

Press release

Stockholm, April 22, 2021

Essity to increase ownership in Productos Familia S.A.

Hygiene and health company Essity has made an agreement to acquire approximately 44% of the Colombian hygiene company Productos Familia S.A. (“Familia”). After closing of the transaction Essity’s ownership in Familia will amount to at least 94%. Essity has been an owner in Familia since 1985, and currently owns 50% of the company. The purchase price amounts to USD 1,540m (approximately SEK 13bn) for 100% of the company on a debt free basis.

“Familia is an innovative and consumer centric company. Our strong relationship dates back more than 30 years. With this acquisition we are building a stronger platform in Latin America to increase growth, profitability and efficiency as well as accelerating the digital transformation”, says Magnus Groth, President and CEO of Essity.

Familia is headquartered in Medellín, Colombia, with a strong presence across Latin America. The company operates primarily in Personal Care, and also in Consumer Tissue and Professional Hygiene. Familia is already consolidated in Essity’s accounts, and reported sales in 2020 of SEK 6,950m, an adjusted EBITDA of SEK 1,419m and adjusted EBITA of SEK 1,170m, equivalent to an adjusted EBITA margin of 16.8%. Organic sales growth in 2020 amounted to 2.8%. The acquisition is expected to be accretive to Essity’s earnings per share from 2021.

In Colombia, Familia is the market leader for Feminine Care with the brand Nosotras®, Incontinence Products with the brand TENA® and Consumer Tissue with the Familia® brand.

Net sales split 2020 per category was Feminine Care 38%, Consumer Tissue 31%, Baby Care 13%, Incontinence Products 11%, and Professional Hygiene 7%. The most important countries are Colombia and Ecuador, with respectively 50% and 21% of net sales 2020. Familia has approximately 5,000 employees and eight production facilities.

The acquisition will be fully debt funded and Essity has committed credit facilities in place. Essity remains fully committed to retaining solid investment grade rating. The completion of the transaction is subject to customary regulatory approvals and is expected to be finalized in the second half of 2021.

NB: This information is such that Essity Aktiebolag (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 20:00 CET on April 22, 2021.

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About Essity

Essity is a leading global hygiene and health company. We are dedicated to improving well-being through our products and services. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands, such as JOBST, Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. Essity has about 46,000 employees. Net sales in 2020 amounted to approximately SEK 122bn (EUR 11.6bn). The company's headquarters is located in Stockholm, Sweden, and Essity is listed on Nasdaq Stockholm. Essity breaks barriers to well-being and contributes to a healthy, sustainable and circular society. More information at www.essity.com.
