

Interim Report Q3 2017





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 report for a better understanding of these risks and uncertainties.

Magnus Groth, President and CEO



Summary Q3 2017

Q3 2017 vs Q3 2016

- Organic sales¹⁾ increased 1.8%
- Adjusted EBITA margin²⁾ increased 30 bp to 12.6%
- Adjusted ROCE²⁾ 13.8%
- Strong contribution from efficiency improvements
- 13 innovations launched in all categories
 - Brands such as Cutimed, Edet, Leukoplast, Libero, Lotus, Saba, Tempo, TENA, Tork and Zewa

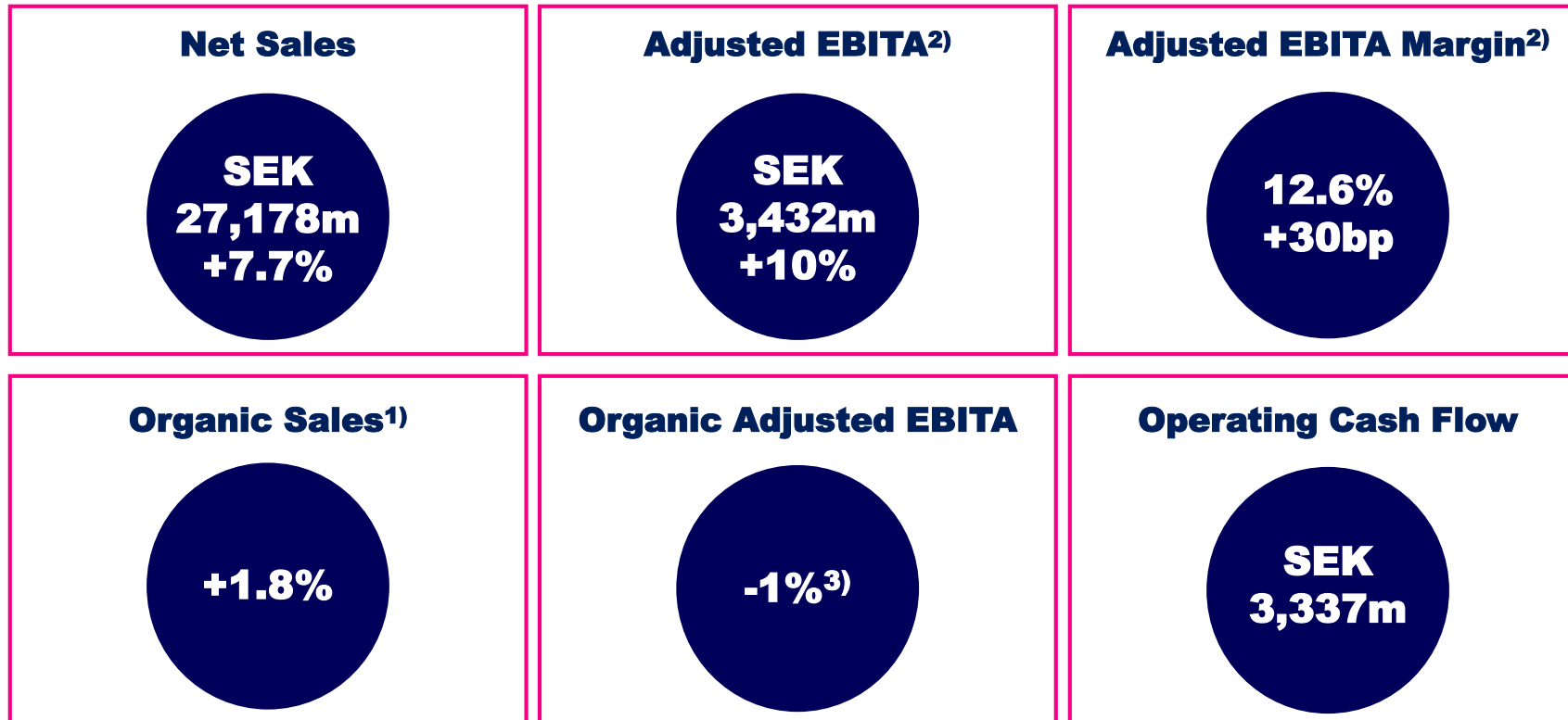
¹⁾ Sales which excludes exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability



Financial Summary

Q3 2017 vs Q3 2016



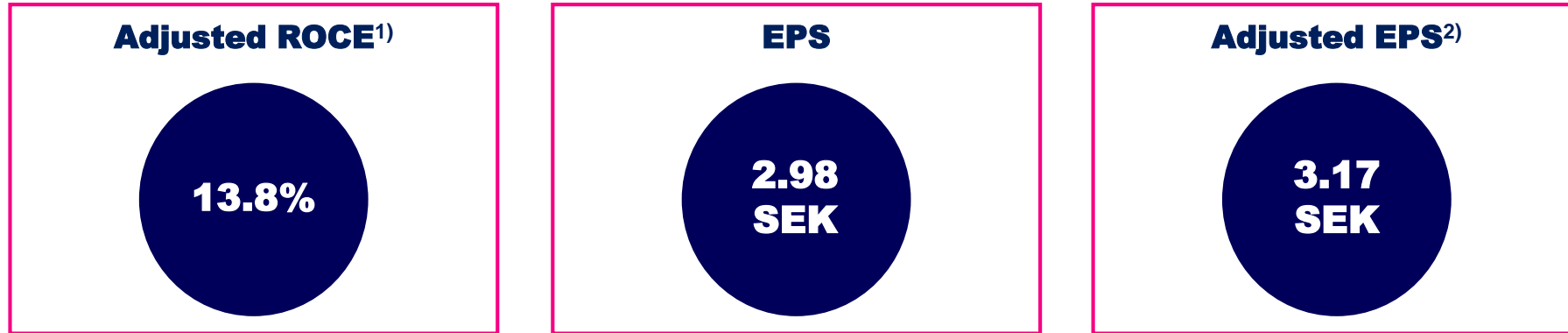
¹⁾ Sales which excludes exchange rate effects, acquisitions and divestments

²⁾ Excluding items affecting comparability

³⁾ Excluding items affecting comparability, currency translation effects and acquisitions

Financial Summary

Q3 2017 vs Q3 2016



1) Excluding items affecting comparability

2) Excluding items affecting comparability and amortization of acquisition related intangible assets

Initiatives and Recognitions

- Essity and Microsoft partner on Internet of Things
- Recognition in European Parliament for recycling service for Tork paper hand towels
- Essity and United Nations Foundation convene Global Dialogue on UN Sustainable Development Goals
- Essity recognized by CDP* as world leader for its action on forests and water

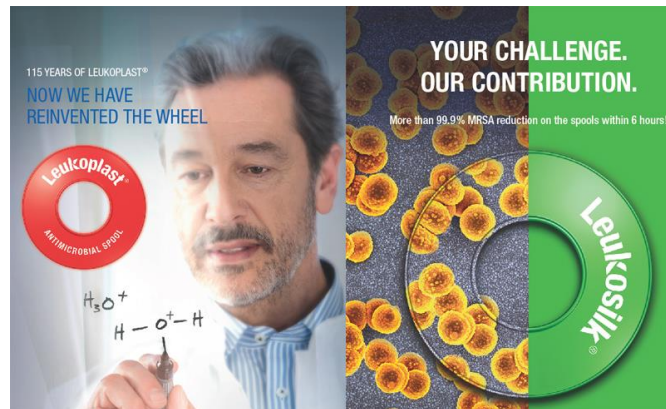
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Innovations for People and Nature

Q3 2017

- 13 innovations launched in all categories
 - Brands such as Cutimed, Edet, Leukoplast, Libero, Lotus, Saba, Tempo, TENA, Tork and Zewa

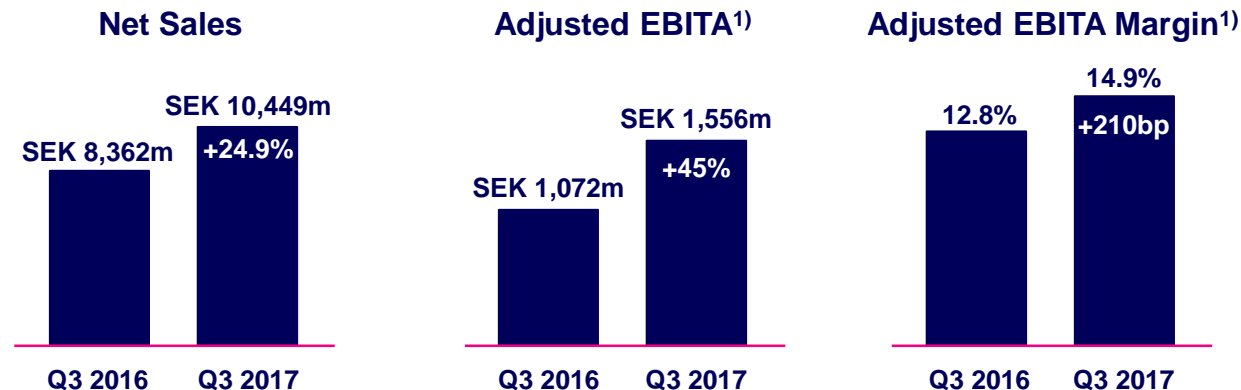


Personal Care

Q3 2017 vs Q3 2016

- **Net sales increased 24.9%**
- **Organic sales increased 3.0%**
- **Adjusted EBITA¹⁾ increased 45%**
 - Acquisition of BSN medical
 - Higher volumes
 - Cost savings
 - Improved profitability in Incontinence Products in North America
 - Positive effect from closure of Baby Care in Mexico and hygiene business in India
 - Lower prices
 - Higher raw material costs
- **Adjusted EBITA margin¹⁾ 14.9%**
- **Adjusted ROCE¹⁾ 16.0%**

¹⁾ Excluding items affecting comparability



Personal Care

Q3 2017 vs Q3 2016

▪ Organic sales increased 3.0%

- Volume +4.9%
- Price/mix -1.9%
- Negative impact of ~1% related to closures of Baby Care Mexico and hygiene business in India

▪ Mature markets

- Western Europe
 - Good growth for Baby Care
 - Flat sales for Feminine Care
 - Flat sales for Incontinence Products
 - Good growth in Retail and flat sales in Health Care
- North America
 - Higher sales in Incontinence Products

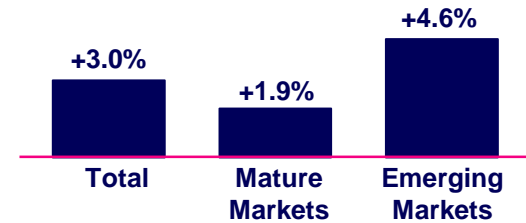
▪ Emerging markets

- Asia +1%
- Latin America +3%
 - Good growth for Incontinence Products and Feminine Care
 - Lower sales in Baby Care mainly due to closure of Baby Care in Mexico
- Russia -10%

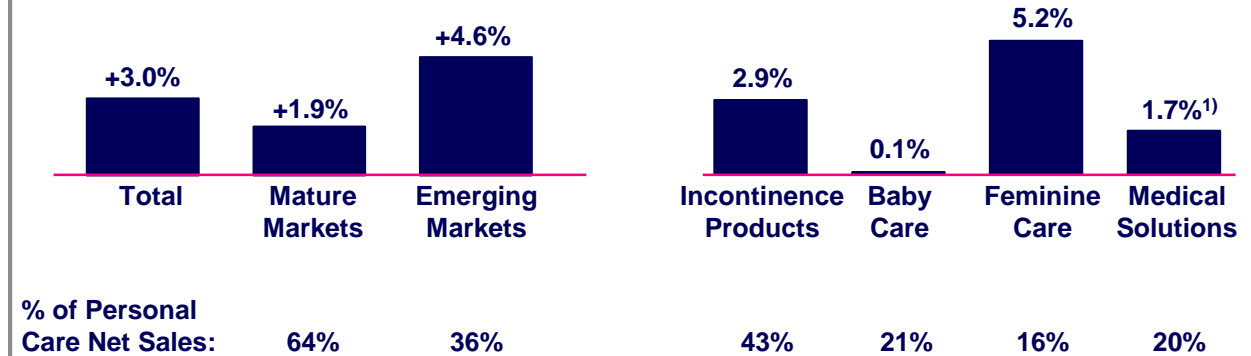
¹⁾ Not included in Personal Care's organic sales for Q3 2017

Organic Sales

By Region



By Product Segment



% of Personal Care Net Sales:

64%

36%

43%

21%

16%

20%

TENA Leukoplast® Libero®



Medical Solutions

BSN medical acquisition

- Successful start of integration
 - Organizational changes implemented
 - Joint strategy for combined business unit delivered
- Q3 2017 organic sales¹⁾ increased 1.7%
- Adjusted EBITA margin²⁾ 19.2%
 - Integration cost impact -0.4%

¹⁾ Sales which excludes exchange rate effects, acquisitions and divestments. Not included in Essity's reported organic sales for Q3 2017.

²⁾ Excluding items affecting comparability



Actimove® Cutimed® Delta-Cast® JOBST® Leukoplast®

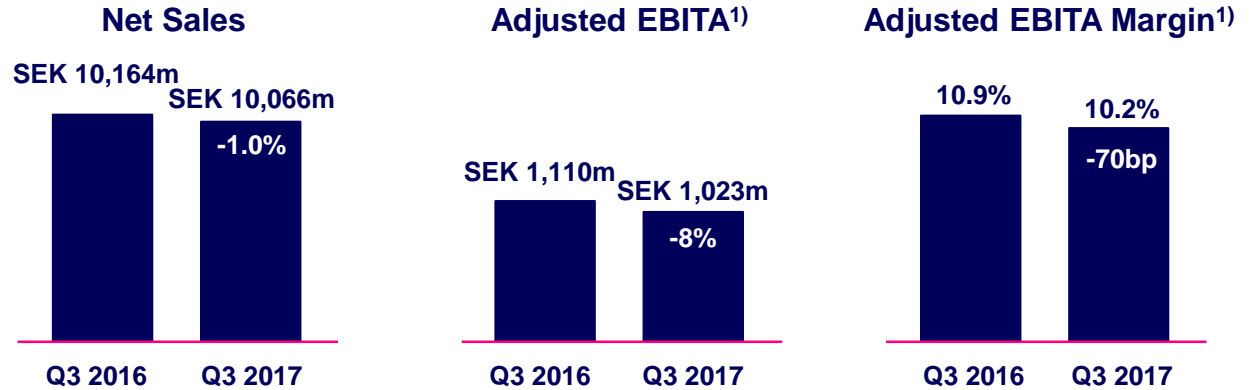
Q3 2017	SEKm
Net sales	2,066
Organic sales ¹⁾ vs Q3 2016	+1.7%
Adjusted EBITA ²⁾	397
Adjusted EBITA margin ²⁾	19.2%

Consumer Tissue

Q3 2017 vs Q3 2016

- Net sales decreased 1.0%
- Organic sales increased 0.7%
- Adjusted EBITA¹⁾ decreased 8%
 - Higher raw material costs mainly due to higher pulp prices
 - Lower prices in Europe
 - Higher volumes
 - Cost savings
 - Lower energy prices
- Adjusted EBITA margin¹⁾ 10.2%
- Adjusted ROCE¹⁾ 9.8%

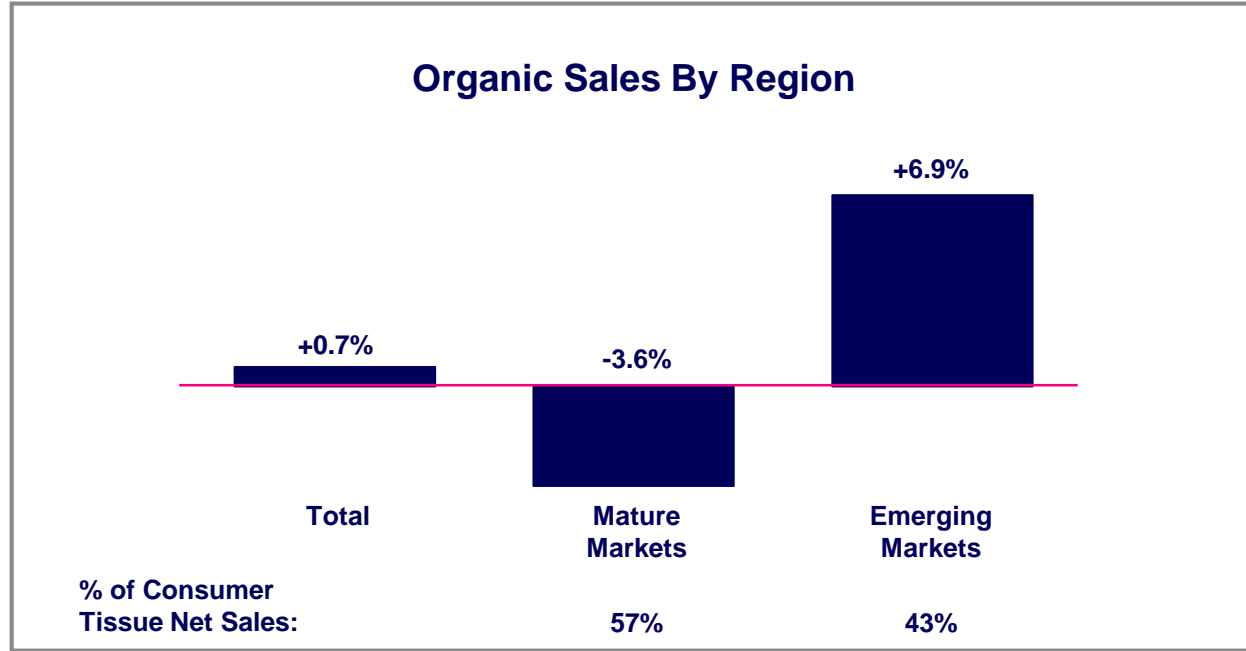
¹⁾ Excluding items affecting comparability



Consumer Tissue

Q3 2017 vs Q3 2016

- **Organic sales increased 0.7%**
 - Volume +1.4%
 - Price/mix -0.7%
- **Mature markets**
 - Western Europe
 - Lower sales due to lower prices and lower volumes
- **Emerging markets**
 - Asia +11%
 - Latin America +2%
 - Russia +2%

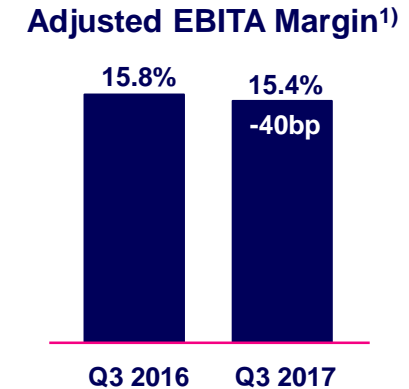
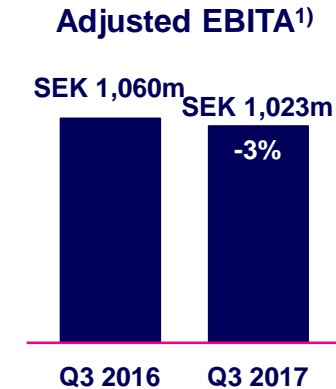
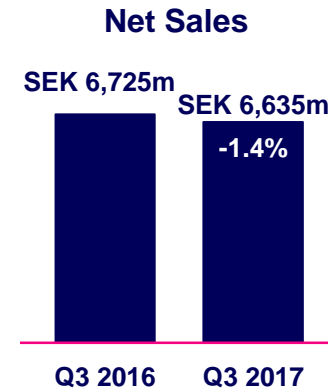


Professional Hygiene

Q3 2017 vs Q3 2016

- Net sales decreased 1.4%
- Organic sales increased 1.2%
- Adjusted EBITA¹⁾ decreased 3%
 - Higher raw material costs mainly due to higher recovered paper and pulp prices
 - Lower volumes
 - Better price/mix
 - Cost savings
- Adjusted EBITA margin¹⁾ 15.4%
- Adjusted ROCE¹⁾ 20.7%

¹⁾ Excluding items affecting comparability



Professional Hygiene

Q3 2017 vs Q3 2016

- **Organic sales increased 1.2%**

- Volume -0.4%
- Price/mix +1.6%

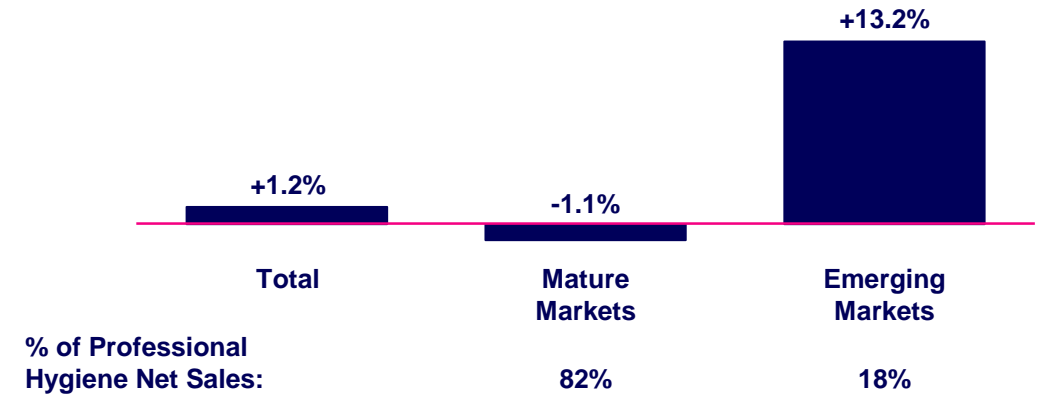
- **Mature markets**

- Flat sales in Western Europe
- Lower sales in North America due to lower volumes
- Positive price/mix in North America and Western Europe

- **Emerging markets**

- Asia +25%
- Latin America +12%
- Russia +1%

Organic Sales By Region

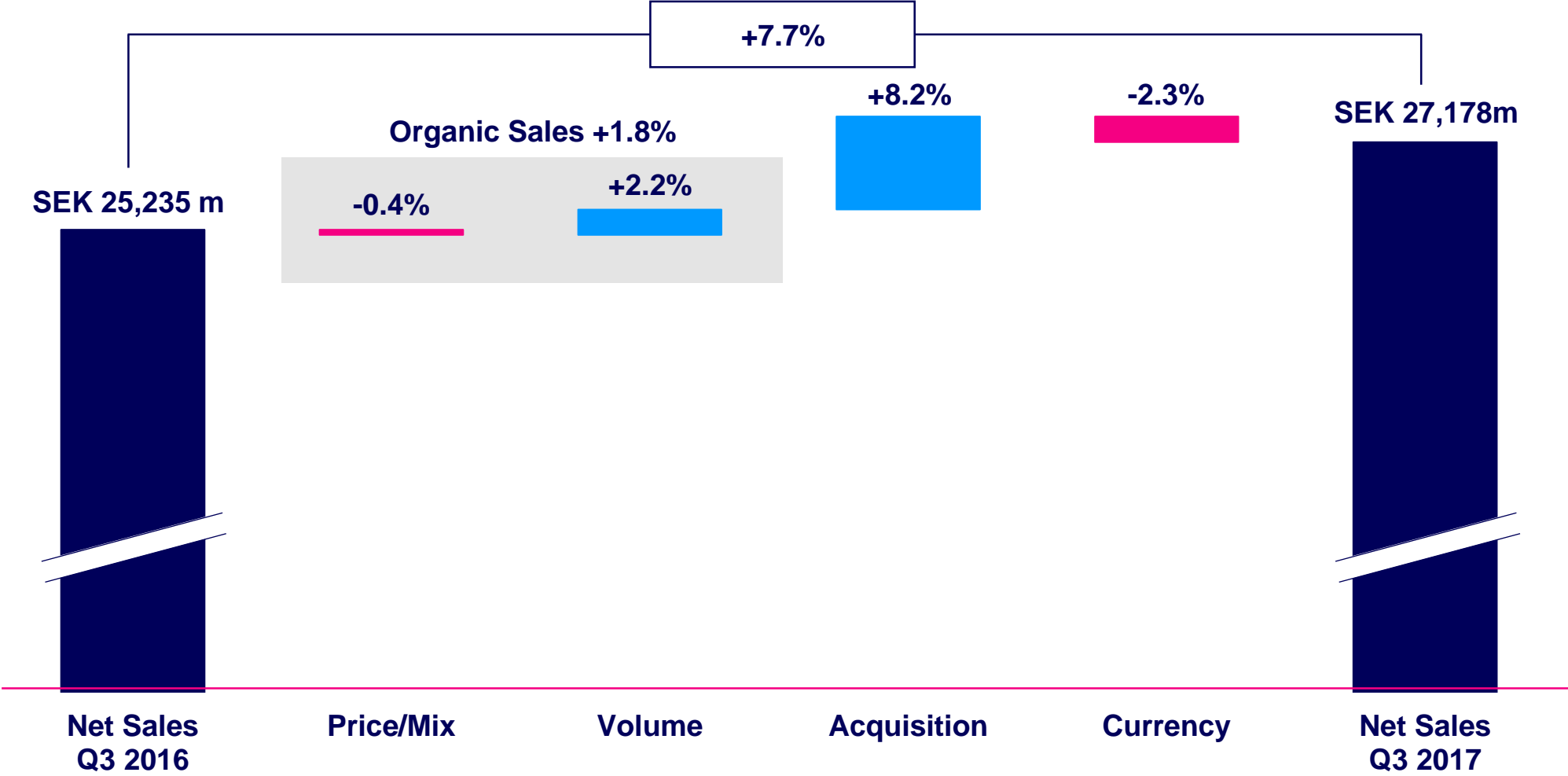


Fredrik Rystedt, Executive Vice President and CFO



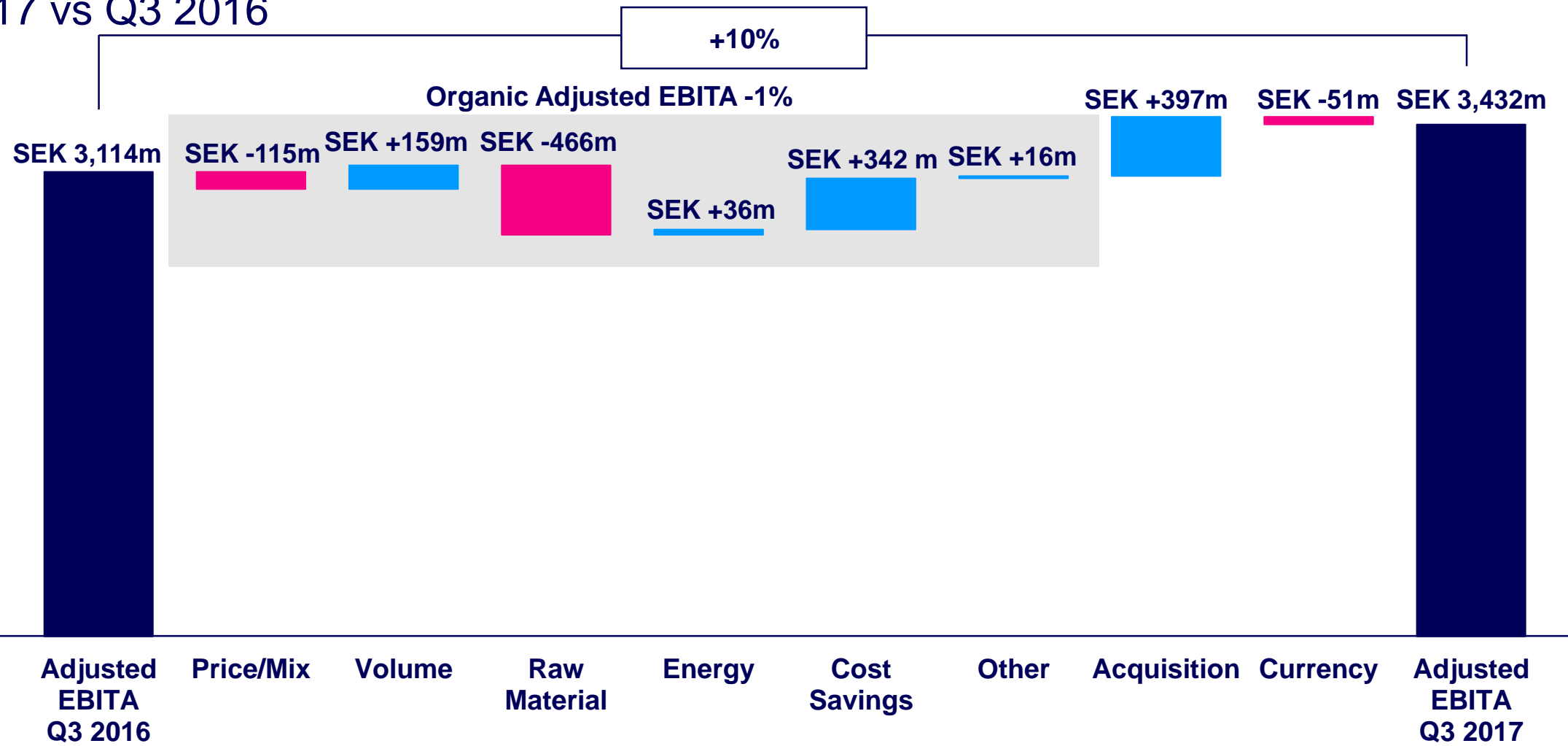
Net Sales

Q3 2017 vs Q3 2016



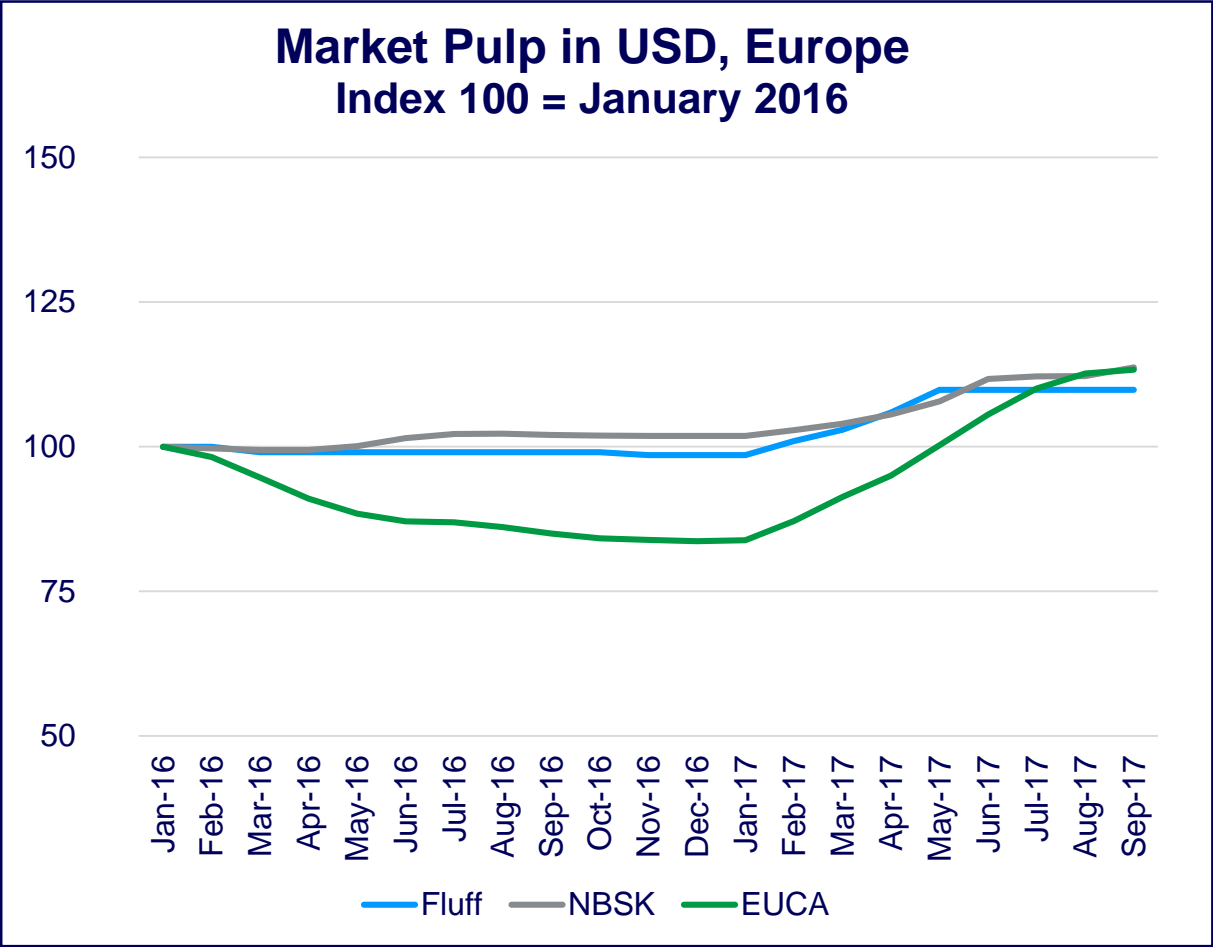
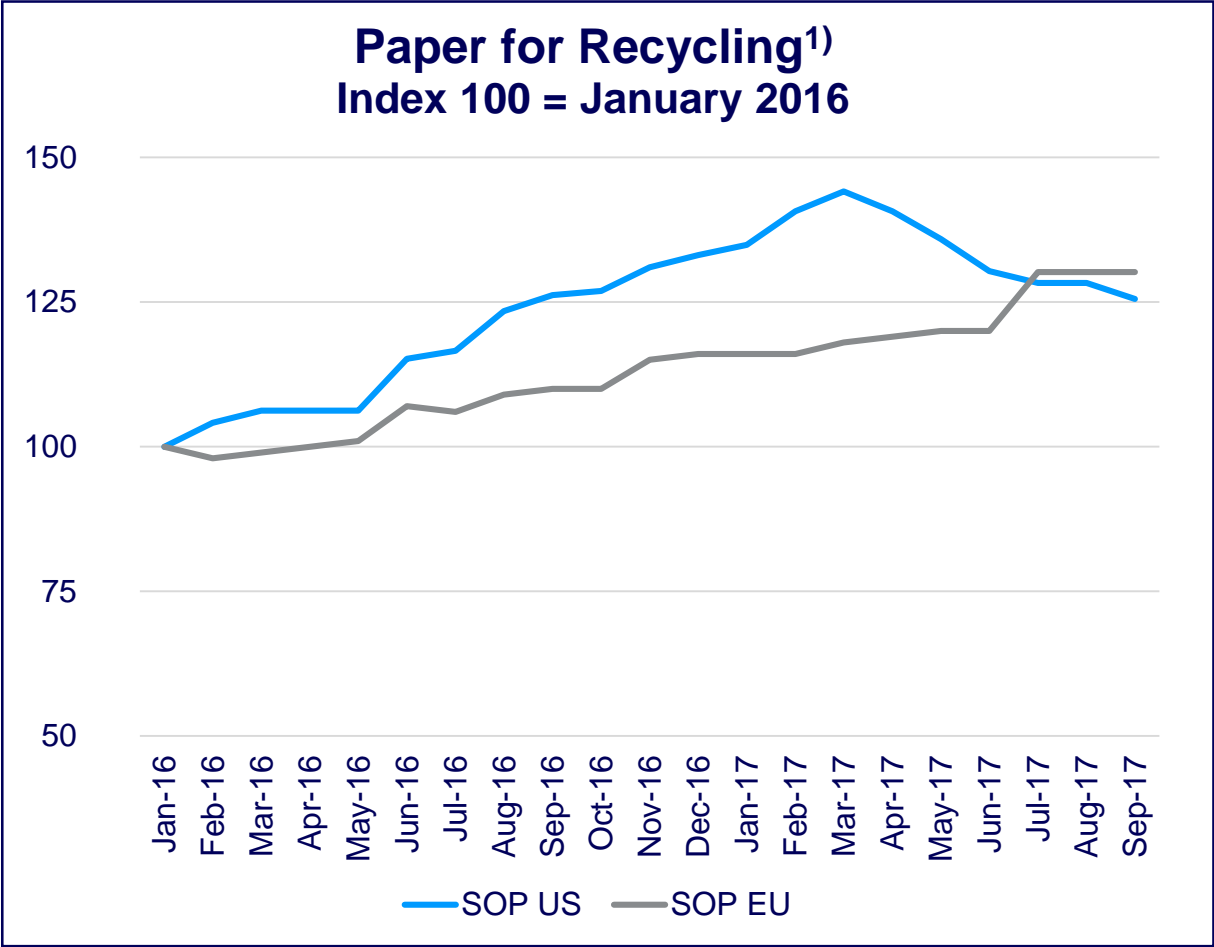
Adjusted EBITA¹⁾

Q3 2017 vs Q3 2016



¹⁾ Excluding items affecting comparability

Raw Material Development



¹⁾ Index based in local currencies

Cash Flow

Q3 2017 vs Q3 2016

	Q3 2017 SEKm	Q3 2016 SEKm
Operating cash surplus	4,680	4,294
Change in working capital	-24	1,401
Restructuring costs and other operating cash flow	-288	-113
Capital expenditures (including strategic)	-1,684	-1,407
Operating cash flow including strategic capital expenditures	2,684	4,175

Magnus Groth, President and CEO



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Q&A



