

Deutsche Bank Global Consumer Conference

Magnus Groth, President and CEO





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 report for a better understanding of these risks and uncertainties.



essity

A Leading Hygiene and Health Company



Essity in Brief

109,265

SEK million in net sales 2017

Sales in approximately

150 countries

13,405

SEK million in adjusted EBITA¹⁾ 2017

Number of employees approximately

48,000

Note: BSN medical was consolidated as of April 3, 2017.

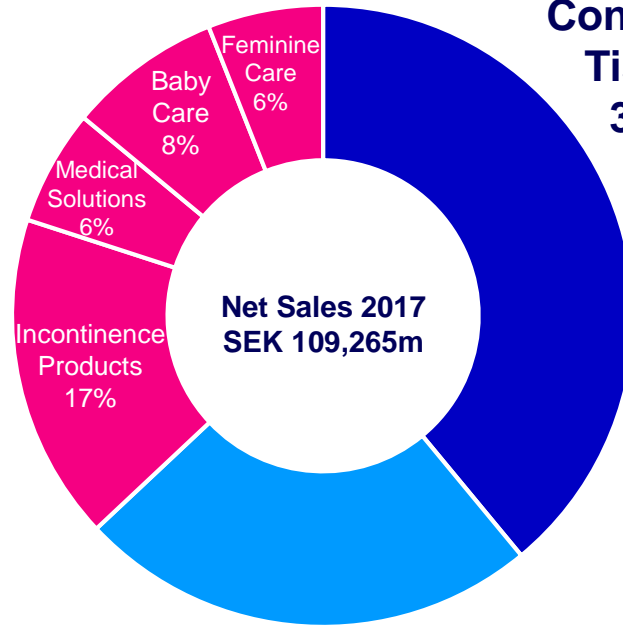
¹⁾ Excluding items affecting comparability.

Net Sales 2017

By Business Area and Product Segment



Personal Care
37%



Professional Hygiene
24%

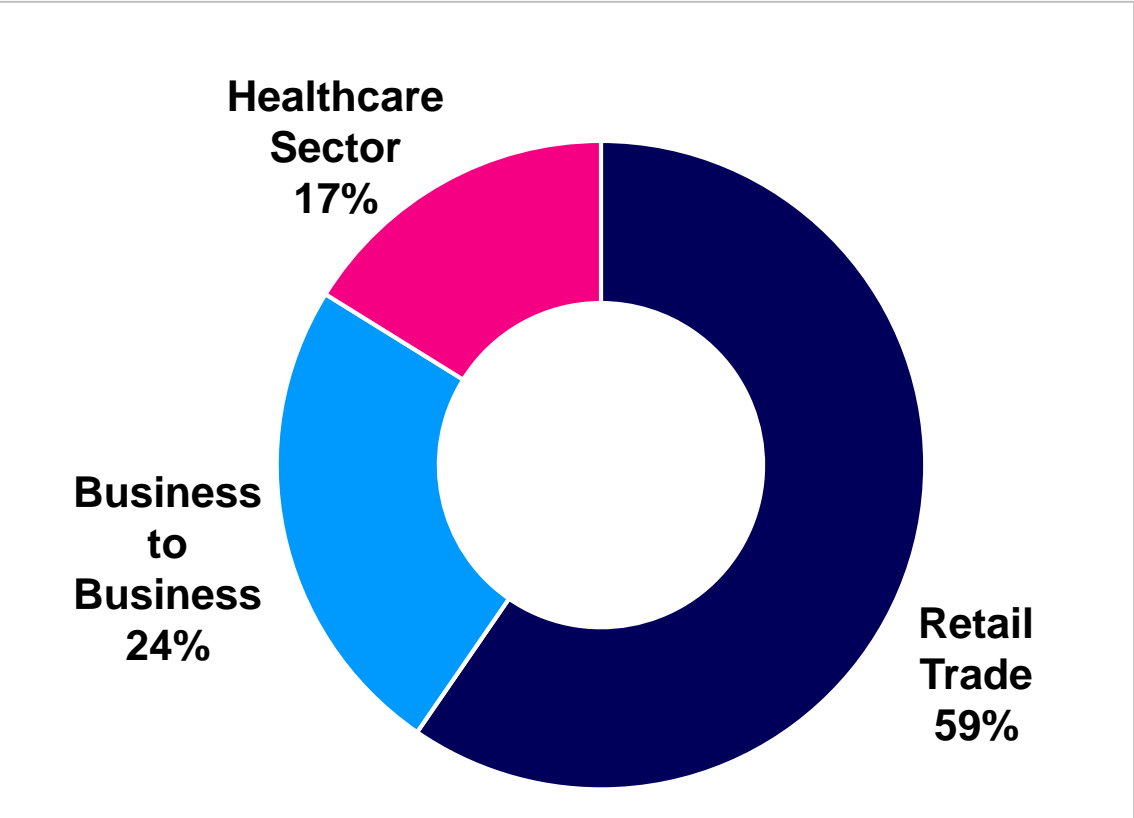
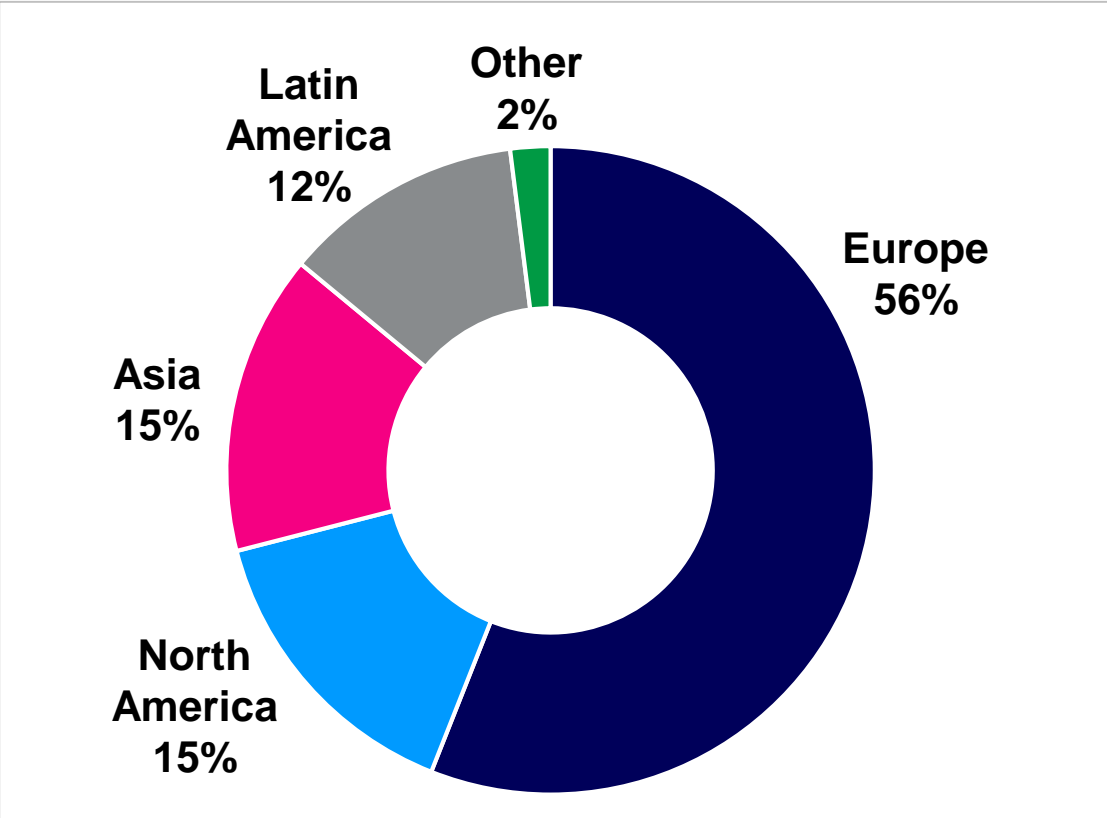
Consumer Tissue
39%



2017 Net Sales

By Geography

By Distribution Channel



Essity Financial Targets and Policies

Annual Organic Sales Growth¹⁾

>3%

Adjusted Return on Capital Employed²⁾

>15%

Capital Structure Policy

- To have an effective capital structure at the same time that the long-term access to debt financing is ensured
- Cash flow in relation to net debt shall take into account the target to **maintain a solid investment grade rating**

Dividend Policy

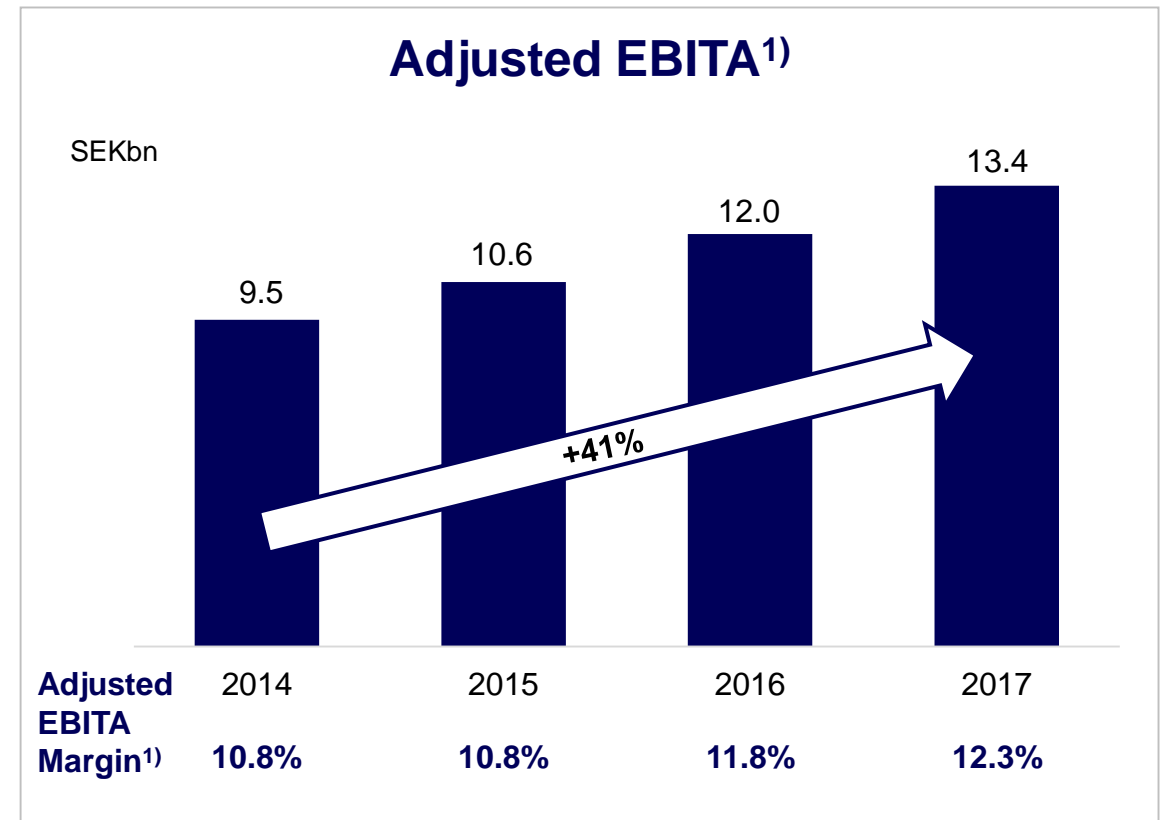
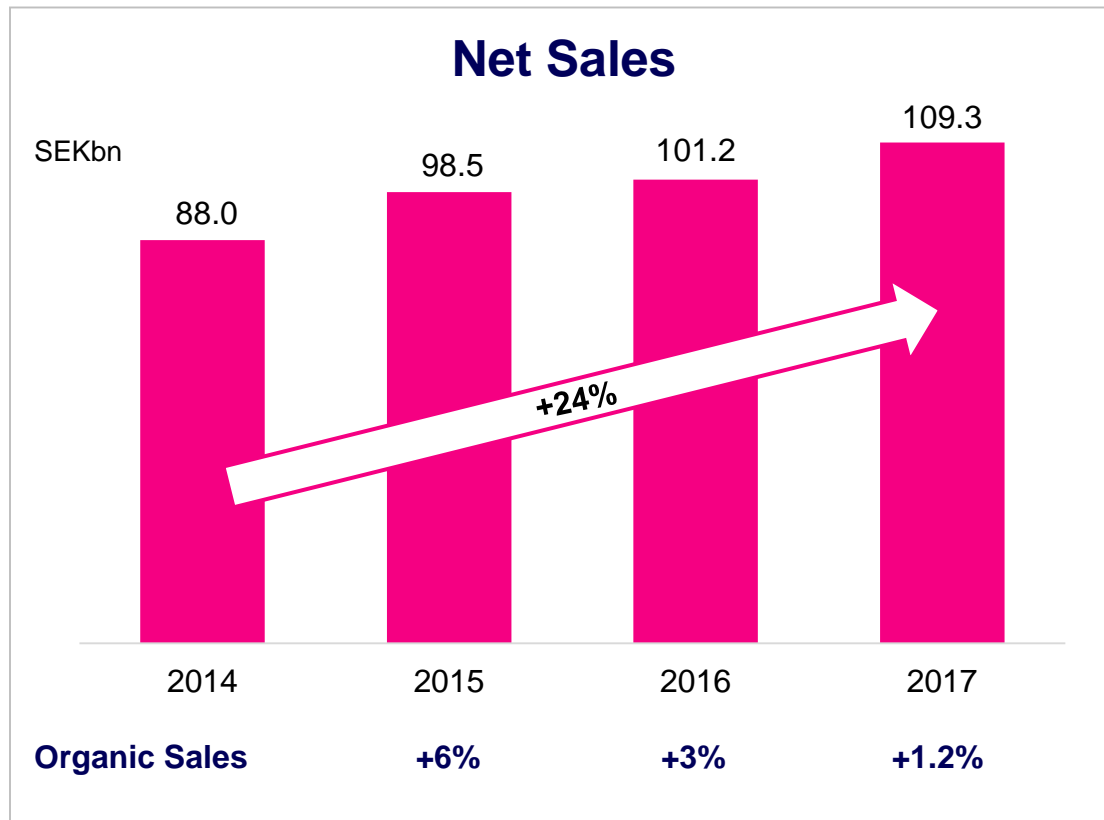
- Aims to provide long-term **stable and rising dividends** to its shareholders
- When cash flow from current operations exceeds what the company can invest in profitable expansion over the long-term – and **under the condition that the capital structure target is met** – the surplus shall be distributed to the shareholders

¹⁾ Excluding exchange rate effects, acquisitions and divestments.

²⁾ Adjusted return on capital employed is accumulated return on capital employed and is calculated as 12-month rolling operating profit before amortization of acquisition-related intangible assets/EBITA, excluding items affecting comparability, as a percentage of average capital employed for the five most recent quarters.

Increased Sales and Profitability

Essity Financial Profile



¹⁾ Excludes items affecting comparability.

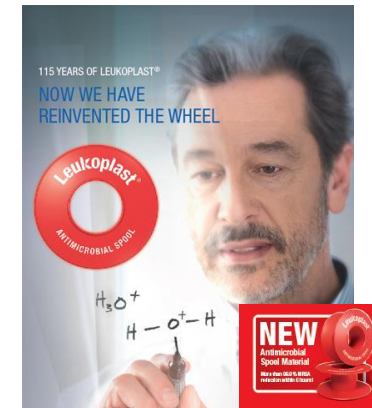
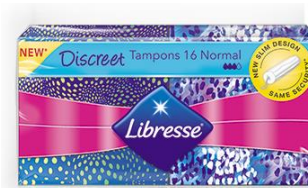
Global Market Positions

Incontinence Products	1	
Professional Hygiene	1	
Consumer Tissue	2	     
Medical Solutions	4	Leukoplast® Cutimed®  Actimove® Delta-Cast®
Baby Care	5	   
Feminine Care	6	    

Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources including IRI, RISI, Price Hanna Consultants, SmartTRAK and INSIGHT Health

Stronger Brands Through Innovation

41 Innovations Launched During 2017



Digitalization

Customers and Consumers

#bloodnormal

TENA webshops



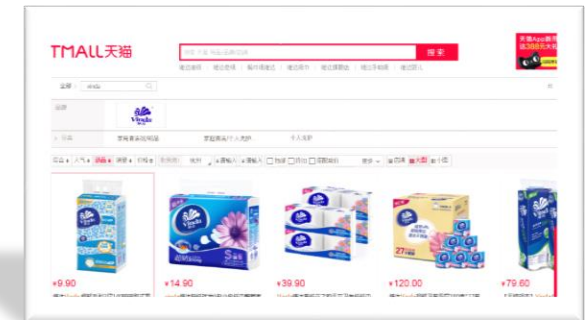
<http://www.tena.co.uk/men/>

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E-commerce

21%

of Vinda's
net sales 2017



Digital Products



Tork EasyCube™

TENA Identifi™

Collaboration with Microsoft
on Internet of Things

Robotics, Automation, Analytics



Increases efficiency and
improves quality in all
parts of the business

Profitability-Enhancing Initiatives

- Continuous value-chain optimization
- Restructuring measures and investments within "Tissue Roadmap"
- Profitability improvements and exits through "Cure or Kill"
- Integration of value-creating acquisitions
 - Wausau Paper Corp.
 - BSN medical



Summary Q1 2018

Q1 2018 vs Q1 2017

- Organic net sales¹⁾ increased 3.4%
- Adjusted EBITA-margin²⁾ decreased 40bp due to significantly higher raw material costs
- Price increases achieved in Consumer Tissue in Europe that have not yet impacted earnings
- Good contribution from efficiency improvements
- Investments and further restructuring measures following Tissue Roadmap
- BSN medical integration and synergies progressing according to plan
- Four innovations launched under the brands Jobst, Leukoplast, Lotus and Tork

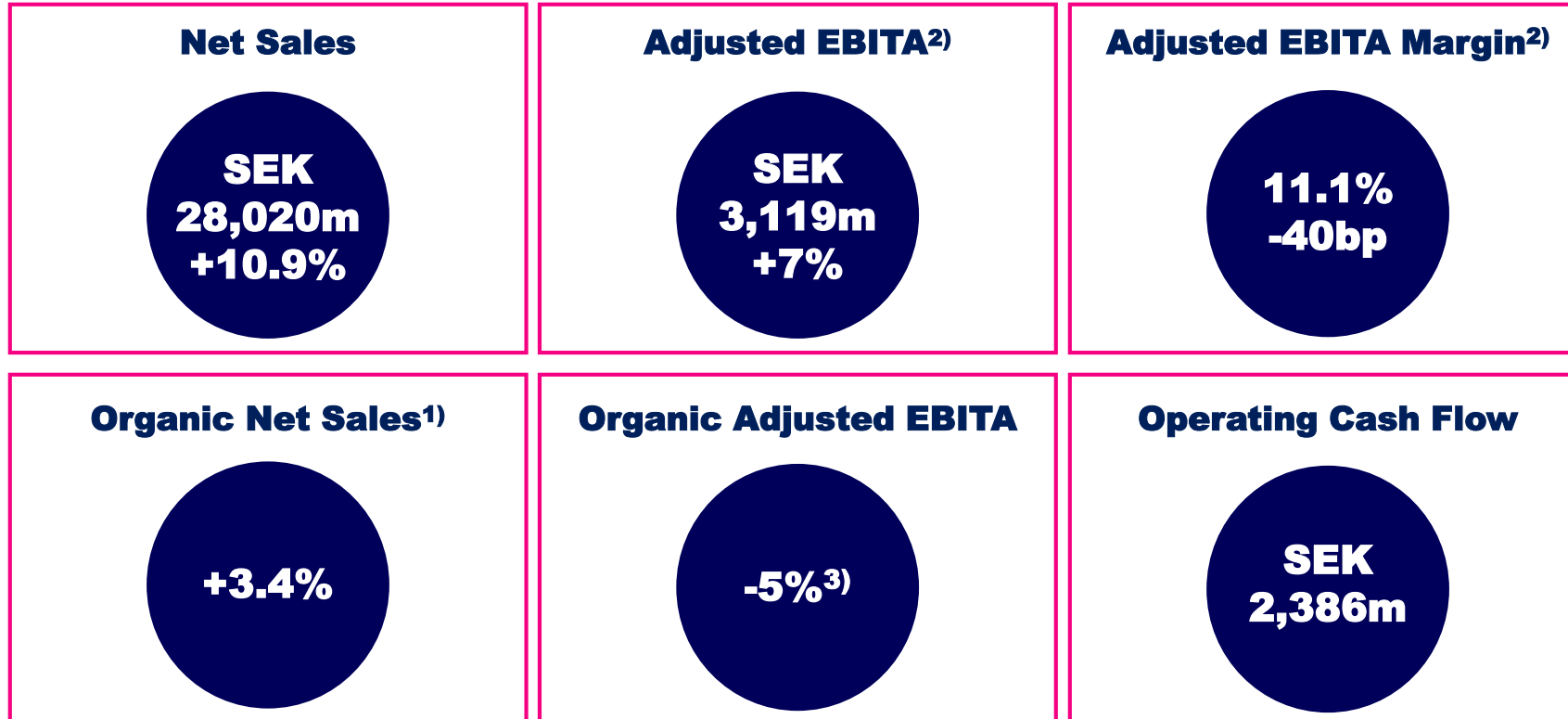
¹⁾ Net sales which excludes exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability



Financial Summary

Q1 2018 vs Q1 2017



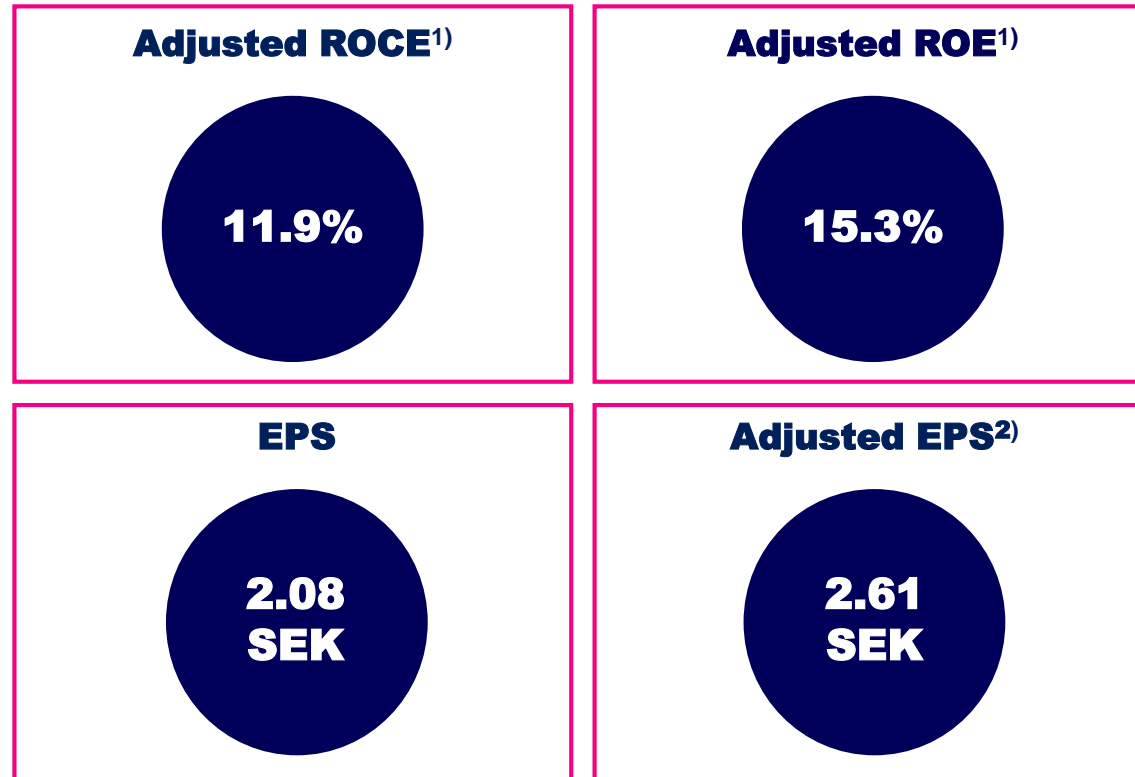
¹⁾ Net sales which excludes exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability

³⁾ Excluding items affecting comparability, currency translation effects and acquisitions

Financial Summary

Q1 2018



¹⁾ Excluding items affecting comparability

²⁾ Excluding items affecting comparability and amortization of acquisition related intangible assets

Essity's Strengths

- Leading market positions in attractive and growing hygiene and health markets
- Strong brands and successful innovations
- Efficiency improvements and cost savings
- Profitable growth and strong cash flows





Q&A



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