



Welcome to Essity Investor Day 2019



This presentation contains forward-looking statements. Such statements are based on current expectations and are subject to certain risks and uncertainties that could materially affect our business and results. Please read our most recent annual and sustainability report for a better understanding of these risks and uncertainties and please see the last page in this presentation for further information about forward-looking statements. Any forward-looking statements made during this presentation speaks only as of the date of this presentation and Essity undertakes no obligation to update any of them in light of new information, future events or otherwise.

Moderator

Joséphine Edwall Björklund

Senior Vice President,
Group Function Communications



Investor Day Agenda

Essity - A Leading Global Hygiene and Health Company

May 23, 2019

10:00 – 11:10	Essity Group , Magnus Groth, President and CEO Essity Group , Fredrik Rystedt, CFO and Executive Vice President Q&A
11:10 – 11:30	Break
11:30 – 12:20	Global Operational Services , Robert Sjöström, President Global Manufacturing , Donato Giorgio, President Q&A
12:20 – 13:10	Lunch
13:10 – 14:30	Health and Medical Solutions , Ulrika Kolsrud, President Professional Hygiene , Don Lewis, President Q&A
14:30 – 14:50	Break
14:50 – 15:50	Consumer Goods , Volker Zöller, President Latin America , Pablo Fuentes, President Q&A
15:50 – 17:00	Vinda , LI Chao Wang, Chairman of Vinda Christoph Michalski, CEO of Vinda Q&A Concluding Remarks , Magnus Groth, President and CEO





Magnus Groth

President and CEO





The Essity Group

Magnus Groth
President and CEO



A Leading Global Hygiene and Health Company



Essity in Brief

118,500

SEKm
in net sales 2018

Sales in approximately

150 countries

12,935

SEKm
in adjusted EBITA¹⁾ 2018

Number of employees
approximately

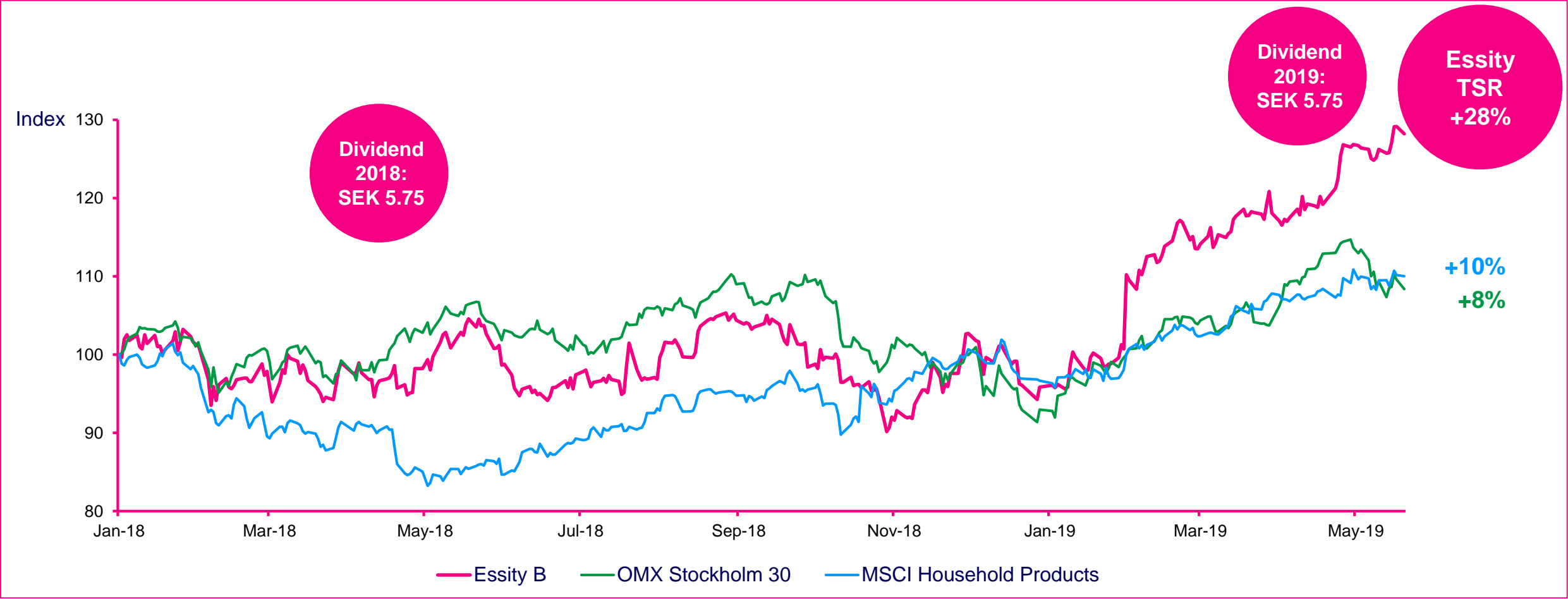
47,000

¹⁾ Excluding items affecting comparability

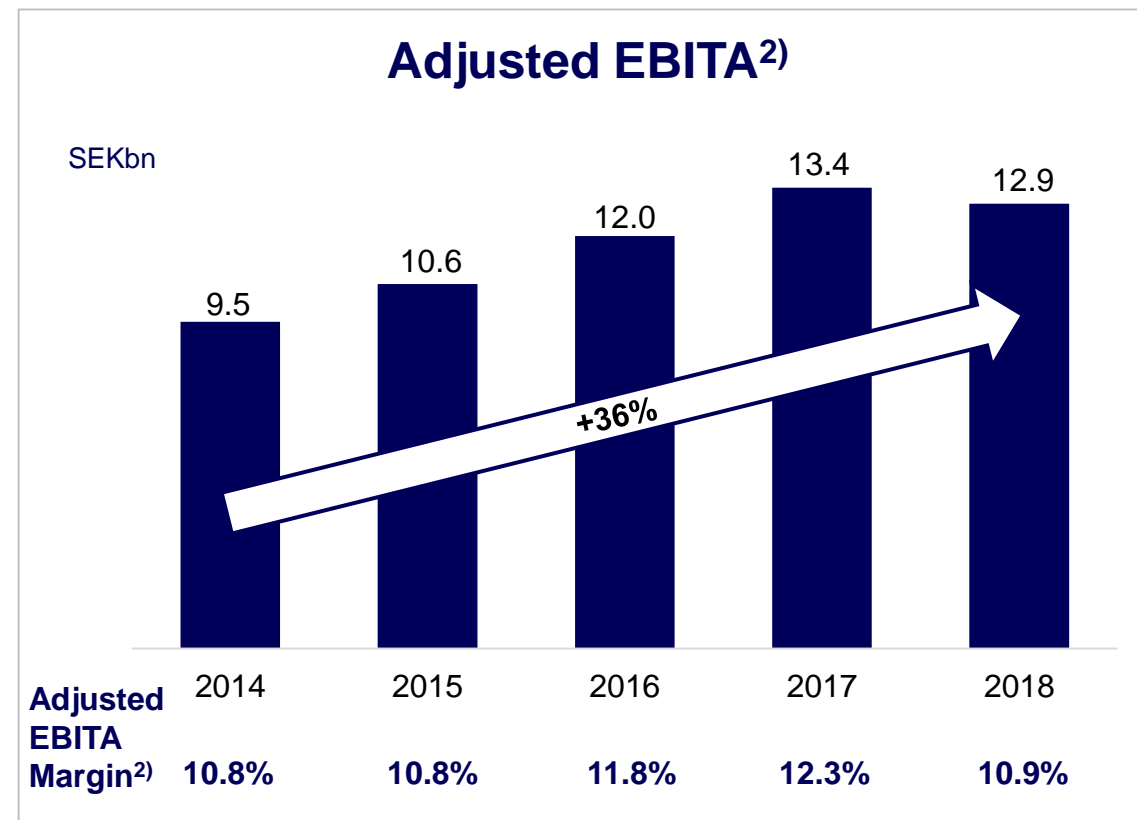
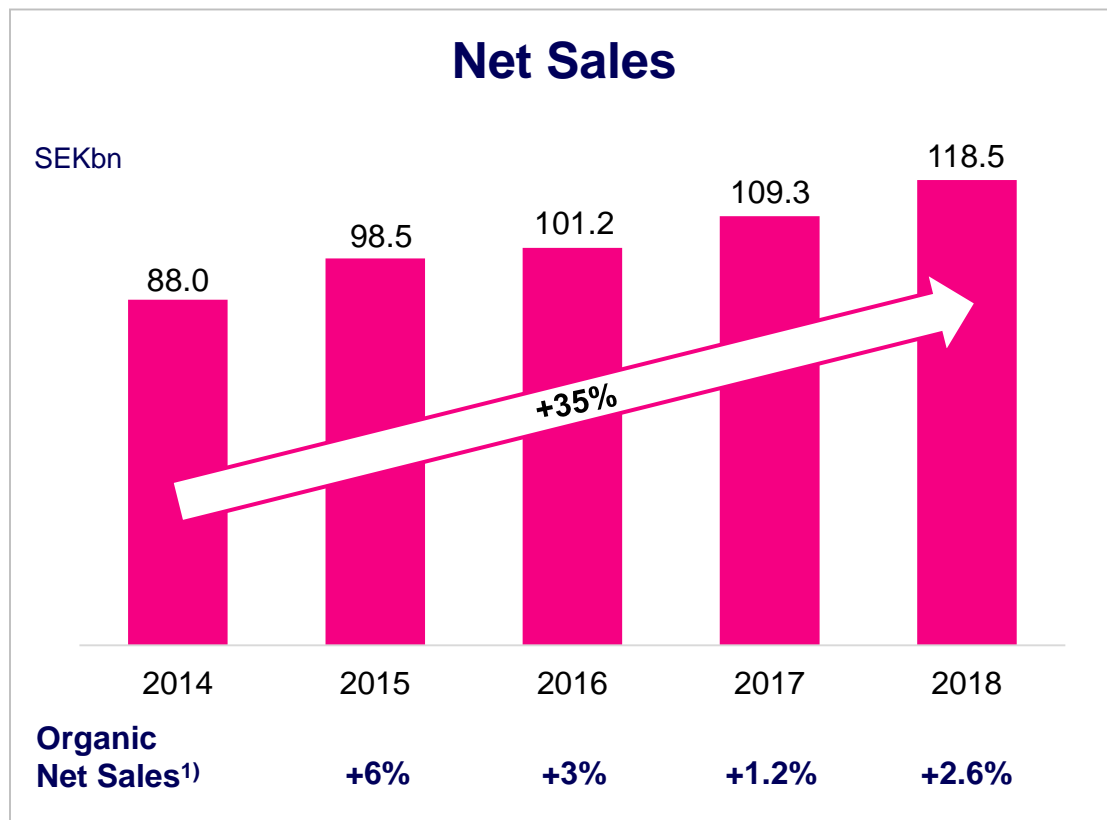


Total Shareholder Return

January 1, 2018 – May 20, 2019



Increased Sales and Profitability



¹⁾ Excluding exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability

Delivering Sustainable Shareholder Value

Our Strengths

**Improving well-being
through leading hygiene
and health solutions**

**Leading positions in
an attractive and
growing market**

**Strong brands and
successful innovations
for people and nature**

**Focus on efficiency
improvements and
cost savings**

**Sustainable business
with profitable growth
and strong cash flow**

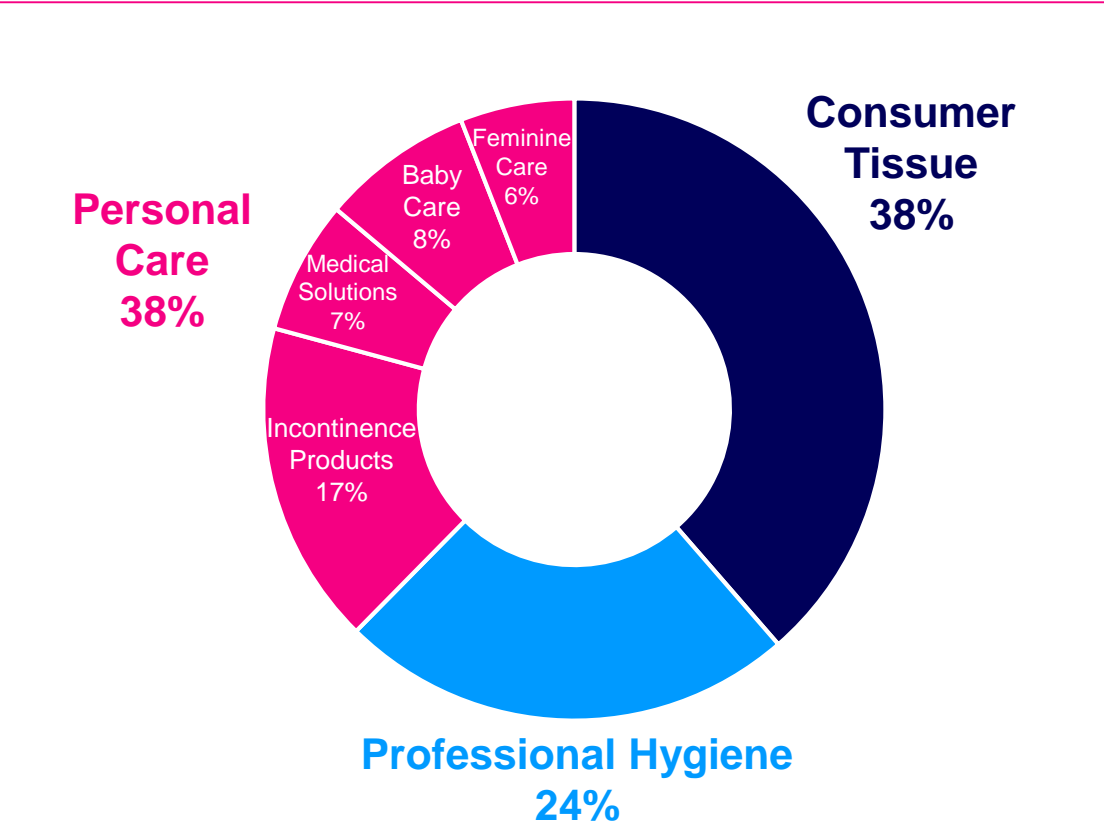
**A high-performing
organization with a
winning corporate culture**

Executive Management Team

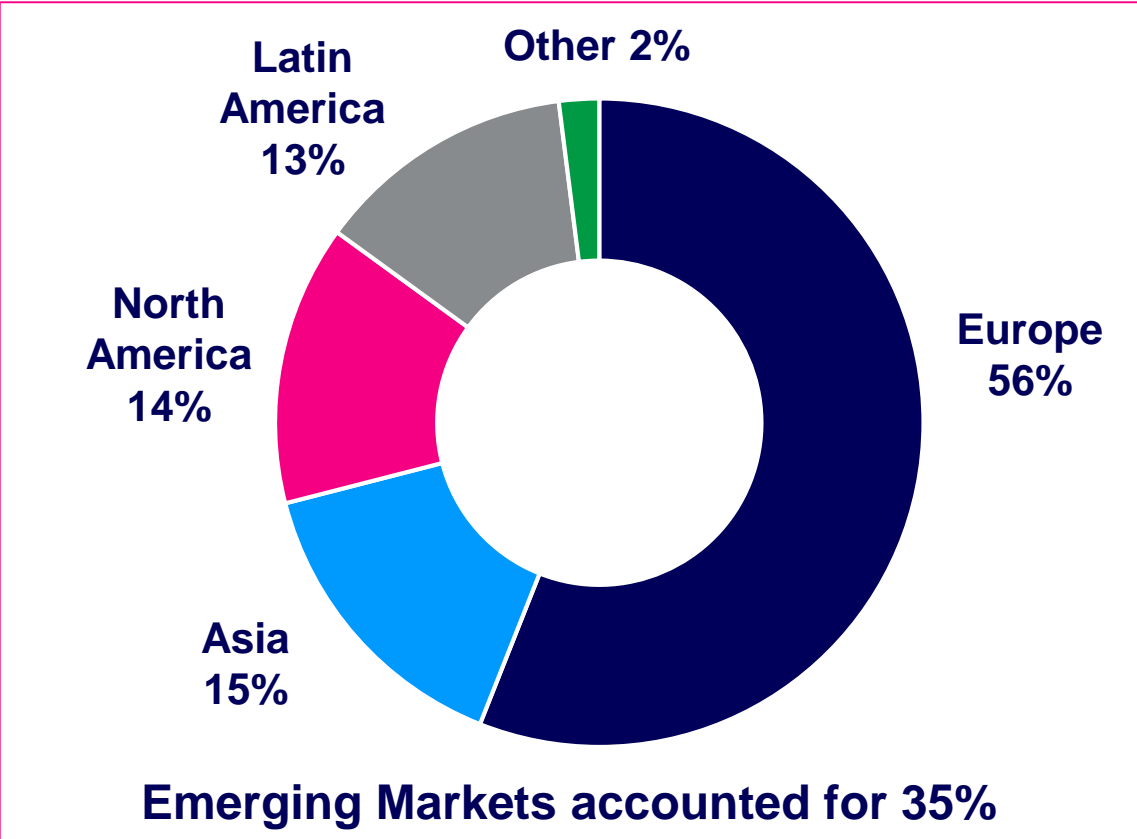


Net Sales 2018

By Business Area and Category

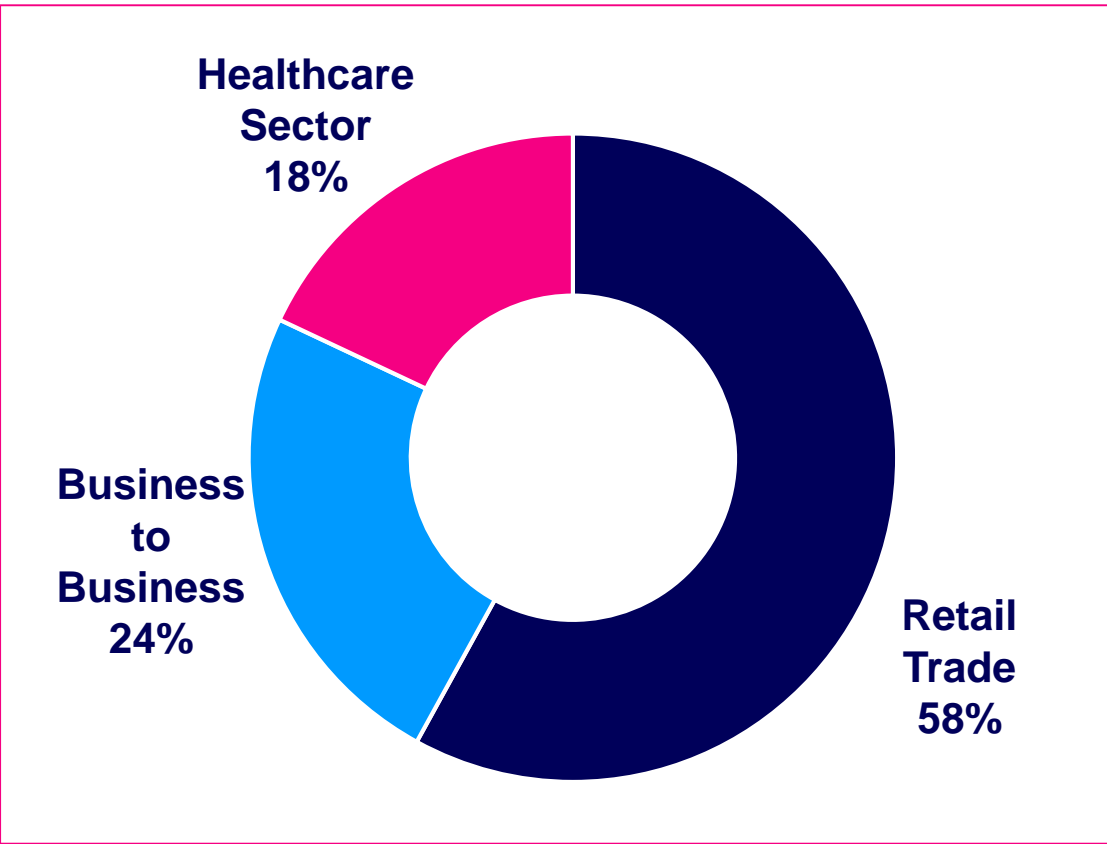


By Geography

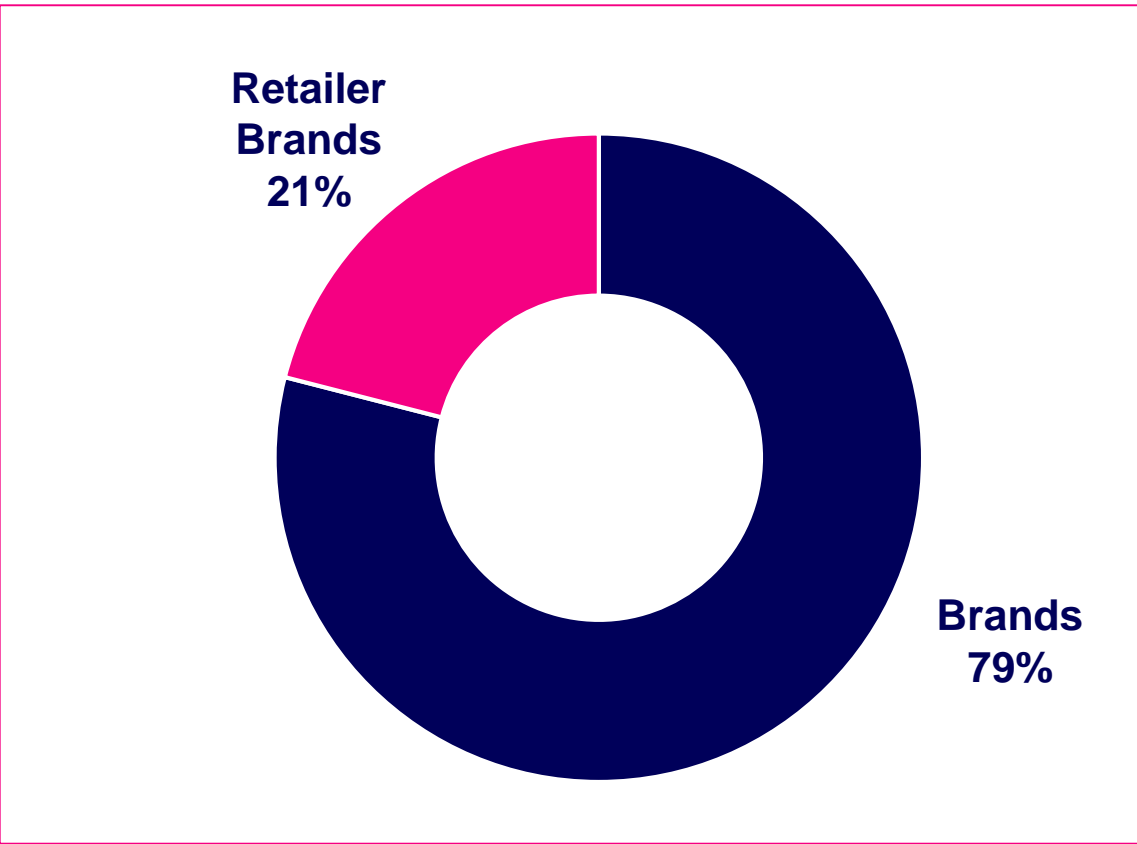


Net Sales 2018

By Distribution Channel



Brands vs Retailer Brands



Favorable Market Trends

Growing and Aging Population



Increased Awareness about Hygiene and Health



Increased Disposable Income and Higher Living Standards



Increased Prevalence of Chronic Conditions



Sustainability in Focus



Increased Access to Healthcare



Digitalization



Evolution of Business Models



The Empowered Consumer



Consumer Trends

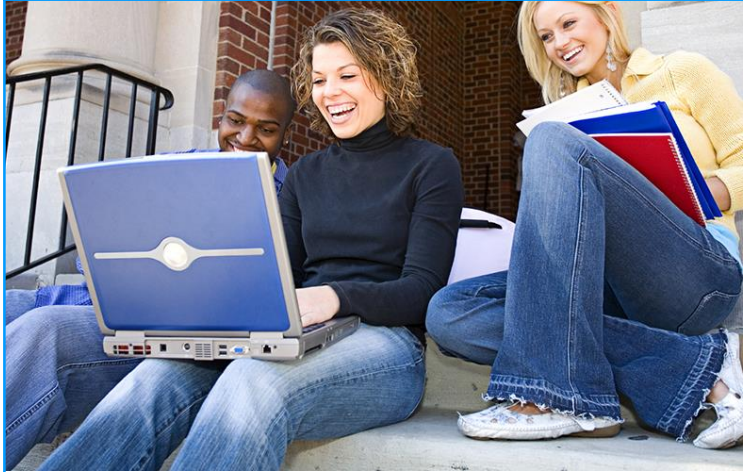
Consumer in Control



Drivers:

- Increased connectivity
- Demand for transparency
- Digital marketplaces
- Cross-border e-commerce

Convenience is Key



Drivers:

- Aging societies
- Urbanization
- Shrinking households
- Changing gender roles

Deliberate Spending

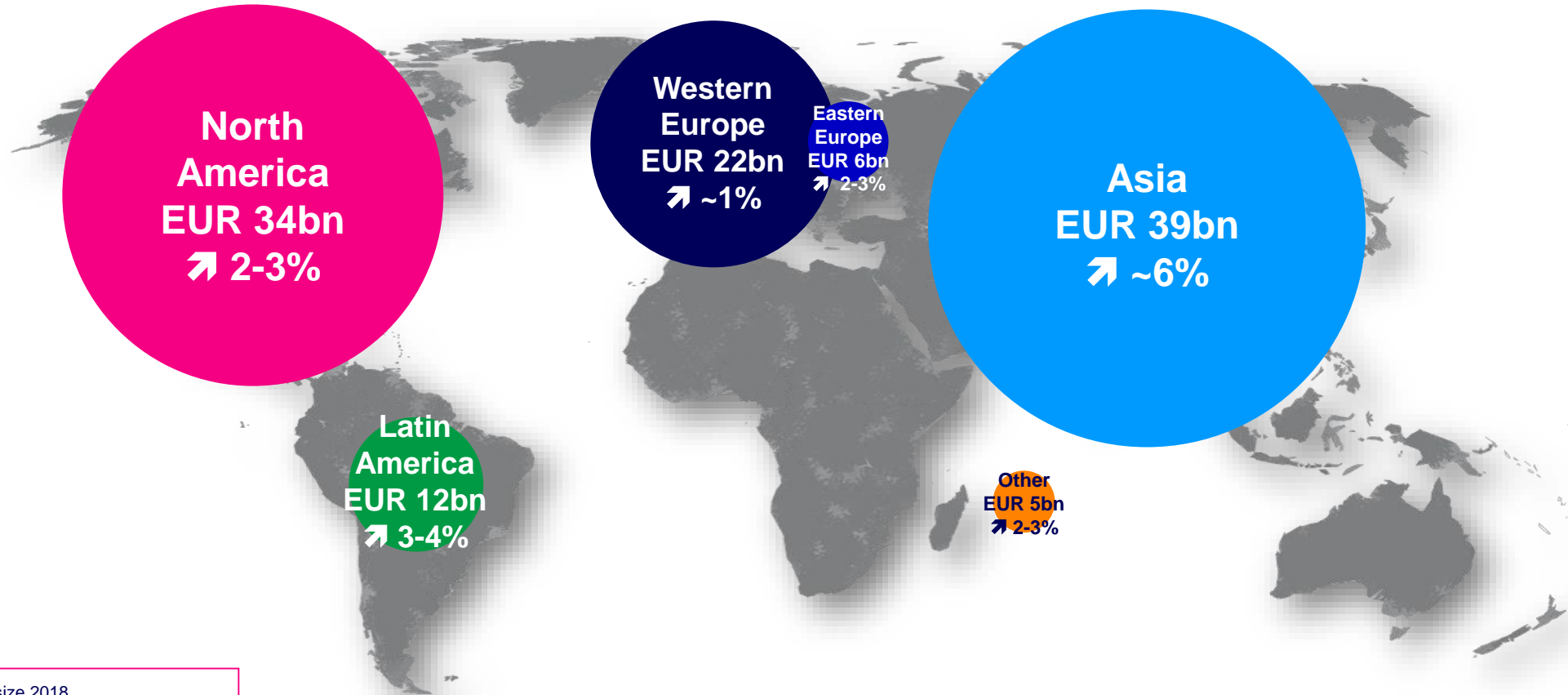


Drivers:

- Health and sustainability
- Middle class dynamics
- Labor market development
- Demand for transparency

Our Market

Addressable Hygiene and Health Market



Bubble size: Market size 2018
↗ Expected Market Growth CAGR
(Compound Annual Growth Rate) 2018-2023

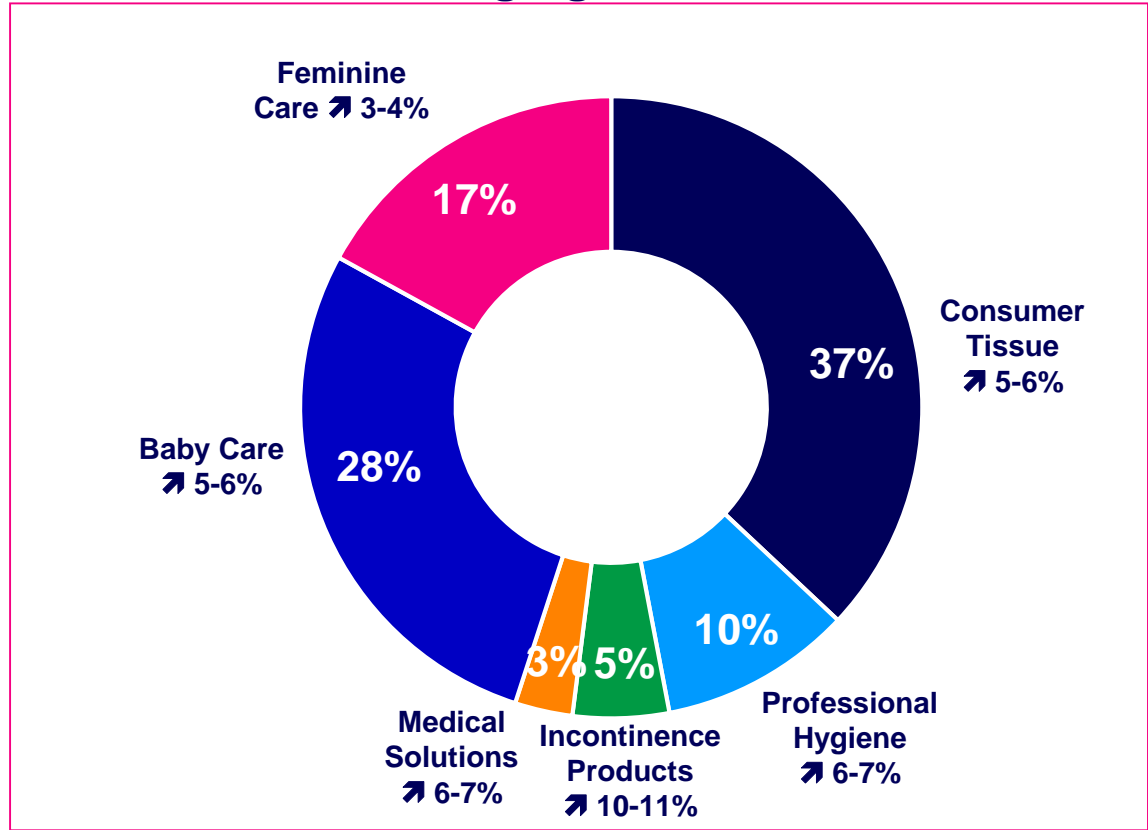
Global Market Size 2018: EUR 118bn, ↗ ~3%

Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Our Market

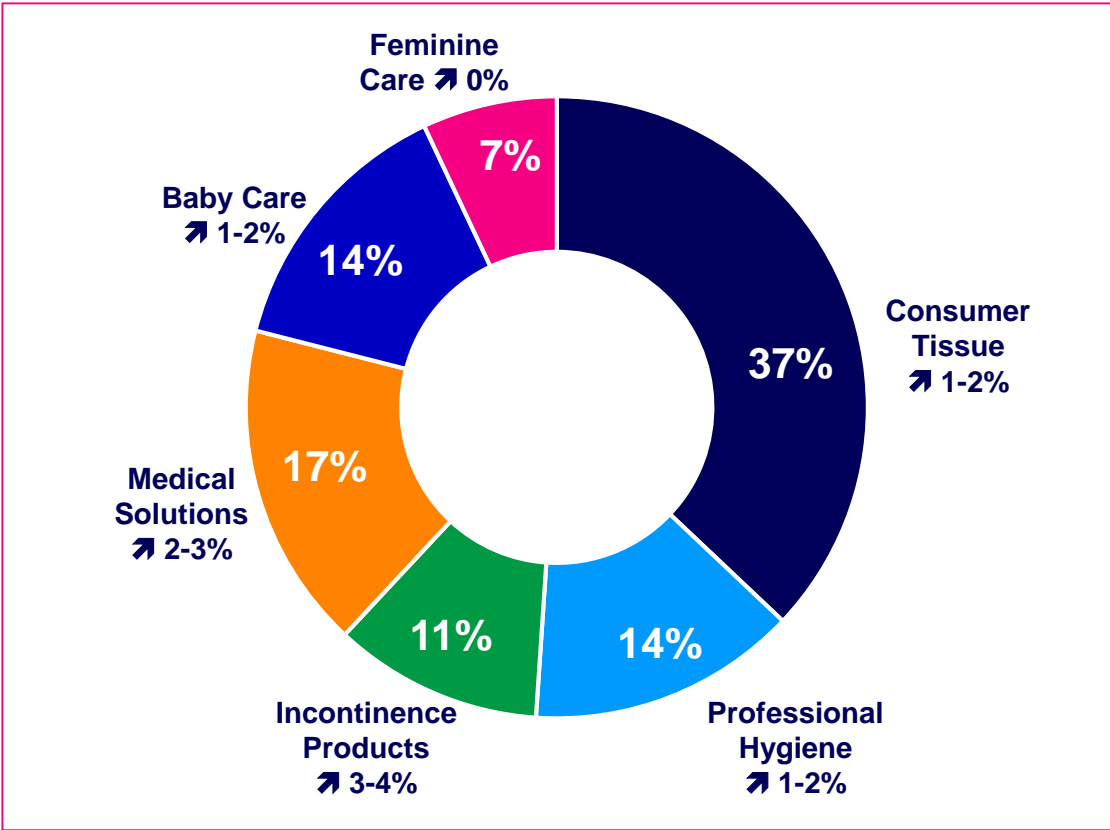
Addressable Hygiene and Health Market

Emerging Markets



Market size: EUR 54bn, ↗ 5-6%

Mature Markets



Market size: EUR 64bn, ↗ 1-2%

↗ Expected Market Growth CAGR (Compound Annual Growth Rate) 2018-2023
Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Global Market Positions

Incontinence Products

1



Professional Hygiene

1



Consumer Tissue

2



Medical Solutions

4



Baby Care

5



Feminine Care

6

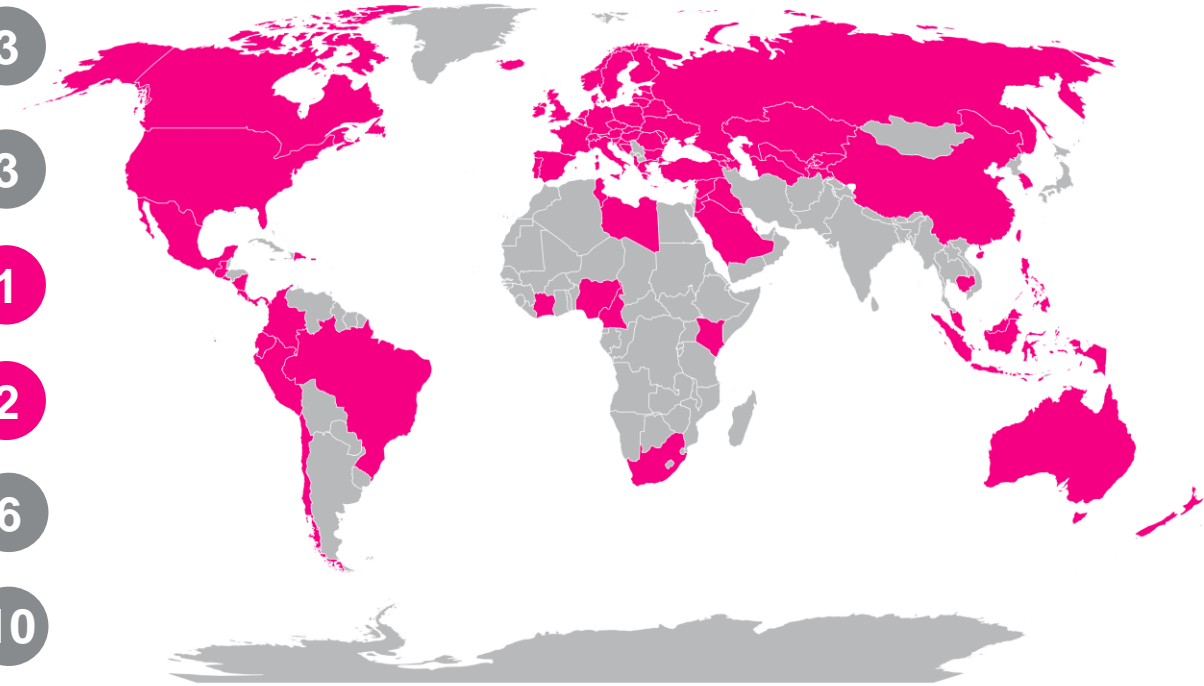


Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Leading Market Positions

#1 or #2 Position in 90 Countries For One Category Or More

	Global	Europe	North America	Latin-America	Asia
Incontinence Products	1	1	4	1	3
Professional Hygiene	1	1	2	4	3
Consumer Tissue	2	1	-	3	1
Medical Solutions	4	1	12	1	2
Baby Care	5	2	-	6	6
Feminine Care	6	3	-	1	10



Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Strong Brands and Market Positions

#1 or #2 Position in 90 Countries

~90%

Essity has position #1 or #2 in
~90% of our branded sales

>50%

Essity's market share has improved
in more than 50% of its market
positions in the past 3 years

40%

Essity has a market share of
30% or above in 40% of its
market positions



Successful and Efficient Innovation Process

Leveraging Scale and Knowledge

- Our customer and consumer knowledge and insights enable us to launch leading and competitive innovations
- Innovations with global reach
- 59% of Essity's innovations yielded a social and/or environmental improvement
- Global innovation hubs in China, France, Germany, Mexico, Sweden and USA
- R&D was 1.1% of 2018 net sales
- Essity one out of 88 “High-Leverage Innovators” in PWC Global Innovation 1000 study 2018



Innovate Bigger Brands

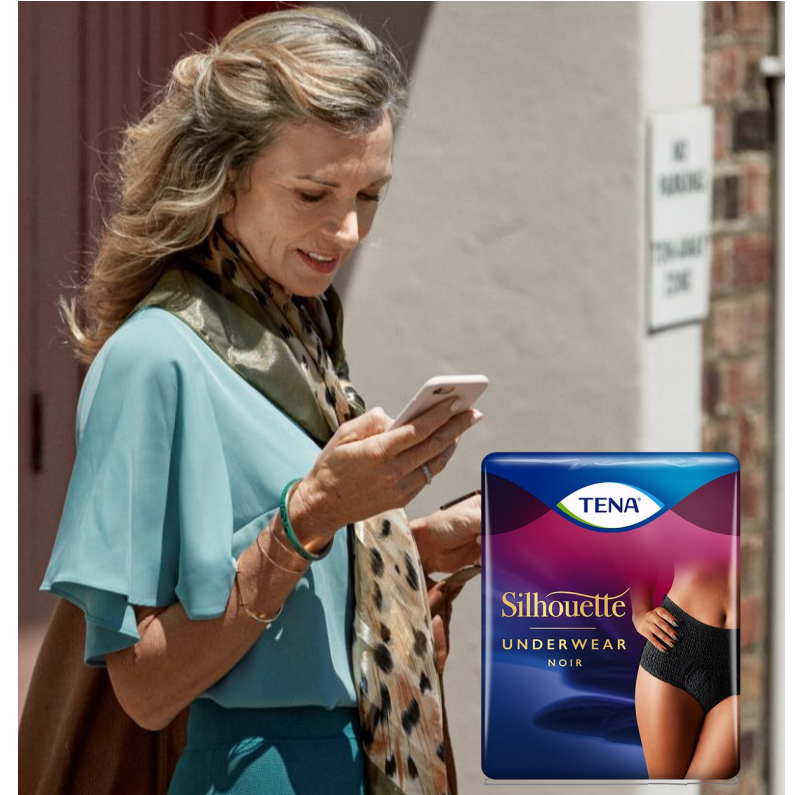


TORK
Think ahead.



lotus

Zewa



TENA

essity

Accelerating Digital Transformation

E-commerce

5%

of Group Net Sales 2018

+21%

Organic Sales Growth 2018

>30%

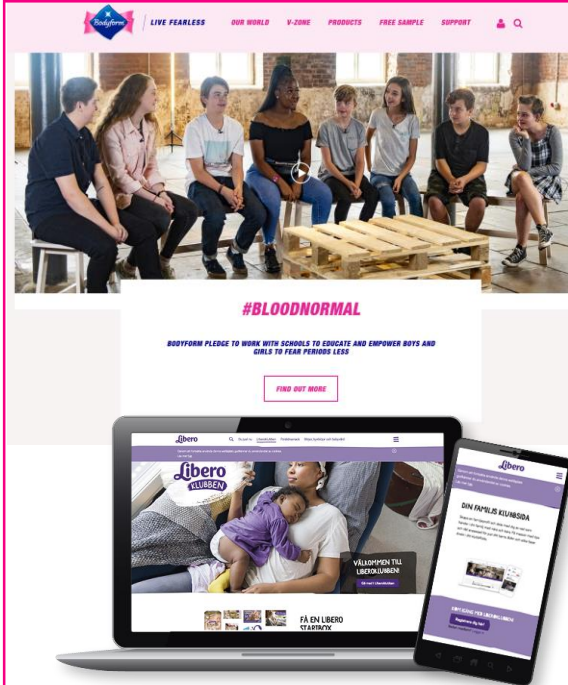
of Vinda's 2018 net sales in China

Digital Products



TENA Identifi®
TENA SmartCare®
Tork EasyCube®
Collaboration with Microsoft
on Internet of Things

Customers and Consumers



libero.se/nya-liberoklubben
www.bodyform.co.uk www.tena.co.uk

Robotics, Automation, Analytics



Increases efficiency
and improves quality
in all parts of the business

Cost Savings

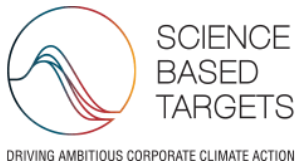
SEK 2.6bn in Cost Savings 2017 – Q1 2019

- Tissue Roadmap
- Material Rationalization
- Operational Efficiency Improvements
- Sourcing Savings
- Group-wide Cost-savings Program



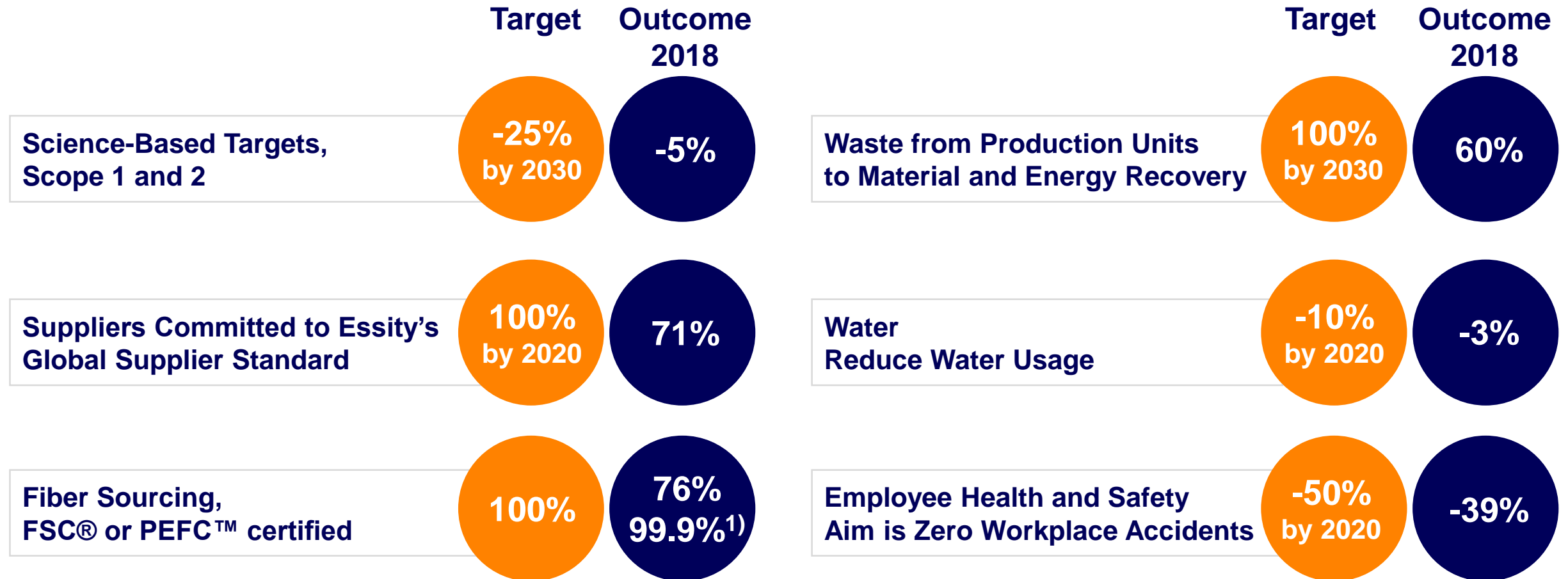
Sustainable Value Creation

- New targets for reduction of greenhouse gas emission approved by Science Based Targets initiative
- Joined the Ellen MacArthur Foundation's New Plastic Economy global commitment, "A line in the sand"
- ~2.5 million people educated in hygiene and health in 2018
- Industry leader in Dow Jones Sustainability index



Sustainability Targets

What is Measured Gets Done

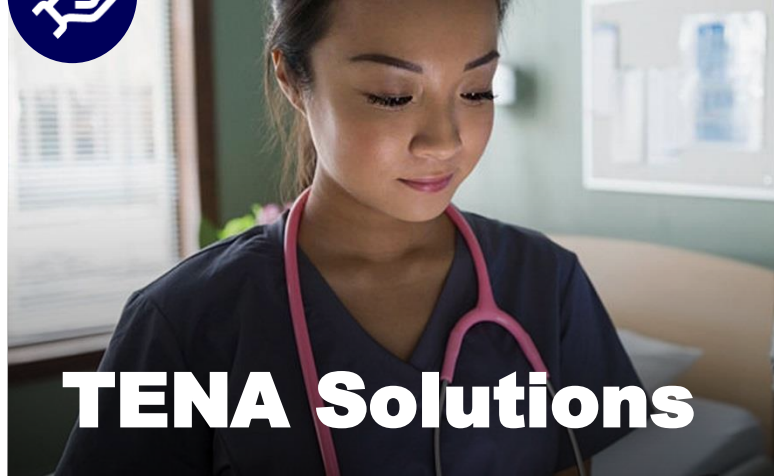


1) FSC® or PEFC™ certified, or fulfill the FSC standard for controlled wood

We Integrate Sustainability into Brand Building and Innovation



Well-being



TENA Solutions

An integrated offering that consists of innovative products, best-practice care routines, tools, training and expert support

- **-61% leakage**
- **83% better suited product choices**



More from Less



Sans Tube

Sans Tube is a unique toilet paper with no tube and twice the paper, delivering high quality paper with lower environmental footprint and less waste

- **At least -13% carbon footprint from transportation***
- **-40% waste***

*Results from Life Cycle Assessment conducted by Essity comparing toilet paper rolls on the French and the German markets, and verified by Swerea IVF, 2017



Circularity



Tork PaperCircle™

The world's first recycling service for paper hand towels. We help your business go circular by closing the loop

- **By recycling we can lower the carbon footprint by 40%***
- **The buildings involved generate about -20%** less waste**

*Based on a Life Cycle Assessment (LCA) for Europe, where the avoided processes have been taken into account, conducted by Essity and verified by IVL, Swedish Environmental Research Institute Ltd, 2017
**Based on results from Tork PaperCircle™ pilot customers in Germany and The Netherlands

A Winning Corporate Culture

Sweden's Most Attractive Employer 2019

We are
committed
to delivering
superior
results.



We care for
our customers,
consumers, the
environment
and each other.

Beliefs

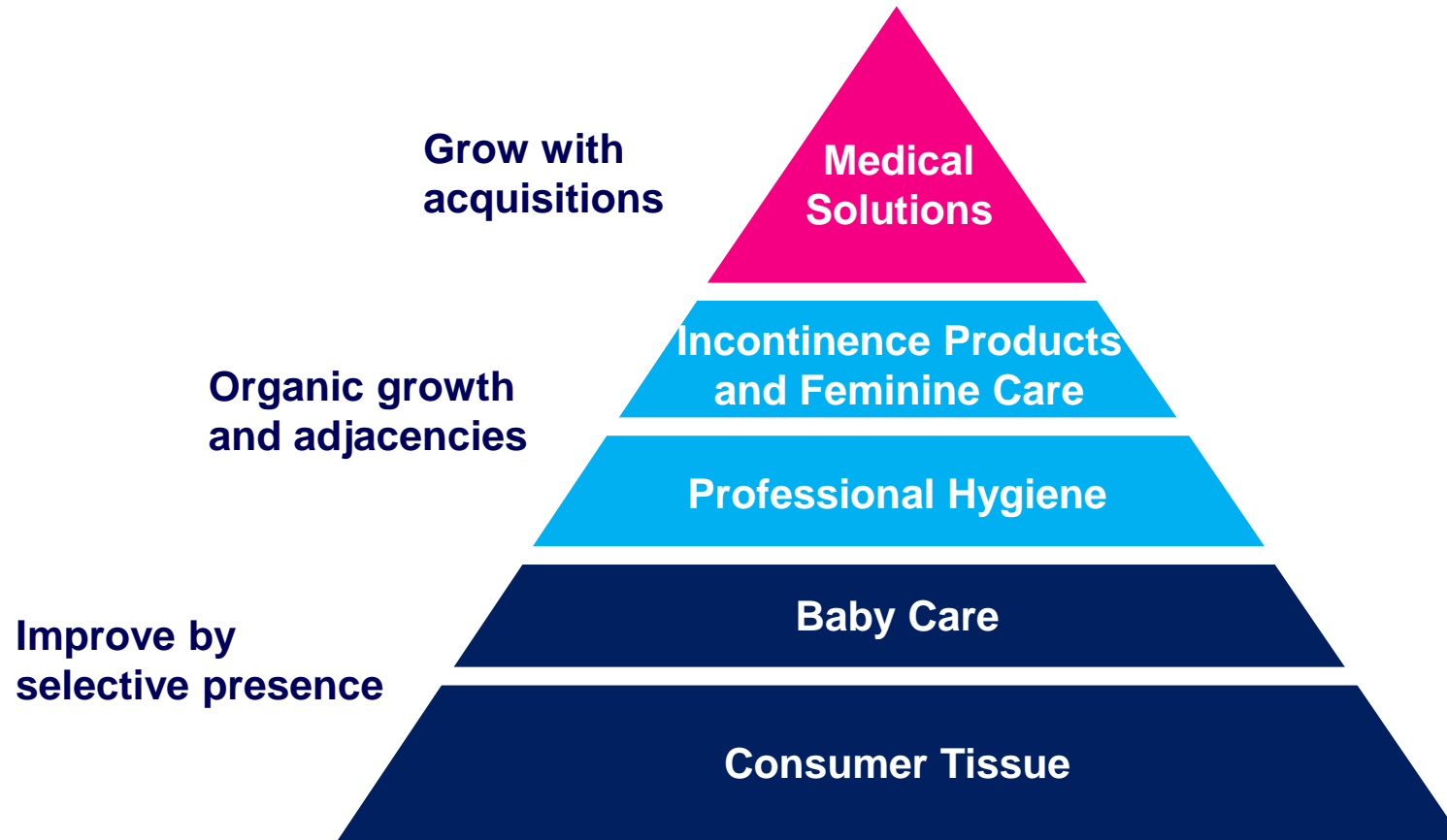
We have the
courage to
take the lead.



We collaborate
across teams,
functions and
businesses.

¹⁾ By Randstad

Portfolio Strategy



Personal Care

Profitable Growth

- Medical Solutions, a growth platform with acquisition opportunities
- Grow organically in Feminine Care, Incontinence Products and Medical Solutions
- Improve underperforming market positions mainly in Baby Care
- Continue to upgrade production platforms



Consumer Tissue

Margin Expansion

- Innovate to increase share of premium branded sales
- Growth in high margin products
- Tissue Roadmap to achieve the lowest cost position with best quality
- Sustainable and cost-competitive fiber sourcing



Professional Hygiene

Global Shaper

- Growth with focus on solutions and strategic products
- Adjacent category expansion – organic or by acquisition
- Further strengthen the North American business
- Grow emerging markets presence
- Tissue Roadmap to achieve the lowest cost position with best quality



Top Priorities 2019

- Innovations for people and nature strengthening our brands
- Price increases, efficiency improvements and cost savings
- Grow categories with high margins
- Capitalize on digitalization opportunities



Fredrik Rystedt

CFO and Executive Vice President



The Essity Group

Fredrik Rystedt
CFO and Executive Vice President



Financial Targets and Policies

Annual Organic Sales Growth

>3%

Adjusted Return on Capital Employed

>15%

Capital Structure Policy

Maintain
solid
investment
grade rating

Dividend Policy

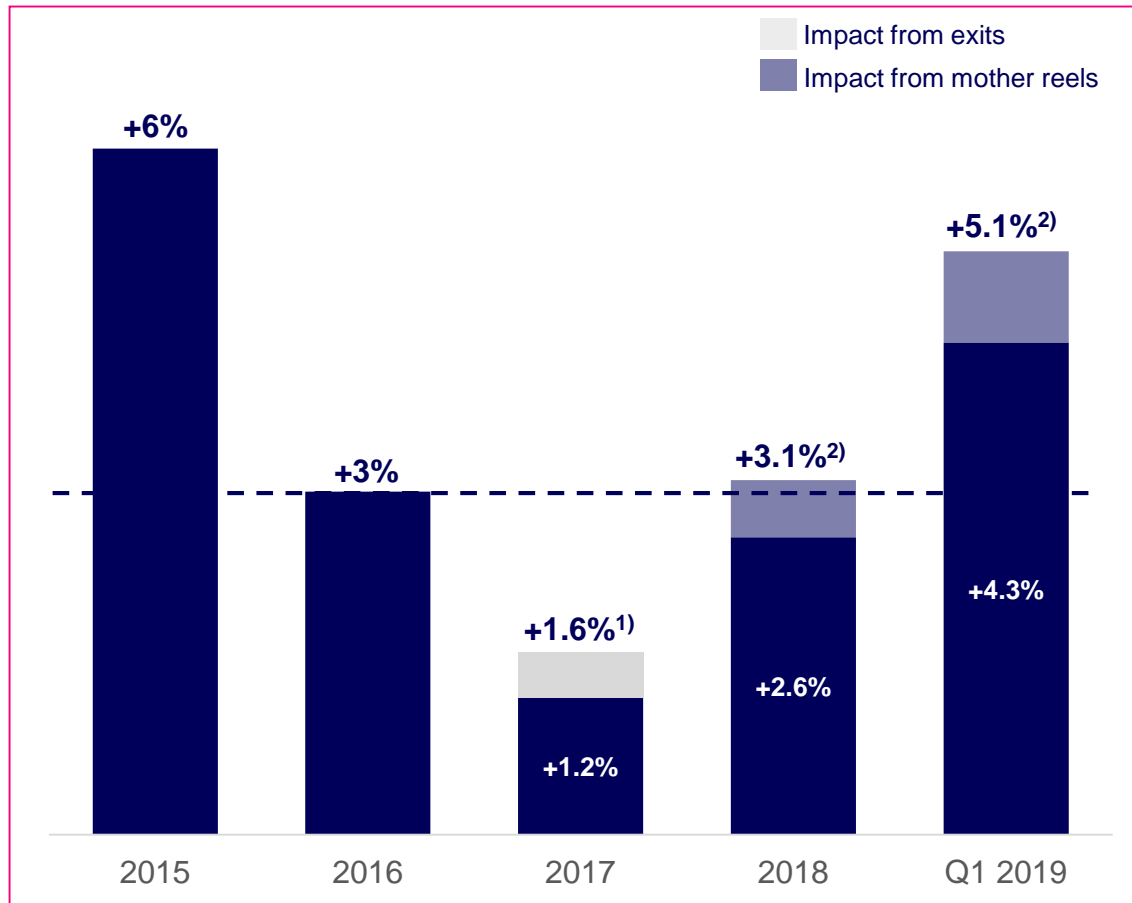
Long-term
stable and
rising
dividends



Financial Performance

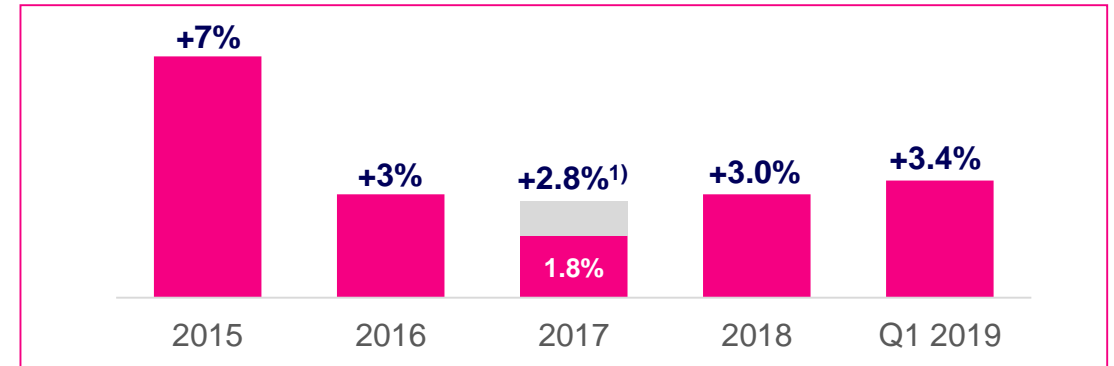
Group Target: Annual Organic Sales Growth >3%

Group

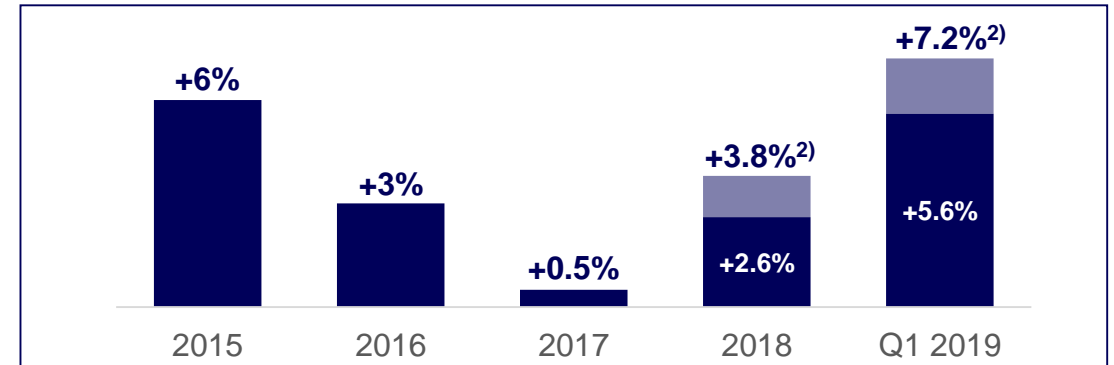


¹⁾ Excluding impact from exits ²⁾ Excluding lower sales of mother reels

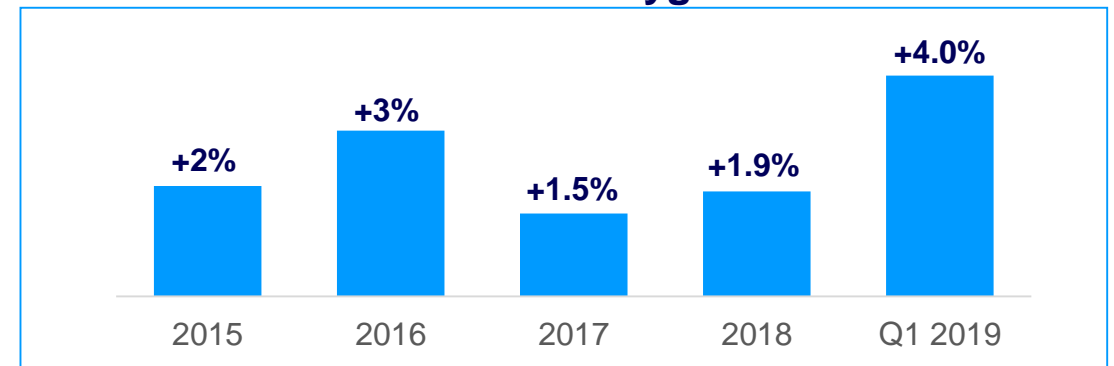
Personal Care



Consumer Tissue



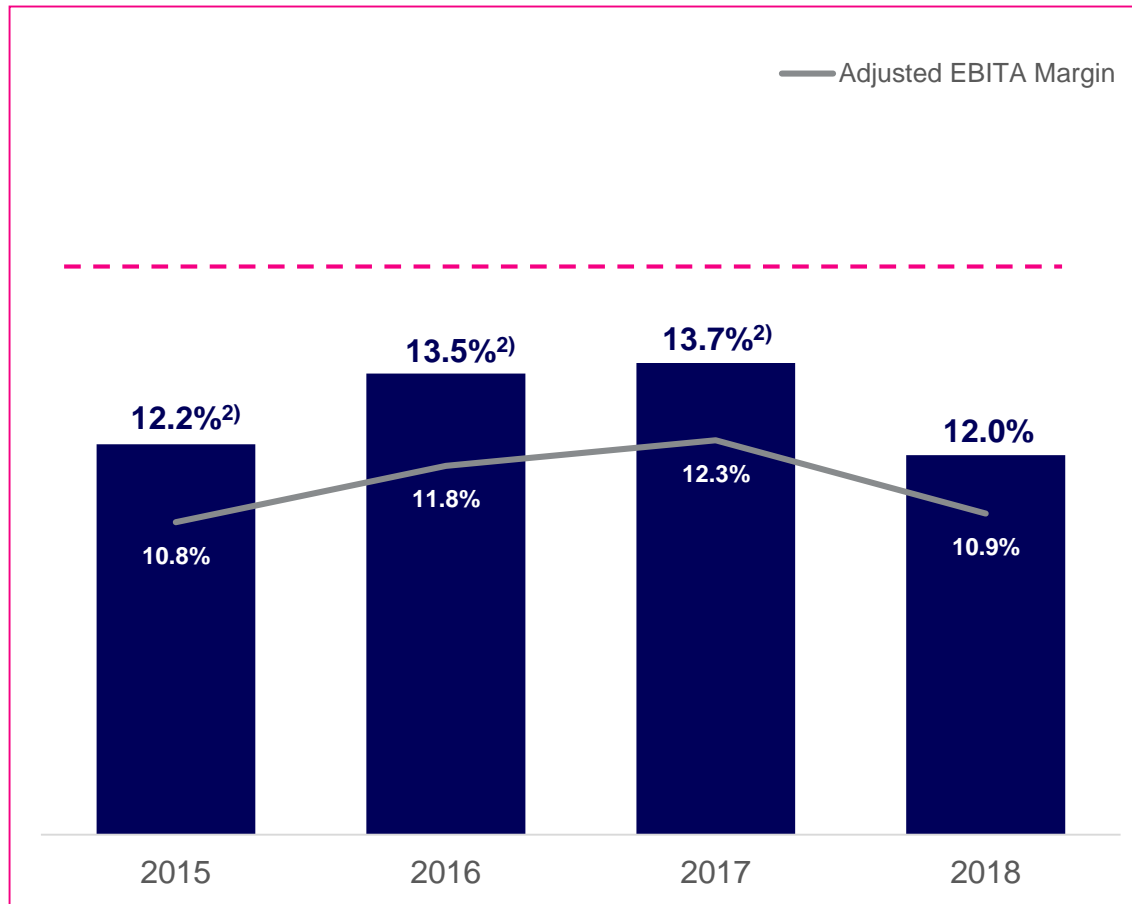
Professional Hygiene



Financial Performance

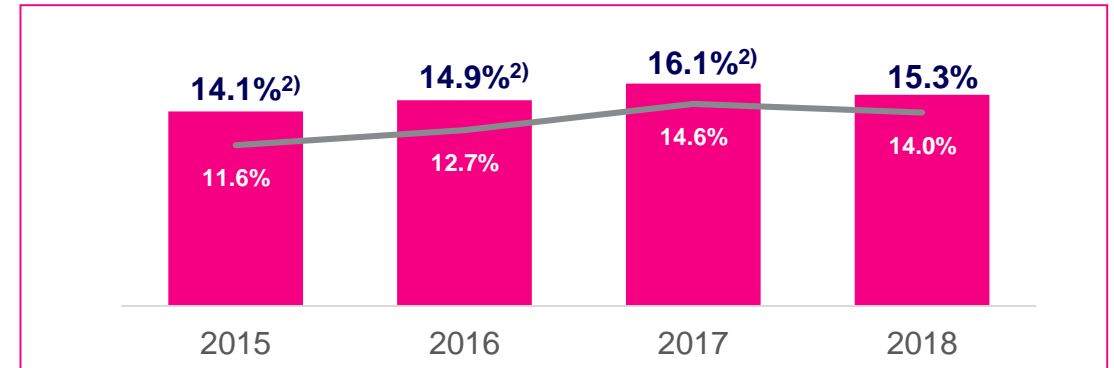
Group Target: Adjusted ROCE¹⁾ >15%

Group

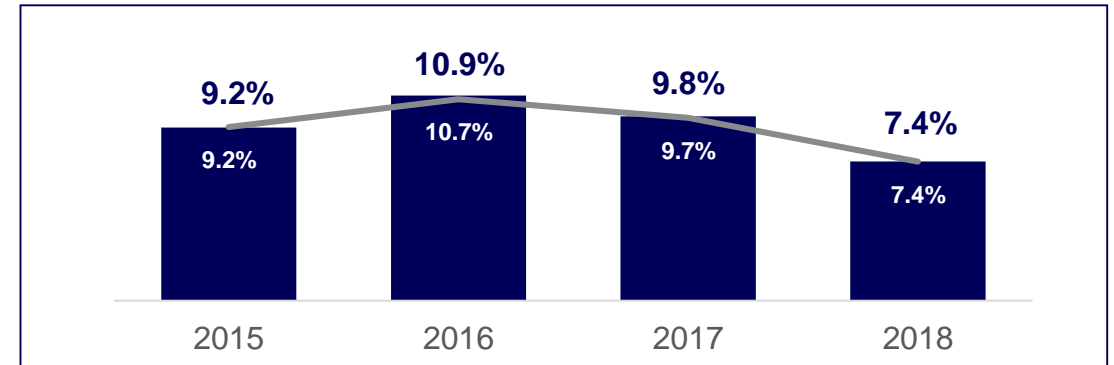


¹⁾ Return on capital employed excluding items affecting comparability ²⁾ Adjusted for BSN medical and Wausau acquisitions

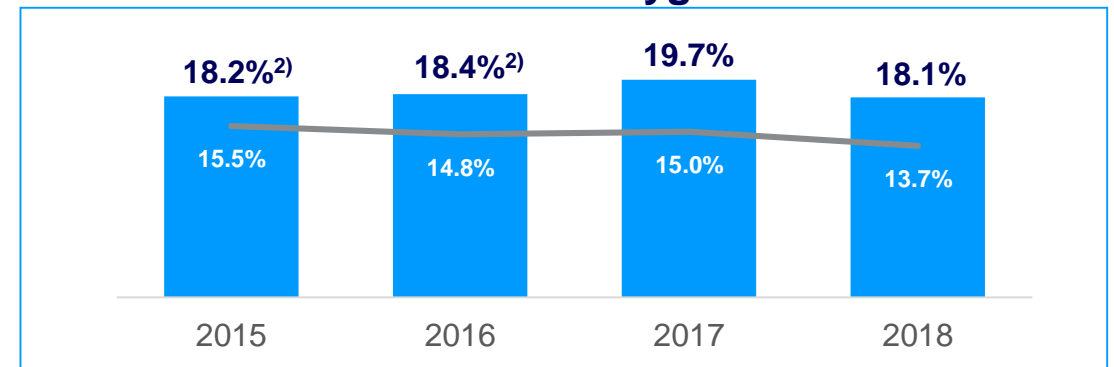
Personal Care



Consumer Tissue



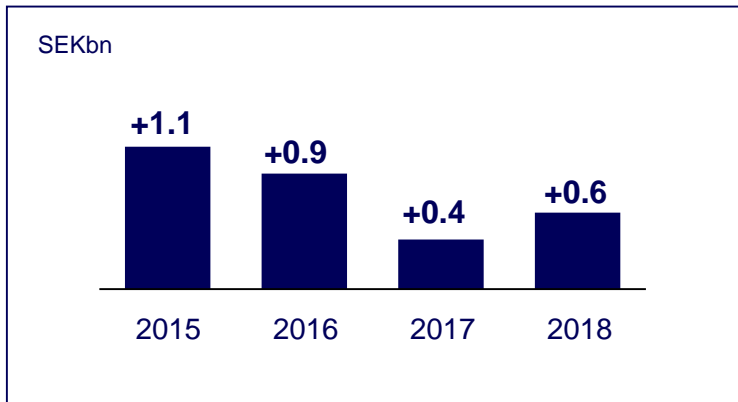
Professional Hygiene



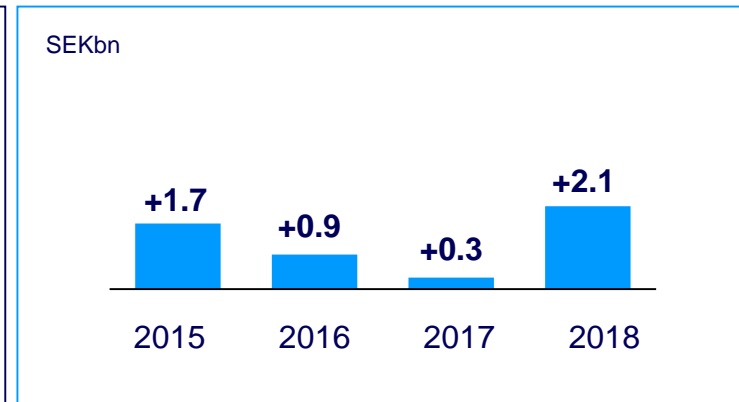
Financial Performance

Year on Year EBITA Impact

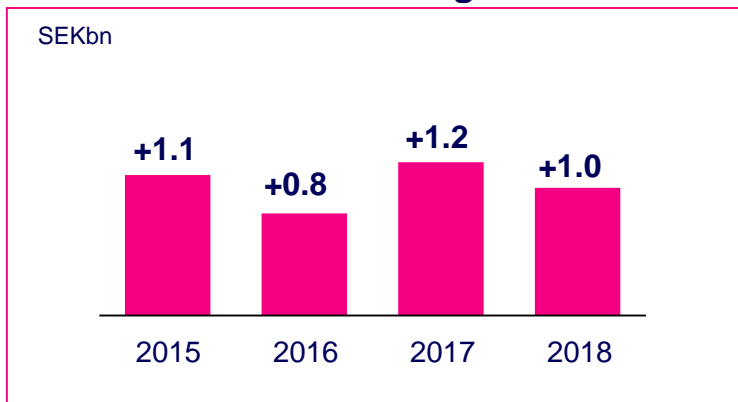
Volume



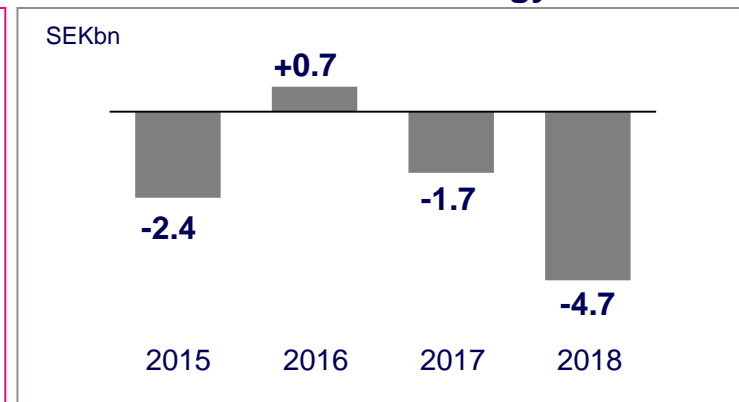
Price/Mix



Cost Savings

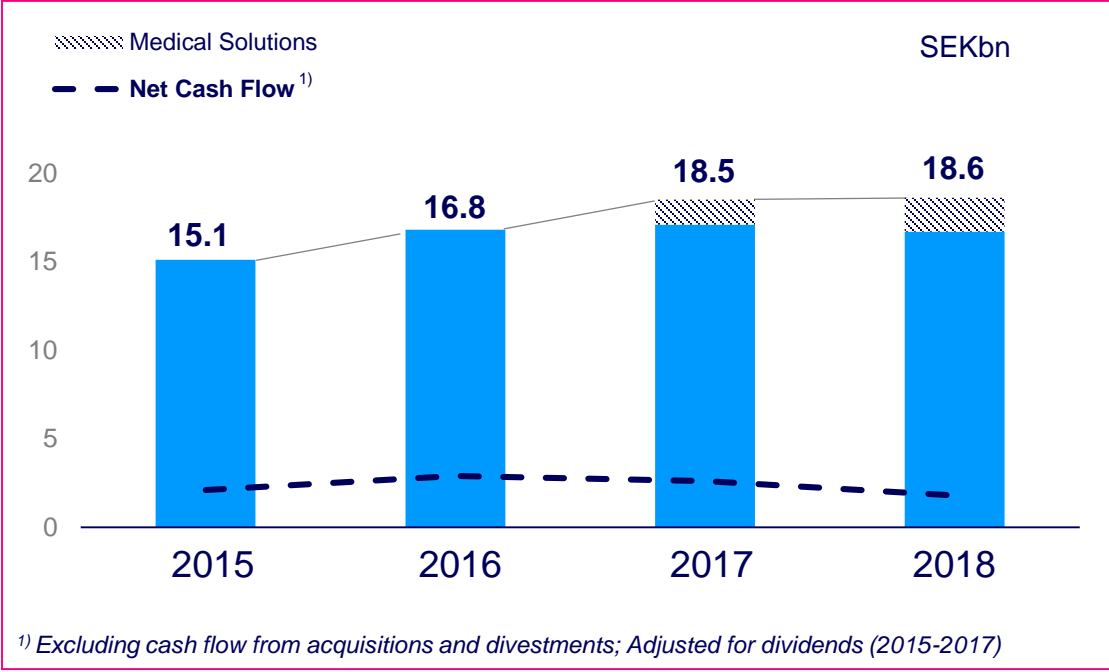


Raw Material and Energy Costs

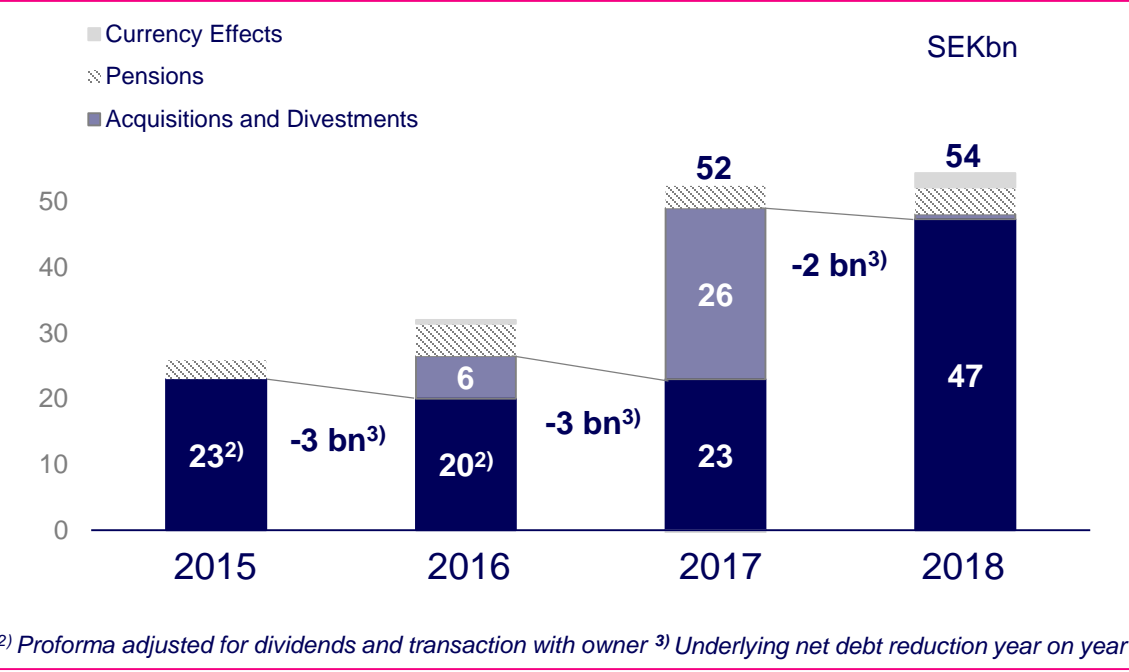


Cash Flow and Net Debt

Cash Surplus



Net Debt



	2018		Long-term Rating
Net Debt/Adj. EBITDA	2.96	Moody's S&P	Baa1
Net Debt/Equity	0.99		BBB+
FFO/Net Debt	27%		

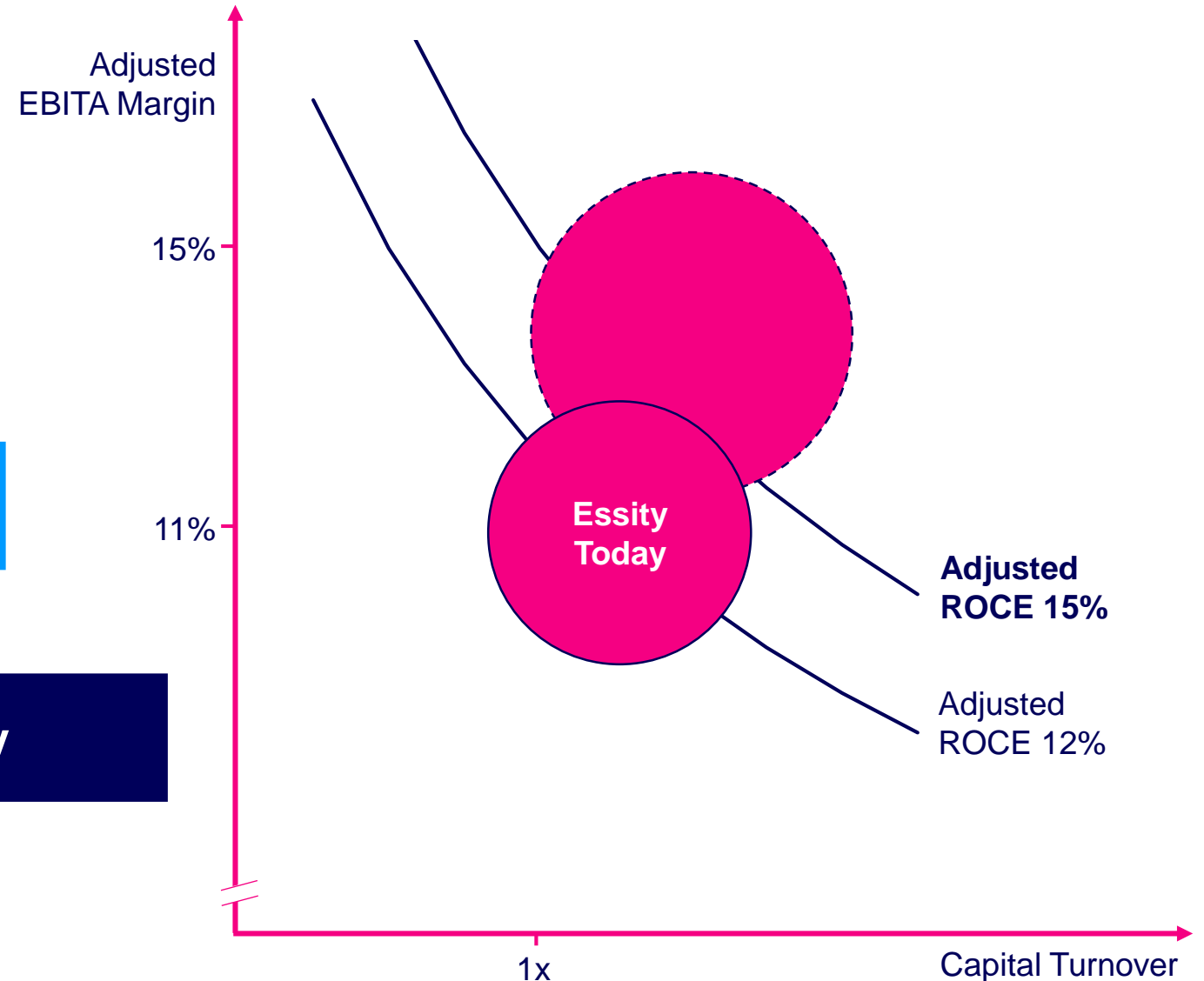
Reaching Our Financial Targets

Enhancing Value Creation

Profitable Growth

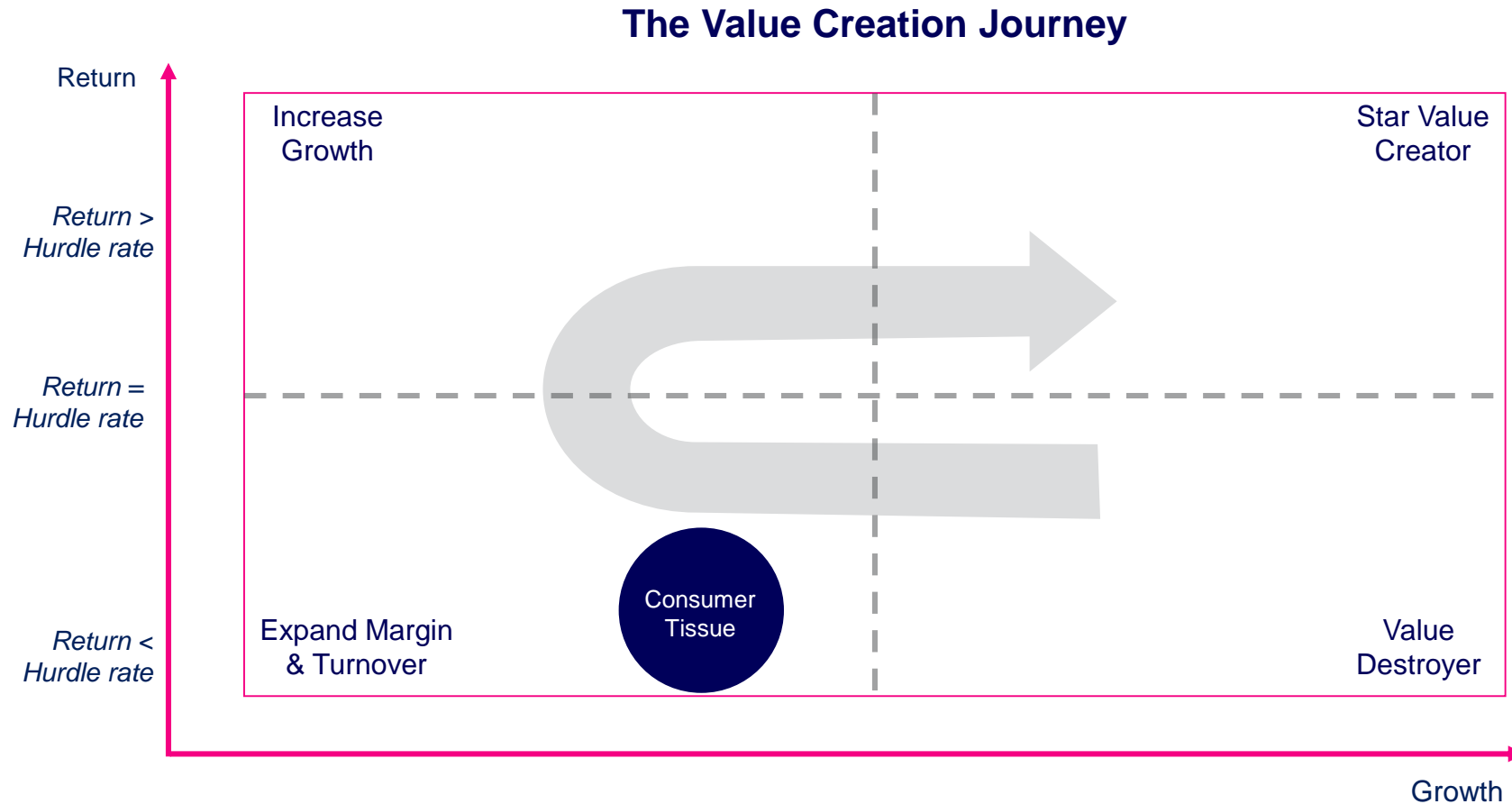
Margin Improvements

Capital Efficiency



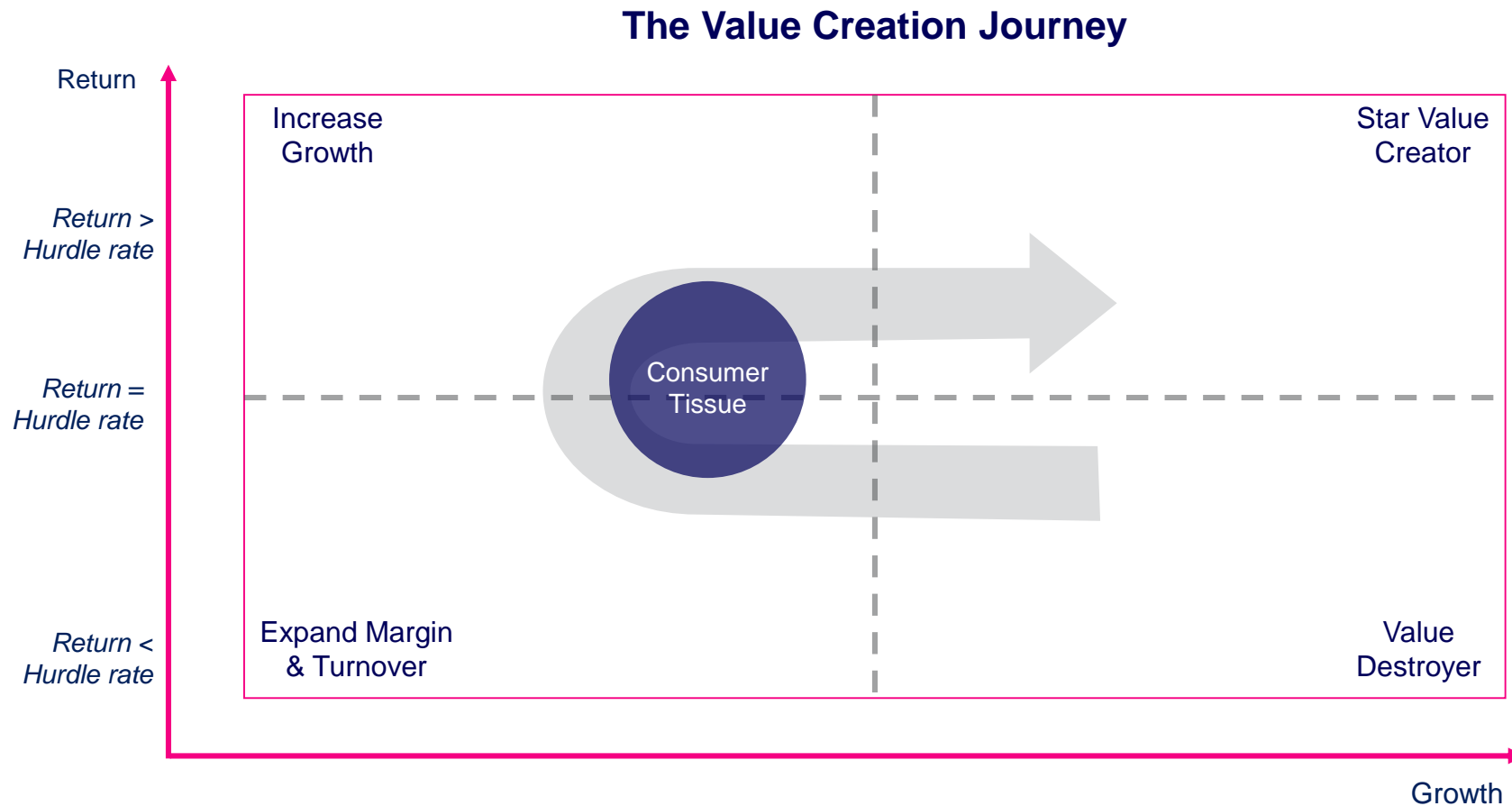
Enhancing Value Creation

ILLUSTRATIVE



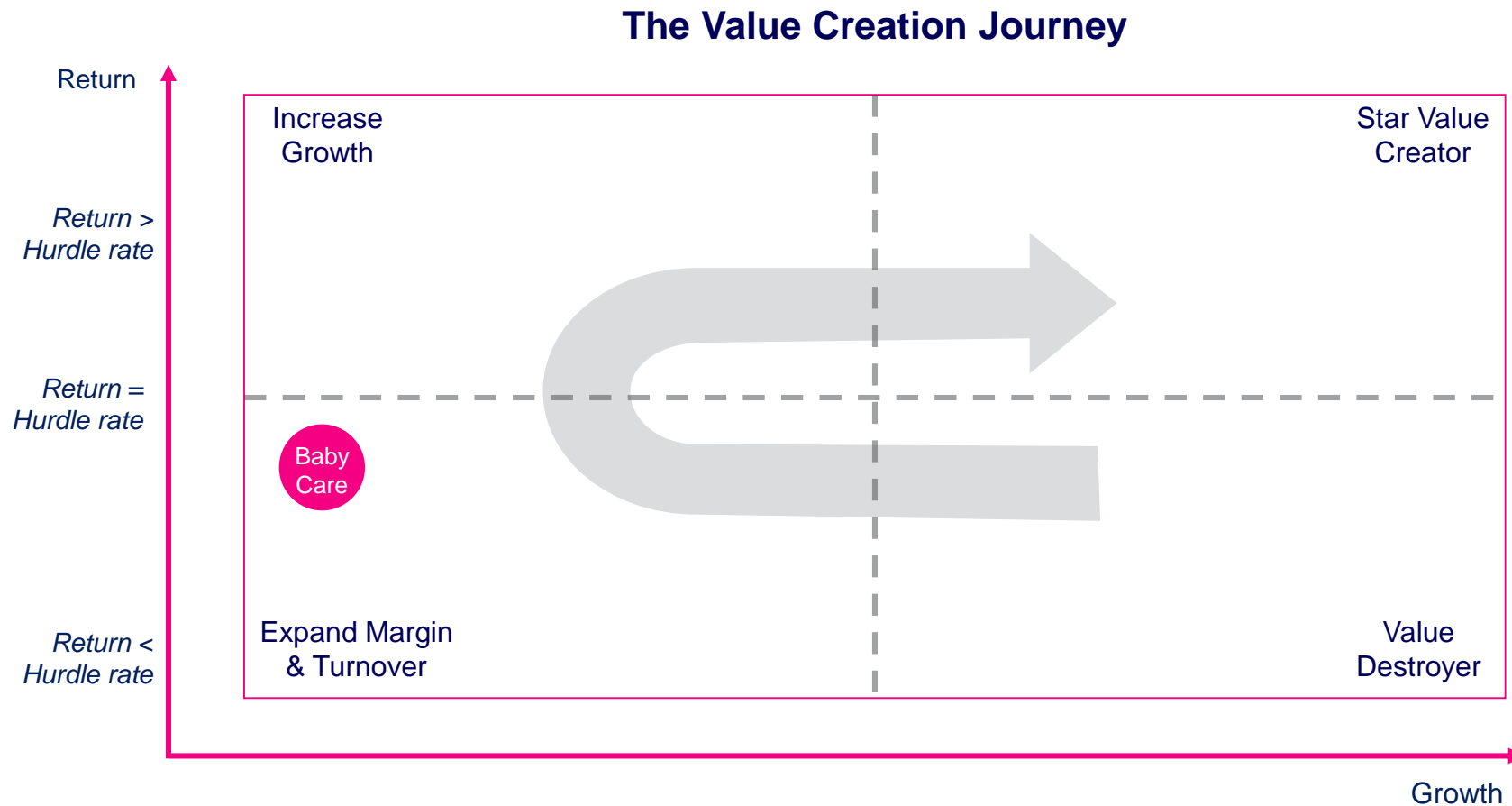
Enhancing Value Creation

ILLUSTRATIVE



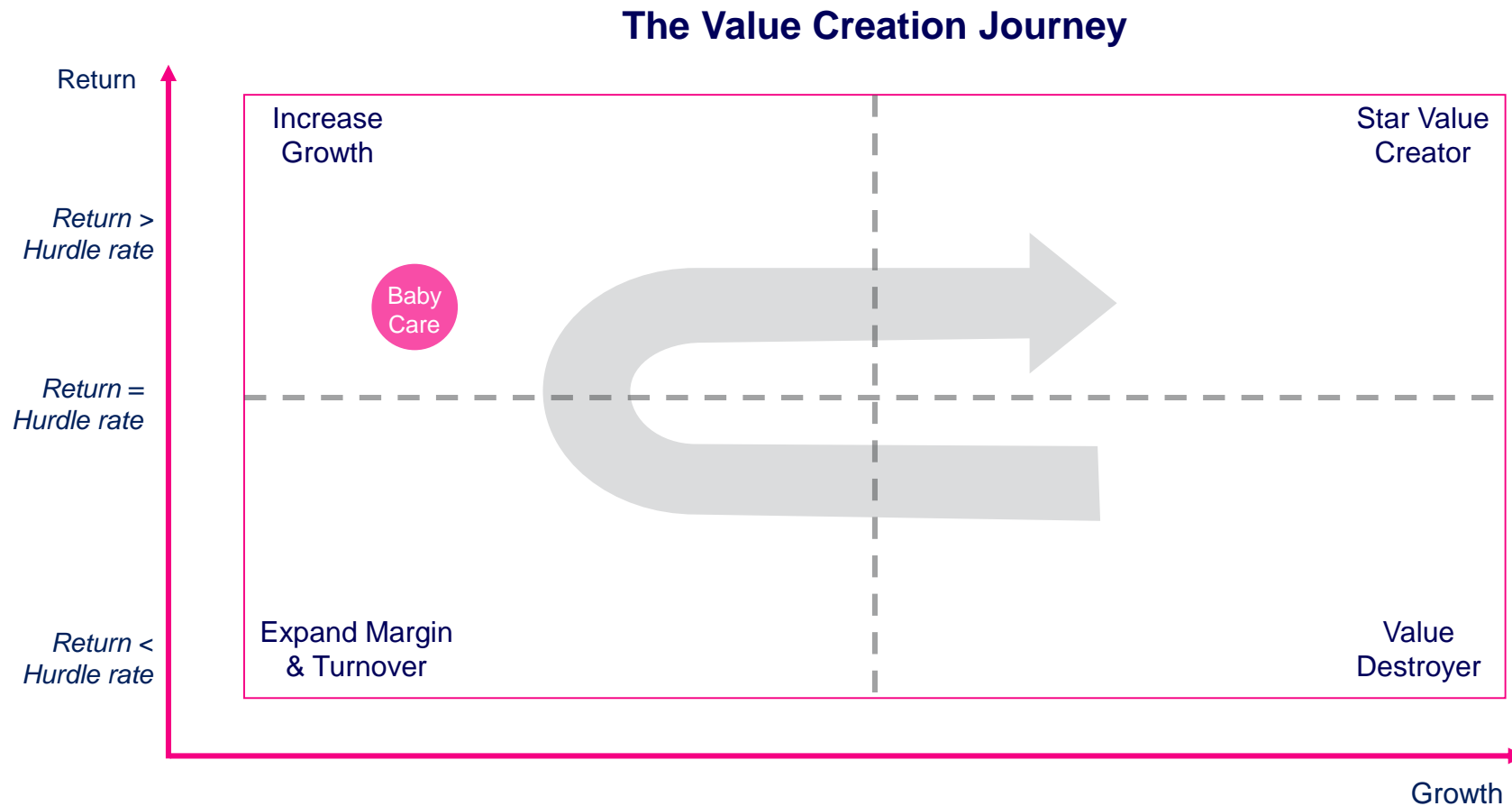
Enhancing Value Creation

ILLUSTRATIVE



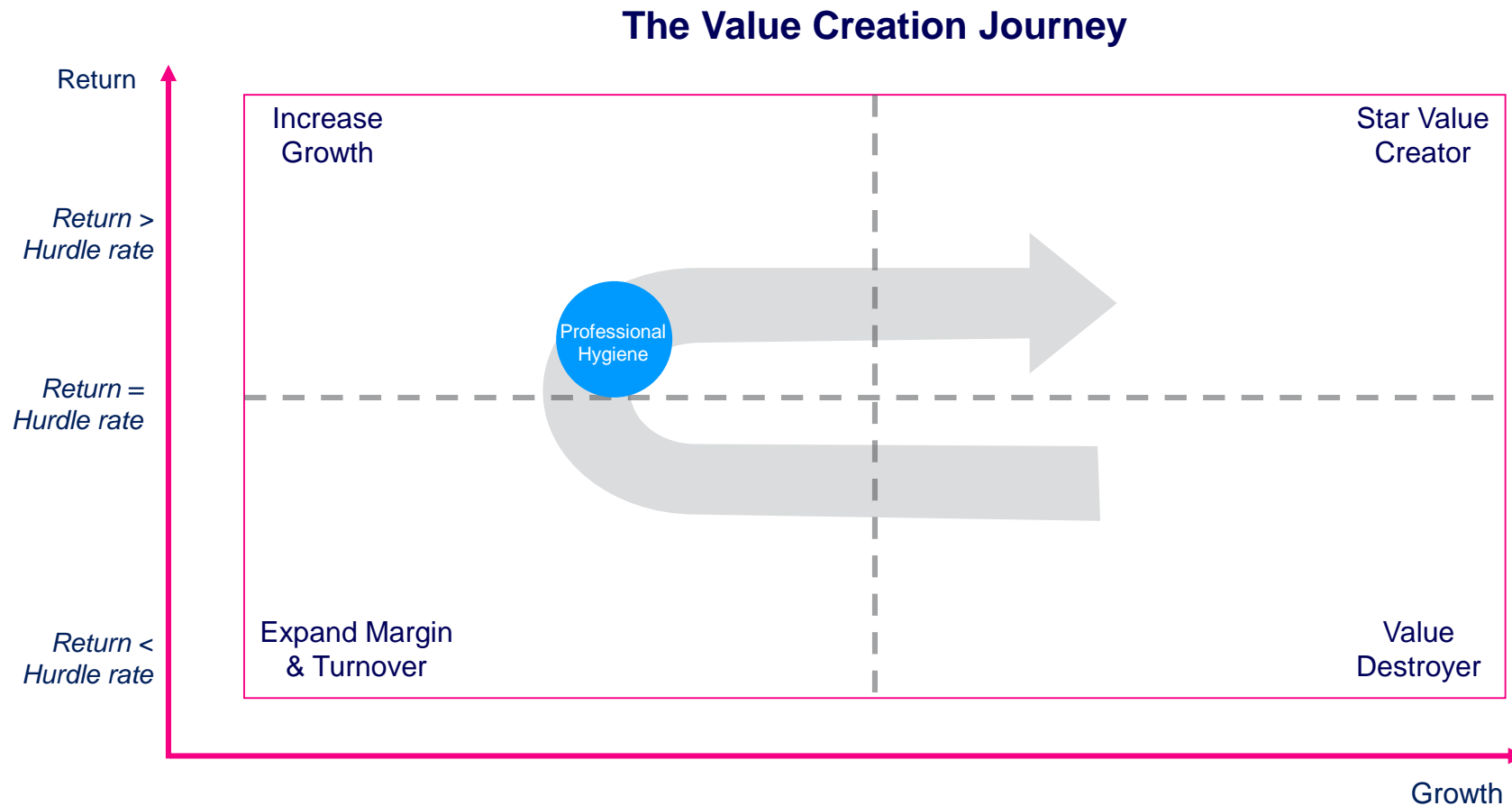
Enhancing Value Creation

ILLUSTRATIVE



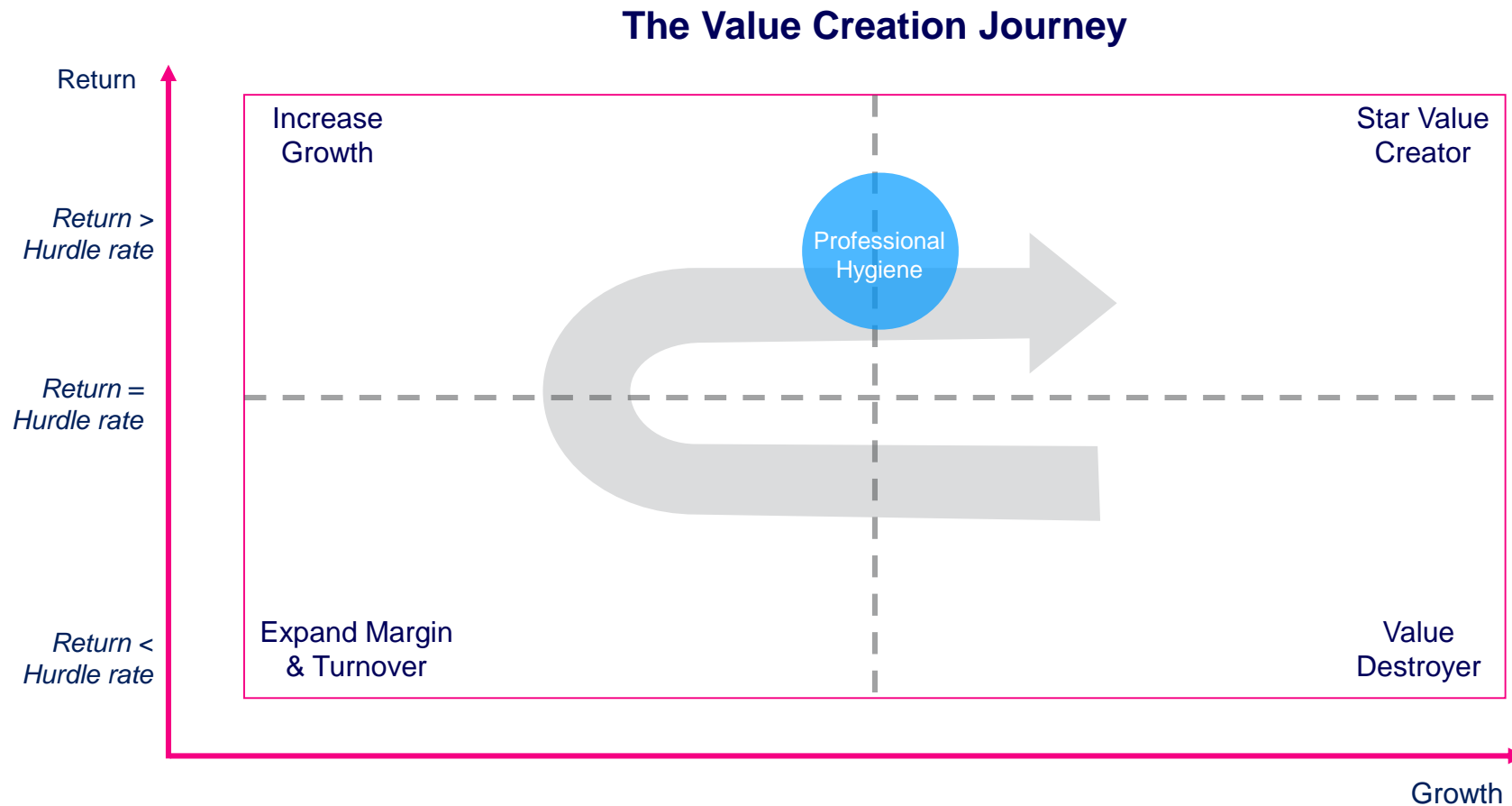
Enhancing Value Creation

ILLUSTRATIVE



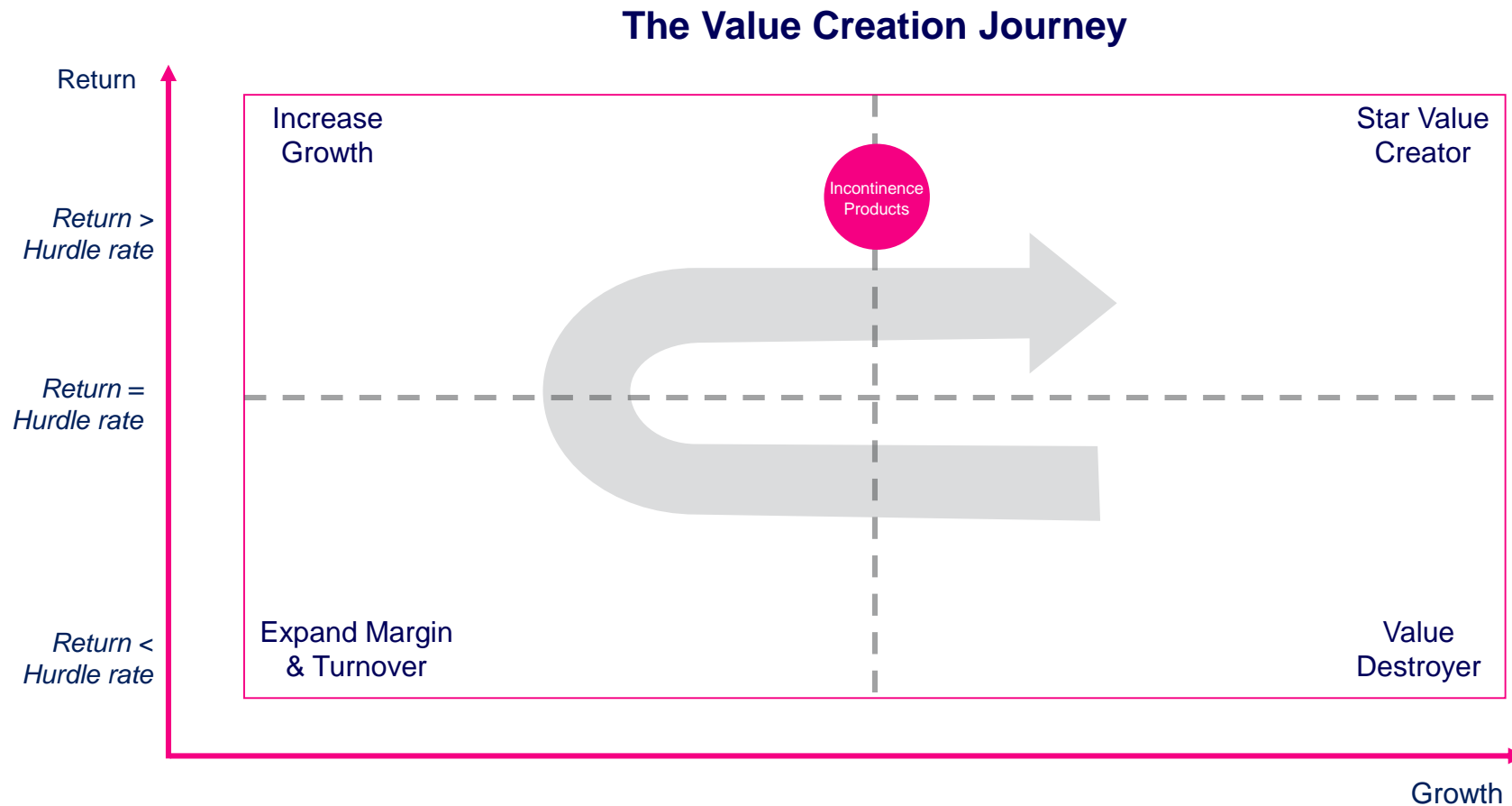
Enhancing Value Creation

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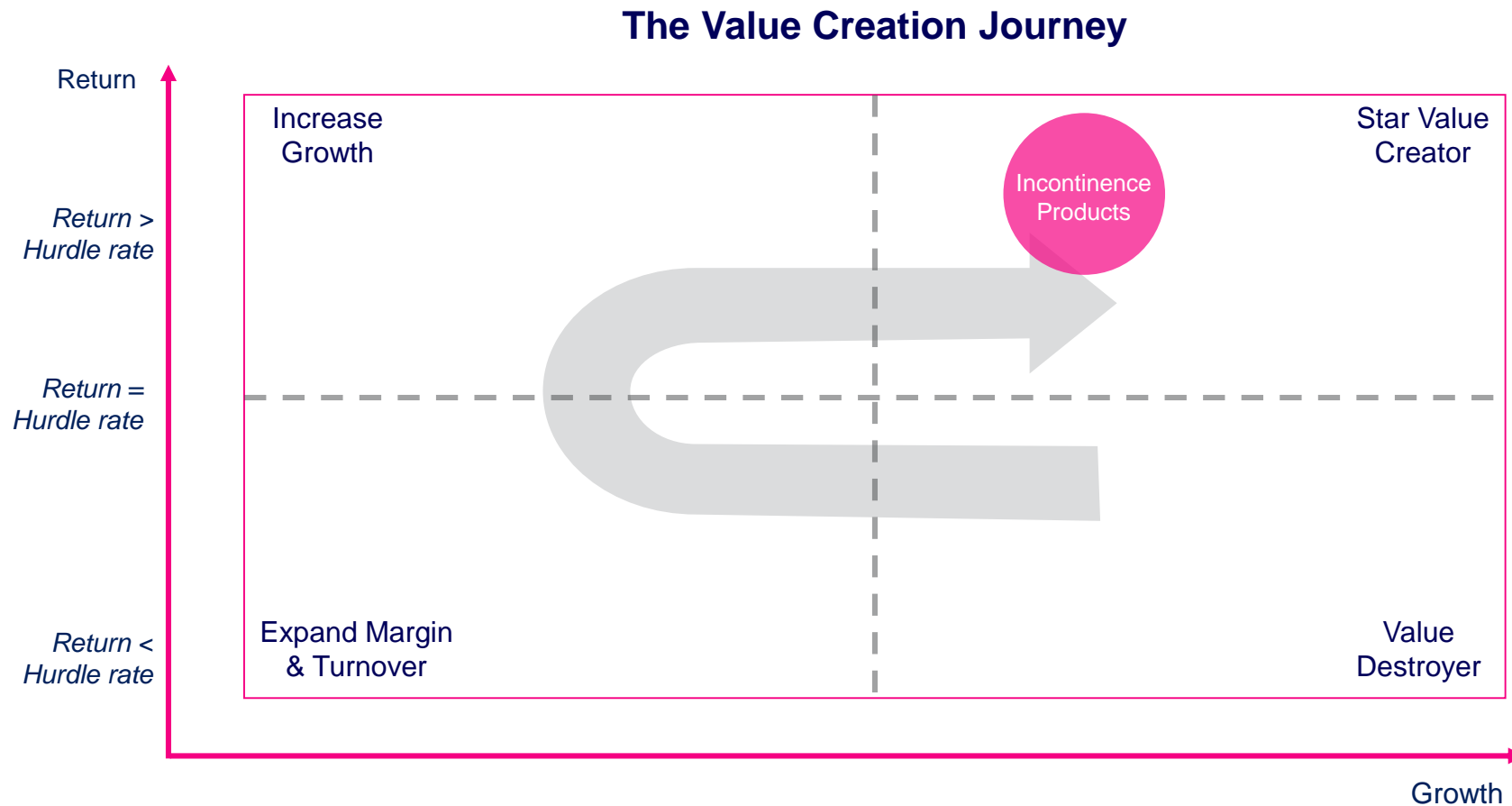
Enhancing Value Creation

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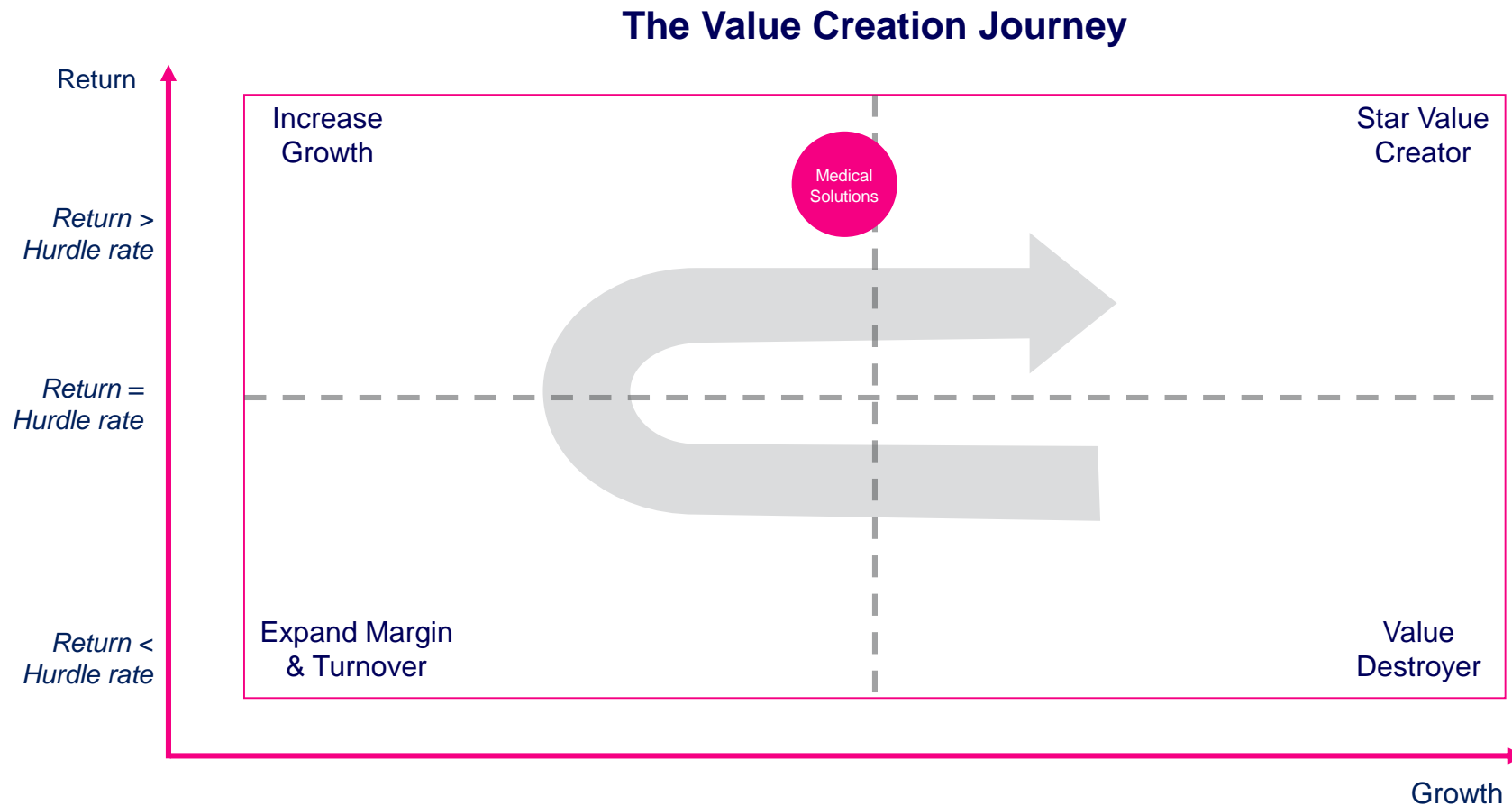
Enhancing Value Creation

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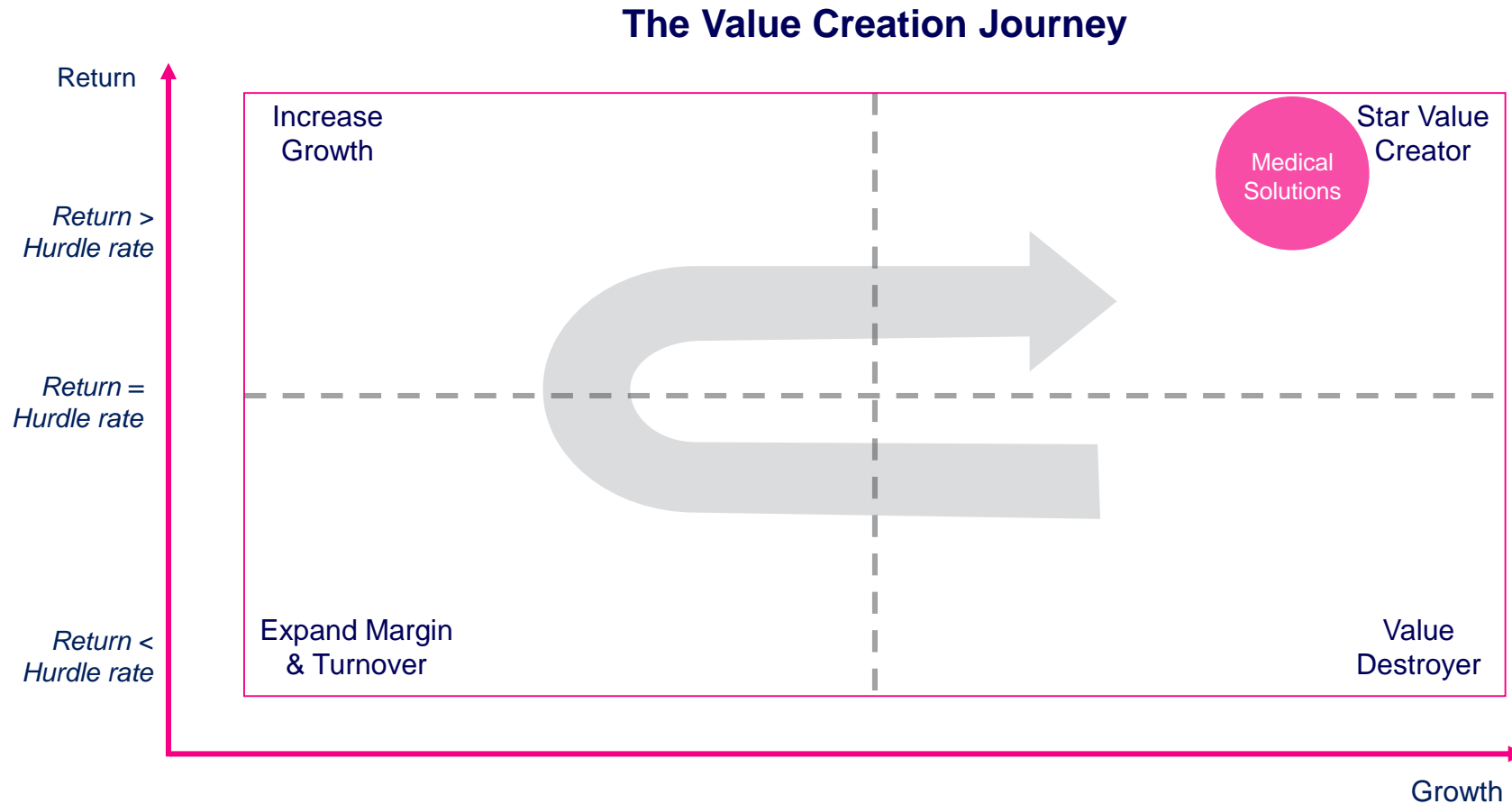
Enhancing Value Creation

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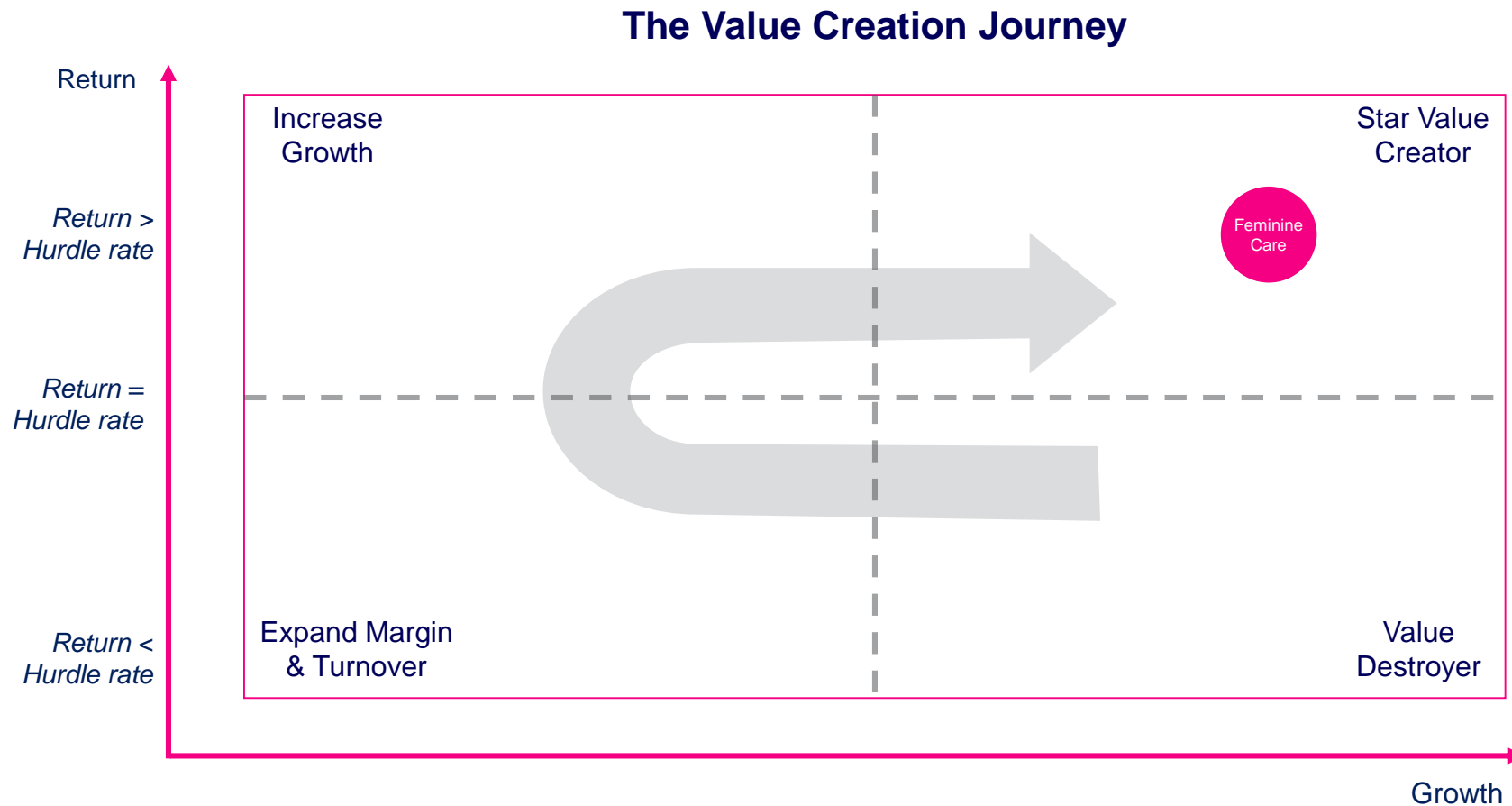
Enhancing Value Creation

ILLUSTRATIVE



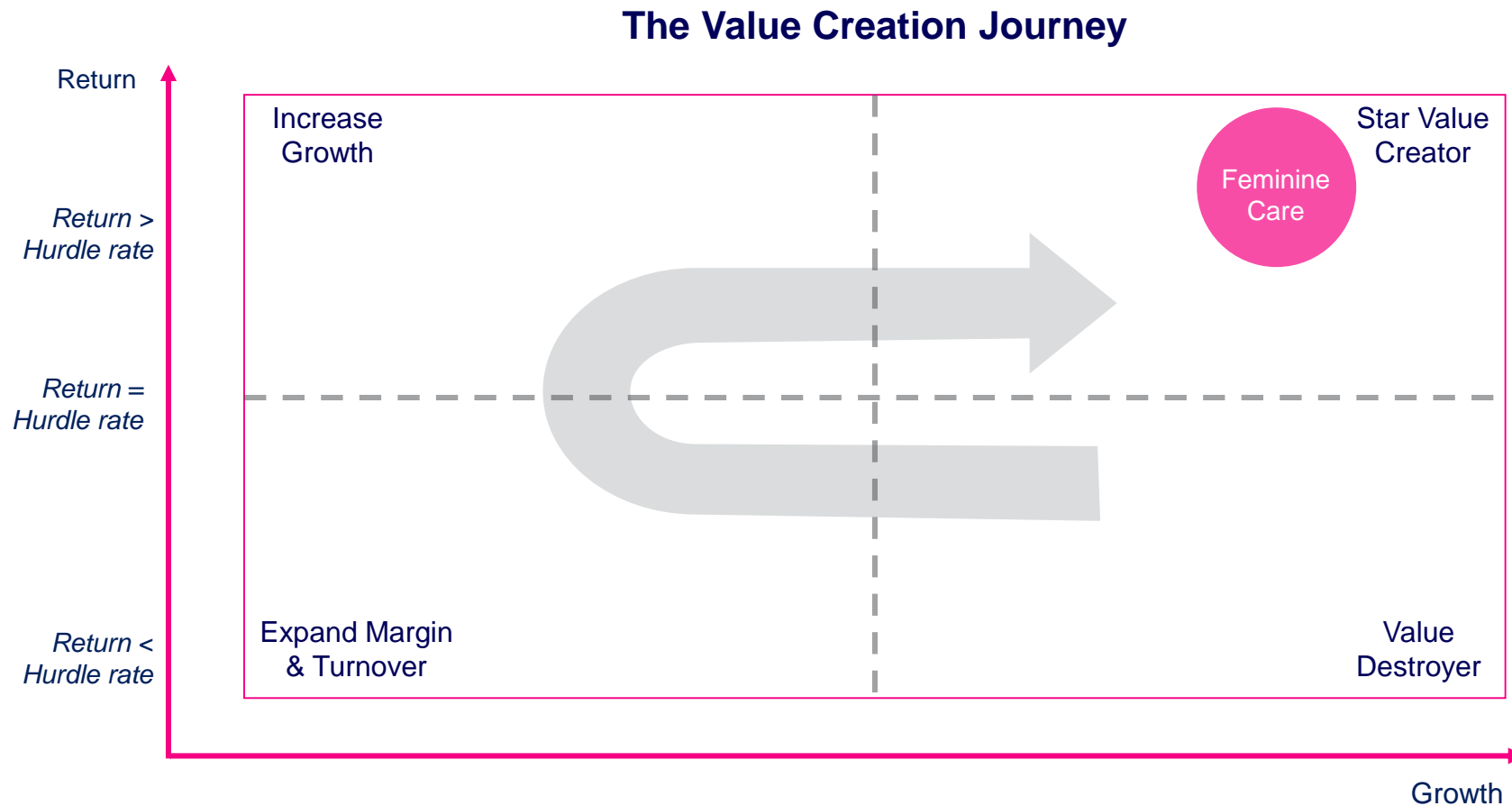
Enhancing Value Creation

ILLUSTRATIVE



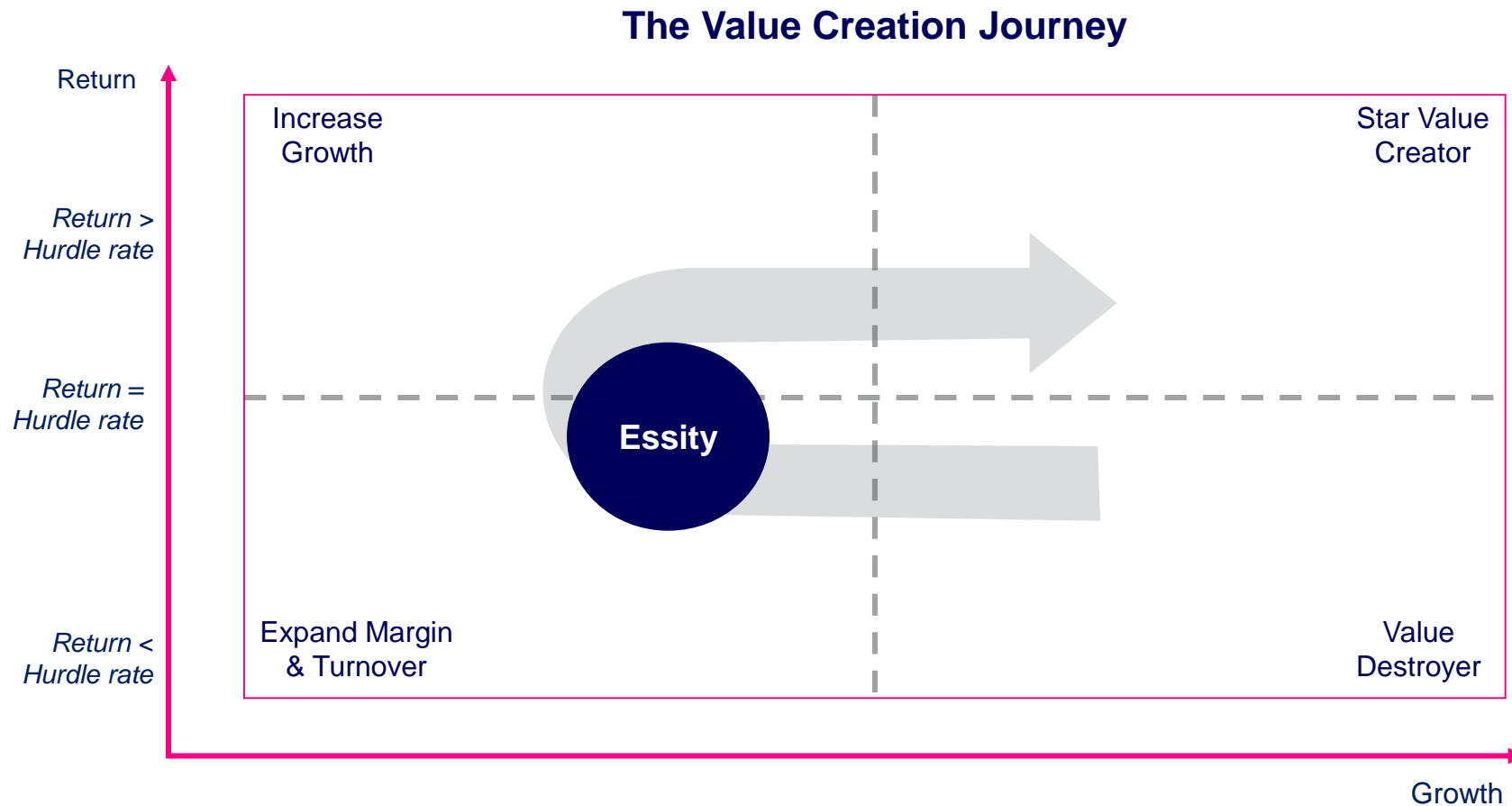
Enhancing Value Creation

ILLUSTRATIVE



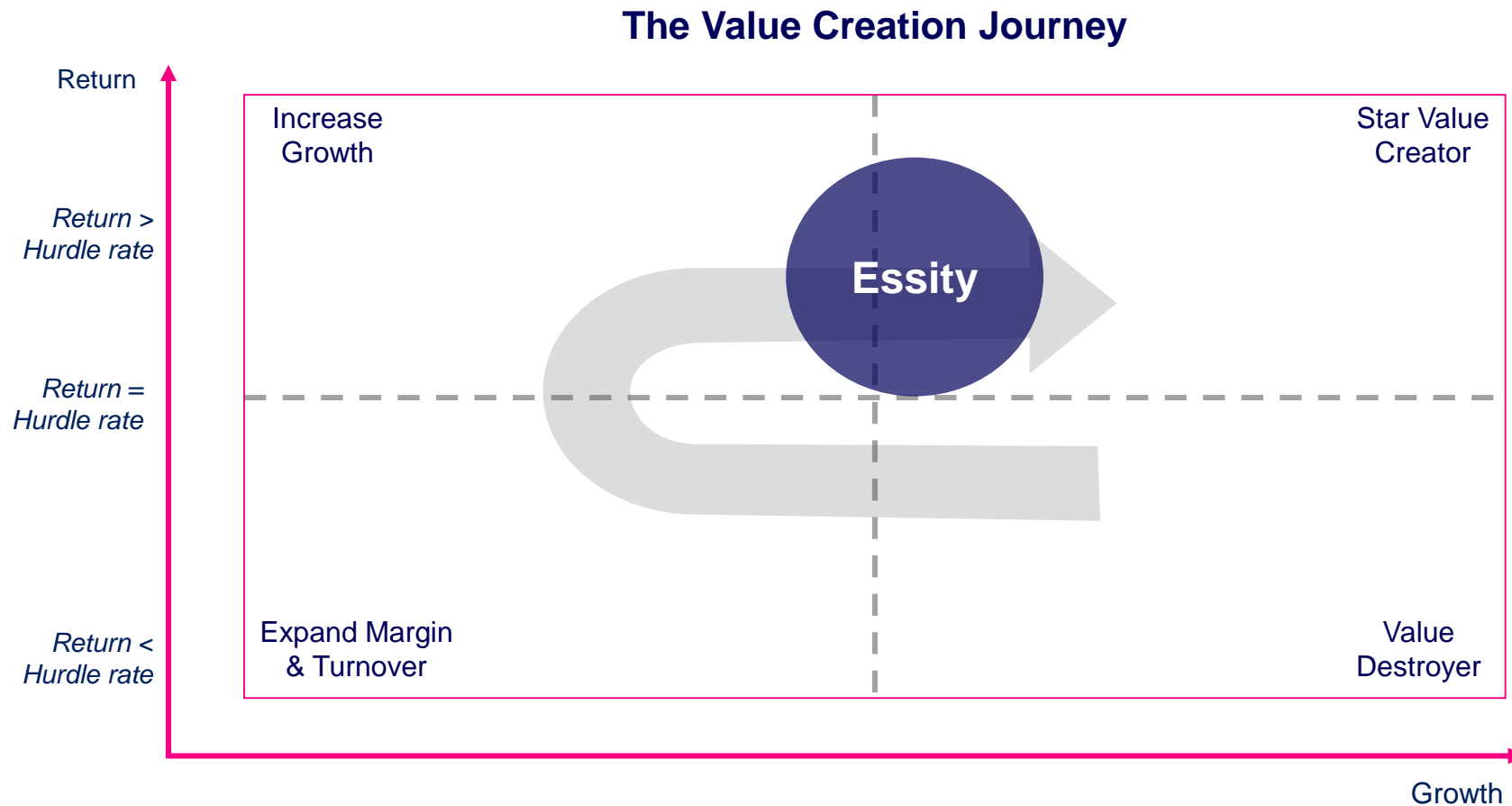
Enhancing Value Creation

ILLUSTRATIVE



Enhancing Value Creation

ILLUSTRATIVE



The Financial Role of Our Categories

Incontinence Products	Medical Solutions	Baby Care	Feminine Care	Consumer Tissue	Professional Hygiene
					
<ul style="list-style-type: none"> ▪ High Margin ▪ Low Operating Capital ▪ High Operating ROCE 	<ul style="list-style-type: none"> ▪ High Margin ▪ Low Operating Capital ▪ High Operating ROCE 	<ul style="list-style-type: none"> ▪ Medium Margin ▪ Medium Operating Capital ▪ Good Operating ROCE 	<ul style="list-style-type: none"> ▪ High Margin ▪ Low Operating Capital ▪ High Operating ROCE 	<ul style="list-style-type: none"> ▪ Medium Margin ▪ High Operating Capital ▪ Good Operating ROCE 	<ul style="list-style-type: none"> ▪ Good Margin ▪ Medium Operating Capital ▪ High Operating ROCE
Growth Focus	Growth Focus	Grow with Market	Growth Focus	Grow with Market	Growth Focus
Value Creator	Value Creator	Cash Generator	Value Creator	Cash Generator	Value Creator

STRONG SYNERGIES BETWEEN CATEGORIES

Reaching Our Financial Targets

Enhancing Value Creation

Profitable Growth



- Innovation
- Growth in high return businesses
- Emerging markets
- Online and Digital
- Acquisitions
- Sustainability

Margin Improvements



- Innovation and brands
- Price management
- Value chain optimization
- Tissue Roadmap
- Cure or Kill 2.0
- Cost culture and cost control
- Digitalization

Capital Efficiency



- Lean working capital
- CAPEX efficiency and return
- Asset allocation

Margin Improvements

Cure or Kill - Improving Underperforming Market Positions

Cure or Kill 1.0

- ~10% of total sales
- ~90% improved market positions
- ~10% exits

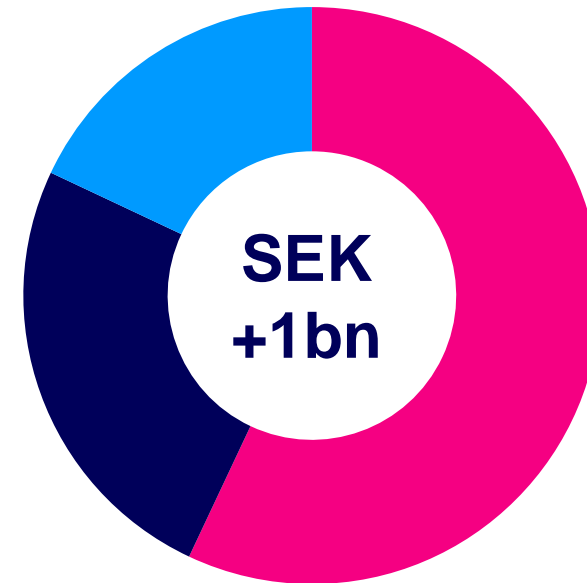
Cure or Kill 2.0

- ~10% of total sales

Actions

- Price increases
- Mix improvement
- Supply chain efficiencies
- Cut costs
- Exit if profitability cannot be achieved in a reasonable time frame

Adjusted EBITA Improvement by Business Area Cure or Kill Markets, 2016 – 2018



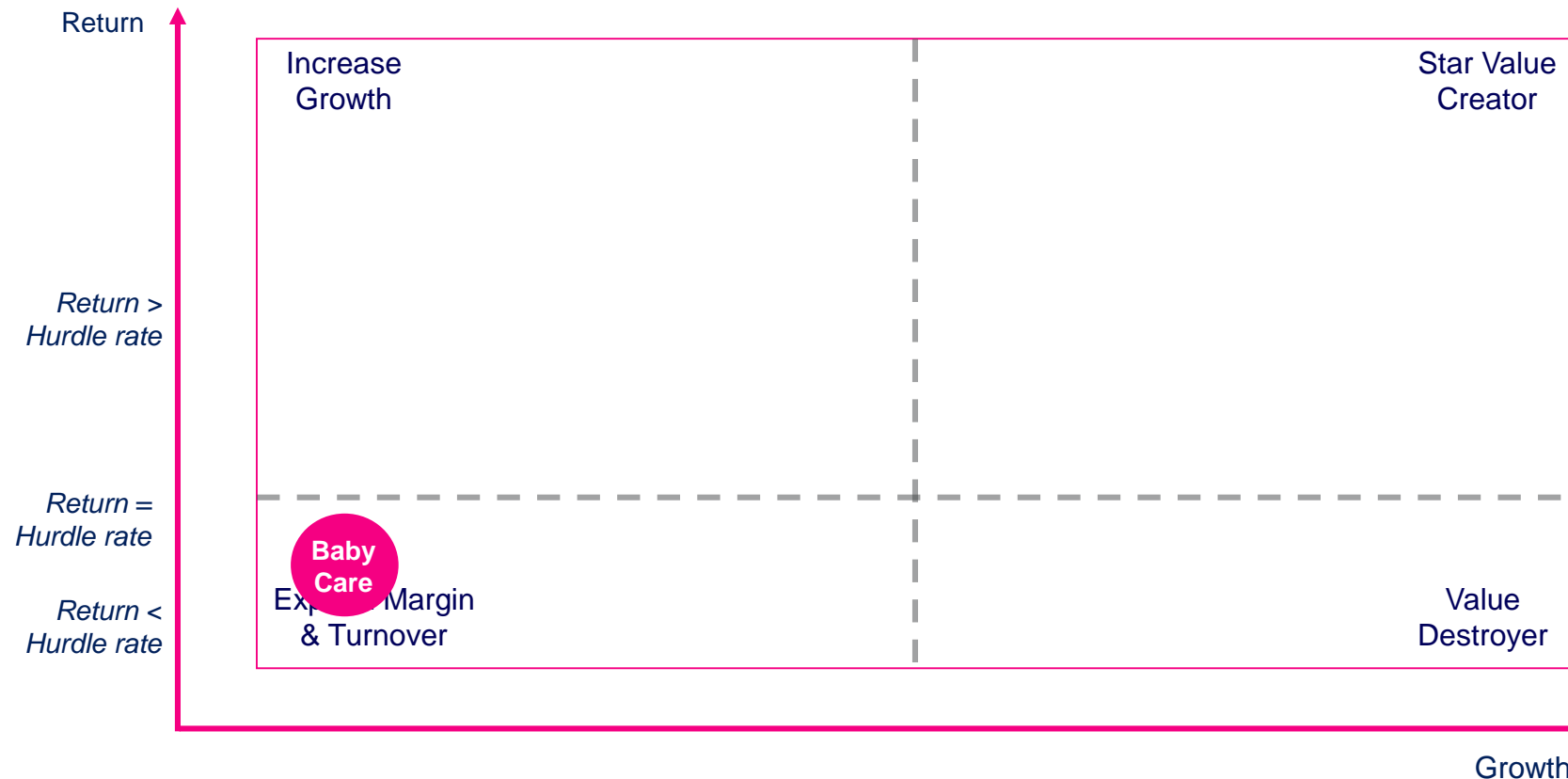
■ Personal Care ■ Consumer Tissue ■ Professional Hygiene

Margin Improvements

ILLUSTRATIVE

Cure or Kill - Improving Underperforming Market Positions

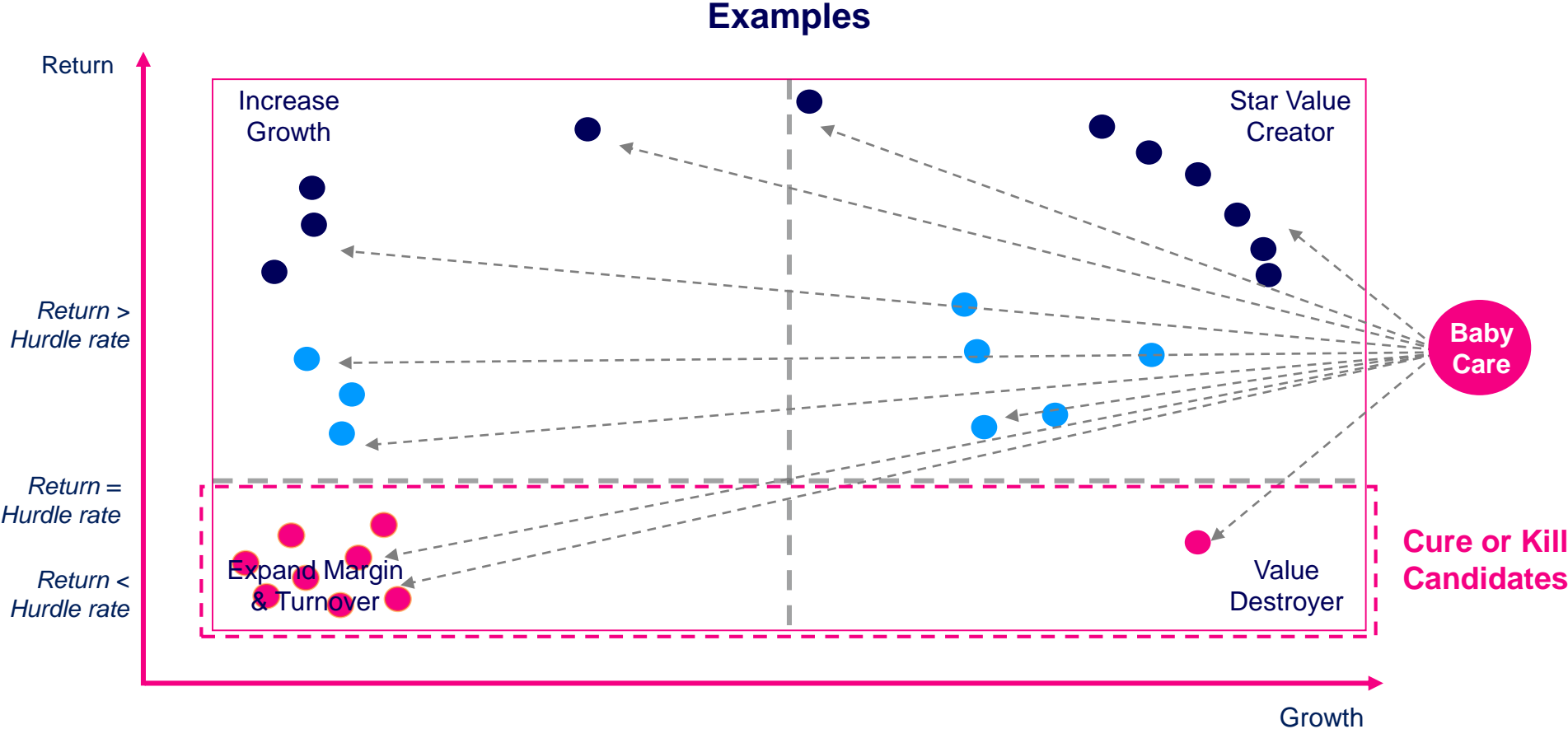
Examples



Margin Improvements

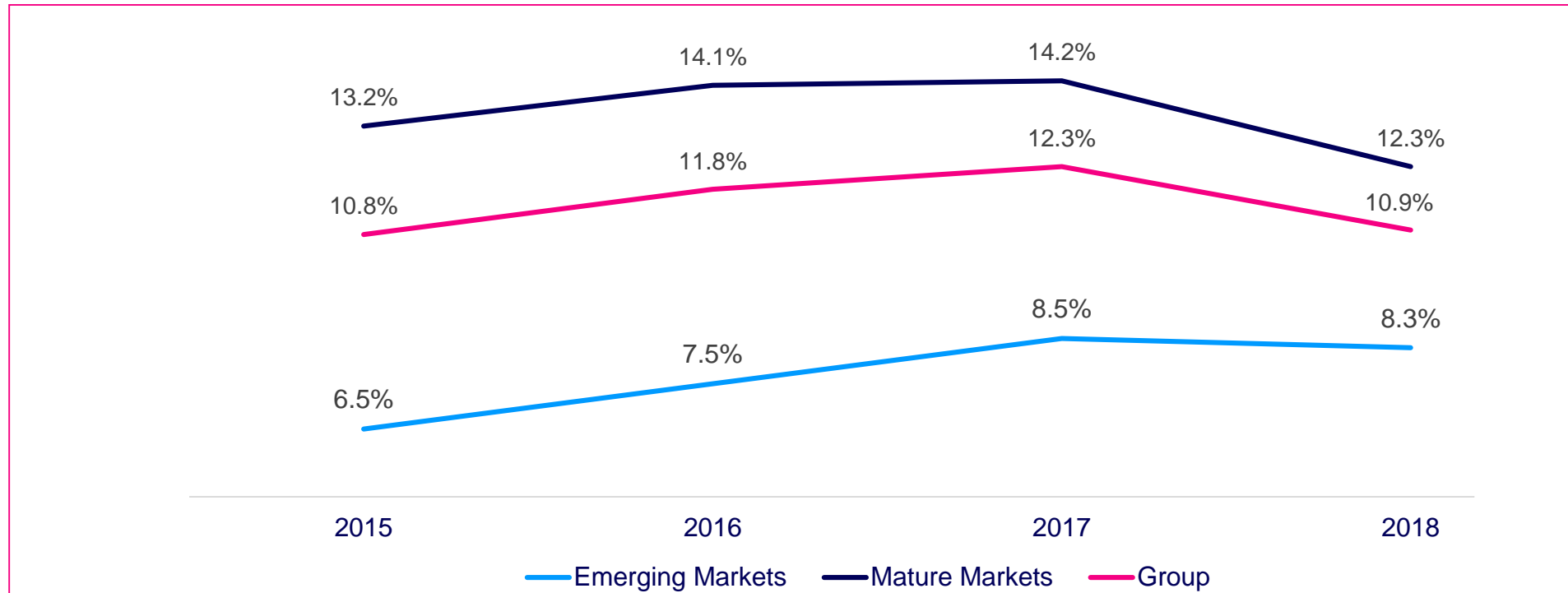
ILLUSTRATIVE

Cure or Kill - Improving Underperforming Market Positions



Mature and Emerging Markets

Adjusted EBITA Margin¹⁾ Development



Emerging Markets:

Share of Net Sales **36%**

Share of adjusted EBITA¹⁾ **22%**

35%

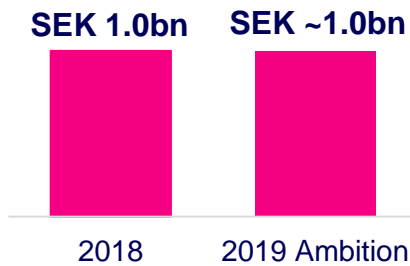
27%

¹⁾ Excluding items affecting comparability

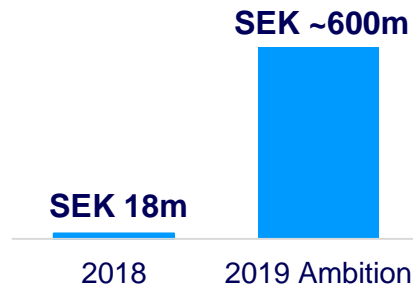
Margin Improvements

Cost Consciousness Remains Key

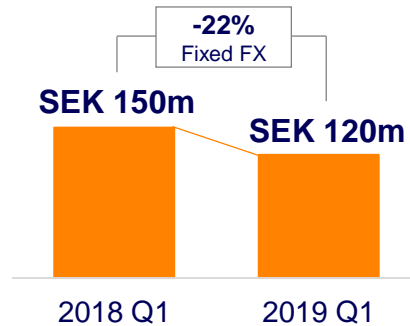
COGS Savings



Cost Savings Program



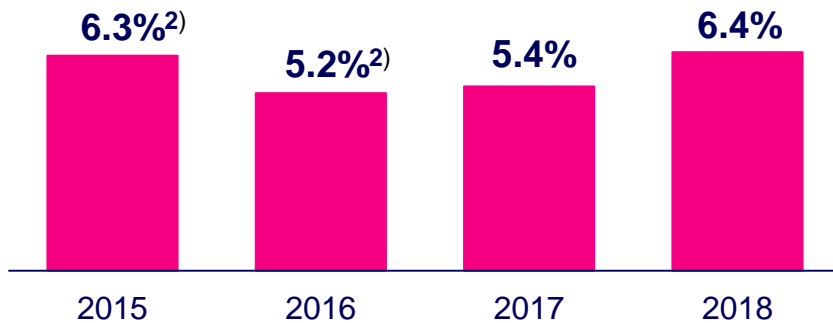
Travel Expenses



Capital Efficiency

Working Capital¹⁾

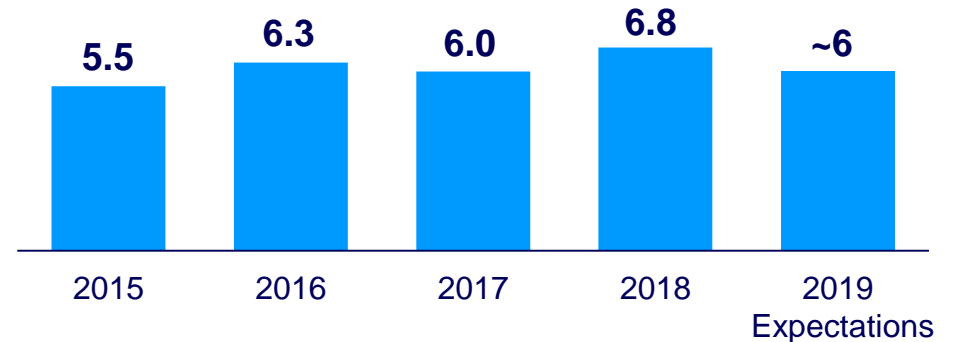
% of Group Sales



¹⁾ Closing balance ²⁾ Adjusted for BSN medical acquisition

CAPEX

SEKbn



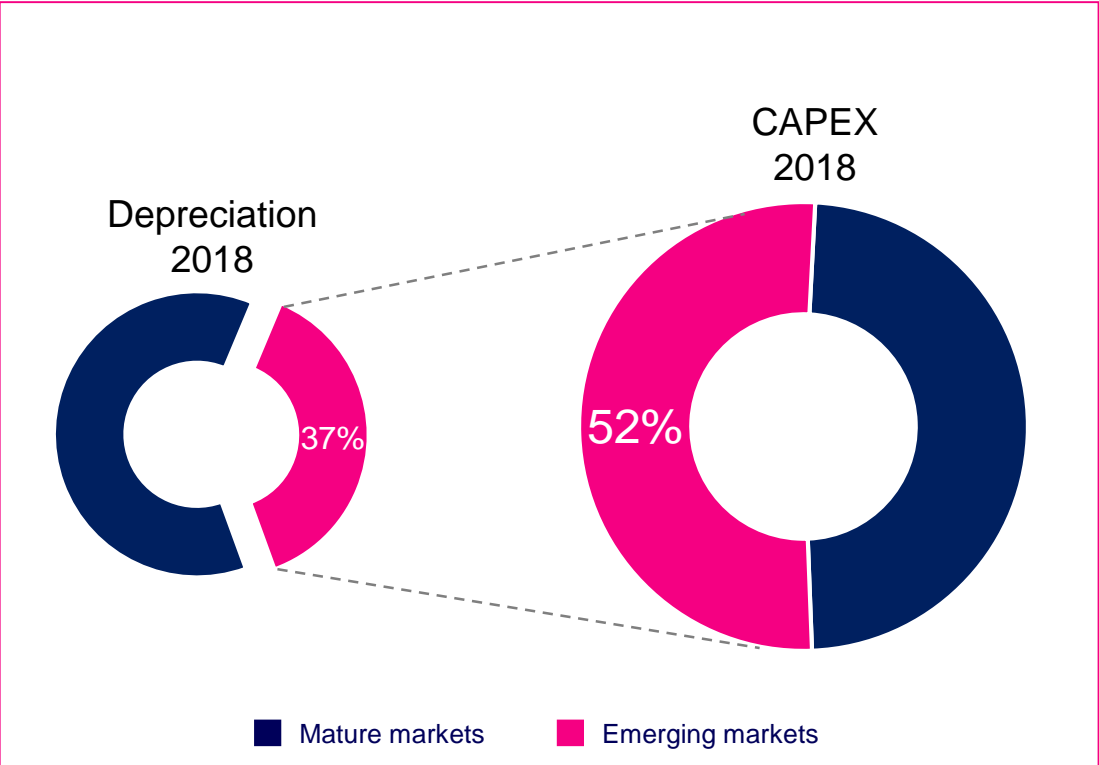
% of
Group
Sales

5.6%	6.2%	5.5%	5.7%
------	------	------	------

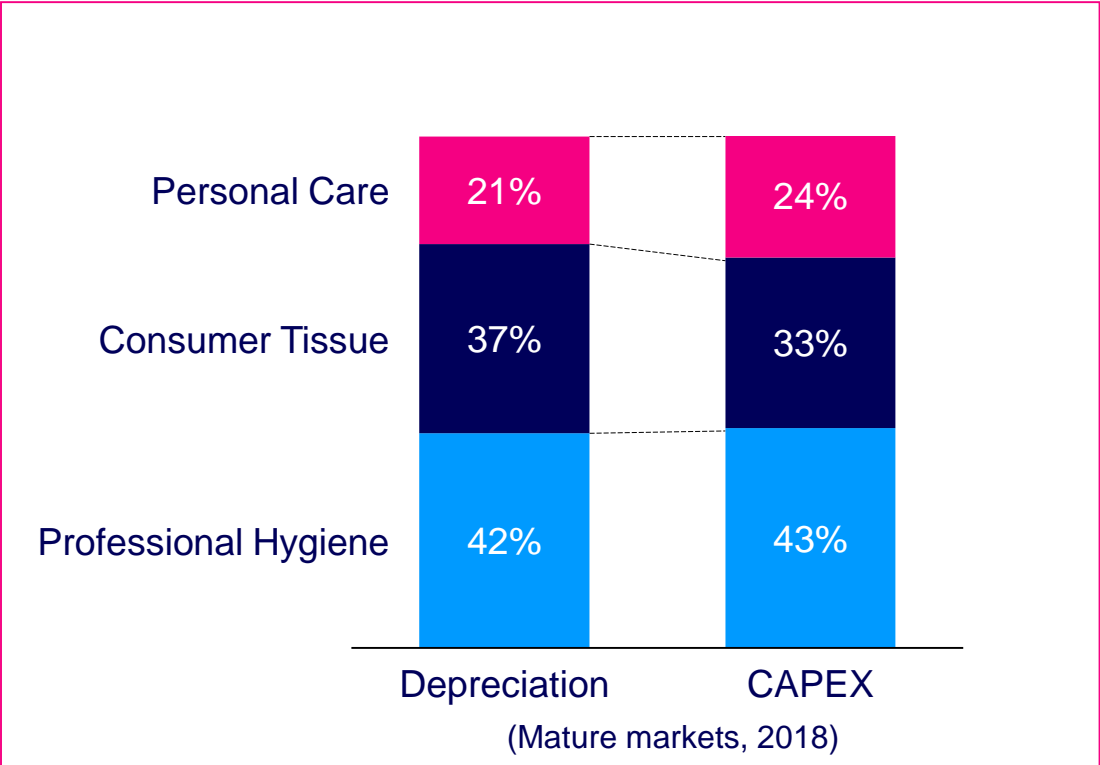
- Invest more in capital light businesses
- More focus on working capital
- Rigid capital allocation process and follow up

Capital Allocation

Targeted Investments to Fuel Higher Growth



Optimal Allocation to Drive Profitability



Robust Steering Mechanism

Incentive Programs Designed to Deliver on Targets and Enhance Shareholder Value

Short-term Incentive Program

Target:	Target Weight:	Target:	Target Weight:
Organic Sales Growth	x%	Operating Cash Flow	x%
Adjusted EBITA Margin	x%	Cost Control	x%
Working Capital to Sales	x%	Other Measures	x%

Long-term Incentive Program

Total Shareholder Return compared to MSCI Household Products	3 years
--	---------

Key Takeaways

Taking the Lead in Pursuit of Value Creation

- Strong commitment to delivering superior results and sustaining financial strength
- Clear strategic direction to reach financial targets
- Relentless efforts to drive profitable growth, margin improvements and capital efficiency



Robert Sjöström

President, Global Operational Services



Global Unit Global Operational Services

Driving Operational Efficiencies

Robert Sjöström
President

Global Operational Services

Key Facts



Mission

We deliver sustainable business value to Essity and our customers by driving group wide operational efficiencies through end-to-end services and solutions



Approximately
2,000
Employees



Present in
44 countries

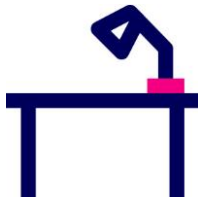


Main sites

Gothenburg Dunstable
Ismaning Kunheim
Mannheim Neenah



Demand planning
2,300,000
orders per year



18,500
Skype Users

Invoices per year
4,000,000

Managing
Working Capital

€7bn
Manage spend
per year



Transport
9,000
Deliveries
per day

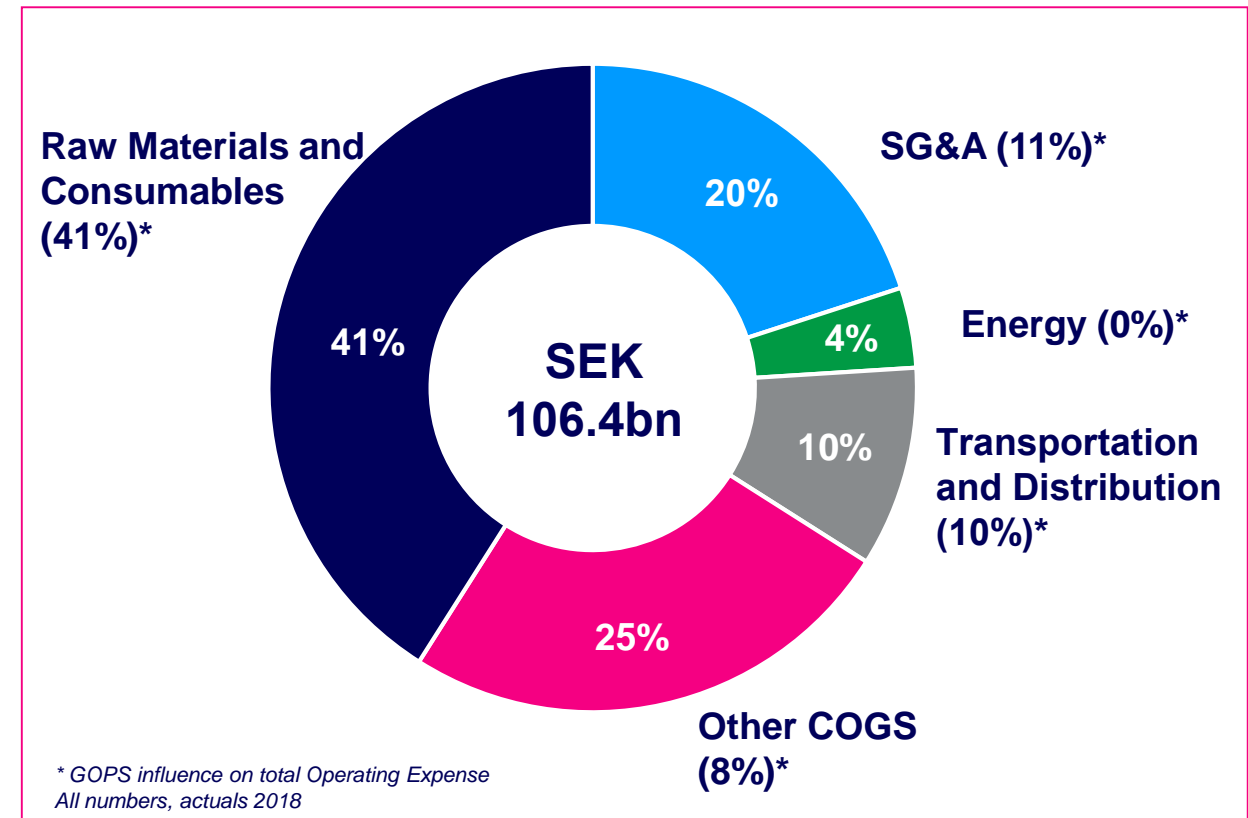


Global Operational Services

Managing Approximately 70% of Essity's Operating Expenses 2018

- Driving group wide operational efficiencies through end-to-end services and solutions enables Essity to respond better to the current market situation and future stakeholder demands
- Main functional areas
 - **Global Sourcing**
 - **Global Supply Chain**
 - **Global Business Services**
 - **Global IT and Digital Transformation Journey**

Essity's Operating Expenses 2018



Trends Impacting Global Operational Services



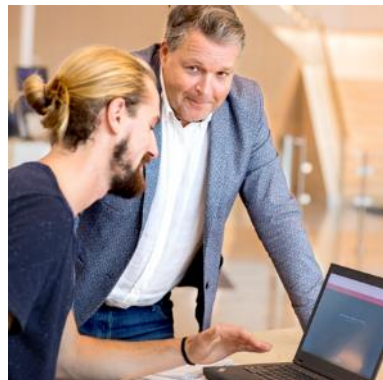
Supply Chain

- Logistics costs
- Labor supply
- Intelligent machines
- Virtual – digitalization
- Focus CO₂ reduction



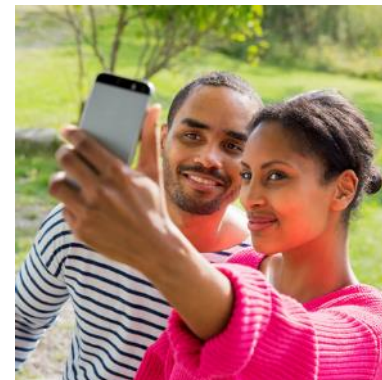
Sourcing

- Consolidation
- Commodity and energy prices
- Sustainability
- Digitalization
- Political risk, climate change



Business Services

- Automation, robotics, digital, AI
- Shared services
- End-to-end process
- Reshaping workplaces
- Shifting work patterns



Digitalization

- Connectivity
- Importance of data
- Advanced Analytics
- Machine learning/AI
- Ethics and Data Privacy
- Increased cybercrime

Priorities

- Meet customer expectations with the right quality of service
- Continuously optimize cost and working capital
- Support profitable growth with scalable solutions
- Drive the digital business transformation



Global Business Services 2.0 Program

Main Achievements

- **Efficiency increase:** Between 2012-2018, 220 Full Time Equivalent (FTE) reduced as well as incorporating acquisitions
- **Robot Process Automation (RPA)** generated an efficiency equal to approximately 30 FTE
- **Organizational:** Change to Global service lines instead of regional

Going Forward

- **Digital Operational Platform:** 100 processes automated (RPA), Virtual assistants
- **Process analytics** for End-to-End
- **Data mining** for customer payment
- **Site consolidation**
- **Establish global service desks**

Value Creation Across Essity

Supply Chain Development Program

Main Achievements

Logistics Upgrade Program in Europe 2015-2018

- Warehousing Excellence
- Harmonization of organizational blue prints and Sales and Operational Planning (S&OP)
- Selective Automation of Warehousing

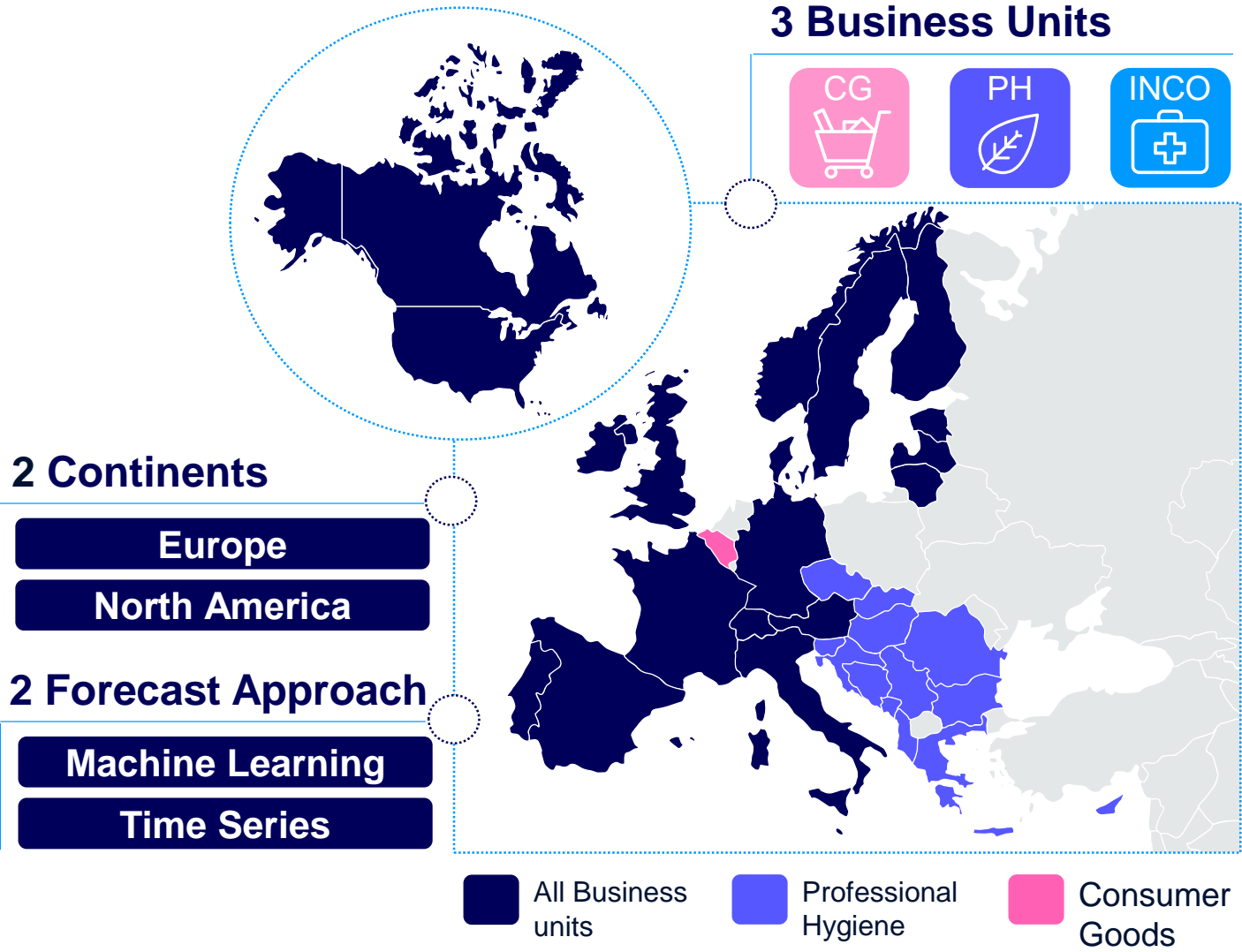
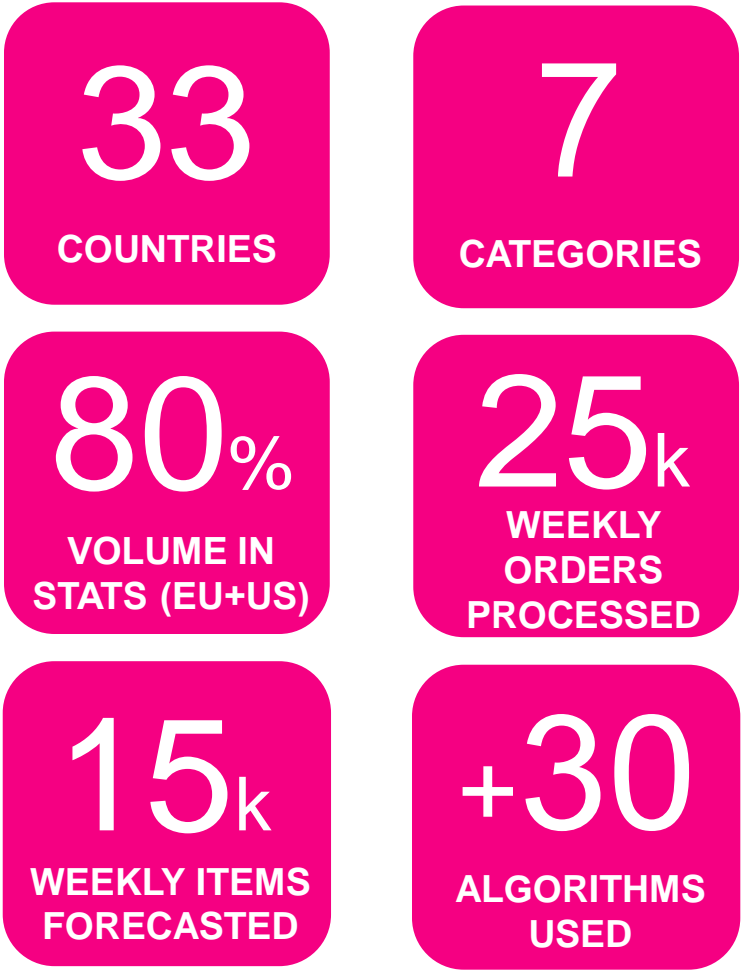
Going Forward

Global Supply Chain Transformation 2019-2021

- Continental SMART HUBs
- Source-Plan-Settle
- Global statistical, machine learning forecasting with advanced analytics
- Digital autonomous capacity planning
- Segmented warehousing and distribution strategy

Value Creation Across Essity

Demand Planning: Facts and Figures



Demand Planning in a Nutshell

WHAT: Centralized statistical forecast delivery for all Business Units Categories and align process and KPIs

WHY: Improved forecast accuracy with increased efficiency and effectiveness

From



Different process across regions and BUs



16 weeks moving average forecast



Manual promotion forecast



High manual effort for full portfolio enrichment



Custom Demand Planning process

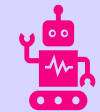
To



Multi-country standard process



Dynamic statistical forecast



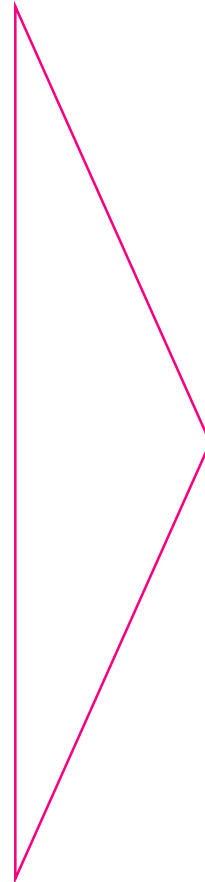
Machine learning promotion forecast



Enrichment by exception



Demand Planning industry best practices



Global Sourcing Program

Main Achievements

- **Total sourcing savings 2016-2018 approx. EUR 185m**
- **Virgin fiber program**
- **Flexibility programs**
Fluff pulp and SAP flexibility programs delivered approx. EUR 45m savings 2016-2018
- **Chemical technical surveys**
50% cost reduction for North America
- **Sustainable sourcing**
+350 tons of linear low-density polyethylene removed
- **Source to pay optimization program**

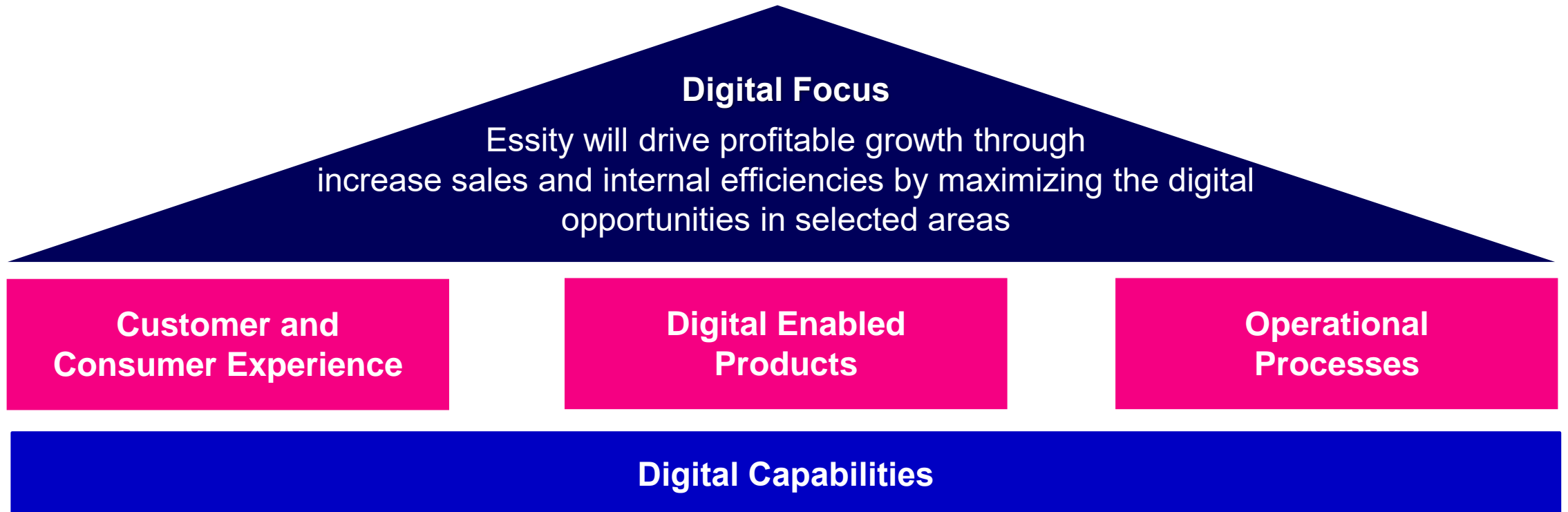
Going Forward

- **Fiber optimization and forestry compliance**
- **Indirect sourcing program**
- **Continue with flexibility programs**
- **Chemical optimization**
- **System/process optimization – Digital Transformation**

Value Creation Across Essity

Digital Transformation Strategy

Launched 2014



Planned Activities Across Essity in 2019

Customers and Consumers

- Libero chatbot
- Voice interactions with consumers
- Next generation web shops
- Single customer interface for TENA and medical
- Capability improvements across brand sites
- Digital performance management

Digital Enabled Products

- Changing the industry via “Data Driven Cleaning”
- Launch next generation of B2B & B2C smart incontinence solutions
- Embed full end-to-end operations model



Operational Processes

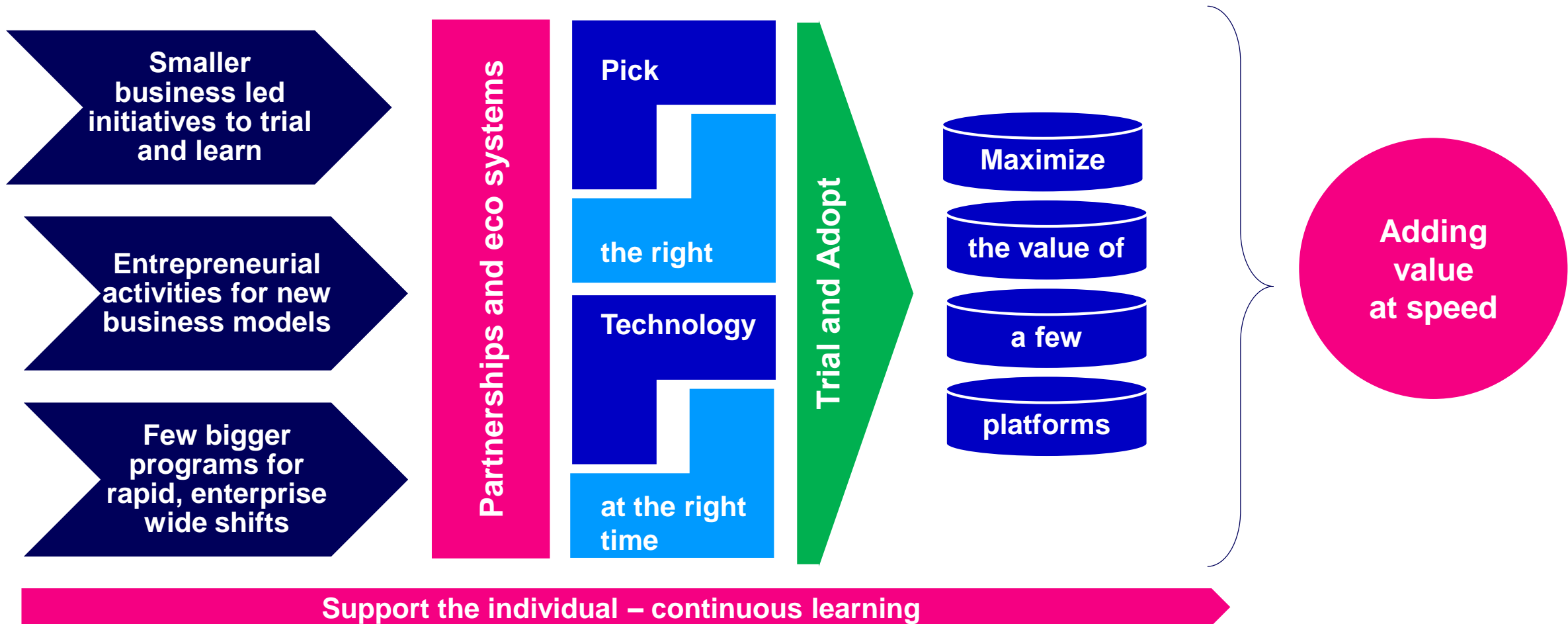
- Robot Process Automation (RPA)
- Virtual Assistant expansion
- HR portal (Workday)
- Transportation hub in production
- “Smart Factory” show cases

Capabilities

- Strategic Workforce Planning for Digital Transformation
- Digital Workplace
- Cognitive: AI Innovation of Sweden
- Advanced Analytics into production
- Opportunity mapping for pilots with startups and new technologies

Digital Transformation Journey

Lessons Learnt From Our Journey So Far That Impacts Our Ways Of Working



Key Takeaways

- Enhancing value creation across entire Essity
- Driving efficiencies through end-to-end
- Delivering savings
- Driving the digital business transformation
- A lot of opportunities



Donato Giorgio

President, Global Manufacturing



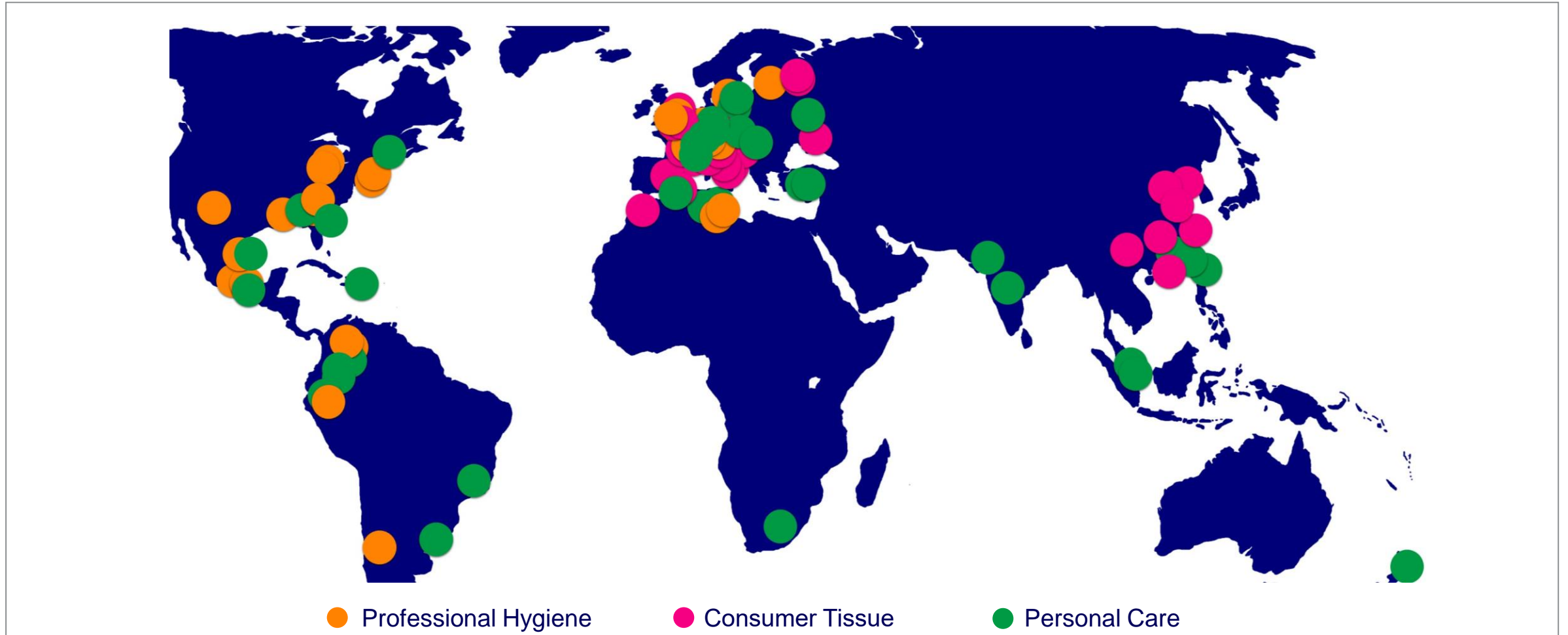
Global Unit Global Manufacturing

Shaping The Future Of Manufacturing

Donato Giorgio
President

Our Manufacturing Footprint

90 Production Sites



Top Priorities

- Health, Safety & Environment
- COGS optimization
- Quality and Service
- Innovation
- Tissue Roadmap
- Digitalization



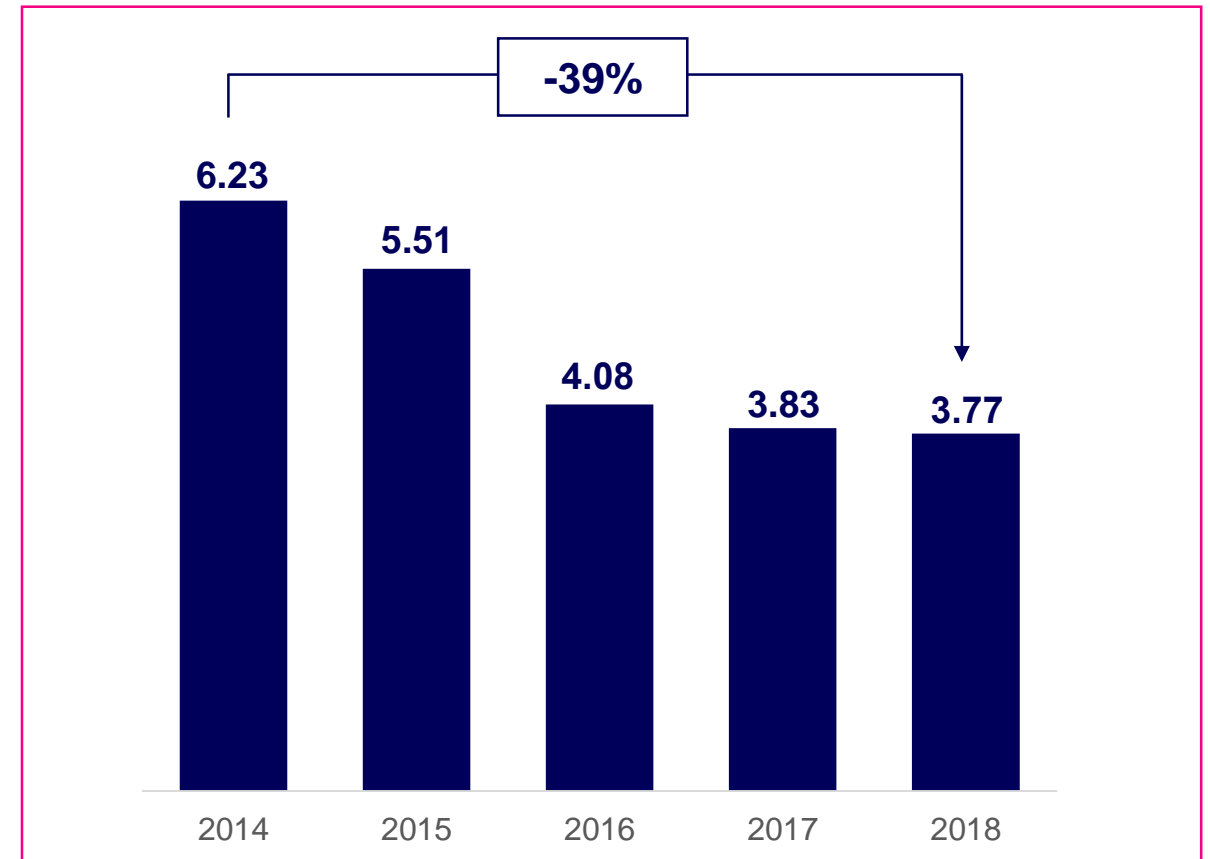
Health and Safety

Our Highest Priority

- Our aim is a risk free workplace
- Target 2014-2020: Accident Frequency Rate -50%
- Nothing we do is worth getting hurt for
- Everyone is a Safety Leader
 - “My safety and my co-workers’ safety is my responsibility”

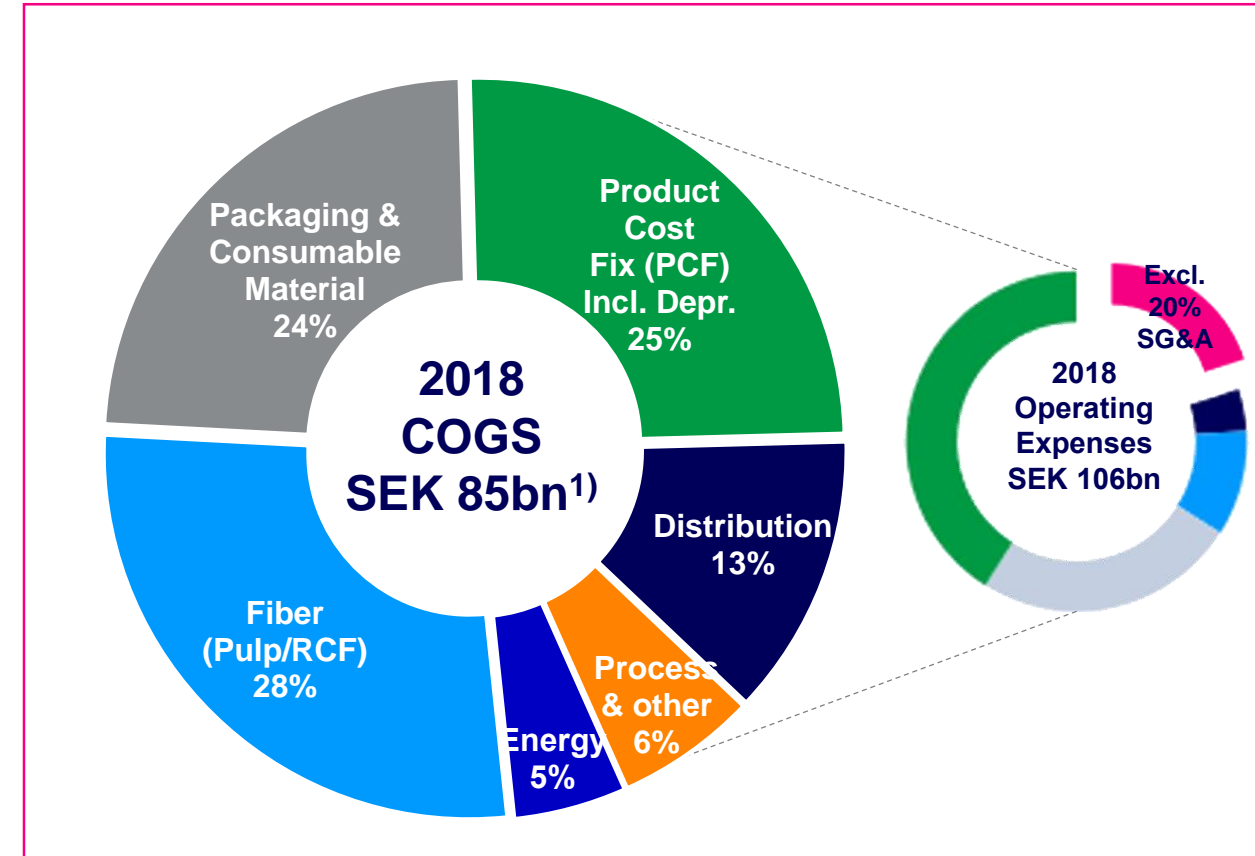


Accident Frequency Rate 2014-2018



COGS Optimization In All Areas

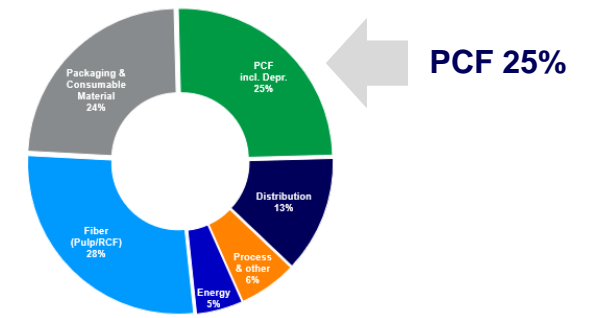
- State of the art manufacturing performance
- Optimize raw material cost in use
- Environmental footprint
- Energy, water & CO₂
- Customer proximity



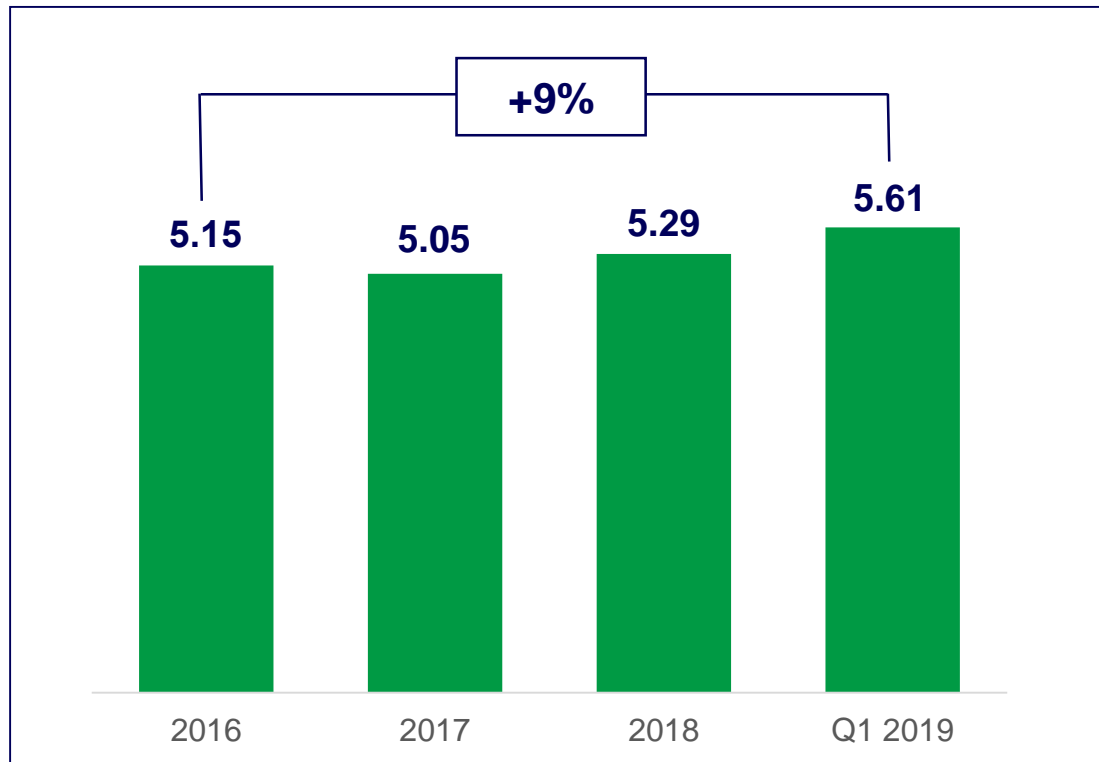
¹⁾ Total Cost of Goods Sold 2018

Productivity

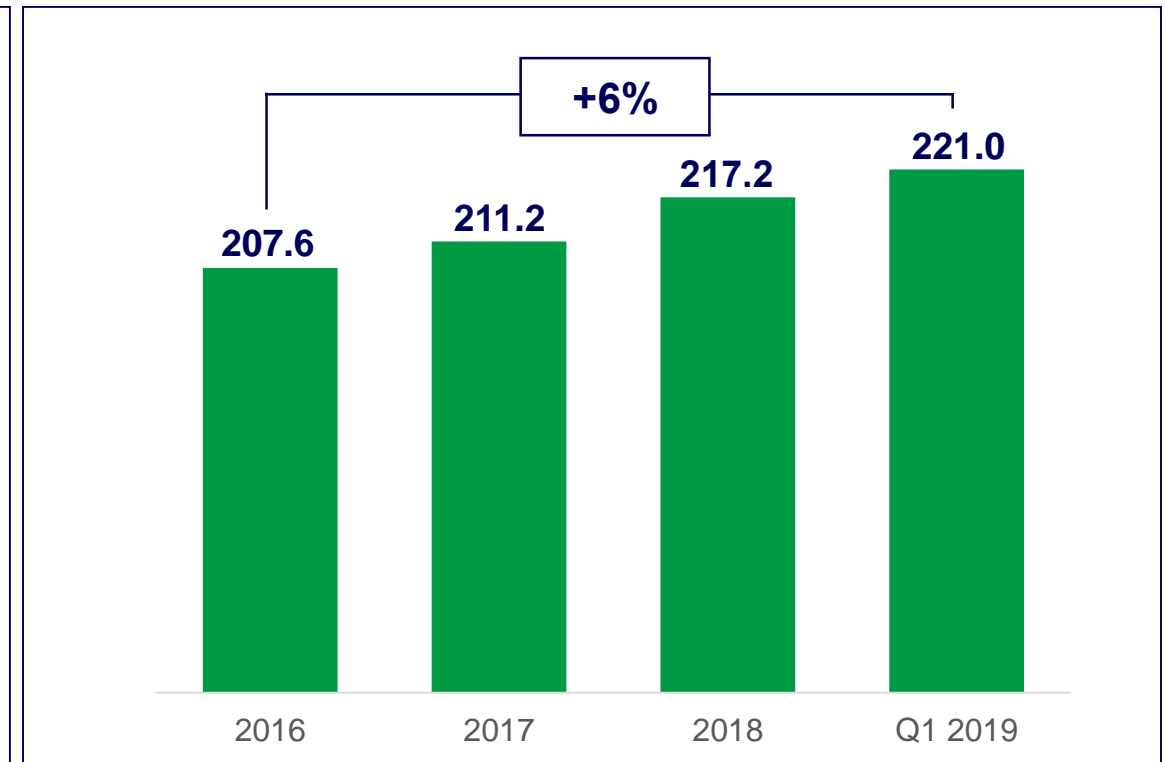
Volume/FTE



Personal Care¹⁾, million pieces/FTE



Tissue, tons/FTE

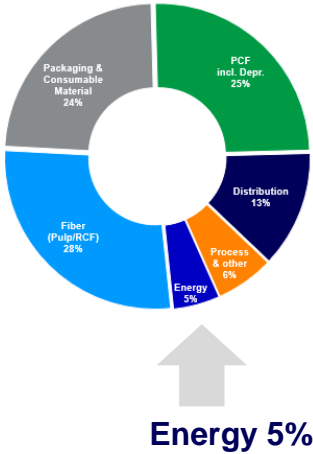
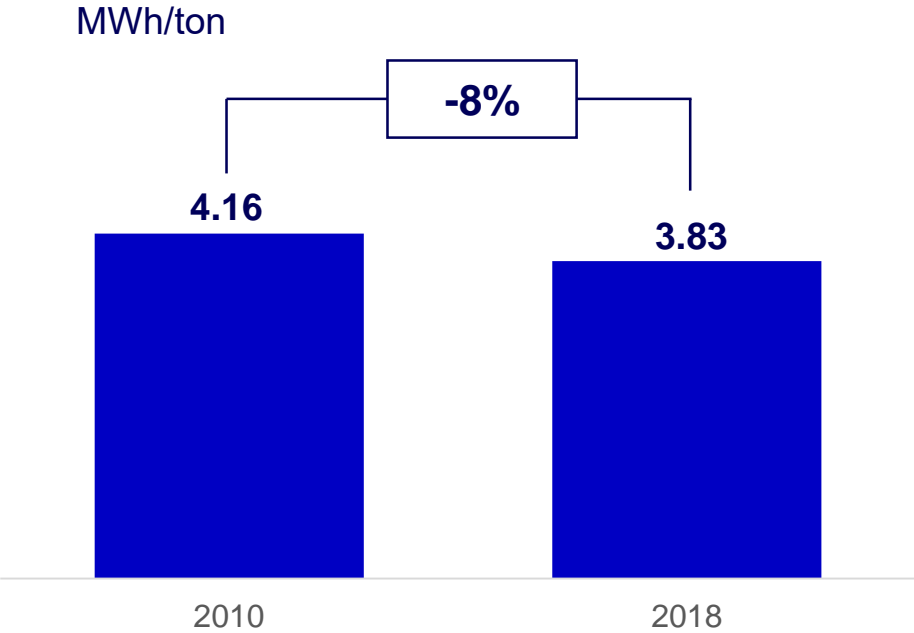


¹⁾ Excluding Medical Solutions

Energy Consumption

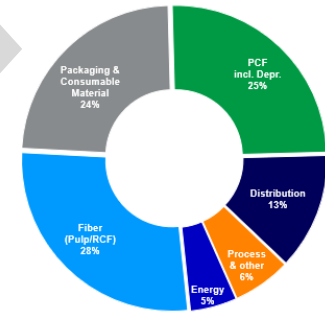
Tissue

Energy Savings 2010-2018:
~1 TWh equal to EUR ~40m



Reduction of Plastic Packaging

Packaging and Consumable Material 24%



Use Of Stretchfilm 2016 – 2018:

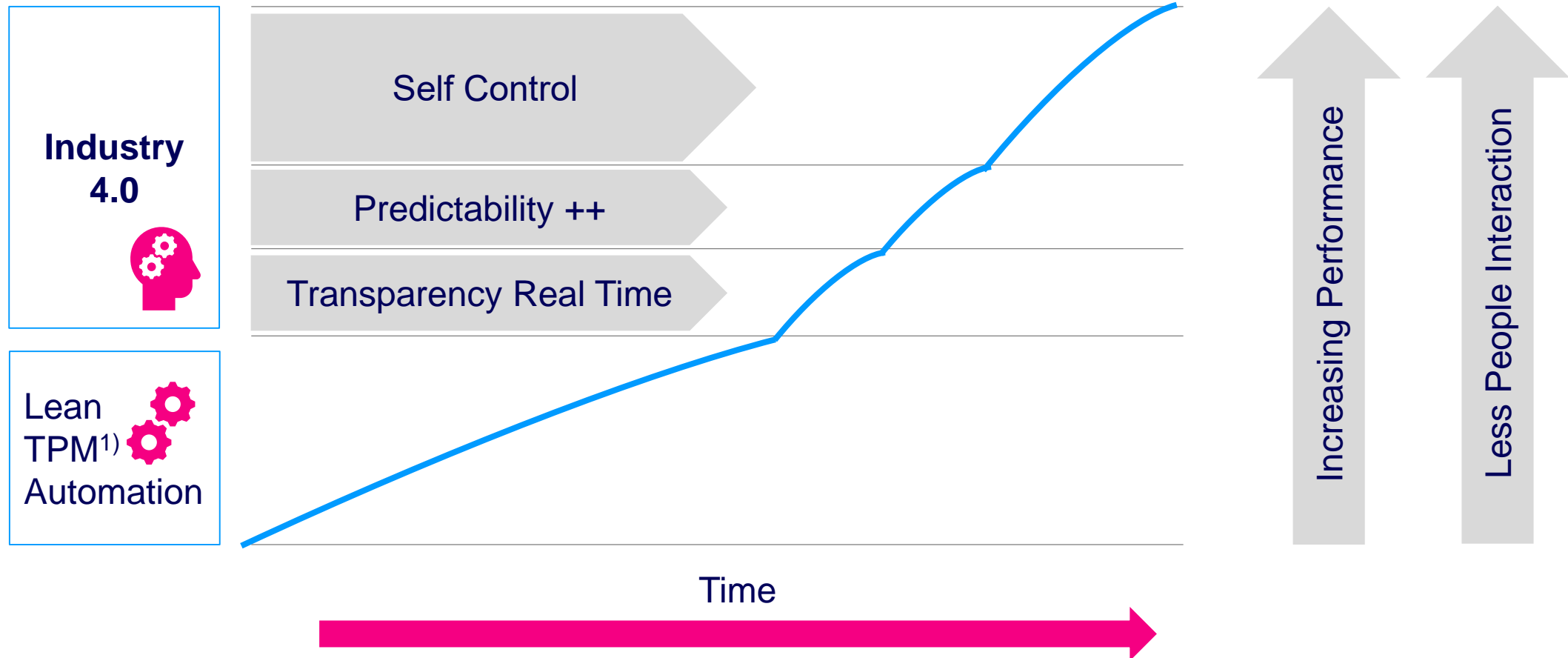
-13% = **-640 tons**

**Saving 2016–2018
EUR 1m**



Digitalization

Industry 4.0 - Enabling Performance Improvements



1) Total Productive Maintenance

Digitalization in Tissue

Example: Machine Learning to Predict Paper Quality Parameters

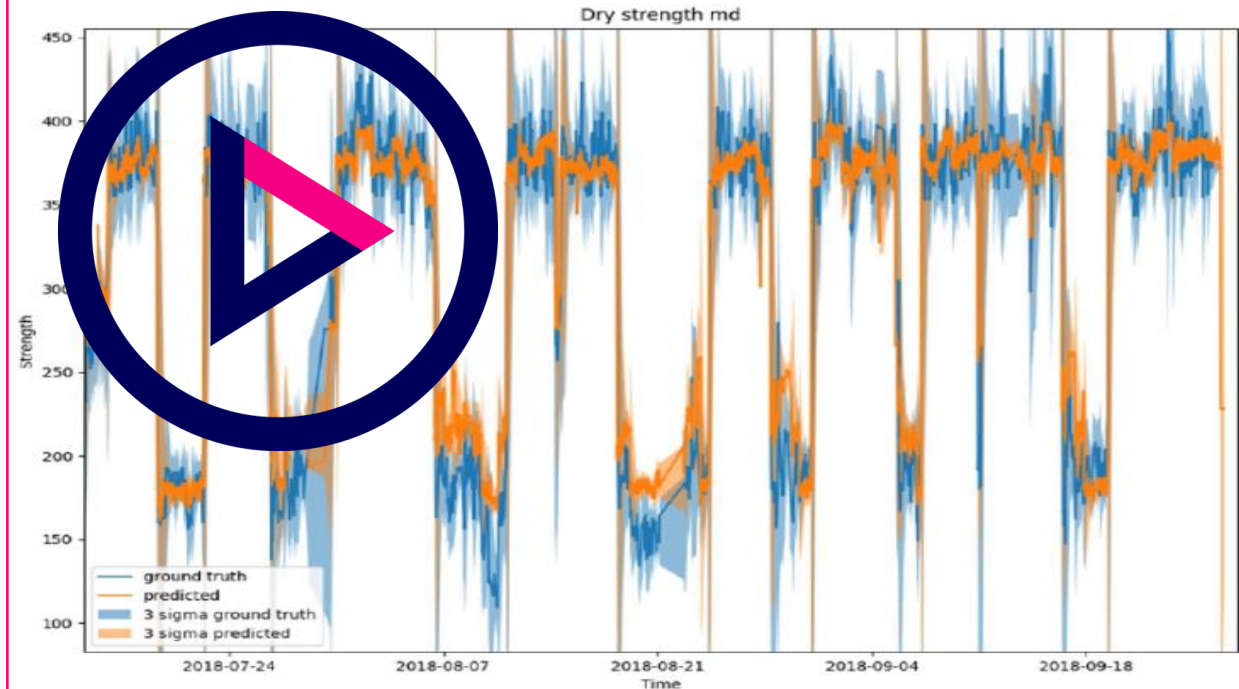
BEFORE

- Manual process checking the paper quality measurements (thickness, strength, etc.)
- Time consuming and error prone compared to digital solution



AFTER

- Using algorithms to predict parameters and increase the sampling rate
- Production gains



Digitalization in Personal Care

Example: Vision Systems Eliminating Manual Quality Checks

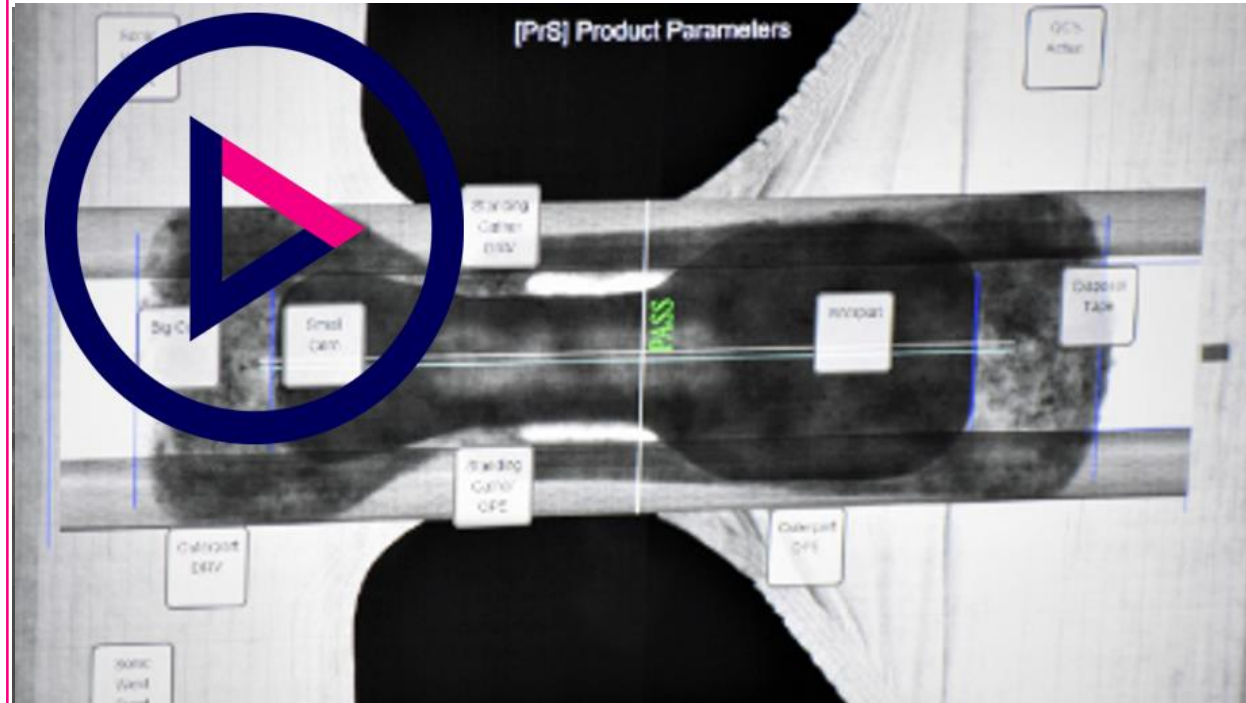
BEFORE

- Manual check of a sample product every 20 minutes (1 out of thousands)
- Takes about 20 hours/week for the crew



AFTER

- Each individual product (100%) is checked on 150 parameters
- Cost of poor quality is reduced significantly

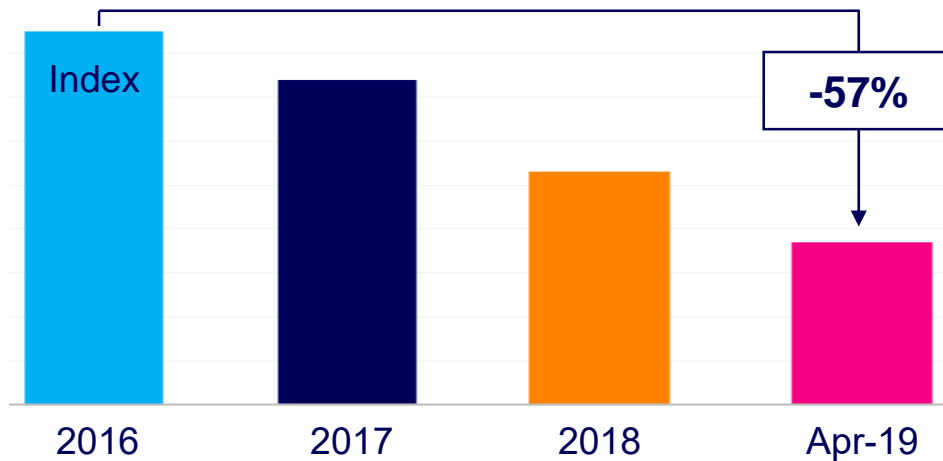


Superior Quality

Key Activities for Quality Excellence

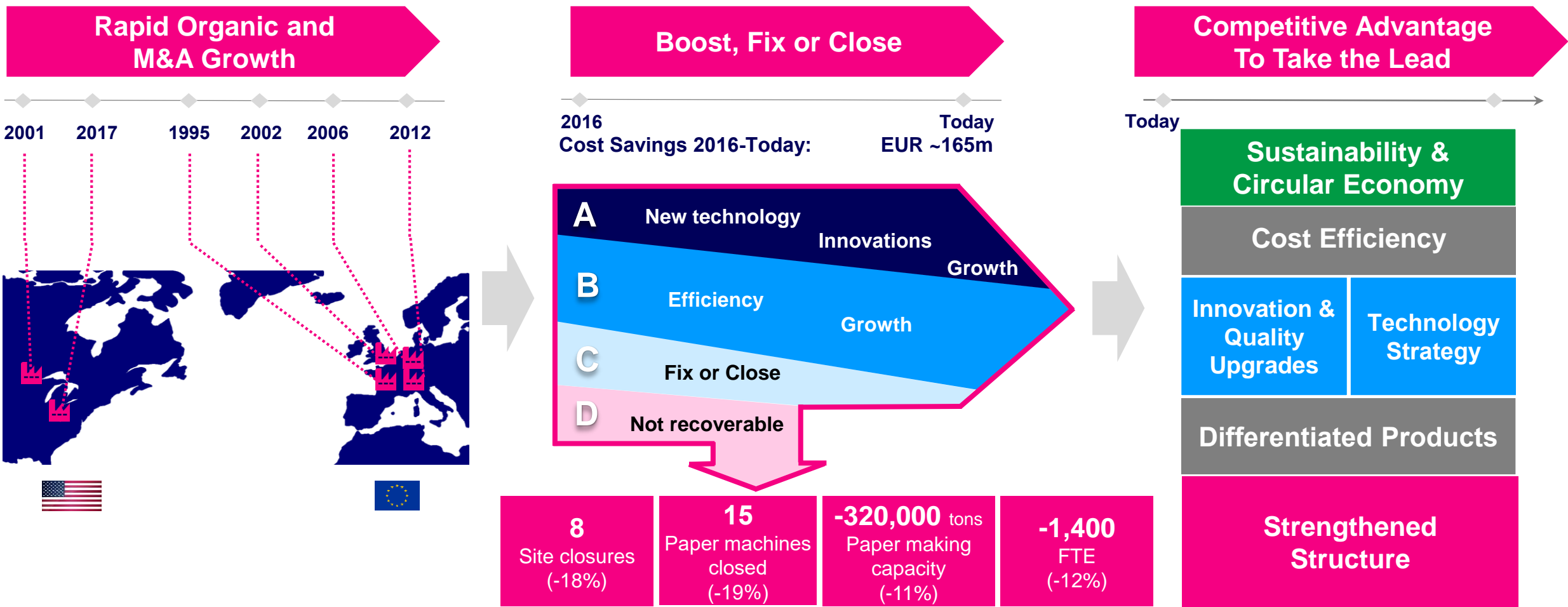
- Quality awareness across full company
- Digital Process Control to enable real time data and optimize machine-material interaction
- First Time Right on new initiatives

Personal Care Complaints
per million pieces in Europe
including social media complaints



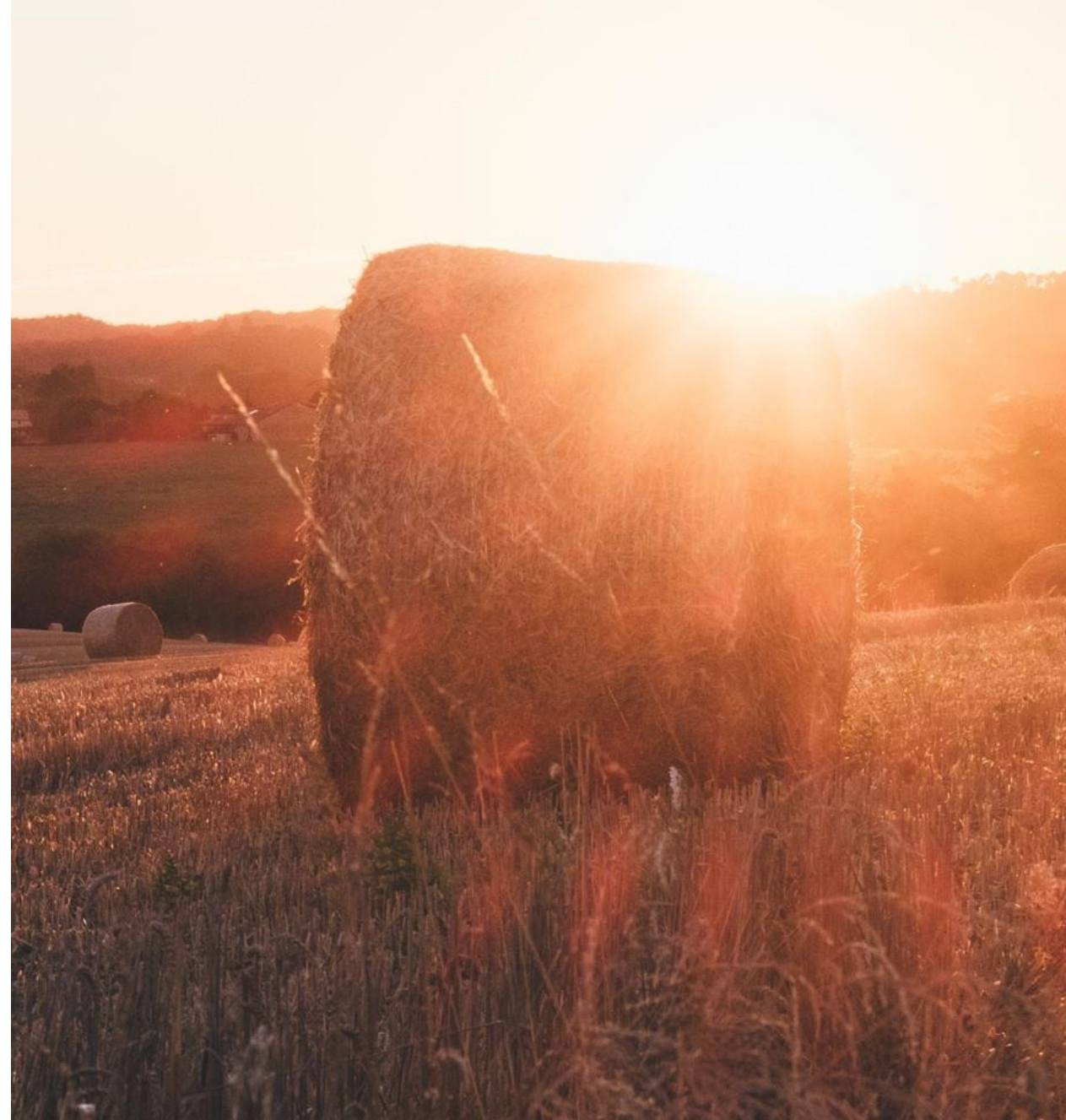
Tissue Roadmap

Our Path to a World Class Footprint



Alternative Fibers from Agricultural By-Products

- Same pulp quality as from fresh wood fiber
- Exclusivity agreement for proprietary process
- Investment of approx. SEK 400m in Mannheim
- Commitment to “more from less” and circularity
 - Less water, energy and chemicals
 - Up to 50% reduction in CO₂ from tissue production
 - Reuses by-products from local farmers
 - Annual growth cycle



Key Takeaways

Shaping the Future of Global Manufacturing

- Aiming for a **risk free** workplace
- **COGS savings** in all areas
- **Footprint** structure - a competitive advantage
- Benefits from **digitalization** kicking in
- Contributing to a **circular** economy
 - Major milestone: **Alternative fiber plant**



Ulrika Kolsrud

President, Health and Medical Solutions





Business Unit Health and Medical Solutions

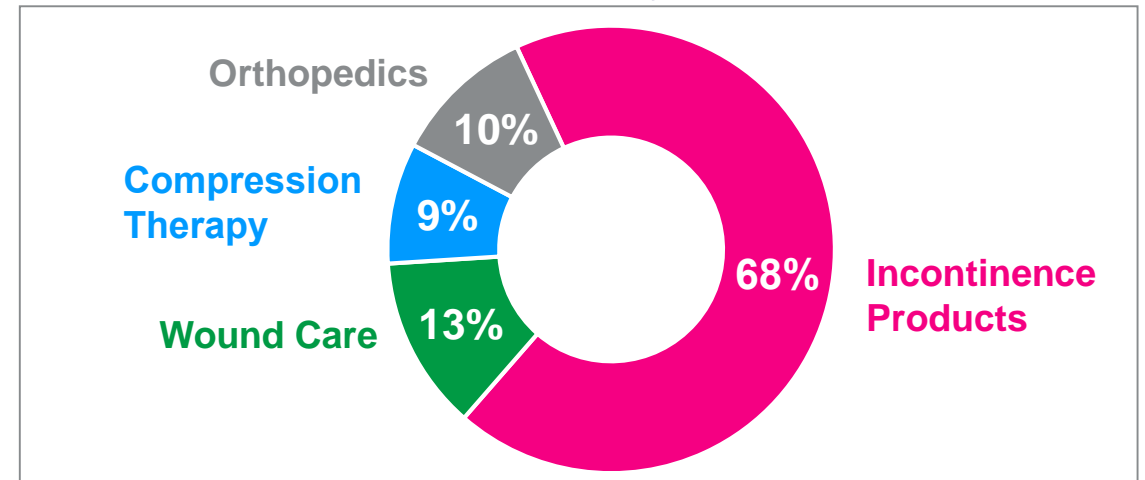
Ulrika Kolsrud
President

Health and Medical Solutions

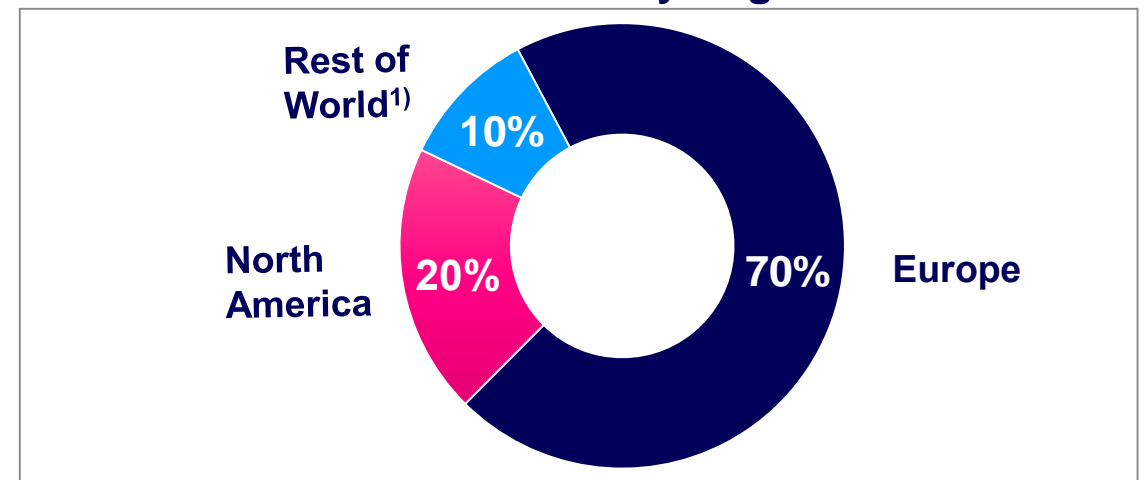
21% of Essity Group Net Sales 2018

- Products and solutions within Incontinence Care, Skin Care, Wound Care, Compression Therapy and Orthopedics
- Empowering consumers, patients and caregivers with products and solutions to support healthy and active lives
- Strong presence in retail, pharmacy, medical device shops, online, home delivery, nursing home and hospital

Net Sales 2018 by Product



Net Sales 2018 by Region



¹⁾ Excluding Latin America

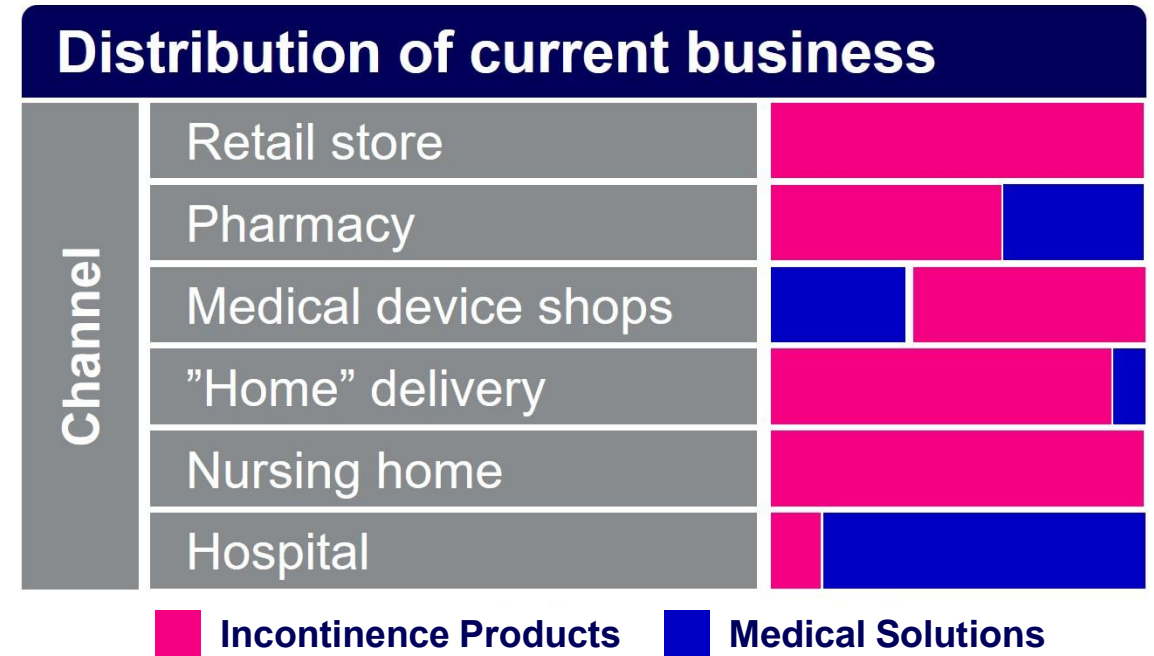
Our Strengths

- Global market leader in Incontinence Products with TENA
- Global market leader in Compression Therapy with JOBST
- Global coverage of Medical Solutions brands with strong heritage
- Successful innovations
- Integrated therapy solutions
- Strong presence in all relevant channels



Incontinence Products and Medical Solutions Even Stronger Together

- Stronger channel presence by leveraging complementary channel strengths
- Stronger customer offering through portfolio mix and size
- New innovation platform based on similar underlying market and consumer/customer characteristics
- Complementary competencies – Medical and Branding expertise



The Health and Medical Solutions Offering

With Leading Brands

Incontinence Products

Incontinence Solutions and Skin Care



Wound Care

Acute and Advanced



Compression Therapy

Lymphology and Phlebology



Orthopedics

Fracture Management, Orthopedic Soft Goods and Physiotherapy

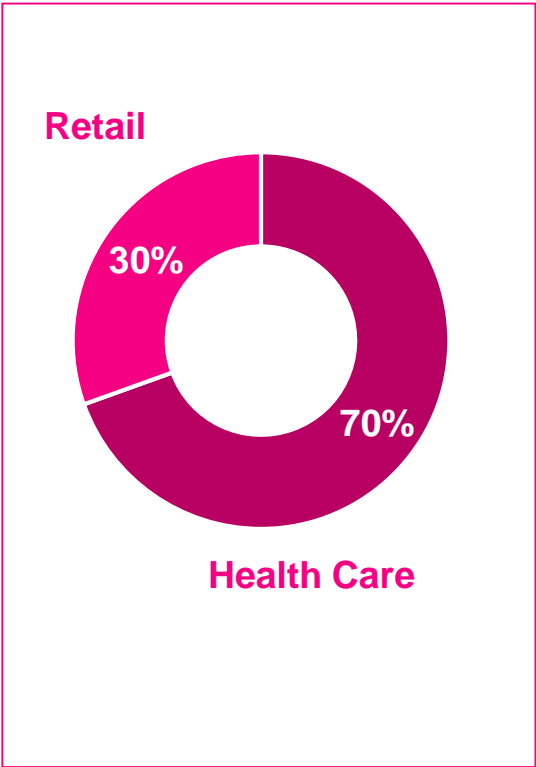
Actimove® Delta-Cast®



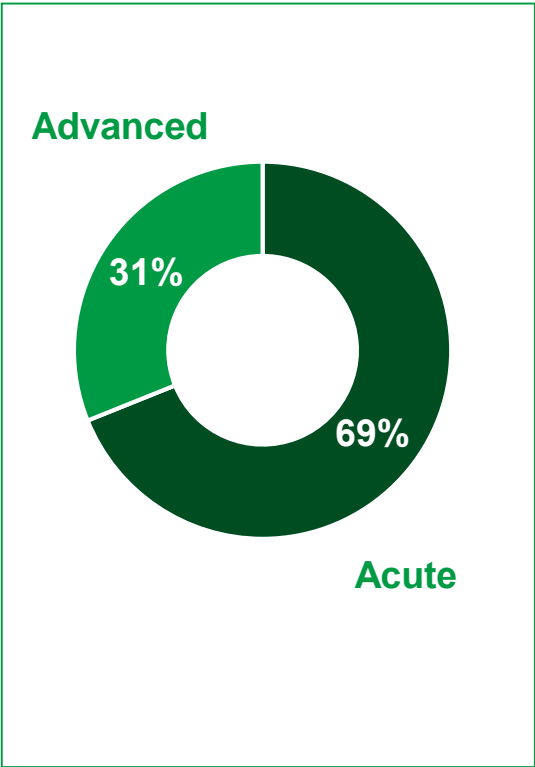
Health and Medical Solutions

Net Sales Split 2018

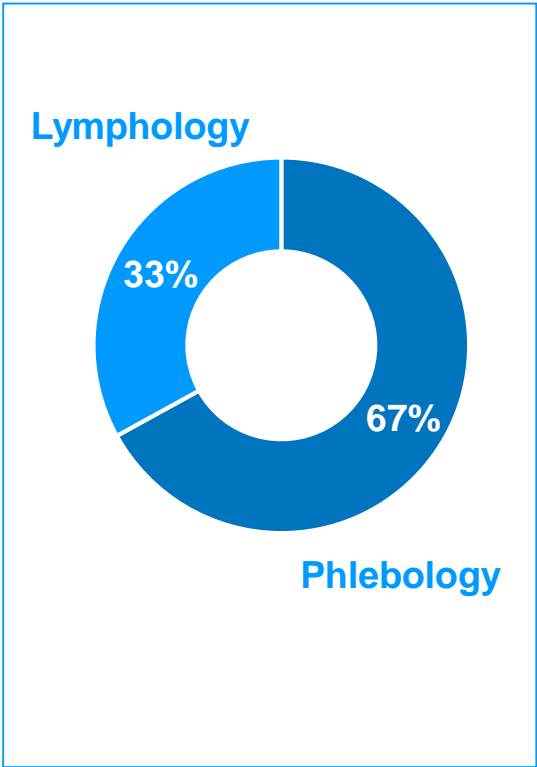
Incontinence Products (68% of Net Sales 2018)



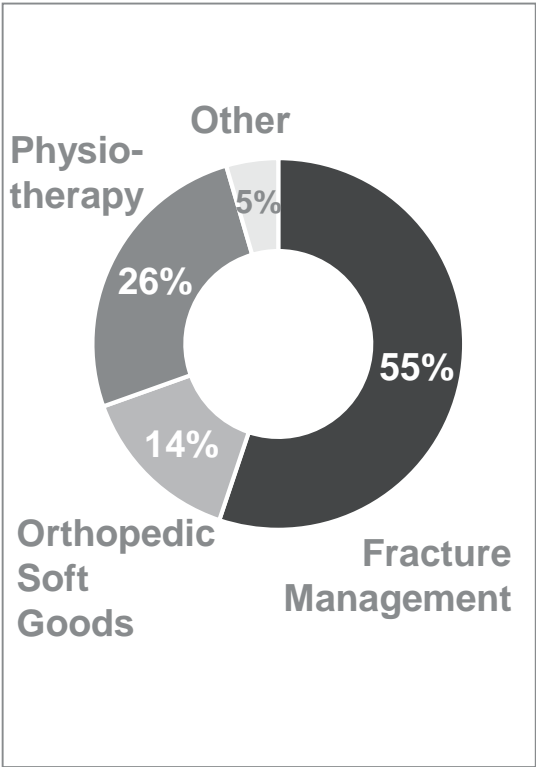
Wound Care (13% of Net Sales 2018)



Compression Therapy (9% of Net Sales 2018)



Orthopedics (10% of Net Sales 2018)



Incontinence Products

Facts About Incontinence

- Acknowledged as a set of diseases by WHO
- Different patient profiles;
 - Urine
 - Fecal
 - Disabled/Neurologic damage or diseases
 - Older persons with incontinence/cognitive impaired



Source: Irwin et al, Worldwide prevalence estimates of lower urinary tract symptoms, overactive bladder, urinary incontinence and bladder outlet obstruction, 2010

Compression Therapy

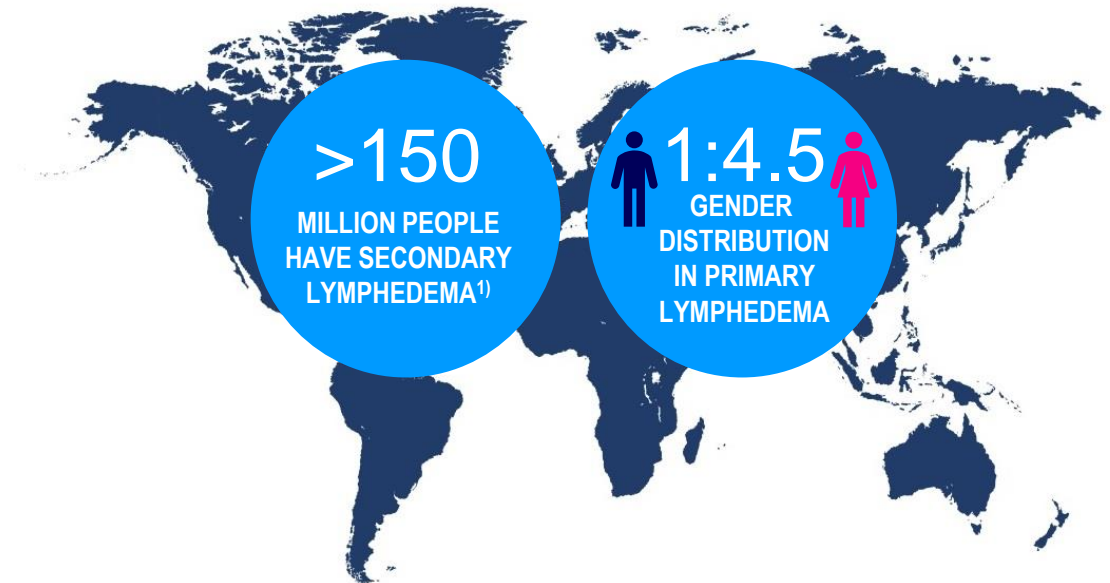
Facts About Lymphedema

- **Over 150 Million people worldwide** have secondary lymphedema¹⁾ caused by:
 - Cancer treatment
 - Trauma
 - Infection
 - Obesity
- Obesity related lymphedema a strongly growing indication in western countries²⁾
- The genetical causes for primary lymphedema are still a field of research and affect 1 in 6,000 births³⁾
- Lymphedema **cannot be cured** – but adequate care and compression therapy can help patients to live the life they want

¹⁾ WHO estimates, epidemiological data not existing yet.

²⁾ WHO. Obesity and overweight Fact sheet 2018, T. Bertsch, Obesity-related Lymphoedema-underestimated and undertreated, Plebologie 2018

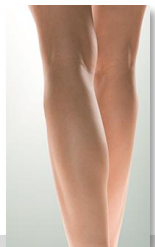
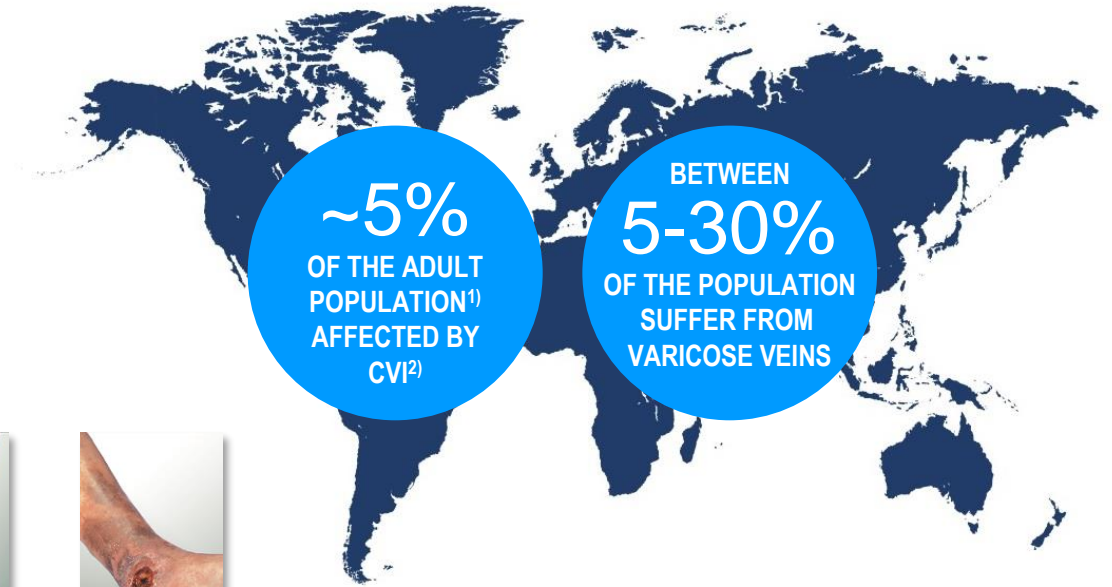
³⁾ Lymphoedema Framework. Best Practice for the Management of Lymphoedema. International Consensus. London: MEP Ltd, 2006



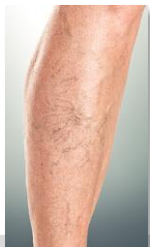
Compression Therapy

Facts About Chronic Venous Disease

- For early stages of the disease, compression therapy is the accepted standard of care
- If progression towards the most severe stage cannot be avoided, a **venous leg ulcer** may develop



No visible or palpable signs of venous disease



Reticular veins



Varicose veins



Oedema



a) Pigmentation and/or eczema
b) Lidodermatosclerosis



Healed venous leg ulcer



Active venous leg ulcer

¹⁾ In developed countries

²⁾ Chronic Venous Insufficiency

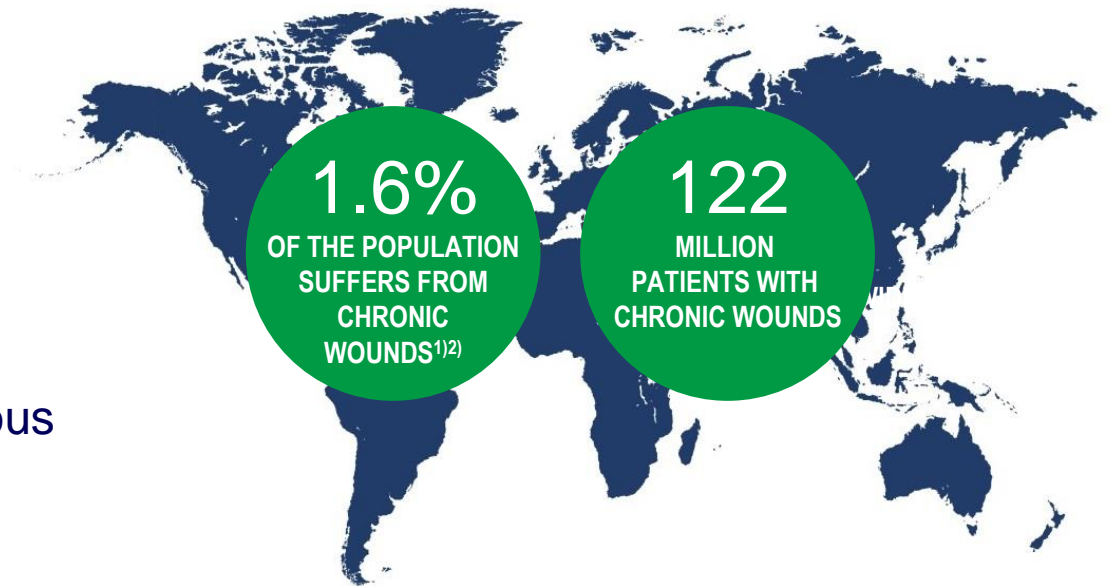
Integrated Therapy Solutions To Treat Chronic Venous Ulcers



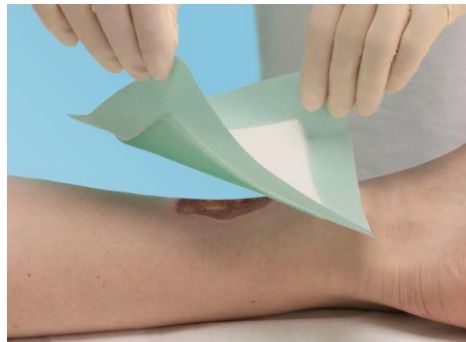
Advanced Wound Care

Facts about Chronic Wounds

- Chronic wounds = healing time longer than **six weeks**
- Some patients have their chronic wounds since years and suffer from **reduced quality of life**
- Typical chronic wounds: diabetic foot ulcer, venous leg ulcer, pressure ulcer
- Underlying chronic diseases, e.g. diabetes, chronic venous insufficiency are likely to lead to a significant increase in number of patients with chronic wounds



“Chronic wounds reoccurrence impacts 60-70% of patients²⁾”



¹⁾ Sources: GlobalData; Wikipedia. ²⁾ Frykberg, R. G. et al: Challenges in the Treatment of Chronic Wounds, Advances in Wound Care, volume 4, number 9, 560 ff.

Acute Wound Care

Daily Challenges + Professional Health Care

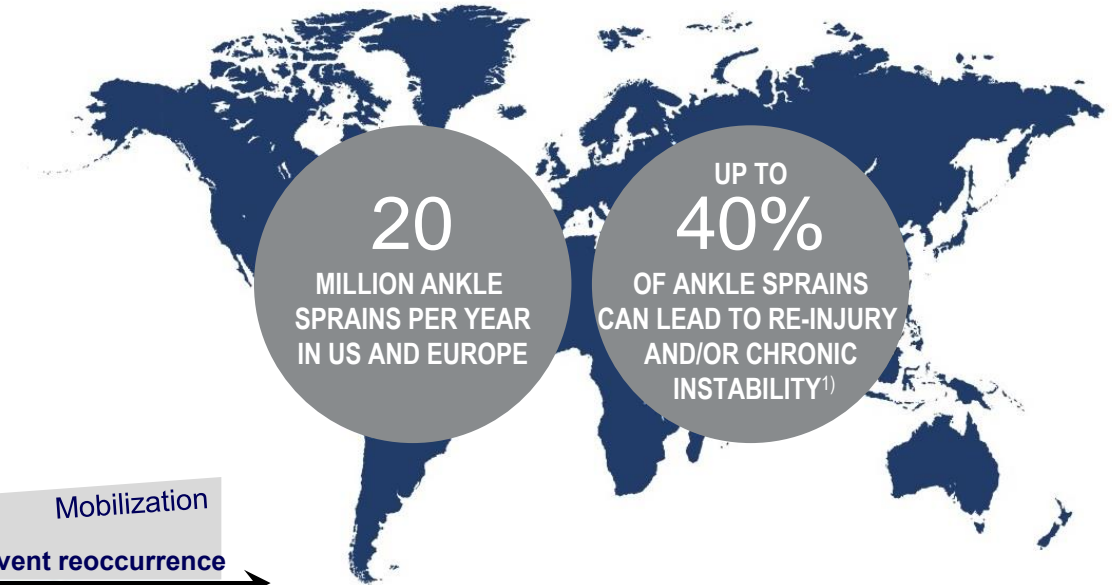
- Treating the daily challenges with Wound Care
- Also used for various purposes in professional health care



Orthopedics

Facts About Ankle Sprains

- The **most common** injury in orthopedics
- 50% of ankle sprains happen during **sporting activities**¹⁾
- This risk to have a re-injury and/or have a chronic instability can be reduced by proper post-injury care, rehabilitation, exercises and bracing

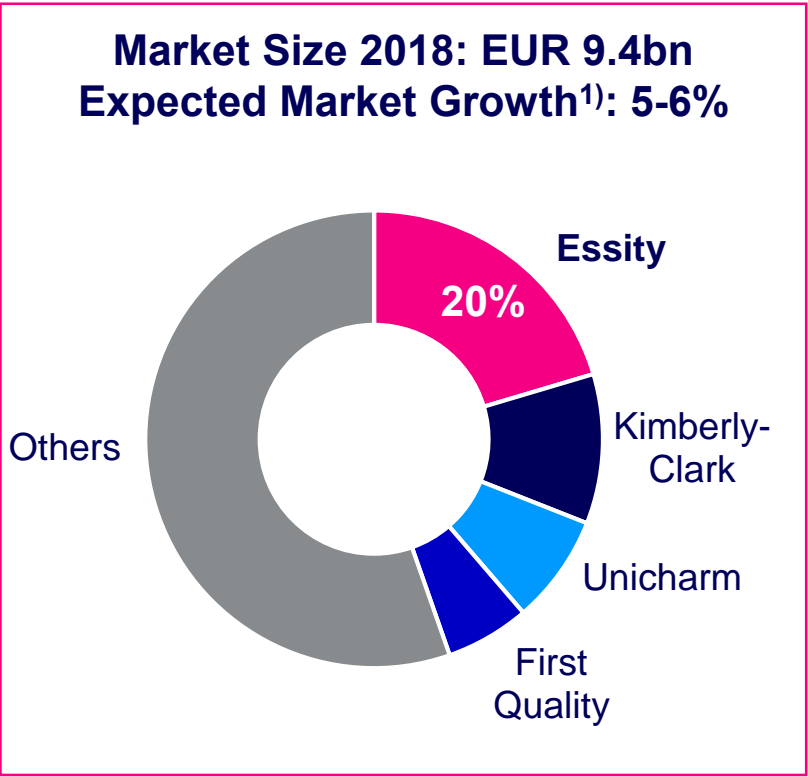


¹⁾ Source: Kemler, E.: A systematic review on the treatment of acute ankle sprain. *Sports Med*, 2011; 41(3)

The Incontinence Products Market

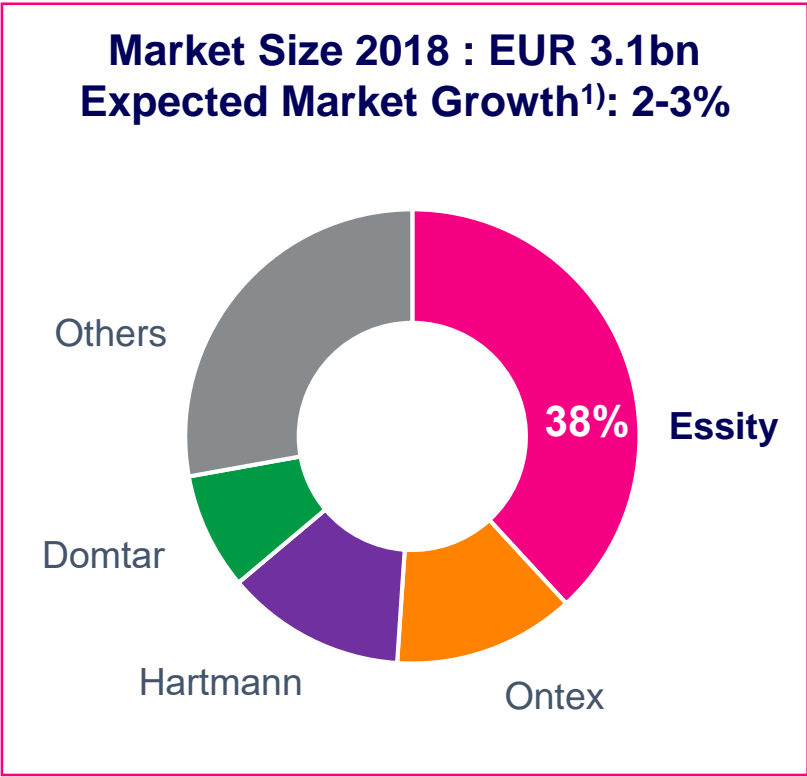
TENA – Global Market Leader in EUR 9.4bn Market

Global



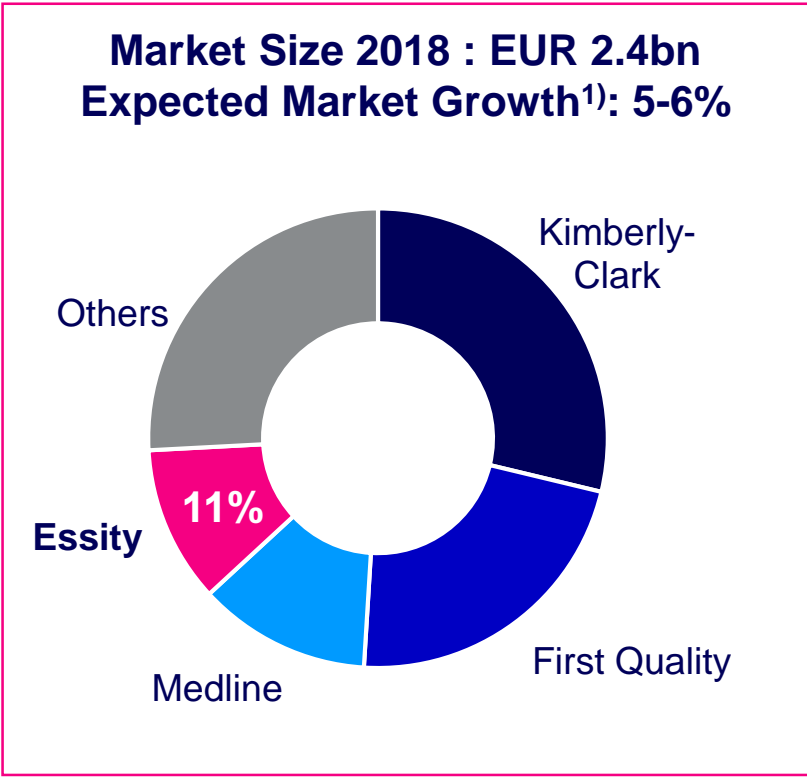
Essity #1

Europe



Essity #1

North America



Essity #4

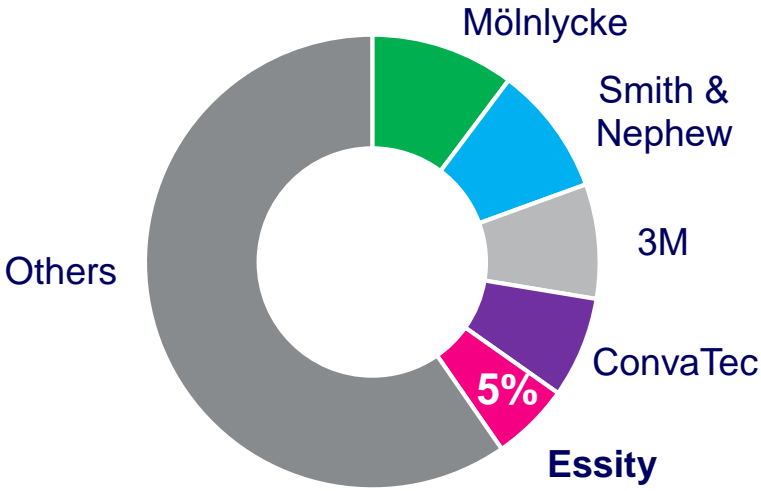
¹⁾ Expected Market Growth CAGR (Compound Annual Growth Rate) 2018-2023
Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

The Medical Solutions Market

Strong Positions in EUR 12.6bn Market

Wound Care

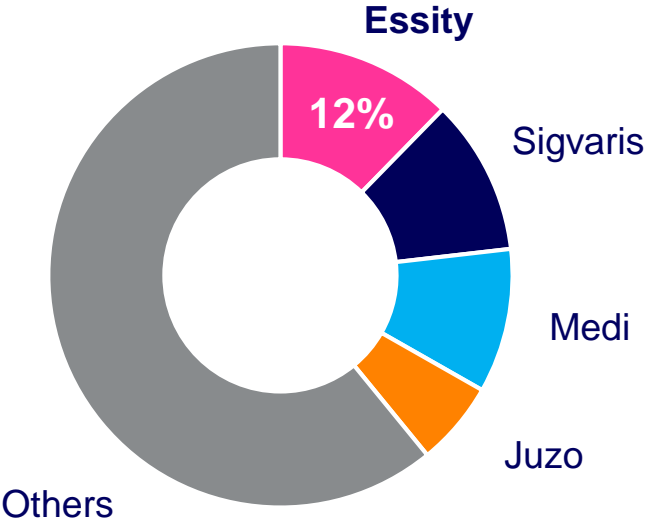
Market Size 2018: EUR 6.4bn
Expected Market Growth¹⁾: 3-4%



Essity #5

Compression Therapy

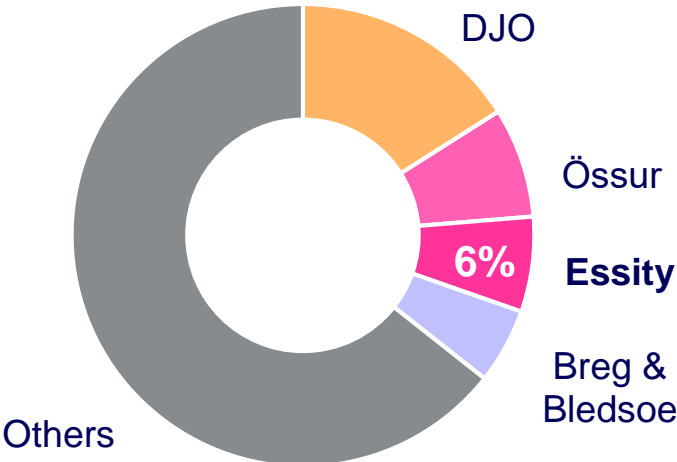
Market Size 2018: EUR 2.0bn
Expected Market Growth¹⁾: 3-4%



Essity #1

Orthopedics

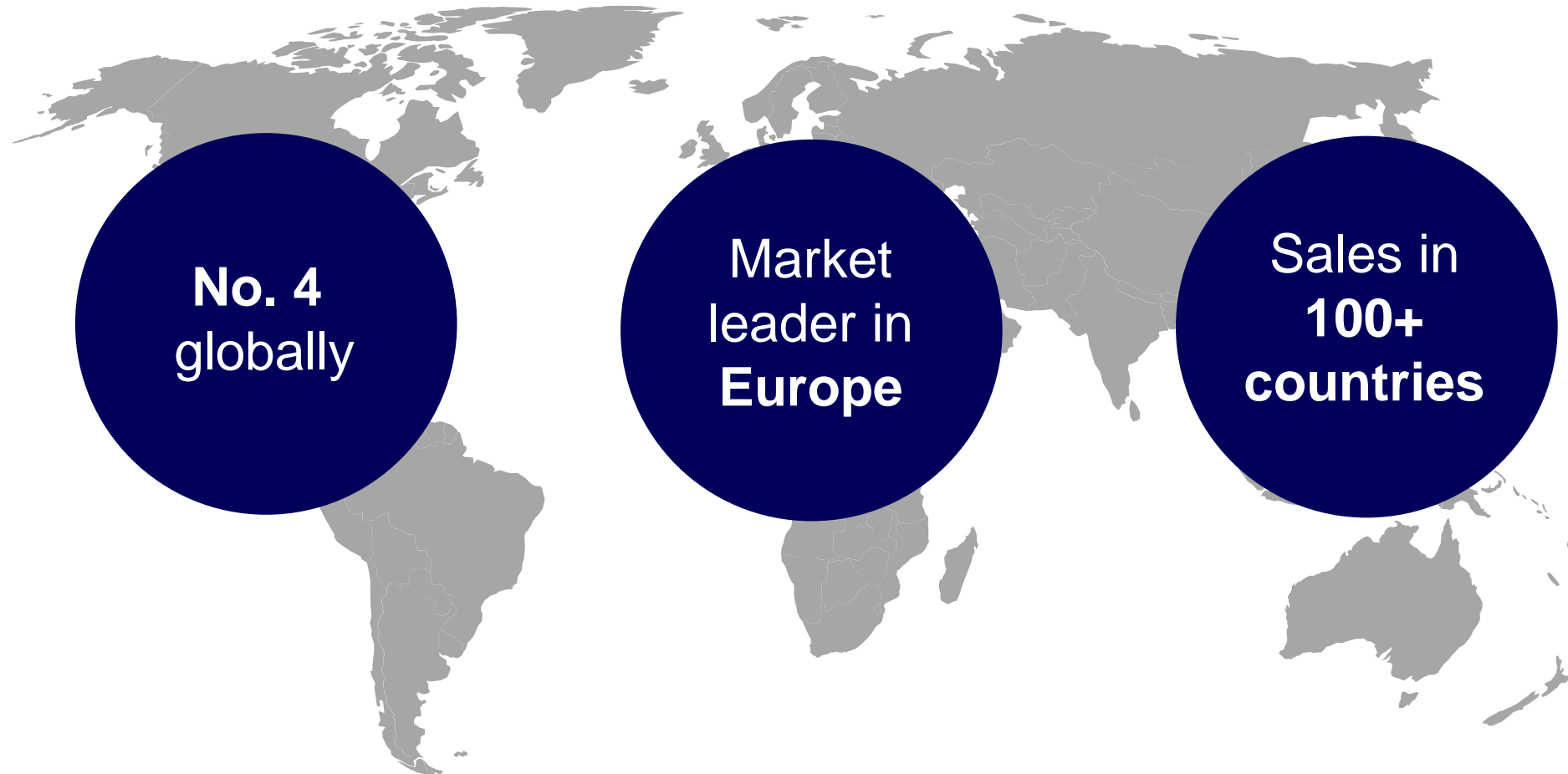
Market Size 2018: EUR 4.2bn
Expected Market Growth¹⁾: 3-4%



Essity #3

¹⁾ Expected Market Growth CAGR (Compound Annual Growth Rate) 2018-2023
Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Leading Market Positions Medical Solutions



Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Market Trends

Growing Market

- Growing and aging population
- Increasing prevalence of chronic diseases such as diabetes and obesity
- Market penetration increasing
- Increased access to health care in emerging markets
- Higher patient awareness and self-diagnosis



Increased Cost Pressure

- Increased pressure on public funding
- Market consolidation both in health care and retail
- Changes in reimbursement systems, increased self-contribution



Category Strategies

Incontinence Products



Lead and shape the market

Wound Care



**Advanced:
Accelerate growth
and create scale**

**Acute:
Strengthen
market position**

Compression Therapy



**Strengthen
market leadership
with JOBST**

Orthopedics



**Maintain No. 1
position in Fracture
Management**

Priorities for Profitable Growth

- Accelerate growth across markets and channels
- Leverage effective Go-to-Market
- Increase value through innovations
- Shape the health care market
- Improve efficiency and reduce cost



Accelerate Growth Across Markets and Channels

Incontinence Products in Health Care Europe

Growth above market



- Market share growth through
 - Tender excellence
 - Competitive product assortment
 - Added value services and support
- Price increases
- Improved mix through differentiated innovation, upselling and adjacent products and solutions

Continue execution of success recipe



TENA Solutions

Accelerate Growth Across Markets and Channels

Incontinence Products in Retail Europe

Accelerated growth in a more competitive market



- Strong organic sales growth
- Clear no. 1 with ~50% market share
- More discreet and feminine TENA Lady light pads
- Gender specific pants assortment
- Increased investments in advertising and promotions



Playing to win



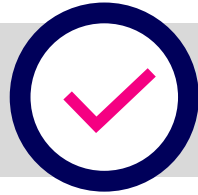
- Revitalizing TENA brand, packaging and advertising
- Launching first black protective underwear
- Continuing strong innovation program
- Increasing investments in advertising and promotions



Accelerate Growth Across Markets and Channels

Incontinence Products in North America

Turn around of business achieved



- Savings in all parts of the value chain
- Strong profitability improvement
- Good organic sales growth
- Launch of Intimates concept for differentiation



Secure continued value creation



- Leverage new brief technology in health care
- New customer acquisition strategy
- Strengthen position in US retail through differentiation
- Grow e-commerce
- Leverage the broader portfolio to better meet customer needs



Accelerate Growth Across Markets and Channels

E-commerce

Well positioned with TENA in e-commerce



- TENA web shop complements external web shops and retailers e-commerce
- **16%** growth in self-pay e-commerce 2018
- More than fair share in the e-commerce channel

Further accelerate growth in e-commerce



- Continue to grow TENA sales above market growth in e-commerce
- Leverage TENA know-how to accelerate e-commerce for medical solutions



Accelerate Growth Across Markets and Channels

Medical Solutions

Strong growth across many markets



- Double digit growth in several markets
- Starting to leverage cross selling opportunities
- Turned around Germany after establishing new sales and marketing organization

Turnaround North America

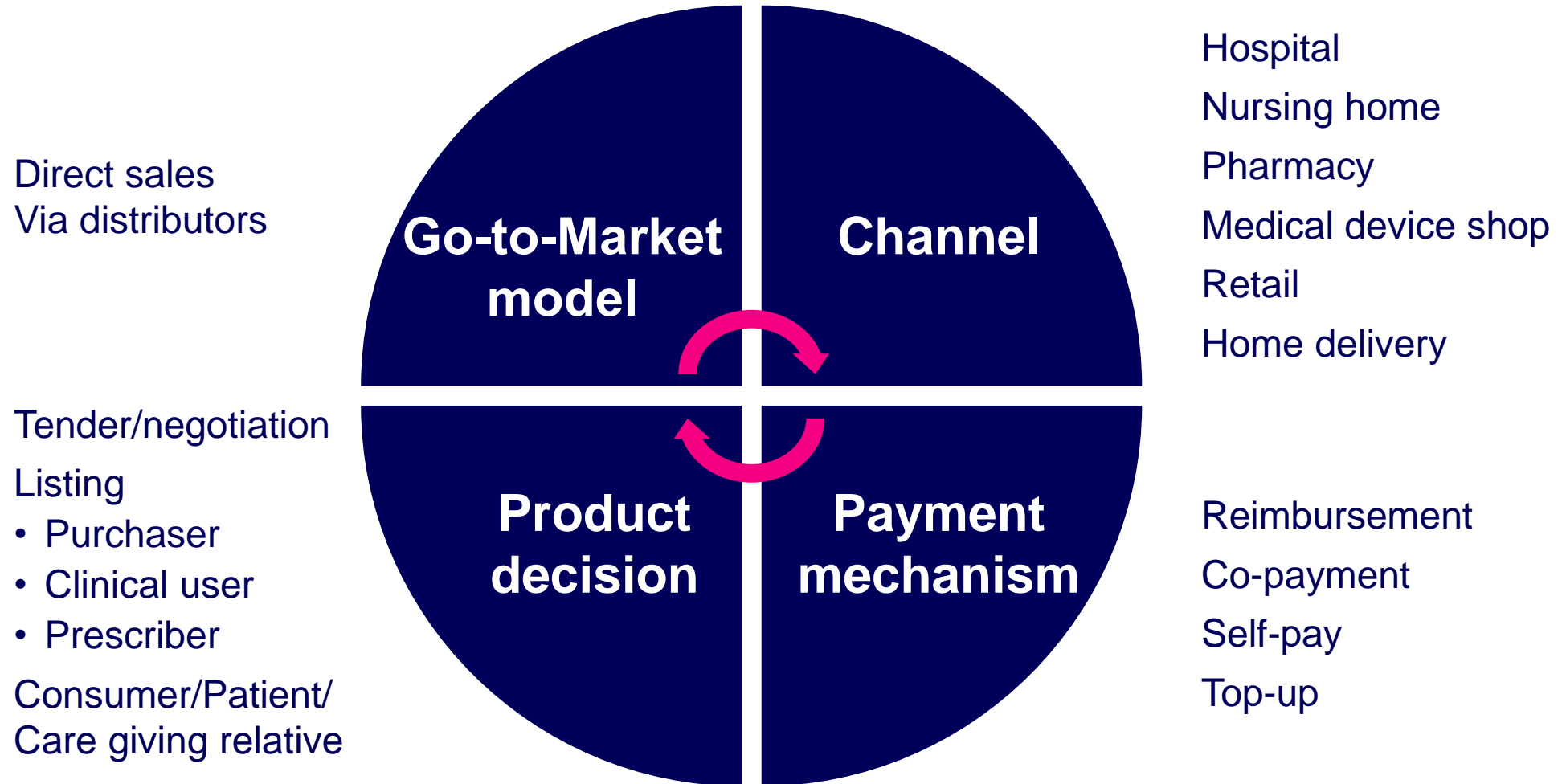


- Merger of Incontinence Products and Medical Solutions under new leadership from February 2019
- Strengthening assortment
- New sales and marketing set up



Leverage Effective Go-to-Market

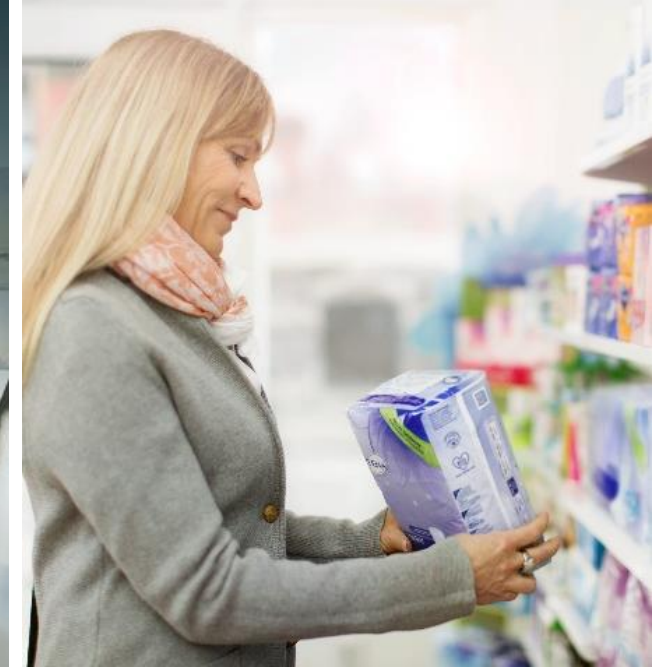
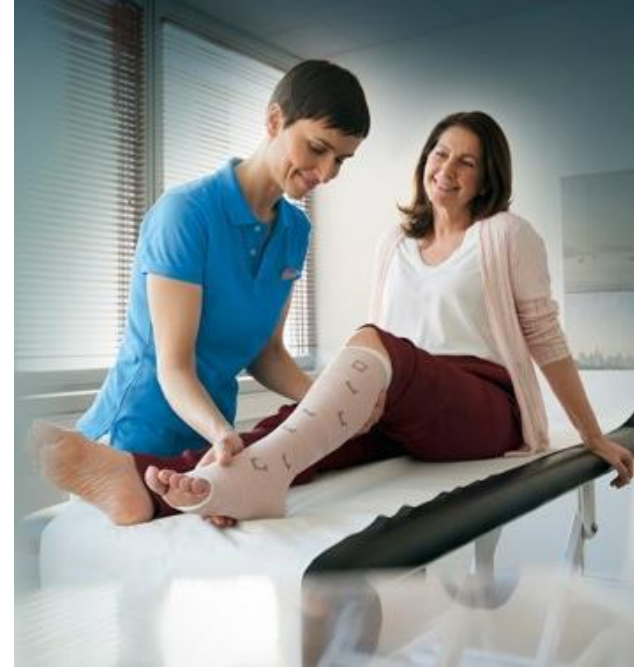
Based on Local Call Points, Leveraging Global Processes



Leverage Effective Go-to-Market

Leveraging the Market Complexity – A Competitive Advantage

- Leverage multi-category business and scale
- Clear segmentation drives innovation, assortment and communication:
 - Target group
 - Channel
 - Consumer/patient access
 - Product area



Increase Value Through Innovations

Medical Solutions Innovations Strengthening Preference and Brands



Leukoplast antimicrobial spools

Plastic rings with antimicrobial features



Cutimed® Siltec® Sorbact®

Combining two cutting edge technologies



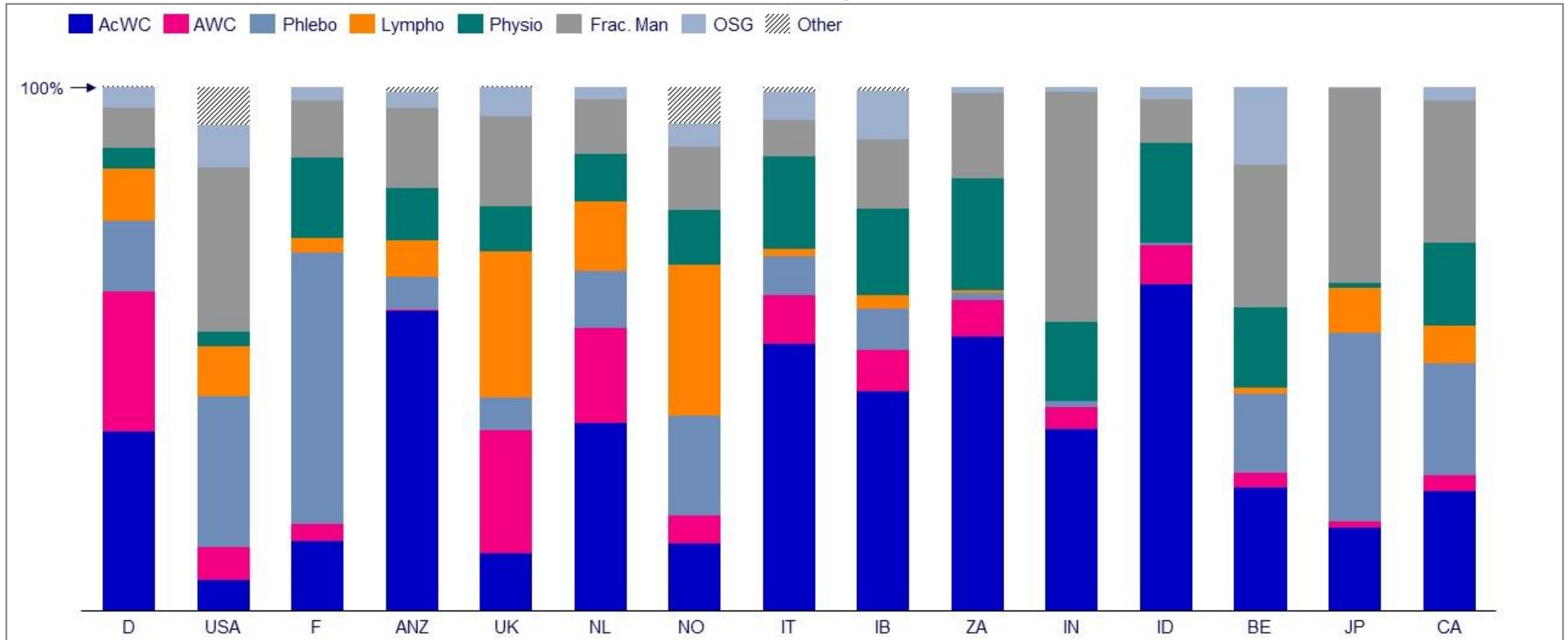
“Consumerizing” JOBST

Leveraging Essity Know-How

Increase Value Through Innovations

Opportunity to Better Leverage Current Assortment Through Global Roll Out

Share of Net Sales per Segment and Market



Increase Value Through Innovations

Profitable Growth From Innovations



Profitable growth from pants innovations

High margin segment

Organic sales growth CAGR 2016-2018: **6.4%**



Differentiation by leading in skin health

Moving from absorbency to skin health increase relevance with our consumers and customers.

Increase Value Through Innovations

Sustainability – A Competitive Advantage

Sustainable value creation in practice



Proven benefits
with TENA
Solutions


Well-being
81%

of staff agree residents' well-being is improved¹⁾


More from less
-44%

time spent on
incontinence-related tasks²⁾


Circularity
-31%
Waste²⁾

Smarter
solutions using
less material



Carbon footprint reduction
up to 33%
for TENA products in Europe³⁾

Sustainability as a competitive advantage for the future



- Continue carbon footprint reduction through smart solutions
- Reduce plastics
- Develop post consumption waste solution
- Leverage TENA Solutions and current and future digital solutions

¹⁾ Results from 47-95 TENA Solutions case studies involving 438-1018 respondents around the world, mainly Europe but also USA and Canada. Results vary across countries and care homes. 2012-2014

²⁾ Average percentages from between 85-181 TENA Solutions case studies around the world, mainly Europe but also USA, Canada and China. Results vary across countries and care homes. 2011-2013

³⁾ 2008-2017

Shape the Health Care Market

Transforming Health Care with Digital Technology

Winner Patient Well-being Award 2018: *“95% of elderly at Norrgården nursing home use incontinence protection. TENA Identifi has helped reduce costs and increase patient well-being”*



Expanding
TENA Identifi
to pants



Launch of TENA
SmartCare™ to
professionals and
care giving relatives



JOBST®
LEXpert®360
3D Leg
Measurement
technology



We aim to be the
best partner in care,
by developing and
leveraging digital
solutions

Shape the Health Care Market

Building the Relationship with the Consumer and Caregiver



Our digital platform

- 1 global TENA website
- 6 target groups
- 38 markets
- 14 million visits
- 1.4 million samples/year

Shape the Health Care Market

Increase Penetration, Grow the Business and Improve Wellbeing

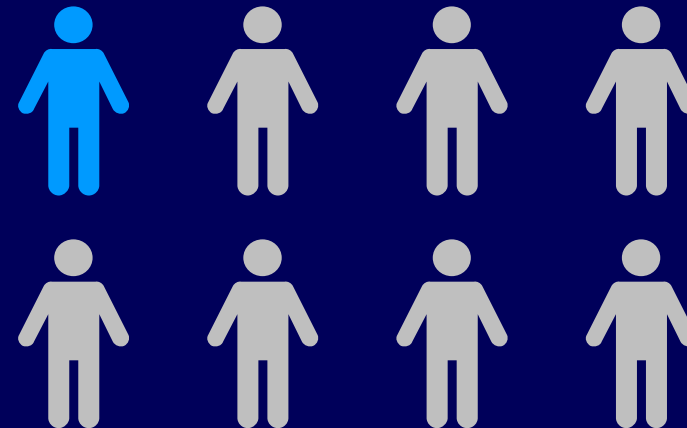
Male incontinence

Only **3%** of men experiencing urinary issues use purpose made products



Lymphology

Only **1 of 8** patients is treated with compression garments

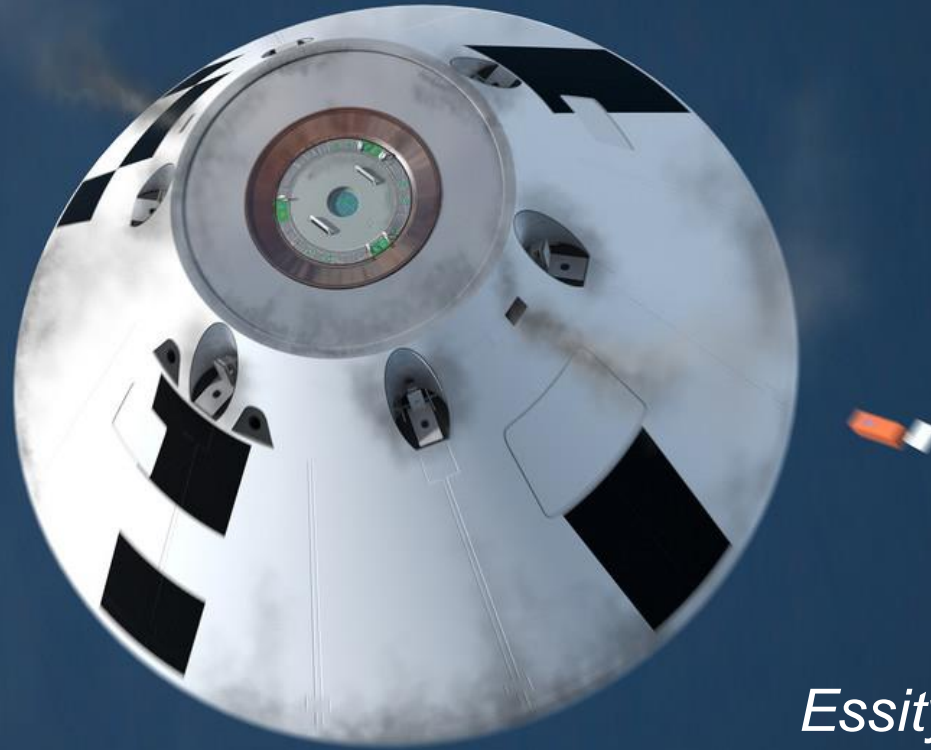


Key Takeaways

- Well positioned to drive profitable growth
- TENA and JOBST – global market leaders
- Leading medical solutions brands with strong local positions
- Excellent channel presence
- Strong customer offer and innovation pipeline
- Favorable market trends



“100% Market Share in Deep Space”



Essity and JOBST Awarded Contract by NASA to Develop Next-Generation Compression Garment for Orion Missions

Don Lewis

President, Professional Hygiene



Business Unit Professional Hygiene

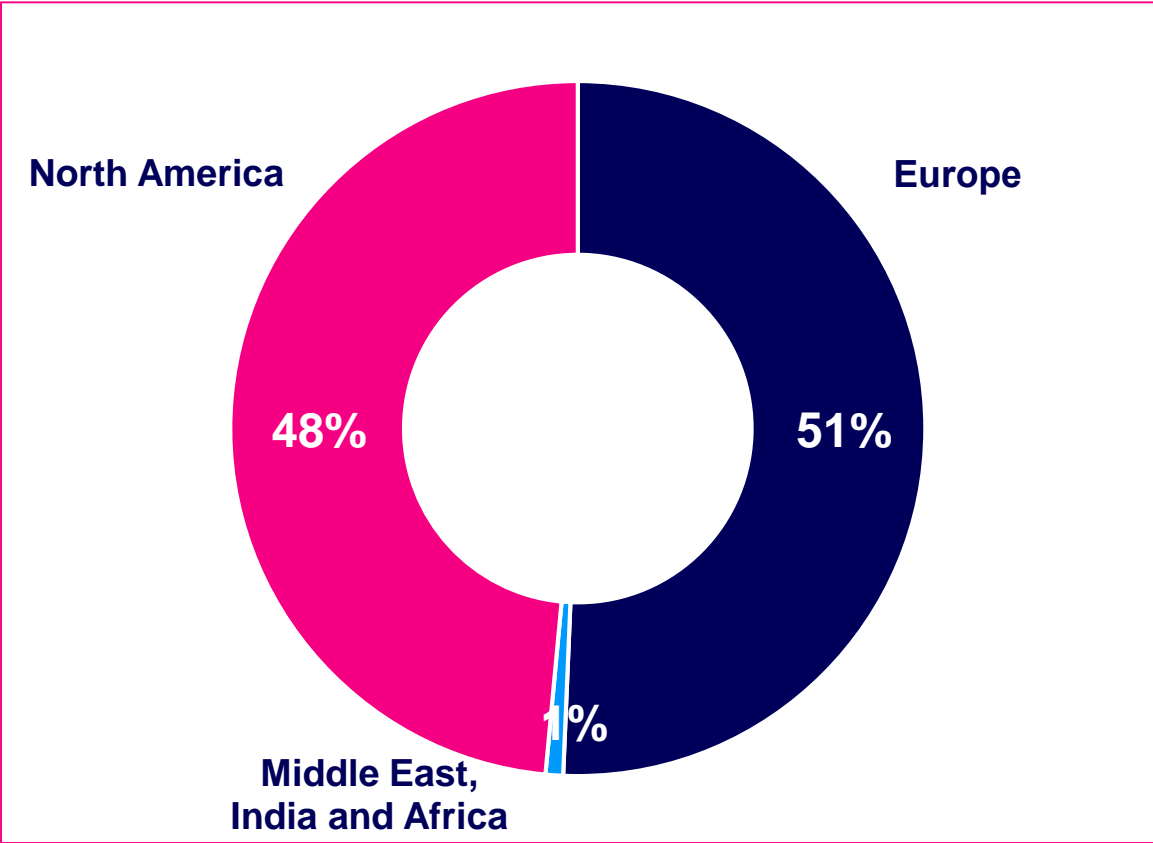
Don Lewis
President



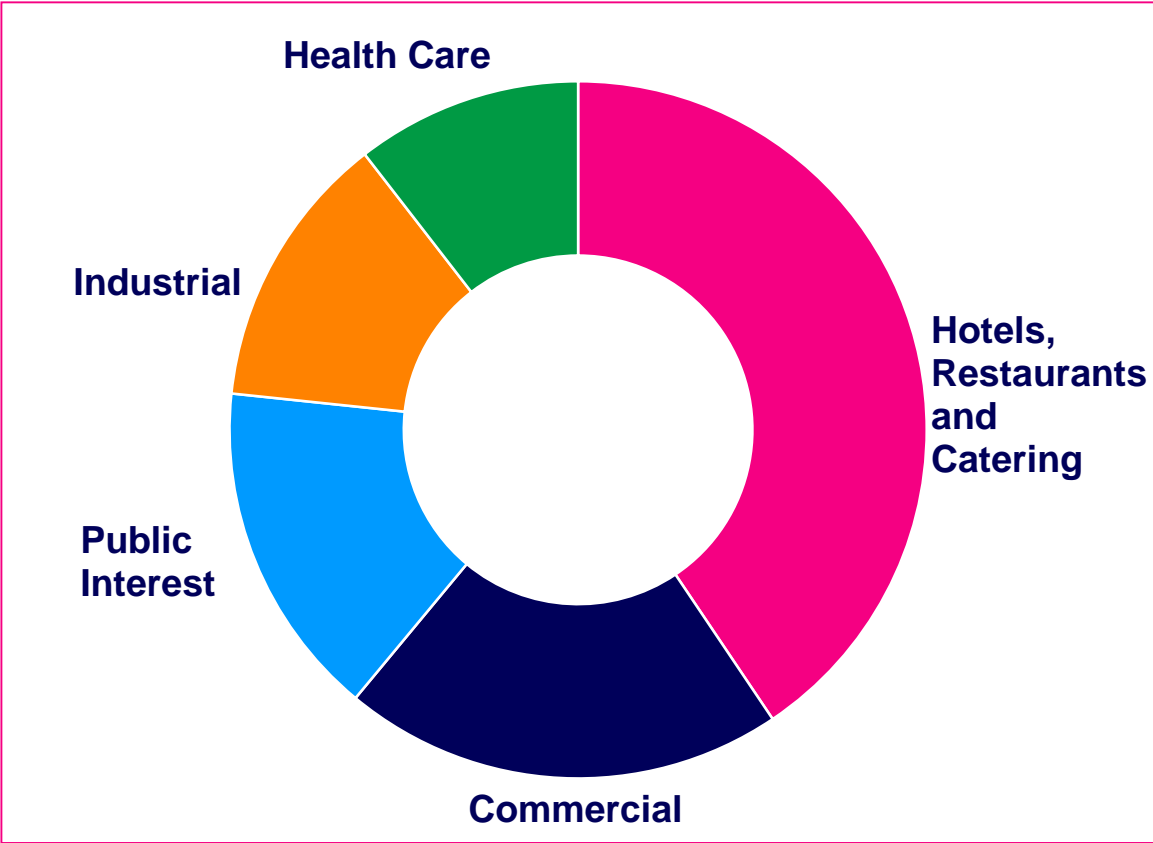
Professional Hygiene

21% of Group Net Sales 2018

Net Sales 2018 by Region



Net Sales 2018 by End Customer Segment



Our Strengths

- Professional Hygiene business with **global reach**
- **Global leading brand**
- Strong **innovation pipeline**
- Highly-experienced **sales capabilities**
- Well-established **environmental position** with unique sustainability concepts that drive customer interest
- Expanding **digital capabilities**
- Superior **Go-to-Market**
- Activating **omnichannel** approach



Tork is the #1 Professional Hygiene Brand in the World

111

Tork markets
globally

+200

Professional
Hygiene **patents**
granted or pending

+95%

of global sales
in markets
where we
have a
#1 or #2
position

6.5 Million

Dispensers
placed each year



Think ahead.

Investor Day 2019 - Professional Hygiene

Our Offer

Innovations, Solutions, Technology, Sustainability

- **Tissue** – Paper Towels, Napkins, Toilet Paper, Facial Tissue
- **Wiping & Cleaning** – Paper Wipers, Nonwoven Wipers, Kitchen Roll Towel
- **Dispensing systems**
- **Skincare** - Soap, hand lotion and hand sanitizers
- **Digital Cleaning Management** with IoT Connected Devices and Digital Cleaning Plans
- **Tork PaperCircle** recycles paper towels

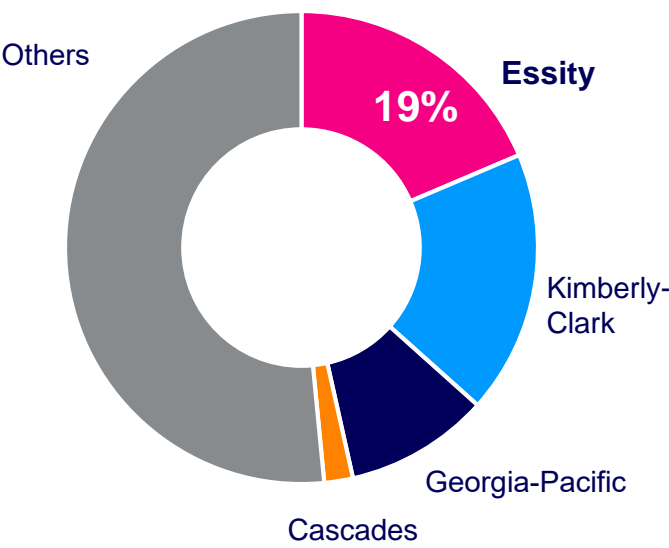


The Professional Hygiene Market

Essity is the Global Market Leader

Global

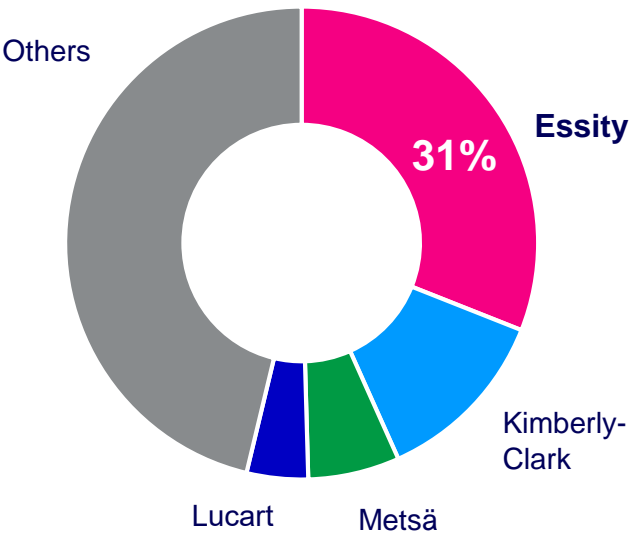
Market size 2018: EUR 14.2bn
Expected Market Growth¹⁾: 3-4%



Essity #1

Europe

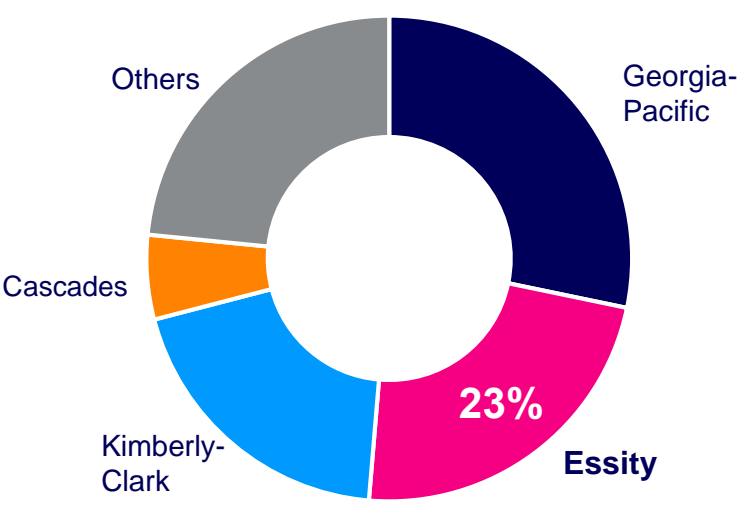
Market size 2018: EUR 3.6bn
Expected Market Growth¹⁾: 1-2%



Essity #1

North America

Market size 2018: EUR 5.0bn
Expected Market Growth¹⁾: 1-2%



Essity #2

¹⁾ Expected Market Growth CAGR (Compound Annual Growth Rate) 2018-2023
Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Market Trends Impacting Professional Hygiene



**Increasing
focus on health
& well-being**



**Cost conscious
consumer desiring
experience &
convenience**



**Digitalization
and Technology**



**Growth in
E-commerce &
Office Supply**



Urbanization



**Focus on
Sustainability &
Circular Society**

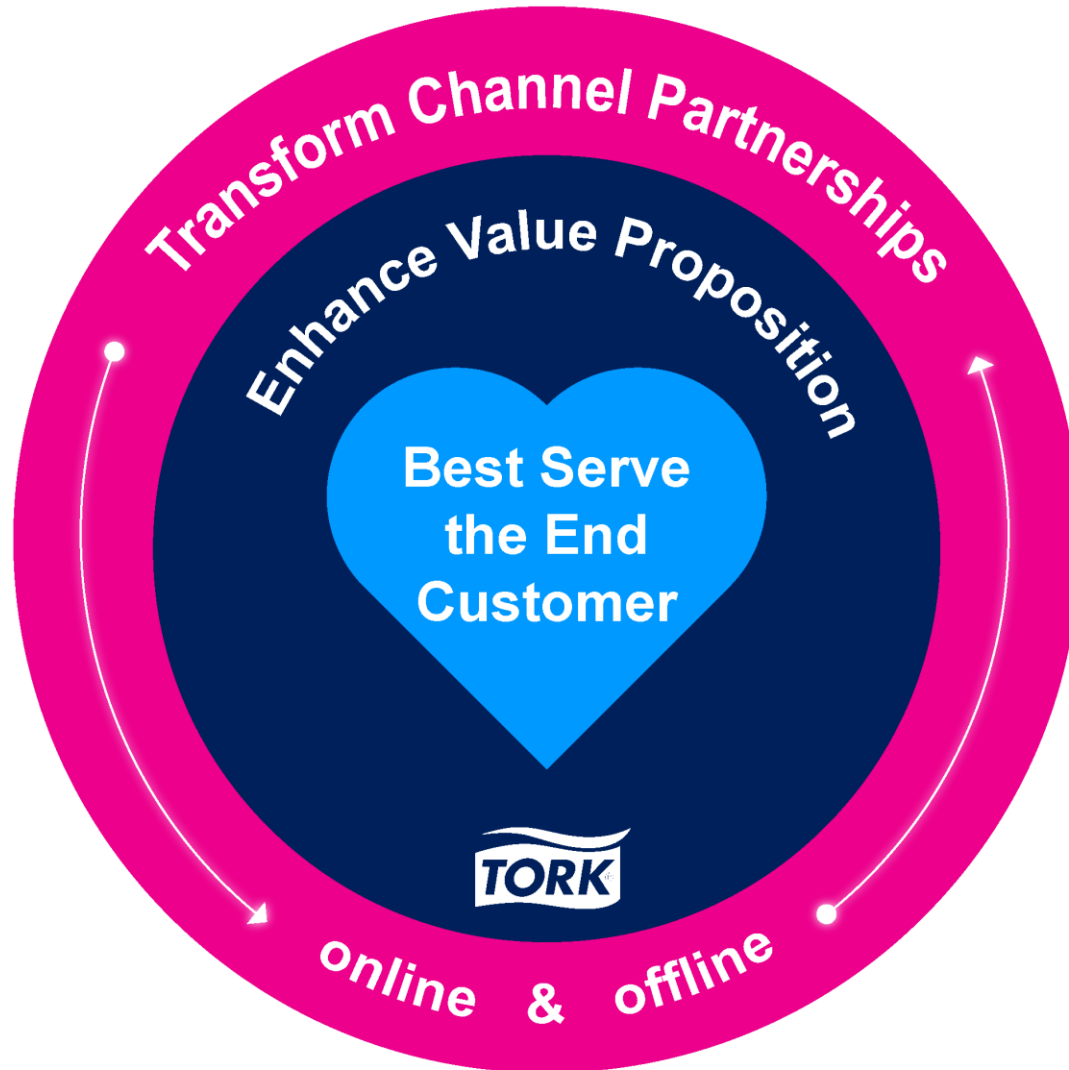


**Buying Alliances
& Partnerships**



**Disruptive
Business Models**

Our End Customer-Centric Strategy



Aspiration:
**The Global Shaper
of Professional
Hygiene Solutions**

Priorities for Profitable Growth

- Return to Growth in North America
- Execute Segment Strategy
- Build Tork Brand
- Commercialize Innovations, Grow Strategic Products, Improve Cost Position
- Scale Digital



Professional Hygiene North America

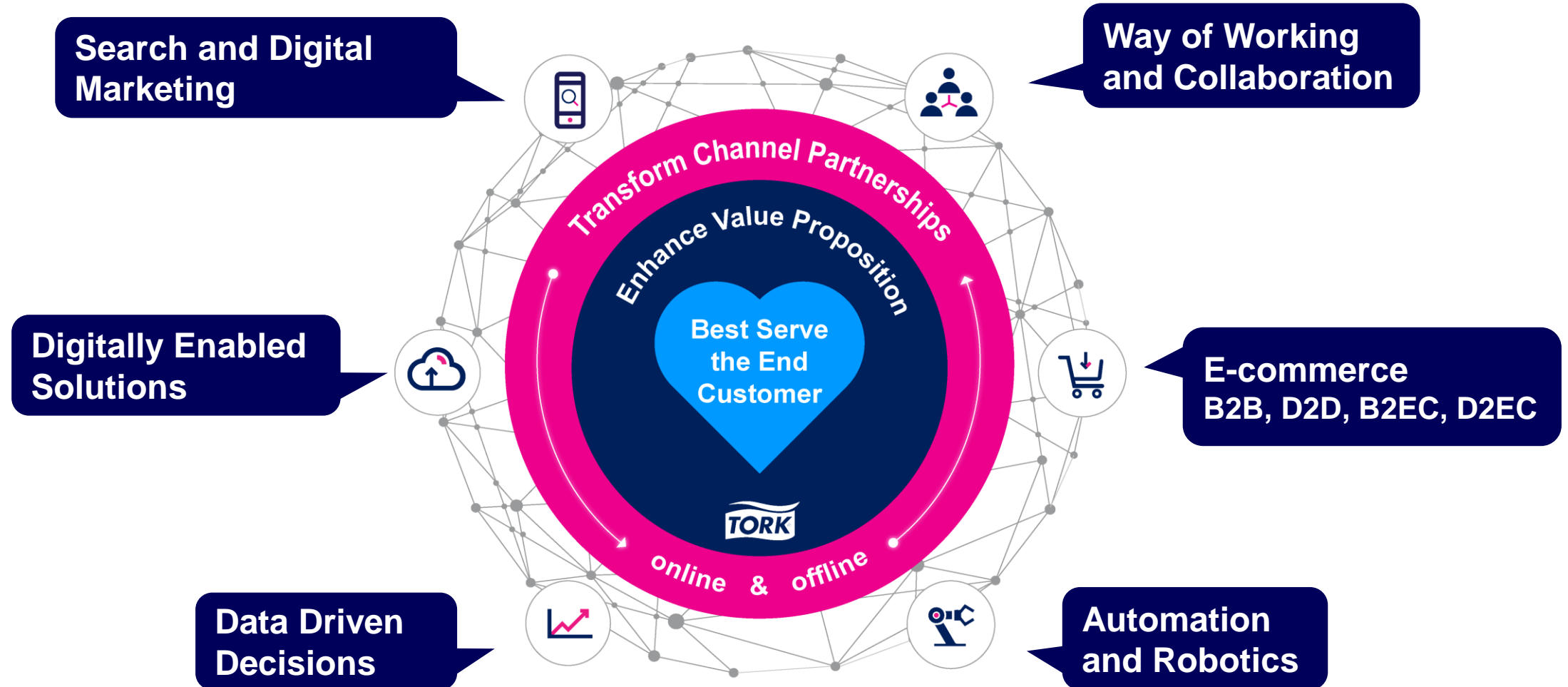
Return to Growth

- **Wausau acquisition integration completed**, targeted synergies delivered
- Initial focus on **shedding unprofitable business**
- Priority was to **offset significant raw material cost increases**
- **Margin improvement**
 - Price increases
 - Improved product mix
- Current focus on **return to growth**
 - Strategic products and key innovations
 - Enhanced Go-to-Market capabilities
 - E-commerce activation



Our End Customer-Centric Strategy

Powered by a Digital Transformation

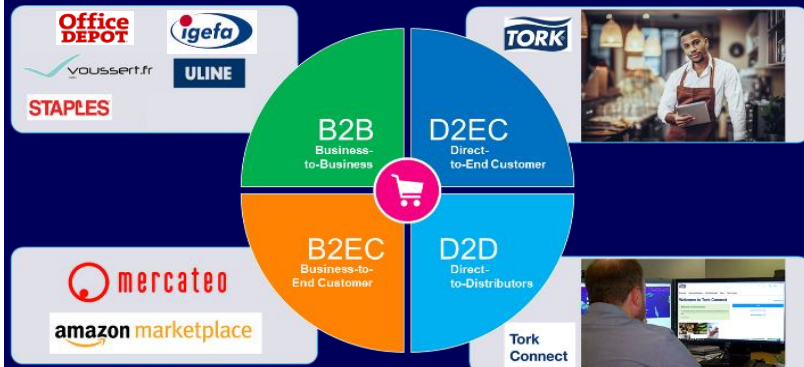


Digital Strategy Enables End Customers to Shop

Anywhere, Anytime, via Multiple Touchpoints

Holistic E-com Activation

Capture Market Shifts & Unlock New Opportunities



360° Account Support

Deliver on Requirements of the Omnichannel Era

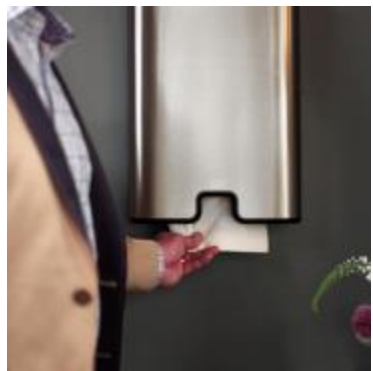


360° Brand Activation

Delight End-Customers with a Superb Experience



50 Years of Tork Innovation Leads the Market



Tork Image Design™

Full suite of high-end, stainless steel



Tork Elevation®

Sleek, modern and attractive



Tork Xpressnap®

Guaranteed 25% cost/use savings



Tork OptiCore®

100% consumption to eliminate waste



Tork EasyCube™

Intelligent facility cleaning system



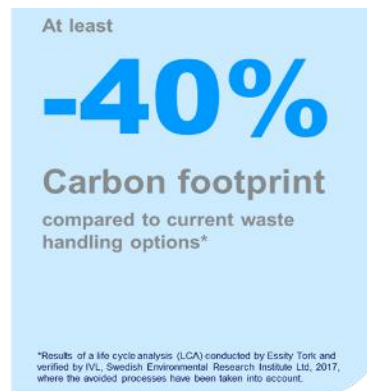
Tork Washstation

Water resistant, HACCP certified system



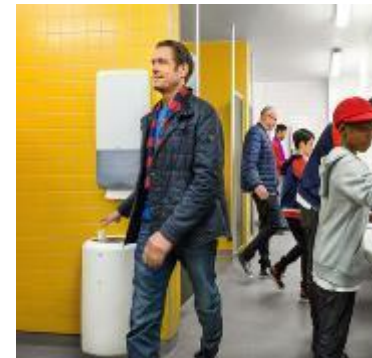
Tork Coreless

Stylish high-capacity tissue solution



Tork PaperCircle

Unique circular service to recycle customer paper towels in Europe



Tork PeakServe

Revolutionary Continuous™ Hand Towel System



Tork Reflex™

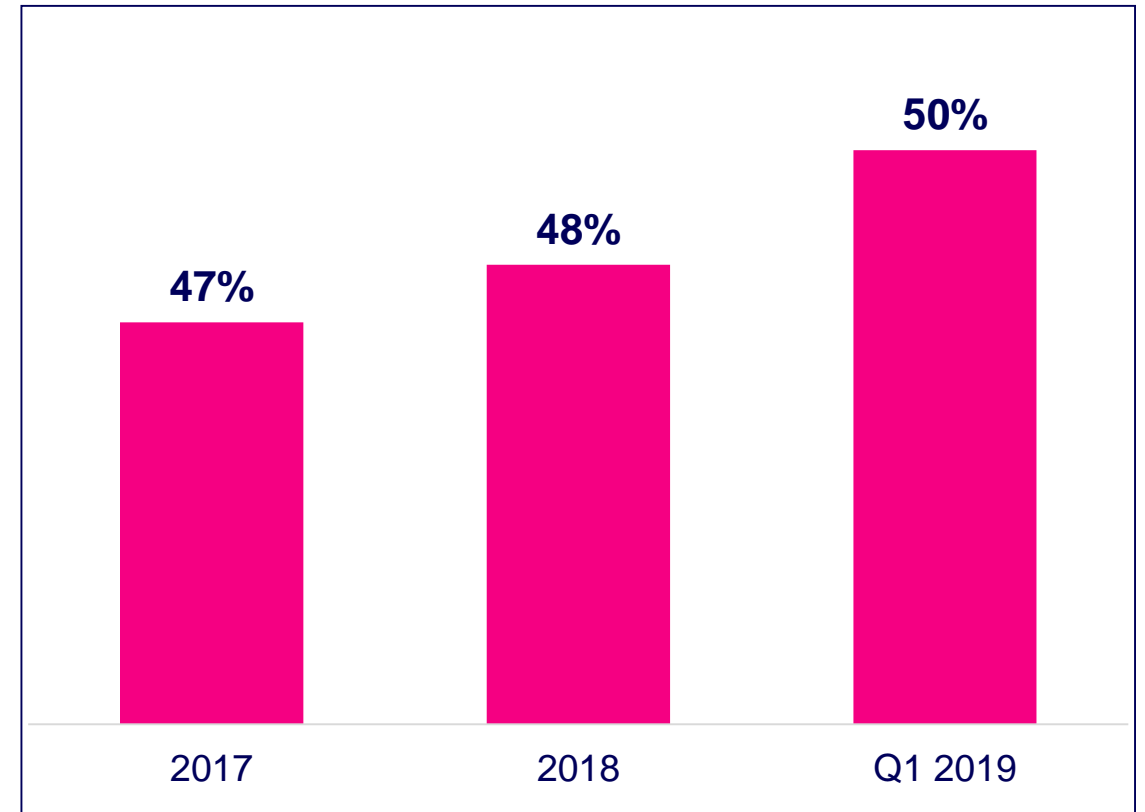
Centerfeed surface wiping solution reduces consumption by up to 37%

Strategic Products

50% of Professional Hygiene Sales Come from Strategic Products

- **Proprietary, differentiated systems with value-added benefits** to end-customers and **higher profit margins** for Essity and distributor partners
- Growth driven by:
 - Innovation pipeline
 - Sales compensation program
 - Customer programs

Strategic Products, % of Sales



Tork EasyCube®

No #1 Software for Data-driven Cleaning

- **Harnessing real-time information about cleaning needs via IoT technology**
 - Sensors in buildings and dispensers measure visitor traffic and refill levels in real-time
 - Cleaning staff: Digital cleaning plans and real-time information about cleaning needs
 - Facility managers: Cleaning statistics and KPIs to manage, follow up and optimize resources for increased efficiency

20%

Cleaning hours
saved

30%

Higher customer
satisfaction

99%

Fully stocked
washrooms



Powered by  Microsoft

Great Companies Love Tork EasyCube

Awards:



Tork PeakServe® Continuous Hand Towel System



35%

more capacity than
any other product
on the market



600

more guests
served
between refills



250%

more capacity than
a standard folded
towel system



x 2

With compressed
towels you get
twice as many
towels per m3



3 Sec

Serve guests
3 seconds faster
than air dryers



1/2

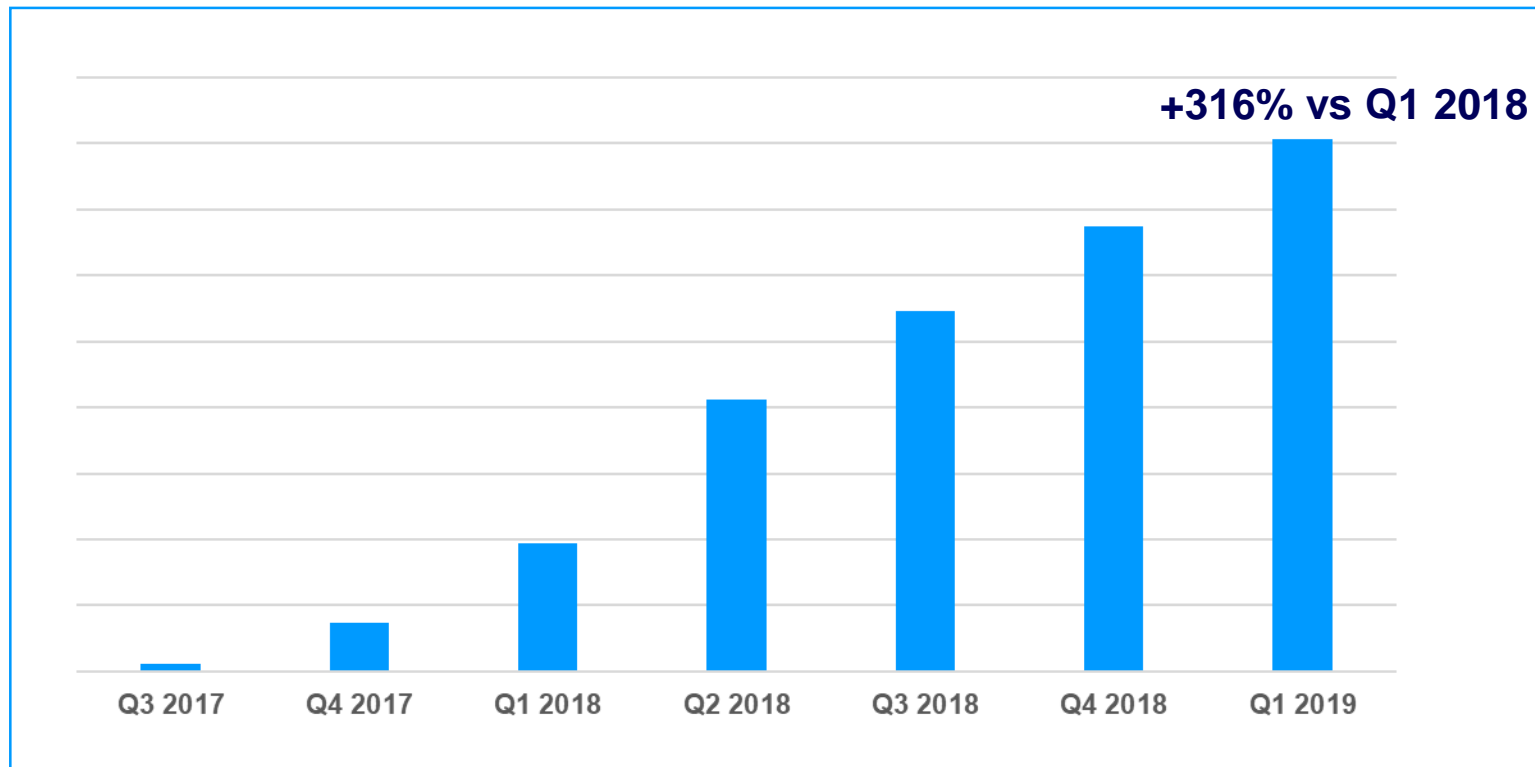
Cuts the
time needed for
refilling by half



Tork PeakServe's Rapid Growth

Launched Q3 2017, this Revolutionary Dispensing System is Outpacing Expectations

Tork PeakServe Sales



Top Selling Countries:

- USA
- Sweden
- Germany
- Canada
- UK

PeakServe Early Successes

One of the Fastest Growing Tork Innovations in History

Awards:

TWM MILL AWARDS
TISSUE WORLD MAGAZINE



MIDDLE EAST
CLEANING, HYGIENE & FACILITIES
AWARDS

Airports

Billund Airport

Heathrow



Sports



Allianz Arena



LANXESS arena



Ascot



Leisure/Conference



Education



Universiteit Utrecht

Industry

SCHAEFFLER



ABB

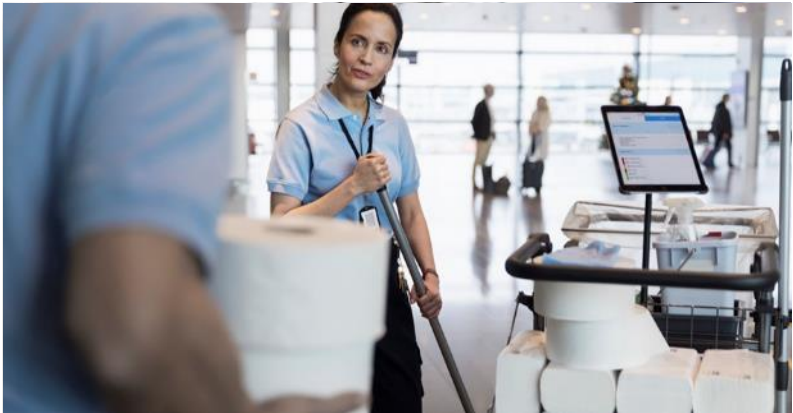


Professional Hygiene Solutions that Improve Sustainability Performance



Well-being

We have products and services that improve the work environment, and we are dedicated to raising hygiene standards for everyone away from home.



Circularity

We help your business go circular by closing the loop.



More from less

We provide solutions that reduce waste and carbon emissions.

Tork EasyCube™

-24%

cleaning rounds with improved quality with data-driven cleaning



20%

time saved through data-driven cleaning, at least

Tork Coreless™

95% less packaging waste



Tork Xpressnap™

reduces napkin consumption by at least

25%

Tork PaperCircle™

We assist universities, hospitals and businesses with their zero waste to landfill goals

Compostability

A large majority of our products in North America are certified compostable in commercial composting systems.

Tork PaperCircle, A Circular Approach for Hand Towels

The World's First Recycling Service for Paper Towels



Washroom visitors and employees use the washroom as usual, but throw their paper hand towels in a separate bin after drying their hands



Cleaners empty the bins as usual but keep the hand towels separate on the trolley



The recycling partner collects the paper hand towels and brings them to the local Essity mill



The Essity mill recycles the paper hand towels into new tissue products



The used paper hand towels are put back into the loop as new tissue products



40% Lower

Carbon footprint compared to current waste handling options*

*Results of a life cycle analysis (LCA) conducted by Essity Tork and verified by IVL, Swedish Environmental Research Institute Ltd, 2017, where the avoided processes have been taken into account.

Key Takeaways

- **Global leading Professional Hygiene business** with Tork brand
- **Innovation and sustainability** continue to be key differentiators
- Strong **Go-to-Market** model
- **360° E-commerce approach** to capture market shifts and growth
- **Delivering profitable growth with opportunities in mature and emerging markets**



Volker Zöller

President, Consumer Goods



Business Unit Consumer Goods

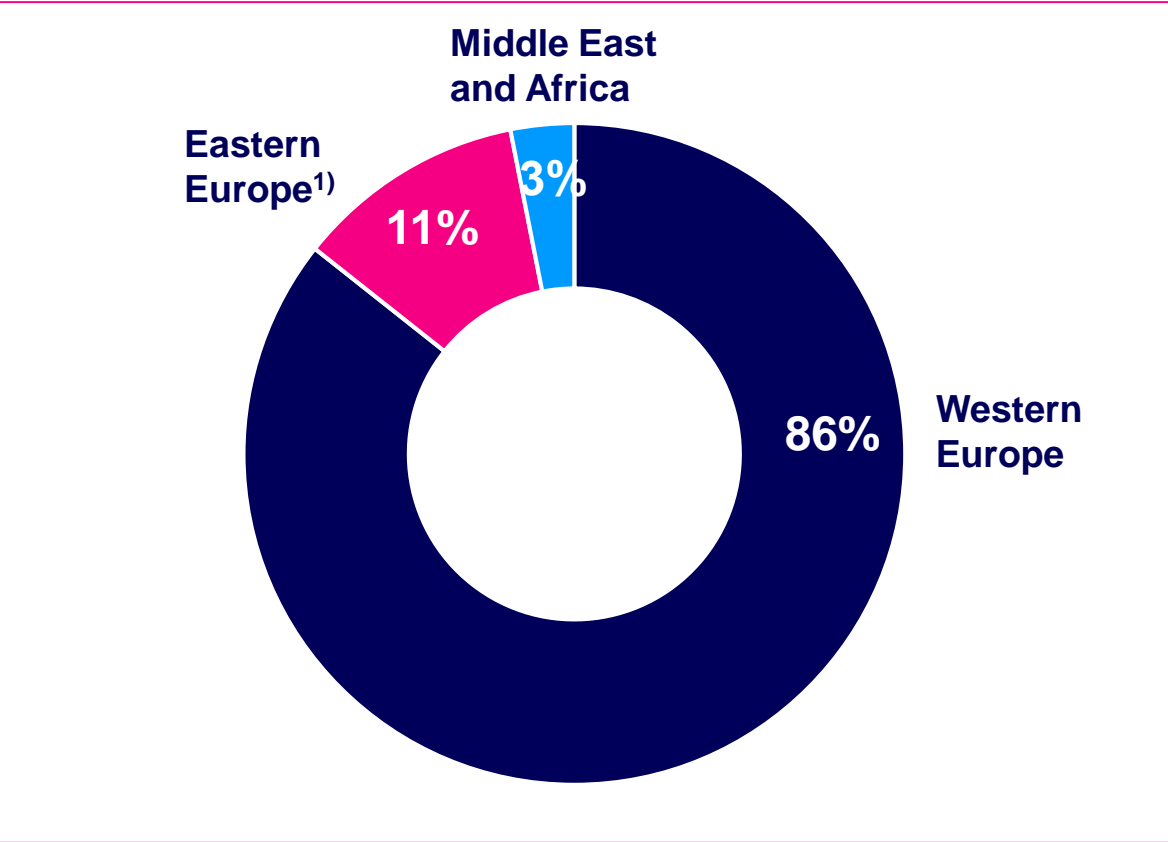
A photograph of a man and a young girl in a supermarket aisle. The man is holding the girl, and they are both looking at a large package of Libero Comfort diapers on a shelf. The package is white with blue and yellow accents and features the Libero logo and the word 'Comfort'. The background shows other shelves stocked with various products, creating a sense of a well-stocked grocery store.

Volker Zöller
President

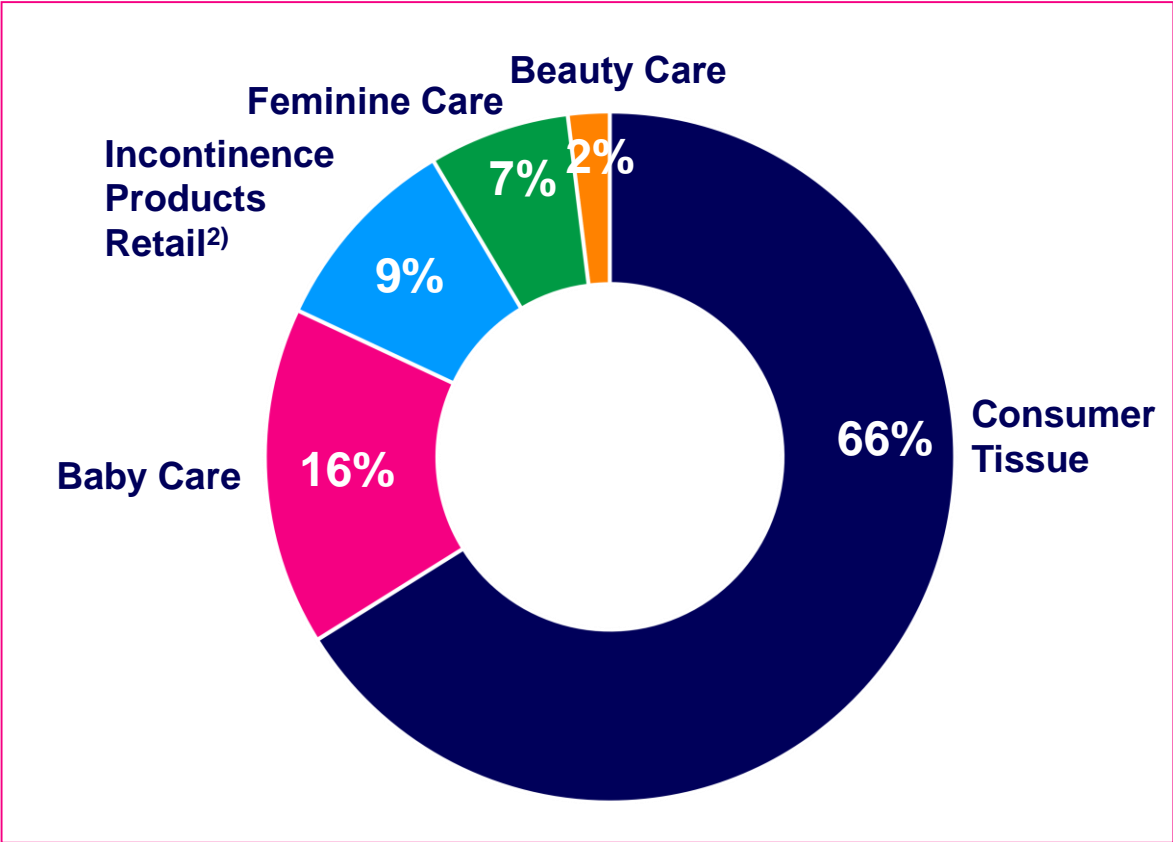
Consumer Goods

32% of Essity Group Net Sales 2018

Net Sales 2018 by Region



Net Sales 2018 per Category



¹⁾ Including Russia ²⁾ Responsible for the sales of incontinence products in the retail channel, net sales not included in Consumer Goods sales

Our Strengths

- Top-10 non-food supplier in almost all retailers
- European footprint in a consolidating retailer landscape
- Dual track strategy
- Superior Go-to-Market approach
- Insight driven innovations and sustainability focus
- Strong presence in all online and offline channels



Products and Brands

Consumer Tissue



Baby Care



Incontinence Products in Retail



Feminine Care



Beauty Care



Libero



DEMAK UP
COTTON SCIENCE™

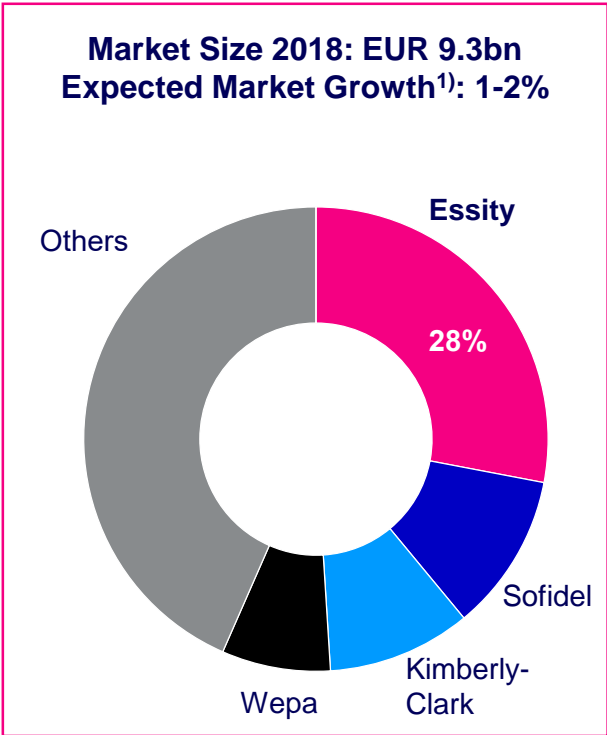
European Retail Market²⁾

Consumer Tissue

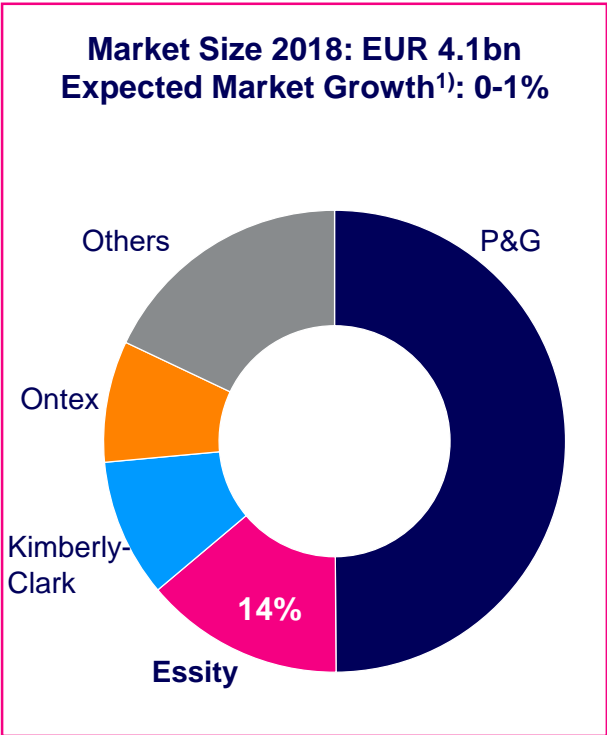
Baby Care

Feminine Care

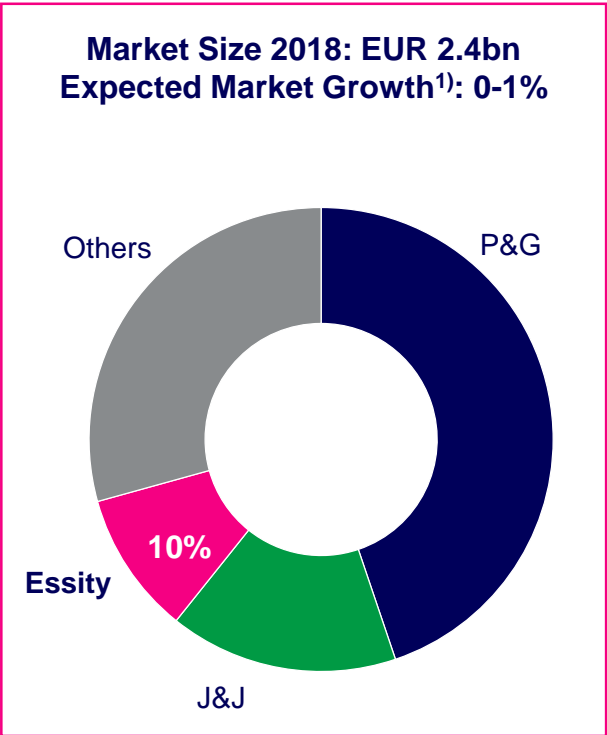
Incontinence Products in Retail



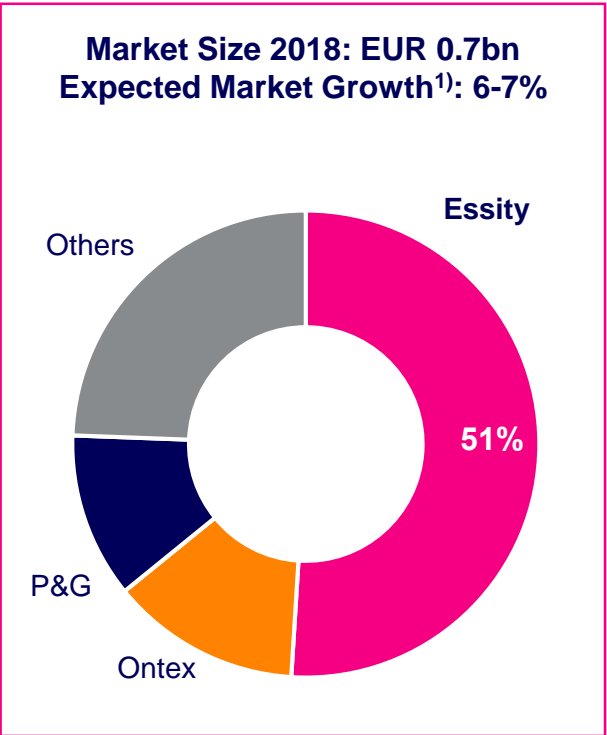
Essity #1



Essity #2



Essity #3



Essity #1

¹⁾ Expected Market Growth CAGR (Compound Annual Growth Rate) 2018-2023

²⁾ Excluding Turkey

Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

Retail Market Trends

Private label offer as well as **strong brands** are growing, especially in the premium ranges



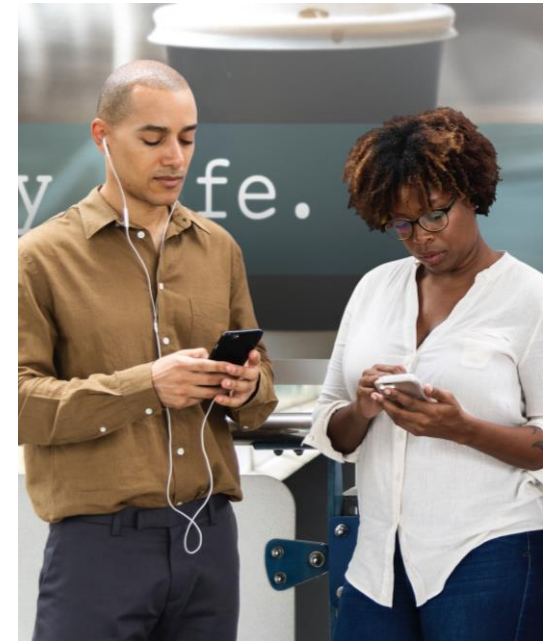
Increase of devices and platforms making the consumer more connected (**digital consumer**) and need for convenience grows (**life on demand**)



E-Commerce and **Discount** are the fastest growing channels

Consumers have an increased focus on **sustainability**

Buying groups and **buying alliances** strengthen their positions with high dynamics of retailers joining and switching between groups



Category Strategies

Consumer Tissue



**Improve Profitability,
Grow Strong Brands**

Baby Care



**Improve Profitability,
Profitable Choices in
Brand & Retail Brand**

Feminine Care



Invest to Grow

Priorities for Profitable Growth

- Focus on growth for our high margin products
- Consumer insight driven innovations for people and nature
- Launch impactful digital marketing campaigns
- Go-to-Market excellence
- Pricing focus, especially on Consumer Tissue
- Successfully execute efficiency programs



Go-to-Market Excellence

Comprises All Downward Activities that Drive Purchase of Products

Blueprints

**Commercial
Strategies and
Objectives**

**Channel
Management**

**Account
Management**

Pricing

Category Vision

**Trade Spend /
Promo Efficiency**

Perfect Store

**Sales Force
Effectiveness**

**Business
Logistics**

Examples

Perfect Store

France/Germany increasing
distribution >7-8%

Sales Force Effectiveness

Germany increasing store
visit coverage >30%

Trade Spend

Re-allocation of investments
based on ROI principles

Successful Launch of Coreless Toilet Paper

The Innovation Launched Mid-2018

- **Premium selling price** and **Online** relevance
- **Incremental sales** vs. standard range
- High **repurchase rate** and increasing **penetration**
- It **attracts retail brand shoppers**
- **Sustainability advantages:**
 - 50% less packaging
 - Lower the carbon footprint from transportation with at least 13%
 - The total carbon footprint is reduced by 6%
- **Product of the year 2019** (France gold, Germany silver)

Insights:

Convenience and Sustainability

Never run out – double the number of sheets!
Coreless reduces the carbon footprint and creates less waste.



Insight-Driven Innovation

Feminine Care “Free From” Complete Range of Daily and Period Care Products

Insight:

“I am worried about the chemicals inside my intimate hygiene products”

- **Extension** into fast growing **intimate wash category**
- 60% of consumers avoid buying products that they think could include **harmful chemicals**
- Nielsen **probability of success**: outstanding

Solution: Complete Intimate Care range (daily and period products) with 0% allergens, dyes and fragrances



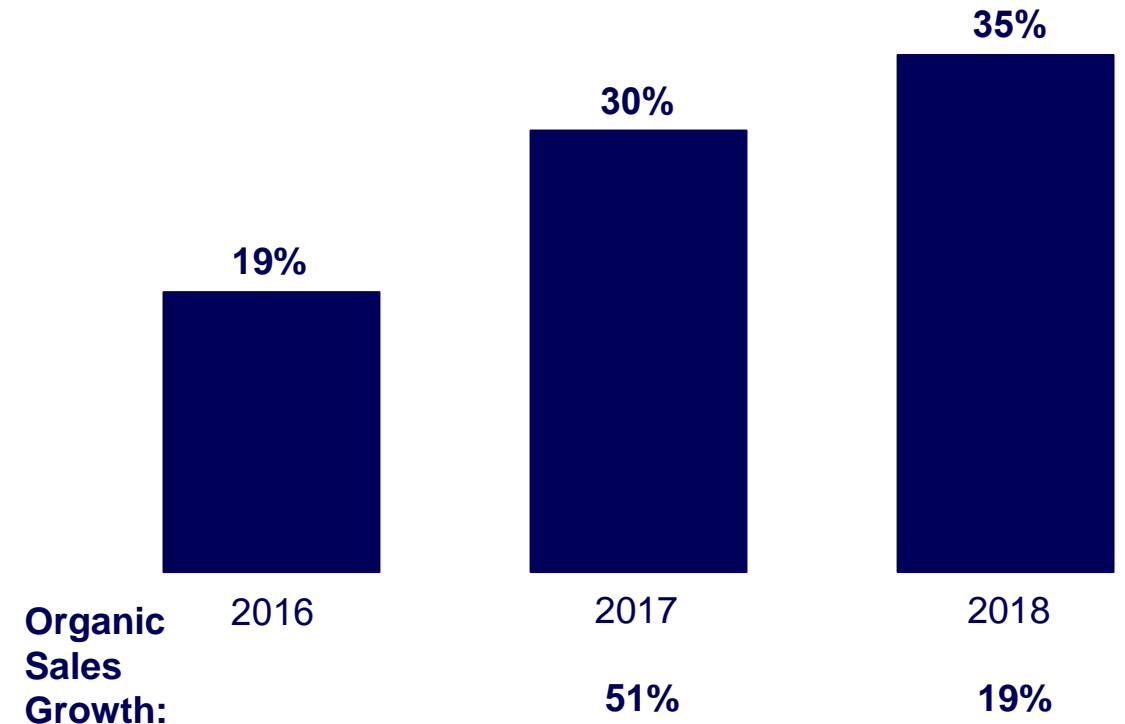
Growing Strong Brands

Growth Driver – Expanding the Offer

Research shows that **1/3** are not feeling clean enough after visiting the bathroom, but pretty much everyone wants to feel as clean as possible



Market Share Development
Lotus Moist Toilet Paper, France



Lotus Baby Drive Growth

Reinforcing #2 Branded Position in France

Good market share development

- Positive development since mid-2018: **~6% market share** in 2019
- Clear success above target **with strategic retailers**, reaching over 10% value market share
- Strong level of distribution: **78 points of weighted distribution**

Excellent consumer feedback

- **96% of consumers recommend Lotus Baby**
- Strong increasing **repurchase rate**

Driving strong brand activation and further innovations in 2019

- **Drive trial on Open & Pant** and continue recruitment of new consumers
- Strong **innovation pipeline** to further reinforce our position



Growth For Premium Baby Care Products

Working with Mix to Improve Category Value

Solution: Touch Super Premium range diapers,
with superior softness and fit

Insight:

“I want the best fit and comfort for my baby
to protect her delicate skin”

Nordic success for Libero Touch:

- 26% organic sales growth in 2018
- 22% of total Libero net sales 2018 in the Nordic countries
- 25% price premium



Strong Brands in Consumer Tissue

All-Time-High Market Share for Tempo

Tempo now has the highest market share of all times:

Germany **30.1%**

Italy **28.7%**



- Growing three times faster than the market: +6% vs. 2%
- Price Premium +30%
- Innovations like 'Washing Machine Resistance' drive sales
- Successful design collaborations with **world-known fashion designers** like Moschino, Diesel and Michalsky

World-Class Digital Marketing Creates Impact

The #Bloodnormal Campaign had an 800 Million Reach



#Bloodnormal business impact

- **Fastest growing** feminine care brand where present
- **66%** buying intention
- Launched in **5** markets, spread organically to **32** markets
- **60%** of consumers changed opinion about the brand
- **800 million** reach
- More than **50** awards, including:
 - #2 campaign in the world (WARC100)
 - Cannes Grand Prix Glass Lion and Titanium Lion

Consumer Goods A&P Spending in Digital

~ **25%** of total

Optimized Marketing with Personalization

Libero Club's Digital Journey: From Mass Marketing to 1:1 Communication



- Targeted information during pregnancy – **great recruiting tool**
- The Libero Club reaches **80% of new parents** with 1:1 communication
- With the app we **collect data** on the baby's development, size and progress, which enables us to **recommend the right product** and **share relevant content** with our consumers

Libero market share in Sweden 63%

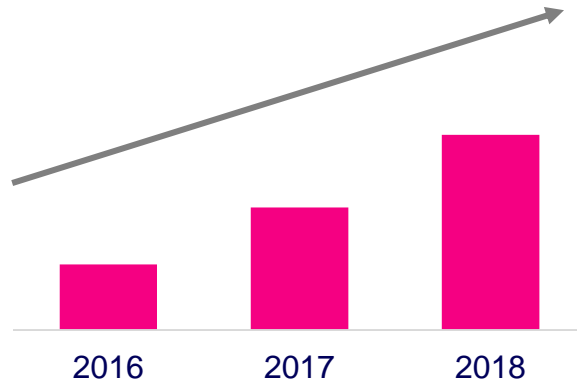


Double Digit Growth in E-commerce in 2018

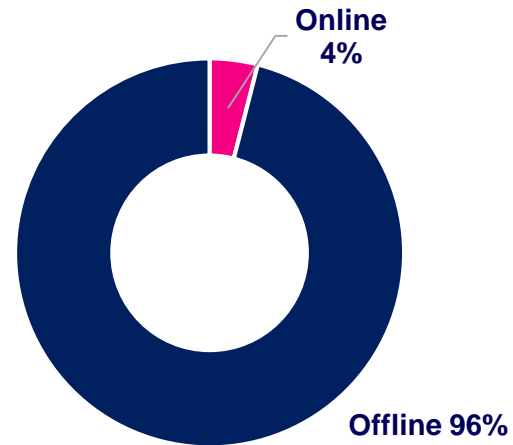
Consumer Goods E-Commerce Business

Growth in E-commerce

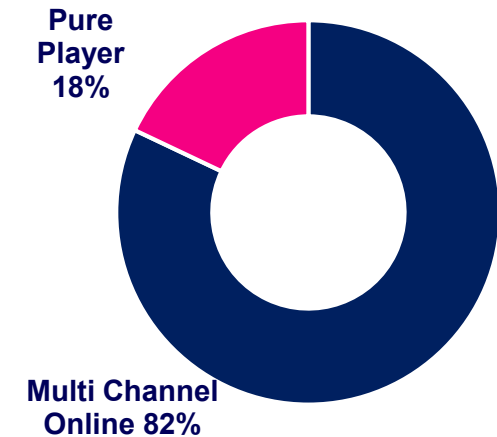
CAGR 2016-2018: ~+10%



Share of Brand Online Sales



Online Channel View



Convenient solutions to drive sales: Monthlies

- **Insight:** Online shoppers buy less often, but bigger bulks
- **Solution:** Monthly baby diaper packs, also available as a subscription at Amazon

Key Takeaways

- Continue to focus on growth in our high margin products driven by strong brands
- Significant progress with price increases and efficiency programs – will continue 2019
- Impactful digital campaigns and convenient solutions drive sales and loyalty
- We are preparing for the future with insightful, sustainable innovations and developing our Go-to-Market approach



Tempo, Tango, Tarbo or Tompe?

Strong brands? Not only Louis Vuitton and Chanel are available on the fake market!

Tempo is a very strong tissue brand in a number of markets and has the strongest brand recognition of all categories in Germany

But did you know...

... that more than **130 different brands**, are trying to copy Tempo?



Pablo Fuentes

President, Latin America





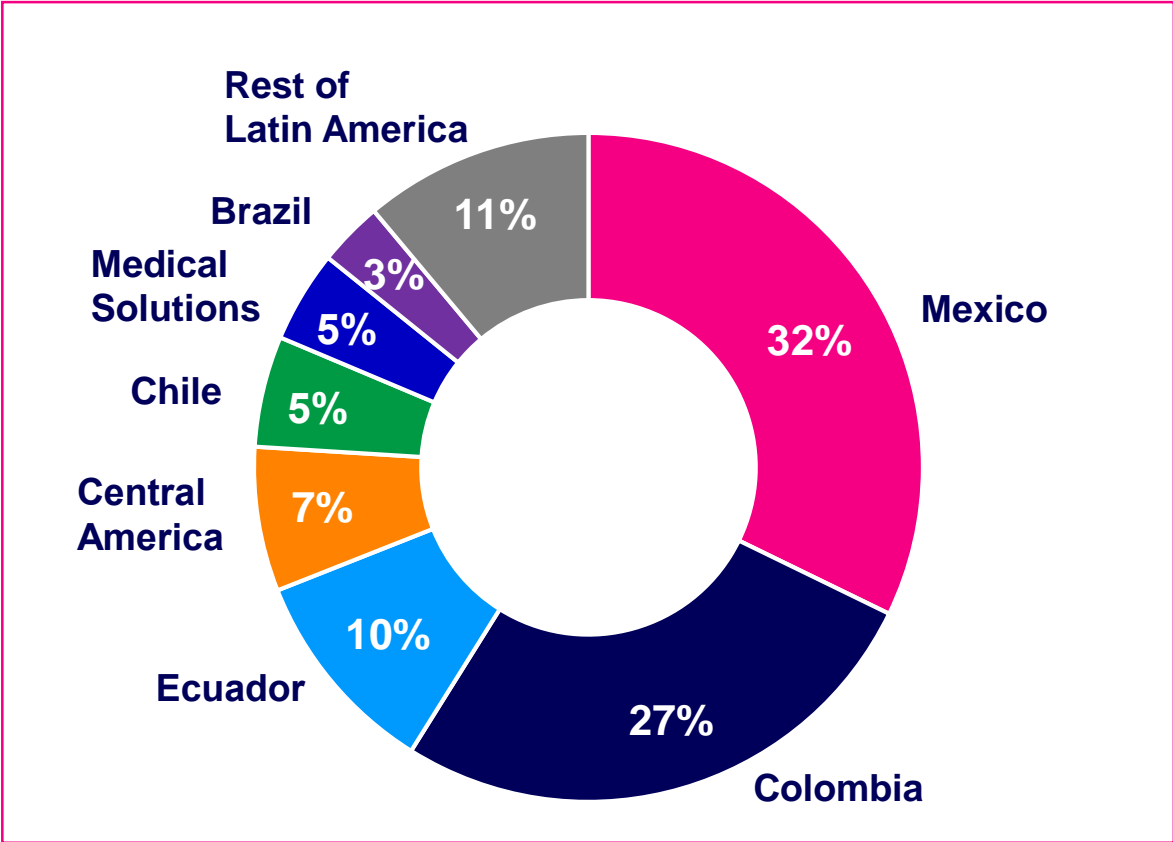
Business Unit Latin America

Pablo Fuentes
President

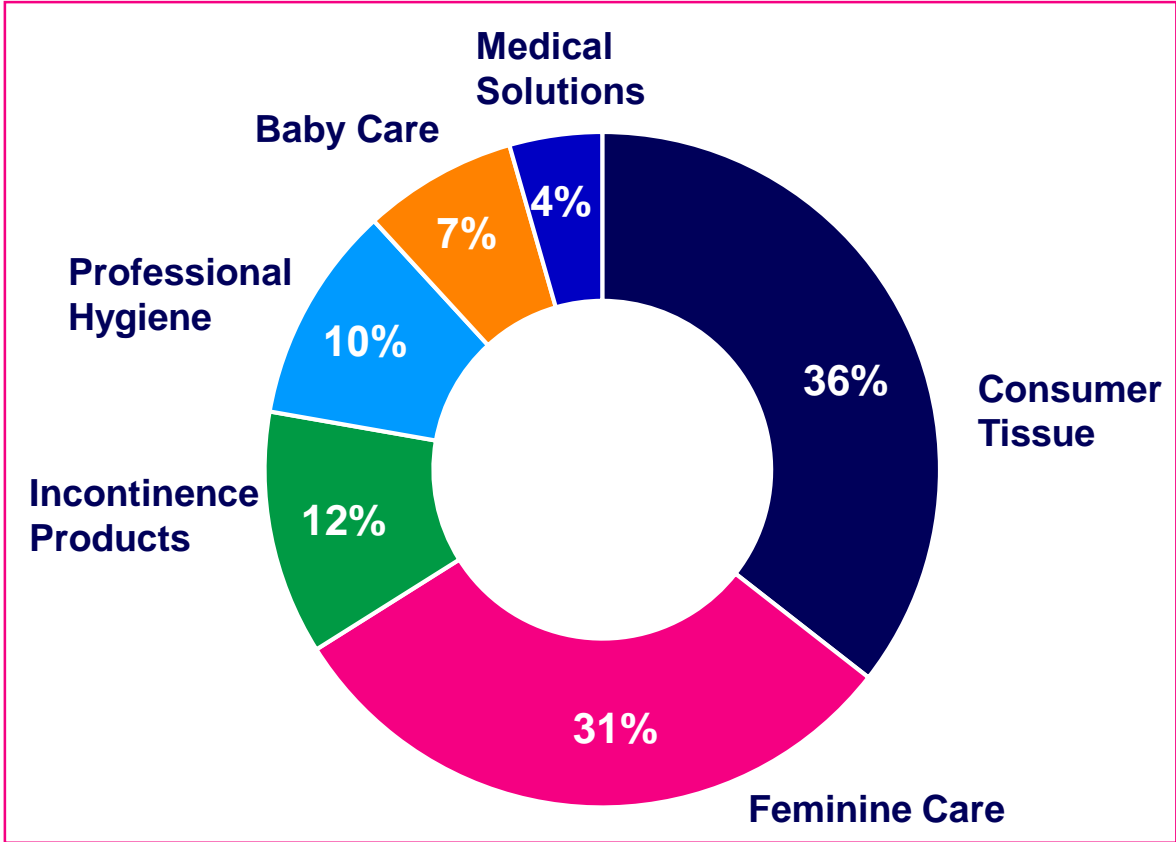
Essity Latin America

12% of Essity Group Net Sales 2018

Net Sales 2018 by Region



Net Sales 2018 per Category



Our Strengths

- **Outstanding brand equity** across the region
- Speed to market
- **Strong** Go-to-Market capabilities
- **Excellence** on point of sales execution
- Consumer driven **innovations**



Products and Brands

Professional Hygiene



TORK
Think ahead.

Consumer Tissue



Regio **Nevax**
FAVORITA **familia**

Baby Care



Pequeñín

Incontinence Products



TENA

Feminine Care



Saba **Nosotras**

Medical Solutions



Leukoplast **JOBST**
Actimove **Delta-Cast**
Cutimed

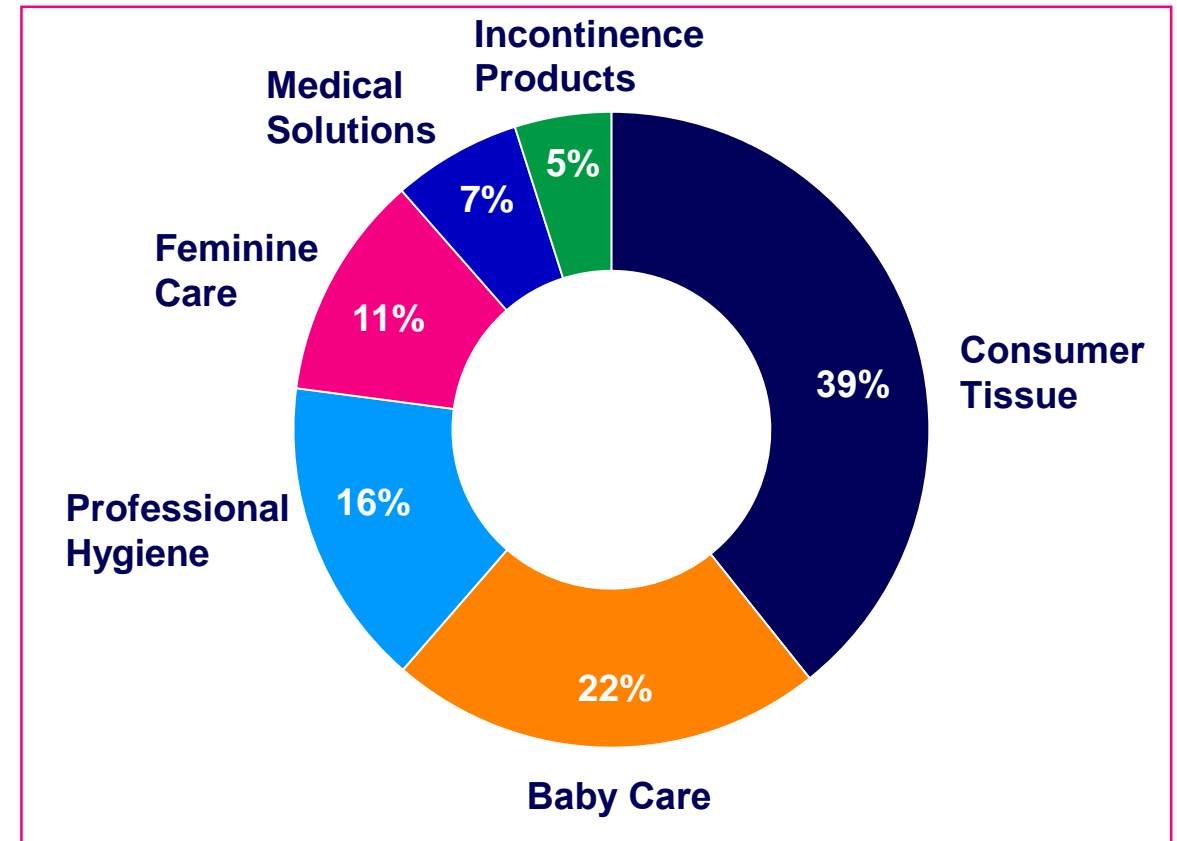
essity

The Hygiene and Health Market

Latin America

- Split almost evenly between Modern Trade and Traditional Trade
- Mainly a branded region (around 90%)
- Changing retail landscape
- Under developed categories
- Consumption per capita is still low
- Middle class expected to grow

Market Size 2018: EUR 12.2bn
Expected Market Growth¹⁾: 3-4%

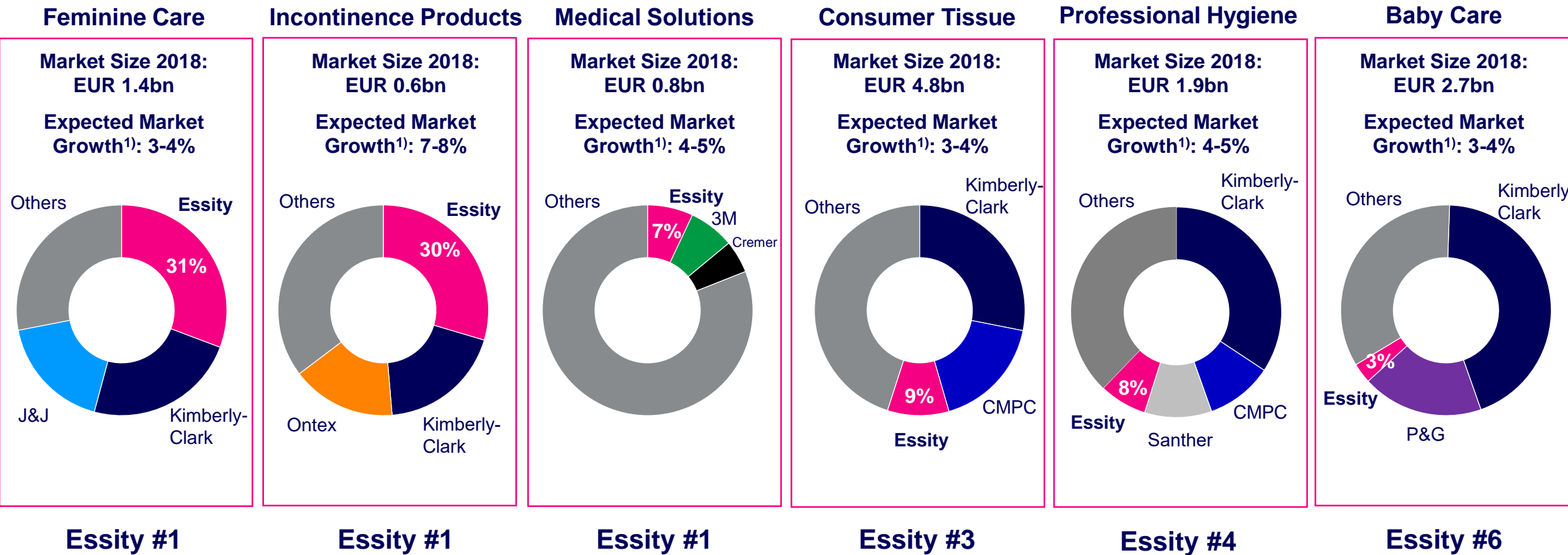


¹⁾ Expected Market Growth CAGR (Compound Annual Growth Rate) 2018-2023

Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

The Hygiene and Health Market

Latin America



¹⁾ Expected Market Growth CAGR (Compound Annual Growth Rate) 2018-2023

Source: The information has been compiled by Essity for presentation purposes based on statistics taken from external market sources such as IRI, Fastmarkets RISI, Price Hanna Consultants, SmartTRAK and National Macro Economics.

185

May 23, 2019

Investor Day 2019 - Latin America



Priorities for Profitable Growth

- Outperform in fast growing markets
- Sustain high growth in Medical Solutions to reach scale
- Lead digital transformation in both e-business and digital marketing
- Leverage strong Go-to-Market and innovations
- Manufacturing as competitive advantage



Category Strategies

Consumer Tissue



**Profitable
branded
growth**

Professional Hygiene



**Boost sales
behind
strategic
portfolio**

Personal Care

Incontinence Products



**Maintain our
positions while
increasing
penetration**

Medical Solutions



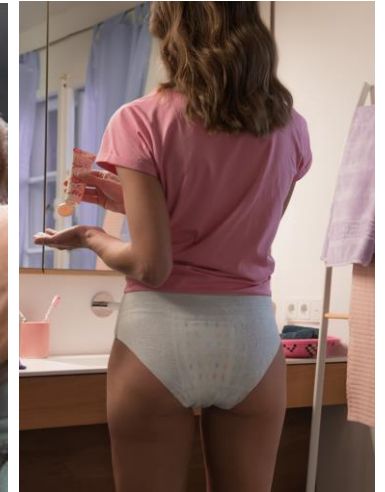
**Grow above
market**

Baby Care



**Improve
profitability
where we
play**

Feminine Care



Fuel growth

Go-to-Market Excellence

A Competitive Advantage

Blueprints

JBPs → Joint Business Plan

Category management Excellence

Cross Selling

Winning with our customers (JBPs)

Close collaboration with our customers through yearly JBPs delivering profitable growth for us and them.
For the past 3 years we have been named preferred supplier (or among the top 3) for Walmart and other B2B and B2C customers.

Pricing

High Service Levels

Category captainships

Key account management by Channel

Specific KAM by channel to better serve our customers' needs.
Develop an integrated solution behind products, promotions and execution based on channel differences

POS Execution (Comms & activation)

Key Account management by channel

Digital D2C platforms (Web-shops)

Pricing

Strong brand equity that allows us to quickly execute price increase across all channels

Feminine Care

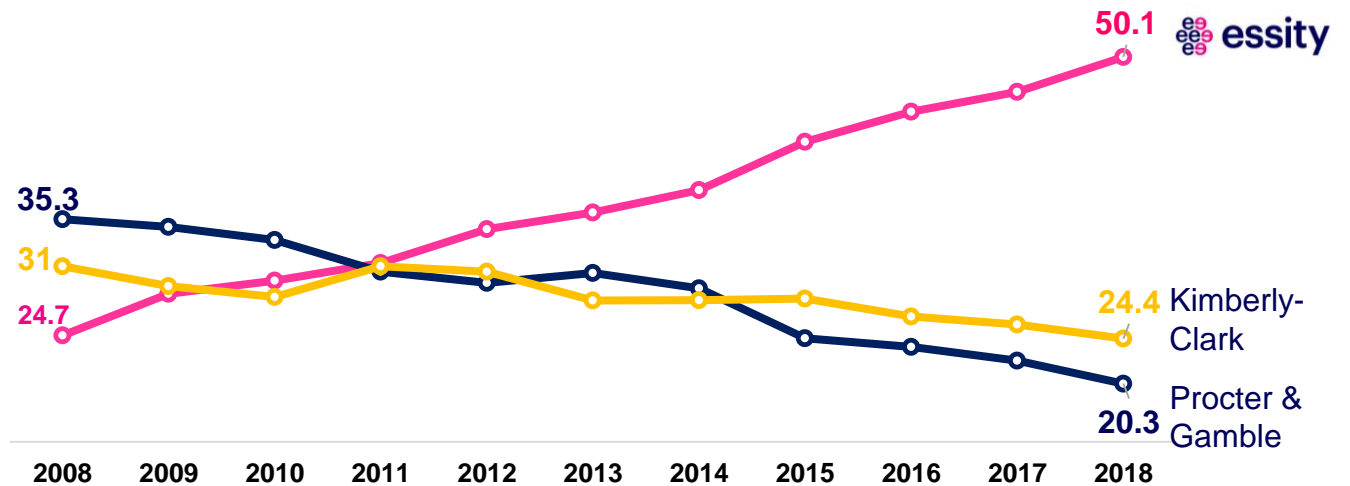
Grow Our Strong Brand in Mexico

▪ Key Elements for Success:

- Uniqueness behind **consistent communication** and **brand building** activities
- Outstanding **innovation** in our portfolio and **promotional** activities
- **Product** superiority behind **technology** uniqueness
- Strong **point of sale** execution and **speed to market**



Market Share, Mexico



Feminine Care

Consumer Insights-driven Innovations



Saba Panties
(2018)



Saba Liners 2 in 1
(2018)



Saba Liners
(2019)



Saba Ultrathin Pads
(2019)



Saba V-Fresh Soap
(2018)

Feminine Care

Well-being Programs for Sustainable Value

We have reached **~70 million** Latin American girls and adolescents with social programs

- Partnered with **Unicef Mexico**: **7.5 million girls** reached through social media platforms and Saba Teens pads
- Addressed teen bullying through **“Bullying for Loving”** campaign reaching **60 million girls**
- Educated **1.1 million girls** through our **“School Program”**

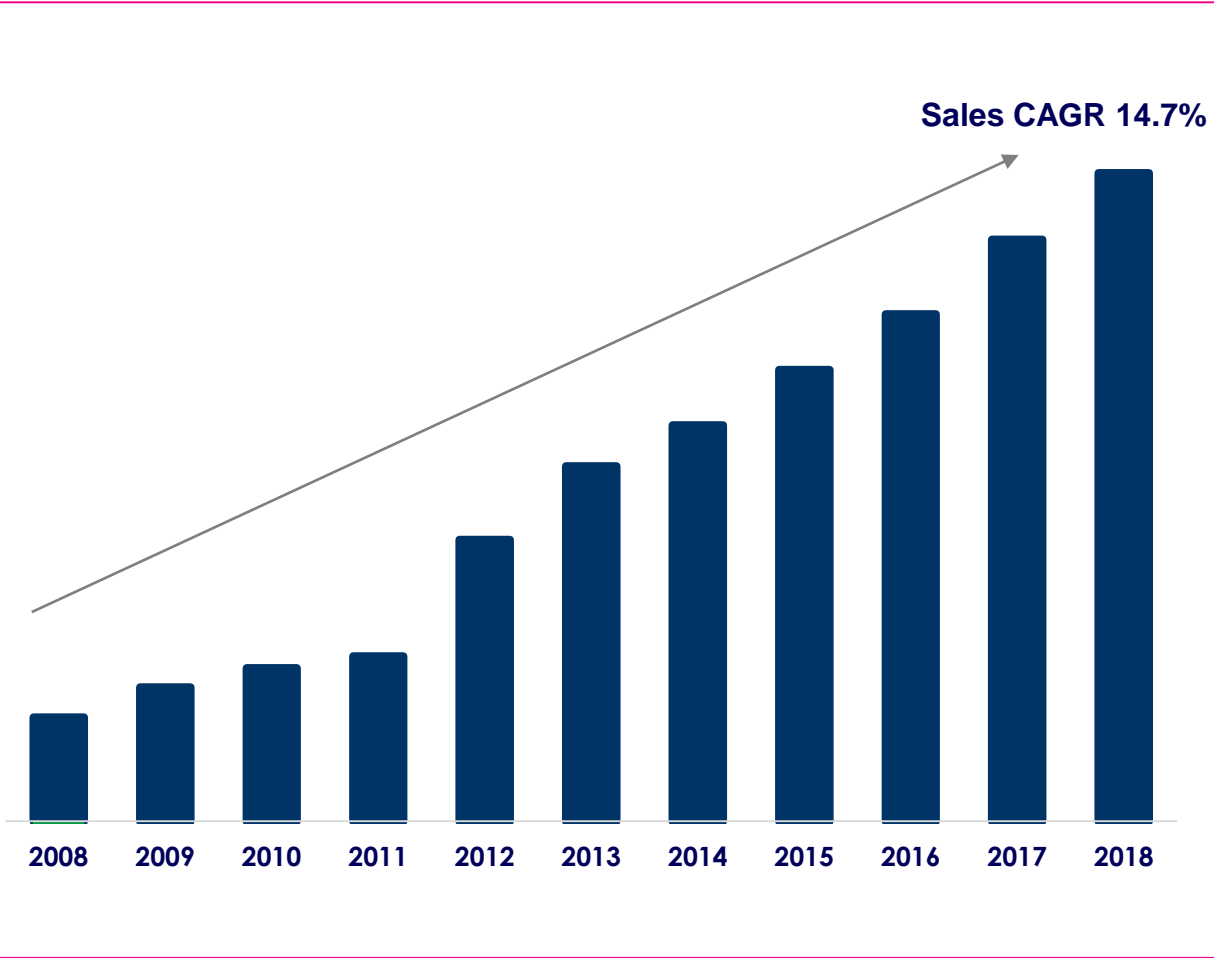


Professional Hygiene

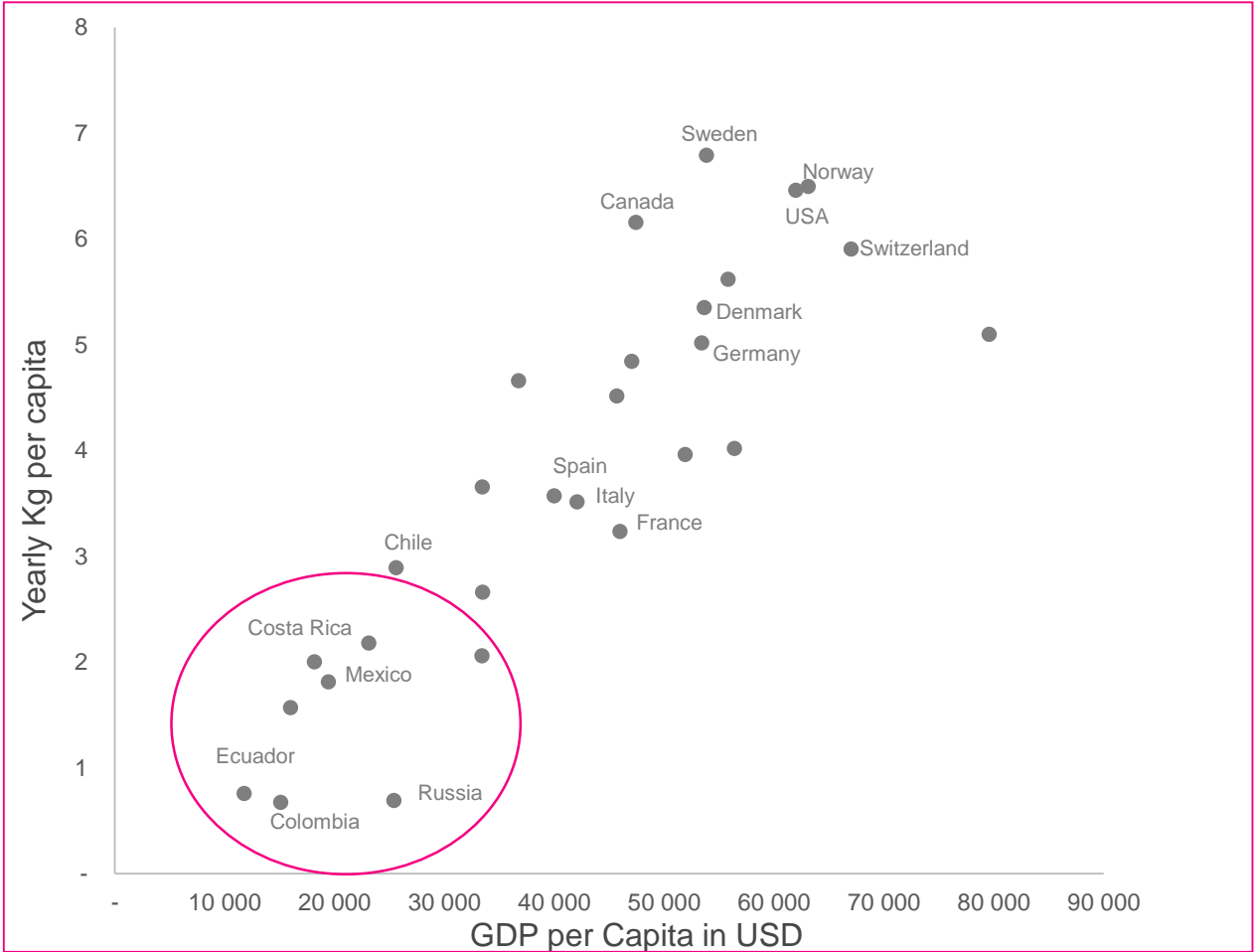
Opportunity for Continued Profitable Growth



Net Sales



Consumption per Capita



Consumer Tissue

Key Priorities for Profitable Growth

- Growth in **middle tier** while trading up to premium segments through innovation
- Focus on **underdeveloped high growth/profitable** segments – household towels and moist toilet tissue
- Invest in **technology** – better performance with less fiber
- Addressing underperforming parts of the business
- Aggressive focus on **cost reduction and manufacturing efficiencies**



Baby Care

Key Priorities for Improved Profitability

- **Disrupt the market** with new pants product (98% of market in Open Diapers)
- Starting up **new product technology** – thinner products with lower cost
- New **digital communication platform** targeting millennials
- Strong focus on **efficiency improvements**



Incontinence Products Brazil

Actions to Increase Penetration and Growth

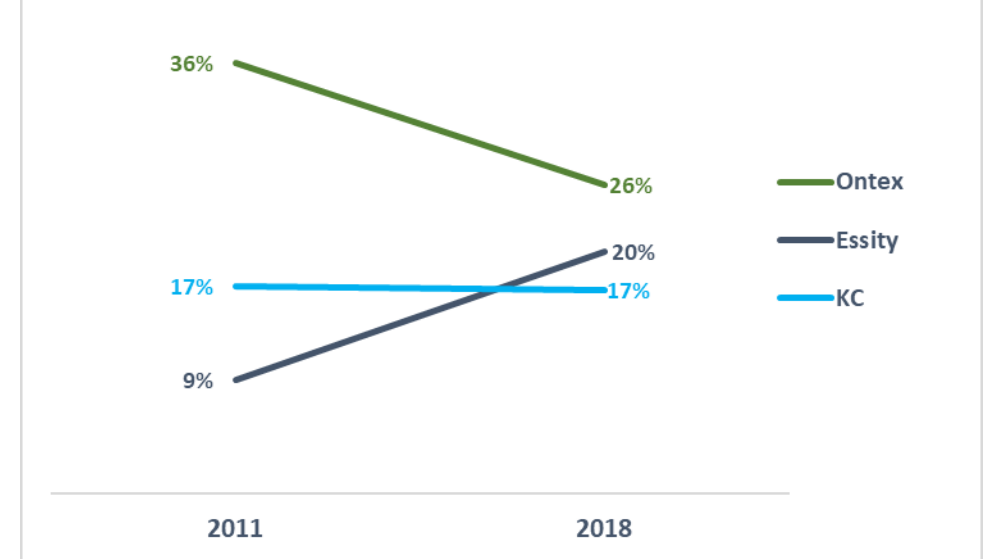
Brazilian Incontinence Products Market

- One of the **biggest retail markets** in the world
- Underdeveloped category and highly fragmented

Key actions

- Successful migration to TENA platform since acquisition
- Continue increasing distribution in more than 80k drugstores
- Opportunity to increase penetration in key profitable segments like underwear and light inco

Market Share Incontinence Products Brazil



Medical Solutions

Capturing Growth Opportunities

- High **growth opportunity** in fragmented and underdeveloped markets
- Leverage **superior and differentiated** portfolio to drive scale
- Expansion of **sales force into new geographies**
- Distribution and portfolio opportunities in more than **12,500** hospitals and **132,000** specialized stores
- Driving **cross selling synergies** with retail business




Digital Initiatives


- 451 Million **mobile devices** in Latin America
- Key global players are already present in our markets: **Amazon** and **PayPal**

Key actions

- 1st **digital category manager** in FMCG with Walmart in Mexico
- Developed E-retail **joint business plan** with Walmart
- **1st** in the market with digital direct to consumers platforms for Incontinence Products in Mexico, Brazil and Chile
- Significant increase in A&P investments in digital marketing with **106 million** users reached in 2018
- Launched “Impulso 20” **startup accelerator program**
 - Example: created the 1st Caregivers Platform in Latin America to rent an in-house caregiving service offering our **TENA Products**



LLÁMANOS 8868-4897



Cuidamos de tus seres queridos

Encuentra acompañantes de día, cuidadores y enfermeros profesionales al servicio de ti y tu familia. Contrata mensualmente o por visita.

AGENDA AHORA

TRABAJA COMO CUIDADOR

Key Takeaways

- Leading brands and market positions in attractive emerging markets
- Leveraging global innovations with local adaptation
- Well positioned to capitalize on growth opportunities



Mr LI Chao Wang

Chairman

Christoph Michalski

CEO





Welcome to Vinda

a solid & growing regional hygiene company

Healthy Lifestyle
Starts with Vinda



Milestones

Set up in China

1985

Listed in HKEX

2007

Become a regional player

2016

Complementary portfolio

Business segments

4

Key hygiene brands

9

No. of countries

10

Track Record

Turnover (2018)

HK\$14.9B

Turnover CAGR (2007-2018)

21.3%

Scale

Production bases

14

Employees

>10,000

What We Believe



Vision



To become Asia' first choice for hygiene products and services

Mission



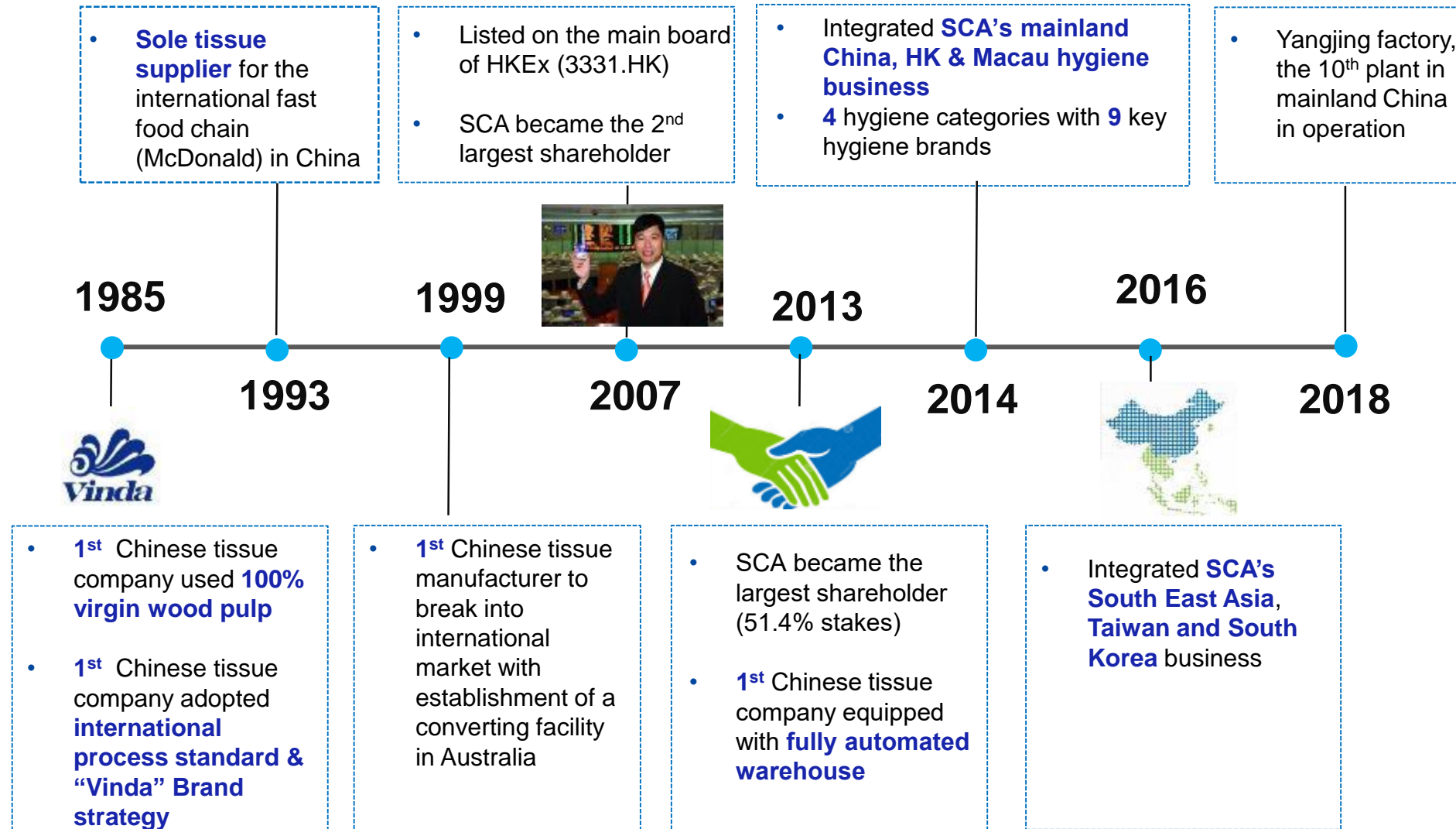
Provide people with high quality hygiene products and services

Core Principles

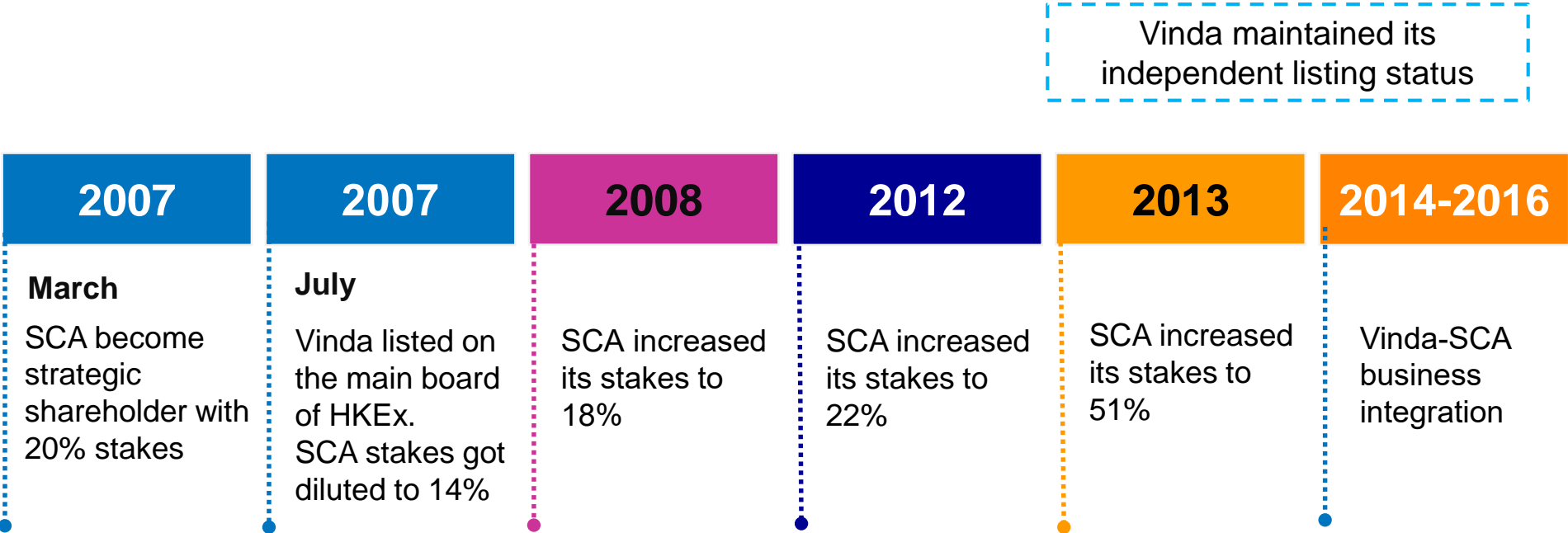


Sustainability, Innovation
Professionalism & Integrity

Our Milestones



Collaboration with Essity since 2007



Unique Cooperation with Vinda and Essity



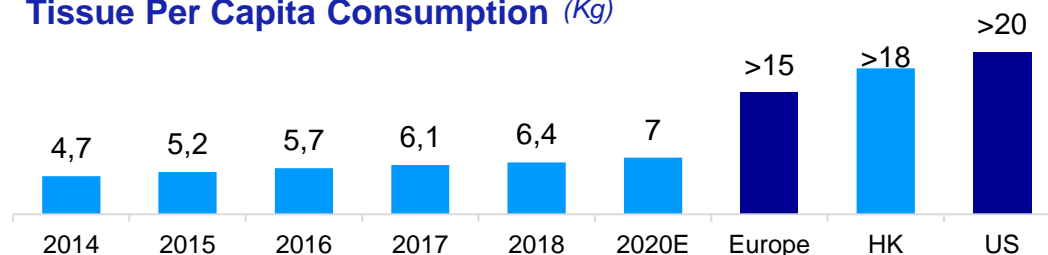
Tissue Industry Evolution

- The 1st China Tissue Industry Conference was organized by Vinda in 1994
- The 26th China International Disposable Paper EXPO

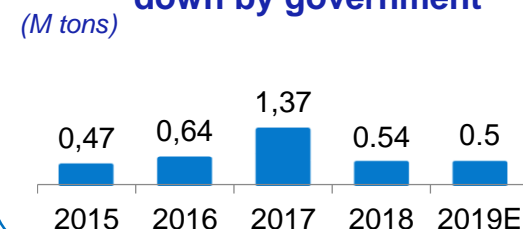


Opportunities in China Hygiene Market

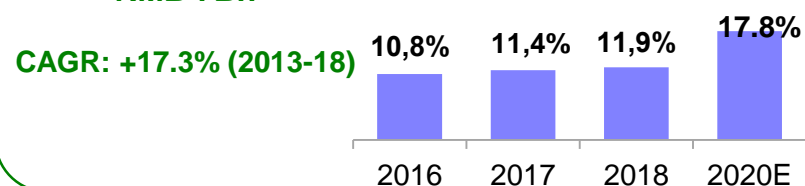
Tissue Per Capita Consumption (Kg)



Tissue capacity Shut down by government



Inco Market Size: RMB 7Bn
Aging population(>65)

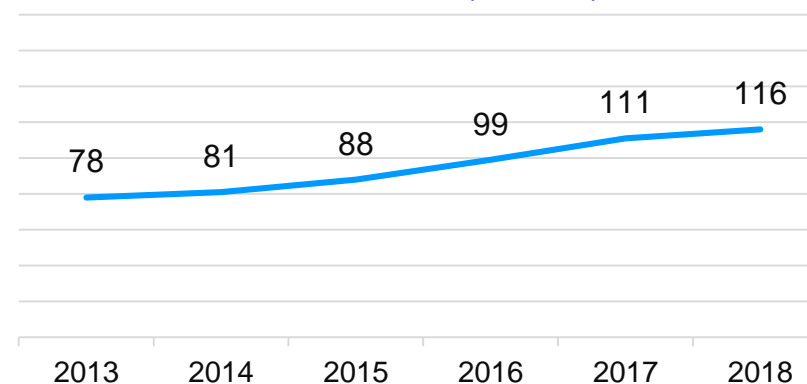


CAGR: +17.3% (2013-18)

Fempro Market Size
RMB56.3Bn

CAGR: +9.7%
(2013-18)

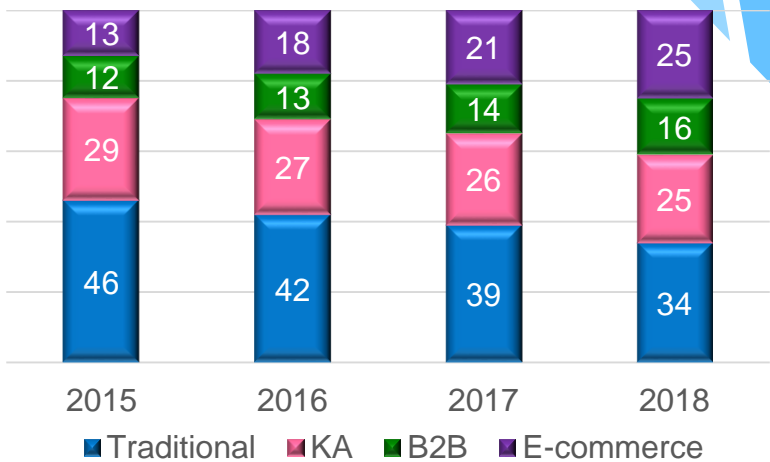
China Tissue Market Size (RMB bn)



Channel Evolution



Vinda's Channel Mix (%)



World Class Factories

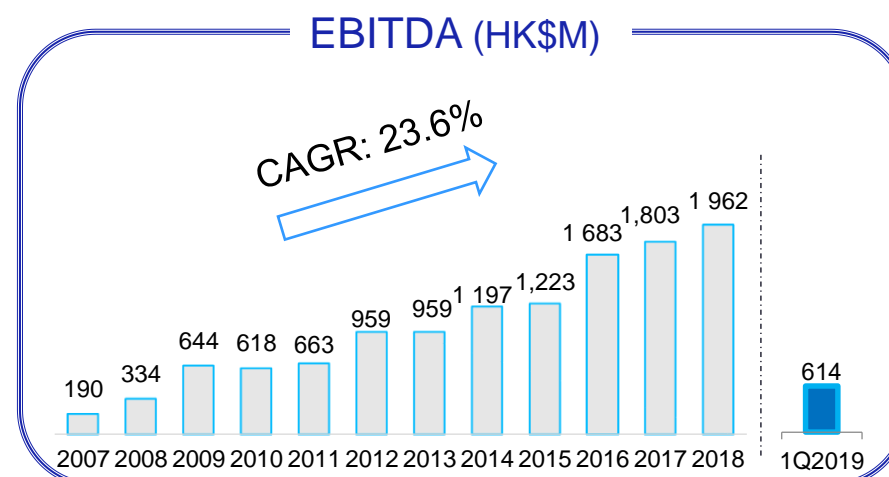
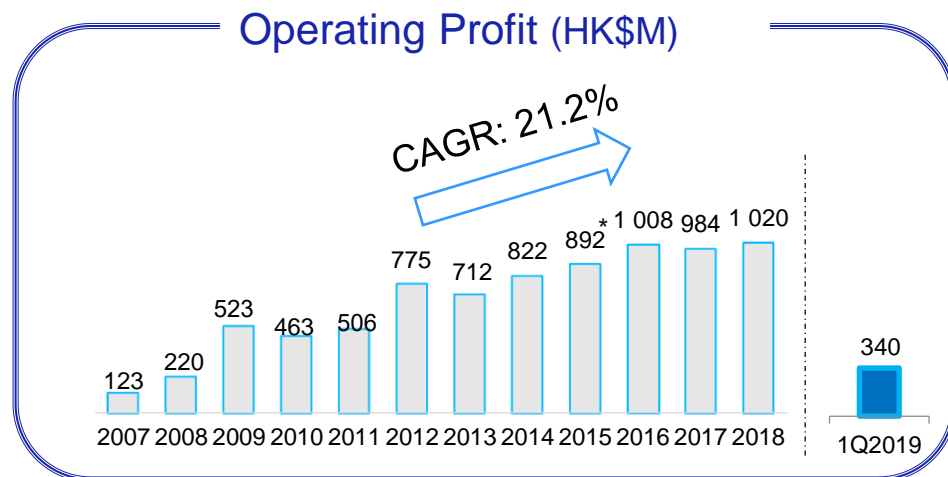
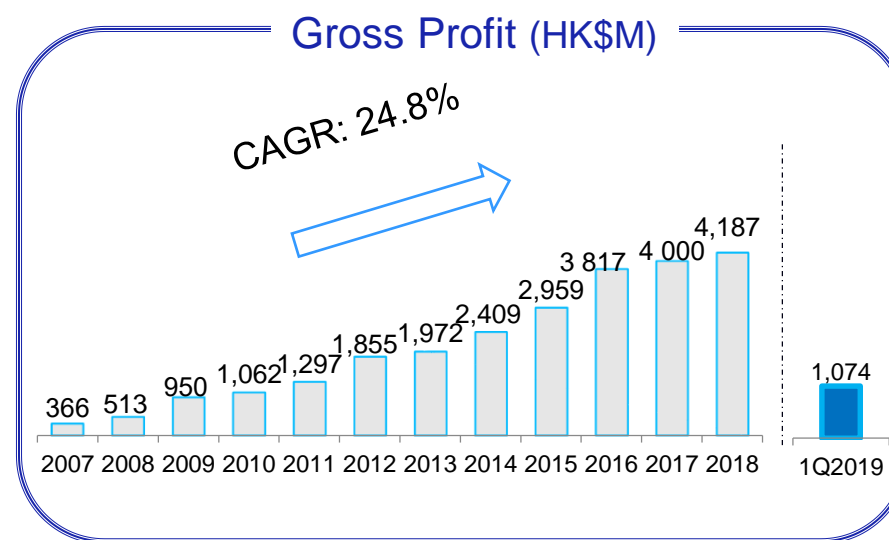
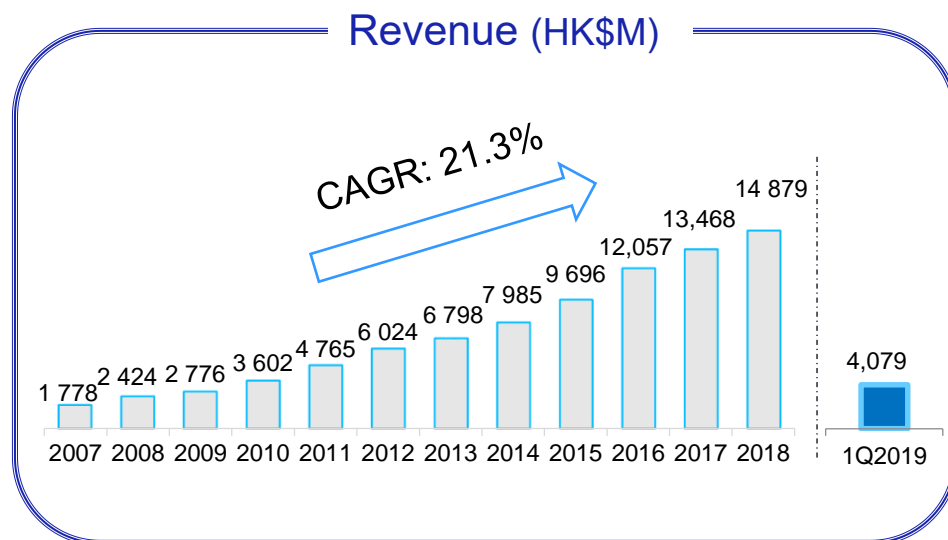


Personal care facility

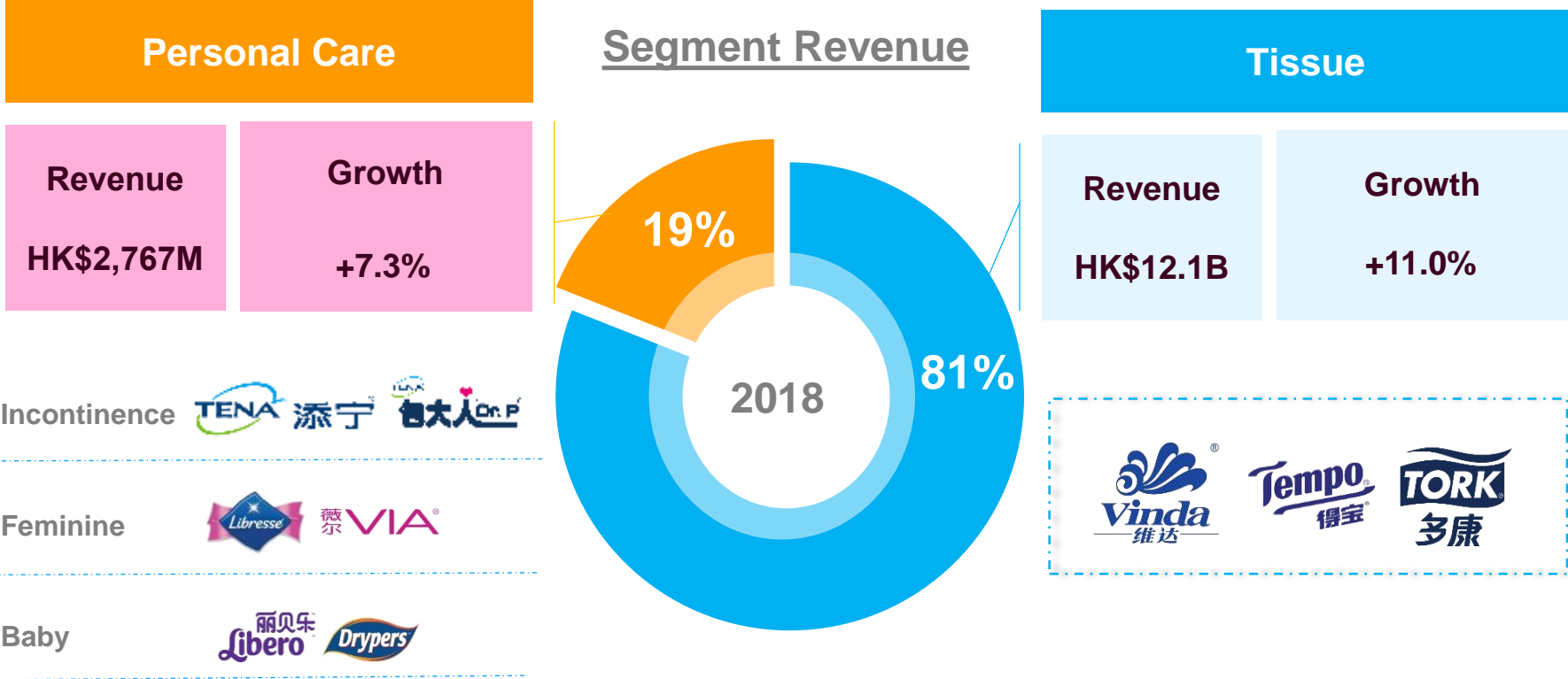
- Expand local production for feminine and incontinence products



Strong Growth Trend (since Listing)



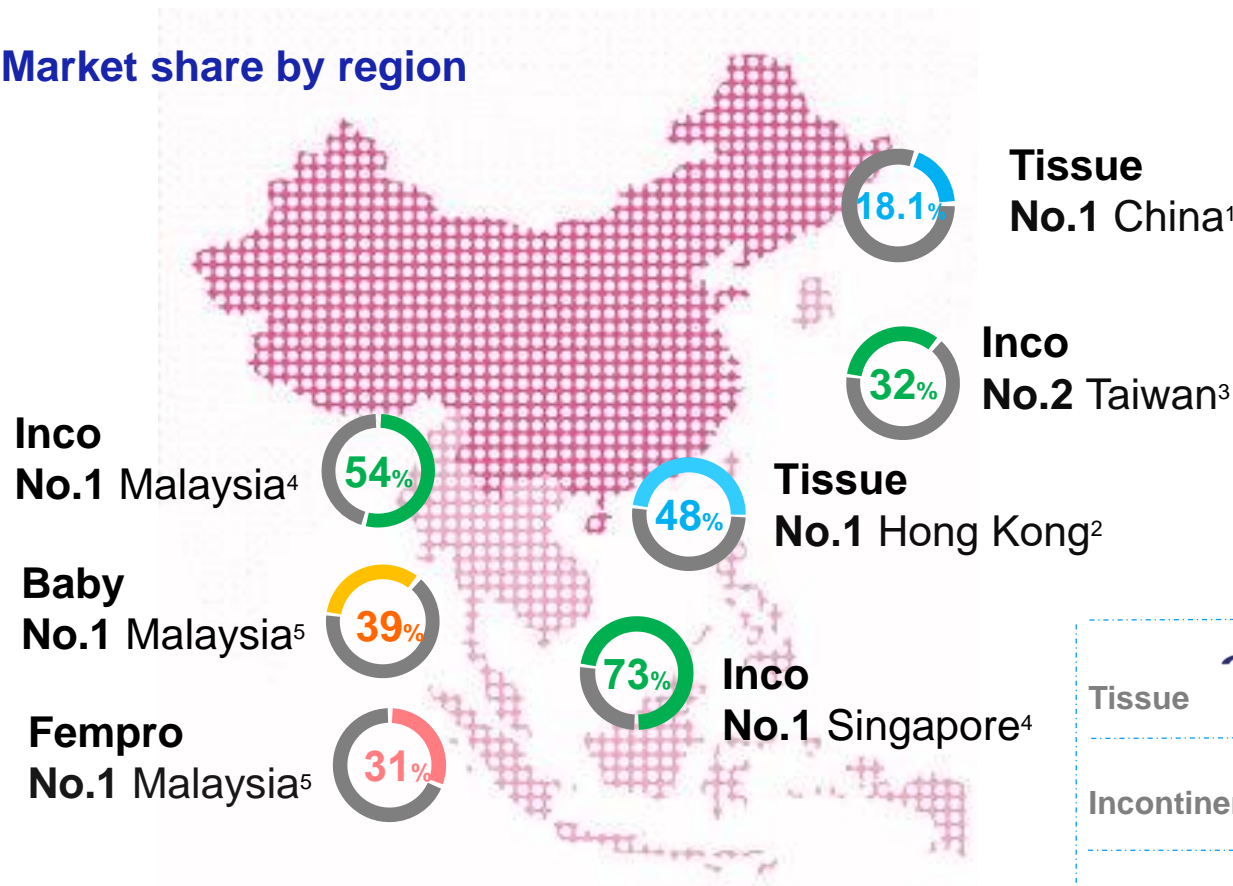
Business Categories



Leading Market Positions



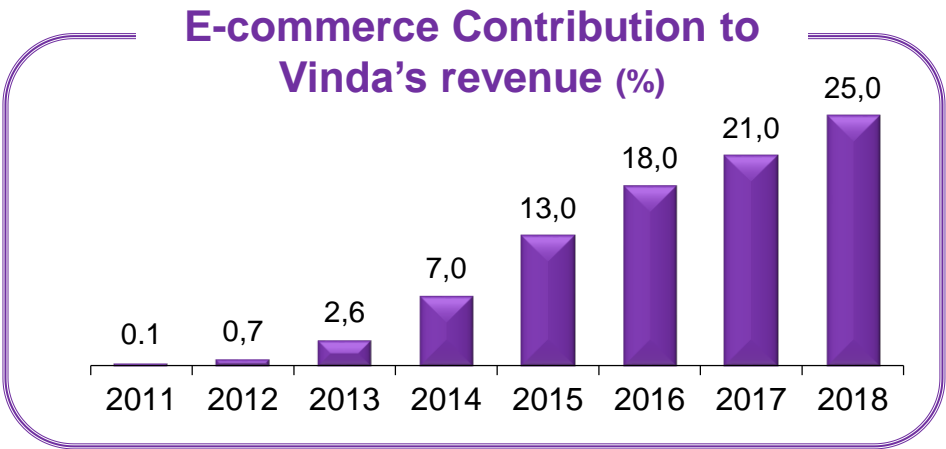
Market share by region



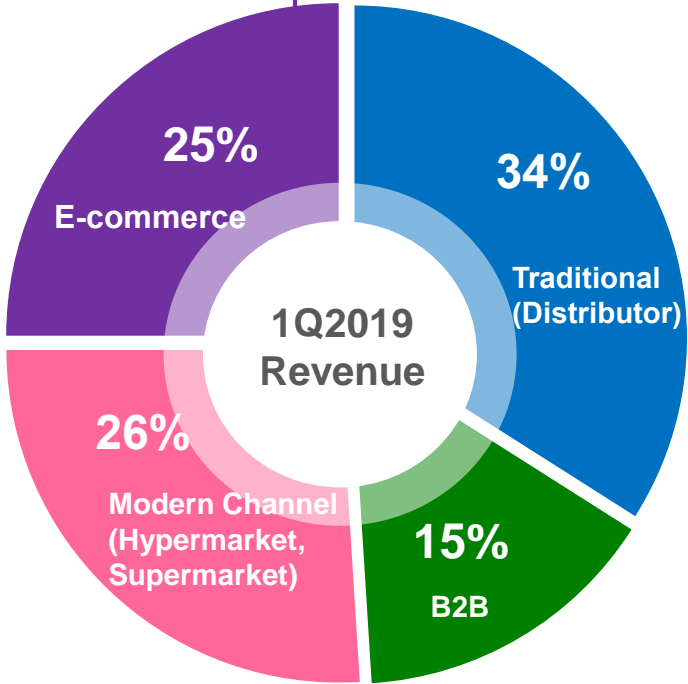
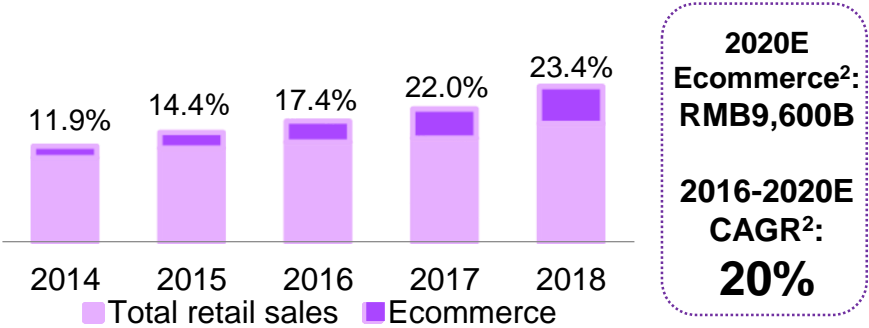
Note:
1. Kantar, value share YTD Mar 2019
2. Nielsen, value share MAT Nov 2018
3. Nielsen, volume share YTD Mar 2019
4. Internal estimates, value share 2018
5. Kantar Worldpanel, value share YTD at 24 Feb 2019

Tissue				
Incontinence				
Feminine				
Baby				

Balanced Channel Mix



Increasing proportion of ecommerce to total retail sales¹ in China

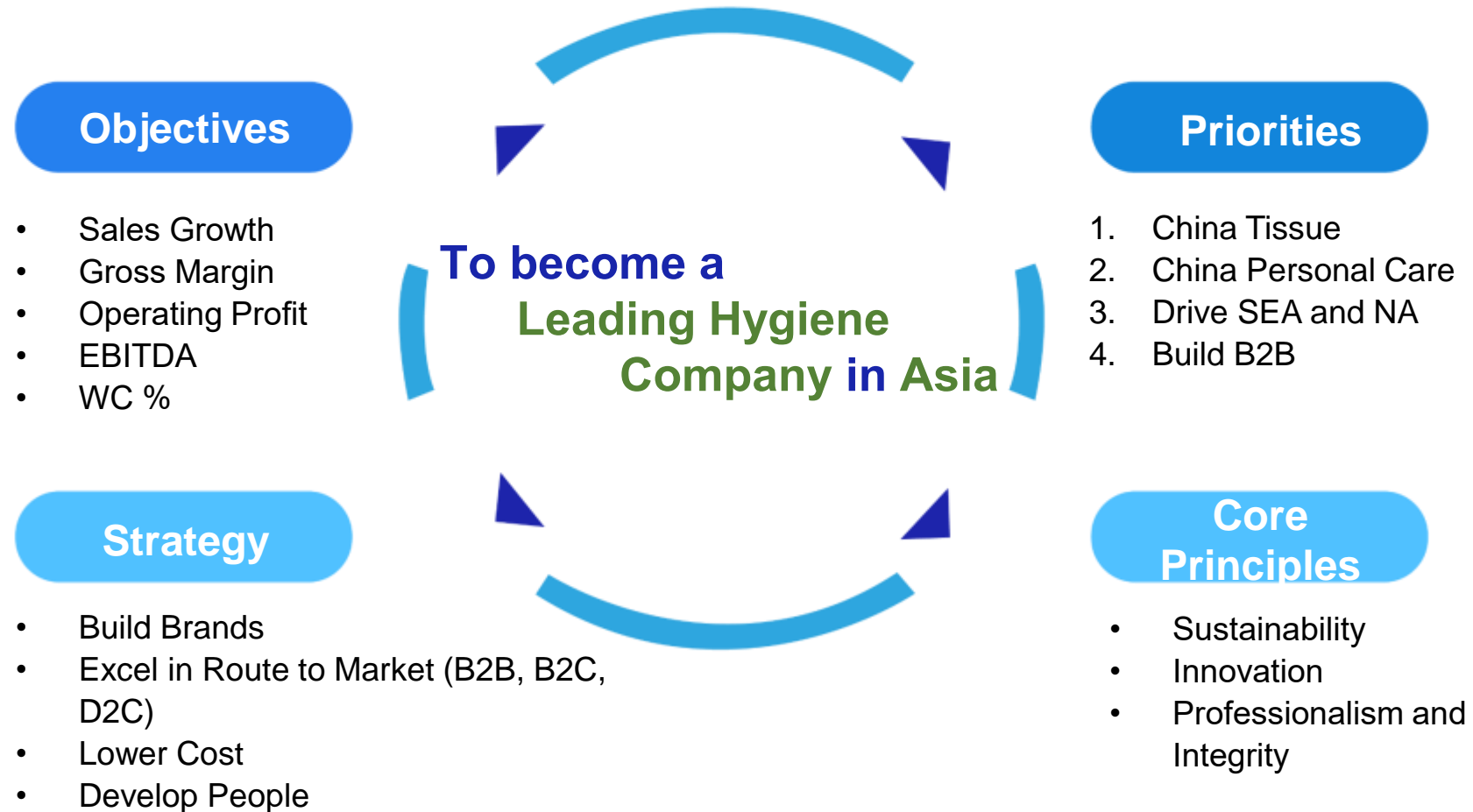


¹ National Bureau of Statistics of China

² Ministry of Commerce of China

³ Kantar, YTD Mar 2019

Strategic Framework



Our Growth Priorities

1

Drive Tissue business in China

- ◆ Drive Tissue sales in China with innovative-driven product, R&D & marketing campaigns
- ◆ Increase contribution from Tempo in high-end market

2

Broaden the Personal Care presence in China

- ◆ Become the leader in Incontinence with TENA & Dr. P
- ◆ Build Femcare as future profit contributor

3

Drive Personal Care growth in Asia & Roll out Tissue business

- ◆ Strengthen Personal Care market positions where we have presence
- ◆ Roll out tissue to Asia by leverage the strong route to market

4

Develop B2B business

- ◆ Build Away-from-home Tissue business and TENA institutional sales

Target: **100%** certified



>99%

Wood pulp
environmentally
certified

Mainland China



>95%

Water recycling
rate



-3.1%

Avg. overall energy
consumption per ton of
paper



-13.1%

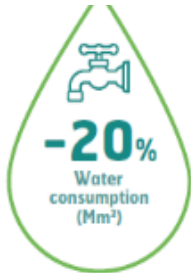
SO₂ Emission



-4.1%

CO₂ Emission

Taiwan



Water
consumption



Non-hazardous
waste

Malaysia



-14.3%

NO₂ Emission



-3.1%

Energy- Fuels

Product Evolution



1991

- Tissue made of 100% virgin wood pulp



2009

- Pleasant Goat Series
- Wet wipe



2000



- Classic Blue

- Complementary portfolio

2012-13



- Ultra strong series
- Wet wipe upgrade
- Kitchen Towel

2016



2017-19

- 4D Deco series
- 4D Baby soft
- Deluxe in Malaysia



Thank You

Healthy Lifestyle
Starts with Vinda

A large, light purple decorative swirl graphic in the bottom right corner of the slide.

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Magnus Groth

President and CEO



Delivering Sustainable Shareholder Value

Our Strengths

**Improving well-being
through leading hygiene
and health solutions**

**Leading positions in
an attractive and
growing market**

**Strong brands and
successful innovations
for people and nature**

**Focus on efficiency
improvements and
cost savings**

**Sustainable business
with profitable growth
and strong cash flow**

**A high-performing
organization with a
winning corporate culture**

Continuing the Value Creation Journey

- Accelerate growth in Personal Care and Professional Hygiene
- Increase profitability in Consumer Tissue
- Grow sales in prioritized emerging markets
- Improve underperforming market positions
- Win where we chose to play



Forward-looking statements

Certain statements in this presentation includes forward-looking statements, including statements reflecting management's current views relating to the growth of the market, future market conditions, future events, financial conditions, and expected operational performance, including, in particular the following: - Our goals, strategies and operational expectations; - Industry trends, future characteristics and development of the markets in which we operate; - Our future liquidity, capital resources, capital expenditures and cost savings; - The expected demand for new products and services as well as plans to launch new products and services including R&D expenditures; - The ability to deliver on future plans and to realize potential for future growth; - The expected performance of strategic cooperation activities and joint ventures; - The time until acquired entities and businesses will be integrated and accretive to income; and - Technology and industry trends including the regulatory and standardization environment in which we operate, competition and customer structure.

The words "believe," "expect," "foresee," "anticipate," "assume," "intend," "likely," "projects," "may," "could," "plan," "estimate," "forecast," "will," "should," "would," "predict," "aim," "ambition," "seek," "potential," "target," "might," "continue," or, in each case, their negative or variations, and similar words or expressions are used to identify forward-looking statements. Any statement that refers to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

We caution investors that these statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond our control that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Risks and uncertainties to which our forward-looking statements are subject include, without limitation: (1) the ability to successfully manage global financial risks, including foreign currency fluctuations, currency exchange or pricing controls and localized volatility; (2) the ability to successfully manage local, regional or global economic volatility, including reduced market growth rates, and to generate sufficient income and cash flow to allow the Company to affect the expected share repurchases and dividend payments; (3) the ability to manage disruptions in credit markets or changes to our credit rating; (4) the ability to maintain key manufacturing and supply arrangements (including execution of supply chain optimizations, and sole supplier and sole manufacturing plant arrangements) and to manage disruption of business due to factors outside of our control, such as natural disasters and acts of war or terrorism; (5) the ability to successfully manage cost fluctuations and pressures, including prices of commodity and raw materials, and costs of labor, transportation, energy, pension and healthcare; (6) the ability to stay on the leading edge of innovation, obtain necessary intellectual property protections and successfully respond to changing consumer habits and technological advances attained by, and patents granted to, competitors; (7) the ability to compete with our local and global competitors in new and existing sales channels, including by successfully responding to competitive factors such as prices, promotional incentives and trade terms for products; (8) the ability to manage and maintain key customer relationships; (9) the ability to protect our reputation and brand equity by successfully managing real or perceived issues, including concerns about safety, quality, ingredients, efficacy or similar matters that may arise; (10) the ability to successfully manage the financial, legal, reputational and operational risk associated with third party relationships, such as our suppliers, distributors, contractors and external business partners; (11) the ability to rely on and maintain key company and third party information technology systems, networks and services, and maintain the security and functionality of such systems, networks and services and the data contained therein; (12) the ability to successfully manage uncertainties related to changing political conditions (including the United Kingdom's decision to leave the European Union) and potential implications such as exchange rate fluctuations and market contraction; (13) the ability to successfully manage regulatory and legal requirements and matters (including, without limitation, those laws and regulations involving product liability, intellectual property, antitrust, privacy, tax, environmental, and accounting and financial reporting) and to resolve pending matters within current estimates; (14) the ability to manage changes in applicable tax laws and regulations including maintaining our intended tax treatment of divestiture transactions; (15) the ability to successfully manage our ongoing acquisition, divestiture and joint venture activities, in each case to achieve the Company's overall business strategy and financial objectives, without impacting the delivery of base business objectives; and (16) the ability to successfully achieve productivity improvements and cost savings and manage ongoing organizational changes, while successfully identifying, developing and retaining key employees, including in key growth markets where the availability of skilled or experienced employees may be limited. For additional information concerning factors that could cause actual results and events to differ materially from those projected herein, please refer to our most recent Annual and Sustainability Report for a better understanding of these risks and uncertainties.

Important factors that could affect whether and to what extent any of our forward-looking statements materialize include, but are not limited to, the factors described above and in the section Risk factors in the most recent Annual and Sustainability Report and in our quarterly reports. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made and are not to be seen as projections or earnings guidance. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this presentation, to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events, whether as a result of new information, future events or otherwise.

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**Thank you
for today**