

The share

The Essity share is quoted on Nasdaq Stockholm. Essity's market capitalization was SEK 208bn at December 31, 2021.

Share price performance in 2021

In 2021, the price of Essity's B share rose 12%. During the same period, the OMX Stockholm 30 Index rose 29% and the MSCI Household Products Index rose 9%. The closing price of Essity's B share at year-end was SEK 295.40. The highest closing price for Essity's Class B share during the year was SEK 305.70, which was noted on November 22, 2021. The lowest closing price was SEK 253.80 on February 26, 2021.

The total shareholder return for Essity's B share for the year was 14%. The total shareholder return for the OMX Stockholm 30 Index was 33% and for the MSCI Household Products Index 11%.

Dividend policy and dividend

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 4% to SEK 7.00 (6.75) per share for the 2021 fiscal year. The dividend represents a dividend yield of 2.4%, 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 OMX Nordic Consumer Staples index. 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 also represented in sustainability indexes such as the OMX Stockholm 30 ESG Responsible Index, FTSE4Good Europe and has the highest MSCI ESG rating of AAA.

Share trading

In 2021, the volume of Essity shares traded on Nasdaq Stockholm was about 362 million, corresponding to a value of approximately SEK 101bn. Average daily trading for Essity on Nasdaq Stockholm amounted to approximately 1.4 million shares, corresponding to a value of approximately SEK 398m. During the year, trading on CBOE had turnover of approximately 388 million Essity shares, and other trading venues approximately 363 million.

Shareholder structure

51% of the share capital is owned by investors registered in Sweden and 49% by foreign investors. The USA, Luxembourg and the UK account for the highest percentage of shareholders registered outside Sweden.

Share structure

Essity's share capital comprises two share classes, Class A shares and Class B shares. Every Class A share carries entitlement to ten votes and every Class B share to one vote. Class A and Class B shares confer the same entitlement to receive dividends. Both share classes are listed on Nasdaq Stockholm and are part of the Large cap segment.

Beta coefficient

The beta coefficient for Essity's B share was 0.35 in 2021. A beta coefficient of less than 1 indicates that the share is less sensitive to market fluctuations than the average.

Shareholder communication and share analysts

Information about the company is available at www.essity.com/investors/ in the form of reports, presentations and financial data together with a current list of analysts that cover Essity.

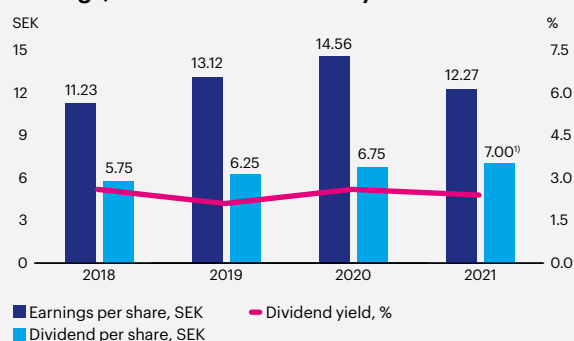
Earnings per share, 2021

12.27 SEK

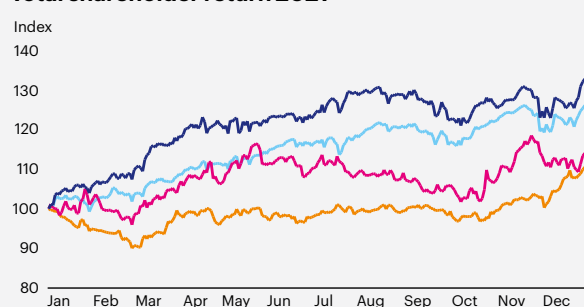
Proposed dividend per share, 2021¹⁾

7.00 SEK

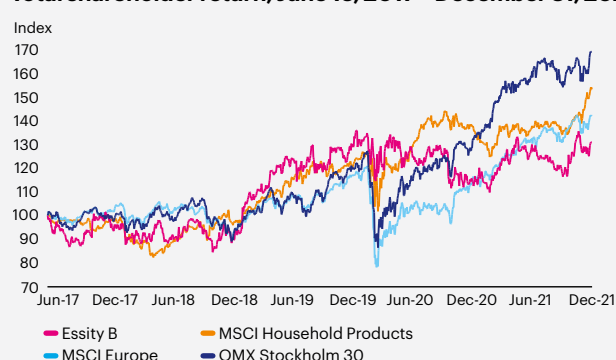
Earnings, dividend and dividend yield



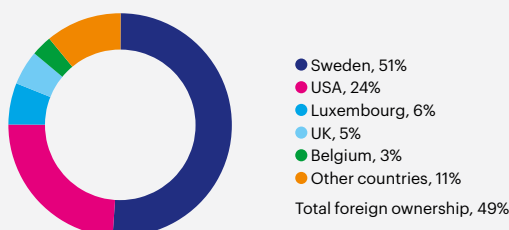
Total shareholder return 2021



Total shareholder return, June 15, 2017 – December 31, 2021



Ownership by country



Source: Euroclear, December 31, 2021.

Shareholder structure

Holding	No. of shareholders	No. of shares	Capital (%)	Votes (%)
1–1,000	98,169	20,783,319	3.0	3.3
1,001–10,000	14,606	39,548,664	5.6	6.3
10,001–20,000	689	9,837,294	1.4	1.4
20,001–	854	632,173,212	90.0	89.1
Total	114,318	702,342,489	100.0	100.0

Source: Euroclear, December 31, 2021.

Share distribution

	Class A	Class B	Total
Number of registered shares	61,415,068	640,927,421	702,342,489

In 2021, 320,104 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 1,255,078,101.

Source: Euroclear, December 31, 2021.

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, 2021, the following companies, foundations and mutual funds were the ten largest registered shareholders based on voting rights:

Shareholders	Votes (%)	Holding (%)
AB Industrivärden	29.5	10.1
AMF Insurance and Funds	8.1	5.2
Norges Bank Investment Management	6.4	3.7
MFS Investment Management	2.8	5.0
Swedbank Robur Funds	2.0	3.5
Skandia	1.9	0.8
Handelsbanken Fonder	1.4	2.5
SEB Investment Management	1.2	2.1
Nordea Investment Funds	0.8	1.4
SCA AB's and Essity Aktiebolag's (publ) Employee foundations	0.8	0.1
Other owners	45.1	65.6
Total	100.0	100.0

Essity Aktiebolag (publ) holds no treasury shares.

Source: Euroclear, December 31, 2021.

Data per share

All performance measures include items affecting comparability unless otherwise stated.

SEK per share unless otherwise indicated	2021	2020
Earnings per share before and after dilution	12.27	14.56
Adjusted earnings per share ¹⁾	12.50	15.45
Average price during the year	278.97	294.35
Closing price, December 31	295.40	264.50
Cash flow from current operations ²⁾	9.82	15.91
Cash flow from operating activities	20.88	25.37
Dividend	7.00 ³⁾	6.75
Dividend yield, %	2.4	2.6
P/E ratio ⁴⁾	24	18
P/E ratio, excluding items affecting comparability ⁴⁾	24	17
Price/EBITA ⁵⁾	19	13
Price/EBITA, excluding items affecting comparability ⁵⁾	19	13
Beta coefficient ⁶⁾	0.35	0.46
Pay-out ratio, %	57	46
Equity	98	90
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 75–80.

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.

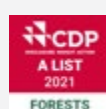
Share capital development

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
2021	Conversion	–320,104	320,104	61,415,068	640,927,421	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 sustainability indexes and awards:



Information to shareholders

Annual General Meeting

The Annual General Meeting will take place on March 24, 2022 and will be conducted in the form of advance voting (postal voting) pursuant to the Swedish Act Temporary Exemptions to Facilitate the Execution of General Meetings, which has been proposed due to coronavirus and is expected to enter into force on March 1, 2022. 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 March 24, 2022, as soon as the outcome of the advance voting has been finally confirmed.

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

Right to participate

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

- partly be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday, March 16, 2022;
- partly give notice of its intention to participate no later than Wednesday, March 23, 2022, 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.

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, March 16, 2022. 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 registrations that has been made by the nominee no later than Friday, March 18, 2022, will be taken into account in the presentation of the share register.

Advance voting

Shareholders can exercise their voting rights at the Annual General Meeting solely by voting in advance, so-called postal voting. 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, March 23, 2022. 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. Further instructions and conditions can be found in the advance voting form.

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.

Nomination Committee

- Helena Stjernholm, AB Industrivärden, the Chairman of the Nomination Committee
- Anders Oscarsson, AMF and AMF Funds
- Jonas Jølle, Norges Bank Investment Management
- Marianne Nilsson, Swedbank Robur Funds
- 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 55–65.

Dividend

The Board of Directors proposes a dividend of SEK 7.00 per share and that the record date for the dividend be Monday, March 28, 2022. Payment through Euroclear Sweden AB is expected to be made on Thursday, March 31, 2022.

Financial information 2022–2023

Report	Reporting period	Publication date
Interim Report	Jan 1–Mar 31, 2022	April 28, 2022
Half-year Report	Jan 1–Jun 30, 2022	July 21, 2022
Interim Report	Jan 1–Sep 30, 2022	October 27, 2022
Year-end Report	2022	January 26, 2023
Annual and Sustainability Report	2022	March 2023

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.