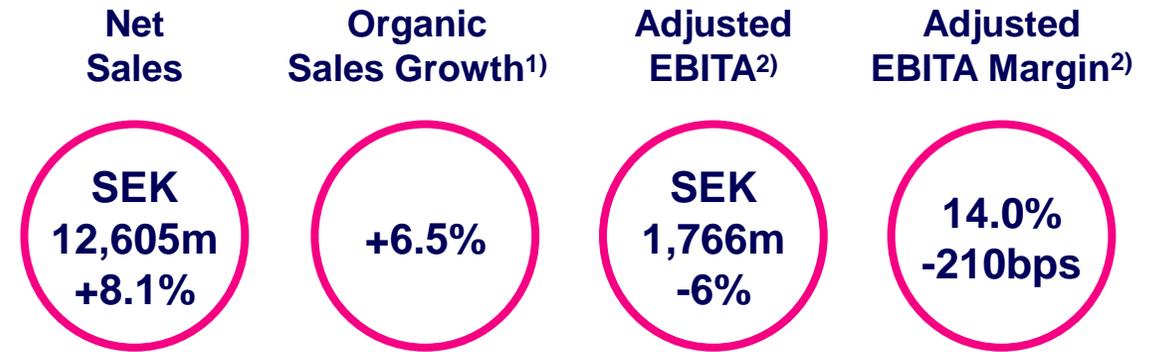


¹⁾ Excluding items affecting comparability

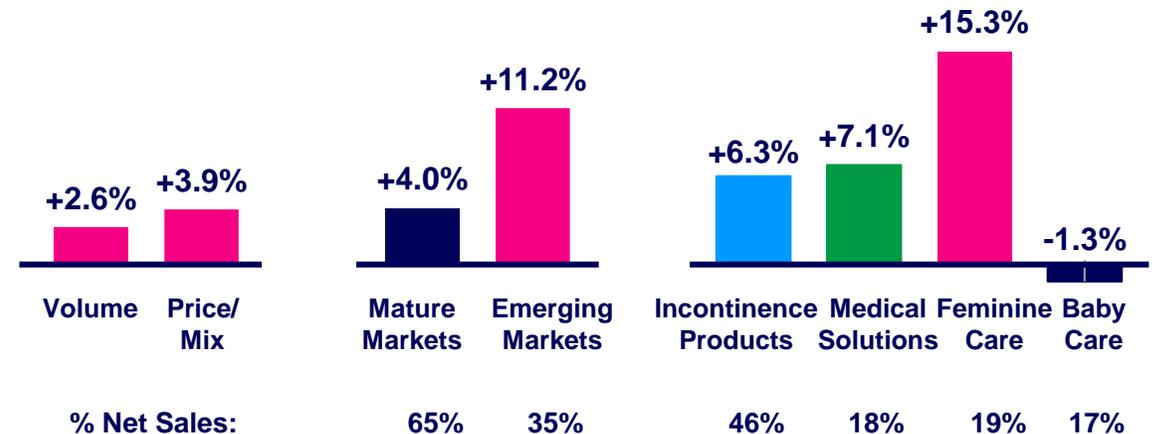
Personal Care

Q4 2021 vs. Q4 2020

- Strong organic sales growth
- Higher volumes, higher prices, better mix and costs savings
- Significantly higher costs for raw material, energy and distribution impacted margin -800bps
- Price increases implemented and further increases in 2022



Organic Sales Growth



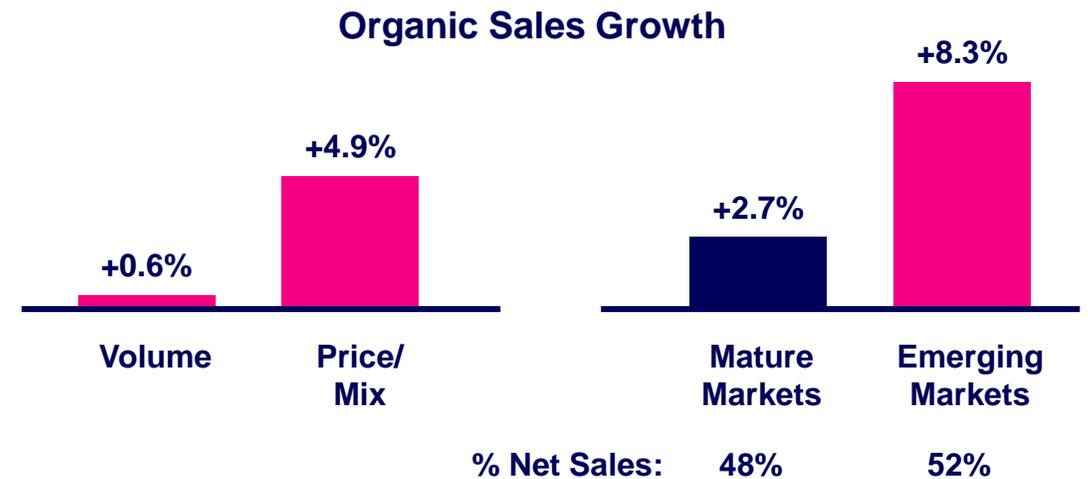
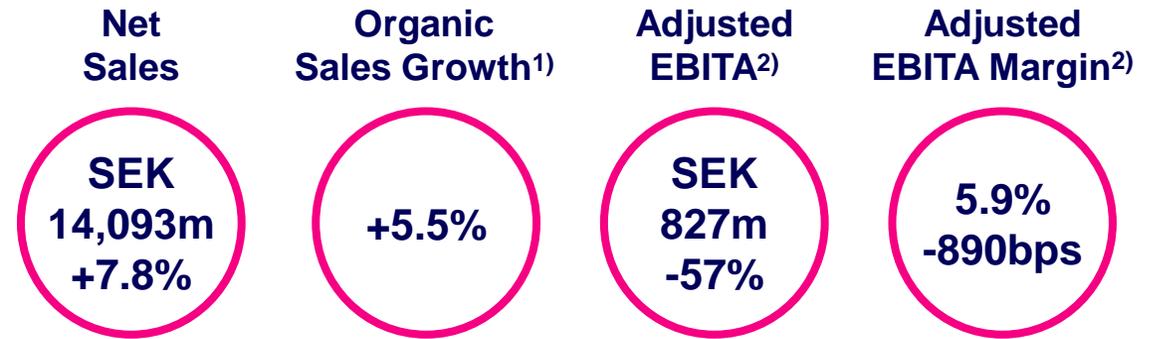
¹⁾ Net sales which excludes exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability

Consumer Tissue

Q4 2021 vs. Q4 2020

- Strong organic sales growth
- Lower volumes in Private Label
- Higher prices, better mix and costs savings
- Significantly higher costs for raw materials, energy and distribution impacted margin -1,320bps
- Price increases implemented and further increases in 2022



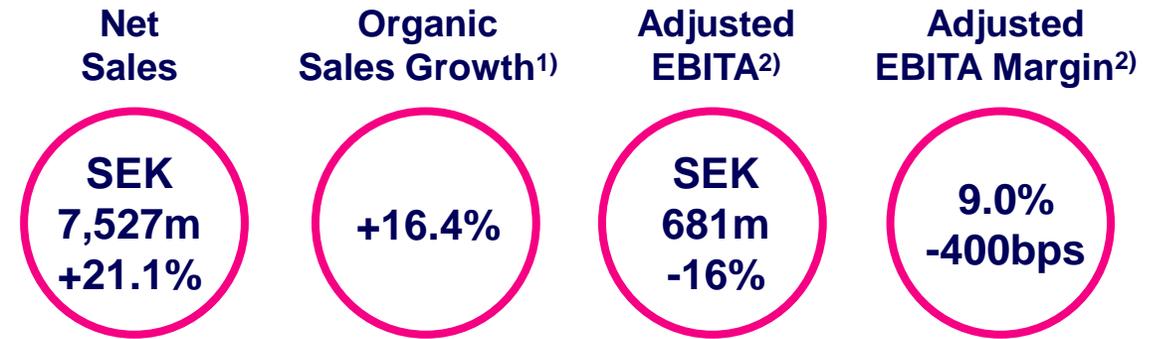
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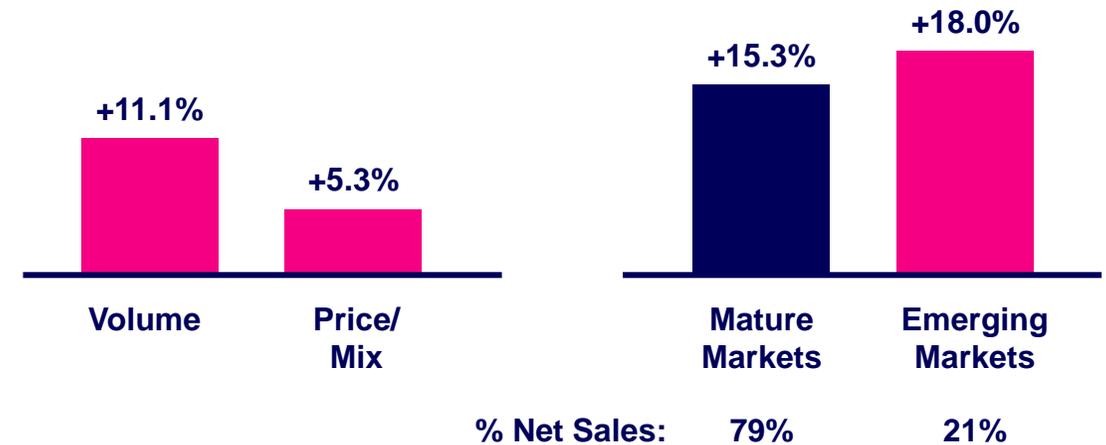
Professional Hygiene

Q4 2021 vs. Q4 2020

- Strong organic sales growth
- Higher volumes, higher prices, better mix and costs savings
- Significantly higher costs for raw materials, energy and distribution impacted margin -900bps
- Price increases implemented and further increases in 2022



Organic Sales Growth



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

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Everyday Priorities



**Care for
Our People**



**Contribute to
Society**



**Secure
Business
Success**

Strategic Priorities

Winning with people and culture

**Continuing the
transformation
journey**

**Innovating
Leading
Brands**

**Accelerating
Digitalization**

**Leading in
Sustainability**

**Growing in
Emerging
Markets**

Efficiency in everything we do



Q&A

Thank You.



