

Interim Report First Quarter 2020



JANUARY 1 – MARCH 31, 2020

(compared with the corresponding period a year ago)

- Net sales increased 10.0% to SEK 33,712m (30,656)
- Organic net sales increased 7.8%
- The COVID-19 pandemic resulted in a sharp increase in sales and earnings in March 2020 as a result of stockpiling among consumers and distributors
- In emerging markets, which accounted for 35% of net sales, organic net sales increased 4.0%
- Operating profit before amortization of acquisition-related intangible assets (EBITA) increased 77% to SEK 5,316m (3,002)
- Adjusted EBITA increased 67% to SEK 5,333m (3,190)
- Adjusted EBITA margin increased 5.4 percentage points to 15.8% (10.4)
- Profit for the period increased 87% to SEK 3,610m (1,929)
- Earnings per share increased 85% to SEK 4.61 (2.49)
- Adjusted earnings per share increased 69% to SEK 4.83 (2.86)
- Cash flow from current operations increased 25% to SEK 3,044m (2,434)

EARNINGS TREND

SEKm	2020	2019	%
Net sales	33,712	30,656	110
Adjusted operating profit before amortization of acquisition-related intangible assets (EBITA) ¹	5,333	3,190	167
Operating profit before amortization of acquisition-related intangible assets (EBITA)	5,316	3,002	177
Amortization of acquisition-related intangible assets	-201	-187	107
Adjusted operating profit ¹	5,132	3,003	171
Items affecting comparability	-17	-188	9
Operating profit	5,115	2,815	182
Financial items	-319	-342	93
Profit before tax	4,796	2,473	194
Adjusted Profit before tax ¹	4,813	2,661	181
Income taxes	-1,186	-544	218
Profit for the period	3,610	1,929	187
Earnings per share, SEK	4.61	2.49	185
Adjusted earnings per share, SEK ²	4.83	2.86	169

¹Excluding items affecting comparability; for amounts see page 11.

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

SUMMARY OF THE FIRST QUARTER 2020

The Group's net sales increased 10.0% in the first quarter of 2020 compared with the corresponding period a year ago. Organic net sales increased 7.8%, of which volume accounted for 5.9% and price/mix for 1.9%. In mature markets, organic net sales increased 10.2%. In emerging markets, which accounted for 35% of net sales, organic net sales increased 4.0%.

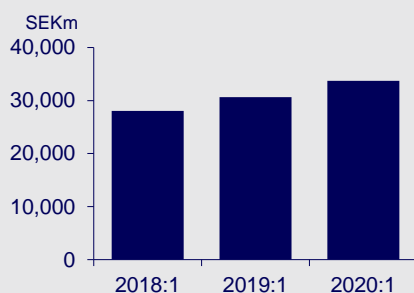
The COVID-19 pandemic resulted in a sharp increase in sales in many markets for Consumer Tissue, Incontinence Products, Baby Care, Feminine Care and Professional Hygiene as a result of stockpiling among consumers and distributors. In March 2020, organic net sales for the Group increased 19.7% compared with March 2019. Organic net sales for Personal Care rose by 17.0%, for Consumer Tissue by 19.5% and for Professional Hygiene by 24.5%. Sales in future quarters will be adversely impacted by the stockpiling seen in March and sales in Professional Hygiene will also be negatively impacted by reduced travel, fewer restaurant visits and more people working from home. In the long-term, the COVID-19 pandemic may lead to increased demand for hygiene and health products due to, for example, a greater focus on hand hygiene.

During the COVID-19 pandemic, Essity has three main priorities: care for our employees, continuing to operate a successful business and contributing to society. To maintain a safe work environment for our employees, satisfy increased demand and safeguard production and logistics, we have carried out measures in all parts of the business, including new ways of working for our employees, production adaptations and securing transportation. We have increased our presence and activity in digital sales channels. We contribute to society by delivering our leading hygiene and health solutions. In Sweden, the US and Mexico, we are investing in the production of surgical masks and face masks for the healthcare sector and our employees. We support the WHO COVID-19 Solidarity Response Fund and several local initiatives.

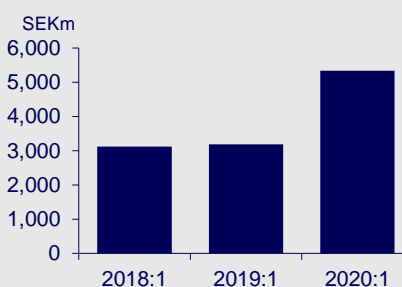
The Group's adjusted gross margin for the first quarter of 2020 increased 5.6 percentage points to 32.8% compared with the corresponding period in the preceding year. The gross margin was positively impacted by higher volumes, a better mix and costs savings. Continuous cost savings amounted to SEK 260m. Lower raw materials and energy costs increased the gross margin by 4.7 percentage points. Lower raw material costs were primarily the result of lower pulp prices. Our production facilities outside of China did not experience any major production disruptions due to the COVID-19 pandemic, although distribution costs have increased. Lower prices, mainly related to Consumer Tissue in Europe and Asia, had a negative impact on the gross margin. The Group's adjusted EBITA margin rose 5.4 percentage points to 15.8%. Investments in growth increased sales and marketing costs, also as a share of net sales. Adjusted EBITA for the first quarter of 2020 increased 67% compared with the same period in the preceding year. Adjusted return on capital employed rose 7.1 percentage points to 18.4 percent. Operating cash flow increased 108%. Earnings per share increased 85% to SEK 4.61.

Essity has a robust financial position and a solid funding situation. At March 31, 2020, net debt in relation to adjusted EBITDA was 2.09. The rapid spread of COVID-19 pandemic and related countermeasures mean the level of uncertainty in future forecasts is much greater than normal. At the Annual General Meeting, it was decided not to pay a dividend for 2019. The Board of Directors has announced that it intends to revisit the issue concerning a dividend later in the year when a better overview can be gained of the effects of the ongoing COVID-19 pandemic.

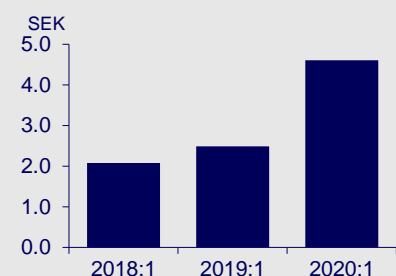
Net sales



Adjusted EBITA



Earnings per share



Excluding items affecting comparability; for amounts see page 11.

ADJUSTED EARNINGS TREND

SEKm	2003	1903	%
Net sales	33,712	30,656	10
Cost of goods sold ¹	-22,663	-22,307	
Adjusted gross profit¹	11,049	8,349	32
Sales, general and administration ¹	-5,716	-5,159	
Adjusted operating profit before amortization of acquisition-related intangible assets (EBITA)¹	5,333	3,190	67
Amortization of acquisition-related intangible assets ¹	-201	-187	
Adjusted operating profit¹	5,132	3,003	71
Financial items	-319	-342	
Adjusted profit before tax¹	4,813	2,661	81
Adjusted Income taxes ¹	-1,189	-597	
Adjusted profit for the period¹	3,624	2,064	76
¹ Excluding items affecting comparability; for amounts see page 11.			
Adjusted Margins (%)			
Gross margin¹	32.8	27.2	
EBITA margin¹	15.8	10.4	
Operating margin¹	15.2	9.8	
Financial net margin	-0.9	-1.1	
Profit margin¹	14.3	8.7	
Income taxes ¹	-3.5	-1.9	
Net margin¹	10.8	6.8	
¹ Excluding items affecting comparability; for amounts see page 11.			

ADJUSTED EBITA BY BUSINESS AREA

SEKm	2003	1903	%
Personal Care	2,039	1,540	32
Consumer Tissue	2,092	1,069	96
Professional Hygiene	1,393	741	88
Other	-191	-160	
Total¹	5,333	3,190	67
¹ Excluding items affecting comparability; for amounts see page 11.			

ADJUSTED OPERATING PROFIT BY BUSINESS AREA

SEKm	2003	1903	%
Personal Care	1,850	1,364	36
Consumer Tissue	2,090	1,068	96
Professional Hygiene	1,383	732	89
Other	-191	-161	
Total¹	5,132	3,003	71
¹ Excluding items affecting comparability; for amounts see page 11.			

OPERATING CASH FLOW BY BUSINESS AREA

SEKm	2003	1903	%
Personal Care	1,690	1,326	27
Consumer Tissue	2,093	653	221
Professional Hygiene	862	211	309
Other	-164	-40	
Total	4,481	2,150	108

GROUP

NET SALES AND EARNINGS

January–March 2020 compared with the corresponding period a year ago

Net sales increased 10.0% compared with the corresponding period a year ago to SEK 33,712m (30,656). Organic net sales, which exclude exchange rate effects, acquisitions and divestments, increased 7.8%, of which volume accounted for 5.9% and price/mix for 1.9%. Organic net sales increased 10.2% in mature markets and increased 4.0% in emerging markets. Emerging markets accounted for 35% of net sales. Exchange rate effects increased net sales by 2.5%. Divestments reduced net sales by 0.3% and are largely attributable to the disposal of a partly owned company in Turkey.

The Group's adjusted gross margin for the first quarter of 2020 increased 5.6 percentage points to 32.8% compared with the corresponding period a year ago. The gross margin was positively impacted by higher volumes, a better mix and costs savings. Continuous cost savings amounted to SEK 260m. Lower raw materials and energy costs were primarily the result of lower pulp prices. Our production facilities outside of China did not experience any major production disruptions on account of the COVID-19 pandemic, although distribution costs have increased. Lower prices, mainly related to Consumer Tissue in Europe and Asia, had a negative impact on the gross margin. The Group's adjusted EBITA margin rose 5.4 percentage points to 15.8%. Investments in growth increased sales and marketing costs, also as a share of net sales.

Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA) increased 67% (61% excluding currency translation effects, acquisitions and divestments) to SEK 5,333m (3,190).

Items affecting comparability amounted to SEK -17m (-188) and largely relate to restructuring costs.

Financial items decreased to SEK -319m (-342). The decrease is mainly related to lower average net debt.

Adjusted profit before tax increased 81% (75% excluding currency translation effects, acquisitions and divestments) and amounted to SEK 4,813m (2,661).

The tax expense, excluding effects of items affecting comparability, was SEK 1,189m (597).

Adjusted profit for the period increased 76% (70% excluding currency translation effects, acquisitions and divestments) and amounted to SEK 3,624m (2,064).

Profit for the period increased 87% (81% excluding currency translation effects, acquisitions and divestments) to SEK 3,610m (1,929). Earnings per share were SEK 4.61 (2.49). The adjusted earnings per share were SEK 4.83 (2.86).

The adjusted return on capital employed was 18.4% (11.3). The adjusted return on equity was 22.4% (14.6).

CASH FLOW AND FINANCING

January–March 2020 compared with the corresponding period a year ago

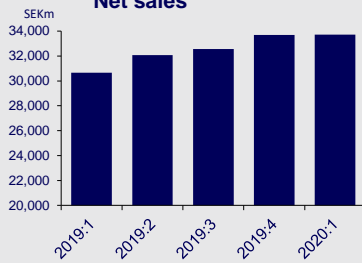
The operating cash surplus amounted to SEK 7,101m (4,854). The cash flow effect of changes in working capital was SEK -1,156m (-958). Investments in non-current assets, net, excluding investments in operating assets through leases, amounted to SEK -994m (-1,388). Operating cash flow before investments in operating assets through leases amounted to SEK 4,566m (2,282). Investments in operating assets through leases amounted to SEK -85m (-132). Operating cash flow was SEK 4,481m (2,150).

Financial items decreased to SEK -319m (-342). The decrease was mainly related to lower average net debt.

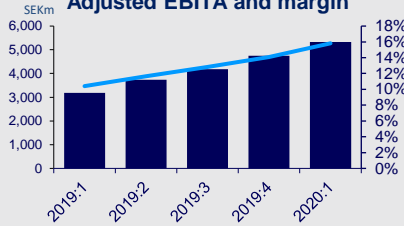
Tax payments had a negative impact on cash flow of SEK -1,118m (625). A decision in a tax case in Sweden reduced the tax payment by approximately SEK 1.1bn in 2019.

The net sum of acquisitions and divestments was SEK -1m (-4). Net cash flow totaled SEK 3,053m (2,431).

Net sales



Adjusted EBITA and margin



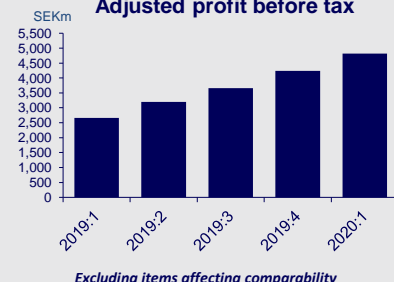
Change in net sales (%)

	2003 vs 1903
Total	10.0
Volume	5.9
Price/mix	1.9
Currency	2.5
Acquisitions	0.0
Divestments	-0.3

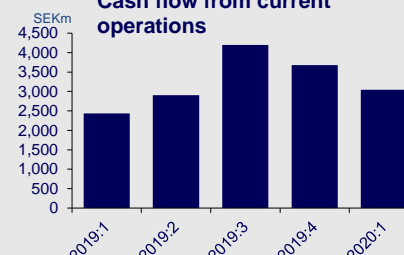
Change in adjusted EBITA (%)

	2003 vs 1903
Total	67
Volume	16
Price/mix	16
Raw materials	46
Energy	2
Currency	6
Other	-19
<i>Excluding items affecting comparability</i>	

Adjusted profit before tax



Cash flow from current operations



Net debt increased by SEK 1,039m during the period and amounted to SEK 51,979m. Excluding pension liabilities, net debt amounted to SEK 47,062m. Net cash flow reduced net debt by SEK 3,053m. Fair value measurement of pension assets and updated assumptions and assessments that affect measurement of the net pension liability, together with fair value measurement of financial instruments, increased net debt by SEK 1,902m. Exchange rate movements increased net debt by SEK 1,939m. Investments in non-operating assets through leases increased net debt by SEK 251m. The debt/equity ratio was 0.78 (0.99). Excluding pension liabilities, the debt/equity ratio was 0.71 (0.91). The debt payment capacity was 39% (26). Net debt in relation to adjusted EBITDA amounted to 2.09 (3.07).

EQUITY

January–March 2020

The Group's equity increased by SEK 3,783m during the period, to SEK 66,584m. Net profit for the period increased equity by SEK 3,610m. Equity decreased net after tax by SEK 1,538m as a result of fair value measurement of pension assets and updated assumptions and assessments that affect the valuation of the pension liability. Fair value measurement of financial instruments reduced equity by SEK 188m after tax. Exchange rate movements, including the effect of hedges of net foreign investments, after tax, increased equity by SEK 2,029m. Other items decreased equity by SEK 130m.

TAX

January–March 2020

A tax expense of SEK 1,189m was reported, excluding items affecting comparability. The reported tax expense corresponds to a tax rate of about 24.7% for the period. The tax expense including items affecting comparability was SEK 1,186m, corresponding to a tax rate of 24.7% for the period.

EVENTS DURING THE QUARTER

Essity raises EUR 300m in the bond market

On January 28, 2020, Essity announced that the company had raised EUR 300m in the bond market under its Euro Medium Term Note (EMTN) program. The reoffering yield for the bond was 0.58% with a maturity on February 3, 2030, corresponding to mid swaps +0.58 percentage points.

Essity acquires 75% of the medical solutions company ABIGO Medical AB

On February 27, 2020, Essity announced that the company had signed an agreement to acquire 75% of the Swedish medical solutions company ABIGO Medical AB. The company as a whole is valued at SEK 900m on a debt-free basis. ABIGO Medical AB develops, manufactures and markets products including the Sorbact® technology, which is a clinically established innovation for advanced wound care. The company has about 170 employees and reported net sales of approximately SEK 403m in 2019. ABIGO Medical AB is currently a key partner and sub-supplier to Essity. Essity has received the customary regulatory approvals and closing is expected to take place during the second quarter of 2020.

EVENTS AFTER THE QUARTER

Essity acquires smart ultrasound technology for incontinence care

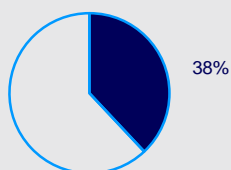
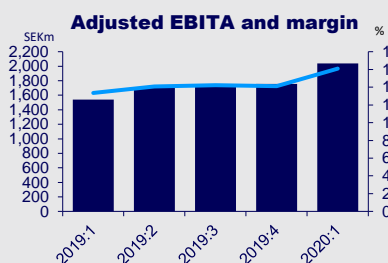
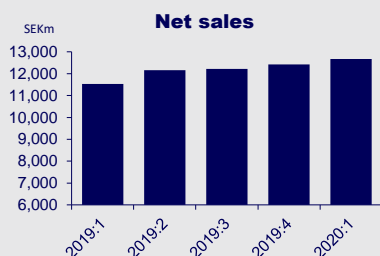
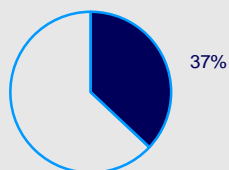
On April 1, 2020, Essity announced that the company is strengthening its offering in incontinence products through the acquisition of the Dutch company Novioscan. The company develops a wearable ultrasound technology that monitors the bladder and enables continence control. The purchase price is approximately SEK 70m (EUR 6.5m) on a debt-free basis.

2020 Annual General Meeting

On April 2, 2020, Essity's Annual General Meeting resolved in accordance with the Board of Director's proposal to refrain from a dividend for 2019. The Board of Directors has announced that it intends to revisit the issue of a dividend later in the year once a better overview has been obtained regarding the effects of the COVID-19 pandemic. Board members Ewa Björling, Pär Boman, Maija-Liisa Friman, Annemarie Gardshol, Magnus Groth, Bert Nordberg, Louise Svanberg, Lars Rebien Sørensen and Barbara Milian Thoralfsson were re-elected. Pär Boman was re-elected Chairman of the Board.

Higher sales and earnings for Essity during the first quarter of 2020

On April 14, 2020, Essity published its preliminary results for the first quarter of 2020 on account of the substantial increase in net sales and earnings for the first quarter of 2020 compared with the corresponding period a year ago. The strong development is partially a consequence of the COVID-19 pandemic.

Share of Group, net sales
2003Share of Group, adjusted EBITA
2003

Change in net sales (%)

2003 vs
1903

Total	9.8
Volume	6.9
Price/mix	1.9
Currency	1.8
Acquisitions	0.0
Divestments	-0.8

Change in adjusted EBITA (%)

2003 vs
1903

Total	32
Volume	18
Price/mix	11
Raw materials	10
Energy	0
Currency	3
Other	-10

PERSONAL CARE

SEKm	2003	1903	%
Net sales	12,669	11,535	10
Adjusted gross profit margin, %*	40.9	38.7	
Adjusted EBITA*	2,039	1,540	32
Adjusted EBITA margin, %*	16.1	13.4	
Adjusted operating profit*	1,850	1,364	36
Adjusted operating margin, %*	14.6	11.8	
Adjusted return on capital employed, %*	18.1	14.2	
Operating cash flow	1,690	1,326	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

January–March 2020 compared with the corresponding period a year ago

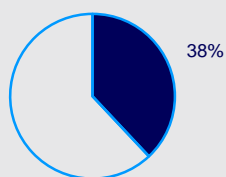
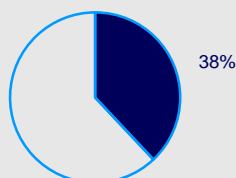
Net sales increased 9.8% to SEK 12,669m (11,535). Organic net sales, which exclude exchange rate effects, acquisitions and divestments, increased 8.8%, of which volume accounted for 6.9% and price/mix for 1.9%. Organic net sales in mature markets increased 7.5%. In emerging markets, which accounted for 36% of net sales, organic net sales increased 11.5%. Exchange rate effects increased net sales by 1.8%. Divestments reduced net sales by 0.8% and are largely attributable to the disposal of a partly owned company in Turkey.

The COVID-19 pandemic resulted in a sharp increase in sales in many markets for Incontinence Products, Baby Care and Feminine Care as a result of stockpiling. For Incontinence Products, with the globally leading TENA brand, organic net sales increased 11.8%. Growth was related to Western Europe, North America and emerging markets. Growth in Europe and North America was related to the retail trade and the healthcare sector. In Medical Solutions, organic net sales decreased 0.1%. In Western Europe and North America, organic net sales declined, while it increased in emerging markets. Sales of compression therapy and orthopedics were negatively impacted by the COVID-19 pandemic. For Baby Care, organic net sales increased 5.6%, primarily related to Western Europe and Latin America. For Feminine Care, organic net sales increased 15.5%, related to Europe, Latin America and Asia.

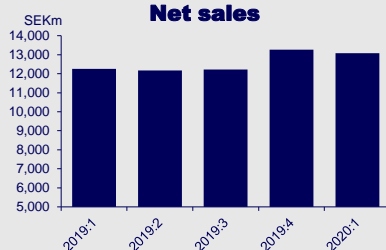
The adjusted gross margin for the first quarter of 2020 increased 2.2 percentage points to 40.9% compared with the corresponding period a year ago. The gross margin was positively impacted by higher volumes, higher prices, a better mix and cost savings. Lower raw material costs increased the gross margin by 1.2 percentage points. The lower raw material costs were mainly the result of lower pulp prices and lower costs for oil-based raw materials. Distribution costs increased during the quarter. The adjusted EBITA margin increased by 2.7 percentage points to 16.1%. Investments to increase growth and costs for implementation of the Medical Device Regulation increased sales and marketing costs, which were nevertheless lower as a share of net sales.

Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA), increased 32% (28% excluding currency translation effects, acquisitions and divestments) to SEK 2,039m (1,540).

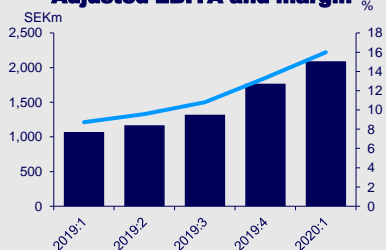
The operating cash surplus amounted to SEK 2,522m (2,034).

Share of Group, net sales
2003Share of Group, adjusted EBITA
2003

Net sales



Adjusted EBITA and margin %



Change in net sales (%)

	2003 vs 1903
Total	6.8
Volume	3.7
Price/mix	0.6
Currency	2.5
Acquisitions	0.0
Divestments	0.0

Change in adjusted EBITA (%)

	2003 vs 1903
Total	96
Volume	8
Price/mix	10
Raw materials	89
Energy	7
Currency	7
Other	-25

CONSUMER TISSUE

SEKm	2003	1903	%
Net sales	13,080	12,248	7
Adjusted gross profit margin, %*	26.4	18.8	
Adjusted EBITA*	2,092	1,069	96
Adjusted EBITA margin, %*	16.0	8.7	
Adjusted operating profit*	2,090	1,068	96
Adjusted operating margin, %*	16.0	8.7	
Adjusted return on capital employed, %*	17.5	9.2	
Operating cash flow	2,093	653	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

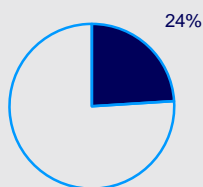
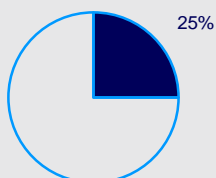
January–March 2020 compared with the corresponding period a year ago

Net sales increased 6.8% to SEK 13,080m (12,248). Organic net sales, which exclude exchange rate effects, acquisitions and divestments, increased 4.3%. The COVID-19 pandemic resulted in a sharp increase in sales in many markets due to stockpiling. Volumes increased by 3.7%, mainly related to Europe and Latin America, while volumes were lower in Asia. The price/mix increased 0.6%, primarily related to a better mix in Europe and Asia as well as higher prices in Latin America. The product mix in Europe was positively impacted by an increase in the Group's own brands as a share of net sales. Prices were lower in Europe and Asia. Organic net sales increased 8.9% in mature markets. In emerging markets, which accounted for 43% of net sales, organic net sales decreased by 0.8%. Exchange rate effects increased net sales by 2.5%.

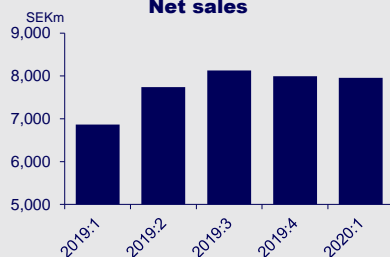
The adjusted gross margin for the first quarter of 2020 increased 7.6 percentage points to 26.4% compared with the corresponding period a year ago. The gross margin was positively impacted by higher volumes, a better mix and cost savings. Lower raw material and energy costs increased the gross margin by 8.0 percentage points. The lower raw material costs were mainly the result of lower pulp prices. Lower prices had a negative impact and distribution costs increased. The adjusted EBITA margin increased by 7.3 percentage points to 16.0%. Investments to increase growth increased sales and marketing costs, also as a share of net sales.

Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA) increased 96% (89% excluding currency translation effects, acquisitions and divestments) to SEK 2,092m (1,069).

The operating cash surplus totaled SEK 2,789m (1,708).

Share of Group, net sales
2003Share of Group, adjusted EBITA
2003

Net sales



Adjusted EBITA and margin



Change in net sales (%)

	2003 vs 1903
Total	15.9
Volume	7.9
Price/mix	4.3
Currency	3.7
Acquisitions	0.0
Divestments	0.0

Change in adjusted EBITA (%)

	2003 vs 1903
Total	88
Volume	21
Price/mix	32
Raw materials	51
Energy	1
Currency	7
Other	-24

PROFESSIONAL HYGIENE

SEKm	2003	1903	%
Net sales	7,957	6,867	16
Adjusted gross profit margin, %*	30.4	23.1	
Adjusted EBITA*	1,393	741	88
Adjusted EBITA margin, %*	17.5	10.8	
Adjusted operating profit*	1,383	732	89
Adjusted operating margin, %*	17.4	10.7	
Adjusted return on capital employed, %*	23.3	12.7	
Operating cash flow	862	211	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

January–March 2020 compared with the corresponding period a year ago

Net sales increased 15.9% to SEK 7,957m (6,867). Organic net sales, which exclude exchange rate effects, acquisitions and divestments, increased 12.2%. The COVID-19 pandemic resulted in a sharp increase in sales in many markets due to stockpiling among distributors. Volumes increased by 7.9%, mainly related to Europe, North America and Latin America, while volumes were lower in Asia. The price/mix increased 4.3%, primarily related to a better mix in Europe and North America and higher prices in Europe and Latin America. The improved product mix in Europe and North America was mainly related to higher sales of strategic products, including soap and hand sanitizer. Organic net sales increased 15.2% in mature markets. In emerging markets, which accounted for 18% of net sales, organic net sales increased by 0.8%. Exchange rate effects increased net sales by 3.7%.

The adjusted gross margin for the first quarter of 2020 increased 7.3 percentage points to 30.4% compared with the corresponding period a year ago. The gross margin was positively impacted by higher volumes, higher prices, a better mix and cost savings. Lower raw material and energy costs increased the gross margin by 5.0 percentage points. The lower raw material costs were mainly the result of lower prices for recovered paper and pulp. Distribution costs increased during the quarter. The adjusted EBITA margin increased by 6.7 percentage points to 17.5%. Investments to increase growth increased sales and marketing costs, also as a share of net sales.

Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA) increased 88% (81% excluding currency translation effects, acquisitions and divestments) to SEK 1,393m (741).

The operating cash surplus was SEK 1,946m (1,239).

DISTRIBUTION OF SHARES

March 31, 2020	Class A	Class B	Total
Registered number of shares	63,933,642	638,408,847	702,342,489

At the end of the period, the proportion of Class A shares was 9.1%. During the first quarter, 1,000 Class A shares were converted into Class B shares at the request of shareholders. The total number of votes in the company amounts to 1,277,745,267.

FUTURE REPORTS

In 2020, interim reports will be published on July 17 and October 22.

INVITATION TO PRESENTATION OF INTERIM REPORT FIRST QUARTER 2020

Media and analysts are invited to a telephone/web presentation at which President and CEO Magnus Groth will present and answer questions.

Presentation

Date: Thursday, April 23, 2020

Time: 9:00 a.m. CET

Link to web presentation: <https://essity.videosync.fi/2020-04-23-q1>

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Stockholm, April 23, 2020

Essity Aktiebolag (publ)

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This information is such that Essity Aktiebolag (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of the contact person set out below, at 07:00 CET on April 23, 2020. This interim report has not been reviewed by the company's auditors.

Karl Stoltz, Media Relations Manager, +46 (0)8 788 51 55

CONDENSED STATEMENT OF PROFIT OR LOSS

SEKm	2020:1	2019:1	2019:4	2003	1903
Net sales	33,712	30,656	33,686	33,712	30,656
Cost of goods sold ^{1,2}	-22,663	-22,307	-22,997	-22,663	-22,307
Items affecting comparability - cost of goods sold ²	-9	-99	-11	-9	-99
Gross profit	11,040	8,250	10,678	11,040	8,250
Sales, general and administration ^{1,2}	-5,749	-5,186	-5,986	-5,749	-5,186
Items affecting comparability - sales, general and administration ²	-8	-89	9	-8	-89
Share of profits of associates and joint ventures	33	27	39	33	27
Operating profit before amortization of acquisition-related intangible assets (EBITA)	5,316	3,002	4,740	5,316	3,002
Amortization of acquisition-related intangible assets ¹	-201	-187	-202	-201	-187
Operating profit	5,115	2,815	4,538	5,115	2,815
Financial items	-319	-342	-303	-319	-342
Profit before tax	4,796	2,473	4,235	4,796	2,473
Income taxes	-1,186	-544	-1,189	-1,186	-544
Profit for the period	3,610	1,929	3,046	3,610	1,929
Earnings attributable to:					
Owners of the parent	3,235	1,749	2,716	3,235	1,749
Non-controlling interests	375	180	330	375	180
Earnings per share, SEK - owners of the parent					
- before and after dilution effects	4.61	2.49	3.87	4.61	2.49
Average no. of shares before and after dilution, millions	702.3	702.3	702.3	702.3	702.3
¹ Of which, depreciation/amortization	-1,884	-1,808	-1,925	-1,884	-1,808
² Of which, impairment	-4	-11	-58	-4	-11
Gross margin	32.7	26.9	31.7	32.7	26.9
EBITA margin	15.8	9.8	14.1	15.8	9.8
Operating margin	15.2	9.2	13.5	15.2	9.2
Financial net margin	-0.9	-1.1	-0.9	-0.9	-1.1
Profit margin	14.3	8.1	12.6	14.3	8.1
Income taxes	-3.5	-1.8	-3.5	-3.5	-1.8
Net margin	10.8	6.3	9.1	10.8	6.3
Excluding items affecting comparability:					
Gross margin	32.8	27.2	31.7	32.8	27.2
EBITA margin	15.8	10.4	14.1	15.8	10.4
Operating margin	15.2	9.8	13.5	15.2	9.8
Financial net margin	-0.9	-1.1	-0.9	-0.9	-1.1
Profit margin	14.3	8.7	12.6	14.3	8.7
Income taxes	-3.5	-1.9	-3.5	-3.5	-1.9
Net margin	10.8	6.8	9.1	10.8	6.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2020:1	2019:1	2019:4	2003	1903
Profit for the period	3,610	1,929	3,046	3,610	1,929
Other comprehensive income for the period					
Items that may not be reclassified to the income statement					
Actuarial gains/losses on defined benefit pension plans	-1,895	-343	2,486	-1,895	-343
Fair value through comprehensive income	-7	3	0	-7	3
Income tax attributable to components in other comprehensive income	359	101	-392	359	101
	-1,543	-239	2,094	-1,543	-239
Items that have been or may be reclassified subsequently to the income statement					
Cash flow hedges					
Result from remeasurement of derivatives recognized in equity	-347	-301	-325	-347	-301
Transferred to profit or loss for the period	121	-54	58	121	-54
Translation differences in foreign operations	2,512	2,311	-2,359	2,512	2,311
Gains/losses from hedges of net investments in foreign operations	-626	-215	189	-626	-215
Other comprehensive income from associated companies	12	-11	1	12	-11
Income tax attributable to components in other comprehensive income	195	130	25	195	130
	1,867	1,860	-2,411	1,867	1,860
Other comprehensive income for the period, net of tax	324	1,621	-317	324	1,621
Total comprehensive income for the period	3,934	3,550	2,729	3,934	3,550
Total comprehensive income attributable to:					
Owners of the Parent company	3,253	3,056	2,687	3,253	3,056
Non-controlling interests	681	494	42	681	494

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

SEKm	2003	1903
Attributable to owner of the Parent company		
Value, January 1	54,125	47,141
Total comprehensive income for the period	3,253	3,056
Private placement to non-controlling interests	15	1
Transferred to cost of hedged investments	-8	2
Value, March 31	57,385	50,200
Non-controlling interests		
Value, January 1	8,676	7,758
Total comprehensive income for the period	681	494
Dividend	-207	-1
Private placement to non-controlling interests	14	1
Divestment of non-controlling interests	35	0
Value, March 31	9,199	8,252
Total equity, value March 31	66,584	58,452

CONSOLIDATED OPERATING CASH FLOW STATEMENT

SEKm	2003	1903
Operating cash surplus	7,101	4,854
Change in working capital	-1,156	-958
Investment in non current assets, net	-994	-1,388
Restructuring costs, etc.	-385	-226
Operating cash flow before Investments in operating assets through leases	4,566	2,282
Investments in operating assets through leases	-85	-132
Operating cash flow	4,481	2,150
Financial items	-319	-342
Income taxes paid	-1,118	625
Other	0	1
Cash flow from current operations	3,044	2,434
Acquisitions of Group companies and other operations	0	-10
Divestments of Group companies and other operations	-1	6
Cash flow before transactions with shareholders	3,043	2,430
Private placement to non-controlling interest	29	2
Dividend to non-controlling interests	-19	-1
Net cash flow	3,053	2,431
Net debt at the start of the period	-50,940	-54,404
Changed opening balance for net debt due to IFRS 16 Leases	0	-3,786
Net cash flow	3,053	2,431
Remeasurements to equity	-1,902	-340
Investments in non-operating assets through leases	-251	-62
Translation differences	-1,939	-1,561
Net debt at the end of the period	-51,979	-57,722
Debt/equity ratio	0.78	0.99
Debt payment capacity, %	39	26
Net debt / EBITDA	2.14	3.25
Net debt / Adjusted EBITDA	2.09	3.07

CONSOLIDATED CASH FLOW STATEMENT

SEKm	2003	1903
Operating activities		
Operating profit	5,115	2,815
Adjustment for non-cash items ¹⁾	1,973	2,022
Interest paid	-416	-303
Interest received	24	22
Other financial items	-78	-116
Change in liabilities relating to restructuring programs, etc.	-372	-209
Paid tax	-1,118	625
Cash flow from operating activities before changes in working capital	5,128	4,856
Cash flow from changes in working capital		
Change in inventories	575	-671
Change in operating receivables	-3,198	-1,208
Change in operating liabilities	1,467	921
Cash flow from operating activities	3,972	3,898
Investing activities		
Acquisitions of Group companies and other operations	0	-10
Divestments of Group companies and other operations	0	6
Investments in intangible assets and property, plant and equipment	-994	-1,405
Sale of property, plant and equipment	3	41
Loans granted to external parties	-138	-177
Paid interest capitalized in intangible asset and property, plant and equipment	-2	-24
Cash flow from investing activities	-1,131	-1,569
Financing activities		
Private placement to non-controlling interests	29	2
Loans raised	4,623	952
Amortization of debt	-5,066	-2,837
Dividend to non-controlling interests	-19	-1
Cash flow from financing activities	-433	-1,884
Cash flow for the period	2,408	445
Cash and cash equivalents at the beginning of the period	2,928	3,008
Translation differences in cash and cash equivalents	53	128
Cash and cash equivalents at the end of the period	5,389	3,581
Cash flow from operating activities per share, SEK	5.66	5.55
Reconciliation with consolidated operating cash flow statement		
Cash flow for the period	2,408	445
Amortization of debt	5,066	2,837
Loans raised	-4,623	-952
Loans granted to external parties	138	177
Investment through financial lease	-85	-133
Net debt in acquired and divested operations	-1	0
Accrued interest	151	56
Other	-1	1
Net cash flow according to consolidated operating cash flow statement	3,053	2,431
¹⁾ Adjustment for non-cash items		
Depreciation/amortization and impairment of non-current assets	1,888	1,819
Gain/loss on asset sales	3	0
Gain/loss on divestments	8	-6
Non-cash items relating to efficiency program	-6	158
Other	80	51
Total	1,973	2,022

CONSOLIDATED BALANCE SHEET

SEKm	March 31, 2020	December 31, 2019
Assets		
Goodwill	36,255	34,581
Other intangible assets	22,220	21,182
Property, plant and equipment	58,130	56,900
Participation in joint ventures and associates	873	865
Shares and participations	8	8
Surplus in funded pension plans	1,816	2,841
Non-current financial assets	686	694
Deferred tax assets	2,393	2,539
Other non-current assets	747	704
Total non-current assets	123,128	120,314
Inventories	15,613	15,764
Trade receivables	23,594	19,864
Current tax assets	704	745
Other current receivables	2,110	2,113
Current financial assets	1,429	525
Non-current assets held for sale	47	42
Cash and cash equivalents	5,389	2,928
Total current assets	48,886	41,981
Total assets	172,014	162,295
Equity		
Share capital	2,350	2,350
Reserves	7,819	6,284
Retained earnings	47,216	45,491
Attributable to owner of the Parent	57,385	54,125
Non-controlling interests	9,199	8,676
Total equity	66,584	62,801
Liabilities		
Non-current financial liabilities	50,412	43,079
Provisions for pensions	6,734	5,866
Deferred tax liabilities	6,519	6,545
Other non-current provisions	582	541
Other non-current liabilities	291	183
Total non-current liabilities	64,538	56,214
Current financial liabilities	4,153	8,983
Trade payables	15,780	15,802
Current tax liabilities	2,349	2,432
Current provisions	926	1,065
Other current liabilities	17,684	14,998
Total current liabilities	40,892	43,280
Total liabilities	105,430	99,494
Total equity and liabilities	172,014	162,295

CONSOLIDATED BALANCE SHEET (cont.)

SEKm	March 31, 2020	December 31, 2019
Debt/equity ratio	0.78	0.81
Equity/assets ratio	33%	33%
Equity	66,584	62,801
Equity per share	95	89
Return on equity	22.3%	17.4%
Return on equity excluding items affecting comparability	22.4%	18.4%
Capital employed	118,563	113,741
- of which working capital	7,843	6,782
Return on capital employed*	18.3%	13.2%
Return on capital employed* excluding items affecting comparability	18.4%	13.8%
Net debt	51,979	50,940
Provisions for restructuring costs are included in the balance sheet as follows		
-Other non-current provisions	203	184
-Other current provisions	506	603

*) rolling 12 months

NET SALES (business area reporting)

SEKm	2003	1903	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4
Personal Care	12,669	11,535	12,669	12,425	12,216	12,164	11,535	11,703
Consumer Tissue	13,080	12,248	13,080	13,269	12,220	12,167	12,248	12,094
Professional Hygiene	7,957	6,867	7,957	7,991	8,131	7,742	6,867	7,322
Other	6	6	6	1	-2	-5	6	-7
Total net sales	33,712	30,656	33,712	33,686	32,565	32,068	30,656	31,112

ADJUSTED EBITA (business area reporting)

SEKm	2003	1903	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4
Personal Care	2,039	1,540	2,039	1,756	1,739	1,711	1,540	1,652
Consumer Tissue	2,092	1,069	2,092	1,767	1,319	1,166	1,069	840
Professional Hygiene	1,393	741	1,393	1,408	1,288	1,026	741	1,085
Other	-191	-160	-191	-189	-170	-171	-160	-126
Total adjusted EBITA	5,333	3,190	5,333	4,742	4,176	3,732	3,190	3,451

ADJUSTED OPERATING PROFIT (business area reporting)

SEKm	2003	1903	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4
Personal Care	1,850	1,364	1,850	1,567	1,554	1,529	1,364	1,470
Consumer Tissue	2,090	1,068	2,090	1,765	1,317	1,164	1,068	836
Professional Hygiene	1,383	732	1,383	1,398	1,278	1,016	732	1,076
Other	-191	-161	-191	-190	-169	-170	-161	-126
Total adjusted operating profit¹	5,132	3,003	5,132	4,540	3,980	3,539	3,003	3,256
Financial items	-319	-342	-319	-303	-320	-344	-342	-236
Profit before tax¹	4,813	2,661	4,813	4,237	3,660	3,195	2,661	3,020
Income taxes	-1,189	-597	-1,189	-1,178	-730	-482	-597	602
Net profit for the period²	3,624	2,064	3,624	3,059	2,930	2,713	2,064	3,622
¹ Excluding items affecting comparability before tax amounting to:	-17	-188	-17	-2	-201	-322	-188	-40
² Excluding items affecting comparability after tax amounting to:	-14	-135	-14	-13	-194	-212	-135	-5

ADJUSTED EBITA MARGIN (business area reporting)

%	2003	1903	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4
Personal Care	16.1	13.4	16.1	14.1	14.2	14.1	13.4	14.1
Consumer Tissue	16.0	8.7	16.0	13.3	10.8	9.6	8.7	6.9
Professional Hygiene	17.5	10.8	17.5	17.6	15.8	13.3	10.8	14.8

STATEMENT OF PROFIT OR LOSS

SEKm	2020:1	2019:4	2019:3	2019:2	2019:1
Net sales	33,712	33,686	32,565	32,068	30,656
Cost of goods sold	-22,663	-22,997	-22,793	-22,779	-22,307
Items affecting comparability - cost of goods sold	-9	-11	23	-156	-99
Gross profit	11,040	10,678	9,795	9,133	8,250
Sales, general and administration	-5,749	-5,986	-5,594	-5,553	-5,186
Items affecting comparability - sales, general and administration	-8	9	-224	-166	-89
Share of profits of associates and joint ventures	33	39	-2	-4	27
EBITA	5,316	4,740	3,975	3,410	3,002
Amortization of acquisition-related intangible assets	-201	-202	-196	-193	-187
Operating profit	5,115	4,538	3,779	3,217	2,815
Financial items	-319	-303	-320	-344	-342
Profit before tax	4,796	4,235	3,459	2,873	2,473
Income taxes	-1,186	-1,189	-723	-372	-544
Net profit for the period	3,610	3,046	2,736	2,501	1,929

CONDENSED INCOME STATEMENT PARENT COMPANY

SEKm	2003	1903
Administrative expenses	-226	-160
Other operating income	8	5
Operating loss	-218	-155
Financial items	-245	-225
Profit before tax	-463	-380
Income taxes	86	80
Profit for the period	-377	-300

CONDENSED BALANCE SHEET PARENT COMPANY

SEKm	March 31, 2020	December 31, 2019
Intangible assets	0	0
Property, plant and equipment	16	16
Financial non-current assets	176,264	176,352
Total non-current assets	176,280	176,368
Total current assets	1,592	1,794
Total assets	177,872	178,162
Restricted equity	2,350	2,350
Unrestricted equity	87,565	87,942
Total equity	89,915	90,292
Untaxed reserves	4	4
Provisions	1,073	877
Non-current liabilities	41,842	36,386
Current liabilities	45,038	50,603
Total equity, provisions and liabilities	177,872	178,162

NOTES

1 ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regards to the Parent Company, RFR 2.

Effective January 1, 2020, Essity applies the following new or amended International Financial Reporting Standards (IFRS):

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments

All other applied accounting principles and calculation methods correspond to those presented in Essity Aktiebolag's (publ) Annual and Sustainability Report for 2019.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments

Amendments to IFRS 9 and IFRS 7 were adopted on January 15, 2020 as a result of the reference rate reform. The amendments provide temporary exceptions from the application of specific requirements for hedge accounting for hedging relationships that are directly impacted by this reform. The exceptions apply to hedge accounting with the purpose being that that companies should not have to discontinue hedging relationships due to uncertainty concerning the reform. The amendments are to be applied as of January 1, 2020 with early application permitted. Essity has elected not to apply these amendments prospectively. At present, the reform primarily impacts Essity's hedging of fair value and EUR LIBOR interest rates. However, these hedges are expected to remain effective in the future. The introduction of the new regulations is therefore not expected to have any material impact on Essity's financial statements.

The assessment is that the above changes will not have any material effect on the Group's or the Parent Company's earnings or financial position.

2 RISKS AND UNCERTAINTIES

Essity's risk exposure and risk management are described on pages 34-39 of the 2019 Annual Report for Essity. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analyzed in the due diligence processes that Essity carries out prior to all acquisitions. In cases where acquisitions have been carried out that may affect the assessment of Essity's risk exposure, these are described under the heading "Other events" in the interim and year-end reports.

COVID-19 pandemic

Uncertainty and risks have arisen on account of the COVID-19 pandemic that may impact Essity's sales and earnings.

Processes for risk management

Essity's Board of Directors determines the Group's strategic direction based on recommendations from the Executive Management Team. Responsibility for the long-term, overall management of strategic risks corresponds to the company's delegation structure, from the Board of Directors to the CEO and from the CEO to the business unit presidents. This means that most operational risks are managed by Essity's business units at the local level, but that they are coordinated when considered necessary. The tools used in this coordination consist primarily of the business units' regular reporting and the annual strategy process, where risks and risk management are a part of the process.

Essity's financial risk management is centralized, as is the Group's internal bank for the Group companies' financial transactions and management of the Group's energy risks. Financial risks are managed in accordance with the Group's finance policy, which is adopted by Essity's Board of Directors and which – together with Essity's energy risk policy – makes up a framework for risk management. Risks are aggregated and monitored on a regular basis to ensure compliance with these guidelines. Essity has also centralized other risk management.

Essity has a staff function for internal audit, which monitors compliance in the organization with the Group's policies.

3 FINANCIAL INSTRUMENTS PER CATEGORY

Distribution by level for measurement at fair value

SEKm	Carrying amount in the balance sheet	Measured at fair value through profit or loss	Derivatives used for hedge accounting	Measured at fair value through OCI	Financial liabilities measured at amortized cost	Of which fair value by level ¹	
						1	2
March 31, 2020							
Derivatives	1,798	1,138	660	-	-	-	1,798
Non-current financial assets	94	-	-	94	-	94	-
Total assets	1,892	1,138	660	94	0	94	1,798
Derivatives	1,422	748	674	-	-	-	1,422
Financial liabilities							
Current financial liabilities	3,564	-	-	-	3,564	-	-
Non-current financial liabilities	50,188	17,326	-	-	32,862	-	17,326
Total liabilities	55,174	18,074	674	-	36,426	-	18,748
December 31, 2019							
Derivatives	971	366	605	-	-	-	971
Non-current financial assets	96	-	-	96	-	96	-
Total assets	1,067	366	605	96	0	96	971
Derivatives	991	629	362	-	-	-	991
Financial liabilities							
Current financial liabilities	8,243	-	-	-	8,243	-	-
Non-current financial liabilities	42,984	13,167	-	-	29,817	-	13,167
Total liabilities	52,218	13,796	362	-	38,060	-	14,158

¹No financial instruments have been classified to level 3

The total fair value of the above financial liabilities, excluding lease liabilities, is SEK 50,920m (49,106). The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, trade payables and other current and non-current liabilities is estimated to be equal to their carrying amount.

No transfers between level 1 and 2 were made during the period.

4 Acquisitions and divestments

On February 27, 2020, it was announced that an agreement had been signed to acquire 75% of the Swedish medical solutions company ABIGO Medical AB. ABIGO Medical AB develops, manufactures and markets products including the Sorbact® technology, which is a clinically established innovation for advanced wound care. The company as a whole is valued at SEK 900m on a debt-free basis. The company has about 170 employees and reported net sales of approximately SEK 403m in 2019. Essity has received the customary regulatory approvals and closing is expected to take place during the second quarter of 2020.

Essity acquires smart ultrasound technology for incontinence care

On April 1, 2020, Essity acquired 100% of the shares in Novioscan B.V., a Dutch company that develops a wearable ultrasound technology that monitors the bladder and enables continence control. The purchase price is approximately SEK 70m (EUR 6.5m) on a debt-free basis. The company has ten employees. Net sales for 2019 were negligible in relation to those of the Essity Group.

5 Use of non-IFRS performance measures

Guidelines for Alternative Performance Measures (APMs) for companies with securities listed on a regulated market in the EU have been issued by the European Securities and Markets Authority (ESMA). These guidelines are to be applied for APMs not supported under IFRS.

This interim report refers to a number of performance measures not defined in IFRS. These performance measures are used to help investors, management and other stakeholders analyze the company's operations. These non-IFRS measures may differ from similarly titled measures among other companies. Essity's 2019 Annual Report (pages 64-69) describes the various non-IFRS performance measures that are used as a complement to the financial information presented in accordance with IFRS. Tables are presented that show how the performance measures have been calculated.

Capital employed

SEKm	2003	1912
Total assets	172,014	162,295
-Financial assets	-9,320	-6,988
-Non-current non-interest bearing liabilities	-7,392	-7,269
-Current non-interest bearing liabilities	-36,739	-34,297
Capital employed	118,563	113,741

SEKm	2020:1	2019:4	2019:3	2019:2	2019:1
Personal Care	45,684	44,268	45,630	45,272	45,033
Consumer Tissue	48,486	47,345	48,421	47,821	48,380
Professional Hygiene	24,747	22,996	24,332	24,245	24,403
Other	-354	-868	-447	-1,176	-1,642
Capital employed	118,563	113,741	117,936	116,162	116,174

Working capital

SEKm	2003	1912
Inventories	15,613	15,764
Trade receivables	23,594	19,864
Other current receivables	2,110	2,113
Trade payables	-15,780	-15,802
Other current liabilities	-17,684	-14,998
Other	-10	-159
Working capital	7,843	6,782

Net debt

SEKm	2003	1912
Surplus in funded pension plans	1,816	2,841
Non-current financial assets	686	694
Current financial assets	1,429	525
Cash and cash equivalents	5,389	2,928
Financial assets	9,320	6,988
Non-current financial liabilities	50,412	43,079
Provisions for pensions	6,734	5,866
Current financial liabilities	4,153	8,983
Financial liabilities	61,299	57,928
Net debt	51,979	50,940

EBITDA

SEKm	2003	1903
Operating profit	5,115	2,815
-Amortization of acquisition-related intangible assets	201	187
-Depreciation/amortization	1,459	1,408
-Depreciation right-of-use asset	224	213
-Impairment	4	0
-Items affecting comparability - impairment net	0	11
EBITDA	7,003	4,634
-Items affecting comparability excluding depreciation/amortization and impairment	17	177
Adjusted EBITDA	7,020	4,811

EBITA

SEKm	2003	1903
Operating profit	5,115	2815
-Amortization of acquisition-related intangible assets	201	187
-Operating profit before amortization of acquisition-related intangible assets/EBITA	5,316	3,002
EBITA margin (%)	15.8	9.8
-Items affecting comparability - cost of goods sold	9	99
-Items affecting comparability - sales, general and administration	8	89
Adjusted EBITA	5,333	3,190
Adjusted EBITA margin (%)	15.8	10.4

Operating cash flow

SEKm	2003	1903
Personal Care		
Operating cash surplus	2,522	2,034
Change in working capital	-488	-63
Investment in non-current assets, net	-286	-490
Restructuring costs, etc.	-42	-50
Operating cash flow before investments in operating assets through leases	1,706	1,431
Investment in operating assets through leases	-16	-105
Operating cash flow	1,690	1,326
Consumer Tissue		
Operating cash surplus	2,789	1,708
Change in working capital	-116	-317
Investment in non-current assets, net	-415	-649
Restructuring costs, etc.	-123	-73
Operating cash flow before investments in operating assets through leases	2,135	669
Investment in operating assets through leases	-42	-16
Operating cash flow	2,093	653
Professional Hygiene		
Operating cash surplus	1,946	1,239
Change in working capital	-586	-684
Investment in non-current assets, net	-267	-210
Restructuring costs, etc.	-204	-122
Operating cash flow before investments in operating assets through leases	889	223
Investment in operating assets through leases	-27	-12
Operating cash flow	862	211

Organic net sales

SEKm	2003
Personal Care	
Organic net sales	1,020
Exchange rate effect ¹	204
Acquisition/Divestments	-90
Recognized change	1,134
Consumer Tissue	
Organic net sales	529
Exchange rate effect ¹	303
Acquisition/Divestments	0
Recognized change	832
Professional Hygiene	
Organic net sales	835
Exchange rate effect ¹	255
Acquisition/Divestments	0
Recognized change	1,090
Essity	
Organic net sales	2,384
Exchange rate effect ¹	761
Acquisition/Divestments	-90
Recognized change	3,055

¹Consists only of currency translation effects