



# Innovating for Profitable and Sustainable Growth



**Welcome to ask a question by scanning the QR-code**

# Welcome



For everybody and every body

**Sandra Åberg**  
Head of Investor Relations

# Innovating for Profitable and Sustainable Growth

## AGENDA

### Strategy for value creation

Magnus Groth, President and CEO

Fredrik Rystedt, CFO and Executive Vice President

### Trendspotting

Sahil Tesfu, Chief Strategy Officer

### Innovating for happy customers & consumers

Tuomas Yrjölä, President, Global Brand, Innovation and Sustainability

### Innovating for best-in-class supply chain

Donato Giorgio, President, Global Supply Chain

### Leveraging AI

Carl-Magnus Månsson, Chief Digital & Information Officer

### Innovating for better health

Ulrika Kolsrud, President, Health & Medical

### Q&A

November 27,  
15:00 – 16:30 p.m. CET



# Strategy for Value Creation

**Magnus Groth**  
President and CEO

**Fredrik Rystedt**  
CFO and Executive Vice President



# Essity – A Global, Leading Hygiene and Health Company

**156** Net sales 2022  
SEKbn

**150** Sales in  
countries

**48,000**  
employees



# Three Attractive Business Areas

## Health & Medical



Holistic health and medical solutions along the continuum of care

## Consumer Goods



Personal and home hygiene for all stages of life

## Professional Hygiene



Hygiene management solutions for a broad set of commercial applications

# Strong Brands Trusted by A Billion People Every Day





# Leading where we choose to play

Source: The information has been compiled by Essity for presentation purposes based on data taken from external market sources including but not limited to retail audit companies, Price Hanna Consultants, SmartTRAK, Fastmarkets RISI and national macroeconomic data.



A young woman with dark hair, wearing a dark grey hoodie, is smiling broadly with her arms outstretched. She is looking upwards and to the right. The background is a bright, clear sky with palm trees visible on the right side. The overall mood is positive and aspirational.

# Our Vision

Be the undisputed global leader in hygiene and health

# Where to Play

Category

Channel

Geography

# Long-term Portfolio Direction

Health & Medical

Professional Hygiene

Consumer  
Tissue

Personal  
Care

Consumer Goods

# How to Win

People

Brand  
Building and  
Innovation

Operations

Sustainability

# Committed to Sustainable Solutions and Net Zero Emissions by 2050

FT FINANCIAL TIMES  
statista

LEADER IN DIVERSITY  
2021-2024

PLATINUM Top 1%  
2023  
ecovadis  
Sustainability Rating

MSCI  
ESG RATINGS

AAA

CCC B BB BBB A AA AAA



FTSE4Good

CDP  
DISCLOSURE INSIGHT ACTION  
A LIST 2022  
FORESTS

Essity Household Products  
Sustainability Yearbook Member  
S&P Global ESG Score 2022

75 /100

As of February 7, 2023.  
Position and Score are industry specific and reflect exclusions  
tailoring criteria. Learn more at [global.com/esg/yearbook](https://global.com/esg/yearbook)  
S&P Global Sustainable1

# Clear Long-term Financial Targets and Capital Allocation Priorities

## Annual sales growth<sup>1)</sup>

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Average sales growth  
+6.6% 2015-9M 2023

>5%

## Capital structure

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Baa1 long-term rating from  
Moody's and BBB+ from S&P

Maintain  
a solid  
investment  
grade rating

## Adjusted return on capital employed<sup>2)</sup>

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Adjusted ROCE has increased  
from 8.4% in Q3 2022  
to 14.6% in Q3 2023

>17%  
by 2025

## Dividend

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Dividend policy aiming for  
stable and rising dividends  
Dividend +26% 2018-2022

Long-term  
stable and rising  
dividends

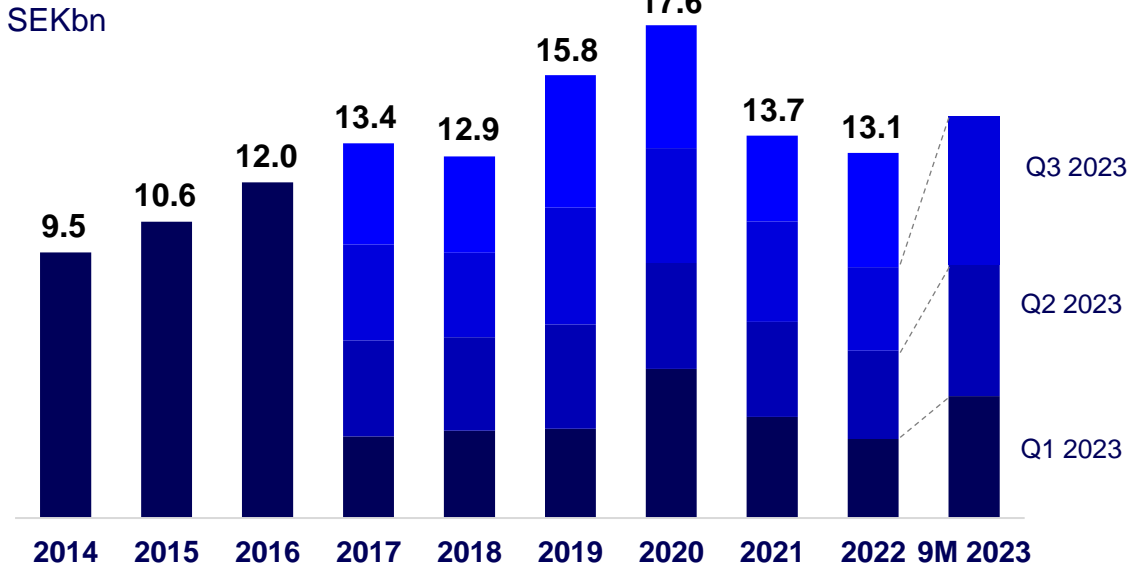
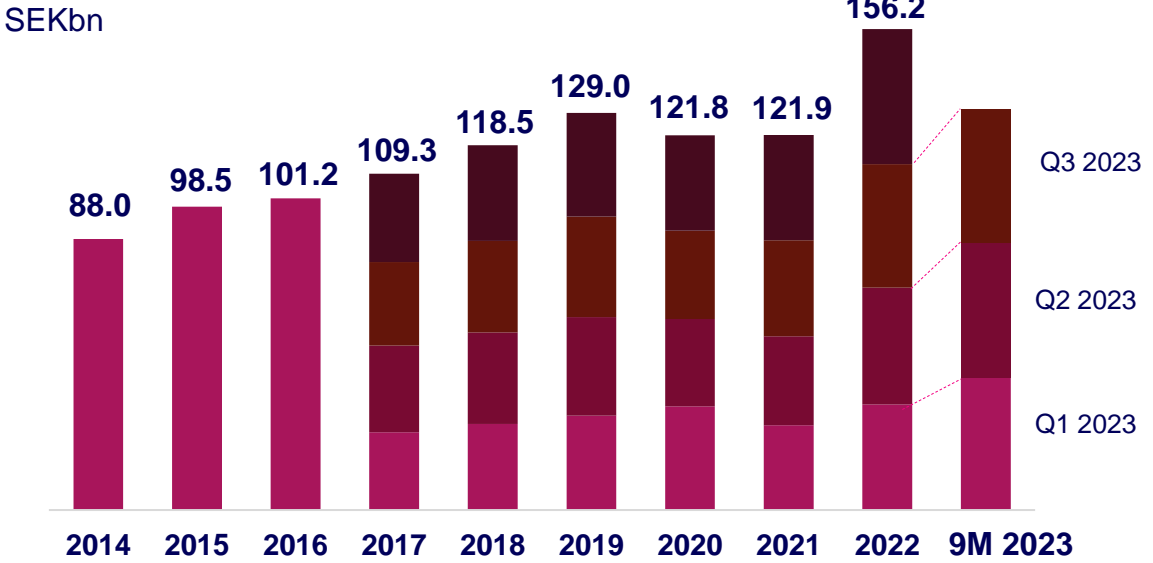
<sup>1)</sup> Including organic sales growth and acquisitions

<sup>2)</sup> Excluding items affecting comparability

# Back To Strong Sales and Profit Trajectory

## Net Sales

## Adjusted EBITA<sup>1)</sup>



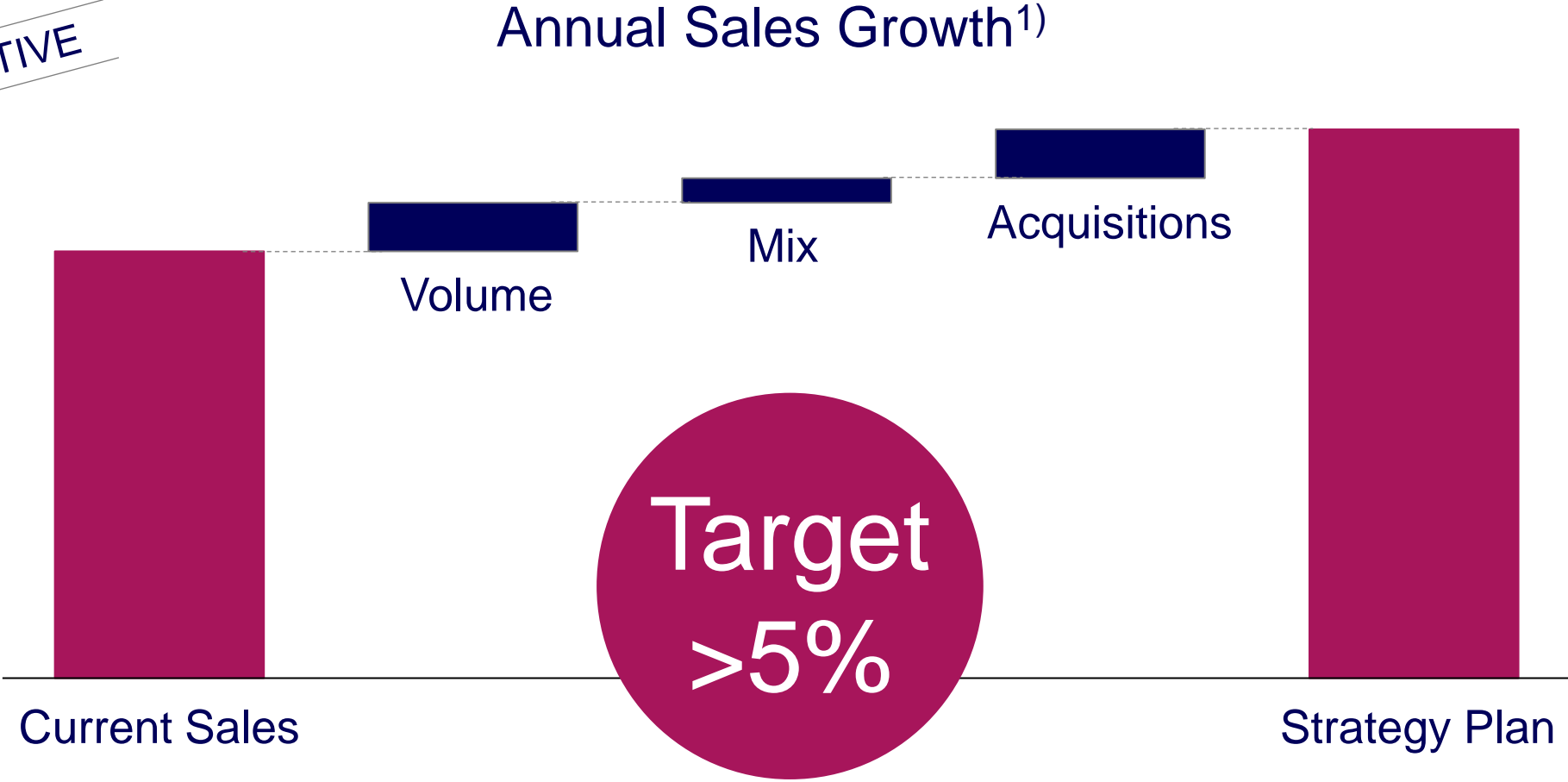
Sales Growth<sup>2)</sup> +6% +6% +7.5% +5.0% +4.5% -1.8% +4.5% +17.7% +9.8%

Adjusted EBITA Margin<sup>1)</sup> 10.8% 10.8% 11.8% 12.3% 10.9% 12.3% 14.5% 11.2% 8.4% 11.0%

<sup>1)</sup> Excluding items affecting comparability  
<sup>2)</sup> Including organic sales growth and acquisitions

# Roadmap to Financial Targets

ILLUSTRATIVE

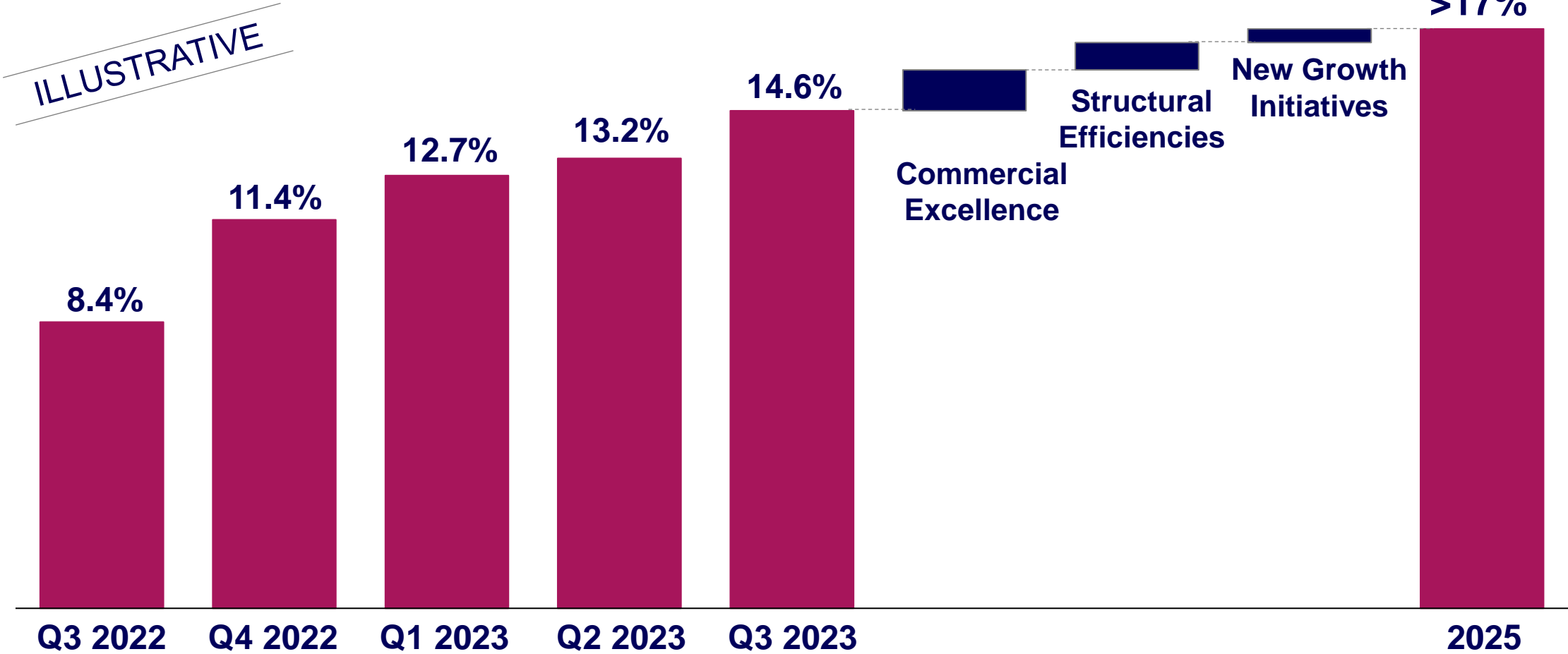


<sup>1)</sup> Including organic sales growth and acquisitions



# Roadmap to Financial Targets

Adjusted Return on Capital Employed<sup>1)</sup>



<sup>1)</sup> Excluding items affecting comparability

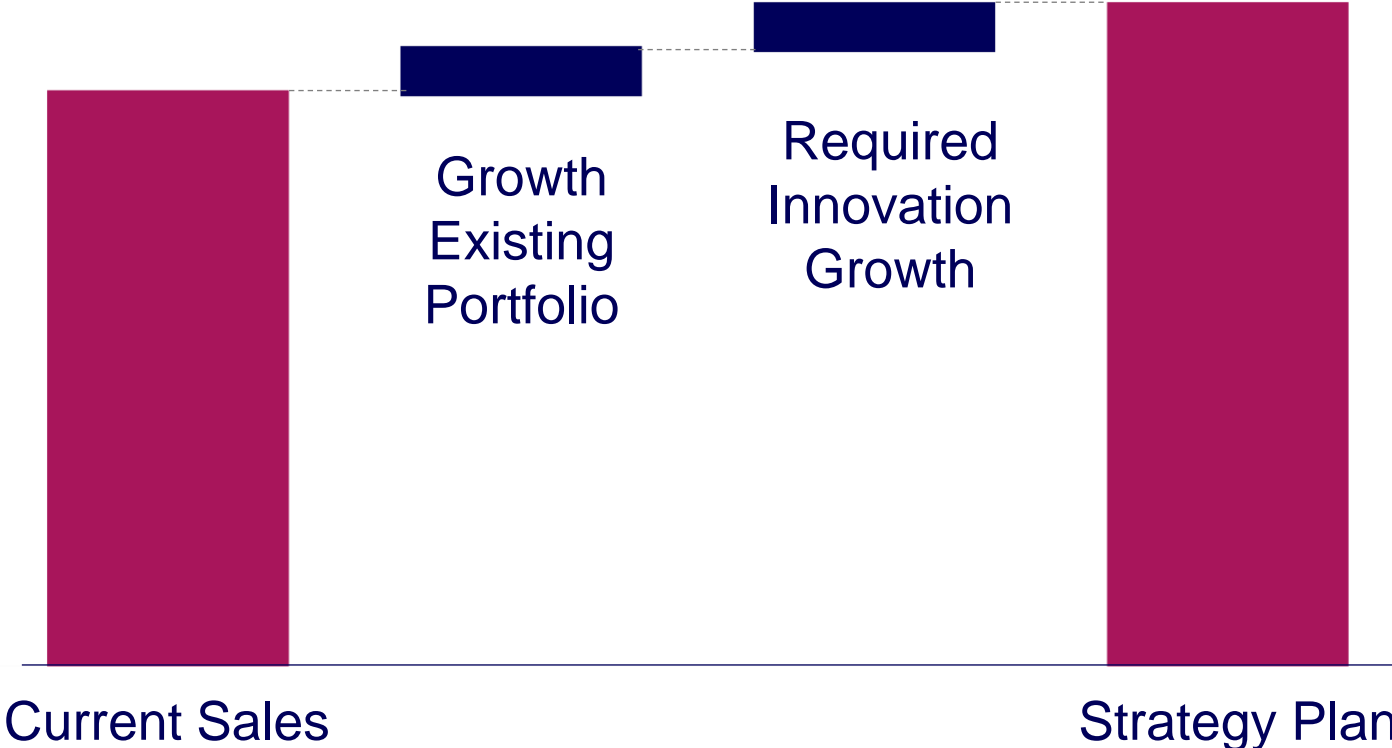
# The Financials of Innovation



# Innovation Driving Profitable Growth

ILLUSTRATIVE

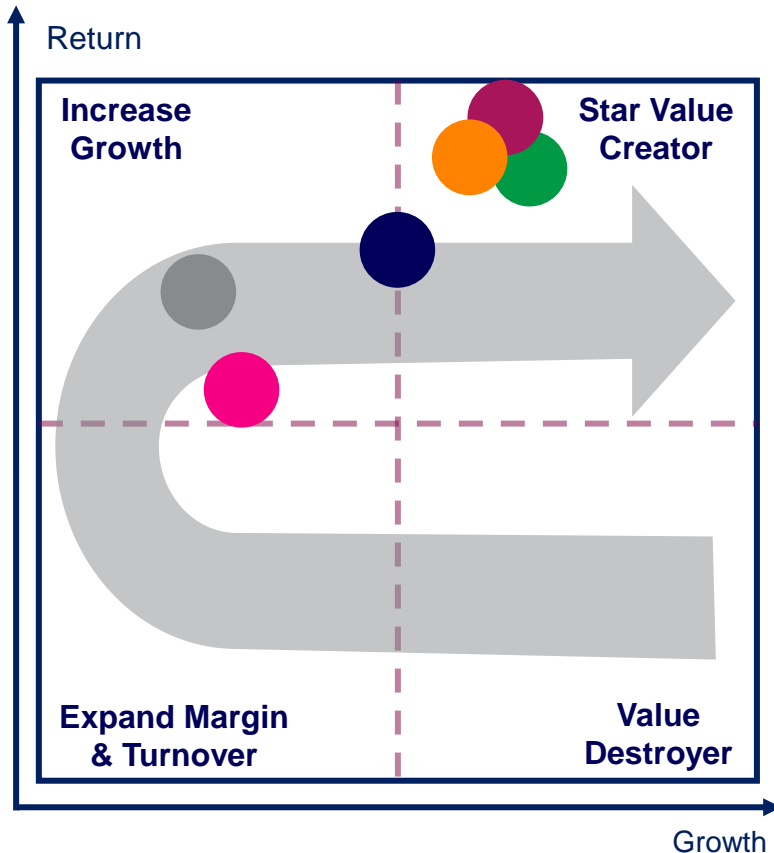
## Organic Net Sales Growth



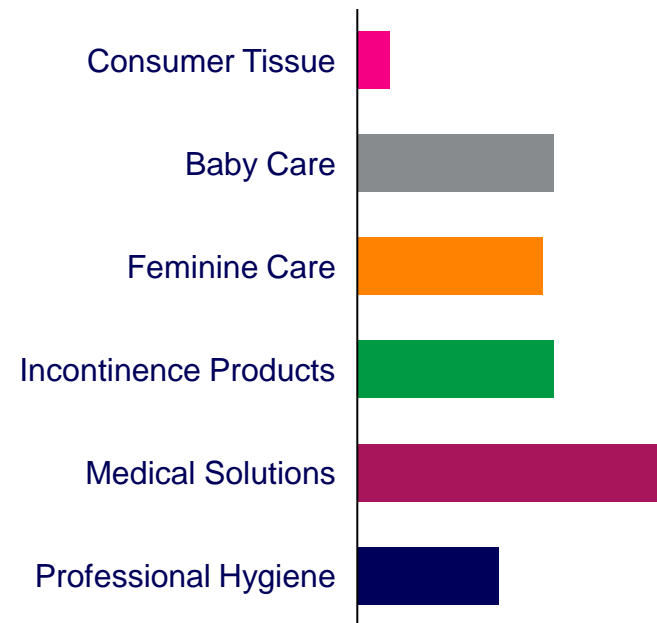
# R&D Allocation – Supporting High-Yield Growth

Operating Return and Growth<sup>1)</sup>

ILLUSTRATIVE

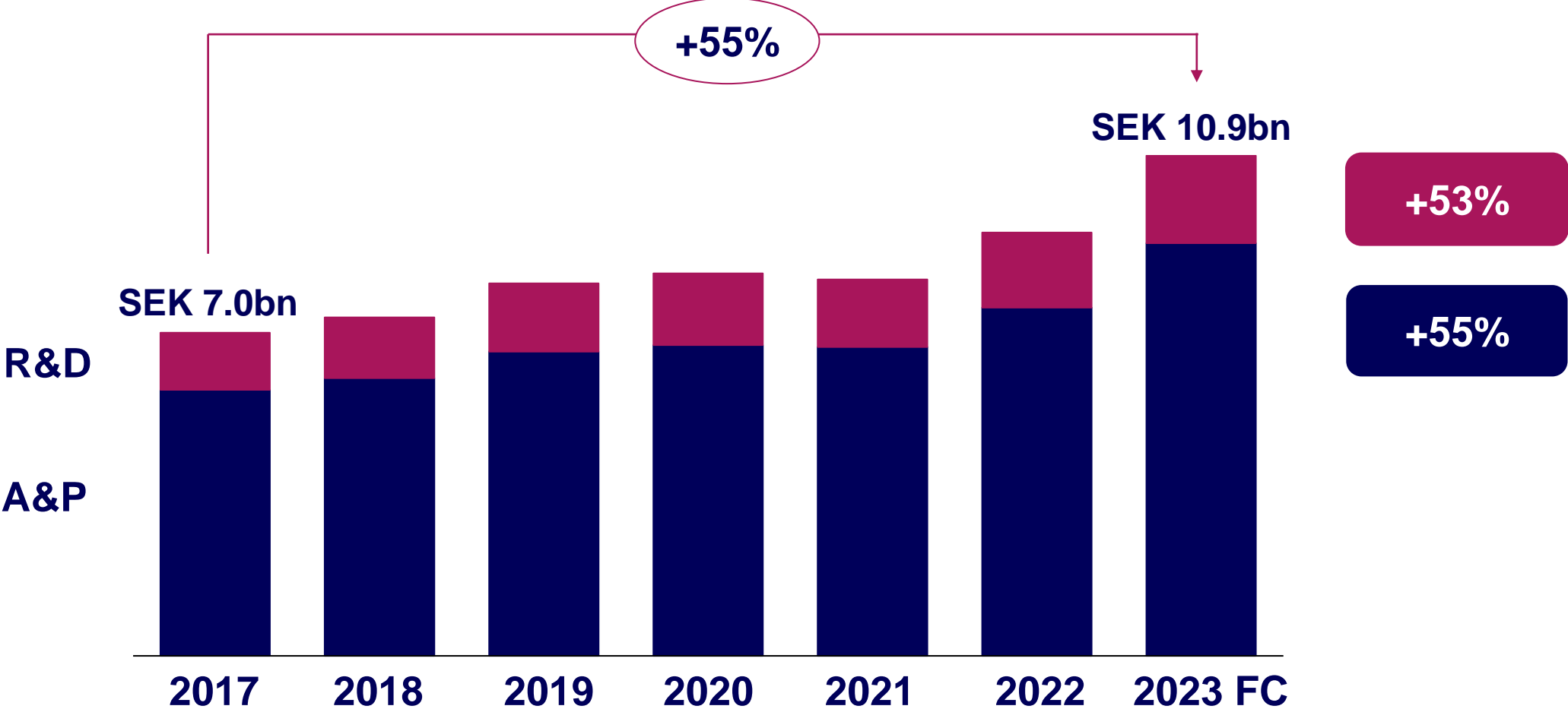


R&D Investment  
% of sales by category  
(Average 2019-9M 2023)

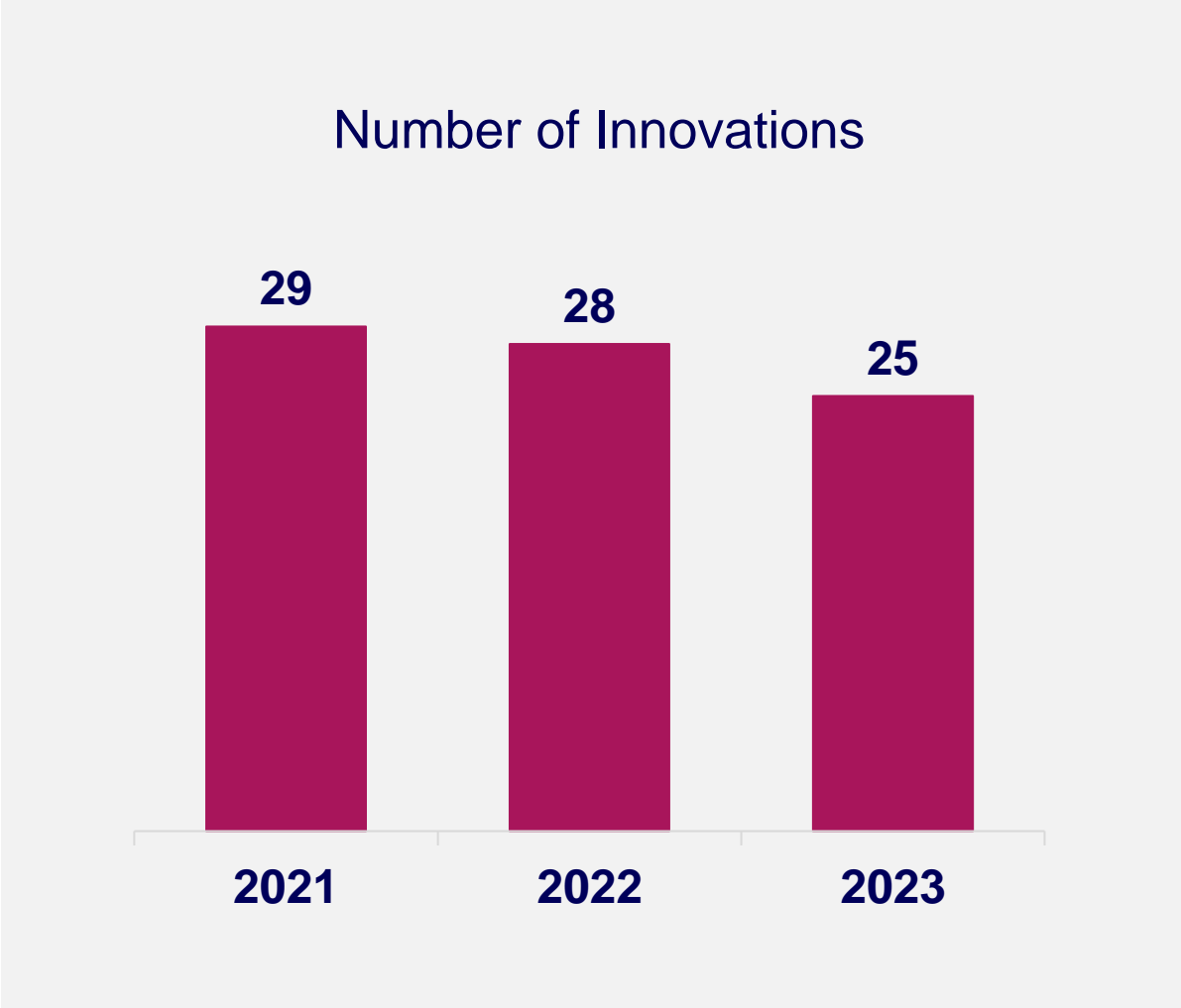
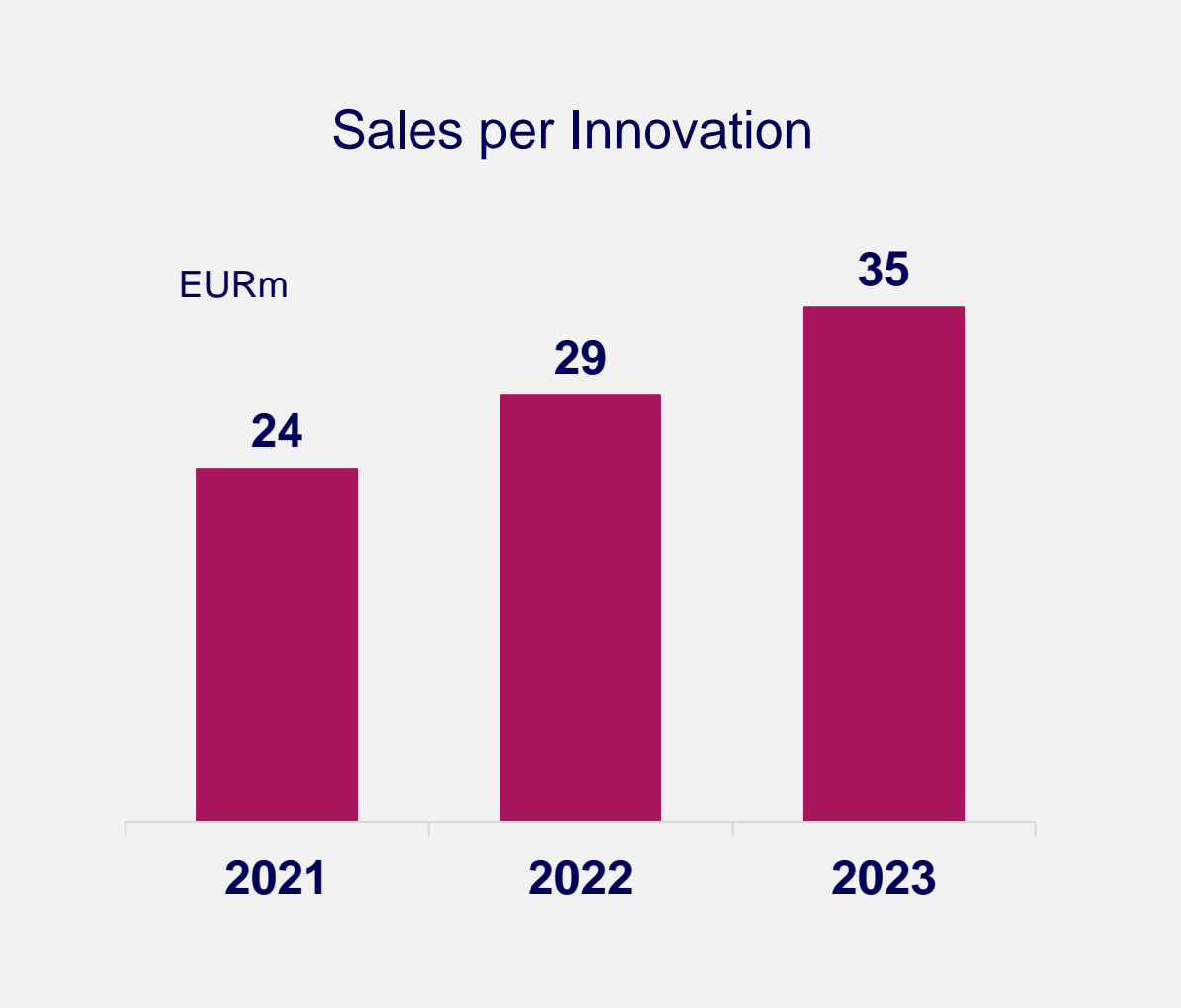


<sup>1)</sup> Adjusted Operating Return on Capital Employed and Volume/Mix growth

# Increased Investments in A&P and R&D



# Investing in Bigger Bets

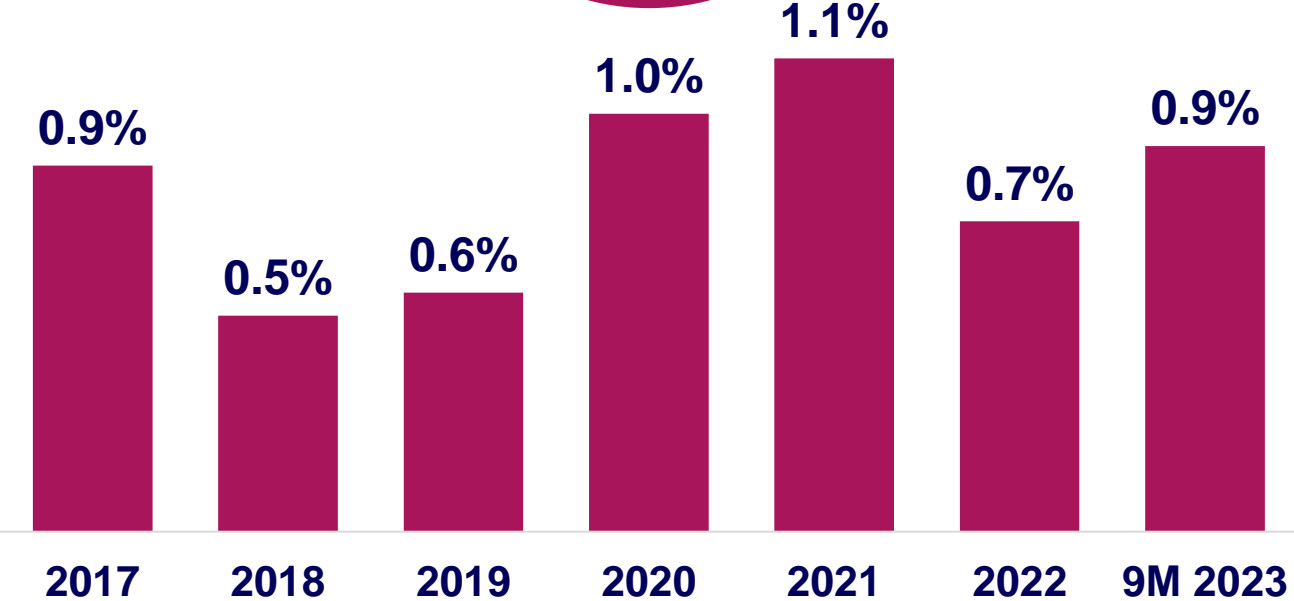


# Measuring Innovation Success



# Strong Mix Development

Average Mix  
**+0.8%**  
2017 – 9M 2023

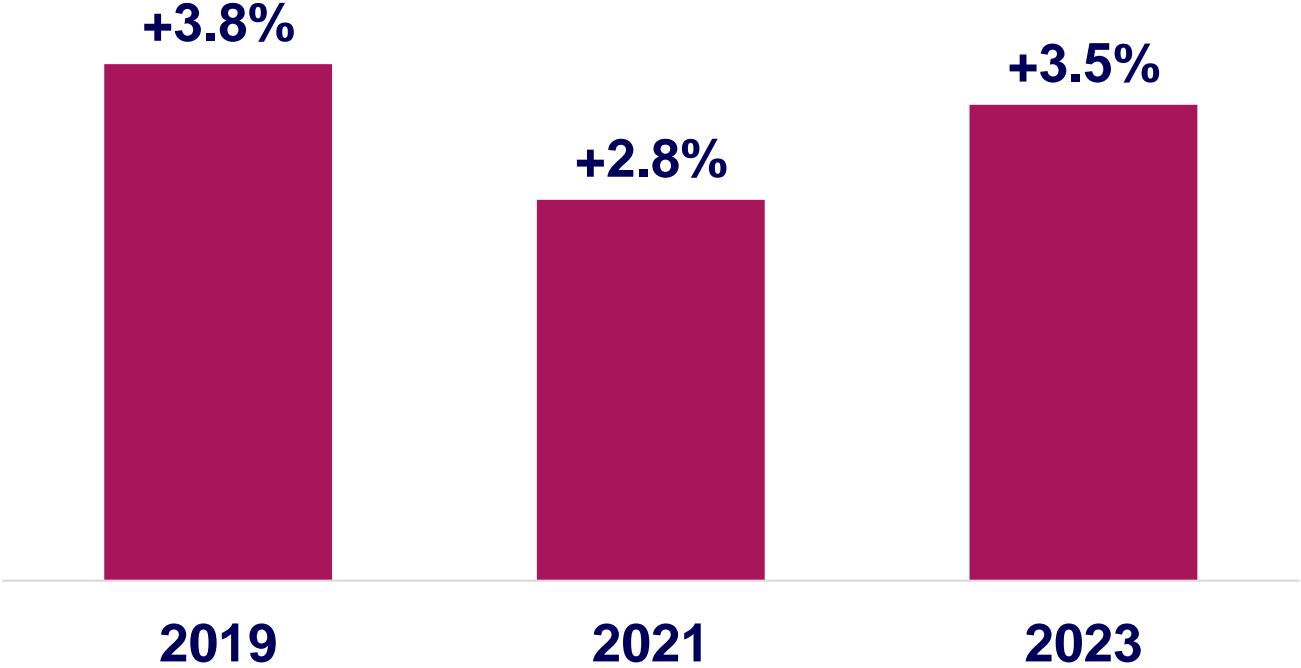


**LIVE FEARLESS**



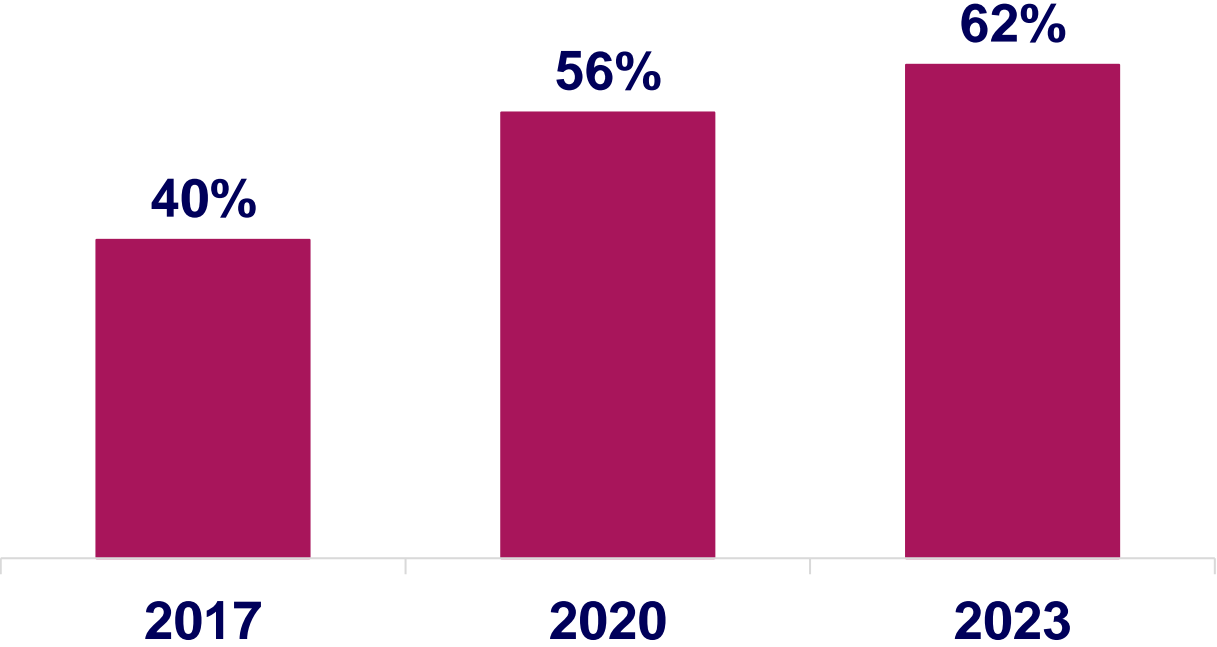
# Increased Gross Margin

Innovations vs Current Assortment



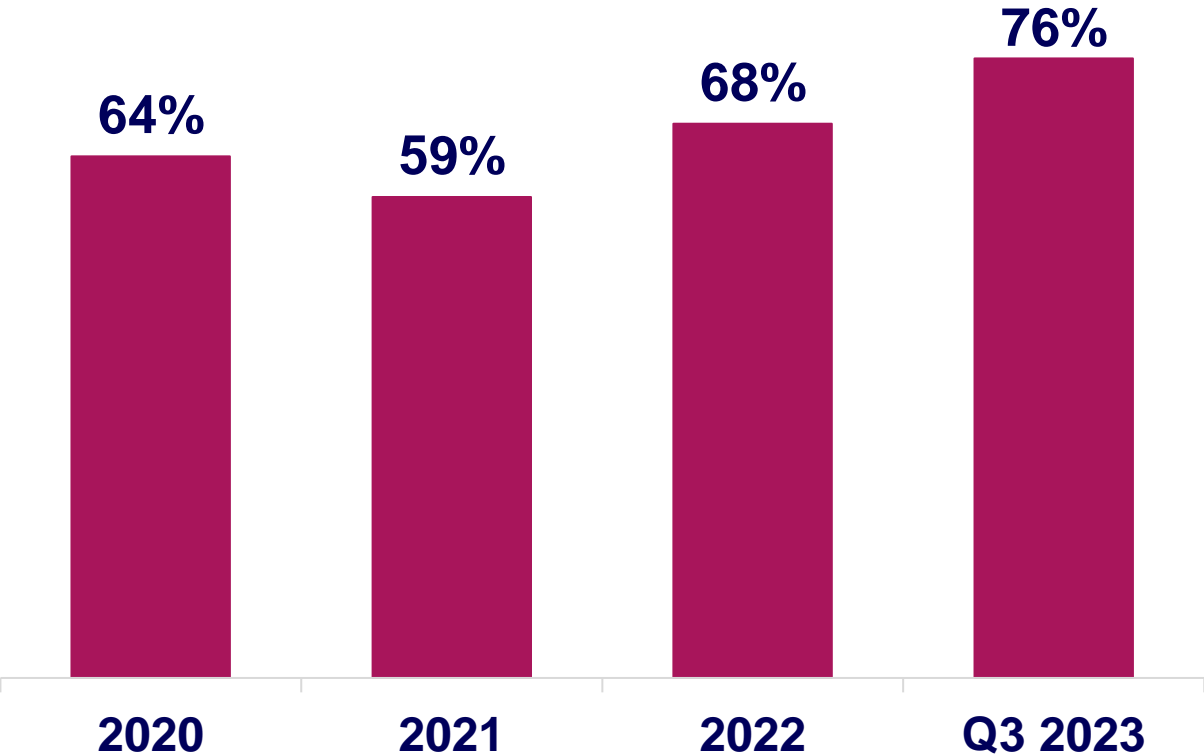
# Superiority

Share of Net Sales with Superiority



# Sustainable Solutions

Share of Sales from Innovation



# Innovation and Brand Strength through Acquisitions



**COACH** | **ZONAS**® | **ELASTIKON**®



**Modibodi**®



*Hydrofera*®

**knix**

# Trend Spotting

Sahil Tesfu

Chief Strategy Officer



# Innovating for Happy Customers & Consumers

**Tuomas Yrjölä**

President, Global Brand,  
Innovation & Sustainability



# Global Brand, Innovation and Sustainability

Business Areas

Global Supply Chain

R&D

Brand Building

Intellectual Property

Product Regulatory & Safety

Product Sustainability



# Global Innovation Hubs



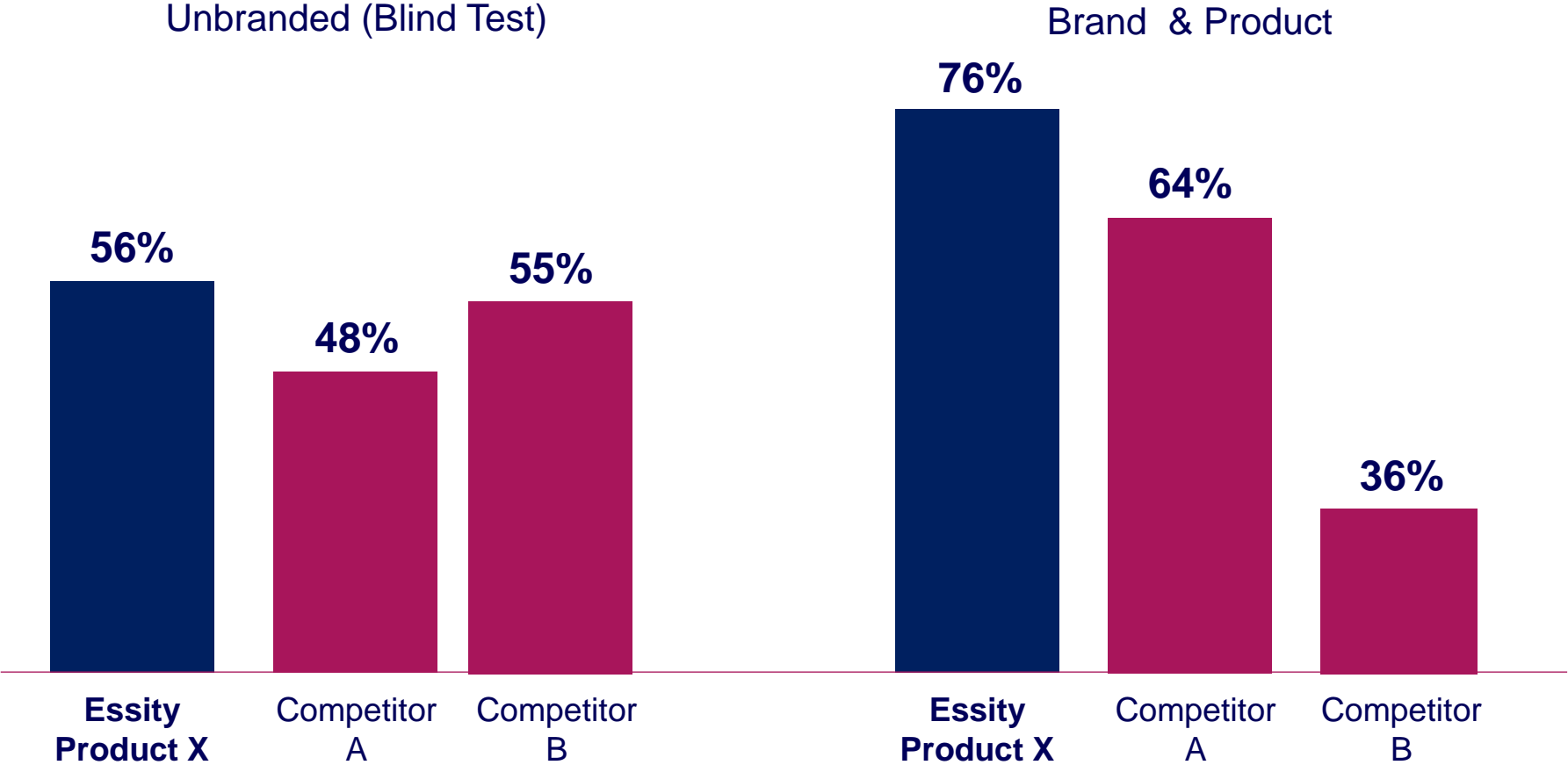
# Innovating to Solve Unmet Needs

- Grow the core
- Expand categories
- Accelerate sustainable solutions

Superior  
Consumer  
Experience

# Superiority = Product & Brand

% Consumers “Definitely Would Buy”



Source: In-Home Use Test - Oct '23

# What Does Superior Look Like?



4.85 / 5 rating  
Retailer Websites



This was a great product. Loved the fact these are smaller sheets when tearing off and with the roll being tubeless. Both are great for the environment. Quality is much better than other brands and found it to be very absorbent. Definitely recommend !  
– UK Consumer May '23

# Grow the Core Feminine Care



# Strong Profitable Growth

## Feminine Care

Organic Sales  
Growth

+9%

CAGR

2017-Q3 2023

#1

>70%


of net sales

# Grow the Core


## Tork PeakServe with 20+ patents



  
**Highest capacity**  
on the market<sup>1</sup>

  
**250%**  
More capacity<sup>2</sup>

  
**50%**  
Compression of towels

  
**1/2**  
Cut refill time in half<sup>2</sup>

1) Compared to competitor's longest roll towel in North America 2) Compared to Tork Universal refills and folded towel dispenser

# Grow the Core

## Tork PeakServe System

Net Sales  
SEK  
> 1bn



# ¿Disfranzas los olores en el baño?

## Mejor usa Regio





**Libero**  
touch™

“Thanks to these  
diapers, we have really  
escaped disgusting poop  
leaks up the back 🤢 –  
want it to more sizes”

**NEW!**  
**CAPTUREPOCKET™**

Pocket that helps prevent  
messy leaks in the back.



# Expand Categories

## Significant Growth opportunity

- 1 in 4 men over 40 experience urine leakage
- 1 in 10 men use a product

## TENA Men Category growth formula:

- No.1 Brand trusted by Men
- Superior re-usable and disposable solution
- Demystifying advertising



# TENA Men

Sales Growth

**+15%**

CAGR

2017-Q3 2023



# Accelerate Sustainable Solutions

## 3Rs



Reduce



Reuse



Recycle

# As A Result

Share of  
Net Sales with  
Superiority

62%



**LIVE FEARLESS**

# Portfolio of Growing and Trusted Brands

EUR >2bn



The TORK logo features the word 'TORK' in white, bold, sans-serif font inside a dark blue, wavy banner. The TENA logo features the word 'TENA' in blue, sans-serif font, with a green and blue arc above it.

EUR >1bn



The Zewa logo is a blue heart shape with 'Zewa' in white. Lotus is a blue heart with a pink lotus flower and 'Lotus' in white. Regio is a blue heart with 'Regio' in white. Vinda is a blue heart with a white bird-like logo and 'Vinda' in white, with '维达' in Chinese below. Libresse is a blue diamond with 'Libresse' in white. Nosotras is a blue diamond with 'Nosotras' in white. Saba is a blue diamond with 'Saba' in white.

EUR <0.5bn



The Jempe logo is 'Jempe' in a blue, stylized font. Libero is 'Libero' in a purple, serif font. Actimove is 'Actimove' in blue and green. knix is 'knix' in a black, bold, sans-serif font. Modibodi is 'Modibodi' in a bold, black, sans-serif font. TOM ORGANIC is 'TOM' in black above 'ORGANIC' in a smaller font. Leukoplast is 'Leukoplast' in white on a red background. JOBST is 'JOBST' in white on a dark blue background.

Annual Net Sales 2022



# Innovating for A Best-in-Class Value Chain

**Donato Giorgio**  
President, Global Supply Chain

# Leading End-to-End Supply Chain Now and in the Future

Procurement

Manufacturing and Engineering

Planning and Customer Fulfilment

Value  
Creation  
End-to-End

I Care

TPM  
Industry  
4.0

Digitally  
Enabled  
Planning

Responsible  
Sourcing

Product  
Innovation  
Platforms

The  
Transportation  
Hub



# Product Innovation Platforms

Incontinence Pants Platform



Coreless Tissue Platform



Tork Peak Serve



Paper Machine Process Development



First Time Right Machine Startup



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# Industry 4.0

50 000 000  
data  
points/second

Reducing  
converting  
waste up to  
**20%**

Towards  
**100%**  
digital  
quality  
inspection

AI preventing  
downtimes and  
yielding cost  
avoidance

Reducing  
CO<sub>2</sub> emission  
35% 2030 vs 2016  
Scope 1 and 2  
Net Zero 2050

# Leading End-to-End Supply Chain Now and in the Future

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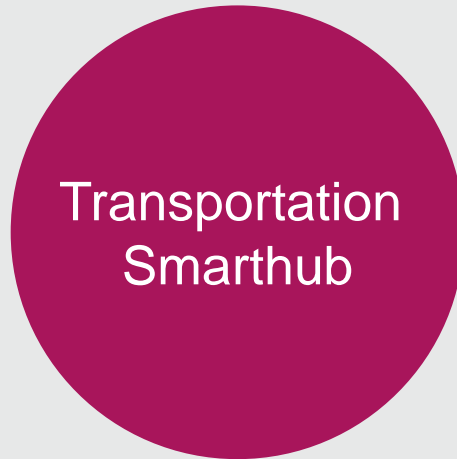
Digitally  
Enabled  
Planning

Responsible  
Sourcing

Product  
Innovation  
Platforms

The  
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Hub

# End-to-end Digitally Enabled Supply Chain



# Leading End-to-End Supply Chain Now and in the Future

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Creation  
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# Future

# Leading in Environmental Sustainability

Alternative Fiber



Geothermal



Green Electricity



Fossil Fuel Free Production



Remove Water



Hydrogen Produced Tissue



Recycling





# We Are Making This Happen



Essity and Voith develop groundbreaking concept for sustainable tissue production

- CO<sub>2</sub>-neutral tissue production
- Reduced freshwater consumption by 95%
- Reduced energy consumption by up to 40%

# Leading End-to-End Supply Chain Now and in the Future

Procurement

Manufacturing and Engineering

Planning and Customer Fulfilment

Value  
Creation  
End-to-End

I Care

TPM  
Industry  
4.0

Digitally  
Enabled  
Planning

Responsible  
Sourcing

Product  
Innovation  
Platforms

The  
Transportation  
Hub

# Leveraging AI

**Carl-Magnus Månsson**  
Chief, Digital & Information Officer

# Innovating for Better Health

**Ulrika Kolsrud**

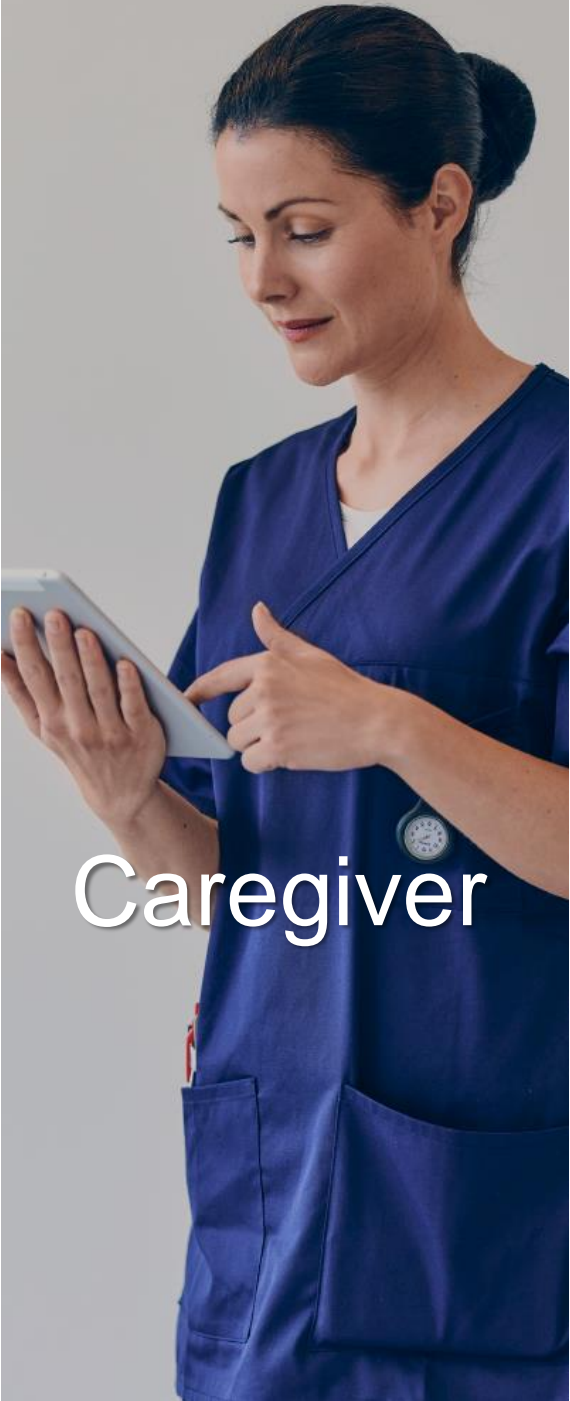
President, Health & Medical



# Innovating for the...



Patient



Caregiver



Healthcare  
payer

**>150M**  
people  
suffer from  
**Lymphedema**



Mild & Moderate  
Lymphedema  
represents  
**85%**  
of patient group



Compression  
**+12%**  
Organic Sales Growth  
9M 2023 vs 9M 2022



**1.6%**  
of population have  
**Chronic  
Wounds**

**Billions**  
suffer from  
**injuries and  
wounds**





Sorbact

>20%

Organic Sales Growth  
9M 2023 vs 9M 2022



Incontinence  
Products  
Health Care

**+1.7%**

Mix Contribution  
to Sales

9M 2023 vs 9M 2022

**>400M**  
people worldwide  
suffer from  
**Incontinence**



**1 in 3**  
woman +35 years  
**1 in 4**  
men +40 years

# Best Individual Care and Best Use of Available Resources

Wide range of TENA products



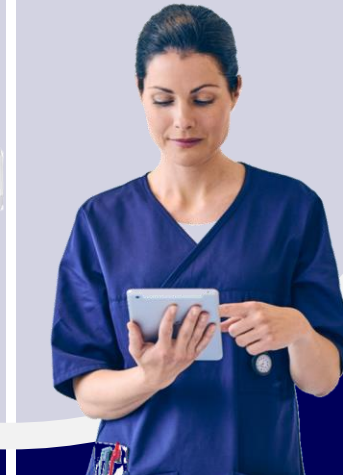
Training and Support



TENA SmartCare Digital Solutions



TENA Tools





**1 in 5**

people is currently  
providing care for  
a loved one

**2/3**

of all people will  
become caregivers  
at some point in  
their lives

**Actimove**<sup>®</sup>

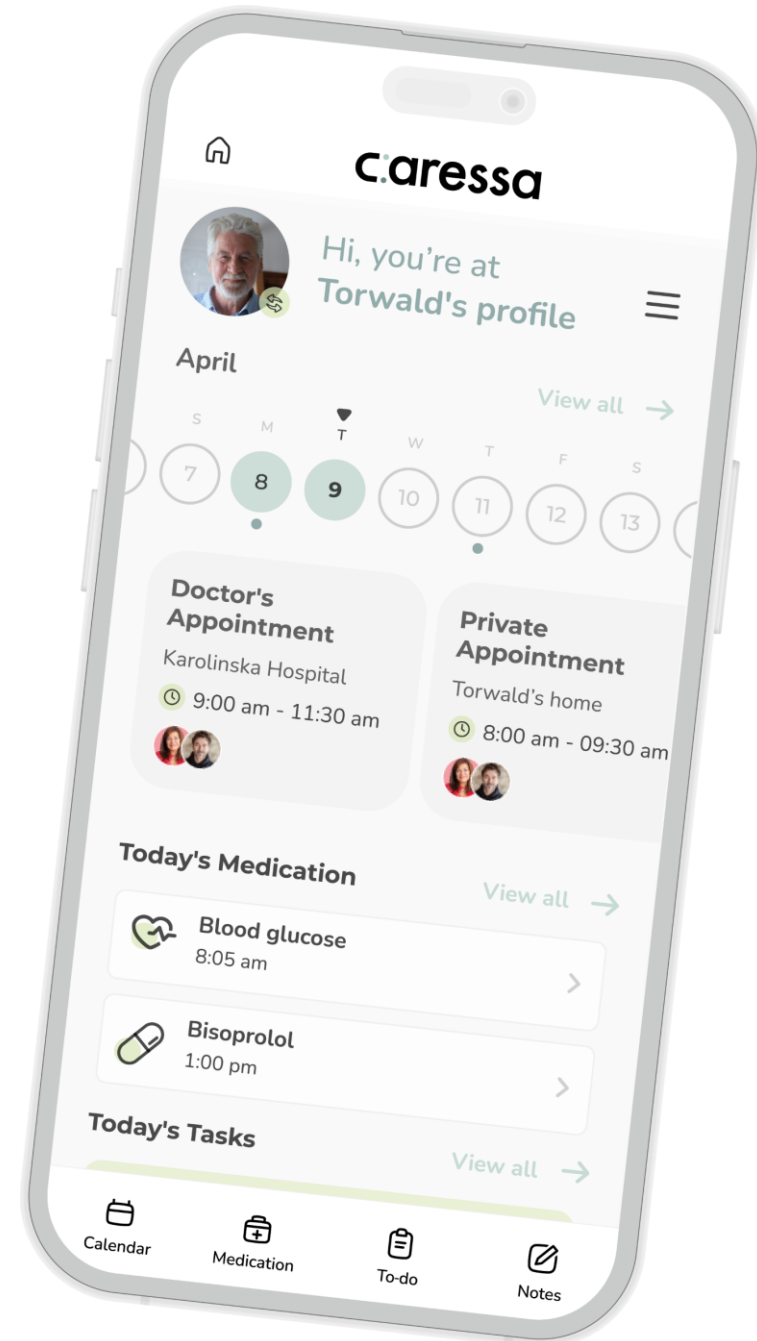
**JOBST**

**Cutimed**<sup>®</sup>

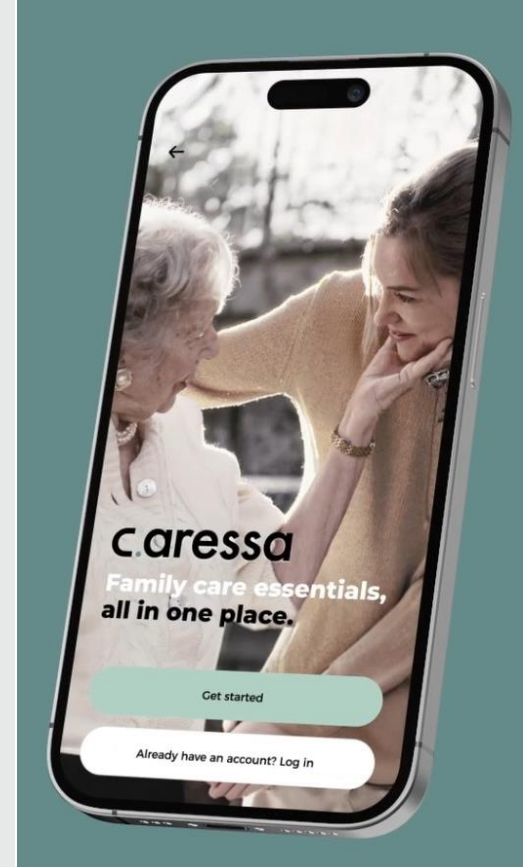
**TENA**<sup>®</sup>

**Leukoplast**<sup>®</sup>

**Delta-Cast**<sup>®</sup>







Innovating to strengthen the core

Innovating to expand

for accelerated profitable growth



# Q&A



For everybody and every body



Every day our brands care for the hygiene and health of a billion people across 150 countries.





For everybody and every body

# Final Remarks

**Magnus Groth**  
President and CEO

This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read our most recent annual and sustainability report for a better understanding of these risks and uncertainties.



