



# Half-year Report 2019



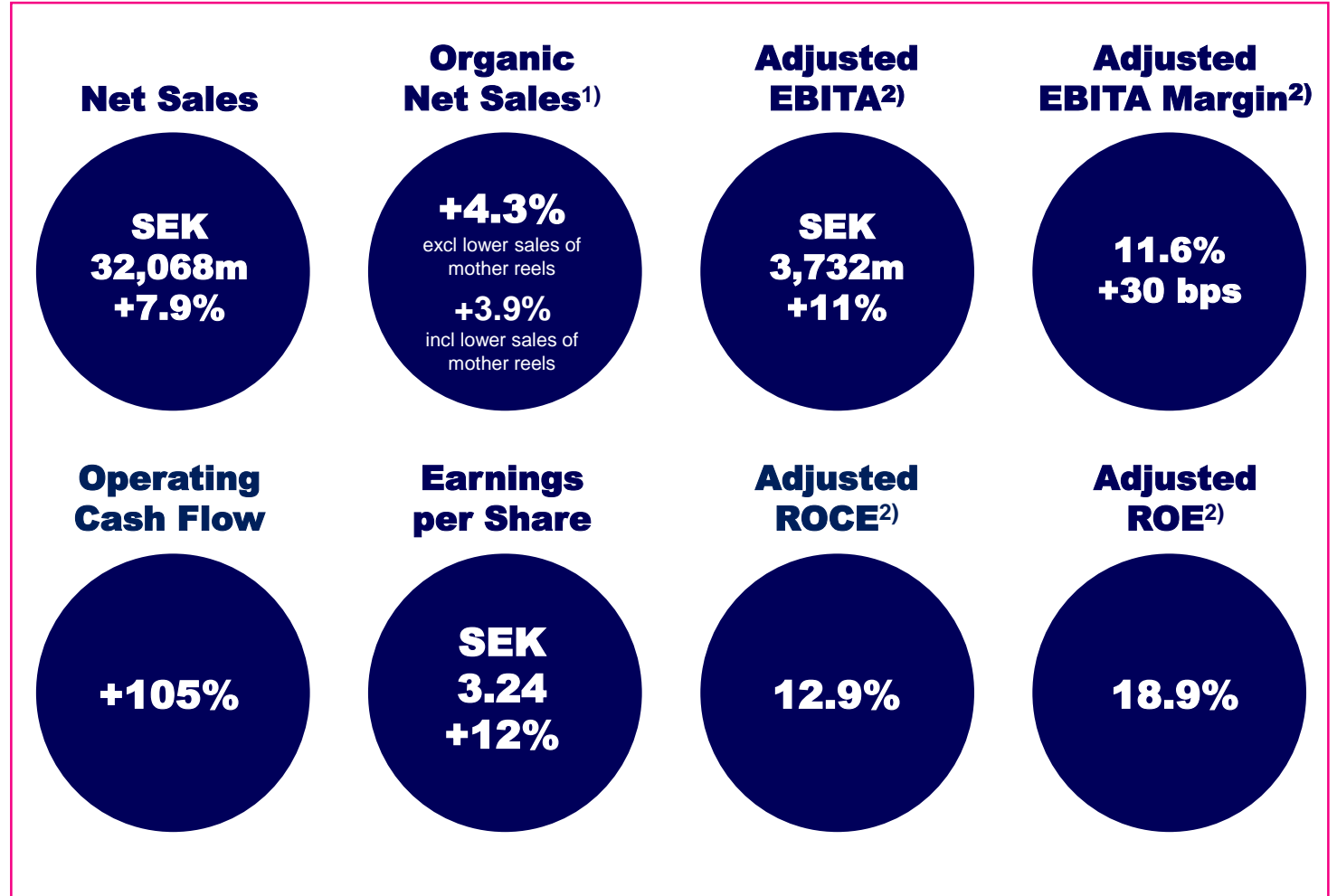


This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read our most recent annual and sustainability report for a better understanding of these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

# Summary

## Q2 2019 vs Q2 2018

- Strong organic net sales growth and higher adjusted EBITA margin
- Better price/mix and higher volumes in all business areas
- Investments in growth with higher sales and marketing costs but lower as % of sales
- Strong contribution from cost savings
- Higher raw material and energy costs
- Significant negative impact from stock revaluation due to lower raw material prices

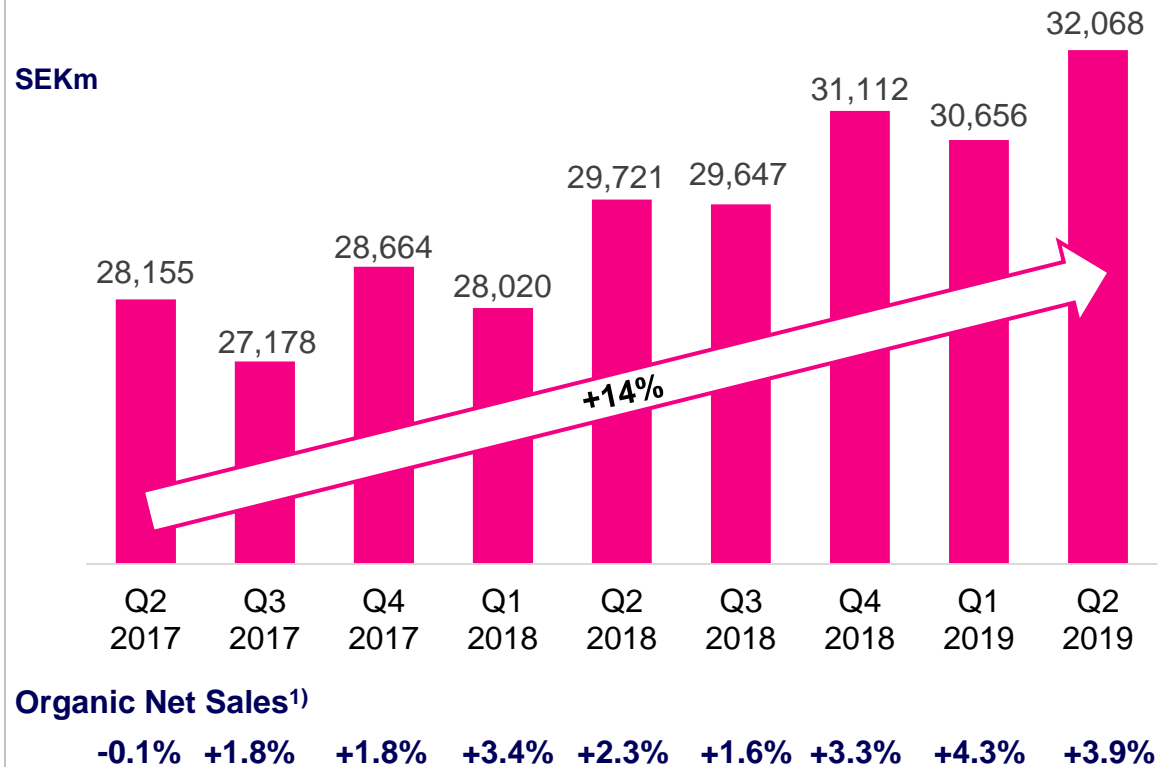


<sup>1)</sup> Net sales which excludes exchange rate effects, acquisitions and divestments

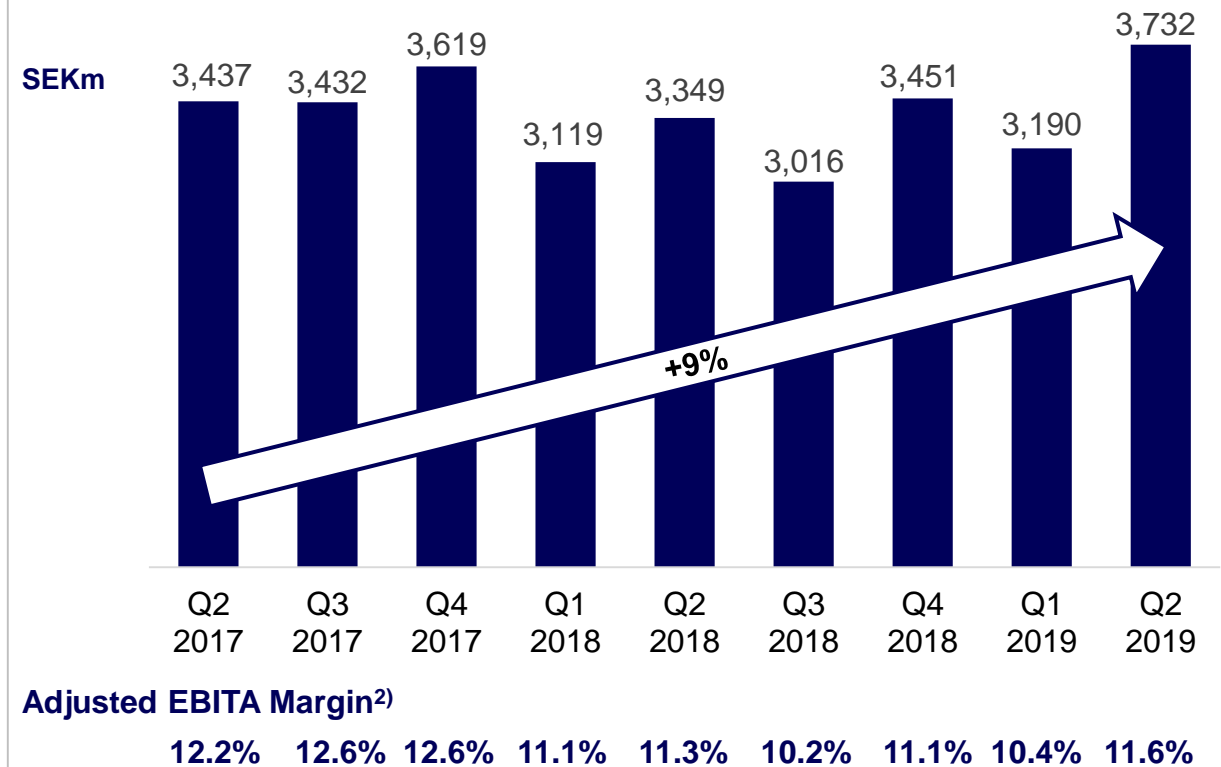
<sup>2)</sup> Excluding items affecting comparability

# Increased Sales and Profits

## Net Sales



## Adjusted EBITA<sup>2)</sup>

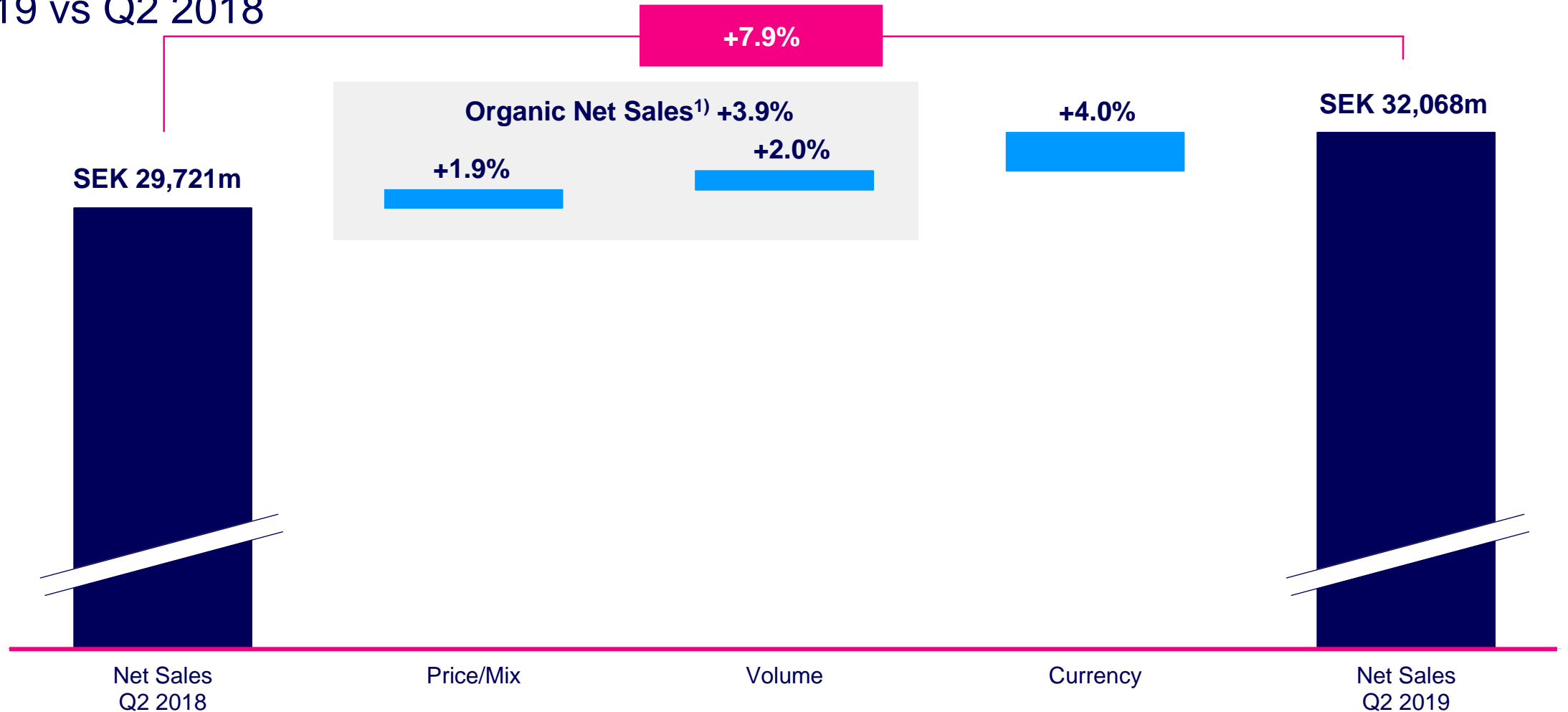


<sup>1)</sup> Excluding exchange rate effects, acquisitions and divestments

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

# Net Sales

Q2 2019 vs Q2 2018

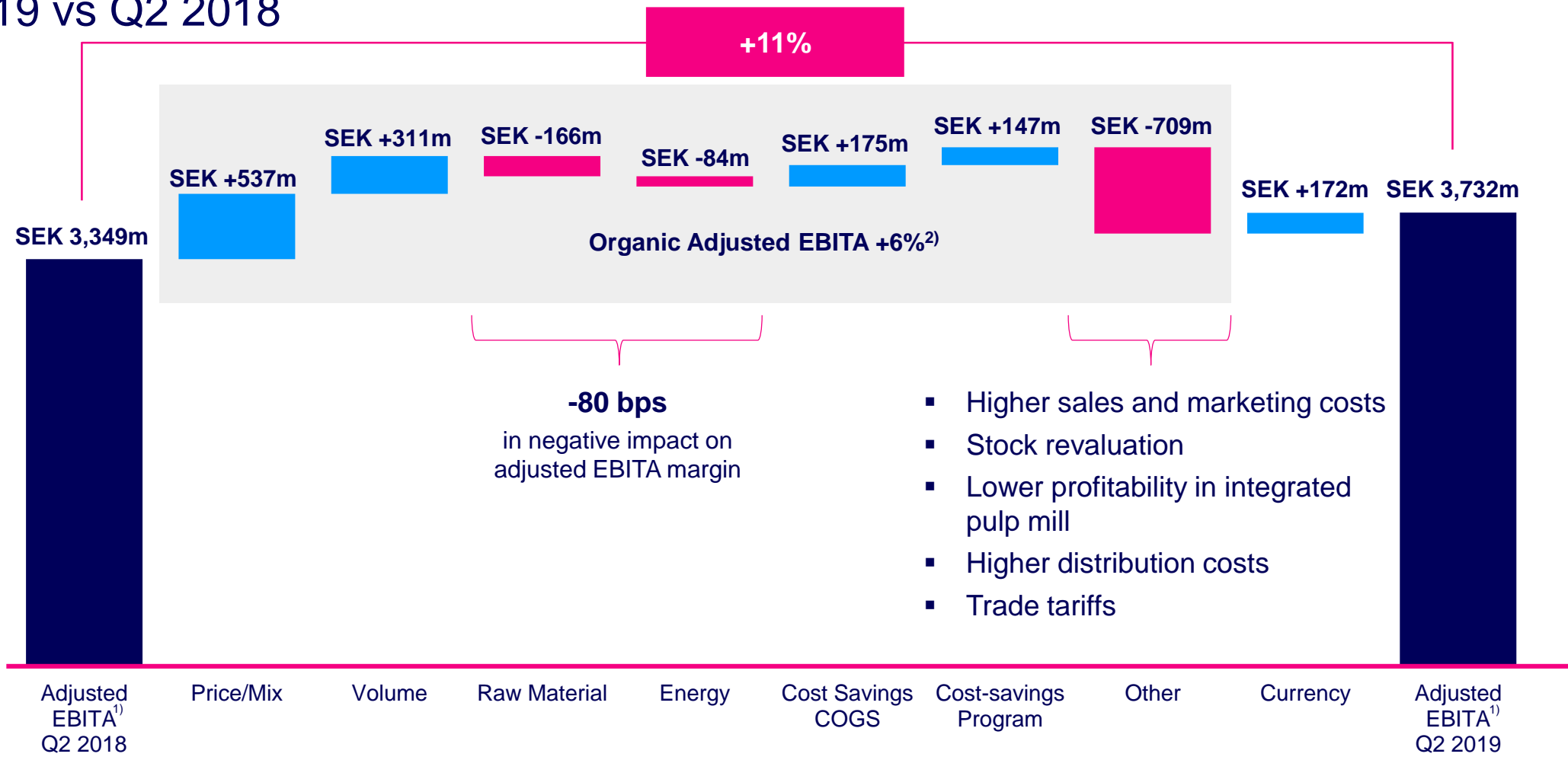


<sup>1)</sup> Net sales which excludes exchange rate effects, acquisitions and divestments



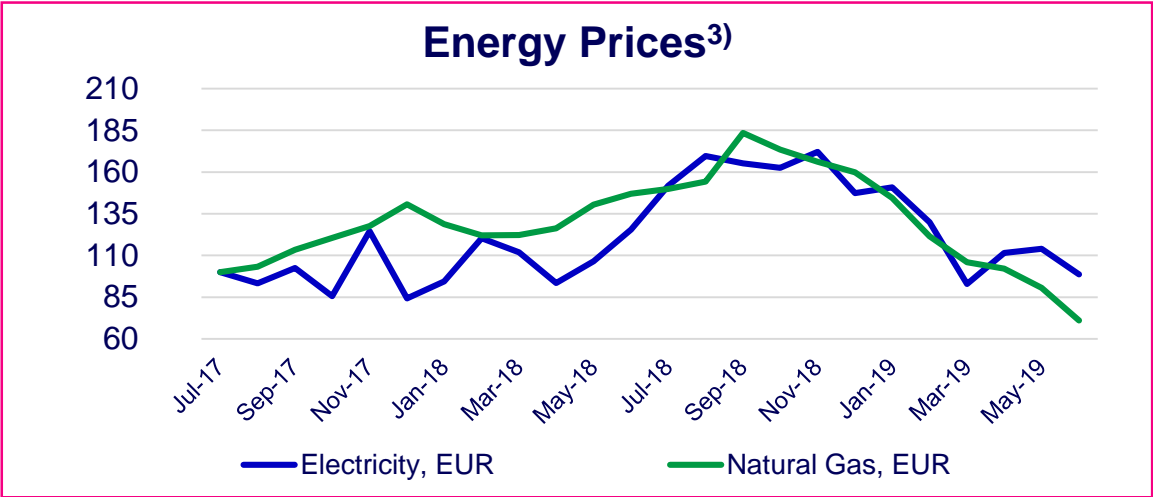
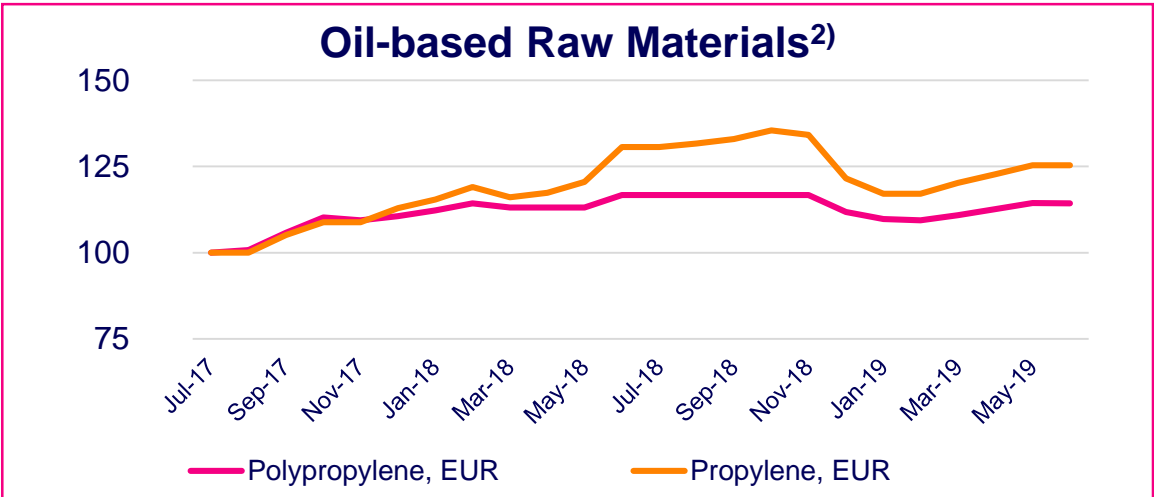
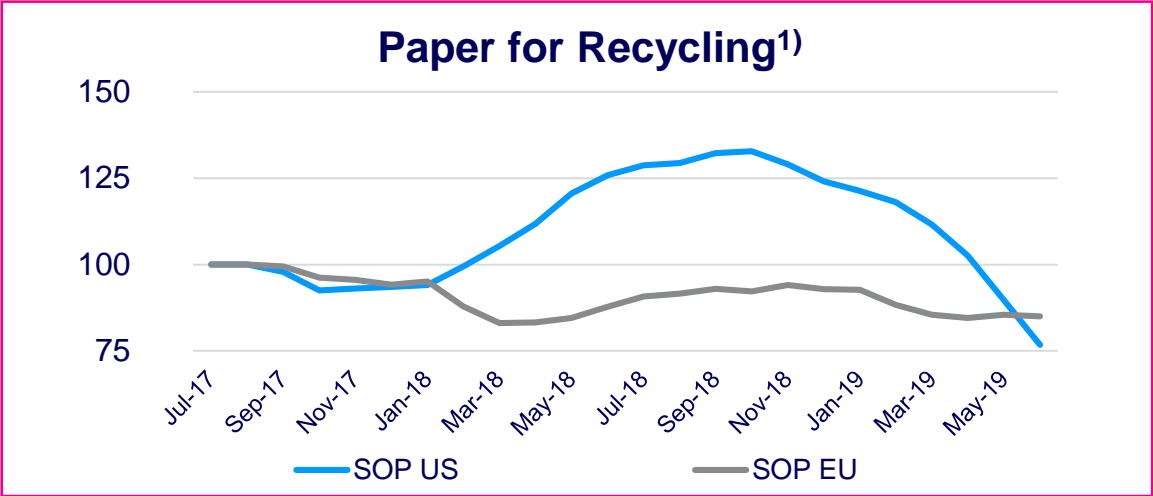
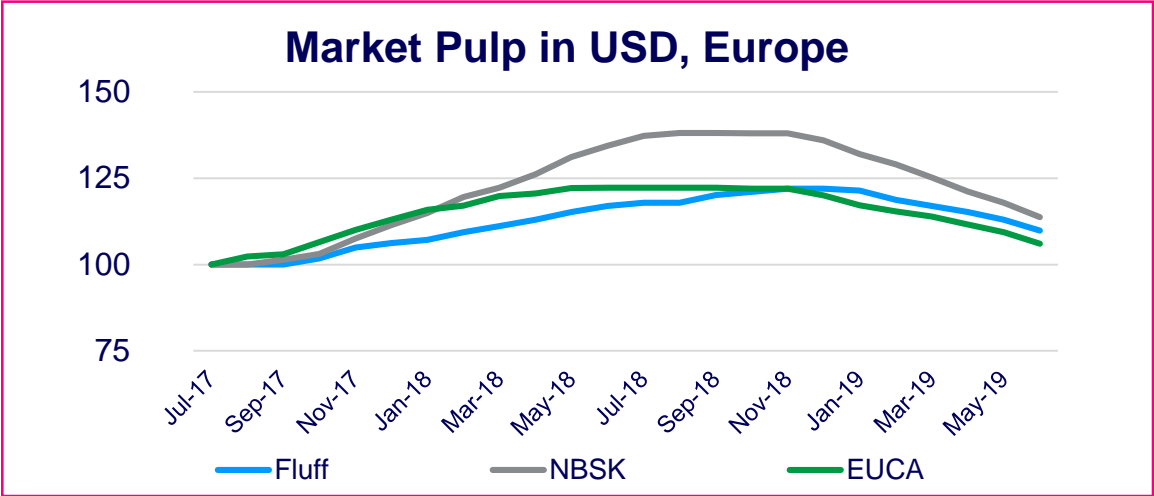
# Adjusted EBITA<sup>1)</sup>

Q2 2019 vs Q2 2018



<sup>1)</sup> Excluding items affecting comparability  
<sup>2)</sup> Excluding items affecting comparability, currency translation effects and acquisitions

# Raw Material Development



Index 100 = July 2017  
<sup>1)</sup> Sorted Office Paper. Index in local currencies. EU refers to Germany <sup>2)</sup> Polypropylene major feedstock of non-woven material, Propylene major feedstock of SAP material <sup>3)</sup> Electricity Germany. Natural Gas, TTF Index

Source: Fastmarkets RISI, Fastmarkets FOEX, VDP, Macrobond, Epexspot, ICIS

# Cost Savings

SEK 322m in Q2 2019

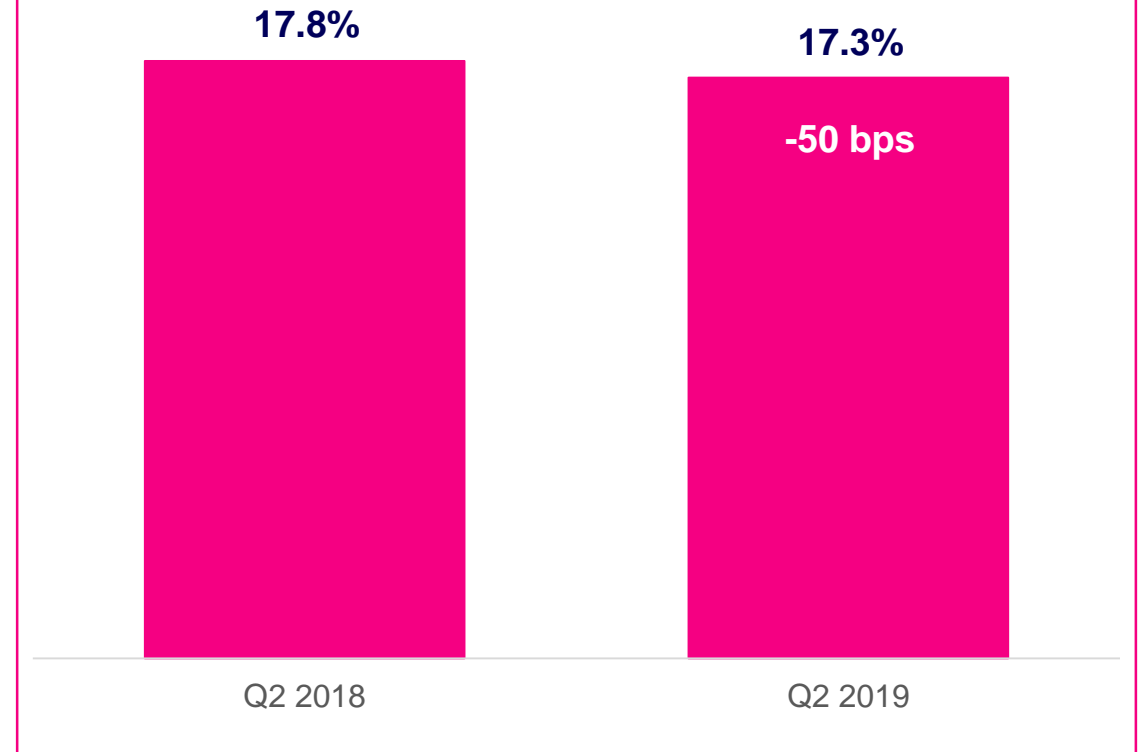
## COGS Savings, SEK 175m

- Tissue Roadmap
  - Closure of production capacity
  - Headcount reduction
- Operational efficiency improvements
- Material rationalization
- Sourcing savings

## Cost-savings Program, SEK 147m

- Main impact in SG&A costs
- Expected annual cost savings of approx SEK 900m with full effect at the end of 2019
- End of Q2 2019 annualized run-rate cost savings approx SEK 690m
- Headcount reduction of 744 positions out of 1,000

### Reduction of SG&A as % of Sales





# Improving Everyday Life through Innovations



Cutimed®





# Achievements Improving Well-being



13 Lions at the Cannes Lions International Advertising Festival



Tork EasyCube® contract with Changi airport in Singapore



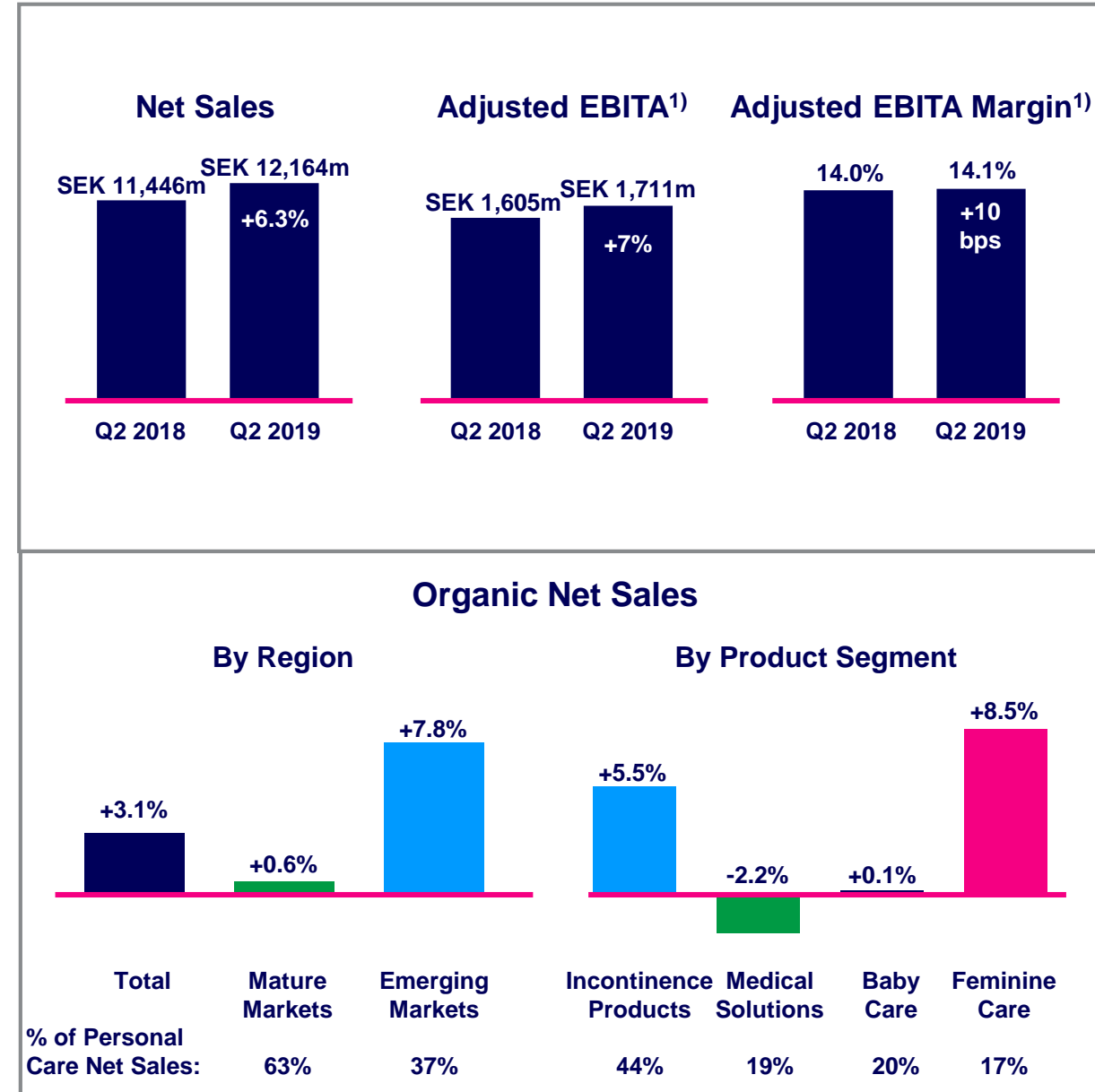
We made this little girl a compression stocking for her doll to match the one she needs to wear

# Personal Care

## Q2 2019 vs Q2 2018

- Organic net sales increased 3.1%
  - Volume +2.2% and price/mix +0.9%
- Higher volumes, higher prices and cost savings
- Significant raw material and energy headwinds with negative impact of -190 bps on adjusted EBITA margin
- Investments in growth with higher sales and marketing costs but lower as % of sales
- Higher distribution costs

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

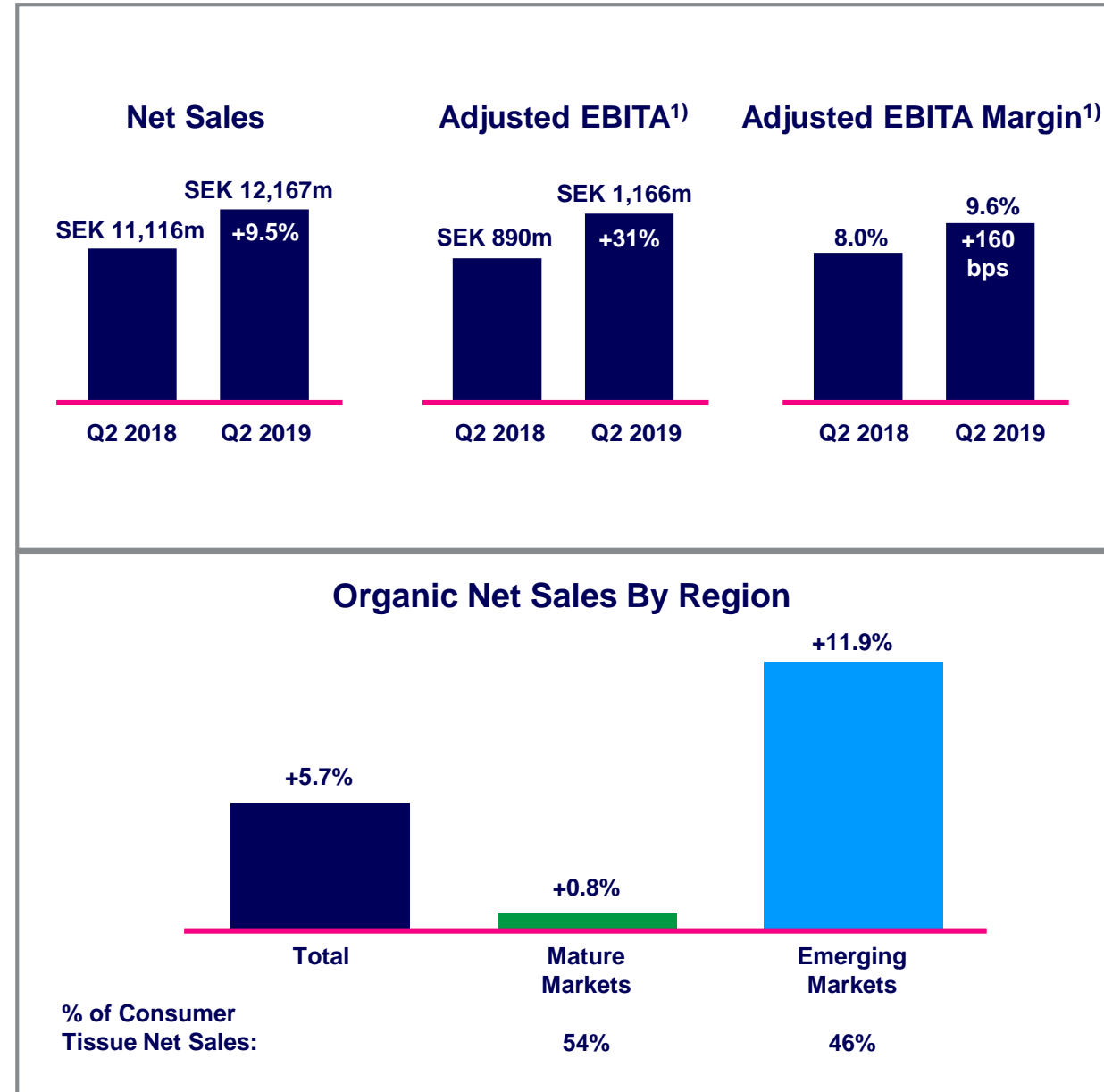


# Consumer Tissue

## Q2 2019 vs Q2 2018

- Organic net sales increased 5.7%
  - Volume +2.7% and price/mix +3.0%
- Closure of mother reel capacity impacted volumes negatively with -70 bps
- Higher prices, higher volumes, better mix, stable raw material costs and cost savings
- Investments in growth with higher sales and marketing costs but lower as % of sales
- Significant negative impact from stock revaluation due to lower raw material prices
- Higher energy costs

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

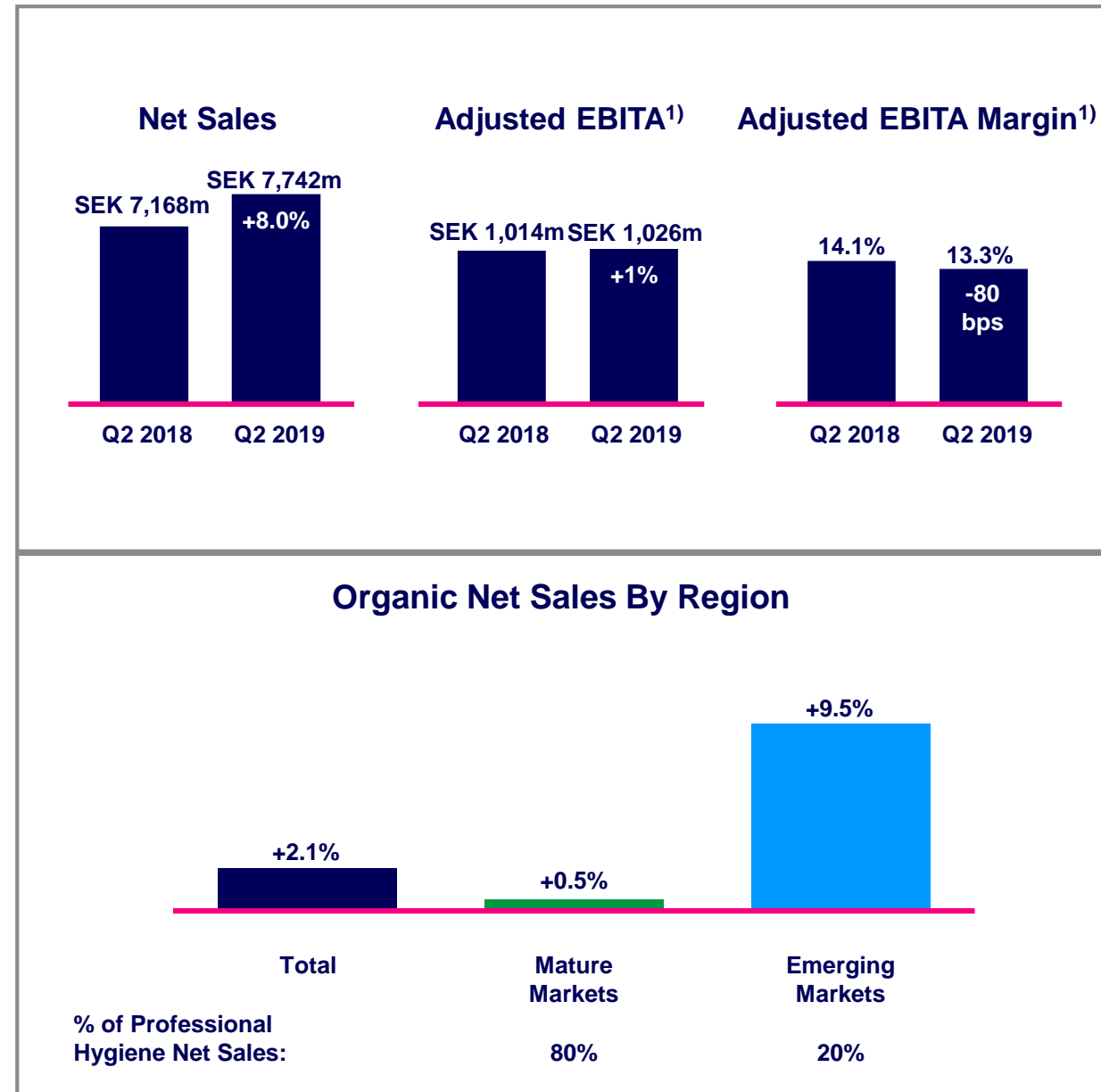


# Professional Hygiene

## Q2 2019 vs Q2 2018

- Organic net sales increased 2.1%
  - Volume +0.5% and price/mix +1.6%
- Higher prices, better mix, higher volumes, lower raw material costs and cost savings
- Investments in growth with higher sales costs but lower as % of sales
- Significant negative impact from stock revaluation due to lower raw material prices
- Higher energy costs

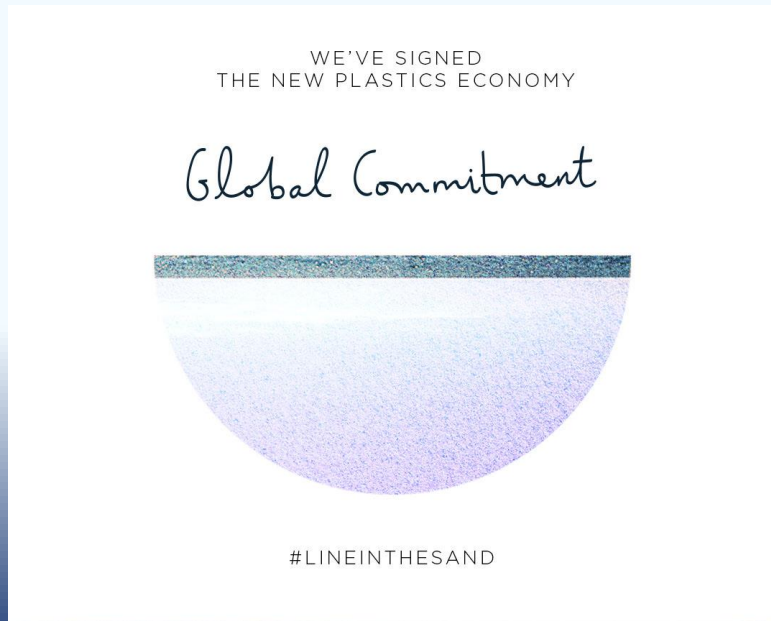
<sup>1)</sup> Excluding items affecting comparability





# Contributing to a Sustainable and Circular Society

## Additional sustainability targets for packaging



## Investment in sustainable alternative fiber technology





# Summary

## Q2 2019

- Strong organic net sales growth and higher adjusted EBITA margin
- Price increases have positively impacted growth and profitability
- Investments in sales and marketing contributed to higher growth
- Efficiency efforts according to plan
- Innovations strengthened our offering and improved product mix





— 北欧品牌 Libresse 薇尔 —

焕一种节奏  
身体说了算

Q&A



