

A woman in a white long-sleeved shirt and a grey apron is smiling while holding a white cloth. She is standing in a commercial kitchen. In the background, there are shelves with various items, a water dispenser, and a sink. Another person is visible in the background on the left, working with a rack of bread.

# Annual General Meeting 2019

Magnus Groth, President and CEO

# Essity, a leading global hygiene and health company

Net sales 2018

# 118.5

SEKbn

Market Capitalization

# 188

SEKbn at March 29, 2019

Sales in approximately

# 150

 countries

Employees, approximately

# 47,000

around the world



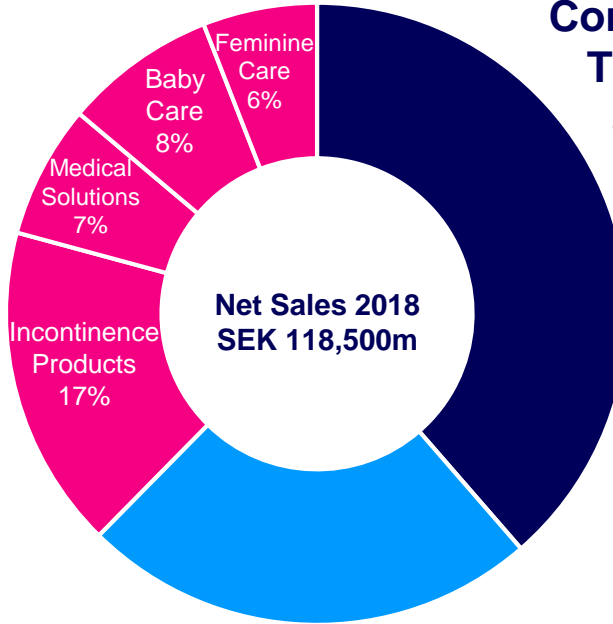


# Net Sales 2018

By Business Area and Product Category



**Personal Care**  
38%



**Professional Hygiene**  
24%

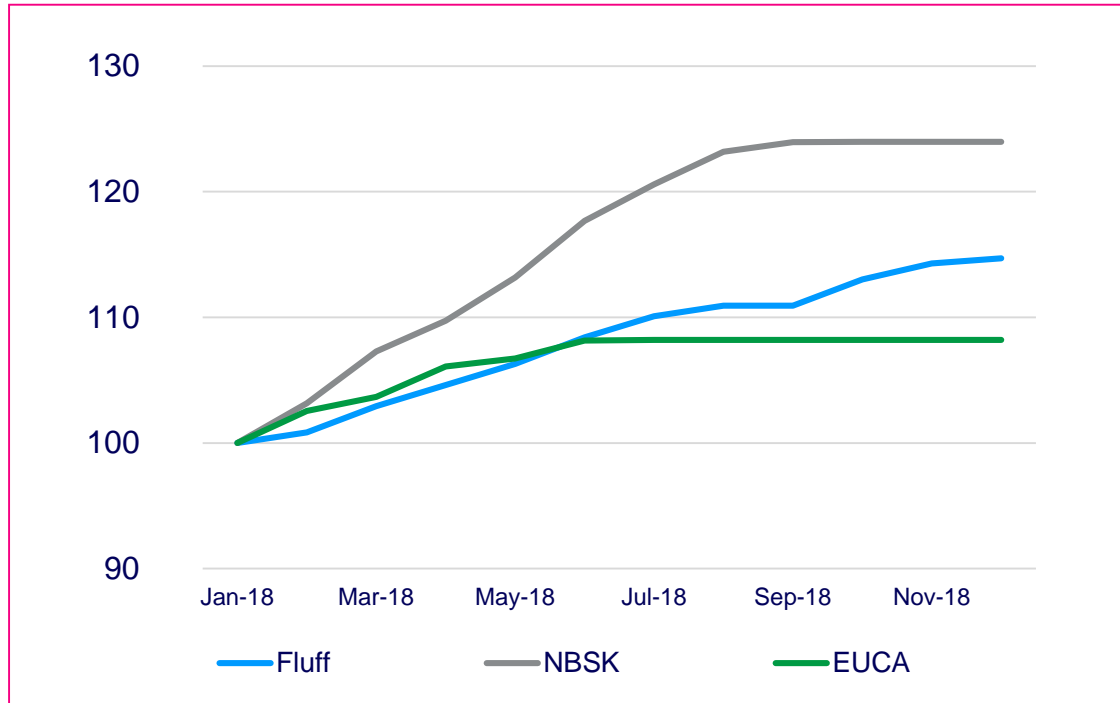
**Consumer Tissue**  
38%



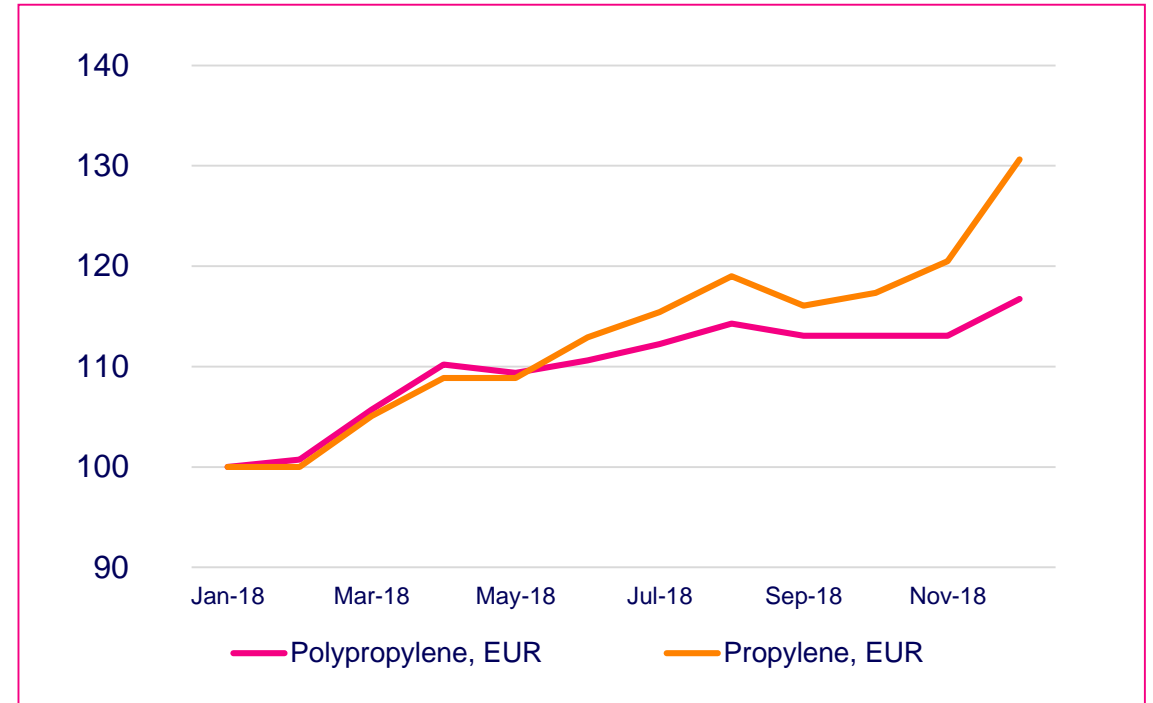
# Significant Price Increase for Raw Materials

In 2018, Raw Material Costs Increased SEK 4.5bn

**Prices for Pulp<sup>1)</sup>**  
(with time lag taken into account)



**Prices for Oil-based Raw Materials<sup>2)</sup>**  
(with time lag taken into account)



1) Prices in USD, Europe

2) Polypropylene major feedstock of non-woven material, Propylene major feedstock of SAP material

Source: FOEX, Fast Markets RISI, ICIS

# Adjusted EBITA<sup>1)</sup>

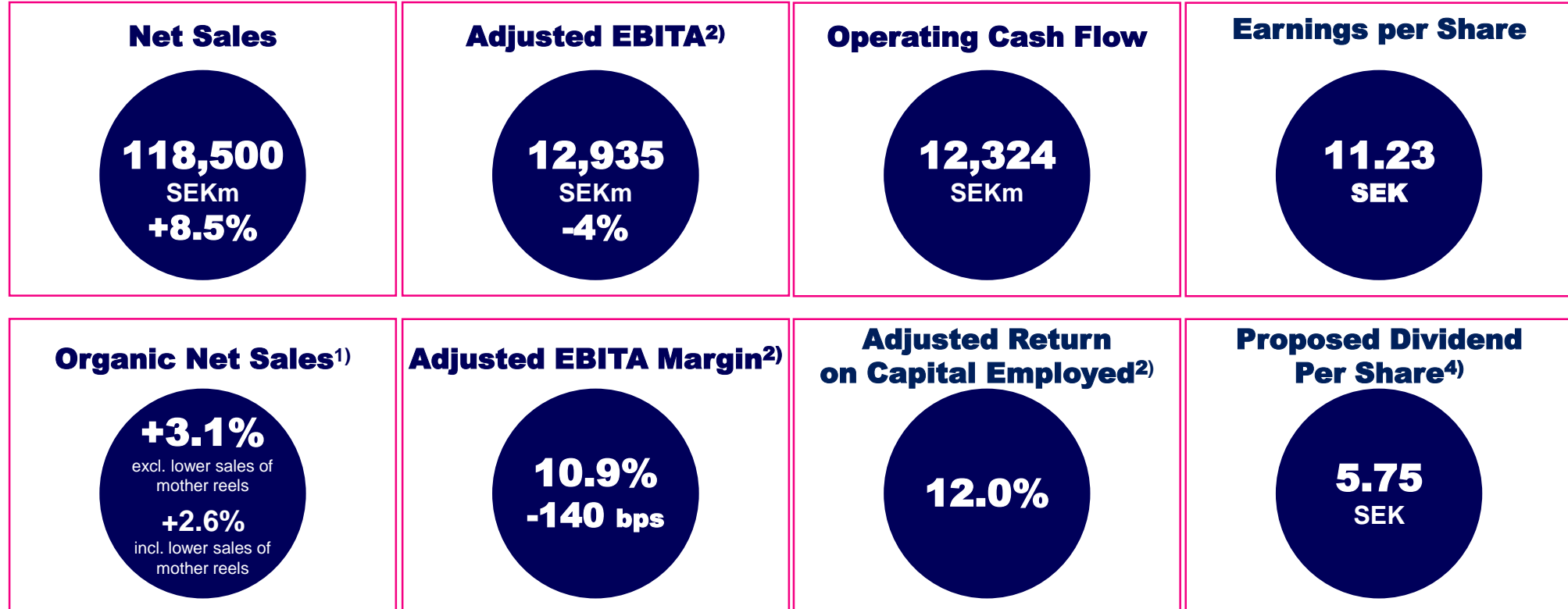
2018 vs 2017



<sup>1)</sup>Excluding items affecting comparability

# Summary

2018 vs 2017



<sup>1)</sup> Net sales excluding exchange rate effects, acquisitions and divestments

<sup>2)</sup> Excluding items affecting comparability

<sup>3)</sup> Board of Directors proposal

# Progress During A Challenging Year

- Extensive measures for increased profitability due to record high raw material and energy costs
- Strengthened customer relations and brands through successful innovations and digitalization
- Industry leader in Dow Jones Sustainability index





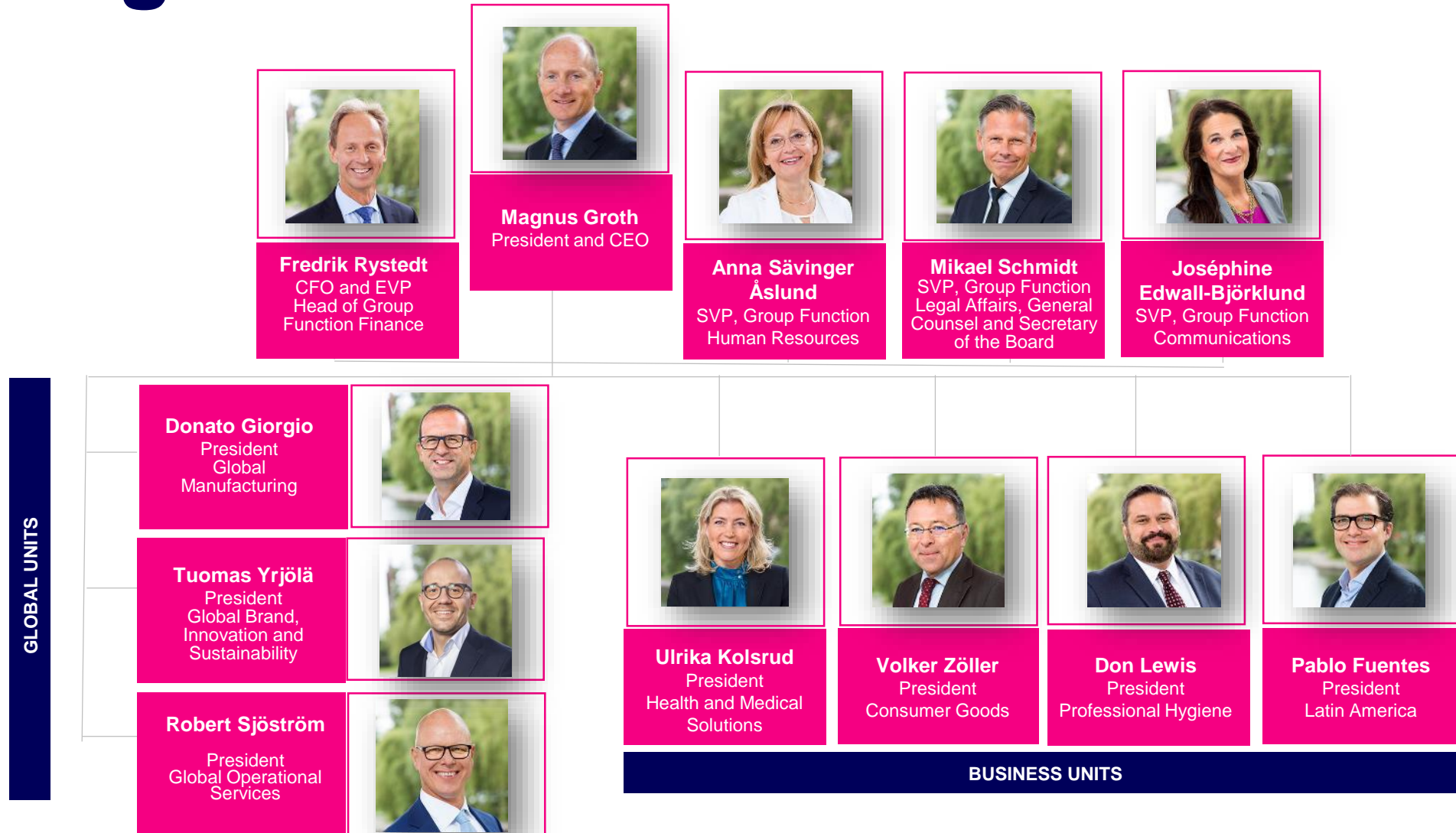
# Profitability Enhancing Measures

- Price increases and improved product mix
- Significant cost savings through efficiency improvements and restructuring
- Measures to improve underperforming market positions
- Group-wide cost-savings program
- New organization





# New Organization

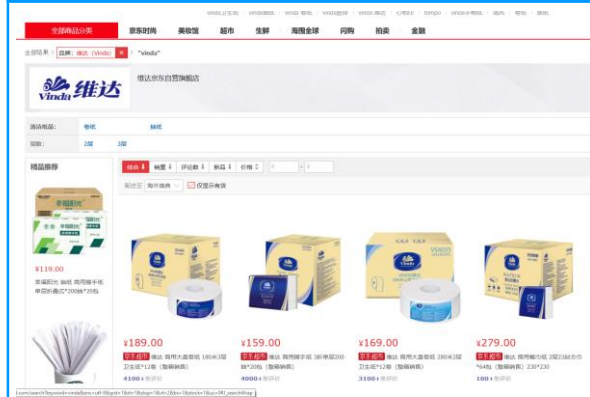


# Innovations For People and Nature



# Digitalization in All Areas

## E-commerce



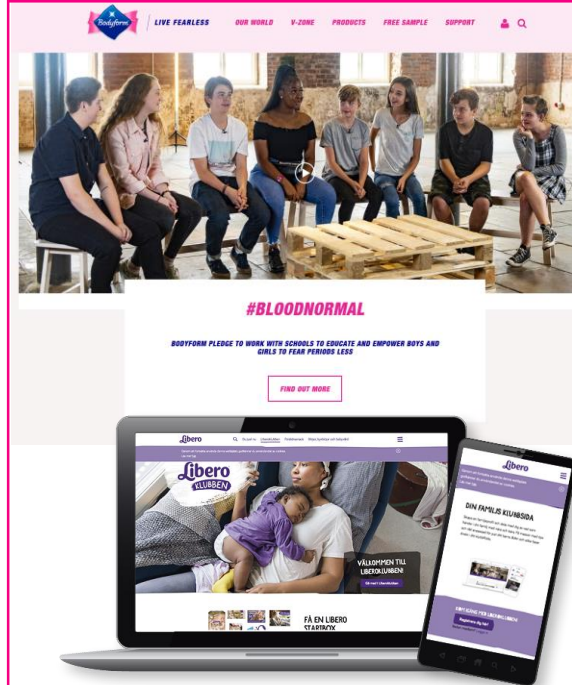
**>30%**  
of Vinda's  
2018 net sales in China

## Digital Products



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

## Customers and Consumers



[libero.se/nya-liberoklubben](http://libero.se/nya-liberoklubben)  
[www.bodyform.co.uk](http://www.bodyform.co.uk)    [www.tena.co.uk](http://www.tena.co.uk)

## Robotics, Automation, Analytics

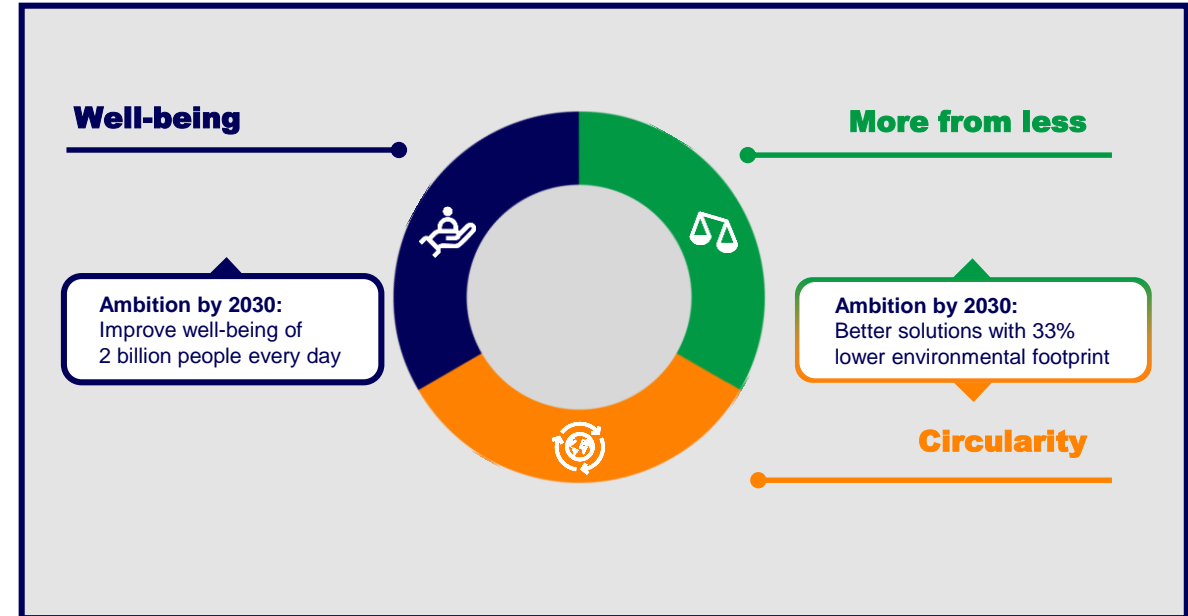


**Increases efficiency  
and improves quality  
in all parts of the business**



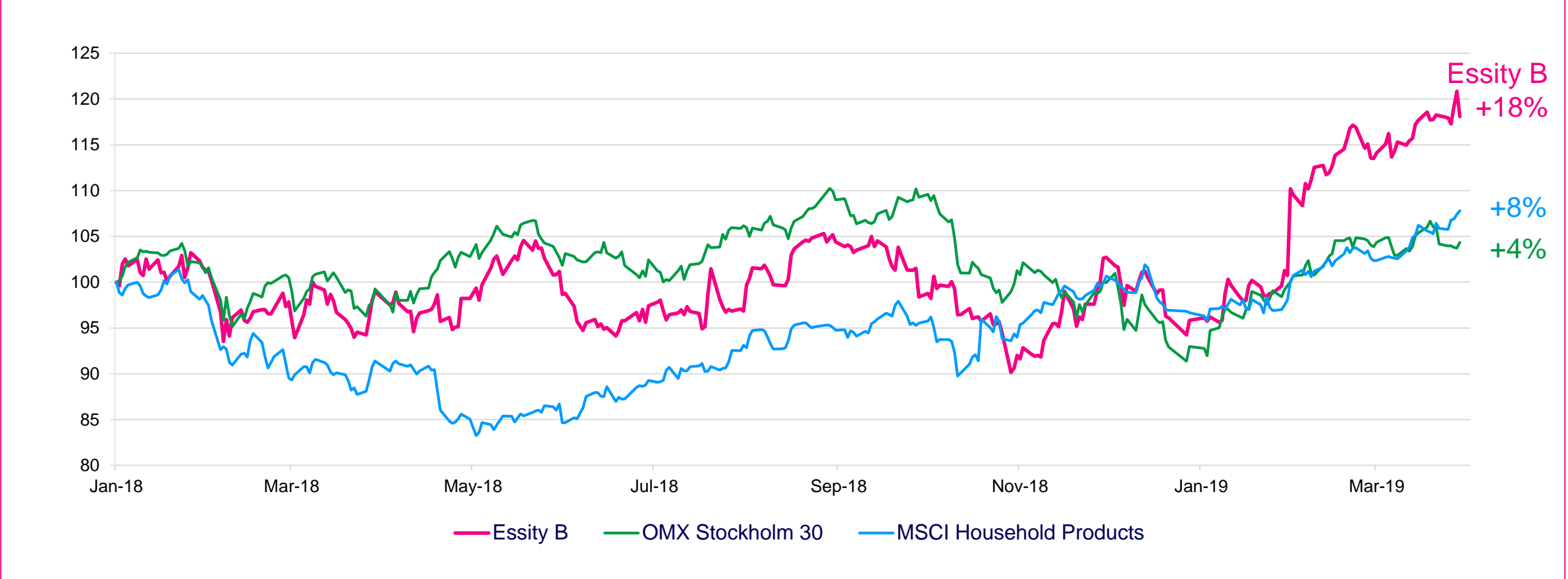
# Sustainable Value Creation

- 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"
- Industry leader in Dow Jones Sustainability index
- ~2.5 million people educated in hygiene and health



# Total Shareholder Return

January 1, 2018 – March 29, 2019



# Favorable Market Trends

**Growing and Aging  
Population**

**Higher Living Standards**

**Increased Awareness  
about Hygiene and Health**

**Increased Prevalence of  
Chronic Conditions**

**Sustainable  
Consumption and  
Circular Economy**

**Digitalization**



# 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 including IRI, RISI, Price Hanna Consultants, SmartTRAK and INSIGHT Health

# Medical Solutions

Products in Wound Care, Vascular and Orthopedics





# Priorities 2019

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







**essity**