

Press release

Stockholm, April 14, 2020

Higher sales and earnings for Essity during the first quarter of 2020

On account of the substantial increase in net sales and earnings for the first quarter of 2020 compared with the corresponding period a year ago, Essity is today publishing its preliminary result for the first quarter of 2020. The strong development is partially a consequence of the COVID-19 pandemic. The Group's net sales amounted to SEK 33,712m and organic net sales increased 7.8% in the first quarter of 2020 compared with the corresponding period a year ago. Adjusted EBITA¹⁾ increased 67% to SEK 5,333m.

The Group's net sales increased 10.0% in the first quarter of the 2020 compared with the corresponding period a year ago and amounted to SEK 33,712m (30,656). Organic net sales, which exclude exchange rate effects, acquisitions and divestments, increased 7.8%, of which volume accounted for 5.9% and price/mix for 1.9%.

Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA)¹⁾ increased 67% to SEK 5,333m (3,190). The Group's adjusted EBITA margin¹⁾ increased 5.4 percentage points to 15.8%.

Essity has a robust financial position and a solid funding situation.

For Personal Care, organic net sales increased 8.8% in the first quarter of 2020 compared with the first quarter of 2019. Adjusted EBITA¹⁾ increased 32% to SEK 2,039m. The adjusted EBITA margin¹⁾ was 16.1%.

For Consumer Tissue, organic net sales increased 4.3% in the first quarter of 2020 compared with the first quarter of 2019. Adjusted EBITA¹⁾ increased 96% to SEK 2,092m. The adjusted EBITA margin¹⁾ was 16.0%.

For Professional Hygiene, organic net sales increased 12.2% in the first quarter of 2020 compared with the first quarter of 2019. Adjusted EBITA¹⁾ increased 88% to SEK 1,393m. The adjusted EBITA margin¹⁾ was 17.5%.

The COVID-19 pandemic has resulted in a sharp increase in sales in many markets for Consumer Tissue, Incontinence Products, Baby Care, Feminine Care and Professional Hygiene as a result of hoarding among consumers and distributors. In March 2020, organic net sales for the Group increased 19.7% compared with March 2019. Organic net sales for Personal Care rose by 17.0%, for Consumer Tissue by 19.5% and for Professional Hygiene by 24.5%. Sales in future quarters may be adversely impacted by the hoarding seen in March and sales in Professional Hygiene may also be negatively impacted by reduced travel, fewer restaurant visits and more people working from home. In the long-term, the COVID-19 pandemic may lead to increased demand for hygiene and health products due to, for example, a greater focus on hand hygiene.

All figures presented in this press release are preliminary and unaudited.

Essity will not make any comments until the report for the first quarter of 2020 has been published on April 23, 2020, at about 7:00 CET.

¹⁾Excluding items affecting comparability

NB: This is information that Essity is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on April 14, 2020 at 15:00 CET.

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About Essity

Essity is a leading global hygiene and health company. We are dedicated to improving well-being through our products and services. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands, such as JOBST, Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. Essity has about 46,000 employees. Net sales in 2019 amounted to approximately SEK 129bn (EUR 12.2bn). The company's headquarters is located in Stockholm, Sweden, and Essity is listed on Nasdaq Stockholm. Essity breaks barriers to well-being and contributes to a healthy, sustainable and circular society. More information at www.essity.com.
