



Innovating for Profitable and Sustainable Growth



**Welcome to ask a question
by scanning the QR-code**

Welcome

A large, diverse group of people of various ages, ethnicities, and abilities are posed together against a solid purple background. The group includes children, adults, and seniors. Some individuals have visible physical characteristics or medical aids, such as a person in a wheelchair on the left, a pregnant woman, a person with a casted leg, and a person with a cane. The group is arranged in several rows, with some people sitting or kneeling in the front and others standing behind them. The overall mood is positive and inclusive.

For everybody and every body

Sandra Åberg
Head of Investor Relations

Innovating for Profitable and Sustainable Growth

AGENDA

Strategy for value creation

Magnus Groth, President and CEO

Fredrik Rystedt, CFO and Executive Vice President

Trendspotting

Sahil Tesfu, Chief Strategy Officer

Innovating for happy customers & consumers

Tuomas Yrjölä, President, Global Brand, Innovation and Sustainability

Innovating for best-in-class supply chain

Donato Giorgio, President, Global Supply Chain

Leveraging AI

Carl-Magnus Månsson, Chief Digital & Information Officer

Innovating for better health

Ulrika Kolsrud, President, Health & Medical

Q&A

November 27,
15:00 – 16:30 p.m. CET



A diverse group of people of various ages and abilities posing together against a pink background. The group includes an elderly woman, a man with a beard, a man with a beard, a woman wearing a hijab, a pregnant woman, a woman in a wheelchair holding a baby, a woman with a leg cast, a woman with a leg cast, and a young child in the foreground. The text 'President' is visible on the left side of the image.

Fredrik Rystedt

CFO and Executive Vice President

Essity – A Global, Leading Hygiene and Health Company

156 Net sales 2022
SEKbn

150 Sales in
countries

48,000
employees



Three Attractive Business Areas

Health & Medical



Holistic health and medical solutions along the continuum of care

Consumer Goods



Personal and home hygiene for all stages of life

Professional Hygiene



Hygiene management solutions for a broad set of commercial applications

Strong Brands Trusted by A Billion People Every Day





Leading where we choose to play



Our Vision

Be the undisputed global
leader in hygiene and health

Where to Play

A close-up photograph of a white sneaker on a reddish-brown baseball field. Three magenta circles are overlaid on the image, each containing a white text label. The circles are arranged horizontally across the middle of the frame. The background is a blurred baseball field with a visible base path.

Category

Channel

Geography

Long-term Portfolio Direction

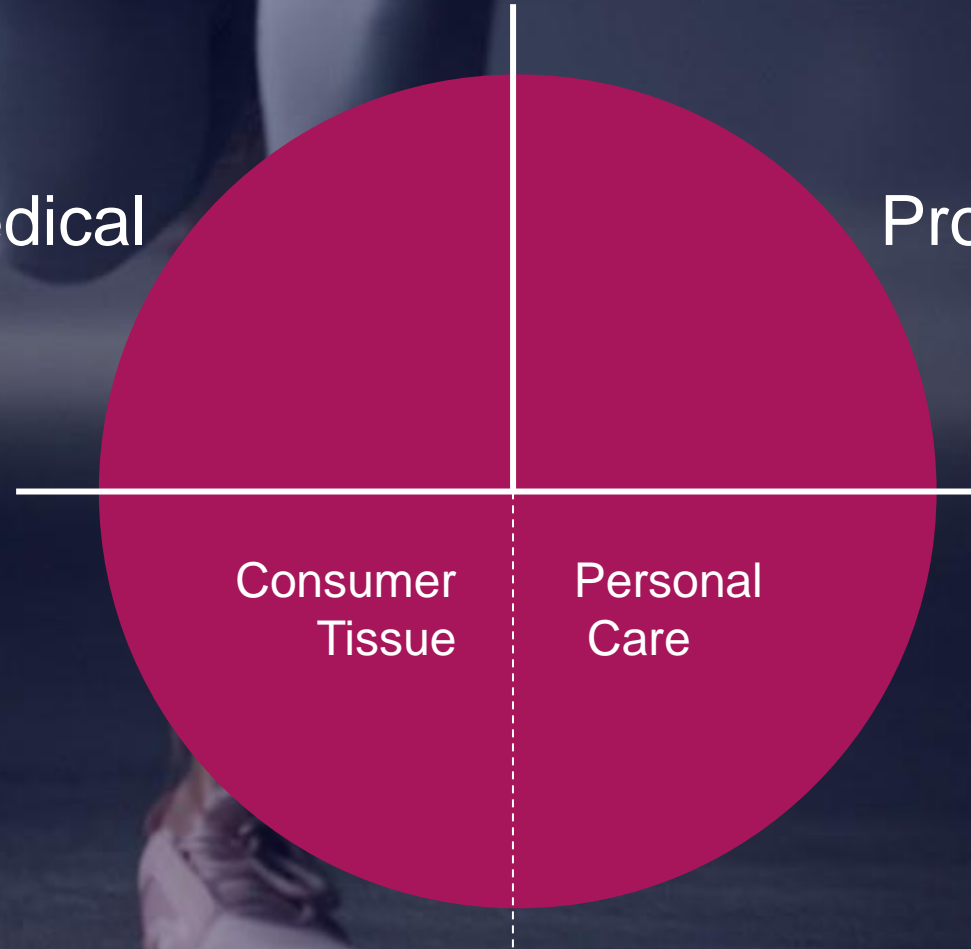
Health & Medical

Professional Hygiene

Consumer
Tissue

Personal
Care

Consumer Goods



How to Win

People

Brand
Building and
Innovation

Operations

Sustainability

Committed to Sustainable Solutions and Net Zero Emissions by 2050

FT FINANCIAL
TIMES
statista

LEADER IN
DIVERSITY
2021-2024

PLATINUM Top 1%
2023
ecovadis
Sustainability
Rating

MSCI
ESG RATINGS

CCC B BB BBB A AA **AAA**



FTSE4Good



Essity
Household Products
**Sustainability
Yearbook Member**
S&P Global ESG Score 2022
75 /100
As of February 7, 2023.
Position and Score are industry specific and reflect exclusions
screening criteria. Learn more at [applied.com/esg/yearbook](https://www.spglobal.com/esg/yearbook)
S&P Global Sustainable1

Clear Long-term Financial Targets and Capital Allocation Priorities

Annual sales growth¹⁾

Average sales growth
+6.6% 2015-9M 2023

>5%

Capital structure

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

Maintain
a solid
investment
grade rating

Adjusted return on capital employed²⁾

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

>17%
by 2025

Dividend

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

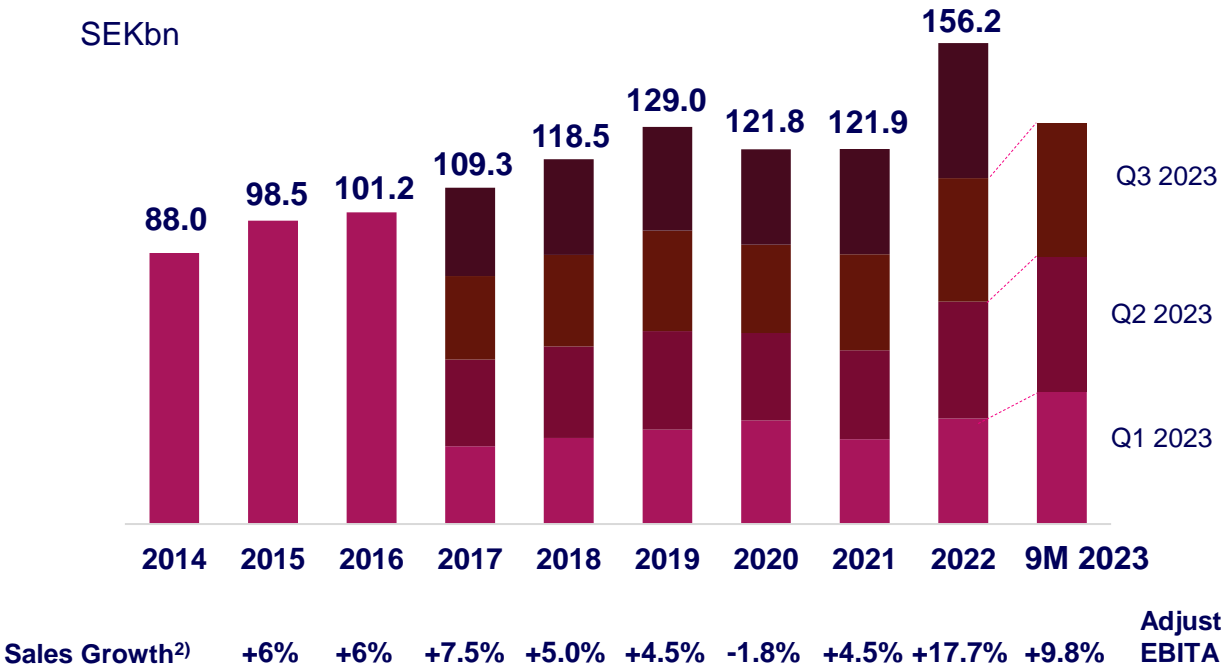
Long-term
stable and rising
dividends

¹⁾ Including organic sales growth and acquisitions

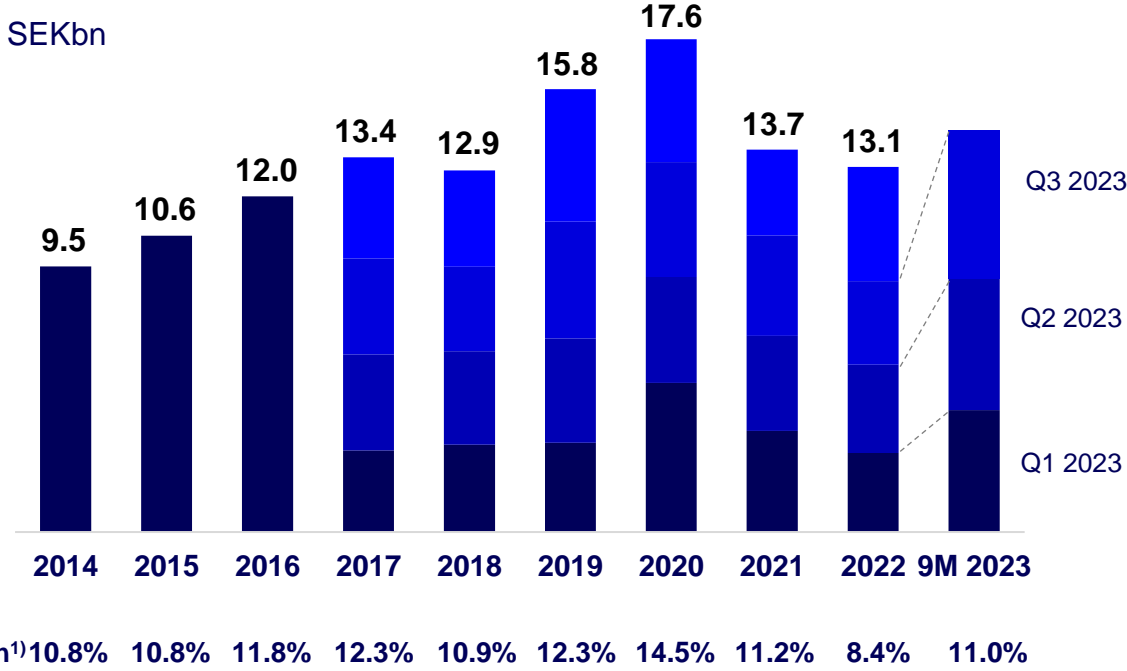
²⁾ Excluding items affecting comparability

Back To Strong Sales and Profit Trajectory

Net Sales

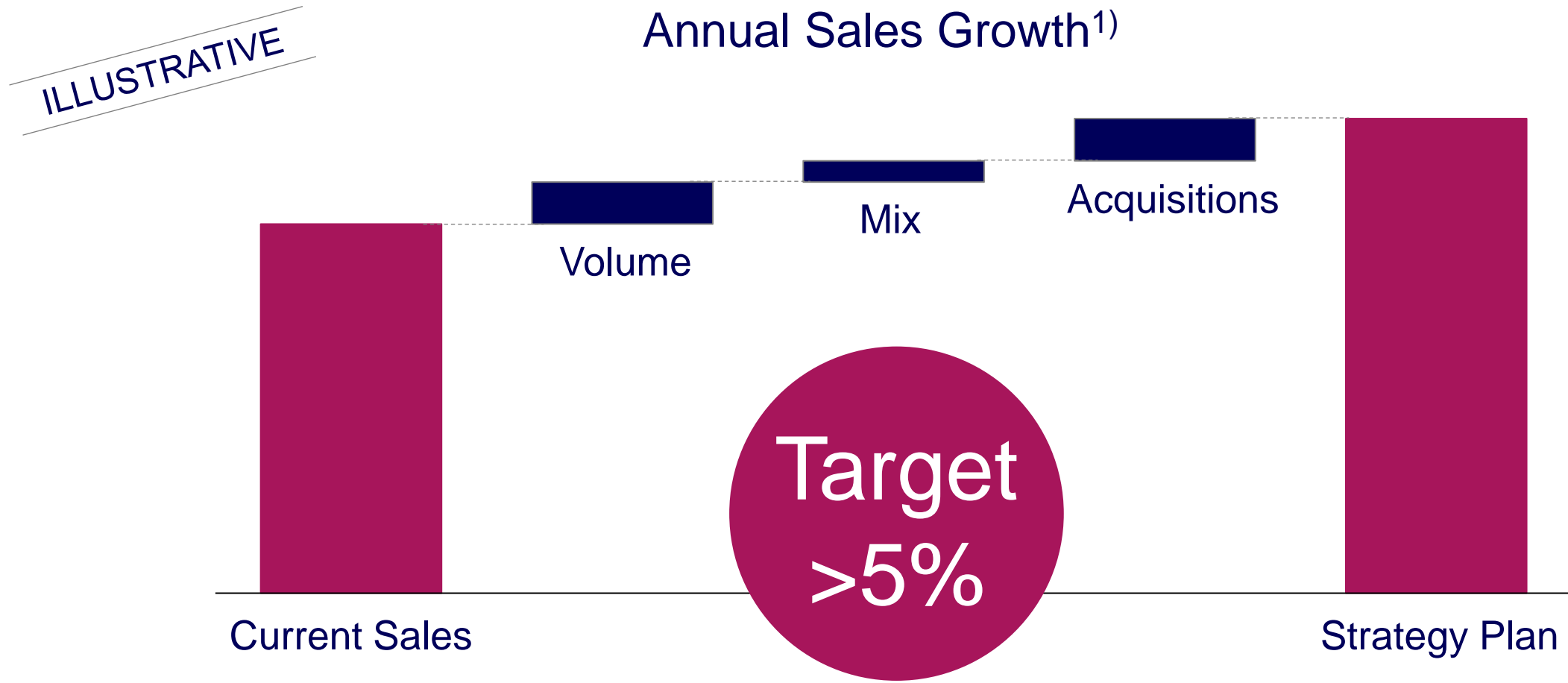


Adjusted EBITA¹⁾



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

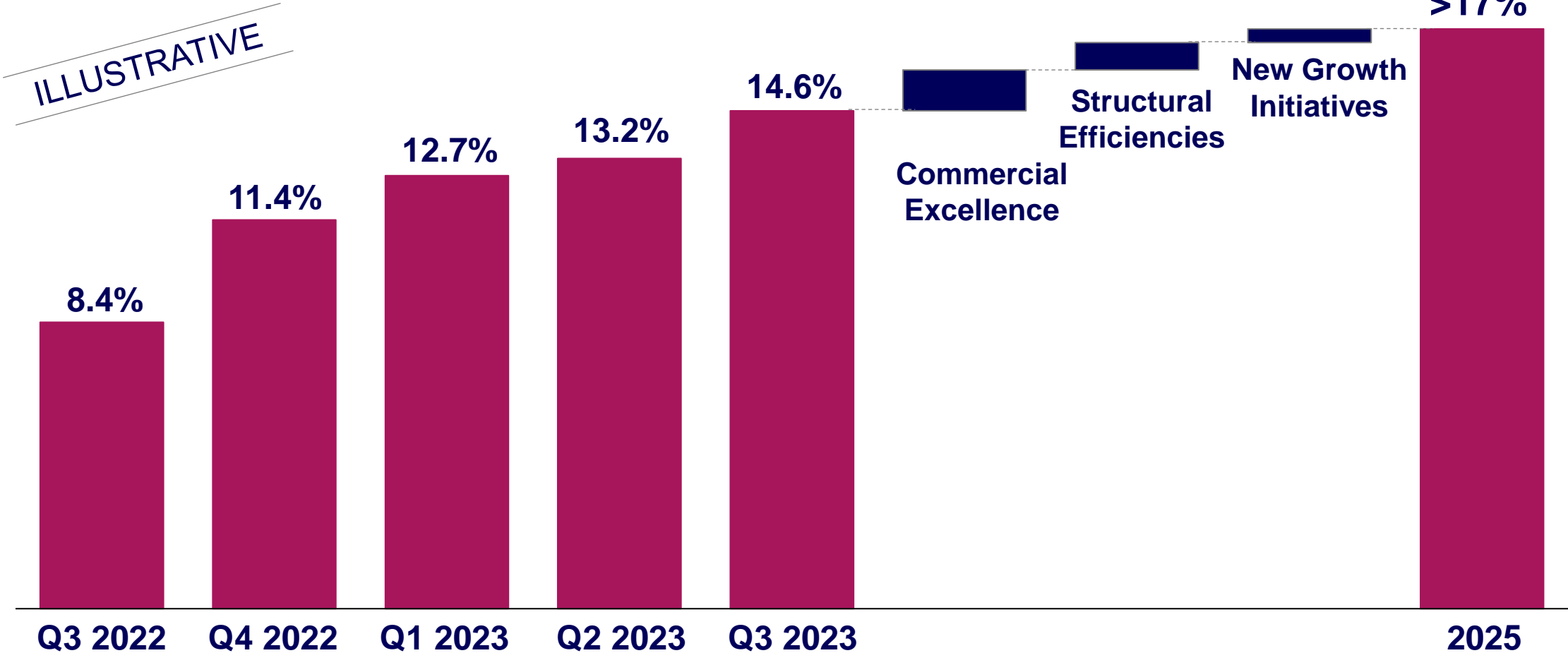
Roadmap to Financial Targets



¹⁾ Including organic sales growth and acquisitions

Roadmap to Financial Targets

Adjusted Return on Capital Employed¹⁾



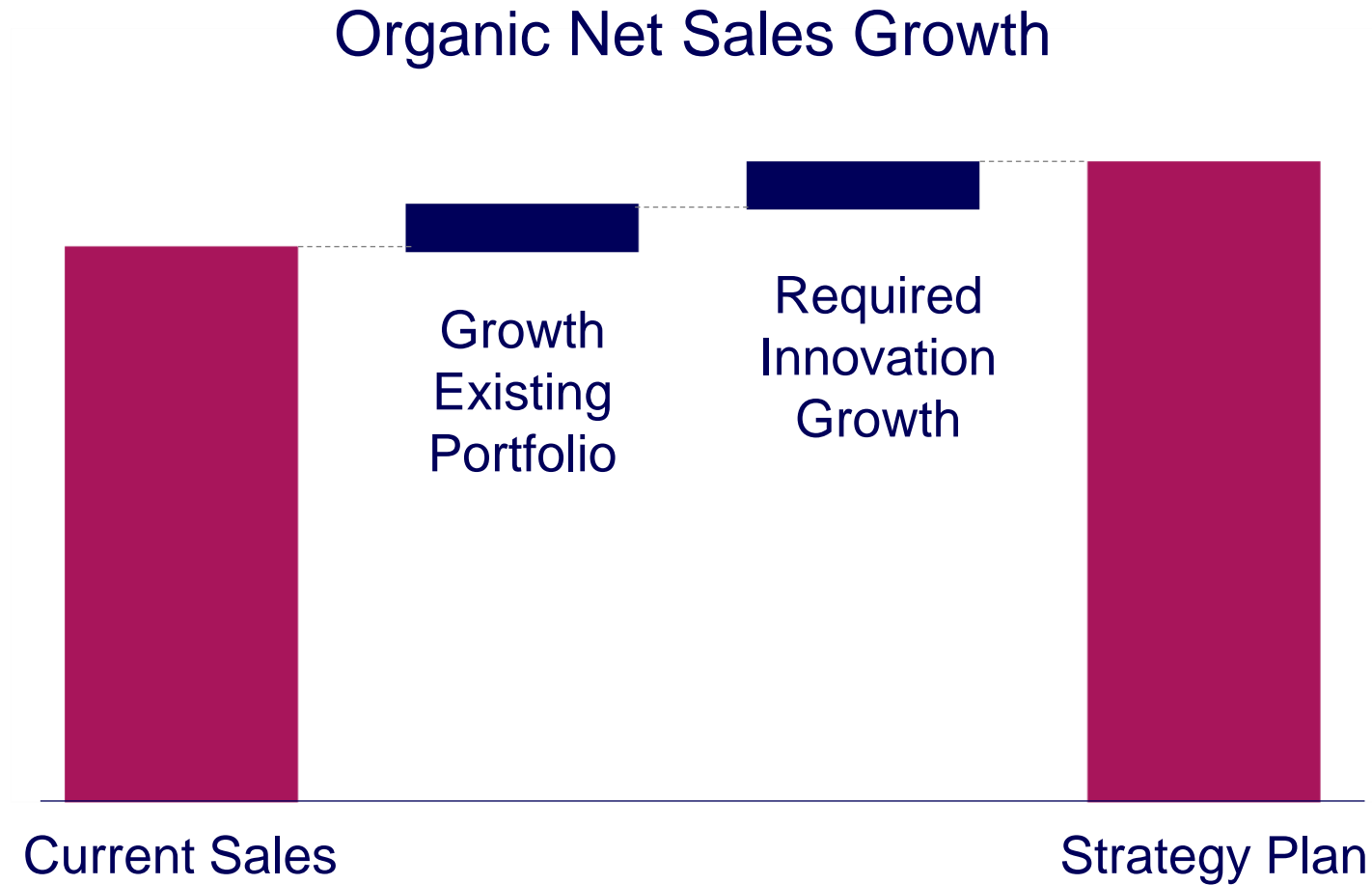
¹⁾ Excluding items affecting comparability

The Financials of Innovation



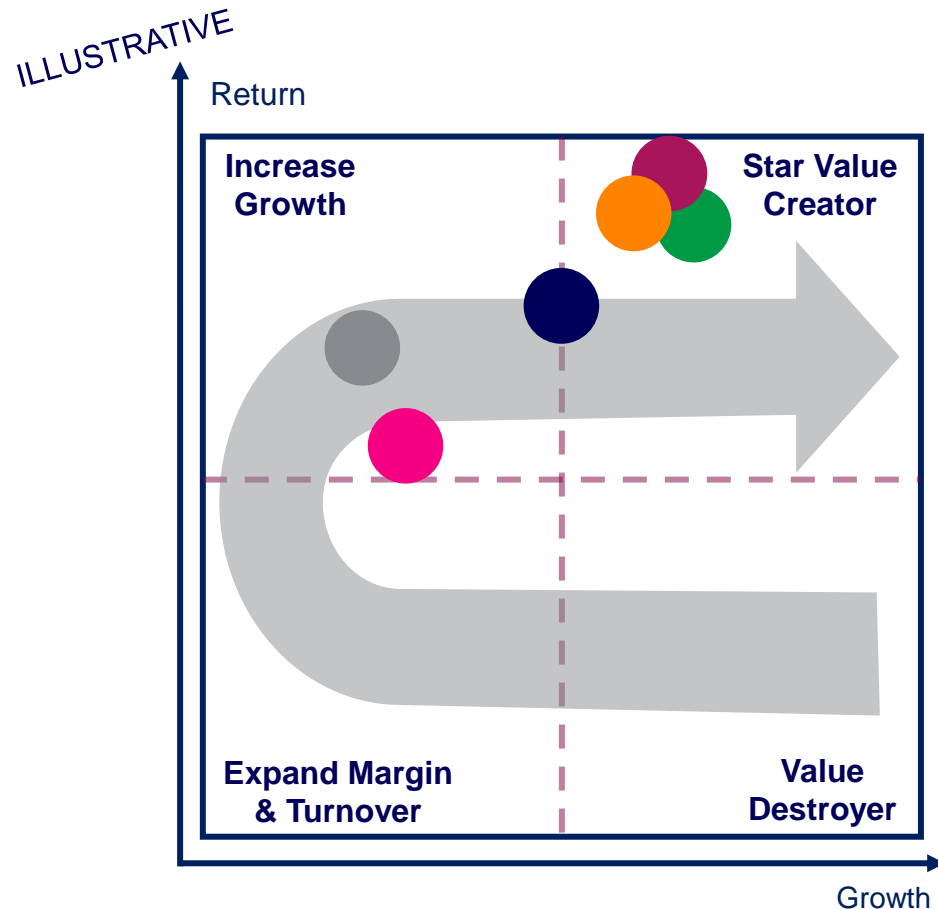
Innovation Driving Profitable Growth

ILLUSTRATIVE



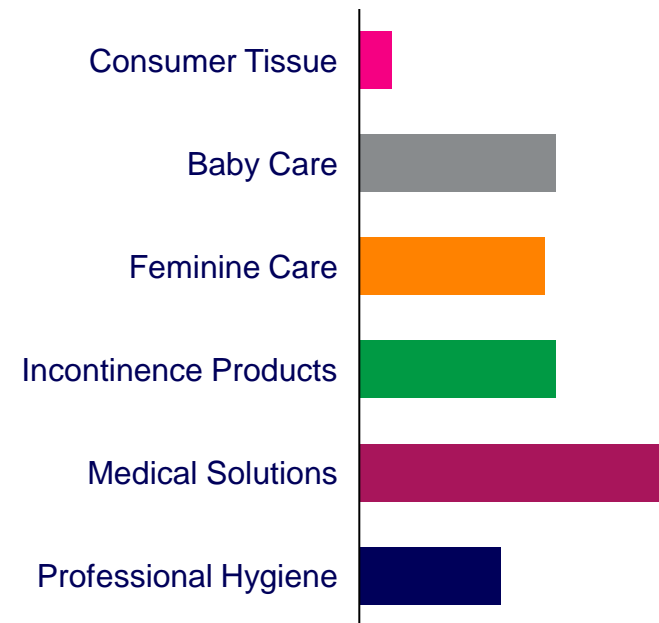
R&D Allocation – Supporting High-Yield Growth

Operating Return and Growth¹⁾

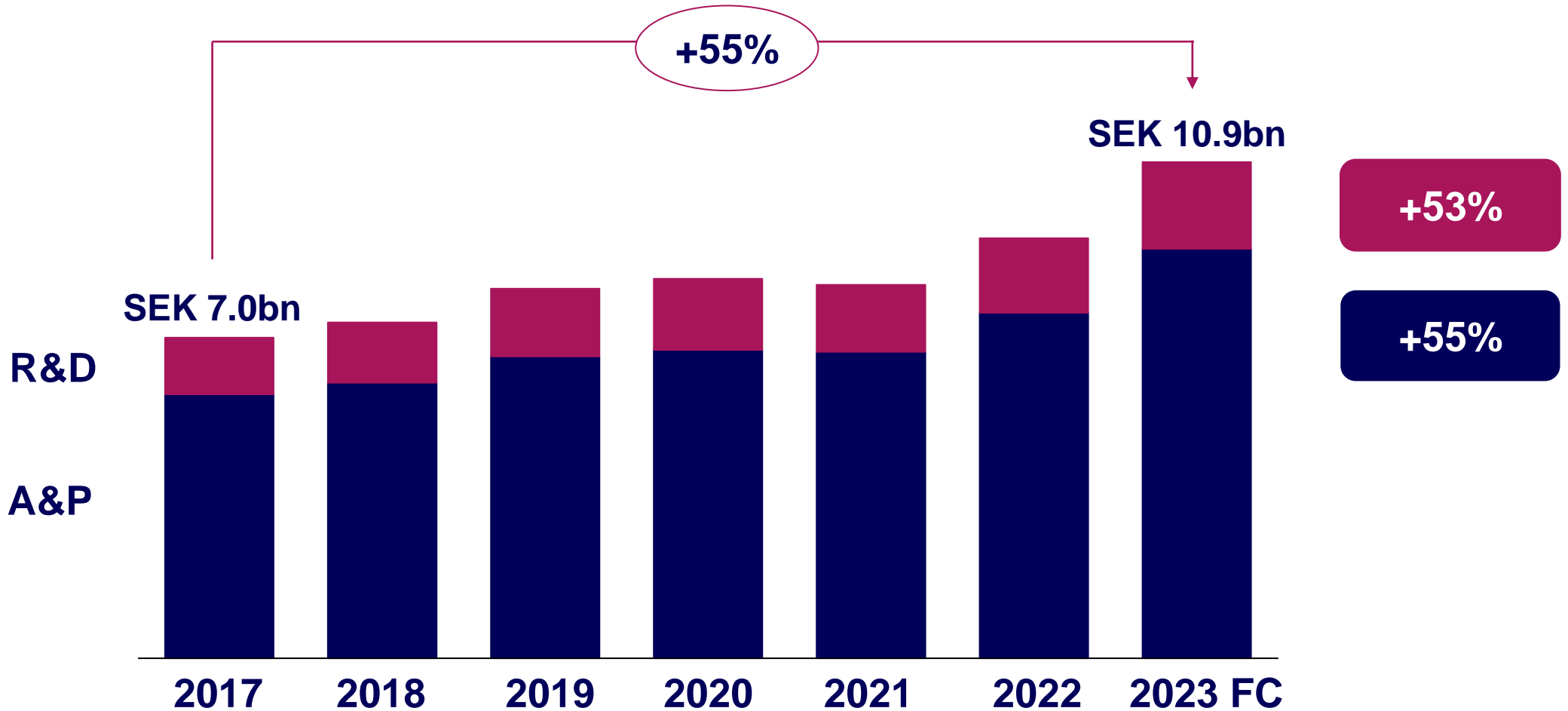


¹⁾ Adjusted Operating Return on Capital Employed and Volume/Mix growth

R&D Investment % of sales by category (Average 2019-9M 2023)

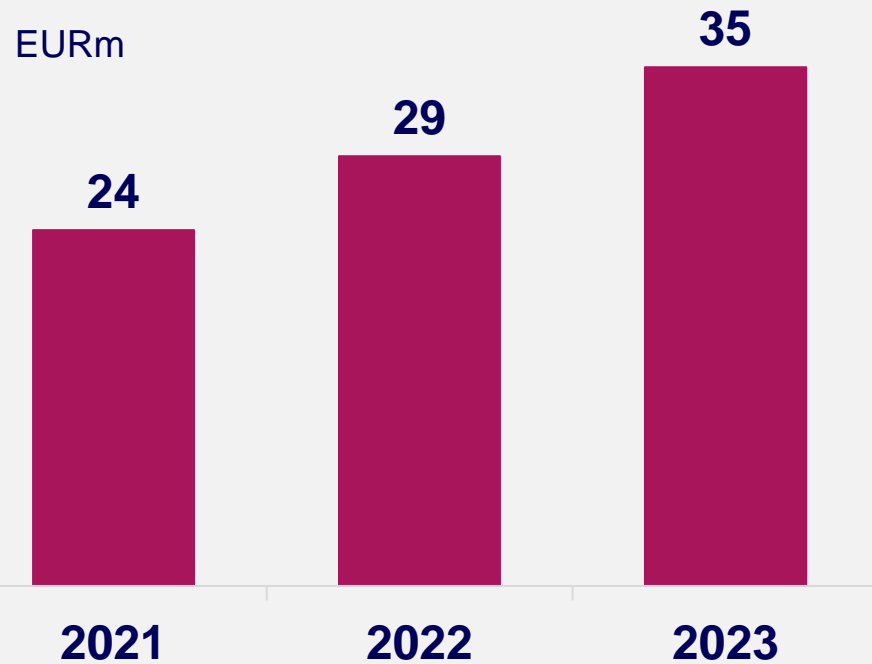


Increased Investments in A&P and R&D

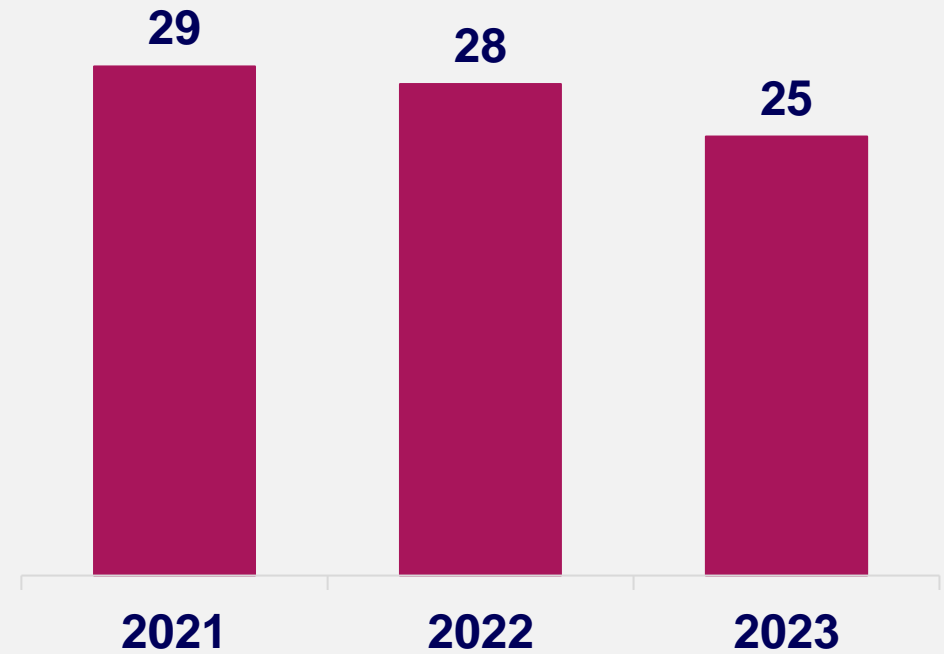


Investing in Bigger Bets

Sales per Innovation



Number of Innovations

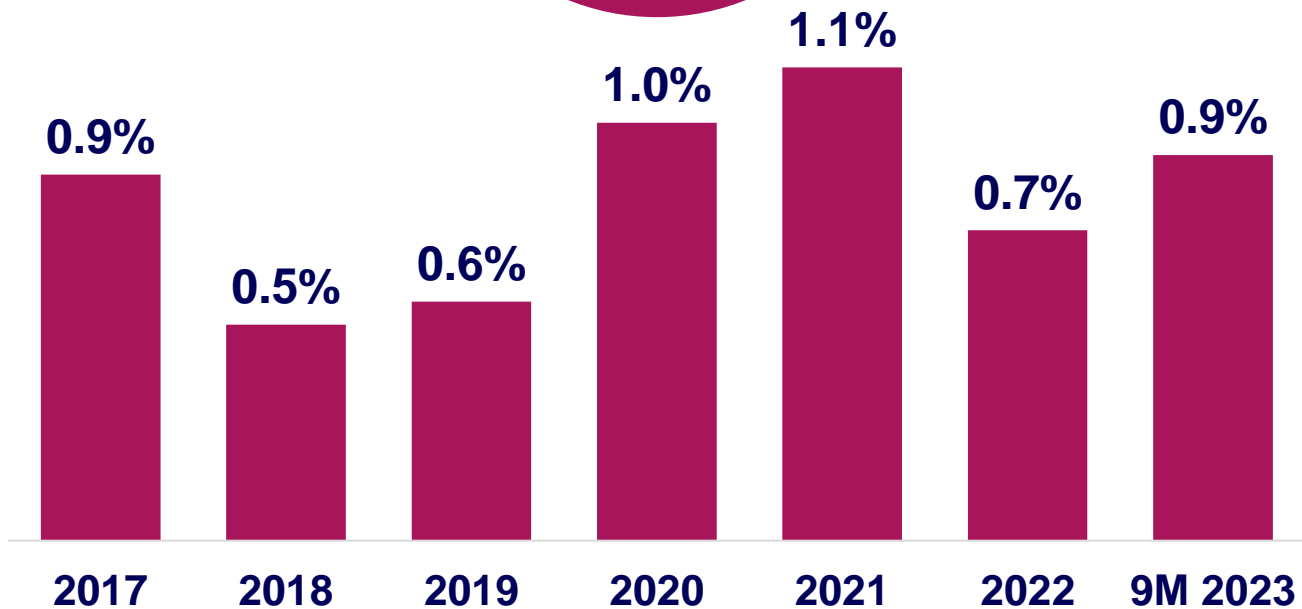


Measuring Innovation Success



Strong Mix Development

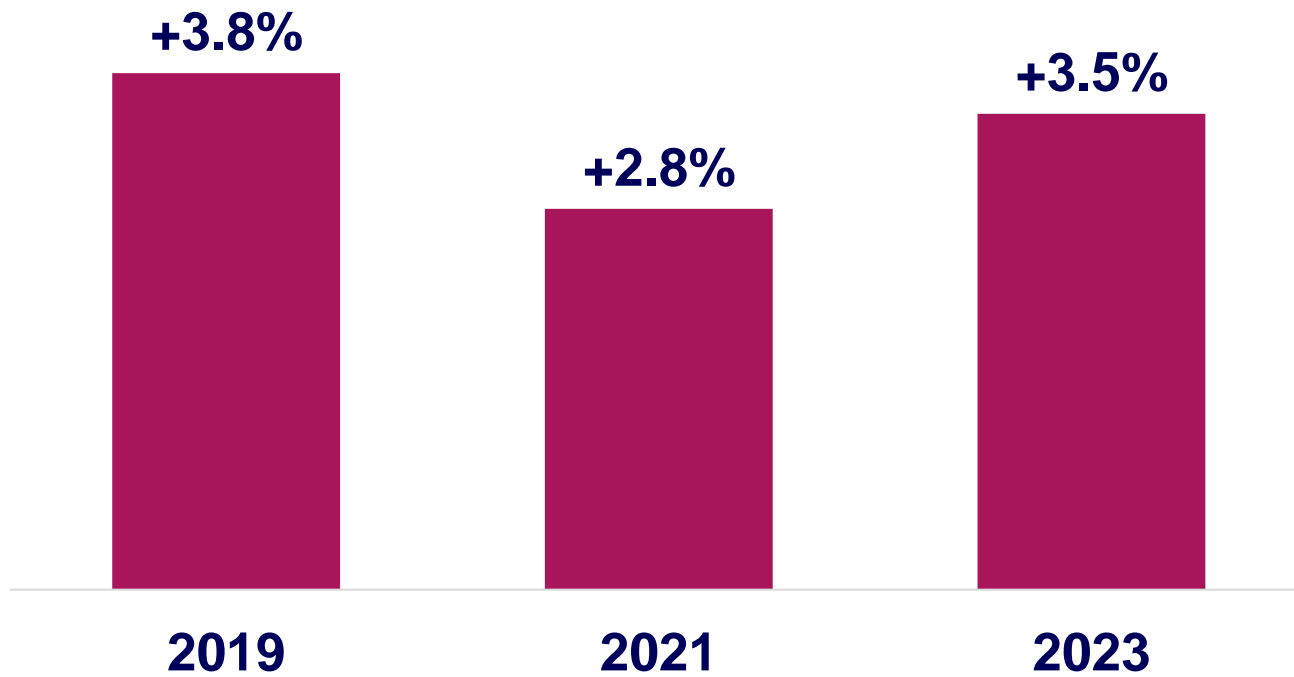
Average Mix
+0.8%
2017 – 9M 2023



LIVE FEARLESS

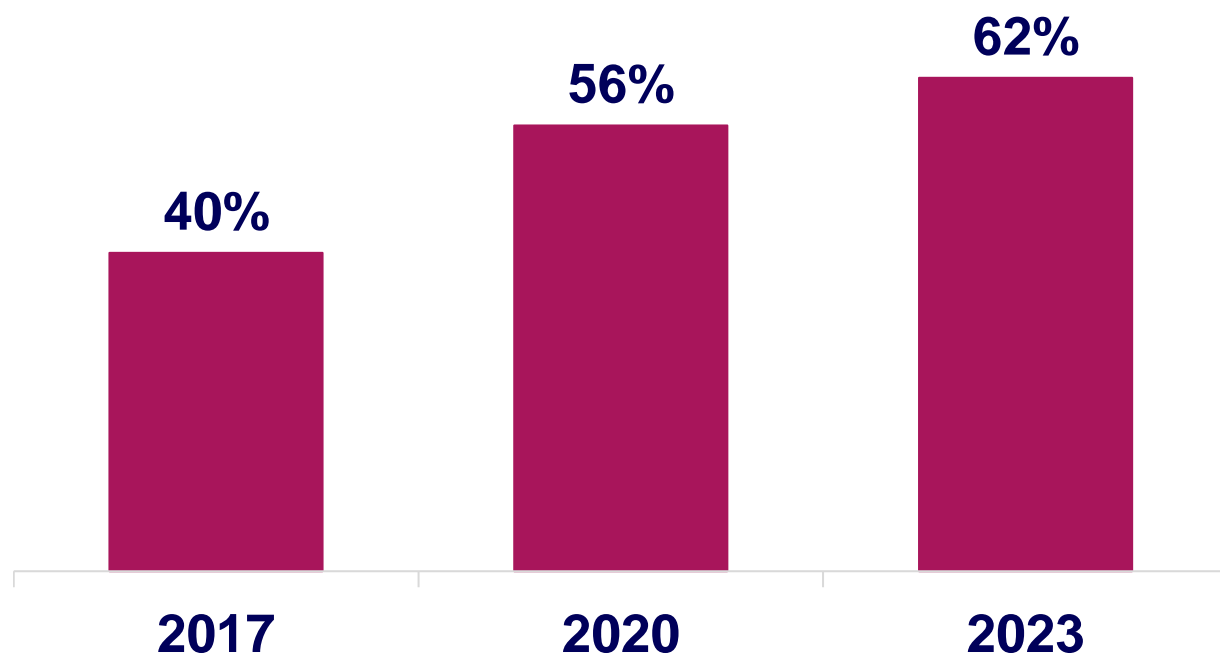
Increased Gross Margin

Innovations vs Current Assortment



Superiority

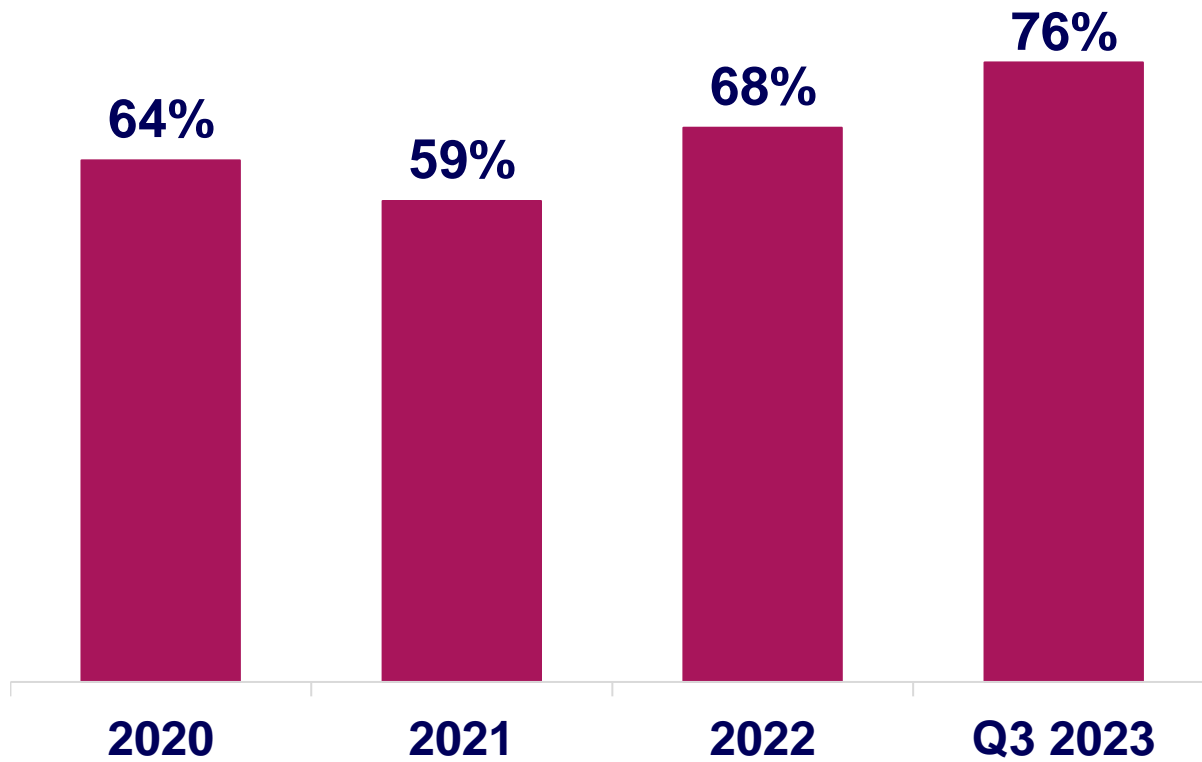
Share of Net Sales with Superiority



Libero

Sustainable Solutions

Share of Sales from Innovation



Innovation and Brand Strength through Acquisitions



COACH | **ZONAS**® | **ELASTIKON**®



Modibodi®



Hydrofera®

knix

Trend Spotting

Sahil Tesfu

Chief Strategy Officer



Innovating for Happy Customers & Consumers

Tuomas Yrjölä

President, Global Brand,
Innovation & Sustainability



A woman with dark skin and hair, wearing a blue patterned athletic top and leggings, is in a dynamic pose. A circular diagram with three arrows connects three text boxes: 'Global Brand, Innovation and Sustainability' (top right), 'Business Areas' (middle left), and 'Global Supply Chain' (bottom left).

Global Brand, Innovation
and Sustainability

Business Areas

Global Supply Chain

R&D

Brand Building

Intellectual
Property

Product
Regulatory
& Safety

Product
Sustainability



Global Innovation Hubs

Innovating to Solve Unmet Needs

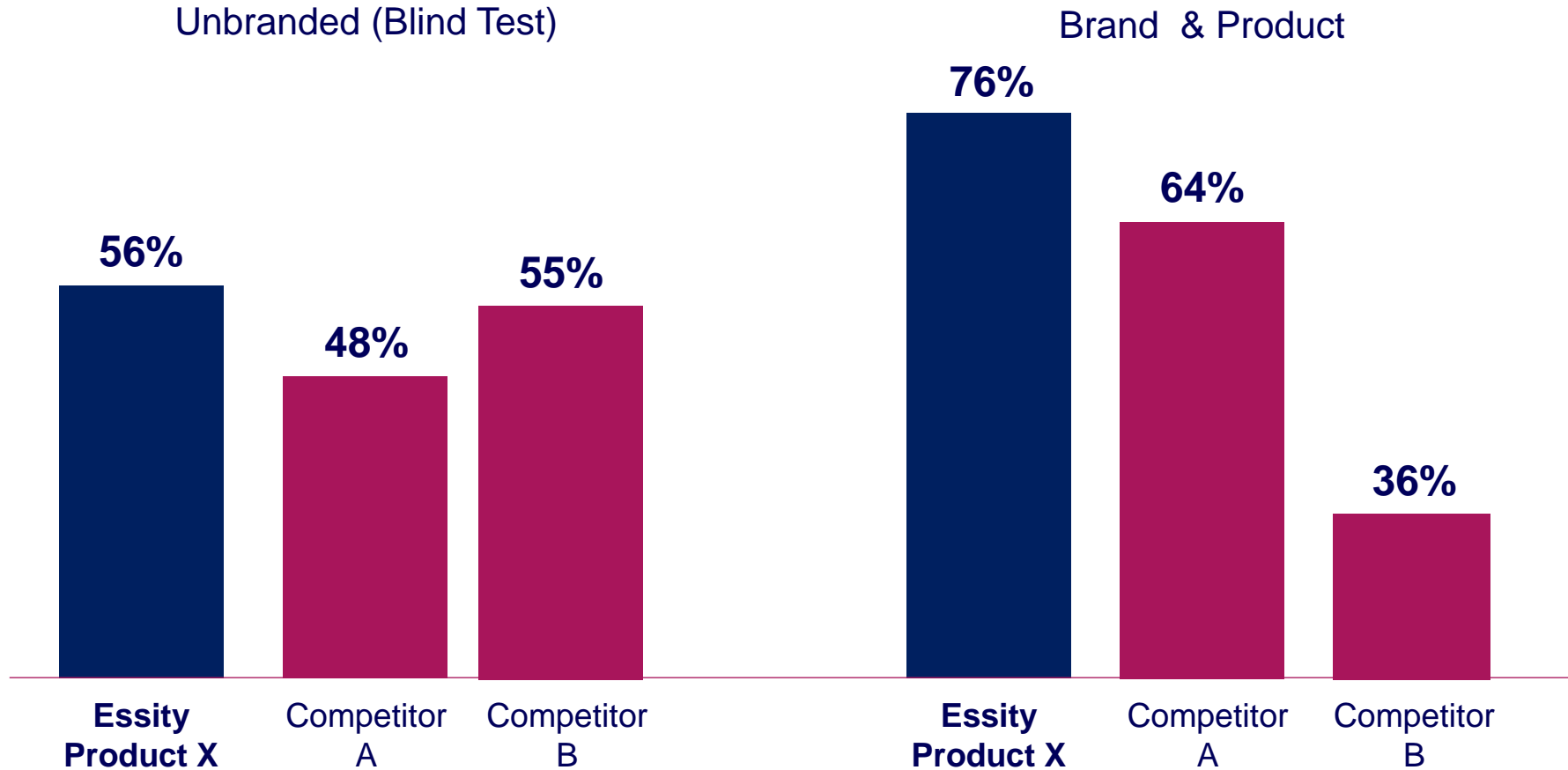
- Grow the core
- Expand categories
- Accelerate sustainable solutions

Superior
Consumer
Experience

A woman with long dark hair, wearing a blue patterned athletic top and leggings, is captured in a dynamic pose, performing a split leap. She is smiling broadly, with her eyes closed and hair flowing. The background is split into a light blue upper half and a darker blue lower half.

Superiority = Product & Brand

% Consumers “Definitely Would Buy”



What Does Superior Look Like?



4.85 / 5 rating
Retailer Websites



This was a great product. Loved the fact these are smaller sheets when tearing off and with the roll being tubeless. Both are great for the environment. Quality is much better than other brands and found it to be very absorbent. Definitely recommend !

– UK Consumer May '23

Grow the Core Feminine Care



Strong Profitable Growth

Feminine Care

Organic Sales
Growth

+9%

CAGR

2017-Q3 2023

#1

>70%

of net sales

Grow the Core

Tork PeakServe with 20+ patents



**Highest
capacity**
on the market¹



250%
More capacity²



50%
Compression of towels



1/2
Cut refill
time in half²

1) Compared to competitor's longest roll towel in North America 2) Compared to Tork Universal refills and folded towel dispenser

Grow the Core

Tork PeakServe System

Net Sales
SEK
>1bn



¿Disfrazas los olores
en el baño?

Mejor usa Regio



A woman is holding a baby from behind. The baby is wearing a white Libero touch diaper. The woman is wearing a yellow top. The background is a soft, out-of-focus indoor setting.

Libero
touch™

"Thanks to these
diapers, we have really
escaped disgusting poop
leaks up the back 🍑 –
want it to more sizes"

NEW!
CAPTUREPOCKET™

Pocket that helps prevent
messy leaks in the back.



Expand Categories

Significant Growth opportunity

- 1 in 4 men over 40 experience urine leakage
- 1 in 10 men use a product

TENA Men Category growth formula:

- No.1 Brand trusted by Men
- Superior re-usable and disposable solution
- Demystifying advertising



TENA Men

Sales Growth

+15%

CAGR
2017-Q3 2023



Accelerate Sustainable Solutions

3Rs



Reduce



Reuse



Recycle

As A Result

Share of
Net Sales with
Superiority

62%



LIVE FEARLESS

Portfolio of Growing and Trusted Brands

EUR >2bn

TORK®

TENA®

EUR >1bn



EUR <0.5bn

Jempe®

Libero®

Actimove®

knix

modibodi®

**TOM
ORGANIC**

Leukoplast®

JOBST®



Innovating for A Best-in-Class Value Chain

Donato Giorgio
President, Global Supply Chain

Leading End-to-End Supply Chain Now and in the Future

Procurement

Manufacturing and Engineering

Planning and Customer Fulfilment

Value
Creation
End-to-End

I Care

TPM
Industry
4.0

Digitally
Enabled
Planning

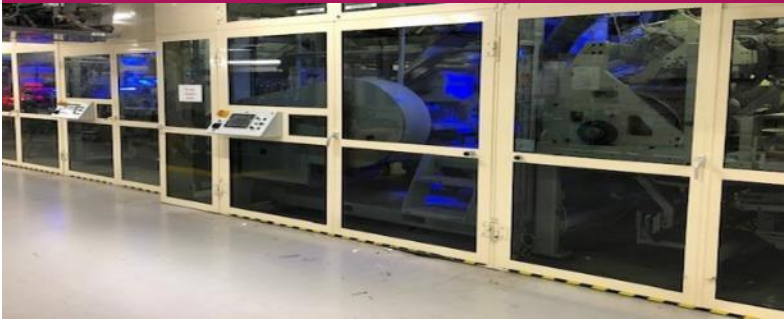
Responsible
Sourcing

Product
Innovation
Platforms

The
Transportation
Hub

Product Innovation Platforms

Incontinence Pants Platform



Coreless Tissue Platform



Tork Peak Serve



Paper Machine Process Development



First Time Right Machine Startup



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Industry 4.0

50 000 000
data
points/second

Reducing
converting
waste up to
20%

Towards
100%
digital
quality
inspection

AI preventing
downtimes and
yielding cost
avoidance

Reducing
CO₂ emission
35% 2030 vs 2016
Scope 1 and 2
Net Zero 2050

Leading End-to-End Supply Chain Now and in the Future

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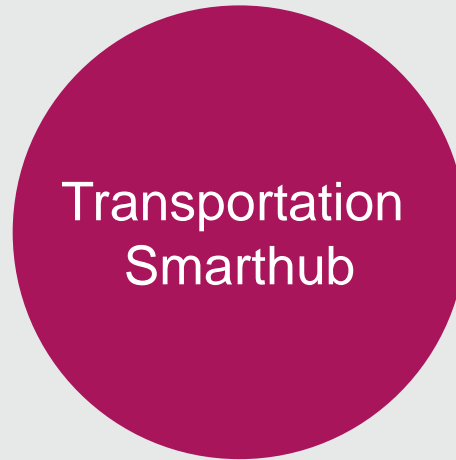
Digitally
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End-to-end Digitally Enabled Supply Chain



Machine Learning to Improve our Demand Signal Capture

Digital Transportation Operation Suites for a better customer experience

Supply Planning Integrated Data Flows

Leading End-to-End Supply Chain Now and in the Future

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Digitally
Enabled
Planning

Responsible
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Product
Innovation
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The
Transportation
Hub

An aerial photograph of a dense, lush green forest. In the center of the forest is a small, calm lake that is perfectly heart-shaped. The water in the lake is a clear, light blue, reflecting the sky. The surrounding forest is thick with various shades of green, and wisps of white mist or smoke are rising from the trees, particularly around the edges of the heart-shaped lake. Overlaid on the image in a large, white, serif font is the word "Future". The word is positioned such that the "F" is on the left, and the "uture" part is centered over the heart-shaped lake, with the "u" and "t" partially overlapping the lake's edge.

Future

Leading in Environmental Sustainability

Alternative Fiber



Geothermal



Green Electricity



Fossil Fuel Free
Production



Remove Water



Hydrogen Produced
Tissue



Recycling



We Are Making This Happen



Essity and Voith develop groundbreaking concept for sustainable tissue production

- CO₂-neutral tissue production
- Reduced freshwater consumption by 95%
- Reduced energy consumption by up to 40%

Leading End-to-End Supply Chain Now and in the Future

Procurement

Manufacturing and Engineering

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4.0

Digitally
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Leveraging AI

Carl-Magnus Månsson

Chief, Digital & Information Officer



Innovating for Better Health

Ulrika Kolsrud

President, Health & Medical



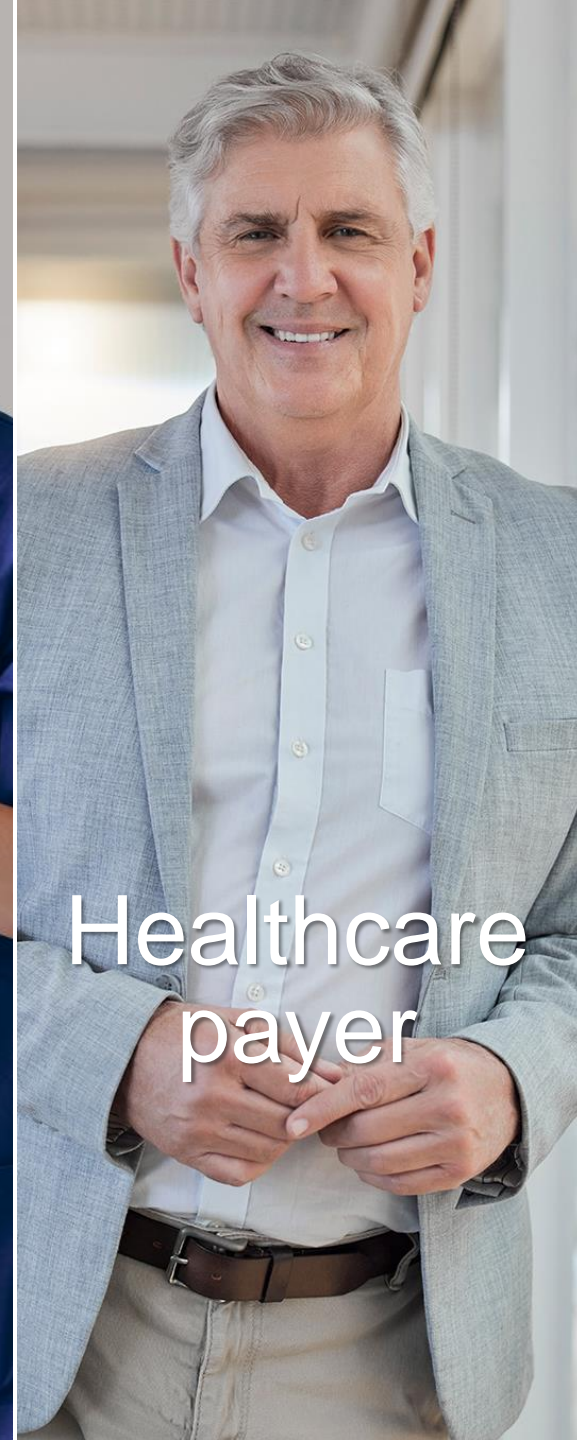
Innovating for the...



Patient



Caregiver



Healthcare
payer

>150M
people
suffer from
Lymphedema



Mild & Moderate
Lymphedema
represents
85%
of patient group



Compression

+12%

Organic Sales Growth
9M 2023 vs 9M 2022



1.6%
of population have
**Chronic
Wounds**

Billions
suffer from
**injuries and
wounds**



Sorbact

>20%

Organic Sales Growth
9M 2023 vs 9M 2022



Incontinence
Products
Health Care

+1.7%

Mix Contribution
to Sales
9M 2023 vs 9M 2022



>400M
people worldwide
suffer from
Incontinence

1 in 3
woman +35 years

1 in 4
men +40 years

Best Individual Care and Best Use of Available Resources

**Wide range of
TENA products**



**Training and
Support**



**TENA SmartCare
Digital Solutions**



TENA Tools





1 in 5

people is currently
providing care for
a loved one

2/3

of all people will
become caregivers
at some point in
their lives

Actimove[®]

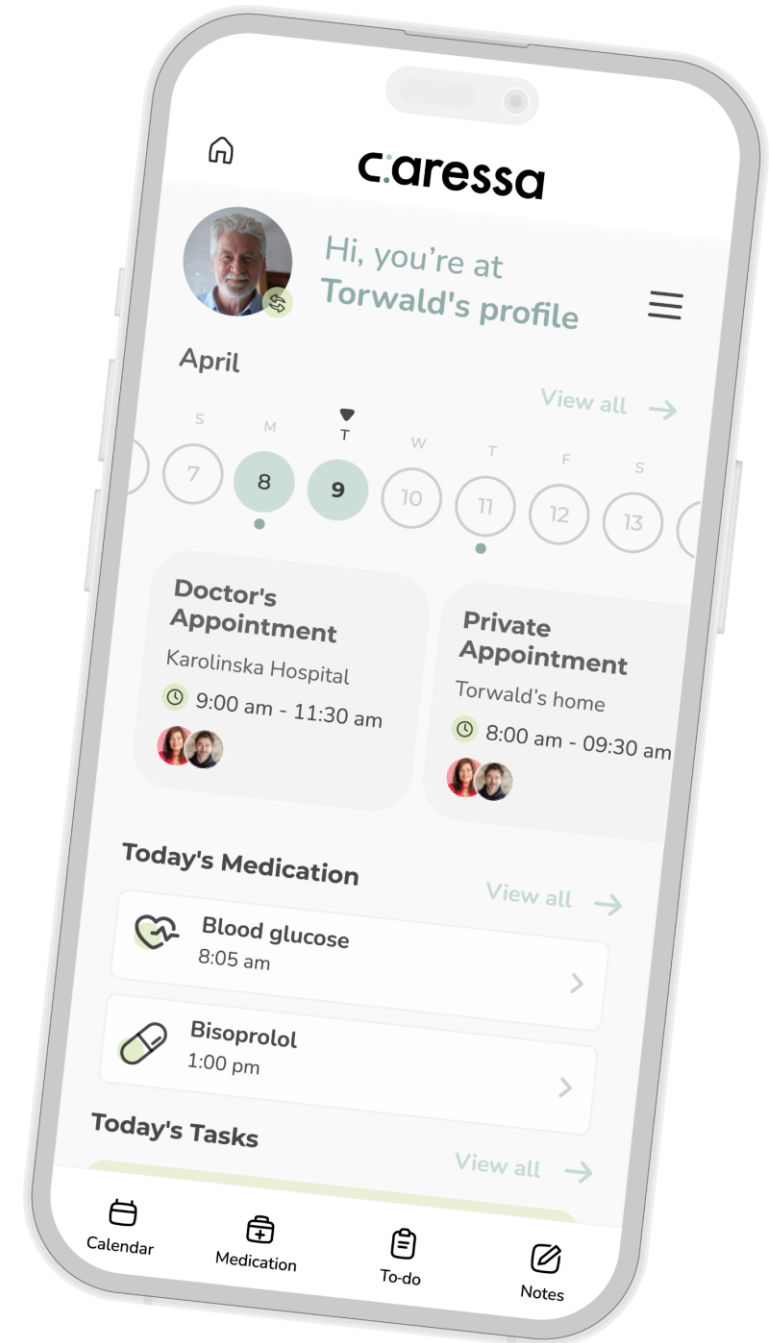
JOBST

 **Cutimed**[®]

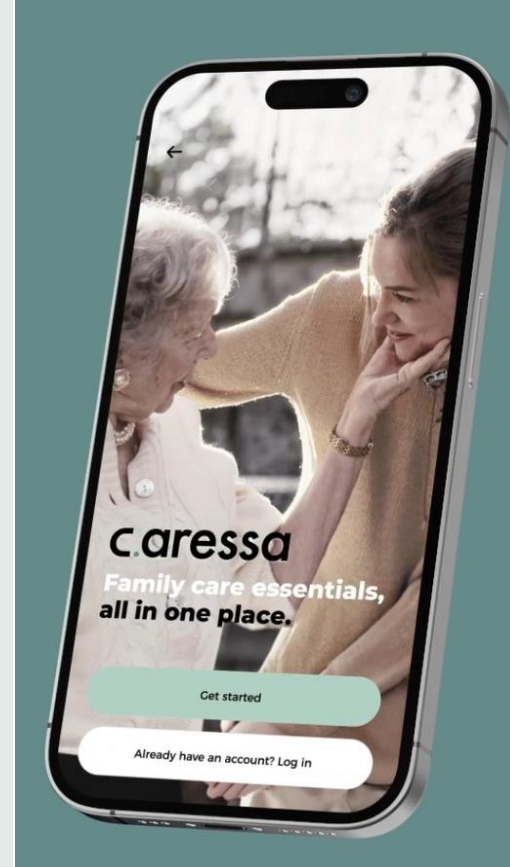
 **TENA**[®]

Leukoplast[®]

Delta-Cast[®]







Innovating to strengthen the core

Innovating to expand

for accelerated profitable growth

Q&A

For everybody and every body



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





For everybody and every body

Final Remarks

Magnus Groth
President and CEO

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



