

Press release

Stockholm, April 26, 2023

Essity initiates a strategic review of its ownership of Vinda and the Consumer Tissue Private Label Europe business

The hygiene and health company Essity has decided to initiate a strategic review of the company's ownership of the Asian hygiene company Vinda International Holdings Ltd (Vinda) and the Consumer Tissue Private Label Europe business with the aim of reducing Consumer Tissue's share of the company's total sales.

Essity continuously evaluates the product portfolios within the company's three business areas, Health & Medical, Consumer Goods and Professional Hygiene, to achieve increased long-term value creation. In line with this, Essity is initiating a strategic review of the company's ownership of Vinda and the Consumer Tissue Private Label Europe business. The strategic review includes exploring different options and may result in divestments, although no such decisions have yet been taken.

Essity's net sales for 2022 amounted to approximately SEK 156bn, of which Vinda accounted for approximately 16% and the Consumer Tissue Private Label Europe business approximately 6%. Vinda and the Consumer Tissue Private Label Europe business accounted for approximately 34% of the business area Consumer Goods net sales 2022 and approximately 45% of the Consumer Tissue category net sales in 2022.

Essity's ownership in Vinda amounts to 51.59% and Essity consolidates 100%. Vinda is listed on the Hong Kong Stock Exchange and had a market capitalization of approximately HKD 26bn (approximately SEK 34bn) at the end of trading on April 25, 2023. Vinda's net sales in 2022 amounted to approximately SEK 25.1bn and EBITA amounted to approximately SEK 1.1bn. Of Vinda's net sales, 83% were related to tissue and 17% were related to personal care.

Net sales for the Consumer Tissue Private Label Europe business amounted to approximately SEK 9.8bn in 2022, corresponding to about 15% of net sales in the Consumer Tissue category. The business encompasses seven production facilities in Belgium, France, Germany and Italy with approximately 1,900 employees. Other operations in Consumer Tissue, which include own brands and strategic collaborations to develop retailer brands, are a prioritized business focusing on innovation, brands and sustainability.

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 14:45 CET on April 26, 2023.

Karl Stoltz, Media Relations Director, +46 709 426 338

Contact persons at Essity:

Per Lorentz, Vice President Corporate Communications +46 73 313 30 55, per.lorentz@essity.com
Johan Karlsson, Vice President Investor Relations, +46 70 511 15 81, johan.ir.karlsson@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 Actimove, JOBST, Knix, Leukoplast, Libero, Libresse, Lotus, Modibodi, Nosotras, Saba, TOM Organic, Tempo, Vinda and Zewa. Essity has about 48,000 employees. Net sales in 2022 amounted to approximately SEK 156bn (EUR 15bn). 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.