

The Essity share

Essity shares are quoted and traded on Nasdaq Stockholm. Essity's market capitalization was SEK 153bn at December 31, 2018.

Share price performance

In 2018, the price of Essity's B share declined 7%. During the same period, the OMX Stockholm 30 Index fell 11% and MSCI Household Products Index fell 6%. The closing price of Essity's B share at year-end was SEK 217.60. The highest closing price for Essity's B share during the year was SEK 240.50, which was noted on January 26, 2018. The lowest closing price was SEK 204.70 on October 29, 2018.

The total shareholder return for Essity's B share for the year was -4%. The total shareholder return for the OMX Stockholm 30 Index was -7% and for MSCI Household Products Index -3%.

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 2018 fiscal year. The 2018 dividend represents a dividend yield of 2.6%, based on Essity's share price at the end of the year.

Index

On Nasdaq Stockholm, Essity is included in the OMX Stockholm 30 Index, OMX Nordic 40 Index 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 Index within Consumer Staples. Essity is also represented in sustainability indexes including the Dow Jones Sustainability Index and the FTSE4Good Global Index.

Shareholders structure

46% of the share capital is owned by investors registered in Sweden and 54% by foreign investors. The US and the UK account for the highest percentage of shareholders registered outside Sweden. Of Essity's shareholders, at least 22% perform sustainability assessments.

Beta coefficient

The beta coefficient for Essity's B share was 0.55 in 2018. A beta coefficient of less than 1 indicates that the share is less sensitive to market fluctuations than the average.

Liquidity

In 2018, the volume of Essity shares traded on Nasdaq Stockholm was about 341 million, corresponding to a value of approximately SEK 77bn. Average daily trading for Essity on Nasdaq Stockholm amounted to approximately 1.4 million shares, corresponding to a value of approximately SEK 307m.

Market share

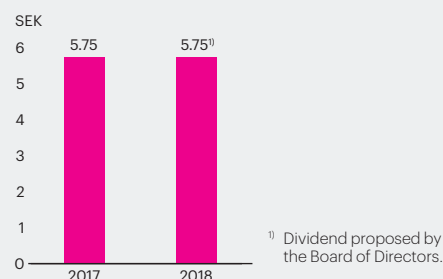
%	2018	2017
Nasdaq Stockholm	75%	85%
CBOE	19%	12%
Turquoise	3%	2%
Other	3%	1%
Total	100%	100%

Source: Nasdaq Stockholm, Essity

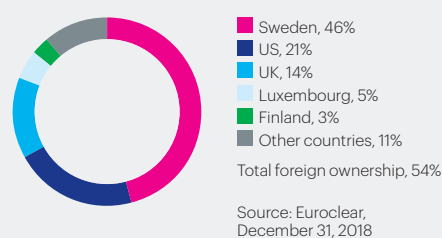
Total shareholder return 2018



Dividend per share, SEK



Ownership by country



Essity's largest shareholders

At December 31, 2018, the following companies, foundations and mutual funds were the ten largest registered shareholders based on voting rights:

Shareholders	Votes (%)	Capital (%)
AB Industrivärden	29.9	9.5
Norges Bank Investment Management	8.2	4.7
MFS Investment Management	2.7	5.0
AMF Insurance and Funds	2.5	3.3
Swedbank Robur Funds	2.4	4.3
SHB Oktagonen Foundation	2.4	0.4
Skandia	1.6	0.4
First Swedish Pension Insurance Fund	1.0	1.9
SHB Pension Fund	1.0	0.2
Nordea Investment Funds	1.0	1.7
Other owners	47.3	68.6
Total	100.0	100.0

Essity Aktiebolag (publ) holds no treasury shares.
Source: Euroclear, December 31, 2018

Shareholders structure

Holding	No. of shareholders	No. of shares	Capital (%)	Votes (%)
1–1,000	71,666	18,706,485	2.7	3.1
1,001–10,000	14,522	39,370,938	5.6	6.4
10,001–20,000	685	9,777,799	1.4	1.4
20,001–	975	634,487,267	90.3	89.1
Total	87,848	702,342,489	100.0	100.0

Source: Euroclear, December 31, 2018

Share distribution

	Class A	Class B	Total
Number of registered shares	63,992,771	638,349,718	702,342,489

In 2018, 147,667 Class A shares were converted to Class B shares at the request of shareholders.

The total number of votes in the company subsequently amounted to 1,278,277,428.
Source: Euroclear, December 31, 2018

Ticker names

Nasdaq Stockholm	ESSITY A, ESSITY B
Bloomberg	ESSITYA:SS, ESSITYB:SS
REUTERS	ESSITYa.ST, ESSITYb.ST

Data per share

All earnings figures include items affecting comparability unless otherwise indicated.

SEK per share unless otherwise indicated	2018	2017
Earnings per share:		
Earnings per share:	11.23	11.56
Adjusted earnings per share ¹⁾	13.32	13.09
Market price for B share:		
Average price during the year	225.72	233.87
Closing price, December 31	217.60	233.00
Cash flow from current operations ²⁾	12.51	12.45
Cash flow from operating activities	18.74	18.12
Dividend	5.75 ³⁾	5.75
Dividend yield, %	2.6	2.5
P/E ratio ⁴⁾	19	20
Adjusted P/E ratio ⁵⁾	16	18
Price/EBITA ⁶⁾	18	17
Price/EBITA, excluding items affecting comparability ⁶⁾	16	16
Beta coefficient ⁷⁾	0.55	0.58
Pay-out ratio (before dilution), %	51	50
Equity, after dilution effects	78	71
Number of registered shares, December 31 (millions)	702.3	702.3

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

²⁾ See definitions of key figures in Note A2, pages 64–69.

³⁾ Board of Directors proposal.

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

⁵⁾ Share price at year-end divided by adjusted earnings per share.

⁶⁾ Market capitalization plus net debt plus non-controlling interests divided by EBITA (EBITA = Operating profit before amortization of acquisition-related intangible assets).

⁷⁾ Share price volatility compared with the entire stock exchange.

Essity is included in the following sustainability indexes

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

Essity was named industry leader in the Dow Jones Sustainability Index



Earnings per share, 2018

SEK 11.23

**Proposed dividend
per share, 2018¹⁾**

SEK 5.75

¹⁾ Dividend proposed by the Board of Directors.

Share capital development

The table below shows the development of the company's share capital since 2017.

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
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	-454,085	454,085	64,140,438	638,202,051	702,342,489	-	2,350,366,980	3.35
2018	Conversion	-147,667	147,667	63,992,771	638,349,718	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 SCAs distribution of Essity.

Information to shareholders

Annual General Meeting

The Annual General Meeting of Essity Aktiebolag (publ) will be held on Thursday, April 4, 2019 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, March 29, 2019, and give notice of their intention to attend the meeting no later than Friday, March 29, 2019.

Notification may be given in any of the following manners:

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

The following applies to shareholders who have their shares registered through a bank or other nominee in order to be entitled to attend the meeting. Apart from giving notice of attendance, such shareholders must have their shares registered in their own names. Such registration in the shareholders' register must have been completed with Euroclear Sweden AB at the latest on Friday, March 29, 2019. Shareholders should in such case inform their bank or nominee of this in due time before Friday, March 29, 2019. Such registration can be temporary.

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 also present a copy of the registration certificate, not older than one year, or equivalent authorisation document, listing the authorised 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
- Marianne Nilsson, Swedbank Robur Funds
- Pär Boman, Chairman of the Board, Essity

The Nomination Committee prepares, among other things, the proposal for election of Board members. In addition, refer to the Corporate Governance Report on page 46.

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 8, 2019. Payment through Euroclear Sweden AB is expected to be made on Thursday, April 11, 2019.

Financial information 2019–2020

Interim report	(Jan 1–Mar 31, 2019)	April 25, 2019
Half-year report	(Jan 1–Jun 30, 2019)	July 18, 2019
Interim report	(Jan 1–Sep 30, 2019)	October 25, 2019
Year-end report	2019	January 22, 2020
Annual and Sustainability Report	2019	March 2020

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
P.O. Box 200
SE-101 23 Stockholm, Sweden
Tel +46 8 788 51 00

Subscriptions

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.