

## **Press release**

Stockholm, October 22, 2021

# **Essity presents new business areas and new sales growth target**

**Essity has decided on new business areas from January 1, 2022. The business areas will be Health & Medical, Consumer Goods and Professional Hygiene. As a consequence of its higher growth ambitions, Essity has also decided on a new sales growth target of more than 5%, which includes both organic sales growth and acquisitions.**

The new business areas Health & Medical, Consumer Goods and Professional Hygiene will apply as of January 1, 2022. These are aligned with the company's customer and sales channels and will lead to an expansion of the offerings to new and adjacent categories as well as extended service content on the basis of customer and consumer needs. The new areas support the company's new growth target through strategies for organic and acquisition-driven growth and aim to achieve higher growth and profit margins as well as less capital tied up. The business areas will replace the current business areas Personal Care, Consumer Tissue and Professional Hygiene.

The new growth target is to achieve sales growth of more than 5%. This replaces the previous target of organic sales growth of more than 3%. The target will be reached through the continued implementation of Essity's strategy: leveraging favorable market trends, increasing market shares through successful innovation and strong brands, expanding the offering and acquisitions in categories with high margins. Growth, both organic and through acquisitions, is prioritized in the Medical Solutions, Incontinence Products, Feminine Care and Professional Hygiene product categories.

### **Business areas from January 1, 2022**

#### **Health & Medical**

Health & Medical encompasses the Incontinence Products Health Care and Medical Solutions categories. The offering includes incontinence products, wound care, compression therapy, orthopedics, skincare products and digital solutions with sensor technology under brands such as TENA, Leukoplast, Cutimed, JOBST, Actimove and Delta-Cast. Distribution channels for the products are pharmacies, medical devices stores, hospitals, distributors and care institutions as well as online.

#### **Consumer Goods**

Consumer Goods includes the categories of Incontinence Products Retail, Baby Care, Feminine Care and Consumer Tissue. The offering includes incontinence products, pads, diapers, wet wipes, skincare products, intimate soaps, washable absorbent underwear, menstrual cups, toilet paper, household towels, handkerchiefs, facial tissues and napkins. Products are sold under brands such as the globally leading TENA brand and other strong

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brands including Libero, Libresse, Nosotras, Saba, TOM Organic, Lotus, Regio, Tempo and Vinda. Distribution channels for the products are the retail trade and online.

### Professional Hygiene

Professional Hygiene comprises complete hygiene solutions, including toilet paper, paper hand towels, napkins, hand soap, hand lotion, hand sanitizers, dispensers, cleaning and wiping products as well as service and maintenance under the globally leading Tork brand. Essity also offers digital solutions, such as Internet of Things sensor technology, enabling data-driven cleaning. Customers consist of companies and office buildings, universities, healthcare facilities, industries, restaurants, hotels, stadiums and other public venues. Distribution channels for the products consist of distributors and online.

Financial reporting for the new business areas, Proforma first nine months 2021

SEKm	Health & Medical	Consumer Goods	Professional Hygiene	Other	Essity
Net sales	15,831	53,196	18,616	-2	<b>87,641</b>
Adjusted EBITA <sup>1)</sup>	2,893	6,273	2,029	-592	<b>10,603</b>
Adjusted EBITA margin <sup>1)</sup> , %	18.3%	11.8%	10.9%		<b>12.1%</b>

1) Excluding items affecting comparability

**NB:** This information is such that Essity Aktiebolag (publ) is obligated 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, at 06:50 CET on October 22, 2021.

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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 2020 amounted to approximately SEK 122bn (EUR 11.6bn). 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](http://www.essity.com).