

The Essity share

Essity shares are quoted and traded on Nasdaq Stockholm. Essity's market capitalization was SEK 186bn at December 31, 2020.

Share price performance in 2020

In 2020, the price of Essity's B share declined 12%. During the same period, the OMX Stockholm 30 Index rose 6% and the MSCI Household Products Index rose 11%. The closing price of Essity's B share at year-end was SEK 264.50. The highest closing price for Essity's B share during the year was SEK 321.60, which was noted on January 18 and 20. The lowest closing price was SEK 257.90 on October 30.

The total shareholder return for Essity's B share for the year was -10%. The total shareholder return for the OMX Stockholm 30 Index was +7% and for the MSCI Household Products Index +14%.

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The original dividend proposal for the 2019 fiscal year was withdrawn in spring 2020 as a consequence of the major uncertainty surrounding COVID-19. On October 28, 2020, Essity resolved on a dividend of SEK 6.25 per share at an Extraordinary General Meeting. The dividend was paid on November 4, 2020.

The Board of Directors proposes an increase in the dividend of 8% to SEK 6.75 (6.25) per share for the 2020 fiscal year. The dividend represents a dividend yield of 2.6%, based on Essity's share price at the end of the year.

Index

On the Nasdaq Stockholm stock exchange, 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 All World Index and the MSCI Household Products Index within Consumer Staples. Essity is included in the Dow Jones Sustainability Europe Index, one of the world's most prestigious sustainability indices, in the Household Products category. Essity is also represented in sustainability indexes such as the FTSE4Good and has the highest MSCI ESG rating of AAA.

Shareholder structure

48% of the share capital is owned by investors registered in Sweden and 52% 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 0.46 in 2020. A beta coefficient of less than 1 indicates that the share is less sensitive to market fluctuations than the average.

Liquidity

In 2020, the volume of Essity shares traded on Nasdaq Stockholm was about 463 million, corresponding to a value of approximately SEK 136bn. Average daily trading for Essity on Nasdaq Stockholm amounted to approximately 1.8 million shares, corresponding to a value of approximately SEK 538m. During the year, trading on CBOE had turnover of approximately 572 million Essity shares, Turquoise approximately 32 million and other trading venues approximately 156 million.

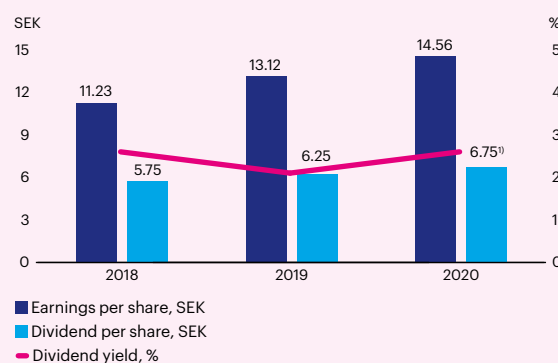
Earnings per share, 2020

14.56 SEK

Proposed dividend per share, 2020¹⁾

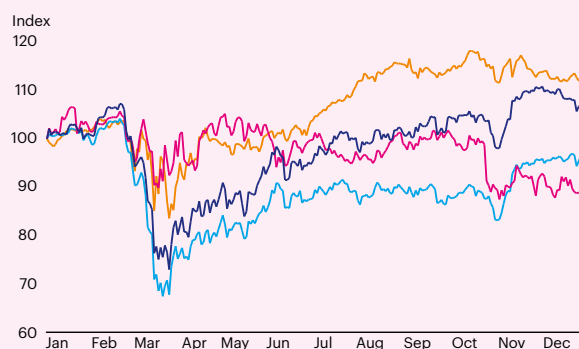
6.75 SEK

Earnings, dividend and dividend yield

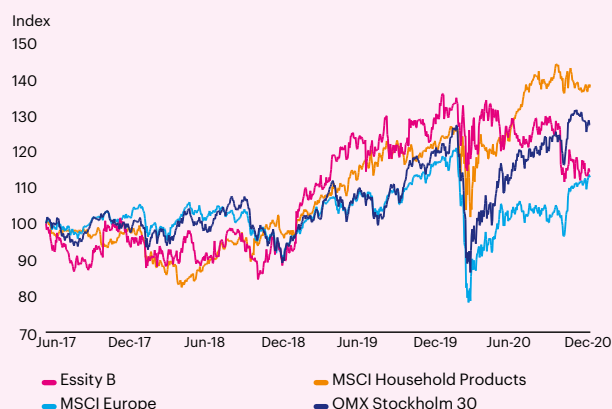


¹⁾ Board of Directors' dividend proposal.

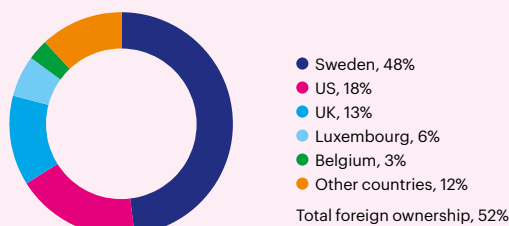
Total shareholder return 2020



Total shareholder return, June 15, 2017 – December 31, 2020



Ownership by country



Source: Euroclear, December 31, 2020

Shareholder structure

Holding	No. of share-holders	No. of shares	Capital (%)	Votes (%)
1–1,000	92,514	20,514,487	2.9	3.3
1,001–10,000	14,699	39,647,644	5.7	6.3
10,001–20,000	700	9,908,761	1.4	1.4
20,001–	943	632,271,597	90.0	89.1
Total	108,856	702,342,489	100.0	100.0

Source: Euroclear, December 31, 2020

Share distribution

	Class A	Class B	Total
Number of registered shares	61,735,172	640,607,317	702,342,489

In 2020, 2,199,470 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 1,257,959,037.

Source: Euroclear, December 31, 2020

Ticker names

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

Essity's largest shareholders

At December 31, 2020, the following companies, foundations and mutual funds were the ten largest registered shareholders based on voting rights:

Shareholders	Votes (%)	Holding (%)
AB Industrivärden	29.3	9.8
AMF Insurance and Funds	7.3	4.4
Norges Bank Investment Management	6.8	4.0
MFS Investment Management	2.7	5.0
Swedbank Robur Funds	2.1	3.7
Skandia	1.8	0.7
SEB Investment Management	1.3	2.4
Handelsbanken Fonder	1.2	2.1
Nordea Investment Funds	1.0	1.8
SCA AB's and Essity Aktiebolag's (publ) Employee foundations	0.8	0.1
Other owners	45.7	66.0
Total	100.0	100.0

Essity Aktiebolag (publ) holds no treasury shares.

Source: Euroclear, December 31, 2020

Data per share

All performance measures include items affecting comparability unless otherwise stated.

SEK per share unless otherwise indicated	2020	2019
Earnings per share before and after dilution	14.56	13.12
Adjusted earnings per share ¹⁾	15.45	14.69
Average price during the year	294.35	278.28
Closing price, December 31	264.50	301.80
Cash flow from current operations ²⁾	15.91	18.81
Cash flow from operating activities	25.37	27.55
Dividend	6.75 ³⁾	6.25
Dividend yield, %	2.6	2.1
P/E ratio ⁴⁾	18	23
P/E ratio, excluding items affecting comparability ⁴⁾	17	21
Price/EBITA ⁵⁾	13	17
Price/EBITA, excluding items affecting comparability ⁵⁾	13	17
Beta coefficient ⁶⁾	0.46	0.35
Pay-out ratio, %	46	48
Equity	90	89
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 71–76.

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.

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
2020	Conversion	–2,199,470	2,199,470	61,735,172	640,607,317	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.

Examples of sustainability indexes and awards:

Member of
Dow Jones Sustainability Indices
 Powered by the S&P Global CSA



Information to shareholders

Annual General Meeting

Due to the current pandemic, the Annual General Meeting will, in accordance with temporary legislation, be held only by advance voting (postal voting). Hence, shareholders will not be able to physically attend the Meeting in person or by proxy. Instead, Essity welcomes shareholders to exercise their voting rights at the Meeting by advance voting in the manner described below. Information on the resolutions passed at the Meeting will be disclosed on 25 March 2021, as soon as the outcome of the advance voting has been finally confirmed.

Right to participate

A person who wishes to participate in Essity's Annual General Meeting by advance voting must:

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday, 17 March 2021; and
- give notice of its intention to participate no later than Wednesday, 24 March 2021, by submitting its advance vote in accordance with the instructions under Advance voting below, so that the advance vote is received by Euroclear Sweden AB no later than that day.

Nominee-registered shares

For shareholders who have their shares registered through a bank or other nominee, the following applies in order to be entitled to participate in the Meeting. In addition to giving notice of participation by submitting its advance vote, such shareholder must re-register its shares in its own name so that the shareholder is listed in the presentation of the share register as of the record date Wednesday, 17 March 2021. Such re-registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time in advance as decided by the nominee. Voting rights registration that has been made by the nominee no later than Friday, 19 March 2021, will be taken into account in the presentation of the share register.

Advance voting, etc.

Shareholders may exercise their voting rights in the Meeting only by voting in advance, so-called postal voting in accordance with Section 22 of the Swedish Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form for advance voting must be used. The form is available on Essity's website, www.essity.com.

Submission of the form in accordance with the instructions set out below is also considered as notice of participation in the Meeting. The completed form must be received by Euroclear Sweden AB no later than Wednesday, 24 March 2021. The completed form shall be sent to Essity Aktiebolag (publ), "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. A completed form may also be submitted electronically. Electronic submission can be made either through verification with BankID in accordance with instructions at <https://anmalan.vpc.se/euroclearproxy>, or by sending the completed form by e-mail to GeneralMeetingService@euroclear.com. Shareholders may not provide special instructions or conditions to the advance vote. If so, the entire advance vote is invalid. Further instructions and conditions can be found in the advance voting form.

Questions in writing may be addressed to the Board of Directors and President and must be received by the company no later than Monday, March 15, 2021, in the manner described in the notice.

Proxies

If a shareholder submits its vote through a proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a registration certificate or a corresponding document for the legal entity shall be enclosed with the form. Proxy forms are available upon request and on the company's website, www.essity.com.

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

Nomination Committee

- Helena Stjernholm, AB Industrivärden, the Chairman of the Nomination Committee
- Jonas Jølle, Norges Bank Investment Management
- Anders Oscarsson, AMF and AMF Funds
- Marianne Nilsson, Swedbank Robur Fonder
- Pär Boman, Chairman of the Board of 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 52–61.

Dividend

The Board of Directors proposes a dividend of SEK 6.75 per share and that the record date for the dividend be Monday, March 29, 2021. Payment through Euroclear Sweden AB is expected to be made on Thursday, April 1, 2021.

Financial information 2021–2022

Interim Report	Jan 1–Mar 31, 2021	April 23, 2021
Half-year Report	Jan 1–Jun 30, 2021	July 16, 2021
Interim Report	Jan 1–Sep 30, 2021	October 22, 2021
Year-end Report	2021	January 26, 2022
Annual and Sustainability Report	2021	March 2022

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.