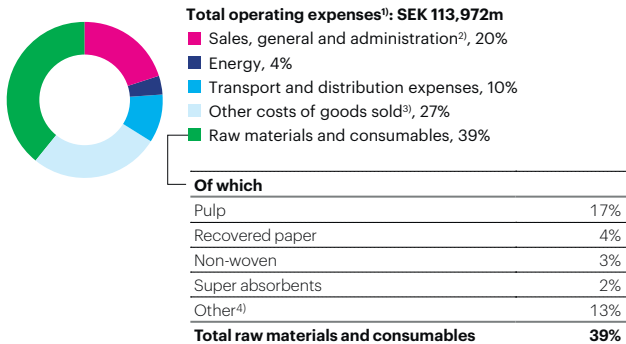
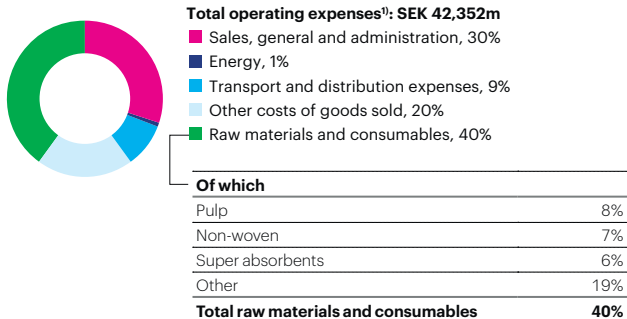


Description of costs

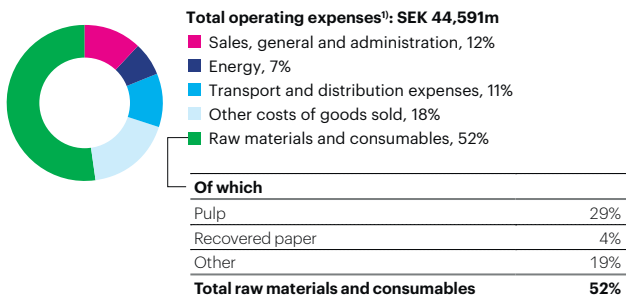
Essity Group



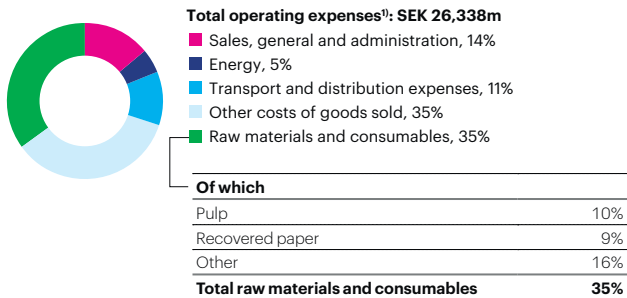
Personal Care



Consumer Tissue



Professional Hygiene



¹⁾ Excluding items affecting comparability.

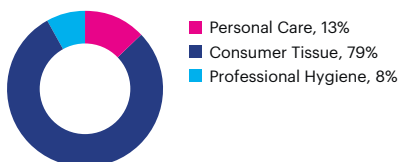
²⁾ Sales, general and administration include costs for marketing by 6 percentage points.

³⁾ The two largest items in Other costs of goods sold comprise personnel (10 percentage points) and depreciation and amortization (4 percentage points).

⁴⁾ The item Other in Raw materials and consumables includes costs for chemicals, packaging material and plastic material.

Raw materials

Pulp consumption



Total of 3.1 million tons

Essity's own pulp production corresponded to 8% of the pulp consumption and is primarily related to an integrated tissue plant in Mannheim, Germany.

Recovered paper consumption



Total of 2.1 million tons

Production facilities¹⁾

(Capacity is stated in thousands of tons, unless otherwise indicated, and per year)

Personal Care			Consumer Tissue and Professional Hygiene					
Production facility	Country		Production facility	Country	Capacity	Production facility	Country	Capacity
Annaba	Algeria		Ortmann	Austria	132	Uruapan	Mexico	40
Buenos Aires	Argentina		Stembert	Belgium	75	Cuijk	Netherlands	52
Jarinu	Brazil		Santiago	Chile	28	Suameer ²⁾	Netherlands	8
Drummondville	Canada		Beijing	China	30	Sovetsk	Russia	90
Hubei	China		Hubei	China	300	Svetogorsk	Russia	55
Zhejiang	China		Liaoning	China	55	Allo	Spain	140
Cali	Colombia		Shangdong	China	110	Valls	Spain	137
Caloto	Colombia		Sichuan	China	75	Lilla Edet	Sweden	100
Rio Negro	Colombia		Xinhui, Sanjiang	China	410	Manchester	UK	50
San Cristobal	Dominican Republic		Yangjiang	China	60	Oakenholt	UK	70
Lasso	Ecuador		Zhejiang	China	210	Prudhoe	UK	94
Radiante	France		Cajica	Colombia	70	Stubbins	UK	55
Vibraye	France		Medellin	Colombia	30	Tawd Mill	UK	30
Emmerich	Germany		Inpaecsa	Ecuador	13	Barton	USA	180
Hausbruch	Germany		Lasso	Ecuador	26	Harrodsburg	USA	55
Goa	India		Nokia	Finland	67	Menasha	USA	211
Shah Alam 1&2	Malaysia		Gien	France	145	Middletown	USA	100
Ecatepec	Mexico		Hondouville	France	55	South Glens Falls	USA	64
Maquiladora	Mexico		Kunheim	France	50	Converting facilities		
Reynosa	Mexico		Le Theil	France	65	Kingsgrove	Australia	
Assen	Netherlands		Kostheim	Germany	152	Jarinu	Brazil	
Gennep	Netherlands		Mannheim	Germany	283	Lucca	Italy	
Hoogezand	Netherlands		Neuss	Germany	112	Hlohovec	Slovakia	
Olawa	Poland		Witzenhausen	Germany	32	Telde	Spain	
Veniov	Russia		Altopascio	Italy	25	Ksibet el Mediouni	Tunisia	
Gemerská Hôrka	Slovakia		Collodi	Italy	42	Skelmersdale	UK	
Pinetown	South Africa		Lucca	Italy	100	Greenwich	USA	
Valls	Spain		Monterrey	Mexico	62	Neenah	USA	
Falkenberg	Sweden		Sahagun	Mexico	95			
Mölnlycke	Sweden							
Kao Hsiung	Taiwan							
Ksibet el Mediouni	Tunisia							
Gebze (Istanbul)	Turkey							
Kartepe	Turkey							
Bowling Green	USA							
			Total			4,440		

¹⁾ As of December 31, 2019.

²⁾ Non-woven production.

Financial multi-year summary

SEKm	2019	2018	2017	2016	2015
INCOME STATEMENT					
Net sales	128,975	118,500	109,265	101,238	98,519
Adjusted EBITA¹⁾	15,840	12,935	13,405	11,992	10,603
Personal Care	6,746	6,354	5,937	4,283	3,997
Consumer Tissue	5,321	3,331	4,084	4,450	3,846
Professional Hygiene	4,463	3,841	4,004	3,836	3,497
Other operations	-690	-591	-620	-577	-737
Items affecting comparability	-713	-1,375	-855	-2,645	-292
EBITA	15,127	11,560	12,550	9,347	10,311
Depreciation of acquisition-related intangible assets	-778	-732	-560	-159	-133
Items affecting comparability	0	-69	-85	-180	-494
Operating profit	14,349	10,759	11,905	9,008	9,684
Financial income ²⁾	106	91	158	202	312
Financial expenses	-1,415	-1,248	-1,340	-1,037	-1,140
Profit before tax	13,040	9,602	10,723	8,173	8,856
Tax	-2,828	-1,050	-1,938	-3,931	-2,278
Profit for the period	10,212	8,552	8,785	4,242	6,578
BALANCE SHEET					
Non-current assets (excl. financial receivables)	116,779	110,370	105,398	77,238	67,483
Receivables and inventories	38,486	38,646	34,664	29,917	29,171
Non-current assets held for sale	42	69	42	156	120
Financial receivables	3,535	1,751	1,700	1,052	766
Current financial assets	525	422	1,105	1,677	12,983
Cash and cash equivalents	2,928	3,008	4,107	4,244	4,828
Total assets	162,295	154,266	147,016	114,284	115,351
Equity	54,125	47,141	42,289	33,204	42,986
Non-controlling interests	8,676	7,758	7,281	6,376	5,289
Provisions ⁵⁾	14,017	15,696	14,659	11,961	8,450
Interest-bearing debt	52,062	54,327	54,838	36,873	34,717
Operating and other non-interest bearing liabilities ⁶⁾	33,415	29,344	27,949	25,870	23,909
Total liabilities and equity	162,295	154,266	147,016	114,284	115,351
Capital employed ³⁾	114,663	107,575	90,167	73,145	70,115
Net debt	50,940	54,404	52,467	35,173	19,058
CASH FLOW STATEMENT					
Operating cash flow ⁶⁾	15,639	9,900	10,622	10,998	8,261
Cash flow from current operations ⁶⁾	13,208	6,363	6,644	6,530	5,371
Cash flow before dividend	13,285	5,737	-19,372	359	5,328
Investments in non-current assets, net	-5,707	-6,781	-6,012	-6,255	-5,472
Company acquisitions	-143	-694	-26,045	-6,540	-92
Divestments	220	68	29	369	49
KEY FIGURES⁴⁾					
Equity/assets ratio, %	33	31	29	29	37
Interest coverage ratio	11.0	9.3	10.1	10.8	11.7
Debt payment capacity, incl. pension liabilities, %	38	25	26	29	65
Debt/equity ratio, incl. pension liabilities	0.81	0.99	1.06	0.89	0.39
Debt/equity ratio, excl. pension liabilities	0.76	0.92	0.99	0.76	0.34
Return on capital employed, %	13.2	10.8	13.9	12.8	13.8
Adjusted return on capital employed, %	13.8	12.0	14.9	16.4	15.1
Return on equity, %	17.4	16.1	19.8	9.3	13.9
EBITA margin, %	11.7	9.8	11.5	9.2	10.5
Adjusted EBITA margin, %	12.3	10.9	12.3	11.8	10.8
Operating margin, %	11.1	9.1	10.9	8.9	9.8
Adjusted operating margin, %	11.7	10.3	11.8	11.7	10.6
Net margin, %	7.9	7.2	8.0	4.2	6.7
Capital turnover rate	1.12	1.10	1.21	1.38	1.41
Operating cash flow per share, SEK	18.81	9.06	9.46	9.30	7.65
Earnings per share, SEK	13.12	11.23	11.56	5.41	8.73
Dividend per share, SEK	6.25 ⁵⁾	5.75	5.75		

¹⁾ 2015 includes the sale of securities, SEK 970m.

²⁾ 2015 does not include the sale of securities, SEK 970m.

³⁾ Calculation of average capital employed is based on five measurements.

⁴⁾ Key figures are defined on pages 64–69.

⁵⁾ Dividend proposed by the Board of Directors.

⁶⁾ Comparison figures for 2015–2018 have changed.

Through partnerships, we are breaking barriers to well-being

Essity and UNICEF in Mexico collaborate on hygiene issues



In 2019, Essity and UNICEF in Mexico entered into a new agreement to jointly promote awareness of the importance of good hand hygiene, to break the taboo around menstruation and to strengthen standards and guidelines to support good hygiene and health. Over the next three years, the collaboration will provide education to thousands of pupils, teachers and parents in Mexico City and Chihuahua about attitudes and practices in connection with menstruation and hand washing and discussions will be held with relevant stakeholders who can drive change in Mexico.

The project is called Hygiene is our right, and is highlighting the rights of children and young people in relation to health, education and gender equality. The shortage of water and hygiene facilities in schools may lead to for example higher absenteeism and poorer school results.

Essity and our Feminine Care brand in Mexico, Saba, have collaborated with UNICEF since 2016 to increase dialogue about menstruation and hygiene issues among young people. The first collaboration reached about 7.5 million people through various channels in Mexico. The Essity brands Saba and Tork are participating in the new collaboration.

Essity and Fotografiska organize “Power of Hands” exhibition



In Essity's partnership with Fotografiska Museum in Stockholm, we are raising awareness of social issues by using photographs to inspire action.

The “Power of Hands” exhibition is the third time Essity and Fotografiska hold a joint exhibition aimed at highlighting how hygiene and health affect people's well-being.

With the “Power of Hands”, Essity and Fotografiska for Life – through Malin Fezehai's photographic works – wish to highlight the role that hands play in our lives. We want to highlight the importance of good hand hygiene. Hand hygiene is important for your personal hygiene and crucial in avoiding the spread of infections and to combat antimicrobial resistance. Access to clean water and soap can even save lives.

A fundraising was made in conjunction with the exhibition that will be donated to UNICEF.

Awards and memberships



Essity's partners include:

