

The Essity share

Essity shares are quoted and traded on Nasdaq Stockholm. Essity's market capitalization was SEK 212bn at December 31, 2019.

Share price performance in 2019

In 2019, the price of Essity's B share rose 39%. During the same period, the OMX Stockholm 30 Index rose 26% and MSCI Household Products Index rose 22%. The closing price of Essity's B share at year-end was SEK 301.80. The highest closing price for Essity's B share during the year was SEK 307.20, which was noted on September 4. The lowest closing price was SEK 217.10 on January 7.

The total shareholder return for Essity's B share for the year was 42%. The total shareholder return for the OMX Stockholm 30 Index was 31% and for MSCI Household Products Index 25%.

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 an increase in the dividend of 9% to SEK 6.25 (5.75) per share for the 2019 fiscal year. The 2019 dividend represents a dividend yield of 2.1%, 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 such as the FTSE4Good and has the highest MSCI ESG rating of AAA.

Shareholders structure

43% of the share capital is owned by investors registered in Sweden and 57% by foreign investors. The US and the UK account for the highest percentage of shareholders registered outside Sweden.

Beta coefficient

The beta coefficient for Essity's B share was 0.35 in 2019. A beta coefficient of less than 1 indicates that the share is less sensitive to market fluctuations than the average.

Liquidity

In 2019, the volume of Essity shares traded on Nasdaq Stockholm was about 362 million, corresponding to a value of approximately SEK 100bn. Average daily trading for Essity on Nasdaq Stockholm amounted to approximately 1.4 million shares, corresponding to a value of approximately SEK 400m.

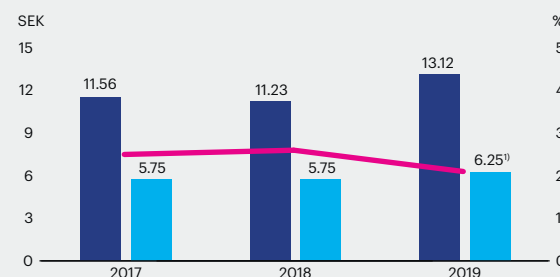
Earnings per share, 2019

13.12 SEK

Proposed dividend per share, 2019¹⁾

6.25 SEK

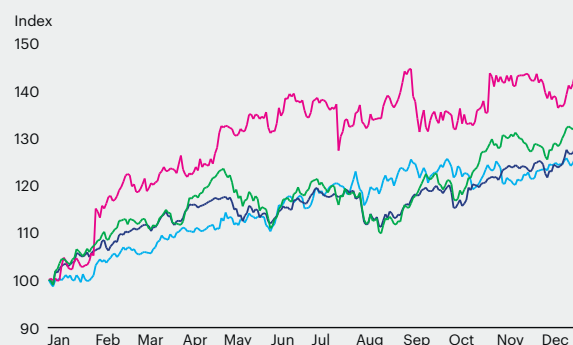
Earnings, dividend and dividend yield



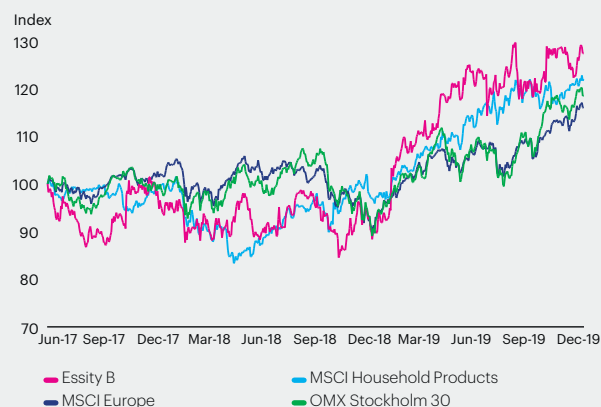
■ Earnings per share, SEK
■ Dividend per share, SEK
— Dividend yield, %

¹⁾ Board of Directors' dividend proposal.

Total shareholder return 2019



Total shareholder return, June 15, 2017 – December 31, 2019



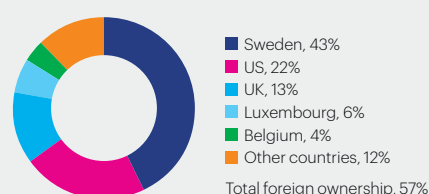
Essity's largest shareholders

At December 31, 2019, the following companies, foundations and mutual funds were the ten largest registered shareholders based on voting rights:

Shareholders	Votes (%)	Capital (%)
AB Industrivärden	29.2	9.5
Norges Bank Investment Management	6.8	3.6
AMF Insurance and Funds	4.2	3.4
MFS Investment Management	2.7	5.0
SHB Oktogonen Foundation	2.1	0.4
Skandia	1.8	0.6
Swedbank Robur Funds	1.7	3.0
SEB Investment Management	1.1	2.0
SHB Pension Fund	1.0	0.2
Nordea Investment Funds	0.8	1.5
Other owners	48.6	70.8
Total	100.0	100.0

Essity Aktiebolag (publ) holds no treasury shares.
Source: Euroclear, December 31, 2019

Ownership by country



Source: Euroclear, December 31, 2019

Shareholders structure

Holding	No. of shareholders	No. of shares	Capital (%)	Votes (%)
1-1,000	75,015	18,542,028	2.6	3.0
1,001-10,000	13,760	37,214,210	5.3	6.1
10,001-20,000	640	9,049,068	1.3	1.3
20,001-	963	637,537,183	90.8	89.6
Total	90,378	702,342,489	100.0	100.0

Source: Euroclear, December 31, 2019

Share distribution

	Class A	Class B	Total
Number of registered shares	63,934,642	638,407,847	702,342,489

In 2019, 58,129 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 1,277,754,267.

Source: Euroclear, December 31, 2019

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
2019	Conversion	-58,129	58,129	63,934,642	638,407,847	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.

Examples of awards and sustainability index:



Market share

%	2019	2018
Nasdaq Stockholm	68	75
CBOE	23	19
Turquoise	2	3
Other	7	3
Total	100	100

Source: Nasdaq Stockholm, Essity

Ticker names

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

Data per share

SEK per share unless otherwise indicated	2019	2018
Earnings per share:	13.12	11.23
Adjusted earnings per share ¹⁾	14.69	13.32
Average price for Essity's B share	278.28	225.72
Closing price for Essity's B share, December 31	301.80	217.60
Cash flow from current operations ²⁾	18.81	9.06
Cash flow from operating activities	27.55	18.74
Dividend	6.25 ³⁾	5.75
Dividend yield, %	2.1	2.6
P/E ratio ⁴⁾	23	19
P/E ratio, excluding items affecting comparability ⁴⁾	21	16
Price/EBITA ⁵⁾	17	18
Price/EBITA, excluding items affecting comparability ⁵⁾	17	16
Beta coefficient ⁶⁾	0.35	0.55
Pay-out ratio (before dilution), %	48	51
Equity, after dilution effects	89	78
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' dividend 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.

Information to shareholders

Annual General Meeting

The Annual General Meeting of Essity Aktiebolag (publ) will be held on Thursday, April 2, 2020 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 2:15 p.m.

Registration and 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 27, 2020, and give notice of their intention to attend the meeting no later than Friday, March 27, 2020.

Notification may be given in any of the following manners:

- by telephone +46 8 402 90 80, weekdays between 8:00 a.m. and 5:00 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 27, 2020. Shareholders should in such case inform their bank or nominee of this in due time before Friday, March 27, 2020. 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 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
- Jonas Jølle, Norges Bank Investment Management
- Stefan Nilsson, Handelsbanken Pension Funds and others
- Anders Oscarsson, 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. For further information, refer to the Corporate Governance Report on pages 46–55.

Dividend

The Board of Directors proposes a dividend of SEK 6.25 per share and that the record date for the dividend be Monday, April 6, 2020. Payment through Euroclear Sweden AB is expected to be made on Thursday, April 9, 2020.

Financial information 2020–2021

Interim Report	Jan 1–Mar 31, 2020	April 23, 2020
Half-year Report	Jan 1–Jun 30, 2020	July 17, 2020
Interim Report	Jan 1–Sep 30, 2020	October 22, 2020
Year-end Report	2020	January 27, 2021
Annual and Sustainability Report	2020	March 2021

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.

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.