



# **Interim Report First Quarter 2020**



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

## Q1 2020 vs Q1 2019

- Strong increase in net sales and earnings
  - Partially a consequence of COVID-19
  - Sharp sales increase in March of 19.7%
  - Strong underlying business performance
- Higher volumes, better mix and cost savings
- Lower prices mainly in Consumer Tissue
- Lower raw material and energy costs
- Increased sales and marketing costs

### Net Sales

**SEK  
33,712m  
+10.0%**

### Organic Net Sales<sup>1)</sup>

**+7.8%**

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

**SEK  
5,333m  
+67%**

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

**15.8%  
+540bps**

### Operating Cash Flow

**SEK  
4,481m  
+108%**

### Earnings per Share

**SEK  
4.61  
+85%**

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

**18.4%  
+710bps**

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

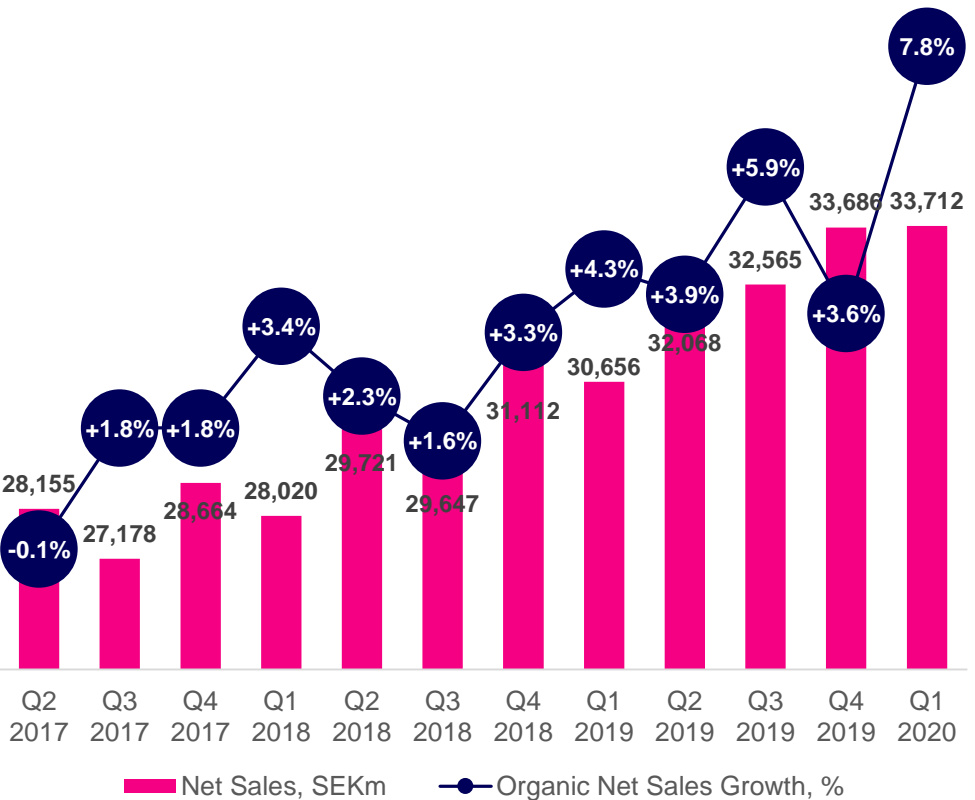
**22.4%  
+780bps**

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

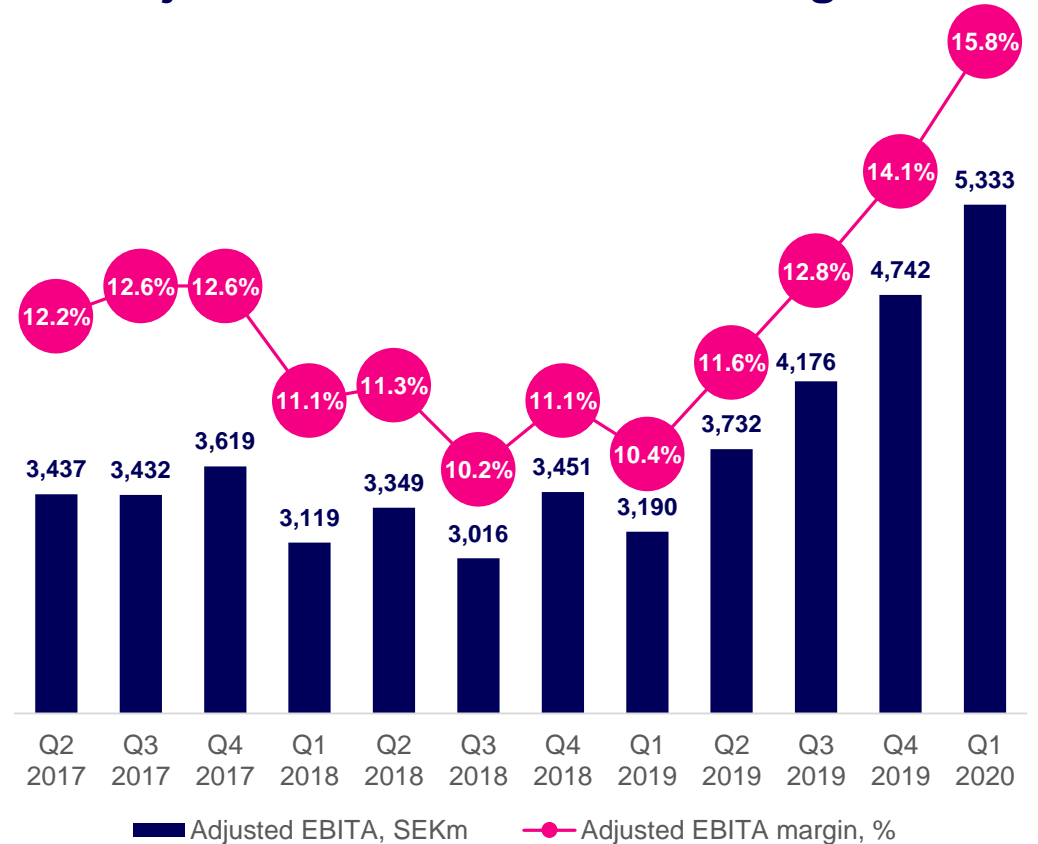
<sup>2)</sup> Excluding items affecting comparability

# Increased Sales and Profitability

Net Sales and Organic Net Sales Growth<sup>1)</sup>



Adjusted EBITA and EBITA margin<sup>2)</sup>

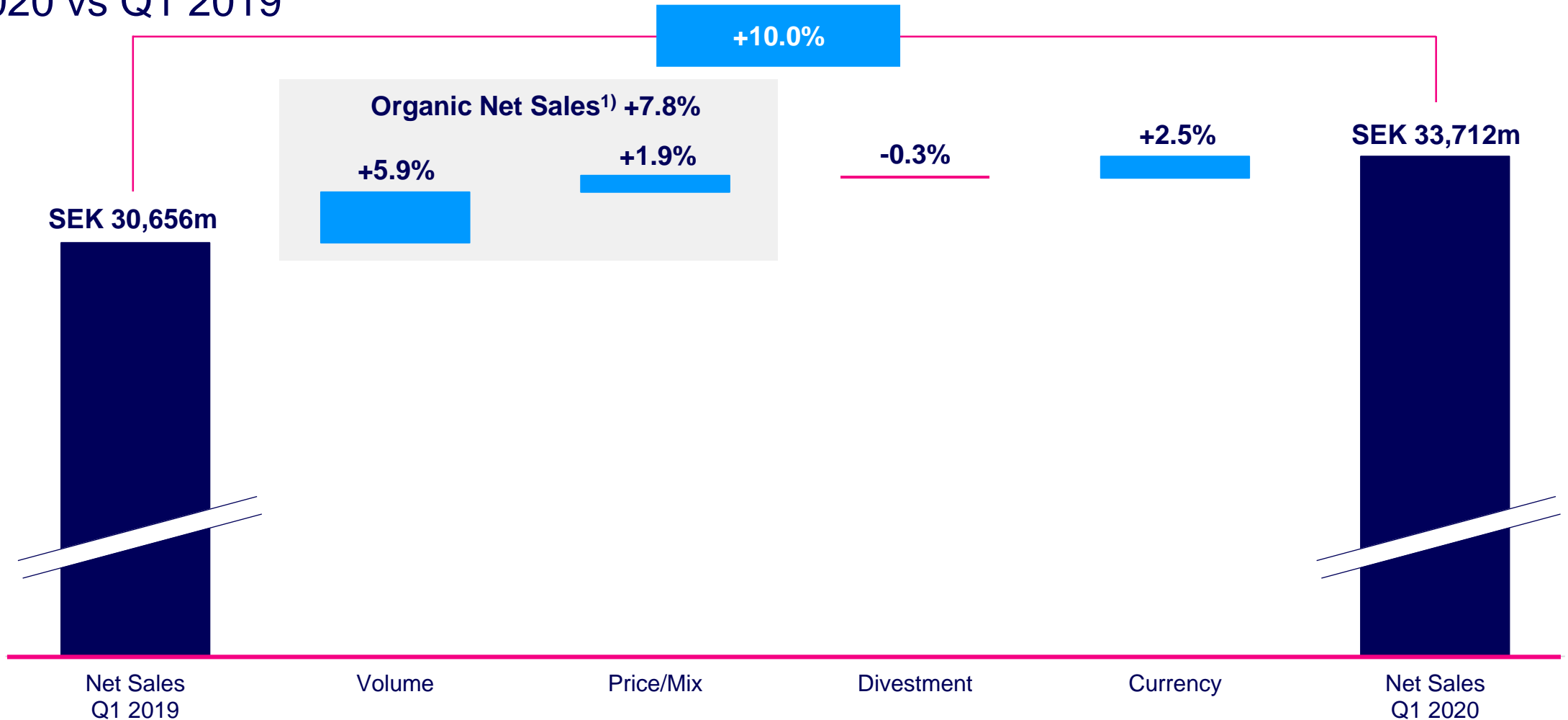


<sup>1)</sup> Organic net sales which excludes exchange rate effects, acquisitions and divestments

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

# Net Sales

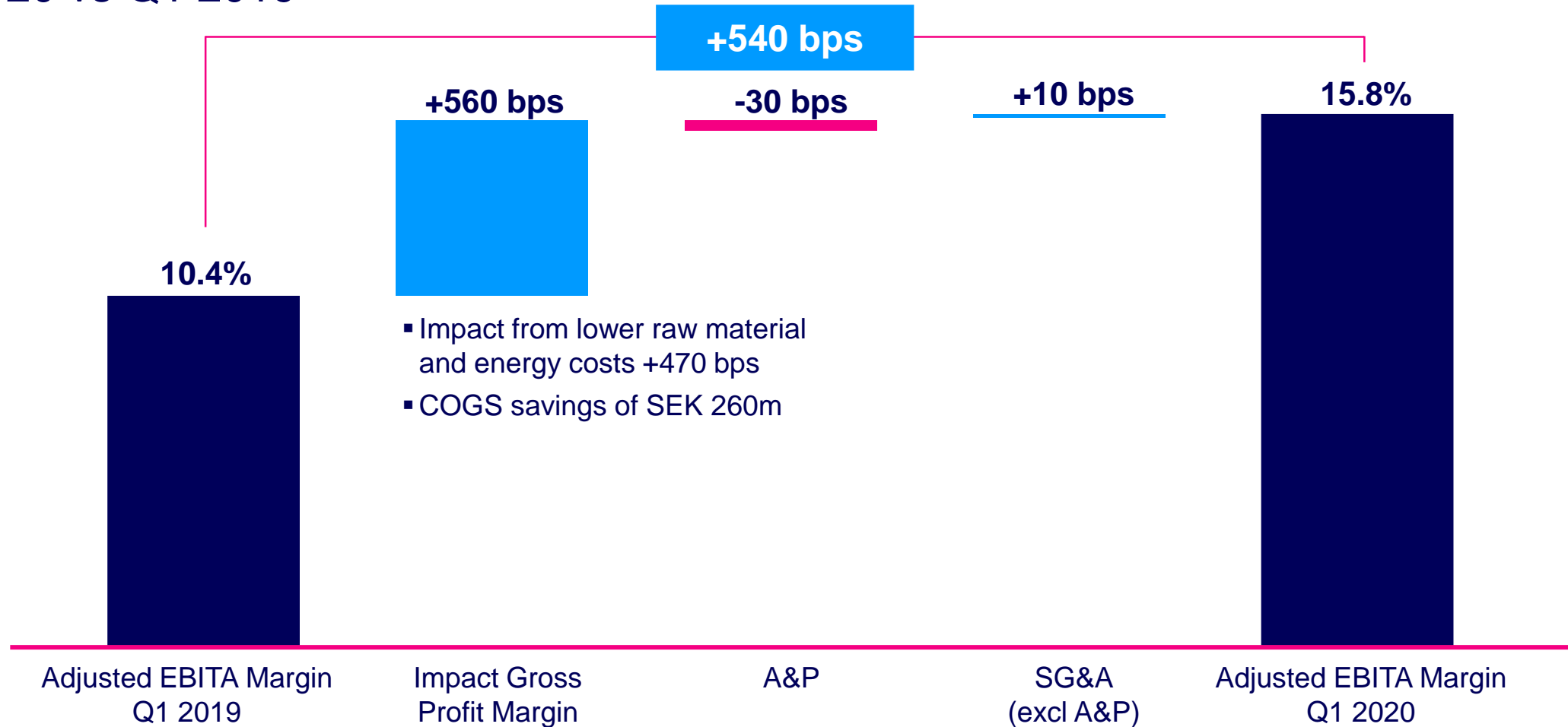
Q1 2020 vs Q1 2019



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

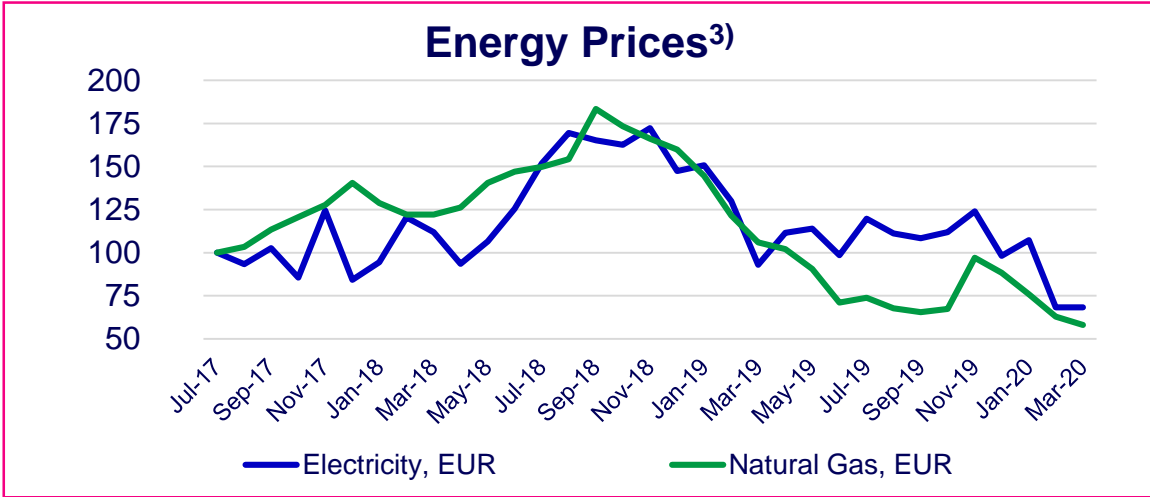
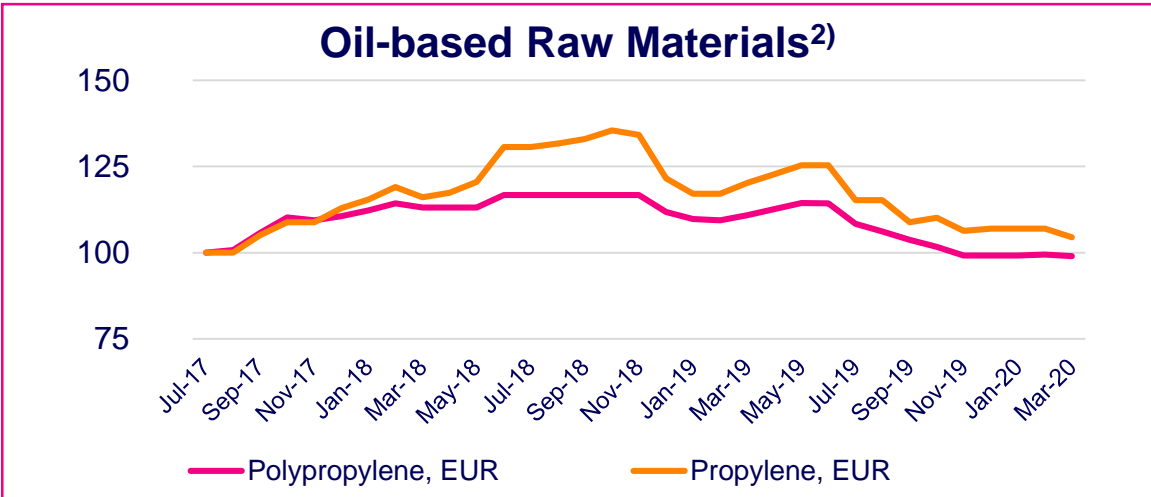
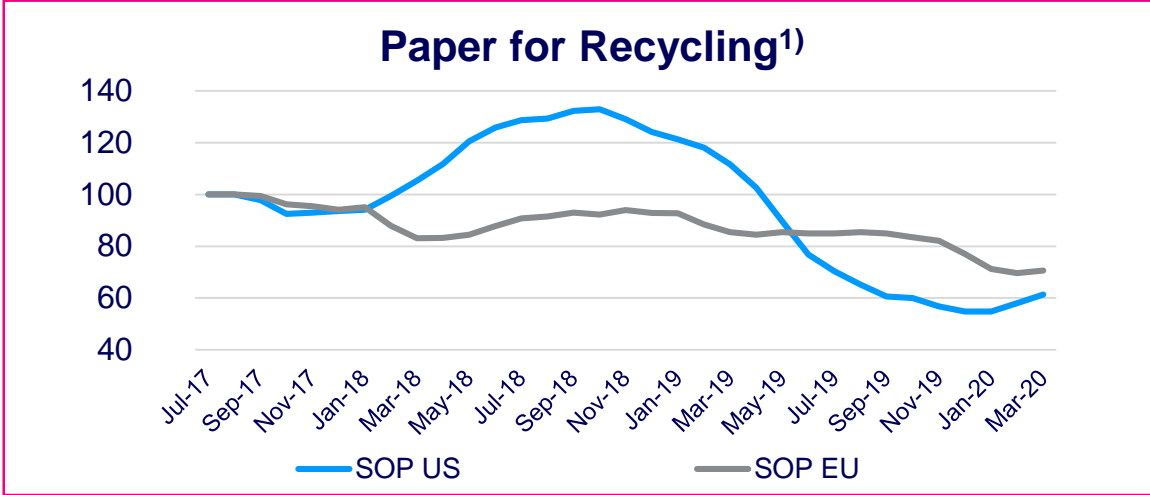
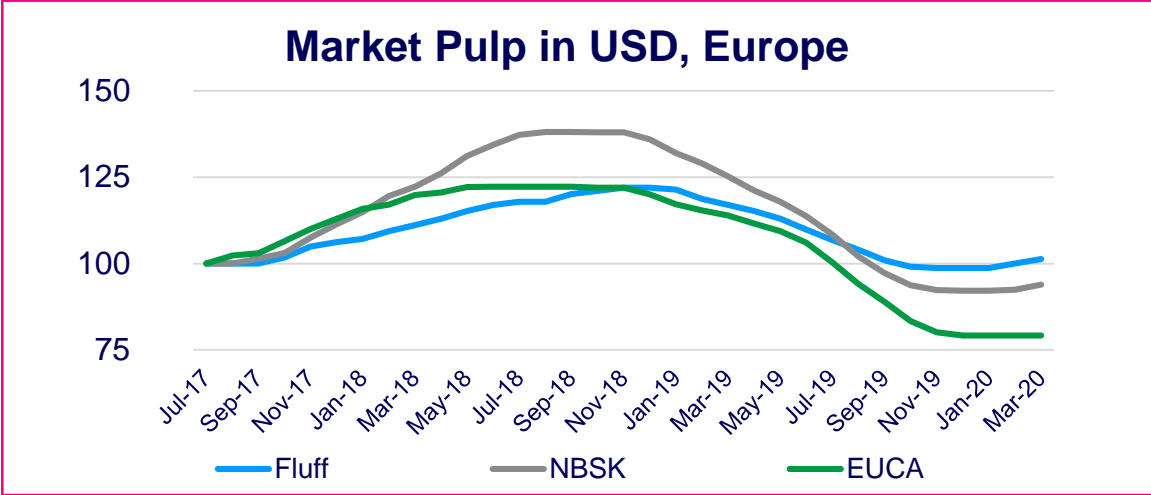
# Adjusted EBITA Margin<sup>1)</sup>

Q1 2020 vs Q1 2019



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

# Raw Material Development

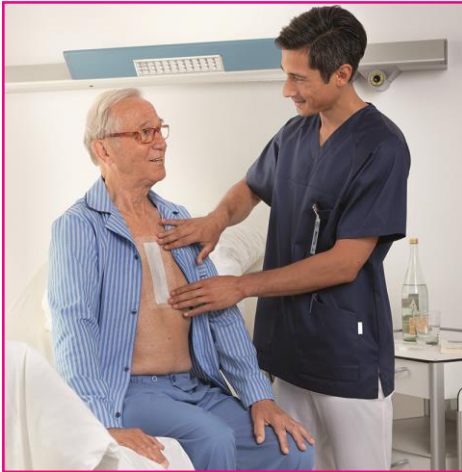


Source: Fastmarkets RISI, Fastmarkets FOEX, VDP, Macrobond, Epexspot, ICIS

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

# Innovations

Q1 2020



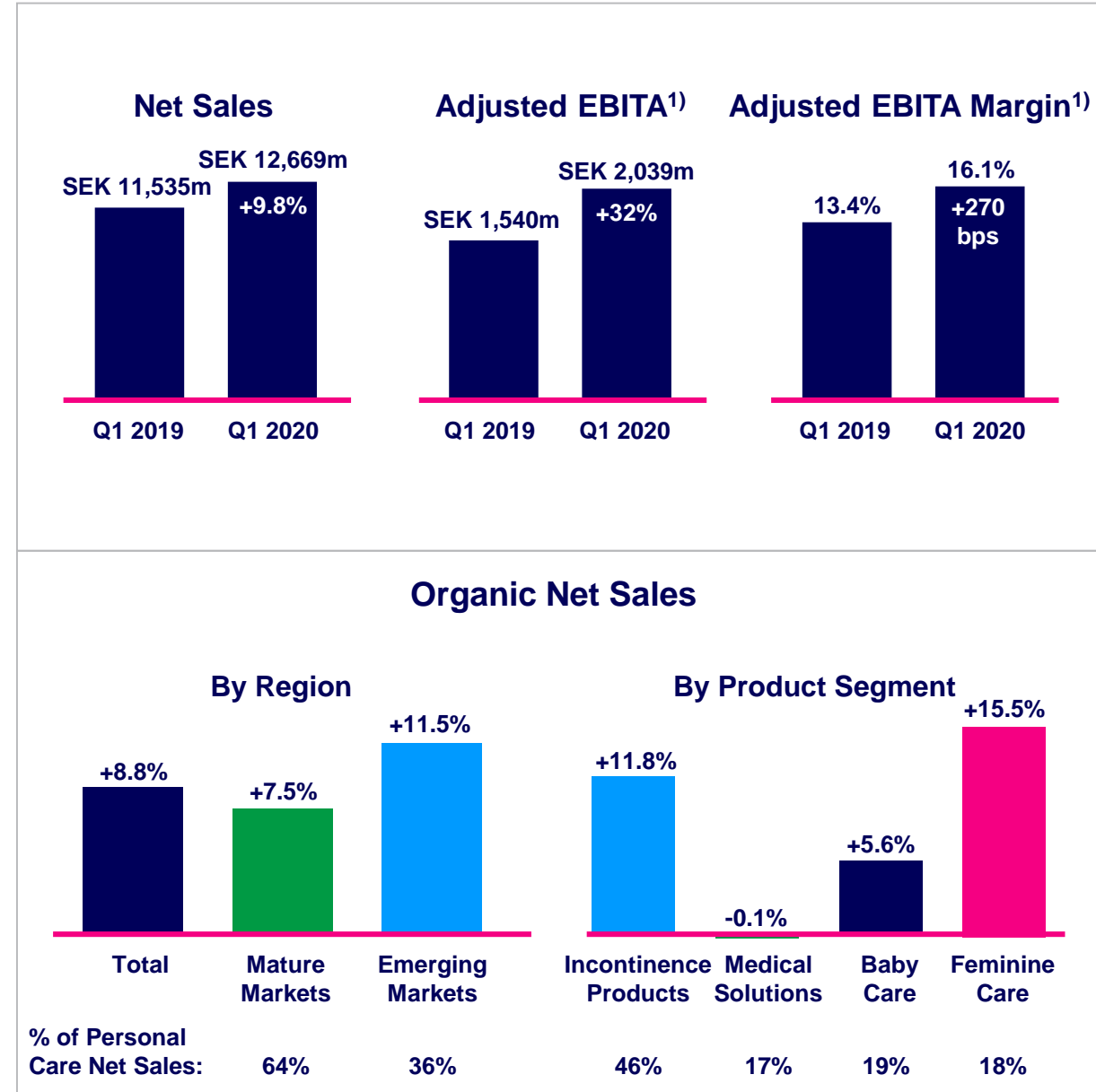
*Manufacturing of surgical and face masks for health and elderly care as well as for our employees*



# Personal Care

## Q1 2020 vs Q1 2019

- Organic net sales increased 8.8%
  - Volume +6.9% and price/mix +1.9%
  - Partially impacted by COVID-19
  - Sharp sales increase in March of 17.0%
- Higher volumes, higher prices, better mix and cost savings
- Lower raw material costs
- Higher distribution costs
- Increased sales and marketing costs and MDR
- Acquisitions of ABIGO Medical and Novioscan

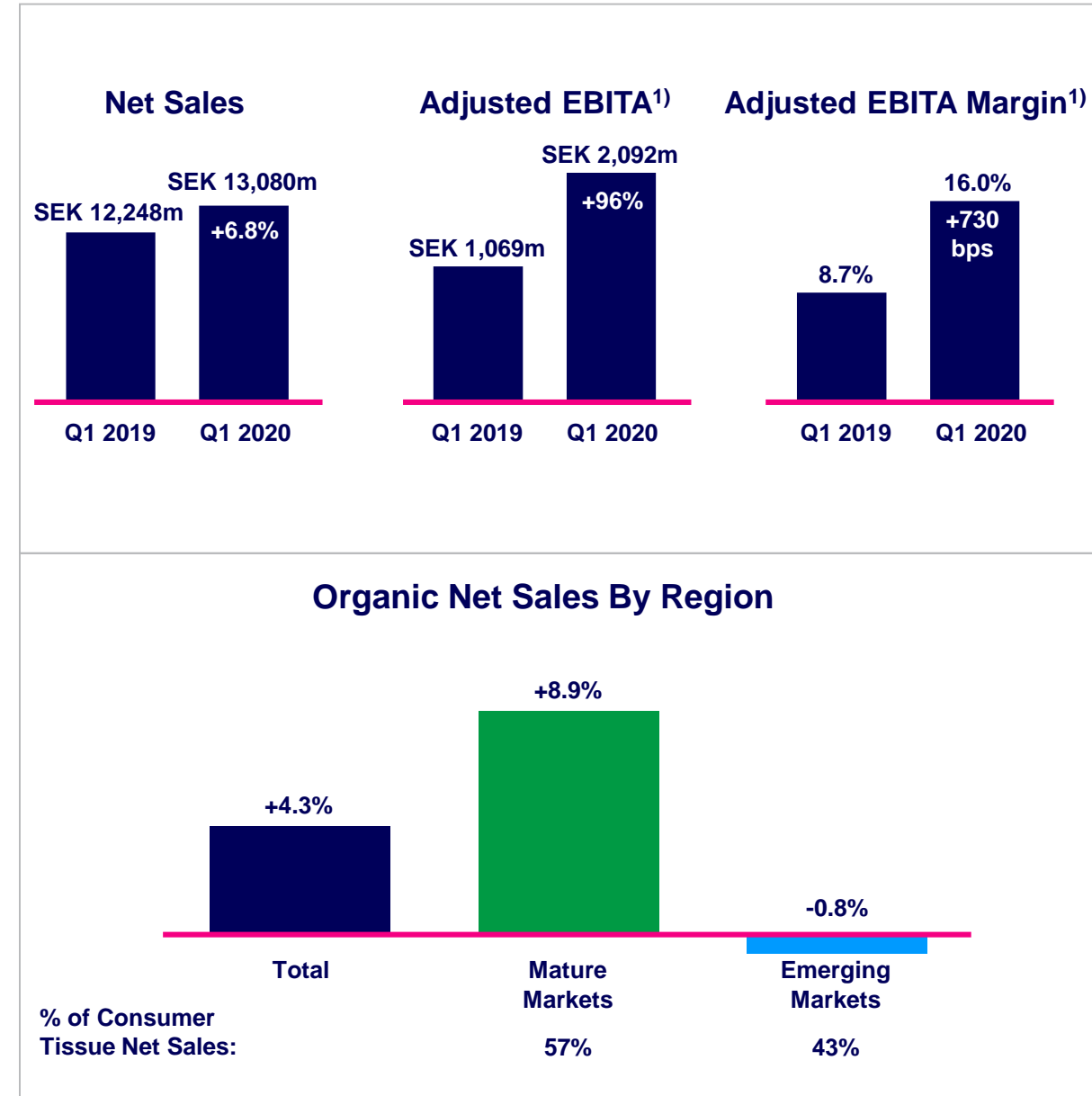


<sup>1)</sup> Excluding items affecting comparability

# Consumer Tissue

## Q1 2020 vs Q1 2019

- Organic net sales increased 4.3%
  - Volume +3.7% and price/mix +0.6%
  - Partially impacted by COVID-19
  - Sharp sales increase in March of 19.5%
  
- Higher volumes, positive mix, cost savings but lower prices
  
- Lower raw material and energy costs
  
- Higher distribution costs

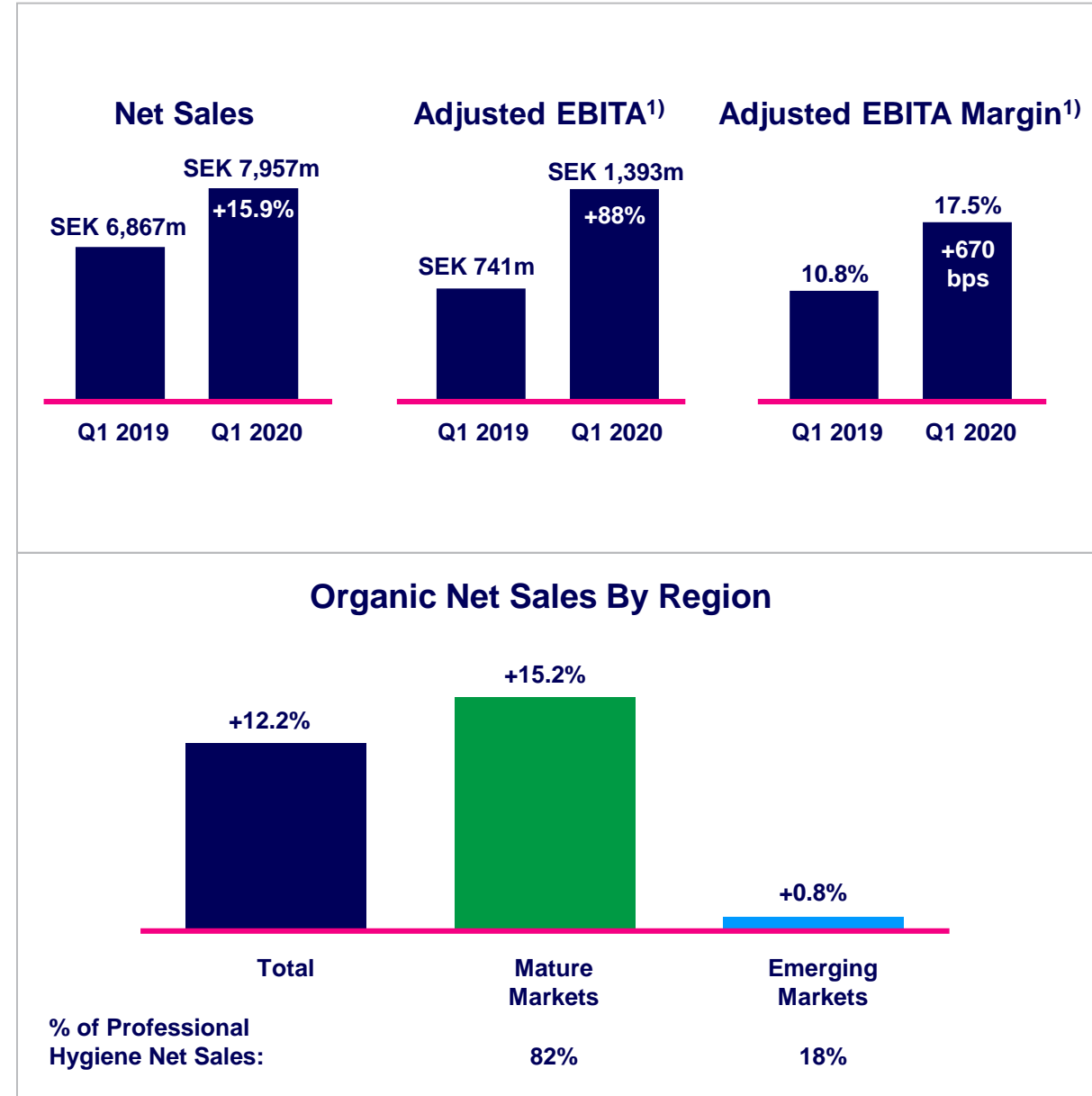


<sup>1)</sup> Excluding items affecting comparability

# Professional Hygiene

## Q1 2020 vs Q1 2019

- Organic net sales increased 12.2%
  - Volume +7.9% and price/mix +4.3%
  - Partially impacted by COVID-19
  - Sharp sales increase in March of 24.5%
  
- Higher volumes, better mix, higher prices and cost savings
  
- Lower raw material and energy costs
  
- Higher distribution costs
  
- Increased sales and marketing costs



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

# COVID-19

- Leading hygiene and health solutions
- Educational efforts on importance of hand hygiene
- Manufacturing of surgical and face masks in Sweden, US and Mexico for health and elderly care as well as for our employees
- Supporting NGOs, local initiatives and WHO Covid-19 Solidarity Response Fund
- Positive feedback from customers appreciating our support, service and delivery reliability

**Care for  
Our People**

**Contribute  
to Society**

**Secure  
Business  
Success**

# Summary

## Q1 2020

- Strong increase in net sales and earnings
  - Partially a consequence of COVID-19. Sales in future quarters will be adversely impacted
  - Strong underlying business performance
- Acquisitions of ABIGO Medical and Novioscan
- Increasing importance of hygiene and health





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