

Press release

Stockholm, January 26, 2022

Financial reporting for Essity's new business areas

As of January 1, 2022, Essity's business areas are Health & Medical, Consumer Goods and Professional Hygiene. These are aligned with the company's customer and sales channels and will lead to an expansion of the offerings to new and adjacent categories as well as extended service content on the basis of customer and consumer needs. The new areas support the company's new sales growth target through strategies for organic and acquisition-driven growth and aim to achieve higher growth and profit margins as well as less capital tied up. The business areas replace the former business areas Personal Care, Consumer Tissue and Professional Hygiene.

Business areas:

Health & Medical

Health & Medical encompasses the Incontinence Products Health Care and Medical Solutions categories. The offering includes incontinence products, wound care, compression therapy, orthopedics, skincare products and digital solutions with sensor technology under brands such as TENA, Leukoplast, Cutimed, JOBST, Actimove and Delta-Cast. Distribution channels for the products are pharmacies, medical devices stores, hospitals, distributors and care institutions as well as online.

Consumer Goods

Consumer Goods includes the categories of Incontinence Products Retail, Baby Care, Feminine Care and Consumer Tissue. The offering includes incontinence products, pads, diapers, wet wipes, skincare products, intimate soaps, washable absorbent underwear, menstrual cups, toilet paper, household towels, handkerchiefs, facial tissues and napkins. Products are sold under brands such as the globally leading TENA brand and other strong brands including Libero, Libresse, Nosotras, Saba, TOM Organic, Lotus, Regio, Tempo and Vinda. Distribution channels for the products are the retail trade and online.

Professional Hygiene

Professional Hygiene comprises complete hygiene solutions, including toilet paper, paper hand towels, napkins, hand soap, hand lotion, hand sanitizers, dispensers, cleaning and wiping products, as well as service and maintenance under the globally leading Tork brand. Essity also offers digital solutions, such as Internet of Things sensor technology, enabling data-driven cleaning. Customers consist of companies and office buildings, universities, healthcare facilities, industries, restaurants, hotels, stadiums and other public venues. Distribution channels for the products consist of distributors and online.

Financial reporting proforma

Essity's business area reporting proforma for net sales, organic sales growth, adjusted gross margin¹⁾, adjusted EBITA¹⁾, adjusted EBITA margin¹⁾, adjusted ROCE¹⁾, operating cash flow and capital employed has been restated for the periods below:

Net sales, SEKm	2019	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	22,075	21,170	21,685	5,004	5,255	5,572	5,854
Consumer Goods	76,169	75,146	74,040	17,309	17,577	18,310	20,844
Professional Hygiene	30,731	25,418	26,143	5,216	6,140	7,260	7,527
Other	-	18	-1	-1	-4	3	1
Total	128,975	121,752	121,867	27,528	28,968	31,145	34,226

Net sales by category, %	2021
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Health & Medical	18%
Incontinence Products Health Care	11%
Medical Solutions	7%
Consumer Goods	60%
Consumer Tissue	40%
Incontinence Products Retail	6%
Feminine Care	7%
Baby Care	7%

Professional Hygiene	22%
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Organic sales growth, %	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	-1.8%	5.4%	-4.6%	13.4%	7.3%	6.9%
Incontinence Products Health Care	2.5%	2.1%	-5.4%	2.1%	5.6%	6.8%
Medical Solutions	-8.2%	10.8%	-3.3%	35.4%	9.7%	7.1%
Consumer Goods	3.2%	1.8%	-4.4%	3.7%	2.9%	5.7%
Consumer Tissue	4.1%	0.5%	-3.1%	-0.2%	-0.6%	5.5%
Incontinence Products Retail	3.0%	5.7%	-7.1%	14.1%	13.0%	5.5%
Feminine Care	5.0%	10.0%	-0.1%	11.0%	15.8%	15.3%
Baby Care	-2.5%	-0.6%	-12.2%	12.4%	1.5%	-1.3%
Professional Hygiene	-14.6%	5.7%	-27.5%	26.1%	20.7%	16.4%
Group	-1.9%	3.3%	-9.9%	9.5%	7.4%	8.0%

Adjusted gross margin ¹⁾ , %	2019	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	42.4%	43.4%	42.3%	44.8%	43.2%	42.4%	39.2%
Consumer Goods	27.0%	31.4%	27.0%	31.1%	28.2%	26.4%	23.0%
Professional Hygiene	26.8%	26.9%	23.3%	23.7%	25.7%	24.0%	20.4%
Group	29.5%	32.5%	28.9%	32.2%	30.4%	28.7%	25.2%
Adjusted EBITA ¹⁾ , SEKm	2019	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	3,734	3,668	3,821	920	950	1,024	928
Consumer Goods	8,333	11,538	7,938	2,473	1,967	1,832	1,665
Professional Hygiene	4,463	3,317	2,710	419	710	900	681
Other	-690	-897	-789	-204	-218	-170	-197
Total	15,840	17,626	13,680	3,608	3,409	3,586	3,077
Adjusted EBITA margin ¹⁾ , %	2019	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	16.9%	17.3%	17.6%	18.4%	18.1%	18.4%	15.9%
Consumer Goods	10.9%	15.4%	10.7%	14.3%	11.2%	10.0%	8.0%
Professional Hygiene	14.5%	13.0%	10.4%	8.0%	11.6%	12.4%	9.0%
Group	12.3%	14.5%	11.2%	13.1%	11.8%	11.5%	9.0%
Adjusted ROCE ¹⁾ , %	2019	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	12.2%	11.9%	12.7%	12.4%	12.6%	13.8%	12.1%
Consumer Goods	13.6%	19.4%	12.8%	17.0%	13.1%	11.6%	10.0%
Professional Hygiene	18.9%	14.6%	11.8%	7.7%	12.7%	15.3%	11.1%
Group	13.8%	15.7%	12.0%	13.5%	12.4%	12.3%	10.1%
Operating cash flow, SEKm	2019	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	3,550	4,141	3,832	732	755	1,307	1,038
Consumer Goods	7,815	9,799	6,328	1,957	927	1,640	1,804
Professional Hygiene	4,938	3,183	2,512	-29	655	1,132	754
Other	-664	-1,105	-1,554	-384	-377	-403	-390
Total	15,639	16,018	11,118	2,276	1,960	3,676	3,206

Capital employed, SEKm	2019	2020	2021	2021:1	2021:2	2021:3	2021:4
Health & Medical	30,362	28,642	31,401	30,734	29,618	29,931	31,401
Consumer Goods	61,251	57,146	66,939	58,994	61,040	65,827	66,939
Professional Hygiene	22,996	20,915	24,518	22,607	22,305	24,595	24,518
Other	-868	-673	1,082	-5,092	-281	567	1,082
Total	113,741	106,030	123,940	107,243	112,682	120,920	123,940

¹⁾ Excluding items affecting comparability

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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.

