

Interim Report Quarter 1 2022



Essity Aktiebolag (publ)



JANUARY 1 – MARCH 31, 2022 (compared with the corresponding period a year ago)

- Net sales increased 24.6% to SEK 34,301m (27,528)
- Sales growth, including organic sales growth and acquisitions, amounted to 17.3%. Organic sales growth was 14.6%, of which volume accounted for 7.2% and price/mix for 7.4%.
- Price increases were implemented and further increases will be carried out in 2022
- Acquisition of US-based cleaning and wiping company Legacy Converting, Inc.
- The company's assets in Russia have been impaired by approximately SEK 1.4bn. Furthermore, work has been initiated to exit the Russian market.
- Operating profit before amortization of acquisition-related intangible assets (EBITA) decreased 55% to SEK 1,663m (3,664)
- Adjusted EBITA amounted to SEK 2,826m (3,608) and the adjusted EBITA margin amounted to 8.2% (13.1). Higher costs for raw materials, energy and distribution had a negative impact of 12.1 percentage points on the margin. The margin was positively impacted by higher volumes, higher selling prices, a better mix and cost savings.
- Adjusted return on capital employed amounted to 9.0% (13.5)
- Profit for the period was SEK 521m (2,552)
- Earnings per share were SEK 0.44 (3.04) and adjusted earnings per share were SEK 2.72 (3.14)
- Cash flow from current operations increased to SEK 1,070m (695)

EARNINGS TREND

SEKm	2203	2103	%
Net sales	34,301	27,528	25
Adjusted operating profit before amortization of acquisition-related intangible assets (EBITA) ¹	2,826	3,608	-22
Operating profit before amortization of acquisition-related intangible assets (EBITA)	1,663	3,664	-55
Amortization of acquisition-related intangible assets	-263	-186	
Adjusted operating profit ¹	2,563	3,422	-25
Items affecting comparability	-1,413	56	
Operating profit	1,150	3,478	-67
Financial items	-208	-158	
Profit before tax	942	3,320	-72
Adjusted profit before tax ¹	2,355	3,264	-28
Income taxes	-421	-768	
Profit for the period	521	2,552	-80
Earnings per share, SEK	0.44	3.04	
Adjusted earnings per share, SEK ²	2.72	3.14	

¹Excluding items affecting comparability; for amounts see page 10.

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

CEO'S COMMENTS

Higher sales, price increases and acquisition

During the first quarter of 2022, net sales increased 24.6% to approximately SEK 34.3bn. Sales growth, including organic sales growth and acquisitions, amounted to 17.3%. In line with our strategy to grow in cleaning and wiping products in Professional Hygiene, we acquired the US company Legacy Converting during the quarter.

Organic sales growth amounted to 14.6%, of which volume accounted for 7.2% and the price/mix for 7.4%. All business areas demonstrated high organic sales growth. Many countries have eased COVID-19 restrictions, which has rapidly led to increased demand for our leading hygiene and health solutions.

We have implemented significant price increases and further increases will be carried out in coming quarters. In addition, we have negotiated price increases with customers in Europe to offset the drastic increase in energy costs.

We continued to invest in innovation and increased customer and consumer value, which resulted in our market shares increasing for 55% of our branded sales in the retail trade over the past 12 months despite significant price increases. The positive trend also continued for e-commerce sales, with organic sales growth of 12.6%. E-commerce sales amounted to approximately SEK 4.5bn in the first quarter, corresponding to about 13% of net sales.

Essity has been included in S&P Global's Sustainability Yearbook 2022. In its review of more than 7,000 companies, Essity was ranked among the 150 most sustainable. During the quarter, we were also recognized by CDP for our supplier engagement in the fight against climate change.

Adjusted EBITA amounted to SEK 2,826m, a decrease of 22% compared with the corresponding period of 2021. Raw material, energy and distribution costs continued to rise in the first quarter, negatively impacting the adjusted EBITA margin by 12.1 percentage points. We offset a large share of this through higher volumes, higher selling prices, a better mix and cost savings. The adjusted EBITA margin declined by 4.9 percentage points to 8.2%. Continuous cost savings amounted to SEK 34m. We continued to improve the efficiency of our production facilities, work with material rationalizations and digitalize processes. However, increased inflation had a negative impact on cost savings. Sales and marketing costs were higher during the quarter but decreased as a share of net sales. The adjusted return on capital employed was 9.0%. Adjusted earnings per share were SEK 2.72. Cash flow from current operations increased to SEK 1,070m.

Essity's conditions to pursue business in Russia have worsened. As a result, the company's assets in Russia were impaired by approximately SEK 1.4bn. Furthermore, work has been initiated to exit the Russian market. In 2021, Essity's net sales in Russia amounted to approximately SEK 2.8bn, corresponding to about 2% of total consolidated net sales in 2021.

Our work to strengthen the company through innovation, leading brands and efficiency improvements is continuing. In the short term, however, our highest priority is to continue implementing significant price increases to improve profitability.

Magnus Groth

President and CEO

ADJUSTED EARNINGS TREND

SEKm	2203	2103	%
Net sales	34,301	27,528	25
Cost of goods sold ¹	-25,601	-18,660	
Adjusted gross profit¹	8,700	8,868	-2
Sales, general and administration ¹	-5,874	-5,260	
Adjusted operating profit before amortization of acquisition-related intangible assets (EBITA)¹	2,826	3,608	-22
Amortization of acquisition-related intangible assets	-263	-186	
Adjusted operating profit¹	2,563	3,422	-25
Financial items	-208	-158	
Adjusted profit before tax¹	2,355	3,264	-28
Adjusted Income taxes ¹	-427	-773	
Adjusted profit for the period¹	1,928	2,491	-23
¹ Excluding items affecting comparability; for amounts see page 10.			
Adjusted Margins (%)			
Gross margin¹	25.4	32.2	
EBITA margin¹	8.2	13.1	
Operating margin¹	7.5	12.4	
Financial net margin	-0.6	-0.6	
Profit margin¹	6.9	11.8	
Income taxes ¹	-1.2	-2.8	
Net margin¹	5.7	9.0	
¹ Excluding items affecting comparability; for amounts see page 10.			

ADJUSTED EBITA BY BUSINESS AREA

SEKm	2203	2103	%
Health & Medical	836	920	-9
Consumer Goods	1,645	2,473	-33
Professional Hygiene	563	419	34
Other	-218	-204	
Total¹	2,826	3,608	-22

¹ Excluding items affecting comparability; for amounts see page 10.

ADJUSTED OPERATING PROFIT BY BUSINESS AREA

SEKm	2203	2103	%
Health & Medical	635	742	-14
Consumer Goods	1,586	2,470	-36
Professional Hygiene	559	415	35
Other	-217	-205	
Total¹	2,563	3,422	-25

¹ Excluding items affecting comparability; for amounts see page 10.

OPERATING CASH FLOW BY BUSINESS AREA

SEKm	2203	2103	%
Health & Medical	524	732	28
Consumer Goods	1,974	1,957	1
Professional Hygiene	130	-29	
Other	-376	-384	
Total	2,252	2,276	-1

GROUP

NET SALES AND EARNINGS

January–March 2022 compared with the corresponding period a year ago

Net sales increased 24.6% compared with the corresponding period a year ago to SEK 34,301m (27,528). Sales growth, including organic sales growth and acquisitions, amounted to 17.3%. Organic sales growth, which excludes exchange rate effects, acquisitions and divestments, amounted to 14.6%, of which volume accounted for 7.2% and price/mix for 7.4%. Organic sales growth in mature markets amounted to 16.5% and in emerging markets to 11.6%. Emerging markets accounted for 37% of net sales. Exchange rate effects increased net sales by 7.4%. Acquisitions increased net sales by 2.7%. Divestments reduced net sales by 0.1%.

The Group's adjusted gross margin decreased by 6.8 percentage points year on year to 25.4% (32.2). Higher costs for raw materials, energy and distribution reduced the margin by 12.1 percentage points. The margin was positively impacted by higher volumes, higher selling prices, a better mix and cost savings. Continuous cost savings amounted to SEK 34m.

The Group's adjusted EBITA margin decreased 4.9 percentage points to 8.2% (13.1). Sales costs, excluding marketing costs, were higher but decreased as a share of net sales. Marketing costs were lower also as a share of net sales.

Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA) decreased 22% (28% excluding currency translation effects, acquisitions and divestments) to SEK 2,826m (3,608).

Items affecting comparability amounted to SEK -1,413m (56). Costs were mainly attributable to the impairment of assets in Russia.

Financial items increased to SEK -208m (-158), mainly on account of higher average net debt. Lower interest rates had a positive impact.

Adjusted profit before tax decreased 28% (34% excluding currency translation effects, acquisitions and divestments) and amounted to SEK 2,355m (3,264).

The tax expense, excluding effects of items affecting comparability, was SEK 427m (773).

Adjusted profit for the period decreased 23% (29% excluding currency translation effects, acquisitions and divestments) to SEK 1,928m (2,491).

Profit for the period decreased 80% (86% excluding currency translation effects, acquisitions and divestments) to SEK 521m (2,552). Earnings per share were SEK 0.44 (3.04). The adjusted earnings per share were SEK 2.72 (3.14).

The adjusted return on capital employed was 9.0% (13.5). The adjusted return on equity was 11.2% (15.7).

CASH FLOW AND FINANCING

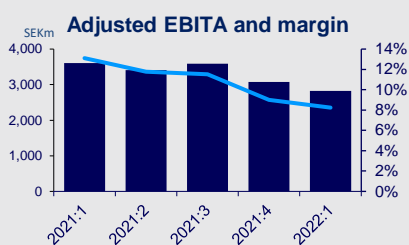
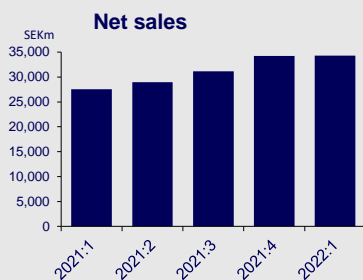
January–March 2022 compared with the corresponding period a year ago

The operating cash surplus amounted to SEK 4,698m (5,227). The cash flow effect of changes in working capital was SEK -777m (-1,446). Working capital was negatively impacted by an increase in trade receivables as a result of higher sales and increased inventory value due to higher raw material prices. Investments in non-current assets, net, excluding investments in operating assets through leases, amounted to SEK -1,402m (-1,299). Operating cash flow before investments in operating assets through leases amounted to SEK 2,374m (2,310). Operating cash flow was SEK 2,252m (2,276).

Financial items increased to SEK -208m (-158), mainly on account of higher average net debt. Lower interest rates had a positive impact.

Tax payments had an impact on cash flow of SEK -974m (-1,424).

The net sum of acquisitions and divestments was SEK -458m (-29). Net cash flow totaled SEK -4,273m (627).



Excluding items affecting comparability

Change in net sales (%)

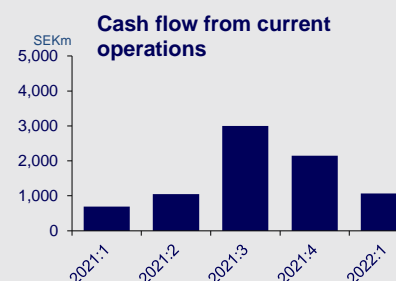
	2203 vs 2103
Total	24.6
Volume	7.2
Price/mix	7.4
Currency	7.4
Acquisitions	2.7
Divestments	-0.1

Change in adjusted EBITA (%)

	2203 vs 2103
Total	-22
Volume	20
Price/mix	52
Raw materials	-75
Energy	-25
Currency	4
Other	2



Excluding items affecting comparability



Net debt increased by SEK 3,890m during the period to SEK 59,323m. Excluding pension liabilities, net debt amounted to SEK 57,880m. Net cash flow increased net debt by SEK 4,273m. Fair value measurement of pension assets and updated assumptions and assessments that affect measurement of the net pension liability, together with fair value measurement of financial instruments, reduced net debt by SEK 1,321m. Exchange rate movements increased net debt by SEK 889m. Investments in non-operating assets through leases increased net debt by SEK 49m. The debt/equity ratio was 0.86 (0.68). Excluding pension liabilities, the debt/equity ratio was 0.84 (0.65). The debt payment capacity was 27% (41). Net debt in relation to adjusted EBITDA amounted to 3.05 (1.94).

EQUITY

January–March 2022

The Group's equity increased by SEK 219m during the period, to SEK 68,726m. Profit for the period increased equity by SEK 521m. Equity decreased due to dividends to shareholders of SEK 4,934m. Equity increased net after tax by SEK 1,010m as a result of fair value measurement of pension assets and updated assumptions and assessments that affect the valuation of the pension liability. Fair value measurement of financial instruments increased equity by SEK 1,685m after tax. Exchange rate movements, including the effect of hedges of net foreign investments, after tax, increased equity by SEK 1,917m. Other items increased equity by SEK 20m.

TAX

January–March 2022

A tax expense of SEK 427m was reported, excluding items affecting comparability, corresponding to a tax rate of 18.1% for the period. The tax expense including items affecting comparability was SEK 421m, corresponding to a tax rate of 44.7% for the period.

EVENTS DURING THE QUARTER

Essity announces price increases

On January 26, 2022, Essity announced price increases in all product categories and markets to compensate the substantially higher costs for raw materials, energy and distribution. The timing and degree of the price increases will be managed locally.

Essity acquires cleaning and wiping company

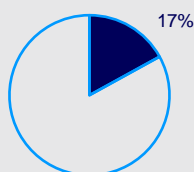
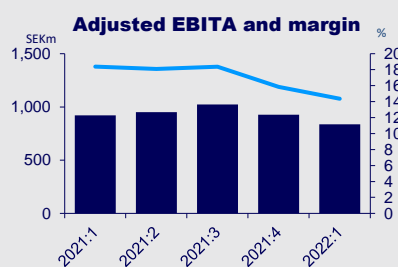
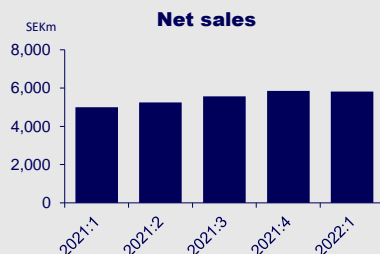
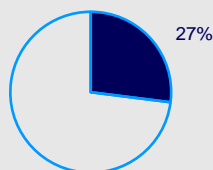
On February 2, 2022, Essity announced that the company had acquired the US company Legacy Converting, Inc. which offers products within the categories of sanitizing and disinfecting wet-wipes, chemical-ready wipes and dry wipes. The purchase price amounted to USD 40m (approximately SEK 370m) with a potential additional earnout amount of USD 10m (approximately SEK 90m) on a cash and debt-free basis.

Essity included in Sustainability Yearbook 2022

On February 2, 2022, Essity announced that the company had been included in S&P Global's Sustainability Yearbook 2022. In its review of more than 7,000 companies globally, Essity received silver medal within the category Household Products, and is ranked as one of the 150 most sustainable companies.

Essity recognized by CDP for its supplier engagement in fight against climate change

On February 10, 2022, Essity announced that the company had been recognized as Supplier Engagement Leader by the global non-profit environmental organization CDP. The award addresses how Essity successfully has worked with its suppliers in the fight against climate change.

Share of Group, net sales
2203Share of Group, adjusted EBITA
2203

Change in net sales (%)

2203 vs
2103

	2203 vs 2103
Total	16.4
Volume	7.3
Price/mix	2.2
Currency	5.2
Acquisitions	2.2
Divestments	-0.5

Change in adjusted EBITA (%)

2203 vs
2103

	2203 vs 2103
Total	-9
Volume	16
Price/mix	16
Raw materials	-45
Energy	-4
Currency	4
Other	4

HEALTH & MEDICAL

SEKm	2203	2103	%
Net sales	5,822	5,004	16
Adjusted gross profit margin, %*	39.7	44.8	
Adjusted EBITA*	836	920	-9
Adjusted EBITA margin, %*	14.4	18.4	
Adjusted operating profit*	635	742	-14
Adjusted operating margin, %*	10.9	14.8	
Adjusted return on capital employed, %*	10.5	12.4	
Operating cash flow	524	732	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

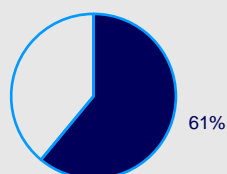
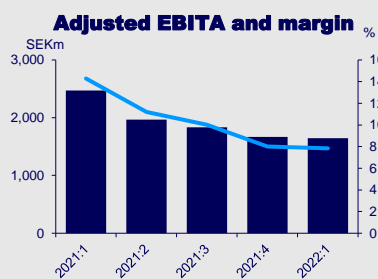
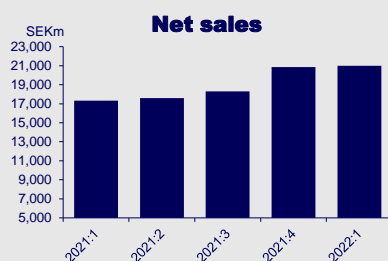
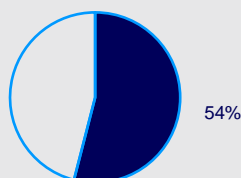
January–March 2022 compared with the corresponding period a year ago

Net sales increased 16.4% to SEK 5,822m (5,004). Sales growth, including organic sales growth and acquisitions, amounted to 11.7%. Organic sales growth amounted to 9.5%, of which volume 7.3% and price/mix 2.2%. The organic sales growth amounted to 6.2% in mature markets. In emerging markets, which accounted for 20% of net sales, organic sales growth amounted to 23.5%. Exchange rate effects increased net sales by 5.2%. Acquisitions increased net sales by 2.2%. Divestments reduced net sales by 0.5%.

For Incontinence Products Health Care, with Essity's globally leading TENA brand, organic sales growth amounted to 9.1% due to higher volumes and higher prices. In Medical Solutions, organic sales growth amounted to 10.0%, primarily as a result of higher volumes in Wound Care and Orthopedics.

The adjusted gross margin decreased 5.1 percentage points to 39.7% (44.8). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher volumes, higher prices and a better mix. The adjusted EBITA margin decreased 4.0 percentage points to 14.4% (18.4). Sales costs, excluding marketing costs, were higher but decreased as a share of net sales. Marketing costs were higher but decreased as a share of net sales. Adjusted EBITA decreased 9% (16% excluding currency translation effects, acquisitions and divestments) to SEK 836m (920).

The operating cash surplus amounted to SEK 1,044m (1,154).

Share of Group, net sales
2203Share of Group, adjusted EBITA
2203

Change in net sales (%)

	2203 vs 2103
Total	21.2
Volume	3.2
Price/mix	8.3
Currency	7.4
Acquisitions	2.3
Divestments	0.0

Change in adjusted EBITA (%)

	2203vs 2103
Total	-33
Volume	8
Price/mix	55
Raw materials	-73
Energy	-26
Currency	3
Other	0

CONSUMER GOODS

SEKm	2203	2103	%
Net sales	20,986	17,309	21
Adjusted gross profit margin, %*	23.0	31.1	
Adjusted EBITA*	1,645	2,473	-33
Adjusted EBITA margin, %*	7.8	14.3	
Adjusted operating profit*	1,586	2,470	-36
Adjusted operating margin, %*	7.6	14.3	
Adjusted return on capital employed, %*	9.7	17.0	
Operating cash flow	1,974	1,957	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

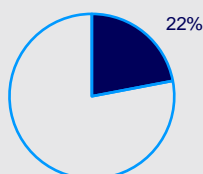
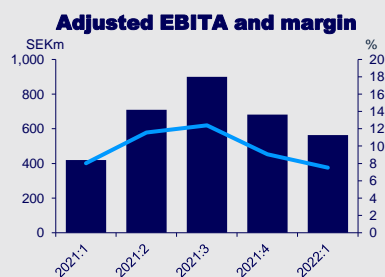
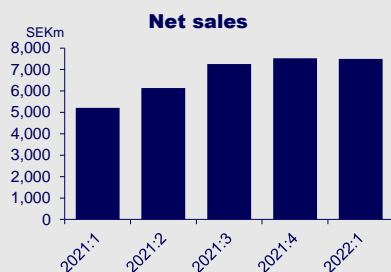
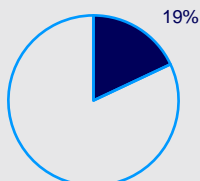
January–March 2022 compared with the corresponding period a year ago

Net sales increased 21.2% to SEK 20,986m (17,309). Sales growth, including organic sales growth and acquisitions, amounted to 13.8%. Organic sales growth amounted to 11.5%, of which volume 3.2% and price/mix 8.3%. The organic sales growth amounted to 13.9% in mature markets. In emerging markets, which accounted for 48% of net sales, organic sales growth amounted to 9.1%. Exchange rate effects increased net sales by 7.4%. Acquisitions increased net sales by 2.3%.

In Incontinence Products Retail, with Essity's globally leading brand TENA, organic sales growth amounted to 14.6%, in Feminine Care to 21.1% and in Baby Care to 9.0%. For these three categories, sales growth was mainly the result of higher volumes and price increases. In Consumer Tissue, organic sales growth amounted to 9.9% and for the Consumer Tissue Private Label Europe division to 18.3%. The sales growth was mainly the result of price increases.

The adjusted gross margin decreased 8.1 percentage points to 23.0% (31.1). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher volumes, higher prices, a better mix and cost savings. The adjusted EBITA margin decreased 6.5 percentage points to 7.8% (14.3). Sales costs, excluding marketing costs, were higher but decreased as a share of net sales. Marketing costs were lower and decreased as a share of net sales. Adjusted EBITA decreased 33% (38% excluding currency translation effects, acquisitions and divestments) to SEK 1,645m (2,473).

The operating cash surplus amounted to SEK 2,682m (3,300).

Share of Group, net sales
2203Share of Group, adjusted EBITA
2203

Change in net sales (%)

	2203 vs 2103
Total	43.7
Volume	20.3
Price/mix	9.5
Currency	9.6
Acquisitions	4.3
Divestments	0.0

Change in adjusted EBITA (%)

	2203 vs 2103
Total	34
Volume	90
Price/mix	87
Raw materials	-111
Energy	-53
Currency	8
Other	13

PROFESSIONAL HYGIENE

SEKm	2203	2103	%
Net sales	7,493	5,216	44
Adjusted gross profit margin, %*	20.6	23.7	
Adjusted EBITA*	563	419	34
Adjusted EBITA margin, %*	7.5	8.0	
Adjusted operating profit*	559	415	35
Adjusted operating margin, %*	7.5	8.0	
Adjusted return on capital employed, %*	8.9	7.7	
Operating cash flow	130	-29	

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

January–March 2022 compared with the corresponding period a year ago

Net sales increased 43.7% to SEK 7,493m (5,216). Sales growth, including organic sales growth and acquisitions, amounted to 34.1%. Organic sales growth amounted to 29.8%, of which volume 20.3% and price/mix 9.5%. The organic sales growth amounted to 32.3% in mature markets. In emerging markets, which accounted for 19% of net sales, organic sales growth amounted to 20.8%. Exchange rate effects increased net sales by 9.6%. Acquisitions increased net sales by 4.3%.

The adjusted gross margin decreased 3.1 percentage points to 20.6% (23.7). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher prices and higher volumes. The adjusted EBITA margin decreased 0.5 of a percentage point to 7.5% (8.0). Sales and marketing costs were higher but decreased as a share of net sales. Adjusted EBITA increased 34% (27% excluding currency translation effects, acquisitions and divestments) to SEK 563m (419).

The operating cash surplus amounted to SEK 1,129m (923).

DISTRIBUTION OF SHARES

March 31, 2022	Class A	Class B	Total
Registered number of shares	61,288,914	641,053,575	702,342,489

At the end of the period, the proportion of Class A shares was 8.7%. During the first quarter, 126,154 Class A shares were converted into Class B shares at the request of shareholders. The total number of votes in the company amounts to 1,253,942,715.

FUTURE REPORTS

In 2022, interim reports will be published on July 21 and October 27. The Year-end report for 2022 will be published on January 26, 2023.

INVITATION TO PRESENTATION OF THE INTERIM REPORT FOR QUARTER 1, 2022

In conjunction with publication, a telephone and web presentation will be held where President and CEO Magnus Groth will present the report and answer questions.

Presentation

Date: Friday, April 22, 2022

Time: 09:00, CET

Link to web presentation: <https://essity.videosync.fi/2022-04-22>

To participate by telephone, call: +44 333 300 08 04, +1 631 913 14 22 or +46 8 566 426 51. State pin code 70624732#.

Please call well in advance of the start of the presentation.

The presentation can also be followed on [LinkedIn](#) and [Twitter](#).

Stockholm, April 22, 2022

Essity Aktiebolag (publ)

Magnus Groth

President and CEO

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NB:

This report has not been reviewed by the company's auditors.

This information is such information that Essity Aktiebolag (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of the contact person set out below, at 07:00 CET on April 22, 2022.

Karl Stoltz, Media Relations Director, +46 709 426 338

CONDENSED CONSOLIDATED INCOME STATEMENT

SEKm	2022:1	2021:1	2021:4	2203	2103
Net sales	34,301	27,528	34,226	34,301	27,528
Cost of goods sold ^{1,2}	-25,601	-18,660	-25,617	-25,601	-18,660
Items affecting comparability - cost of goods sold ²	-1,083	-10	-82	-1,083	-10
Gross profit	7,617	8,858	8,527	7,617	8,858
Sales, general and administration ^{1,2}	-5,888	-5,272	-5,538	-5,888	-5,272
Items affecting comparability - sales, general and administration ²	-80	66	9	-80	66
Share of profits of associates and joint ventures	14	12	6	14	12
Operating profit before amortization of acquisition-related intangible assets (EBITA)	1,663	3,664	3,004	1,663	3,664
Amortization of acquisition-related intangible assets	-263	-186	-250	-263	-186
Items affecting comparability - acquisition-related intangible assets ²	-250	0	0	-250	0
Operating profit	1,150	3,478	2,754	1,150	3,478
Financial items	-208	-158	-190	-208	-158
Profit before tax	942	3,320	2,564	942	3,320
Income taxes	-421	-768	-346	-421	-768
Profit for the period	521	2,552	2,218	521	2,552
Earnings attributable to:					
Owners of the Parent company	306	2,132	1,982	306	2,132
Non-controlling interests	215	420	236	215	420
Earnings per share - owners of the Parent company					
Earnings per share before and after dilution effects, SEK	0.44	3.04	2.82	0.44	3.04
Average numbers of shares before and after dilution, million	702.3	702.3	702.3	702.3	702.3
¹ Of which, depreciation and amortization	-1,987	-1,706	-1,926	-1,987	-1,706
² Of which, impairment	-1,382	-1	-75	-1,382	-1
Gross margin	22.2	32.2	24.9	22.2	32.2
EBITA margin	4.8	13.3	8.8	4.8	13.3
Operating margin	3.4	12.6	8.0	3.4	12.6
Financial net margin	-0.6	-0.6	-0.6	-0.6	-0.6
Profit margin	2.8	12.0	7.4	2.8	12.0
Income taxes	-1.2	-2.8	-1.0	-1.2	-2.8
Net margin	1.6	9.2	6.4	1.6	9.2
Excluding items affecting comparability:					
Gross margin	25.4	32.2	25.2	25.4	32.2
EBITA margin	8.2	13.1	9.0	8.2	13.1
Operating margin	7.5	12.4	8.3	7.5	12.4
Financial net margin	-0.6	-0.6	-0.6	-0.6	-0.6
Profit margin	6.9	11.8	7.7	6.9	11.8
Income taxes	-1.2	-2.8	-1.1	-1.2	-2.8
Net margin	5.7	9.0	6.6	5.7	9.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2022:1	2021:1	2021:4	2203	2103
Profit for the period	521	2,552	2,218	521	2,552
Other comprehensive income for the period					
Items that will not be reclassified to the income statement					
Actuarial gains/losses on defined benefit pension plans	1,328	337	-105	1,328	337
Fair value through other comprehensive income	-7	0	-1	-7	0
Income tax attributable to components in other comprehensive income	-316	-193	-132	-316	-193
	1,005	144	-238	1,005	144
Items that have been or may be reclassified subsequently to the income statement					
Cash flow hedges					
Result from remeasurement of derivatives recognized in equity	3,391	195	380	3,391	195
Transferred to profit or loss for the period	-1,078	-53	-896	-1,078	-53
Translation differences in foreign operations	2,202	3,205	1,752	2,202	3,205
Gains/losses from hedges of net investments in foreign operations	-368	-690	-254	-368	-690
Other comprehensive income from associated companies	0	1	3	0	1
Income tax attributable to components in other comprehensive income	-543	106	192	-543	106
	3,604	2,764	1,177	3,604	2,764
Other comprehensive income for the period, net of tax	4,609	2,908	939	4,609	2,908
Total comprehensive income for the period	5,130	5,460	3,157	5,130	5,460
Total comprehensive income attributable to:					
Owners of the Parent company	4,654	4,616	2,572	4,654	4,616
Non-controlling interests	476	844	585	476	844

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

SEKm	2203	2103
Equity attributable to owners of the Parent company		
Value, January 1	59,874	54,352
Total comprehensive income for the period	4,654	4,616
Dividend	-4,916	-4,741
Acquisition of non-controlling interests	-9	0
Private placement to non-controlling interests	17	3
Transferred to cost of hedged investments	3	0
Revaluation effect upon acquisition of non-controlling interests	0	-3
Value, March 31	59,623	54,227
Non-controlling interests		
Value, January 1	8,633	8,990
Total comprehensive income for the period	476	844
Dividend	-18	-196
Private placement to non-controlling interests	16	3
Acquisition of non-controlling interests	-4	0
Value, March 31	9,103	9,641
Total equity, value March 31	68,726	63,868

CONSOLIDATED OPERATING CASH FLOW STATEMENT

SEKm	2203	2103
Operating cash surplus	4,698	5,227
Change in working capital	-777	-1,446
Investment in non-current assets, net	-1,402	-1,299
Restructuring costs, etc.	-145	-172
Operating cash flow before Investments in operating assets through leases	2,374	2,310
Investments in operating assets through leases	-122	-34
Operating cash flow	2,252	2,276
Financial items	-208	-158
Income taxes paid	-974	-1,424
Other	0	1
Cash flow from current operations	1,070	695
Acquisitions of Group companies and other operations	-458	0
Divestments of Group companies and other operations	0	-29
Cash flow before transactions with shareholders	612	666
Private placement to non-controlling interests	33	6
Dividend to non-controlling interests	-2	-45
Dividend	-4,916	0
Net cash flow	-4,273	627
Net debt at the start of the period	-55,433	-42,688
Net cash flow	-4,273	627
Remeasurements to equity	1,321	337
Investments in non-operating assets through leases	-49	-136
Translation differences	-889	-1,515
Net debt at the end of the period	-59,323	-43,375
Debt/equity ratio	0.86	0.68
Debt payment capacity, %	27	41
Net debt / EBITDA	2.98	1.92
Net debt / Adjusted EBITDA	3.05	1.94

CONSOLIDATED CASH FLOW STATEMENT

SEKm	2203	2103
Operating activities		
Operating profit	1,150	3,478
Adjustment for non-cash items ¹	3,531	1,720
Interest paid	-265	-308
Interest received	25	22
Other financial items	-69	11
Change in liabilities relating to restructuring programs, etc.	-128	-143
Paid tax	-974	-1,424
Cash flow from operating activities before changes in working capital	3,270	3,356
Cash flow from changes in working capital		
Change in inventories	-811	-727
Change in operating receivables	-746	286
Change in operating liabilities	780	-1,005
Cash flow from operating activities	2,493	1,910
Investing activities		
Acquisitions of Group companies and other operations	-356	0
Divestments of Group companies and other operations	0	-44
Investments in intangible assets and property, plant and equipment	-1,397	-1,305
Sale of property, plant and equipment	9	15
Loans granted to external parties	-685	-4,764*
Paid interest capitalized in intangible asset and property, plant and equipment	-15	-9
Cash flow from investing activities	-2,444	-6,107
Financing activities		
Private placement to non-controlling interests	33	6
Acquisition of non-controlling interests	-13	0
Dividend	-4,916	0
Proceeds from borrowings	10,232	8,403
Repayment of borrowings	-4,125	-996
Dividend to non-controlling interests	-2	-45
Cash flow from financing activities	1,209	7,368
Cash flow for the period	1,258	3,171
Cash and cash equivalents at the beginning of the period	3,904	4,982
Translation differences in cash and cash equivalents	111	138
Cash and cash equivalents at the end of the period	5,273	8,291
Cash flow from operating activities per share, SEK	3.55	2.72
Reconciliation with consolidated operating cash flow statement		
Cash flow for the period	1,258	3,171
Repayment of borrowings	4,125	996
Proceeds from borrowings	-10,232	-8,403
Loans granted to external parties	685	4,764*
Investment in operating assets through leases	-122	-34
Net debt in acquired and divested operations	-89	15
Accrued interest	101	118
Other	1	0
Net cash flow according to consolidated operating cash flow statement	-4,273	627
¹⁾ <i>Adjustment for non-cash items</i>		
<i>Depreciation/amortization and impairment of non-current assets</i>	3,369	1,707
<i>Gain/loss on asset sales</i>	5	-7
<i>Change in provision for ongoing competition case</i>	0	-55
<i>Depreciation of prepaid selling expenses</i>	108	102
<i>Gain/loss on divestments and liquidation</i>	0	-3
<i>Non-cash items relating to efficiency program</i>	-5	-6
<i>Change, one-time foreign tax on non-current assets</i>	0	-19
<i>Other</i>	54	1
Total	3,531	1,720

*Of the amount, SEK 4,741m relates to cash and cash equivalent allocated for payment of a dividend to Essity's shareholders on April 1, 2021, which was decided at the Annual General Meeting on March 25, 2021.

CONSOLIDATED BALANCE SHEET

SEKm	March 31, 2022	December 31, 2021
ASSETS		
Non-current assets		
Goodwill	38,554	37,803
Other intangible assets	22,699	21,806
Property, plant and equipment	58,974	58,918
Investments in joint ventures and associates	255	239
Shares and participations	8	7
Surplus in funded pension plans	1,637	1,439
Non-current financial assets	300	412
Deferred tax assets	1,999	2,012
Other non-current assets	1,625	1,411
Total non-current assets	126,051	124,047
Current Assets		
Inventories	20,695	19,339
Trade receivables	21,180	19,871
Current tax assets	1,199	952
Other current receivables	7,799	5,787
Current financial assets	2,079	1,150
Cash and cash equivalents	5,273	3,904
Total current assets	58,225	51,003
Total assets	184,276	175,050
EQUITY AND LIABILITIES		
Equity		
Share capital	2,350	2,350
Reserves	9,753	6,416
Retained earnings	47,520	51,108
Attributable to owner of the Parent company	59,623	59,874
Non-controlling interests	9,103	8,633
Total equity	68,726	68,507
Non-current liabilities		
Non-current financial liabilities	50,760	47,443
Provisions for pensions	3,080	4,149
Deferred tax liabilities	8,605	7,574
Other non-current provisions	394	396
Other non-current liabilities	92	86
Total non-current liabilities	62,931	59,648
Current liabilities		
Current financial liabilities	14,772	10,746
Trade payables	19,512	18,030
Current tax liabilities	1,207	1,576
Current provisions	792	736
Other current liabilities	16,336	15,807
Total current liabilities	52,619	46,895
Total liabilities	115,550	106,543
Total equity and liabilities	184,276	175,050

CONSOLIDATED BALANCE SHEET (cont.)

SEKm	March 31, 2022	December 31, 2021
Debt/equity ratio	0.86	0.81
Equity/assets ratio	32%	34%
Equity	68,726	68,507
Equity per share, SEK	98	98
Return on equity	3.0%	15.0%
Return on equity excluding items affecting comparability	11.2%	14.3%
Capital employed	128,049	123,940
- of which working capital	14,254	11,157
Return on capital employed*	5.3%	12.3%
Return on capital employed* excluding items affecting comparability	9.0%	12.0%
Net debt	59,323	55,433
Provisions for restructuring costs are included in the balance sheet as follows		
-Other non-current provisions	92	96
-Other current provisions	149	160

*) rolling 12 months

NET SALES (business area reporting)

SEKm	2203	2103	2022:1	2021:4	2021:3	2021:2	2021:1	2020:4
Health & Medical	5,822	5,004	5,822	5,854	5,572	5,255	5,004	5,436
Consumer Goods	20,986	17,309	20,986	20,844	18,310	17,577	17,309	19,294
Professional Hygiene	7,493	5,216	7,493	7,527	7,260	6,140	5,216	6,216
Other	0	-1	0	1	3	-4	-1	10
Total net sales	34,301	27,528	34,301	34,226	31,145	28,968	27,528	30,956

ORGANIC SALES GROWTH (business area reporting)

(%)	2203	2103	2022:1	2021:4	2021:3	2021:2	2021:1
Health & Medical	9.5	-4.6	9.5	6.9	7.3	13.4	-4.6
Consumer Goods	11.5	-4.4	11.5	5.7	2.9	3.7	-4.4
Professional Hygiene	29.8	-27.5	29.8	16.4	20.7	26.1	-27.5
Total	14.6	-9.9	14.6	8.0	7.4	9.5	-9.9

SALES GROWTH, INCLUDING ORGANIC SALES GROWTH AND ACQUISITIONS (business area reporting)

(%)	2203	2103	2022:1	2021:4	2021:3	2021:2	2021:1
Health & Medical	11.7	-3.5	11.7	8.2	8.6	13.8	-3.5
Consumer Goods	13.8	-4.4	13.8	7.8	5.0	3.7	-4.4
Professional Hygiene	34.1	-27.5	34.1	20.2	24.3	26.1	-27.5
Total	17.3	-9.7	17.3	10.3	9.7	9.6	-9.7

ADJUSTED EBITA (business area reporting)

SEKm	2203	2103	2022:1	2021:4	2021:3	2021:2	2021:1	2020:4
Health & Medical	836	920	836	927	1,024	950	920	990
Consumer Goods	1,645	2,473	1,645	1,666	1,832	1,967	2,473	2,824
Professional Hygiene	563	419	563	681	900	710	419	809
Other	-218	-204	-218	-197	-170	-218	-204	-231
Total adjusted EBITA	2,826	3,608	2,826	3,077	3,586	3,409	3,608	4,392

ADJUSTED OPERATING PROFIT (business area reporting)

SEKm	2203	2103	2022:1	2021:4	2021:3	2021:2	2021:1	2020:4
Health & Medical	635	742	635	737	849	773	742	806
Consumer Goods	1,586	2,470	1,586	1,608	1,774	1,963	2,470	2,817
Professional Hygiene	559	415	559	679	898	709	415	801
Other	-217	-205	-217	-197	-170	-217	-205	-231
Total adjusted operating profit¹	2,563	3,422	2,563	2,827	3,351	3,228	3,422	4,193
Financial items	-208	-158	-208	-190	-137	-177	-158	-172
Profit before tax¹	2,355	3,264	2,355	2,637	3,214	3,051	3,264	4,021
Income taxes	-427	-773	-427	-373	-808	-849	-773	-993
Profit for the period²	1,928	2,491	1,928	2,264	2,406	2,202	2,491	3,028
¹ Excluding items affecting comparability before tax amounting to:	-1,413	56	-1,413	-73	524	-136	56	-2
² Excluding items affecting comparability after tax amounting to:	-1,407	61	-1,407	-46	559	-127	61	1

ADJUSTED EBITA MARGIN (business area reporting)

%	2203	2103	2022:1	2021:4	2021:3	2021:2	2021:1	2020:4
Health & Medical	14.4	18.4	14.4	15.8	18.4	18.1	18.4	18.2
Consumer Goods	7.8	14.3	7.8	8.0	10.0	11.2	14.3	14.6
Professional Hygiene	7.5	8.0	7.5	9.0	12.4	11.6	8.0	13.0
Total	8.2	13.1	8.2	9.0	11.5	11.8	13.1	14.2

STATEMENT OF PROFIT OR LOSS

SEKm	2022:1	2021:4	2021:3	2021:2	2021:1
Net sales	34,301	34,226	31,145	28,968	27,528
Cost of goods sold	-25,601	-25,617	-22,202	-20,149	-18,660
Items affecting comparability - cost of goods sold	-1,083	-82	-11	-43	-10
Gross profit	7,617	8,527	8,932	8,776	8,858
Sales, general and administration	-5,888	-5,538	-5,361	-5,446	-5,272
Items affecting comparability - sales, general and administration	-80	9	535	-93	66
Share of profits of associates and joint ventures	14	6	4	36	12
EBITA	1,663	3,004	4,110	3,273	3,664
Amortization of acquisition-related intangible assets	-263	-250	-235	-181	-186
Items affecting comparability - acquisition-related intangible assets	-250	0	0	0	0
Operating profit	1,150	2,754	3,875	3,092	3,478
Financial items	-208	-190	-137	-177	-158
Profit before tax	942	2,564	3,738	2,915	3,320
Income taxes	-421	-346	-773	-840	-768
Profit for the period	521	2,218	2,965	2,075	2,552

CONDENSED INCOME STATEMENT PARENT COMPANY

SEKm	2203	2103
Administrative expenses	-178	-161
Other operating income	14	54
Operating loss	-164	-107
Financial items	-914	-477
Profit before tax	-1,078	-584
Income taxes	219	119
Profit for the period	-859	-465

CONDENSED BALANCE SHEET PARENT COMPANY

SEKm	March 31, 2022	December 31, 2021
Intangible assets	0	0
Property, plant and equipment	12	13
Financial non-current assets	177,343	177,279
Total non-current assets	177,355	177,292
Total current assets	424	852
Total assets	177,779	178,144
Restricted equity	2,350	2,350
Non-restricted equity	77,784	83,559
Total equity	80,134	85,909
Untaxed reserves	6	6
Provisions	875	880
Non-current liabilities	38,983	34,752
Current liabilities	57,781	56,597
Total equity, provisions and liabilities	177,779	178,144

NOTES

1 ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regards to the Parent company, RFR 2. A few amended accounting standards published by the IASB entered into force at January 1, 2022 following approval by the EU. Essity Aktiebolag (publ) applies these amendments, which have not had any material impact on the Group's or the Parent company's financial statements. All other applied accounting principles and calculation methods correspond to those presented in Essity Aktiebolag's (publ) Annual and Sustainability Report for 2021.

2 RISKS AND UNCERTAINTIES

Processes for risk management

Essity's Board of Directors determines the Group's strategic direction based on recommendations from the Executive Management Team. Responsibility for the long-term, overall management of strategic risks corresponds to the company's delegation structure, from the Board of Directors to the CEO and from the CEO to the business unit presidents. This means that most operational risks are managed by Essity's business units at the local level, but that they are coordinated when considered necessary. The tools used in this coordination consist primarily of the business units' regular reporting and the annual strategy process, where risks and risk management are a part of the process.

Essity's financial risk management is centralized, as is the Group's internal bank for the Group companies' financial transactions and management of the Group's energy risks. Financial risks are managed in accordance with the Group's finance policy, which is adopted by Essity's Board of Directors and which – together with Essity's energy risk policy – makes up a framework for risk management. Risks are aggregated and monitored on a regular basis to ensure compliance with these guidelines. Essity has also centralized other risk management.

Essity has a staff function for internal audit, which monitors compliance in the organization with the Group's policies.

Essity's risk exposure and risk management are described on pages 35–40 of Essity's Annual and Sustainability Report for 2021. No significant changes have taken place that have affected the reported risks.

The war in Ukraine has created an uncertain situation for the health and safety of several of our employees. Furthermore, the global situation has also been negatively affected and, for example, energy prices in Europe have increased drastically. The higher energy prices impact Essity's earnings.

The company's assets in Russia have been impaired by approximately SEK 1.4bn. Furthermore, work has been initiated to exit the Russian market. In 2021, Essity's net sales in Russia amounted to approximately SEK 2.8bn, corresponding to about 2% of total consolidated net sales in 2021.

The remaining assets in Russia amount to approximately SEK 1.3bn and comprise trade receivables, inventories and cash and cash equivalents. Essity has 1,300 employees in Russia and three production plants.

Essity's net sales in Ukraine amounted to less than 1% of total consolidated net sales in 2021.

Risks in conjunction with company acquisitions are analyzed in the due diligence processes that Essity carries out prior to all acquisitions. In cases where acquisitions have been carried out that may affect the assessment of Essity's risk exposure, these are described under the heading "Events during the quarter" in the interim and year-end reports.

3 FINANCIAL INSTRUMENTS PER CATEGORY

Distribution by level for measurement at fair value

SEKm	Carrying amount in the balance sheet	Measured at fair value through profit or loss	Derivatives used for hedge accounting	Financial assets measured at fair value through OCI	Financial liabilities measured at amortized cost	Of which fair value by level ¹	
March 31, 2022						1	2
Derivatives	7,215	1,269	5,946	-	-	-	7,215
Non-current financial assets	94	-	-	94	-	94	-
Total assets	7,309	1,269	5,946	94	0	94	7,215
Derivatives	3,460	1,442	2,018	-	-	-	3,460
Financial liabilities							
Current financial liabilities	13,127	-	-	-	13,127	-	-
Non-current financial liabilities	49,293	22,490	-	-	26,803	-	22,490
Total liabilities	65,880	23,932	2,018	-	39,930	-	25,950
December 31, 2021							
Derivatives	4,784	910	3,874	-	-	-	4,784
Non-current financial assets	99	-	-	99	-	99	-
Total assets	4,883	910	3,874	99	-	99	4,784
Derivatives	1,578	633	945	-	-	-	1,578
Financial liabilities							
Current financial liabilities	9,838	14	-	-	9,824	-	14
Non-current financial liabilities	47,056	20,386	-	-	26,670	-	20,386
Total liabilities	58,472	21,033	945	-	36,494	-	21,978

¹ No financial instruments have been classified to level 3

The total fair value of the above financial liabilities, excluding lease liabilities, is SEK 60,377m (53,925). The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, trade payables and other current and non-current liabilities is estimated to be equal to their carrying amount.

No transfers between level 1 and 2 were made during the period.

4 Acquisitions and divestments

On July 1, 2021, Essity acquired the remaining 63.8% of the shares in the hygiene company Asaleo Care. The purchase price allocation for the acquisition has been finalized. No adjustments were made and the final purchase price allocation is the same as the preliminary purchase price allocation presented in the Annual and Sustainability Report for 2021.

On December 29, 2021, Essity acquired 100% of the US-based wound care company Hydrofera. The purchase price allocation is unchanged compared to the Annual and Sustainability Report for 2021 and has not yet been finalized.

In addition to the acquisitions of Asaleo Care and Hydrofera, Essity also acquired the company Aquacast LCC in the final quarter of 2021. The purchase price allocation for this acquisition is the same as that presented in the Annual and Sustainability Report for 2021 and has not yet been finalized.

On February 2, 2022, Essity acquired the US professional cleaning and wiping company Legacy Converting, Inc. The company has approximately 30 employees. The purchase price amounts to USD 40m (approximately SEK 370m) with a potential additional earnout amount of USD 10m (approximately SEK 90m) on a cash and debt-free basis, excluding financial lease liabilities. Since the acquisition, Legacy Converting's reported net sales amounted to SEK 17m, adjusted EBITDA to SEK 1m, and adjusted EBITA to SEK -3m. If Legacy Converting had been consolidated as of January 1, 2022, net sales would have amounted to SEK 27m, adjusted EBITDA to SEK 2m and adjusted EBITA to SEK -3m.

5 Use of non-International Financial Reporting Standards (IFRS) performance measures

Guidelines for Alternative Performance Measures (APMs) for companies with securities listed on a regulated market in the EU have been issued by ESMA (European Securities and Markets Authority). These guidelines are to be applied for APMs not supported under IFRS.

This interim report refers to a number of performance measures not defined in IFRS. These performance measures are used to help investors, management and other stakeholders analyze the company's operations. These non-IFRS measures may differ from similarly titled measures among other companies. Essity's 2021 Annual Report, pages 75–80, describes the various non-IFRS performance measures that are used as a complement to the financial information presented in accordance with IFRS. Tables are presented below that show how the performance measures have been calculated.

Capital employed

SEKm	2203	2112
Total assets	184,276	175,050
-Financial assets	-9,289	-6,905
-Non-current non-interest bearing liabilities	-9,091	-8,056
-Current non-interest bearing liabilities	-37,847	-36,149
Capital employed	128,049	123,940

SEKm	2022:1	2021:4	2021:3	2021:2	2021:1
Health & Medical	32,471	31,401	29,931	29,618	30,734
Consumer Goods	68,526	66,939	65,827	61,040	58,994
Professional Hygiene	26,213	24,518	24,595	22,305	22,607
Other	839	1,082	567	-281	-5,092
Capital employed	128,049	123,940	120,920	112,682	107,243

Working capital

SEKm	2203	2112
Inventories	20,695	19,339
Trade receivables	21,180	19,871
Other current receivables	7,799	5,787
Trade payables	-19,512	-18,030
Other current liabilities	-16,336	-15,807
Other	428	-3
Working capital	14,254	11,157

Net debt

SEKm	2203	2112
Surplus in funded pension plans	1,637	1,439
Non-current financial assets	300	412
Current financial assets	2,079	1,150
Cash and cash equivalents	5,273	3,904
Financial assets	9,289	6,905
Non-current financial liabilities	50,760	47,443
Provisions for pensions	3,080	4,149
Current financial liabilities	14,772	10,746
Financial liabilities	68,612	62,338
Net debt	59,323	55,433

EBITDA

SEKm	2203	2103
Operating profit	1,150	3,478
-Amortization of acquisition-related intangible assets	263	186
-Depreciation/amortization	1,467	1,296
-Depreciation right-of-use asset	257	224
-Impairment	3	0
-Items affecting comparability - impairment net	1,129	1
-Items affecting comparability - impairment of acquisition-related intangible assets	250	0
EBITDA	4,519	5,185
-Items affecting comparability excluding depreciation/amortization and impairment	34	-57
Adjusted EBITDA	4,553	5,128

EBITA

SEKm	2203	2103
Operating profit	1,150	3,478
-Amortization of acquisition-related intangible assets	263	186
-Items affecting comparability - impairment of acquisition-related intangible assets	250	0
-Operating profit before amortization and impairment of acquisition-related intangible assets (EBITA)	1,663	3,664
EBITA margin (%)	4.8	13.3
-Items affecting comparability - cost of goods sold	1,083	10
-Items affecting comparability - sales, general and administration	80	-66
Adjusted EBITA	2,826	3,608
Adjusted EBITA margin (%)	8.2	13.1

Operating cash flow

SEKm	2203	2103
Health & Medical		
Operating cash surplus	1,044	1,154
Change in working capital	-355	-346
Investment in non-current assets, net	-147	-81
Restructuring costs, etc.	13	15
Operating cash flow before investments in operating assets through leases	555	742
Investment in operating assets through leases	-31	-10
Operating cash flow	524	732
Consumer Goods		
Operating cash surplus	2,682	3,300
Change in working capital	251	-413
Investment in non-current assets, net	-823	-809
Restructuring costs, etc.	-58	-102
Operating cash flow before investments in operating assets through leases	2,052	1,976
Investment in operating assets through leases	-78	-19
Operating cash flow	1,974	1,957
Professional Hygiene		
Operating cash surplus	1,129	923
Change in working capital	-671	-700
Investment in non-current assets, net	-227	-130
Restructuring costs, etc.	-88	-117
Operating cash flow before investments in operating assets through leases	143	-24
Investment in operating assets through leases	-13	-5
Operating cash flow	130	-29

Sales growth

SEKm	2203
Health & Medical	
Organic sales growth	473
Acquisitions	114
Sales growth including organic sales growth and acquisitions	587
Divestments	-26
Exchange rate effect ¹	257
Recognized change	818
Consumer Goods	
Organic sales growth	1,986
Acquisitions	403
Sales growth including organic sales growth and acquisitions	2,389
Divestments	0
Exchange rate effect ¹	1,288
Recognized change	3,677
Professional Hygiene	
Organic sales growth	1,555
Acquisitions	224
Sales growth including organic sales growth and acquisitions	1,779
Divestments	0
Exchange rate effect ¹	498
Recognized change	2,277
Essity	
Organic sales growth	4,014
Acquisitions	741
Sales growth including organic sales growth and acquisitions	4,755
Divestments	-26
Exchange rate effect ¹	2,044
Recognized change	6,773

¹Consists solely of currency translation effects

6 Supplementary information

Net sales Q1 2022 by region

Health & Medical

Europe	64%
North America	17%
Asia	7%
Latin America	5%
Other	7%

Consumer Goods

Europe	54%
Asia	24%
Latin America	18%
North America	2%
Other	2%

Professional Hygiene

Europe	45%
North America	39%
Latin America	7%
Asia	6%
Other	3%