

Press release

Stockholm, February 2, 2022

Essity acquires wiping and cleaning company

Hygiene and health company Essity has acquired the US professional wiping and cleaning company Legacy Converting, Inc. The company offers products within the categories of sanitizing and disinfecting wet-wipes, chemical-ready wipes and dry wipes. The purchase price amounts to USD 40m (approximately SEK 370m) with a potential additional earnout amount of USD 10m (approximately SEK 90m) on a cash and debt-free basis. Essity is the world's largest supplier of products and services in the market for professional hygiene with its leading Tork brand.

Legacy Converting, Inc. was founded in 2004 and manufactures the Everwipe™ brand of roll and folded wipes in a variety of formats, including pop-up canister, bucket and resealable packs. Customers are mainly found in the Industrial and Office Supply, Public Interest, Commercial and Healthcare market segments. Legacy Converting, Inc. is located in New Jersey.

For the first nine months of 2021, Legacy Converting, Inc. reported net sales of USD 15.1m (SEK 140m) with an adjusted EBITDA of USD 2.5m (SEK 24m), an adjusted EBITA of USD 1.8m (SEK 16m), equivalent to an adjusted EBITA margin of 11.7%. Sales growth for the first nine months of 2021 amounted to -49%, following extraordinary sales growth in 2020 as a result of Covid-19 driven demand. In 2020, the company reported net sales of USD 39m (SEK 362m), an adjusted EBITDA of USD 12.1m (SEK 112m) and adjusted EBITA of USD 11.8m (SEK 109m) equivalent to an adjusted EBITA margin of 30%. Sales growth in 2020 amounted to 183%.

"As a leading global hygiene and health company, we are committed to offering innovative sustainable hygiene products and services. With the acquisition of Legacy Converting, Inc. we will expand our wiping and cleaning product offering and further strengthen our presence in key customer segments in the North American market", says Don Lewis, President Professional Hygiene, Essity.

Essity's Professional Hygiene business comprises complete hygiene solutions, including toilet paper, paper hand towels, napkins, hand soap, hand lotion, hand sanitizers, dispensers, wiping and cleaning 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.

Essity contacts:

Johan Karlsson, Vice President Investor Relations, +46 70 511 15 81, johan.ir.karlsson@essity.com
Per Lorentz, Vice President Corporate Communications +46 73 313 30 55, per.lorentz@essity.com

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 2021 amounted to approximately SEK 122bn (EUR 12.0bn). 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.