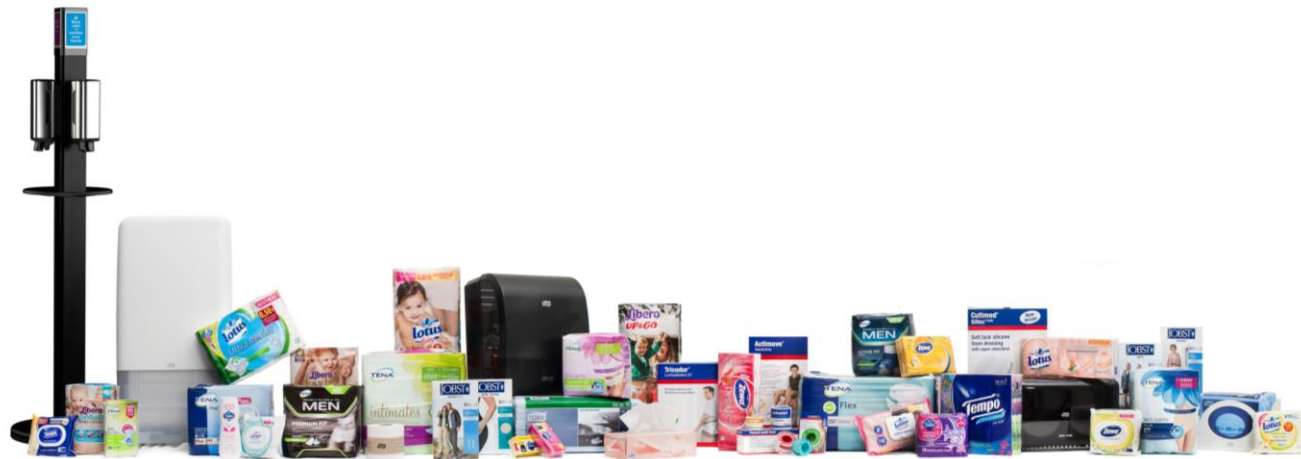


# Half-year Report 2018







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 2018

Q2 2018 vs Q2 2017

- Organic net sales<sup>1)</sup> increased 2.3%
- Adjusted EBITA margin<sup>2)</sup> decreased 90 bps to 11.3%
- Better price/mix in all business areas
- Strong contribution from efficiency improvements
- Tissue Roadmap restructuring measures
- Six innovations under brands JOBST, Bodyform, Libresse, Nana, Nuvenia, Plenty, Zewa and TENA
- Significantly higher raw material costs with negative impact on adjusted EBITA margin of -400 bps
- Intention to further increase prices in Consumer Tissue

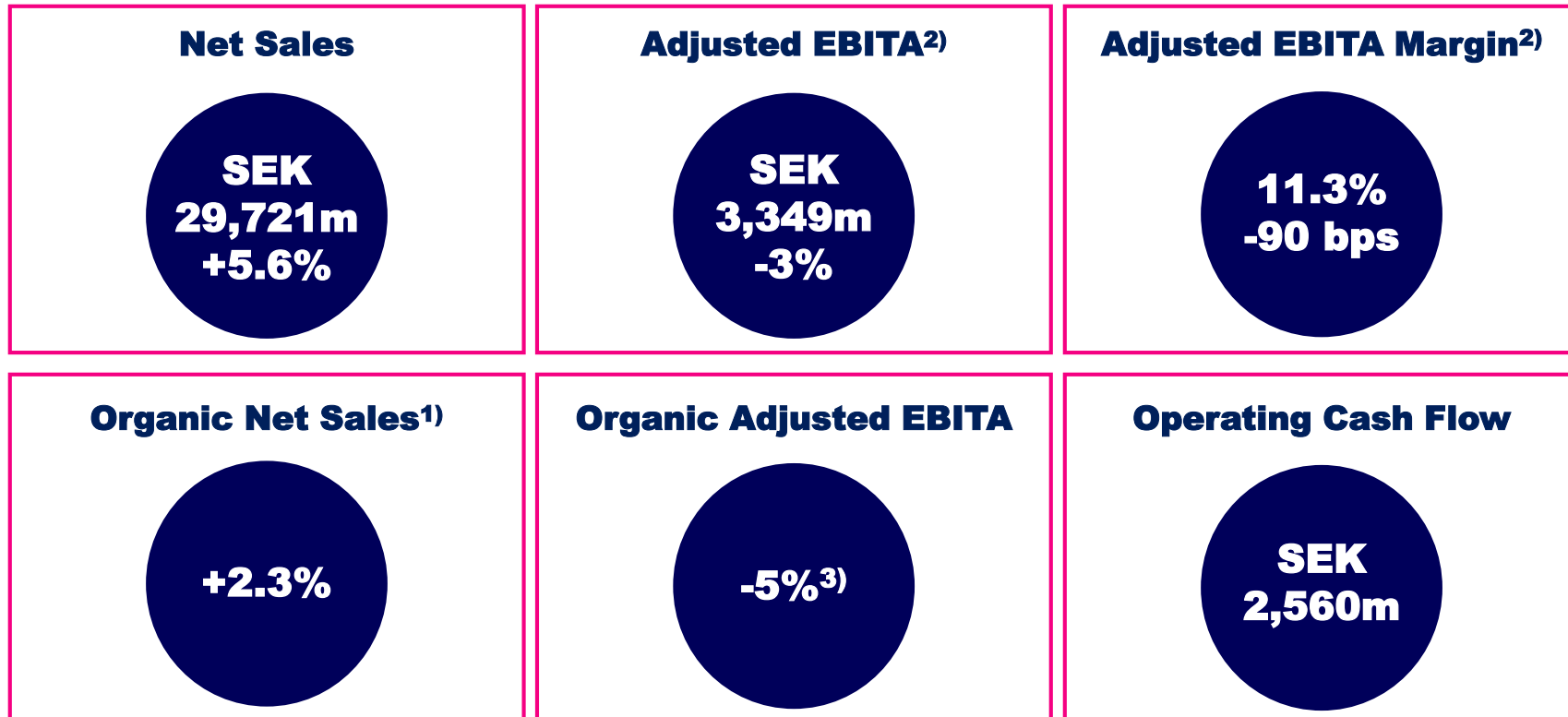
<sup>1)</sup> Net sales which excludes exchange rate effects, acquisitions and divestments

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



# Financial Summary

Q2 2018 vs Q2 2017



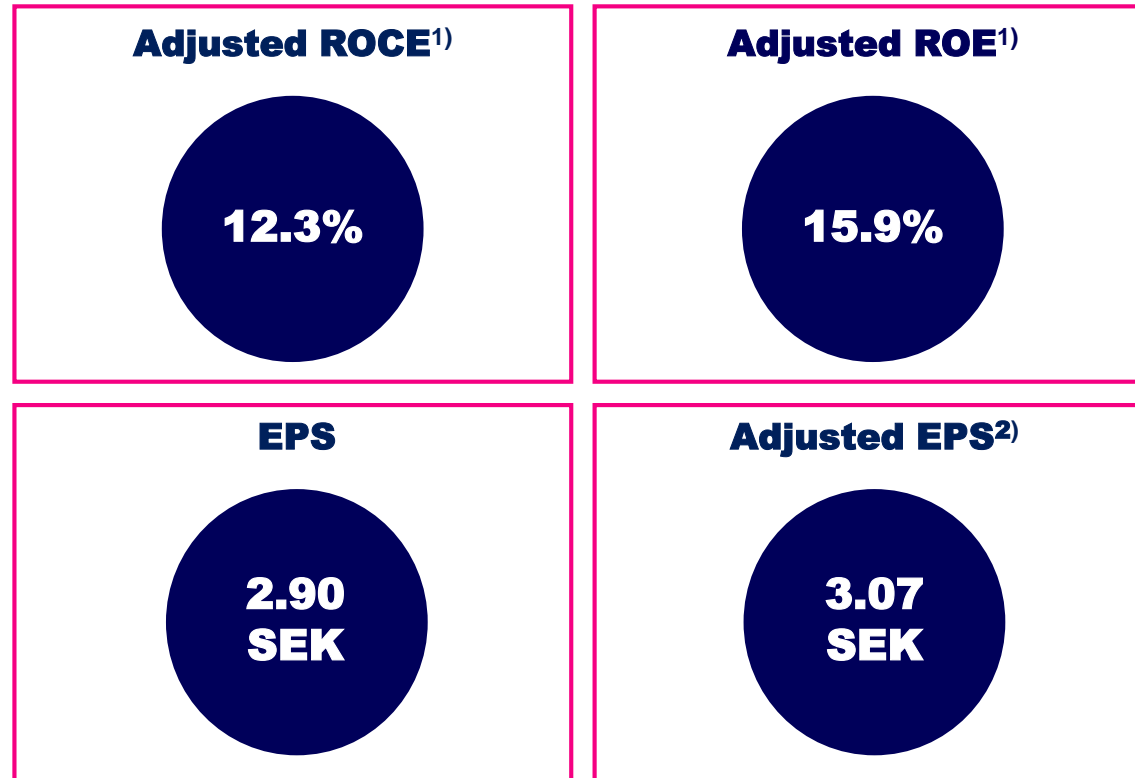
<sup>1)</sup> Net sales which excludes exchange rate effects, acquisitions and divestments

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

<sup>3)</sup> Excluding items affecting comparability, currency translation effects and acquisitions

# Financial Summary

Q2 2018

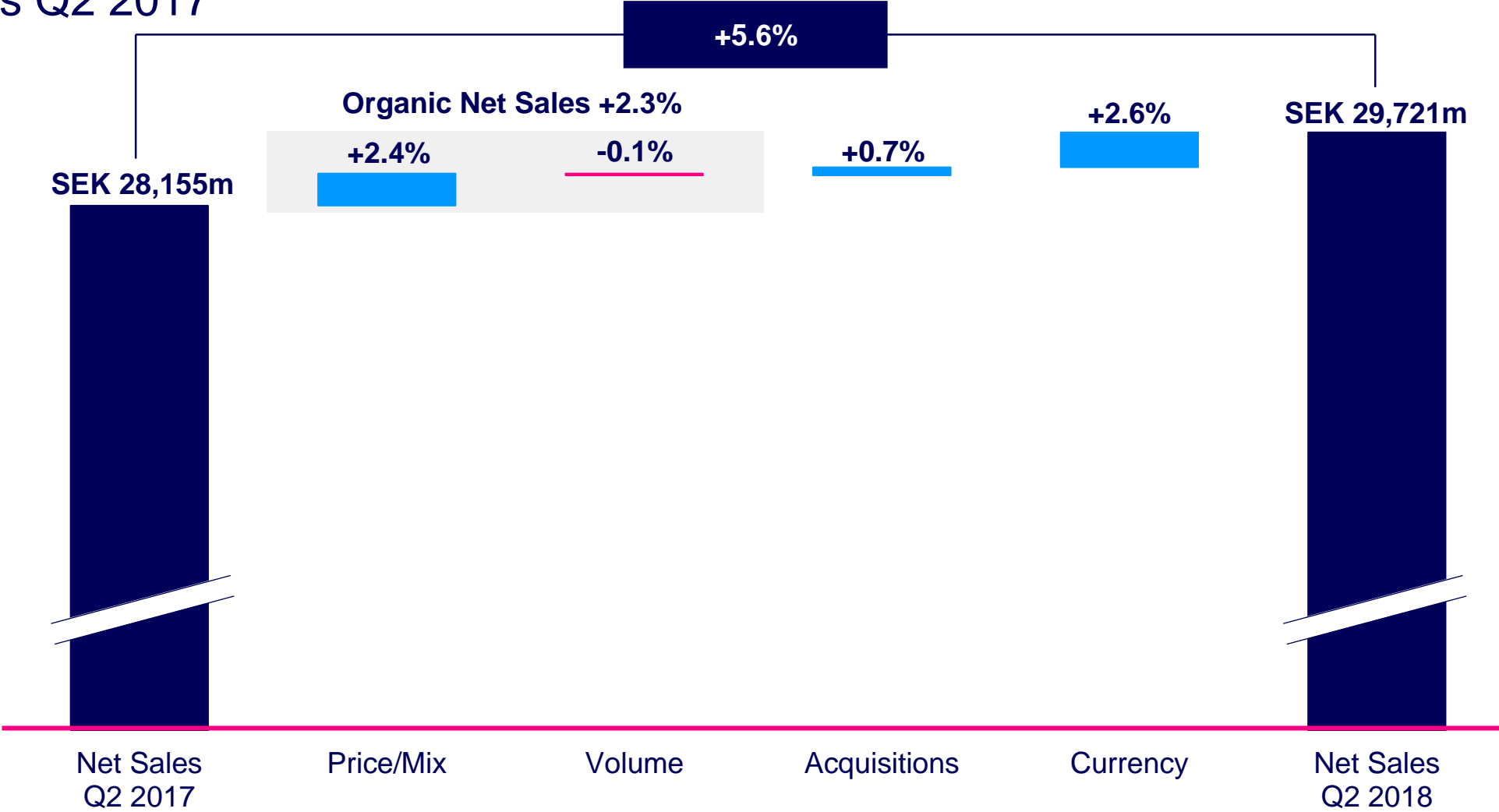


<sup>1)</sup> Excluding items affecting comparability

<sup>2)</sup> Excluding items affecting comparability and amortization of acquisition-related intangible assets

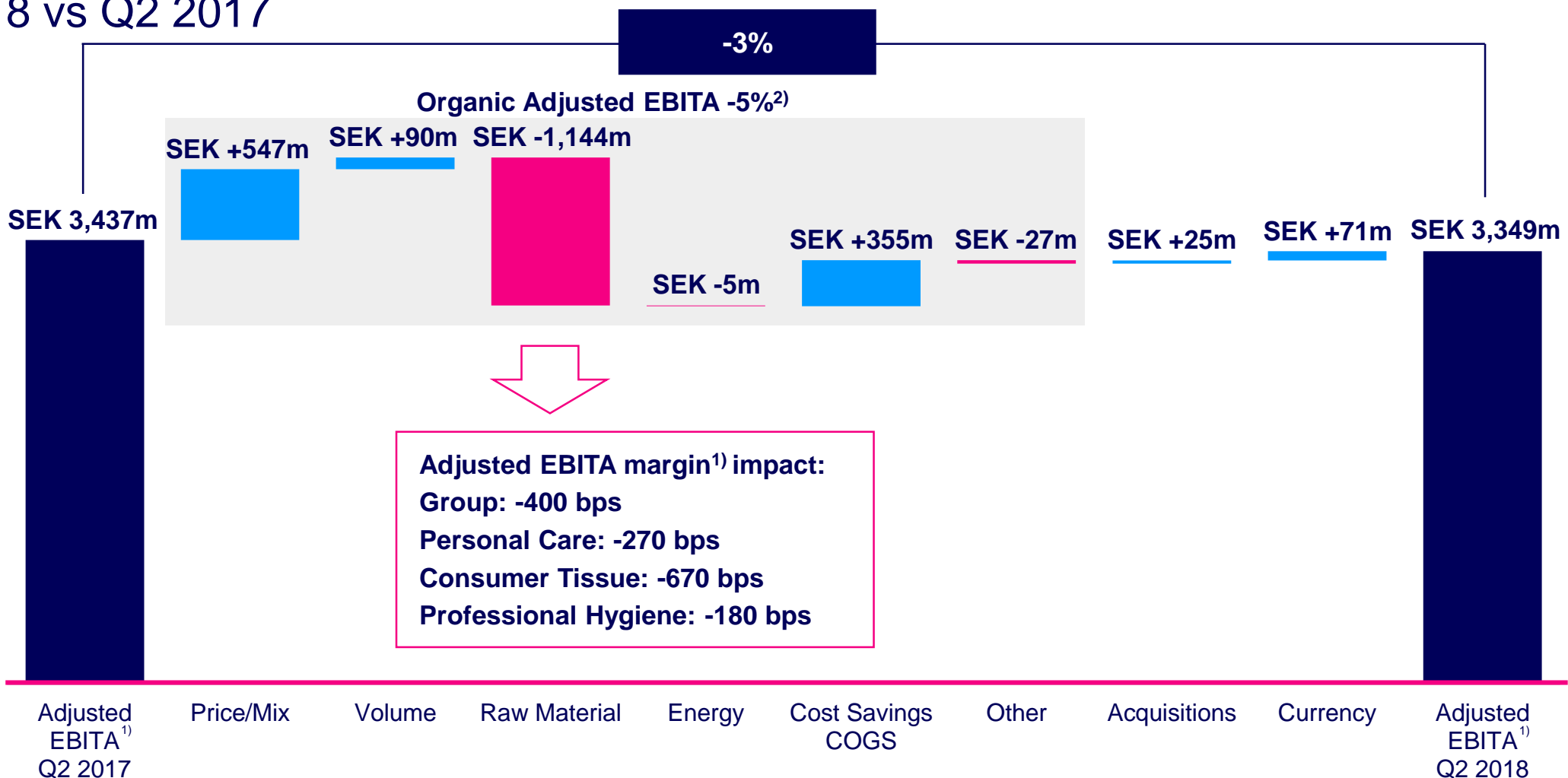
# Net Sales

Q2 2018 vs Q2 2017



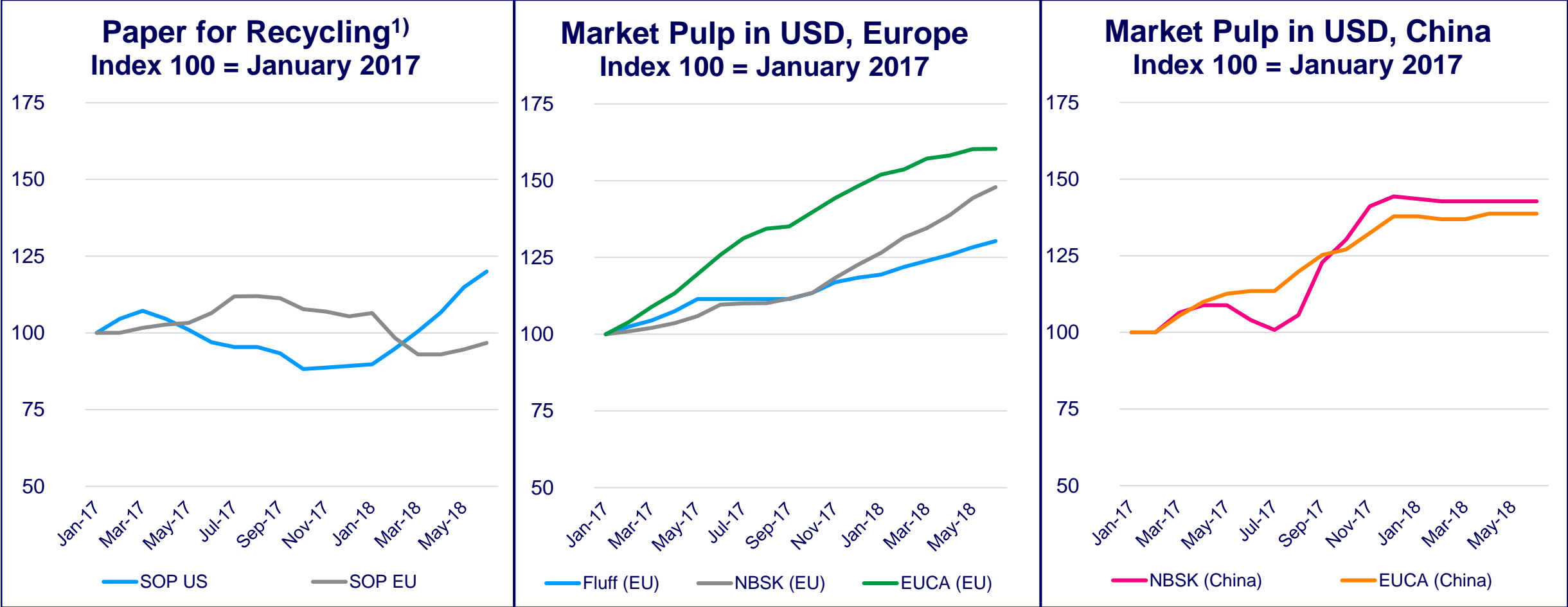
# Adjusted EBITA<sup>1)</sup>

Q2 2018 vs Q2 2017



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

# Raw Material Development



<sup>1)</sup> Index based in local currencies



# Strong Contribution from Efficiency Improvements

Q2 2018 vs Q2 2017

## COGS Savings

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



**SEK 355m**

## SG&A Savings

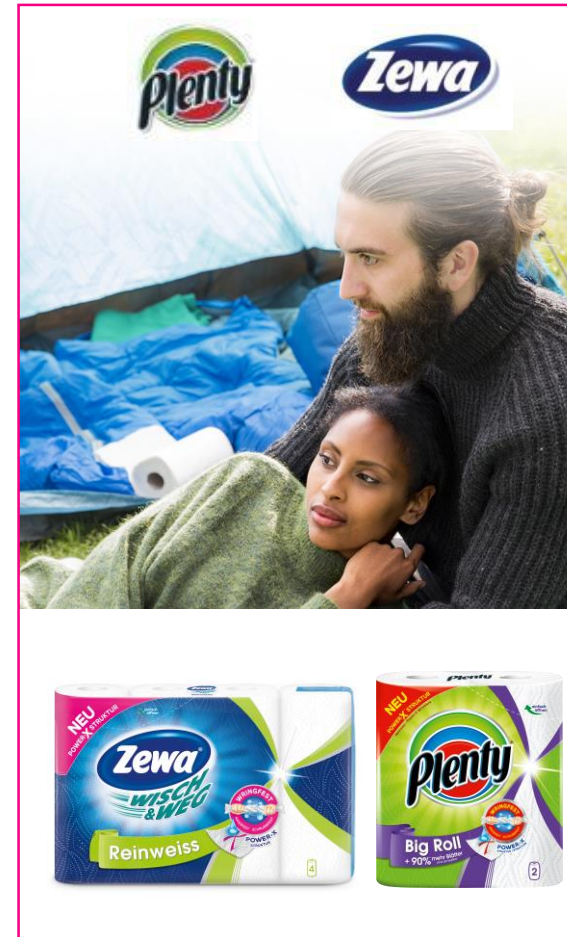
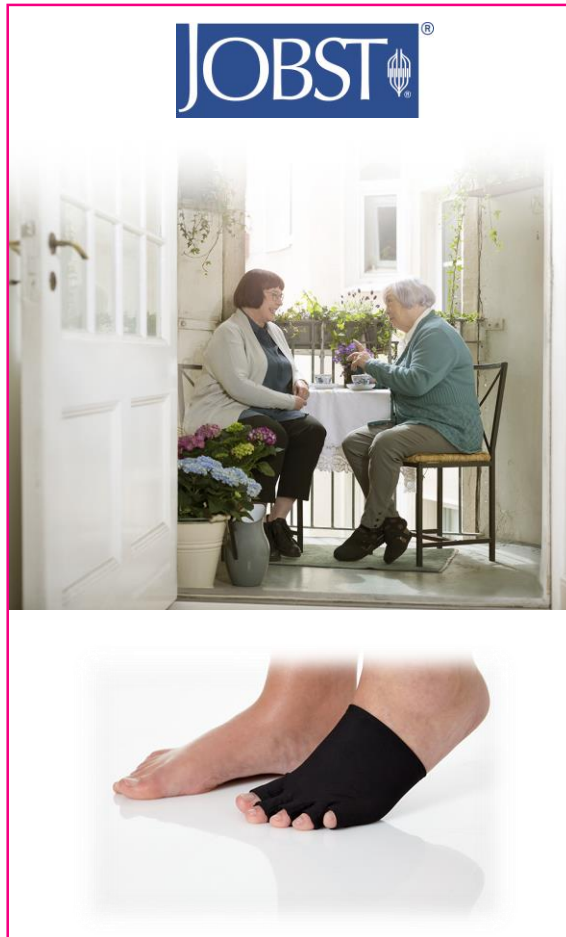
- Reduction of travel and hiring costs
- Reduced office costs
- Headcount reduction
- Improved A&P efficiency



**SG&A as % of sales -30 bps**

# Innovate Bigger Brands

Six Innovations Launched in Q2 2018

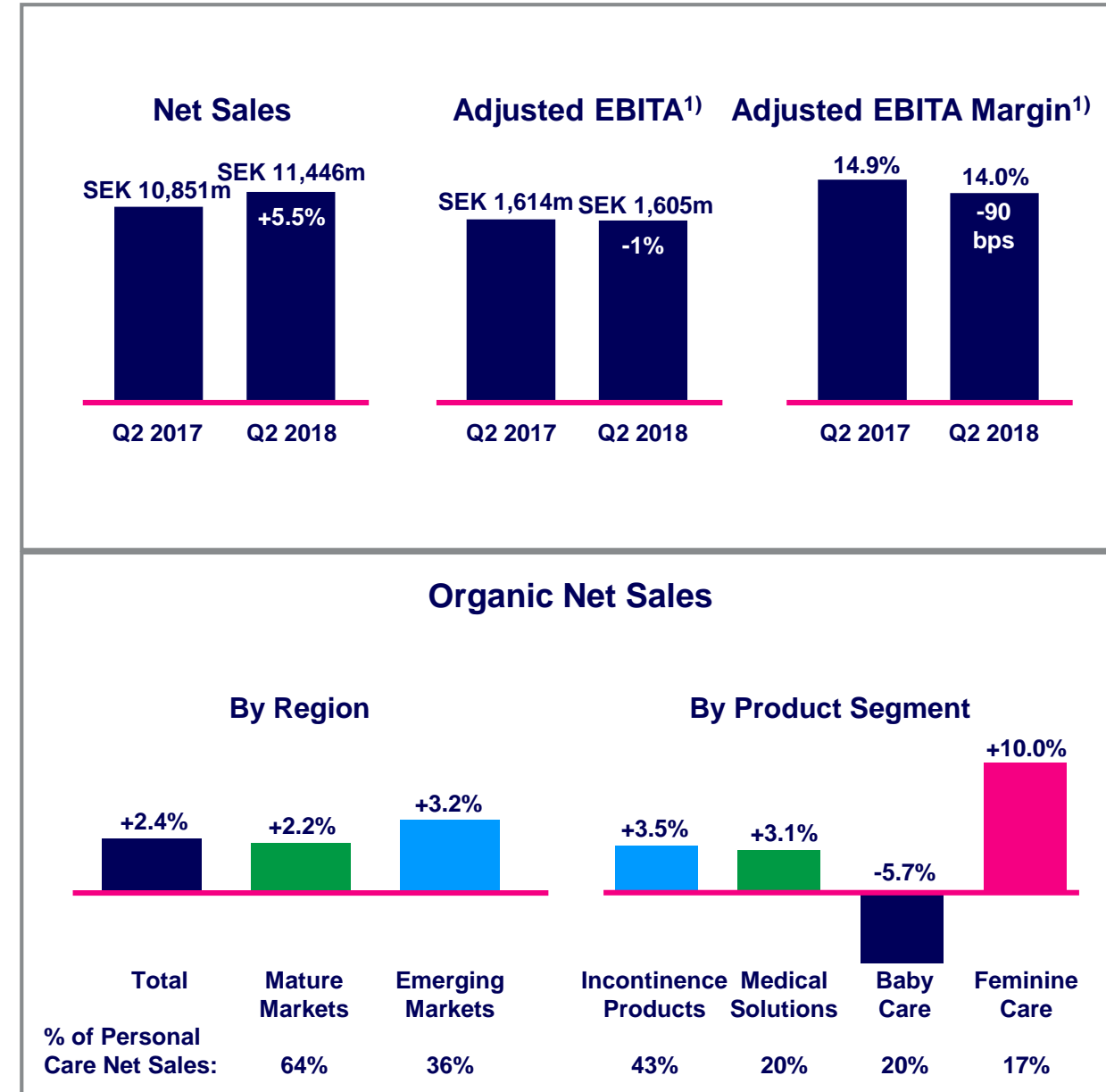


# Personal Care

## Q2 2018 vs Q2 2017

- Organic net sales increased 2.4%
  - Volume +1.1% and price/mix +1.3%
- Adjusted EBITA margin<sup>1)</sup> 14.0%
- Positive mix supported by innovations
- Good performance in Medical Solutions
- Strong growth in Feminine Care positively impacted by price increases in Latin America
- Difficult market conditions for Baby Care in emerging markets
- Significant raw material headwinds with negative impact of 270 bps on adjusted EBITA margin

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

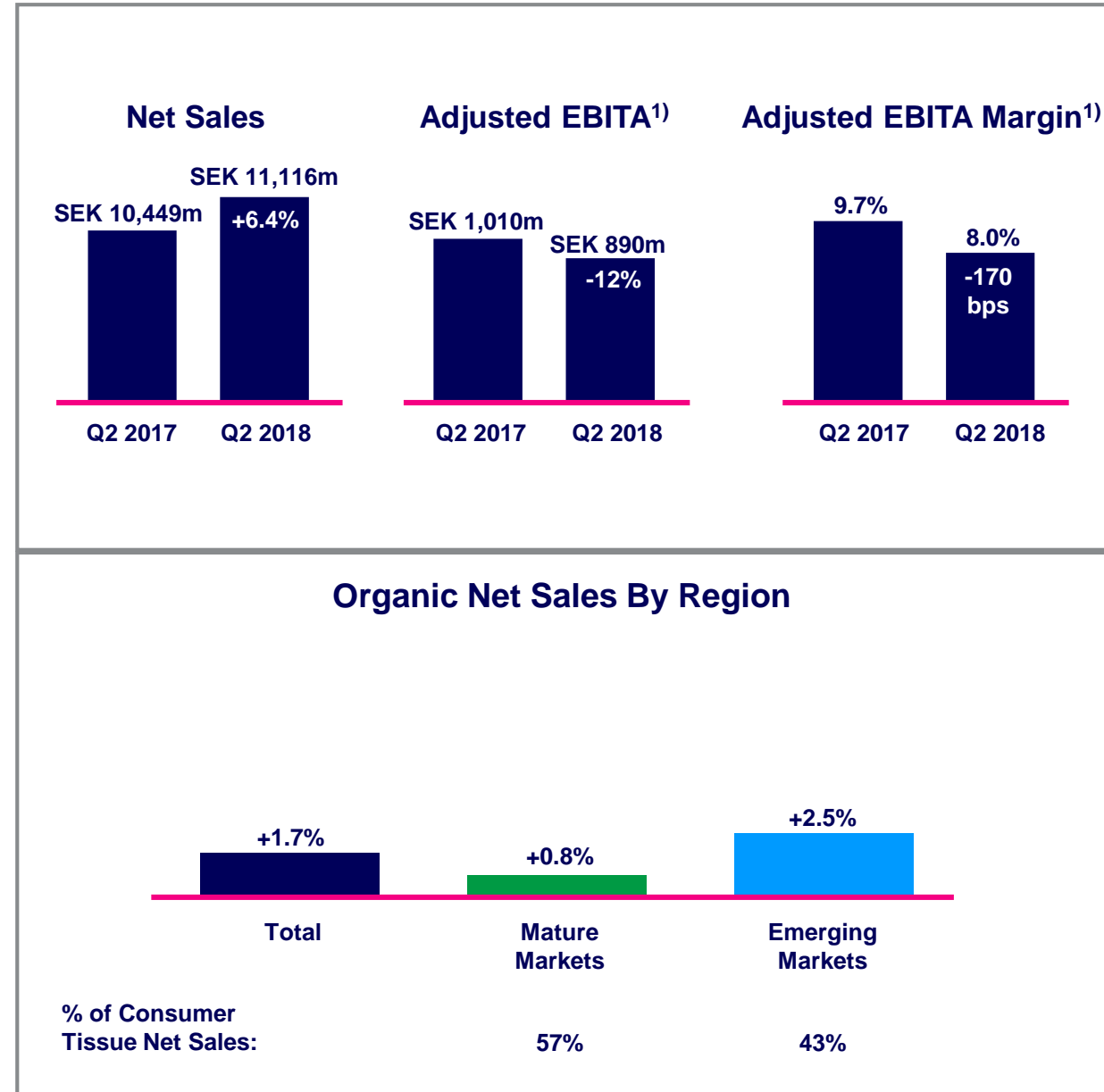


# Consumer Tissue

## Q2 2018 vs Q2 2017

- Organic net sales increased 1.7%
  - Volume -1.7% and price/mix +3.4%
- Adjusted EBITA margin<sup>1)</sup> 8.0%
- Higher prices in Asia, Europe and Latin America
- Lower volumes mainly due to mother reels and price increases in emerging markets
- Tissue Roadmap restructuring measures
- Significant raw material headwinds with negative impact of 670 bps on adjusted EBITA margin

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



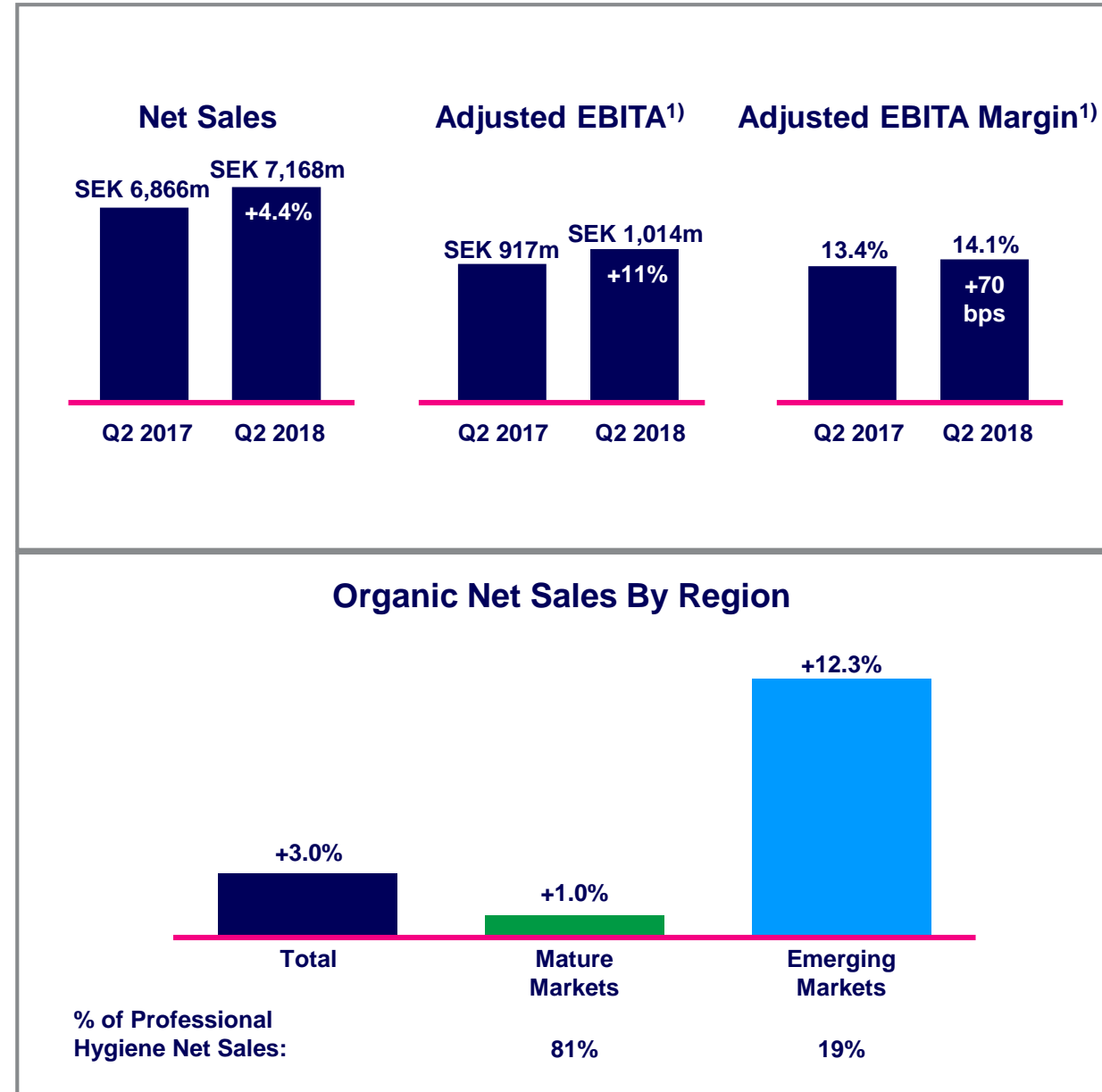


# Professional Hygiene

## Q2 2018 vs Q2 2017

- Organic net sales increased 3.0%
  - Volume +0.2% and price/mix +2.8%
- Adjusted EBITA margin<sup>1)</sup> of 14.1%
- Higher prices and better mix in Europe and North America
- Strong organic sales growth in emerging markets with all regions contributing
- Significant raw material headwinds with negative impact of 180 bps on adjusted EBITA margin

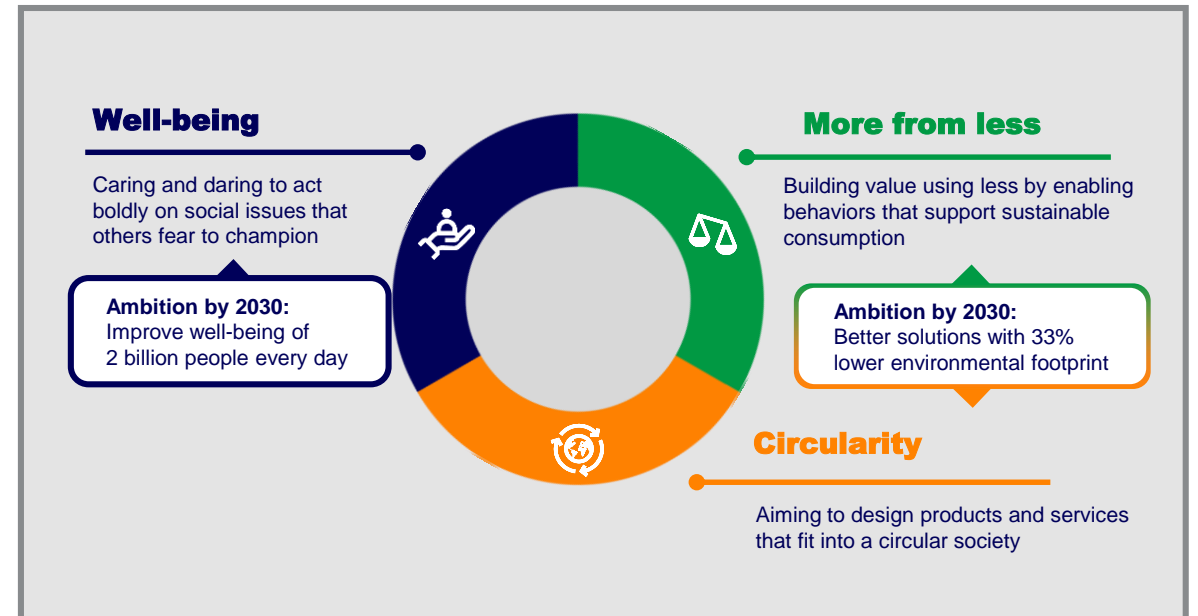
<sup>1)</sup> Excluding items affecting comparability



# Initiatives

## Acting with Our Customers

- Essity co-hosted customer meeting in Geneva with the UN to drive progress toward Sustainable Development Goals
- New ambitions for People and Circularity
- Launch of 2018-2019 Hygiene and Health Report
- NASA awards contract to Essity
  - JOBST® Compression Garment for Orion Deep-Space Missions



# Summary Q2 2018

Q2 2018 vs Q2 2017

- Organic net sales<sup>1)</sup> increased 2.3%
- Adjusted EBITA margin<sup>2)</sup> decreased 90 bps to 11.3%
- Better price/mix in all business areas
- Strong contribution from efficiency improvements
- Tissue Roadmap restructuring measures
- Six innovations under brands JOBST, Bodyform, Libresse, Nana, Nuvenia, Plenty, Zewa and TENA
- Significantly higher raw material costs with negative impact on adjusted EBITA margin of -400 bps
- Intention to further increase prices in Consumer Tissue

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

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





**Q&A**





