

The Essity share

On June 15, 2017, Essity Aktiebolag (publ) was listed on Nasdaq Stockholm in Sweden. Essity shares are quoted and traded on Nasdaq Stockholm, and as American Depositary Receipts (ADR level 1) in the US through Deutsche Bank. The final 2017 closing price on Nasdaq Stockholm for Essity's B share was SEK 233.00. Essity's market capitalization was SEK 164bn at December 31, 2017. In the period June 15–December 31, 2017, the price of Essity's B share fell 6%. During the same period, the OMX Stockholm 30 Index fell 3%. The highest closing price for Essity's B share during the year was SEK 252.10, which was noted on December 5. The lowest closing price was SEK 215.50 on August 21. The proposed dividend is SEK 5.75 per share. For more information, refer to the section Dividend and dividend policy.

Index

On Nasdaq Stockholm, Essity is included in the OMX Stockholm 30 Index, OMX Nordic 40 and in the Personal & Household Goods sector within Consumer Goods. In addition to indexes directly linked to Nasdaq Stockholm, Essity is included in other indexes, such as the FTSE Eurofirst Index and FTSE All World Index. Within MSCI, Essity is included in Household Products within Consumer Staples. Essity is also represented in sustainability indexes such as the FTSE4Good Global index, which measures earnings and performance among companies that meet globally recognized norms for corporate responsibility. Essity is also included in the ECPI index and Global 100 index.

Liquidity

In 2017, the volume of Essity shares traded on Nasdaq Stockholm was about 180 million, corresponding to a value of approximately SEK 42bn. Average daily trading for Essity on Nasdaq Stockholm amounted to approximately 1.3 million shares, corresponding to a value of approximately SEK 306m. During the year, trading on Cboe amounted to approximately 25 million Essity shares, trading on Turquoise to about 5 million Essity shares and trading on other marketplaces to approximately 1 million Essity shares.

Ownership

Some 44% of the share capital is owned by investors registered in Sweden and 56% by foreign investors. The US and

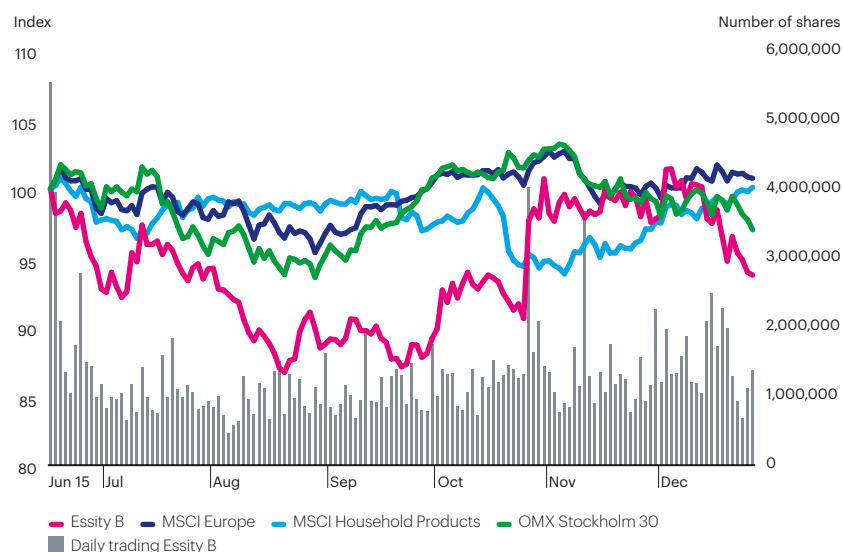
the UK account for the highest percentage of shareholders registered outside Sweden. Of Essity's shareholders, at least 23% perform sustainability assessments.

Dividend and dividend policy

Essity aims to provide long-term stable and rising dividends to its shareholders. When cash flow from current operations exceeds what the company can invest in profitable expansion over the long term, and under the condition that the capital structure target is met, the surplus shall be distributed to the shareholders.

The Board of Directors proposes a dividend of SEK 5.75 per share for the 2017 fiscal year. The 2017 dividend represents a dividend yield of 2.5%, based on Essity's share price at the end of the year.

Share price performance June 15, 2017–December 31, 2017



Distribution of acquisition cost for SCA shares in connection with the distribution of shares in Essity Aktiebolag (publ)

The Tax Agency has decided that of the acquisition cost for Class A shares in SCA AB, 21% should relate to these shares and 79% to Class A shares received in Essity Aktiebolag (publ). Of the acquisition cost for Class B shares in SCA AB, 20% should relate to these shares and 80% to Class B shares received in Essity Aktiebolag (publ).

Essity's ten largest shareholders

At December 31, 2017, the following companies, foundations and mutual funds were the ten largest registered shareholders based on voting rights:

Shareholders	No. of A shares	No. of B shares	Votes (%)	Capital (%)
AB Industrivärden	35,000,000	31,800,000	29.8	9.5
Norges Bank Investment Management	8,056,104	25,625,076	8.3	4.8
MFS Investment Management		35,119,983	2.7	5.0
SHB Oktogonen Foundation	3,000,000		2.3	0.4
AMF Insurance and Funds	430,000	24,009,053	2.2	3.5
Swedbank Robur Funds		25,496,216	2.0	3.6
Skandia	2,009,210	2,382,683	1.8	0.6
SHB Pension Fund	1,303,000		1.0	0.2
First Swedish Pension Insurance Fund		12,205,690	1.0	1.7
SCA Employee Foundation	982,845	74,406	0.8	0.2

Source: Euroclear

Data per share

All earnings figures include items affecting comparability unless otherwise indicated.

SEK per share unless otherwise indicated	2017
Earnings per share	11.56
Adjusted earnings per share ¹⁾	13.09
Market price for B share:	
Average price during the year	233.87
Closing price, December 31	233.00
Cash flow from current operations ²⁾	12.45
Cash flow from operating activities	18.12
Dividend ³⁾	5.75
Dividend yield, %	2.5
P/E ratio ⁴⁾	20
P/E ratio, excluding items affecting comparability ⁴⁾	19
Price/EBITA ⁵⁾	17
Price/EBITA, excluding items affecting comparability ⁵⁾	16
Beta coefficient ⁶⁾	0.58
Pay-out ratio, %	50
Equity	71
Number of registered shares December 31 (millions)	702.3

¹⁾ Excluding items affecting comparability and amortization of acquisition-related intangible assets.

²⁾ See definitions of key figures on page 172.

³⁾ Board proposal.

⁴⁾ Share price at year-end divided by earnings per share.

⁵⁾ Market capitalization plus net debt plus non-controlling interests divided by EBITA.

(EBITA = operating profit before amortization of acquisition-related intangible assets).

⁶⁾ Share price volatility compared with the entire stock exchange (measured from June 15, 2017).

Shareholder structure, as of December 31, 2017

Holding	No. of shareholders	No. of shares	Holding (%)	Votes (%)
1-500	58,845	9,381,628	1.34	1.55
501-1,000	12,376	9,482,263	1.35	1.54
1,001-5,000	12,992	28,027,795	3.99	4.68
5,001-10,000	1,669	11,947,869	1.70	1.90
10,001-15,000	477	5,964,061	0.85	0.88
15,001-20,000	267	4,700,910	0.67	0.57
20,001-	1,212	632,837,963	90.10	88.88
Total	87,838	702,342,489	100.0	100.0

Source: Euroclear

Share capital development

The table below shows the development of the Company's share capital since 2016.

Year	Event	Change in number of Class A shares	Change in number of Class B shares	Total number of Class A shares	Total number of Class B shares	Total number of shares	Change in share capital, SEK	Total share capital, SEK	Quotient value, SEK
2016	New issue	4,000	-	5,000	-	5,000	400,000	500,000	100
2017	Bonus issue ¹⁾	64,589,523	637,747,966	64,594,523	637,747,966	702,342,489	2,349,866,980	2,350,366,980	3.35
2017	Conversion	-584	584	64,593,939	637,748,550	702,342,489	-	2,350,366,980	3.35

¹⁾ At the Annual General Meeting, held on April 5, 2017, shareholders resolved on a bonus issue. The purpose of the bonus issue was to increase the share capital and number of shares so they would correspond to the number of shares in SCA ahead of SCA's distribution of Essity.

Percentage of foreign ownership, capital as of December 31, 2017



Earnings per share, 2017

SEK 11.56

Proposed dividend per share, 2017

SEK 5.75

Essity is included in the following sustainability indexes



FTSE4Good



Share distribution, as of December 31, 2017

	Class A	Class B	Total
Number of registered shares	64,140,438	638,202,051	702,342,489

Ticker names

Nasdaq Stockholm	ESSITY A, ESSITY B
New York (ADR level 1)	ESSYY

Information to shareholders

Annual General Meeting 2018 April 12

The Annual General Meeting of Essity Aktiebolag (publ) will be held on Thursday, April 12, 2018 at 3:00 p.m. at the *Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden.*

Registration for the
Annual General Meeting will start at 1:30 p.m.

Notification of attendance

Shareholders who wish to attend the Annual General Meeting must:

be listed in the shareholders' register maintained by Euroclear Sweden AB on Friday, April 6, 2018, and

give notice of their intention to attend the meeting no later than Friday, April 6, 2018.

Notification may be given in any of the following manners:

- by telephone at +46 8 402 90 80, weekdays between 8:00 a.m. and 5:00 p.m.
- on the company's website: www.essity.com
- by mail to Essity Aktiebolag (publ), Group Function Legal Affairs, P.O. Box 200, SE-101 23 Stockholm, Sweden

To be entitled to participate in the Annual General Meeting, the following applies for shareholders whose shares are registered

through a bank or other nominee: In addition to giving notification of attendance, shareholders must request that their shares be registered in the shareholders' register under their own names. Such registration must be completed at Euroclear Sweden AB not later than Friday, April 6, 2018. In such cases, the shareholders in question should instruct the bank or nominee of this well in advance of Friday, April 6, 2018. Such registration may be temporary.

The shareholder's name, personal identity number/corporate registration number, address and telephone number, and number of accompanying

persons, if any, should be stated when notification is given. Shareholders represented by proxy should deliver a proxy in the original to the company prior to the Annual General Meeting. Proxy forms are available upon request and on the company website www.essity.com. Anyone representing a corporate entity must present a copy of the registration certificate, not older than one year, or equivalent authorization document, listing the authorized signatories.

The Notice convening the Annual General Meeting can be found on the company website www.essity.com

Nomination Committee

- Helena Stjernholm, AB Industrivärden, Chairman of the Nomination Committee
- Petter Johnsen, Norges Bank Investment Management
- Stefan Nilsson, Handelsbanken Pension Funds and others
- Javiera Ragnartz, AMF and AMF Fonder
- Pär Boman, Chairman of the Board, Essity

The Nomination Committee prepares, among other things, the proposal for election of Board members.

Dividend

The Board of Directors proposes a dividend of SEK 5.75 per share and that the record date for the dividend be Monday, April 16, 2018. Payment through Euroclear Sweden AB is expected to be made on Thursday, April 19, 2018.

Proposed dividend
per share

5.75
SEK



Annual and Sustainability Report 2017

Read the Annual and Sustainability Report 2017 digitally on your computer, tablet or mobile phone. Meet Essity's President and CEO Magnus Groth, who presents a brief summary of 2017. Visit www.essity.com/asr17.

Financial information 2018–2019

Interim report	(Jan 1–Mar 31, 2018)	April 27, 2018
Half-year report	(Jan 1–Jun 30, 2018)	July 19, 2018
Interim report	(Jan 1–Sep 30, 2018)	October 29, 2018
Year-end report	2018	January 31, 2019
Annual and Sustainability Report	2018	March 2019

Annual and Sustainability Reports, year-end reports, half-year reports and interim reports are published in Swedish and English (in the event of differences between the English translation and the Swedish original, the Swedish text shall prevail) and can be downloaded from Essity's website www.essity.com.

Annual and Sustainability Reports can also be ordered from:

Essity Aktiebolag (Publ)
Group Function Communications
Box 200
SE-101 23 Stockholm, Sweden
Tel +46 8 788 51 00

Subscriptions to publications

Subscription to Essity's press releases, annual and sustainability reports, year-end reports, half-year reports and interim reports can be done by registering on the Essity website www.essity.com.