

Interim Report Quarter 3, 2022

Libero®
Touch
Hybrid
Diaper

Essity Aktiebolag (publ)



Leukoplast



Actimove



Libero

Libresse

Saba

Nosotras

TOM
ORGANIC

knix

modibodi

essity

JANUARY 1 – SEPTEMBER 30, 2022

(compared with the corresponding period a year ago)

- Net sales increased 28.2% to SEK 112,339m (87,641)
- Sales growth, including organic sales growth and acquisitions, amounted to 18.4%. Organic sales growth, excluding exchange rate effects, acquisitions and divestments, was 16.3%, of which volume accounted for 4.1% and price/mix for 12.2%.
- Significant price increases were implemented, and further increases will be carried out
- The company's assets in Russia were impaired by approximately SEK 1.7bn. Furthermore, work is ongoing to exit the Russian market.
- Operating profit before amortization of acquisition-related intangible assets (EBITA) amounted to SEK 7,097m (11,047)
- Adjusted EBITA amounted to SEK 8,974m (10,603) and the adjusted EBITA margin amounted to 8.0% (12.1). Higher costs for raw materials, energy and distribution had a negative impact of 12.5 percentage points on the margin. The margin was positively impacted by higher selling prices, higher volumes and a better mix.
- Return on capital employed amounted to 7.7% (13.8). Adjusted return on capital employed amounted to 9.2% (13.4).
- Profit for the period was SEK 3,818m (7,592)
- Earnings per share were SEK 4.78 (9.45) and adjusted earnings per share were SEK 8.50 (9.36)
- Cash flow from current operations amounted to SEK 4,071m (4,744)
- Acquisitions of Knix and Modibodi, two leading companies in leakproof apparel

EARNINGS TREND

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|---|---------|--------|-----|--------|--------|-----|
| Net sales | 112,339 | 87,641 | 28 | 40,109 | 31,145 | 29 |
| Adjusted operating profit before amortization of acquisition-related intangible assets (EBITA) ¹ | 8,974 | 10,603 | -15 | 2,990 | 3,586 | -17 |
| Operating profit before amortization of acquisition-related intangible assets (EBITA) | 7,097 | 11,047 | -36 | 2,784 | 4,110 | -32 |
| Amortization of acquisition-related intangible assets | -826 | -602 | | -287 | -235 | |
| Adjusted operating profit ¹ | 8,148 | 10,001 | -19 | 2,703 | 3,351 | -19 |
| Items affecting comparability | -2,140 | 444 | | -212 | 524 | |
| Operating profit | 6,008 | 10,445 | -42 | 2,491 | 3,875 | -36 |
| Financial items | -800 | -472 | | -368 | -137 | |
| Profit before tax | 5,208 | 9,973 | -48 | 2,123 | 3,738 | -43 |
| Adjusted profit before tax ¹ | 7,348 | 9,529 | -23 | 2,335 | 3,214 | -27 |
| Income taxes | -1,390 | -2,381 | | -499 | -773 | |
| Profit for the period | 3,818 | 7,592 | -50 | 1,624 | 2,965 | -45 |
| Earnings per share, SEK | 4.78 | 9.45 | | 2.23 | 3.90 | |
| Adjusted earnings per share, SEK ² | 8.50 | 9.36 | | 2.81 | 3.33 | |

¹Excluding items affecting comparability; for amounts see page 12.

²Excluding items affecting comparability and amortization of acquisition-related intangible assets.

CEO'S COMMENTS

Significant price increases offset cost inflation

Essity's net sales reached new record levels in the third quarter. We raised prices for our leading hygiene and health solutions by an average of 14.5% compared to the same period a year ago at the same time as we reported higher volumes in all business areas. Our price increases are offsetting the high cost inflation with a delay of approximately two quarters. We are continuing to invest in innovation and expansion of our offerings to promote a higher quality of life for customers and consumers with more climate-smart offerings, strong brands and increased e-commerce sales.

During the third quarter of 2022, net sales increased 28.8% to approximately SEK 40.1bn. Sales growth, including organic sales growth and acquisitions, amounted to 17.3%, of which price/mix accounted for 14.8%, volume for 1.5% and acquisitions for 1.0%.

EBITA amounted to SEK 2,784m and adjusted EBITA to SEK 2,990m, down 17% compared to the same period a year ago. The adjusted EBITA margin declined 4.0 percentage points to 7.5%. Cost inflation worsened further in the third quarter. Costs for raw materials, energy and distribution had a negative impact of 12.7 percentage points on the adjusted EBITA margin. We are addressing this through comprehensive price increases and energy price surcharges that will have an additional effect in the fourth quarter and in 2023. Despite significant price increases, we noted higher volumes in all three business areas. We are continuing to work at a high pace with efficiency improvements, energy saving measures and raw material rationalizations. Sales and marketing costs were higher during the quarter but decreased as a share of net sales. The adjusted return on capital employed was 8.4%. Earnings per share were SEK 2.23.

The environmental footprint of our products is decreasing, and we are meeting consumer demands for solutions that are better for the user and the planet. During the quarter, we launched a climate-smart baby diaper under the leading brand Libero. Libero's hybrid diaper consists of two parts: a washable textile diaper cover and an absorbent disposable insert. Online sales increased by nearly 20% in the third quarter and amounted to approximately SEK 5.7bn. Many initiatives are being implemented in the company to also increase our presence in the direct-to-consumer channel, including the acquisitions of Knix and Modibodi, two leading companies in leakproof apparel.

A new Group organization will be effective from year-end 2022 entailing that the Group will have four business units in line with the company's business areas. These four business units are Professional Hygiene, Health & Medical, Consumer Goods EMEA and Consumer Goods Americas. In parallel, a global unit, Digital & Business Services, will be established.

Through a focus on innovation, strong brands, efficiency improvements, digitalization and sustainability, we are strengthening Essity's competitiveness in leading hygiene and health solutions in an attractive and growing market. We are managing cost inflation through price increases.

Magnus Groth

President and CEO

EARNINGS TREND

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|---|---------------|-------------|----------|---------------|---------------|----------|
| Net sales | 112,339 | 87,641 | 28 | 40,109 | 31,145 | 29 |
| Cost of goods sold | -84,547 | -61,011 | | -30,625 | -22,202 | |
| Items affecting comparability - cost of goods sold | -1,597 | -64 | | -131 | -11 | |
| Gross profit | 26,195 | 26,566 | -1 | 9,353 | 8,932 | 5 |
| Adjusted gross profit¹ | 27,792 | 26,630 | 4 | 9,484 | 8,943 | 6 |
| Sales, general and administration | -18,848 | -16,079 | | -6,500 | -5,361 | |
| Items affecting comparability - sales, general and administration | -280 | 508 | | -75 | 535 | |
| Share of profits of associates and joint ventures | 30 | 52 | | 6 | 4 | |
| Operating profit before amortization of acquisition-related intangible assets (EBITA) | 7,097 | 11,047 | -36 | 2,784 | 4,110 | -32 |
| Adjusted operating profit before amortization of acquisition-related intangible assets (EBITA)¹ | 8,974 | 10,603 | -15 | 2,990 | 3,586 | -17 |
| Amortization of acquisition-related intangible assets | -826 | -602 | | -287 | -235 | |
| Items affecting comparability - acquisition-related intangible assets | -263 | 0 | | -6 | 0 | |
| Operating profit | 6,008 | 10,445 | -42 | 2,491 | 3,875 | -36 |
| Adjusted operating profit¹ | 8,148 | 10,001 | -19 | 2,703 | 3,351 | -19 |
| Financial items | -800 | -472 | | -368 | -137 | |
| Profit before tax | 5,208 | 9,973 | -48 | 2,123 | 3,738 | -43 |
| Adjusted profit before tax¹ | 7,348 | 9,529 | -23 | 2,335 | 3,214 | -27 |
| Income taxes | -1,390 | -2,381 | | -499 | -773 | |
| Profit for the period | 3,818 | 7,592 | -50 | 1,624 | 2,965 | -45 |
| Adjusted profit for the period¹ | 5,837 | 7,099 | -18 | 1,826 | 2,406 | -24 |
| ¹ Excluding items affecting comparability | | | | | | |
| Tax on amortization of acquisition-related intangible assets | 234 | 173 | | 80 | 70 | |
| Margins (%) | | | | | | |
| Gross margin | 23.3 | 30.3 | | 23.3 | 28.7 | |
| Adjusted gross margin¹ | 24.7 | 30.4 | | 23.6 | 28.7 | |
| EBITA margin | 6.3 | 12.6 | | 6.9 | 13.2 | |
| Adjusted EBITA margin¹ | 8.0 | 12.1 | | 7.5 | 11.5 | |
| Operating margin | 5.3 | 11.9 | | 6.2 | 12.4 | |
| Adjusted operating margin¹ | 7.3 | 11.4 | | 6.7 | 10.8 | |
| Financial net margin | -0.7 | -0.5 | | -0.9 | -0.4 | |
| Profit margin | 4.6 | 11.4 | | 5.3 | 12.0 | |
| Adjusted profit margin¹ | 6.6 | 10.9 | | 5.8 | 10.4 | |
| Income taxes | -1.2 | -2.7 | | -1.2 | -2.5 | |
| Adjusted income taxes ¹ | -1.3 | -2.8 | | -1.3 | -2.6 | |
| Net margin | 3.4 | 8.7 | | 4.1 | 9.5 | |
| Adjusted net margin¹ | 5.3 | 8.1 | | 4.5 | 7.8 | |
| ¹ Excluding items affecting comparability | | | | | | |

ADJUSTED EBITA BY BUSINESS AREA

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|--------------------------|--------------|---------------|------------|--------------|--------------|------------|
| Health & Medical | 2,182 | 2,894 | -25 | 673 | 1,024 | -34 |
| Consumer Goods | 4,966 | 6,272 | -21 | 1,460 | 1,832 | -20 |
| Professional Hygiene | 2,575 | 2,029 | 27 | 1,096 | 900 | 22 |
| Other | -749 | -592 | | -239 | -170 | |
| Total¹ | 8,974 | 10,603 | -15 | 2,990 | 3,586 | -17 |

¹ Excluding items affecting comparability; for amounts see page 12.**ADJUSTED OPERATING PROFIT BY BUSINESS AREA**

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|--------------------------|--------------|---------------|------------|--------------|--------------|------------|
| Health & Medical | 1,554 | 2,364 | -34 | 456 | 849 | -46 |
| Consumer Goods | 4,782 | 6,207 | -23 | 1,395 | 1,774 | -21 |
| Professional Hygiene | 2,561 | 2,022 | 27 | 1,091 | 898 | 21 |
| Other | -749 | -592 | | -239 | -170 | |
| Total¹ | 8,148 | 10,001 | -19 | 2,703 | 3,351 | -19 |

¹ Excluding items affecting comparability; for amounts see page 12.**OPERATING CASH FLOW BY BUSINESS AREA**

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|----------------------|--------------|--------------|------------|--------------|--------------|------------|
| Health & Medical | 1,470 | 2,794 | -47 | 841 | 1,307 | -36 |
| Consumer Goods | 4,015 | 4,524 | -11 | 678 | 1,640 | -59 |
| Professional Hygiene | 2,138 | 1,758 | 22 | 1,268 | 1,132 | 12 |
| Other | -919 | -1,164 | | -122 | -403 | |
| Total | 6,704 | 7,912 | -15 | 2,665 | 3,676 | -28 |

GROUP

NET SALES AND EARNINGS

January–September 2022 compared with the corresponding period a year ago

Net sales increased 28.2% to SEK 112,339m (87,641). Sales growth, including organic sales growth and acquisitions, amounted to 18.4%. Organic sales growth, which excludes exchange rate effects, acquisitions and divestments, amounted to 16.3%, of which volume accounted for 4.1% and price/mix for 12.2%. Organic sales growth in mature markets amounted to 17.4% and in emerging markets to 14.4%. Emerging markets accounted for 37% of net sales. Exchange rate effects increased net sales by 9.9%. Acquisitions increased net sales by 2.1%. Divestments reduced net sales by 0.1%.

The Group's gross margin was 23.3% (30.3). The Group's adjusted gross margin decreased by 5.7 percentage points to 24.7% (30.4). Higher costs for raw materials, energy and distribution reduced the margin by 12.5 percentage points. The margin was positively impacted by higher selling prices, higher volumes, and a better mix. Continuous cost savings amounted to SEK -405m. Higher cost inflation had a negative impact on reported cost savings.

The Group's EBITA margin was 6.3% (12.6). The Group's adjusted EBITA margin decreased 4.1 percentage points to 8.0% (12.1). Sales costs, including marketing costs, were higher but decreased as a share of net sales.

Operating profit before amortization of acquisition-related intangible assets (EBITA) amounted to SEK 7,097m (11,047). Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA) decreased 15% (25% excluding currency translation effects, acquisitions and divestments) to SEK 8,974m (10,603).

Items affecting comparability amounted to SEK -2,140m (444). The costs were primarily attributable to the impairment of assets in Russia of SEK -1,694m. Restructuring costs amounted to SEK -354m. Other amounted to SEK -92m.

Financial items increased to SEK -800m (-472) on account of higher average net debt and higher interest rates.

Profit before tax amounted to SEK 5,208m (9,973). Adjusted profit before tax decreased 23% (33% excluding currency translation effects, acquisitions and divestments) to SEK 7,348m (9,529).

The tax expense was SEK 1,390m (2,381). The tax expense, excluding effects of items affecting comparability, was SEK 1,511m (2,430).

Profit for the period decreased 50% (60% excluding currency translation effects, acquisitions and divestments) to SEK 3,818m (7,592). Adjusted profit for the period decreased 18% (28% excluding currency translation effects, acquisitions and divestments) to SEK 5,837m (7,099).

Earnings per share were SEK 4.78 (9.45). The adjusted earnings per share were SEK 8.50 (9.36).

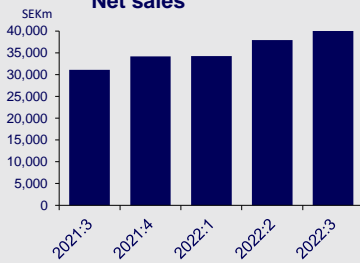
Return on capital employed was 7.7% (13.8). The adjusted return on capital employed was 9.2% (13.4). Return on equity was 8.3% (16.3). The adjusted return on equity was 11.2% (15.6).

Third quarter of 2022 compared with the corresponding period a year ago

Net sales increased 28.8% to SEK 40,109m (31,145). Sales growth, including organic sales growth and acquisitions, amounted to 17.3%. Organic sales growth, which excludes exchange rate effects, acquisitions and divestments, amounted to 16.3%, of which volume accounted for 1.5% and price/mix for 14.8%. Organic sales growth in mature markets amounted to 16.6% and in emerging markets to 15.5%. Emerging markets accounted for 37% of net sales. Exchange rate effects increased net sales by 11.6%. Acquisitions increased net sales by 1.0%. Divestments reduced net sales by 0.1%.

The Group's gross margin was 23.3% (28.7). The Group's adjusted gross margin decreased by 5.1 percentage points to 23.6% (28.7). Higher costs for raw materials, energy and distribution reduced the margin by 12.7 percentage points. The margin was positively impacted by higher volumes and higher selling prices. Continuous cost savings amounted to SEK -329m.

Net sales



Adjusted EBITA and margin



Excluding items affecting comparability

Change in net sales (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|--------------|-----------------|-----------------|
| Total | 28.2 | 28.8 |
| Volume | 4.1 | 1.5 |
| Price/mix | 12.2 | 14.8 |
| Currency | 9.9 | 11.6 |
| Acquisitions | 2.1 | 1.0 |
| Divestments | -0.1 | -0.1 |

Change in adjusted EBITA (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|---------------|-----------------|-----------------|
| Total | -15 | -17 |
| Volume | 11 | 3 |
| Price/mix | 96 | 124 |
| Raw materials | -85 | -88 |
| Energy | -27 | -31 |
| Currency | 8 | 11 |
| Other | -18 | -36 |

Adjusted profit before tax



Excluding items affecting comparability

Cash flow from current operations



The Group's EBITA margin was 6.9% (13.2). The Group's adjusted EBITA margin decreased 4.0 percentage points to 7.5% (11.5). Sales costs, including marketing costs, were higher but decreased as a share of net sales.

Operating profit before amortization of acquisition-related intangible assets (EBITA) amounted to SEK 2,784m (4,110). Adjusted operating profit before amortization of acquisition-related intangible assets (adjusted EBITA) decreased 17% (29% excluding currency translation effects, acquisitions and divestments) to SEK 2,990m (3,586).

Profit for the period decreased 45% (57% excluding currency translation effects, acquisitions and divestments) to SEK 1,624m (2,965). Adjusted profit for the period decreased 24% (36% excluding currency translation effects, acquisitions and divestments) to SEK 1,826m (2,406).

Earnings per share were SEK 2.23 (3.90). The adjusted earnings per share were SEK 2.81 (3.33).

Return on capital employed was 7.8% (14.1). The adjusted return on capital employed was 8.4% (12.3). Return on equity was 8.1% (18.0). The adjusted return on equity was 9.1% (14.6).

CASH FLOW AND FINANCING

January–September 2022 compared with the corresponding period a year ago

The operating cash surplus amounted to SEK 14,819m (15,598). The cash flow effect of changes in working capital was SEK -2,525m (-1,858). Working capital was negatively impacted by an increase in trade receivables as a result of higher sales and increased inventory value due to higher raw material prices. Investments in non-current assets, net, excluding investments in operating assets through leases, amounted to SEK -4,769m (-5,195). Operating cash flow before investments in operating assets through leases amounted to SEK 7,173m (8,000). Operating cash flow was SEK 6,704m (7,912).

Financial items increased to SEK -800m (-472) on account of higher average net debt and higher interest rates.

Tax payments had an impact on cash flow of SEK -1,843m (-2,768).

The net sum of acquisitions and divestments was SEK -5,015m (-10,555). Net cash flow totaled SEK -6,215m (-11,084).

Net debt increased by SEK 8,954m during the period to SEK 64,387m. Excluding pension liabilities, net debt amounted to SEK 63,674m. Net cash flow increased net debt by SEK 6,215m. Fair value measurement of pension assets and updated assumptions and assessments that affect measurement of the net pension liability, together with fair value measurement of financial instruments, reduced net debt by SEK 2,302m. Exchange rate movements increased net debt by SEK 4,654m. Investments in non-operating assets through leases increased net debt by SEK 387m. The debt/equity ratio was 0.77 (0.85). Excluding pension liabilities, the debt/equity ratio was 0.76 (0.81). The debt payment capacity was 24% (31). Net debt in relation to EBITDA amounted to 3.42 (2.53). Net debt in relation to adjusted EBITDA amounted to 3.37 (2.60).

EQUITY

January–September 2022

The Group's equity increased by SEK 15,046m during the period, to SEK 83,553m. Profit for the period increased equity by SEK 3,818m. Equity decreased due to dividends to shareholders of SEK 5,309m. Equity increased net after tax by SEK 1,764m as a result of fair value measurement of pension assets and updated assumptions and assessments that affect the valuation of the pension liability. Fair value measurement of financial instruments increased equity by SEK 5,227m after tax. Exchange rate movements, including the effect of hedges of net foreign investments, after tax, increased equity by SEK 9,526m. Other items increased equity by SEK 20m.

TAX

January–September 2022

A tax expense of SEK 1,511m was reported, excluding items affecting comparability, corresponding to a tax rate of 20.6% for the period. The tax expense including items affecting comparability was SEK 1,390m, corresponding to a tax rate of 26.7% for the period.

EVENTS DURING THE QUARTER

Essity acquires Modibodi – a leading leakproof apparel company

On July 7, 2022, Essity announced that it was acquiring the Australian company Modibodi, a leading leakproof apparel company in Australia, New Zealand and the UK. The purchase price amounts to AUD 140m (approximately SEK 1bn) on a cash and debt-free basis. Through the acquisition, Essity strengthens its position in leakproof apparel, the fastest growing product segment in Intimate Hygiene which includes Feminine Care and Incontinence Products. Modibodi was consolidated in Essity accounts from August 1, 2022.

Essity acquires Knix and takes global lead in leakproof apparel

On July 8, 2022, Essity announced that it was acquiring 80% of the Canadian company Knix Wear Inc., a leading provider of leakproof apparel for periods and incontinence. The purchase price amounts to USD 320m (approximately SEK 3.5bn) on a cash and debt-free basis for 80% of the company. Through the acquisition, Essity becomes the global market leader within leakproof apparel*, the fastest growing product segment in Intimate Hygiene which includes Feminine Care and Incontinence Products. Knix was consolidated in Essity's accounts from September 1, 2022.

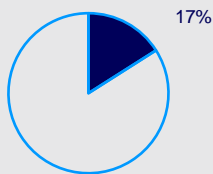
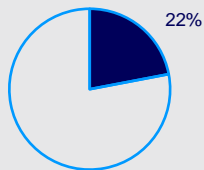
*Estimate based on market data compiled by Essity.

Additional cost increases require new comprehensive price increases

On September 13, 2022, Essity announced that the company is being affected by additional cost increases. Prices for electricity and gas have risen sharply in Europe since July 2022. Costs for the company's raw materials have also risen significantly in the third quarter. Essity is therefore announcing new comprehensive price increases for all product categories and markets.

Essity presents new organization and changes to the Executive Management Team

On September 14, 2022, Essity announced that the company was launching a new Group organization effective from year-end 2022 entailing that the Group will have four business units in line with the company's business areas. These four business units are Professional Hygiene, Health & Medical, Consumer Goods EMEA and Consumer Goods Americas. In parallel, a global unit, Digital & Business Services, will be established.

Share of Group, net sales
2209Share of Group, adjusted EBITA
2209

Net sales



Adjusted EBITA and margin



Change in net sales (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|--------------|-----------------|-----------------|
| Total | 16.9 | 17.5 |
| Volume | 4.1 | 1.3 |
| Price/mix | 4.2 | 6.3 |
| Currency | 6.6 | 8.1 |
| Acquisitions | 2.5 | 2.3 |
| Divestments | -0.5 | -0.5 |

Change in adjusted EBITA (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|---------------|-----------------|-----------------|
| Total | -25 | -34 |
| Volume | 9 | 3 |
| Price/mix | 25 | 33 |
| Raw materials | -46 | -47 |
| Energy | -4 | -4 |
| Currency | 5 | 6 |
| Other | -14 | -25 |

HEALTH & MEDICAL

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|---|--------|--------|-----|--------|--------|-----|
| Net sales | 18,511 | 15,831 | 17 | 6,544 | 5,572 | 17 |
| Adjusted gross profit margin, %* | 37.3 | 43.4 | | 35.6 | 42.4 | |
| Adjusted EBITA* | 2,182 | 2,894 | -25 | 673 | 1,024 | -34 |
| Adjusted EBITA margin, %* | 11.8 | 18.3 | | 10.3 | 18.4 | |
| Adjusted operating profit* | 1,554 | 2,364 | -34 | 456 | 849 | -46 |
| Adjusted operating margin, %* | 8.4 | 14.9 | | 7.0 | 15.2 | |
| Adjusted return on capital employed, %* | 9.5 | 13.0 | | 7.6 | 13.8 | |
| Operating cash flow | 1,470 | 2,794 | | 841 | 1,307 | |

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

January–September 2022 compared with the corresponding period a year ago

Net sales increased 16.9% to SEK 18,511m (15,831). Sales growth, including organic sales growth and acquisitions, amounted to 10.8%. Organic sales growth amounted to 8.3%, of which volume accounted for 4.1% and price/mix for 4.2%. The organic sales growth amounted to 6.0% in mature markets. In emerging markets, which accounted for 20% of net sales, organic sales growth was 18.0%. Exchange rate effects increased net sales by 6.6%. Acquisitions increased net sales by 2.5%. Divestments reduced net sales by 0.5%.

For Incontinence Products Health Care, with Essity's globally leading TENA brand, organic sales growth amounted to 8.3% due to higher volumes and higher prices. In Medical Solutions, organic sales growth amounted to 8.2% mainly as a result of higher volumes and higher prices. Sales growth was high in Wound Care and Orthopedics.

The adjusted gross margin decreased 6.1 percentage points to 37.3% (43.4). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher volumes, higher prices and a better mix. The adjusted EBITA margin decreased 6.5 percentage points to 11.8% (18.3). Sales costs, including marketing costs, were higher and increased as a share of net sales. Adjusted EBITA decreased 25% (32% excluding currency translation effects, acquisitions and divestments) to SEK 2,182m (2,894).

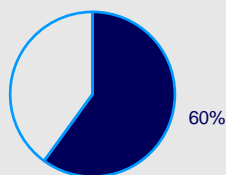
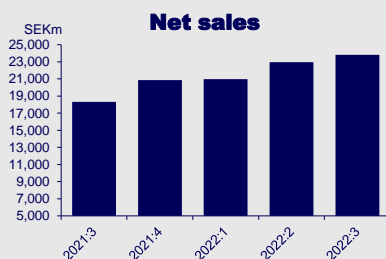
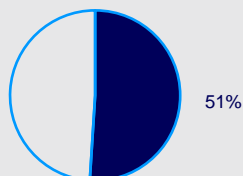
The operating cash surplus amounted to SEK 2,829m (3,492).

Third quarter of 2022 compared with the corresponding period a year ago

Net sales increased 17.5% to SEK 6,544m (5,572). Sales growth, including organic sales growth and acquisitions, amounted to 9.9%. Organic sales growth amounted to 7.6%, of which volume accounted for 1.3% and price/mix for 6.3%. The organic sales growth amounted to 5.7% in mature markets. In emerging markets, which accounted for 20% of net sales, organic sales growth was 15.5%. Exchange rate effects increased net sales by 8.1%. Acquisitions increased net sales by 2.3%. Divestments reduced net sales by 0.5%.

For Incontinence Products Health Care, with Essity's globally leading TENA brand, organic sales growth amounted to 8.3% due to higher volumes and higher prices. In Medical Solutions, organic sales growth amounted to 6.4% mainly as a result of higher volumes and higher prices. Sales growth was high in Wound Care and Orthopedics.

The adjusted gross margin decreased 6.8 percentage points to 35.6% (42.4). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher volumes and higher prices. The adjusted EBITA margin decreased 8.1 percentage points to 10.3% (18.4). Sales costs, including marketing costs, were higher and increased as a share of net sales. Adjusted EBITA decreased 34% (42% excluding currency translation effects, acquisitions and divestments) to SEK 673m (1,024).

Share of Group, net sales
2209Share of Group, adjusted EBITA
2209

Change in net sales (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|--------------|-----------------|-----------------|
| Total | 27.4 | 30.1 |
| Volume | 1.9 | 1.3 |
| Price/mix | 13.8 | 16.3 |
| Currency | 10.0 | 11.7 |
| Acquisitions | 1.7 | 0.8 |
| Divestments | 0.0 | 0.0 |

Change in adjusted EBITA (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|---------------|-----------------|-----------------|
| Total | -21 | -20 |
| Volume | 6 | 4 |
| Price/mix | 112 | 159 |
| Raw materials | -98 | -118 |
| Energy | -33 | -41 |
| Currency | 8 | 12 |
| Other | -16 | -36 |

CONSUMER GOODS

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|---|--------|--------|-----|--------|--------|-----|
| Net sales | 67,781 | 53,196 | 27 | 23,825 | 18,310 | 30 |
| Adjusted gross profit margin, %* | 22.3 | 28.6 | | 20.9 | 26.4 | |
| Adjusted EBITA* | 4,966 | 6,272 | -21 | 1,460 | 1,832 | -20 |
| Adjusted EBITA margin, %* | 7.3 | 11.8 | | 6.1 | 10.0 | |
| Adjusted operating profit* | 4,782 | 6,207 | -23 | 1,395 | 1,774 | -21 |
| Adjusted operating margin, %* | 7.1 | 11.7 | | 5.9 | 9.7 | |
| Adjusted return on capital employed, %* | 9.3 | 15.1 | | 7.5 | 11.6 | |
| Operating cash flow | 4,015 | 4,524 | | 678 | 1,640 | |

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

January–September 2022 compared with the corresponding period a year ago

Net sales increased 27.4% to SEK 67,781m (53,196). Sales growth, including organic sales growth and acquisitions, amounted to 17.4%. Organic sales growth amounted to 15.7%, of which volume accounted for 1.9% and price/mix for 13.8%. Organic sales growth amounted to 17.7% in mature markets. In emerging markets, which accounted for 49% of net sales, organic sales growth was 13.6%. Exchange rate effects increased net sales by 10.0%. Acquisitions increased net sales by 1.7%.

For Incontinence Products Retail, with Essity's globally leading TENA brand, organic sales growth amounted to 11.0%, in Feminine Care to 17.6% and in Baby Care to 3.6%. In Consumer Tissue, organic sales growth amounted to 18.3% and for the Consumer Tissue Private Label Europe division to 31.0%. Prices were higher in all categories. Volumes were higher in all categories except for Baby Care, which was negatively impacted by the discontinuation of baby diaper operations in Latin America.

The adjusted gross margin decreased 6.3 percentage points to 22.3% (28.6). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher volumes, higher prices and a better mix. The adjusted EBITA margin decreased 4.5 percentage points to 7.3% (11.8). Sales costs, including marketing costs, were higher but decreased as a share of net sales. Adjusted EBITA decreased 21% (30% excluding currency translation effects, acquisitions and divestments) to SEK 4,966m (6,272).

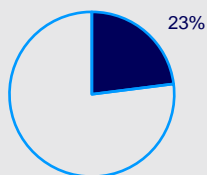
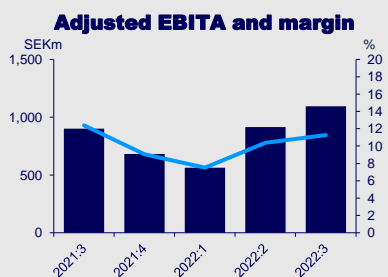
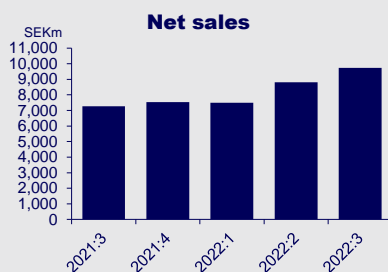
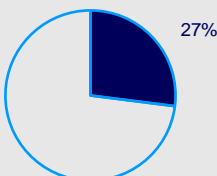
The operating cash surplus amounted to SEK 8,187m (8,989).

Third quarter of 2022 compared with the corresponding period a year ago

Net sales increased 30.1% to SEK 23,825m (18,310). Sales growth, including organic sales growth and acquisitions, amounted to 18.4%. Organic sales growth amounted to 17.6%, of which volume accounted for 1.3% and price/mix for 16.3%. Organic sales growth amounted to 19.4% in mature markets. In emerging markets, which accounted for 49% of net sales, organic sales growth was 15.5%. Exchange rate effects increased net sales by 11.7%. Acquisitions increased net sales by 0.8%.

For Incontinence Products Retail, with Essity's globally leading TENA brand, organic sales growth amounted to 6.6%, in Feminine Care to 14.6% and in Baby Care to 0.1%. In Consumer Tissue, organic sales growth amounted to 23.4% and for the Consumer Tissue Private Label Europe division to 42.9%. Prices were higher in all categories. Volumes in Baby Care were negatively impacted by the discontinuation of baby diaper operations in Latin America.

The adjusted gross margin decreased 5.5 percentage points to 20.9% (26.4). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher volumes and higher prices. The adjusted EBITA margin decreased 3.9 percentage points to 6.1% (10.0). Sales costs, including marketing costs, were higher but decreased as a share of net sales. Adjusted EBITA decreased 20% (33% excluding currency translation effects, acquisitions and divestments) to SEK 1,460m (1,832).

Share of Group, net sales
2209Share of Group, adjusted EBITA
2209

Change in net sales (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|--------------|-----------------|-----------------|
| Total | 39.9 | 34.1 |
| Volume | 10.2 | 2.6 |
| Price/mix | 14.5 | 17.3 |
| Currency | 12.5 | 13.8 |
| Acquisitions | 2.7 | 0.4 |
| Divestments | 0.0 | 0.0 |

Change in adjusted EBITA (%)

| | 2209 vs 2109 | 22:3 vs 21:3 |
|---------------|-----------------|-----------------|
| Total | 27 | 22 |
| Volume | 27 | 0 |
| Price/mix | 121 | 134 |
| Raw materials | -72 | -56 |
| Energy | -38 | -35 |
| Currency | 13 | 13 |
| Other | -24 | -34 |

PROFESSIONAL HYGIENE

| SEKm | 2209 | 2109 | % | 2022:3 | 2021:3 | % |
|---|--------|--------|----|--------|--------|----|
| Net sales | 26,037 | 18,616 | 40 | 9,733 | 7,260 | 34 |
| Adjusted gross profit margin, %* | 21.9 | 24.5 | | 22.4 | 24.0 | |
| Adjusted EBITA* | 2,575 | 2,029 | 27 | 1,096 | 900 | 22 |
| Adjusted EBITA margin, %* | 9.9 | 10.9 | | 11.3 | 12.4 | |
| Adjusted operating profit* | 2,561 | 2,022 | 27 | 1,091 | 898 | 21 |
| Adjusted operating margin, %* | 9.8 | 10.9 | | 11.2 | 12.4 | |
| Adjusted return on capital employed, %* | 12.1 | 12.6 | | 14.8 | 15.3 | |
| Operating cash flow | 2,138 | 1,758 | | 1,268 | 1,132 | |

*) Excluding restructuring costs, which are reported as items affecting comparability outside of the business area.

January–September 2022 compared with the corresponding period a year ago

Net sales increased 39.9% to SEK 26,037m (18,616). Sales growth, including organic sales growth and acquisitions, amounted to 27.4%. Organic sales growth amounted to 24.7%, of which volume accounted for 10.2% and price/mix for 14.5%. Organic sales growth amounted to 26.8% in mature markets. In emerging markets, which accounted for 19% of net sales, organic sales growth was 17.3%. Exchange rate effects increased net sales by 12.5%. Acquisitions increased net sales by 2.7%.

The adjusted gross margin decreased 2.6 percentage points to 21.9% (24.5). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher prices, a better mix and higher volumes. The adjusted EBITA margin decreased 1.0 percentage point to 9.9% (10.9). Sales costs, including marketing costs, were higher but decreased as a share of net sales. Adjusted EBITA increased 27% (14% excluding currency translation effects, acquisitions and divestments) to SEK 2,575m (2,029).

The operating cash surplus amounted to SEK 4,363m (3,549).

Third quarter of 2022 compared with the corresponding period a year ago

Net sales increased 34.1% to SEK 9,733m (7,260). Sales growth, including organic sales growth and acquisitions, amounted to 20.3%. Organic sales growth amounted to 19.9%, of which volume accounted for 2.6% and price/mix for 17.3%. Organic sales growth amounted to 20.5% in mature markets. In emerging markets, which accounted for 19% of net sales, organic sales growth was 15.6%. Exchange rate effects increased net sales by 13.8%. Acquisitions increased net sales by 0.4%.

The adjusted gross margin decreased 1.6 percentage points to 22.4% (24.0). Higher costs for raw materials, energy and distribution had a negative impact on the margin. The margin was positively impacted by higher prices. The adjusted EBITA margin decreased 1.1 percentage points to 11.3% (12.4). Sales costs, including marketing costs were higher but decreased as a share of net sales. Adjusted EBITA increased 22% (7% excluding currency translation effects, acquisitions and divestments) to SEK 1,096m (900).

DISTRIBUTION OF SHARES

| September 30, 2022 | Class A | Class B | Total |
|-----------------------------|------------|-------------|-------------|
| Registered number of shares | 61,288,914 | 641,053,575 | 702,342,489 |

At the end of the period, the proportion of Class A shares was 8.7%. No shares were converted during the third quarter. The total number of votes in the company amounts to 1,253,942,715.

FUTURE REPORTS

The Year-end report for 2022 will be published on January 26, 2023. Essity's Annual Report for 2022 is intended to be published during the week starting February 27, 2023. In 2023, interim reports will be published on April 27, July 20 and October 26.

ANNUAL GENERAL MEETING

Essity's Annual General Meeting will be held in Stockholm on March 29, 2023.

INVITATION TO PRESENTATION OF THE THIRD QUARTER REPORT FOR 2022

In conjunction with publication, a telephone and web presentation will be held at 09:00 CET, where President and CEO Magnus Groth will present the report and answer questions.

Presentation

Date: Thursday, October 27, 2022

Time: 09:00 CET

Link to web presentation: <https://essity.videosync.fi/2022-10-27-q3>

To participate by telephone, call: UK: +44 (0) 33 0551 0200, USA: +1 212 999 6659, SWE: +46 (0) 20 089 6377. Please call in well in advance of the start of the presentation. Indicate: "Essity Q3 Interim Report". The presentation of the interim report will also be available on [LinkedIn](#) and [Twitter](#).

Stockholm, October 27, 2022

Essity Aktiebolag (publ)

Magnus Groth

President and CEO

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NB:

This report has not been reviewed by the company's auditors.

This information is such information that Essity Aktiebolag (publ) is obligated to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of Karl Stoltz, Media Relations Director, at 07:00 a.m. CET on October 27, 2022.

CONDENSED CONSOLIDATED INCOME STATEMENT

| SEKm | 2022:3 | 2021:3 | 2022:2 | 2209 | 2109 |
|--|---------------|---------------|---------------|---------------|-------------|
| Net sales | 40,109 | 31,145 | 37,929 | 112,339 | 87,641 |
| Cost of goods sold ^{1,2} | -30,625 | -22,202 | -28,321 | -84,547 | -61,011 |
| Items affecting comparability - cost of goods sold ² | -131 | -11 | -383 | -1,597 | -64 |
| Gross profit | 9,353 | 8,932 | 9,225 | 26,195 | 26,566 |
| Sales, general and administration ^{1,2} | -6,500 | -5,361 | -6,460 | -18,848 | -16,079 |
| Items affecting comparability - sales, general and administration ² | -75 | 535 | -125 | -280 | 508 |
| Share of profits of associates and joint ventures | 6 | 4 | 10 | 30 | 52 |
| Operating profit before amortization of acquisition-related intangible assets (EBITA) | 2,784 | 4,110 | 2,650 | 7,097 | 11,047 |
| Amortization of acquisition-related intangible assets | -287 | -235 | -276 | -826 | -602 |
| Items affecting comparability – acquisition-related intangible assets ² | -6 | 0 | -7 | -263 | 0 |
| Operating profit | 2,491 | 3,875 | 2,367 | 6,008 | 10,445 |
| Financial items | -368 | -137 | -224 | -800 | -472 |
| Profit before tax | 2,123 | 3,738 | 2,143 | 5,208 | 9,973 |
| Income taxes | -499 | -773 | -470 | -1,390 | -2,381 |
| Profit for the period | 1,624 | 2,965 | 1,673 | 3,818 | 7,592 |
| Earnings attributable to: | | | | | |
| Owners of the Parent company | 1,567 | 2,736 | 1,485 | 3,358 | 6,638 |
| Non-controlling interests | 57 | 229 | 188 | 460 | 954 |
| Earnings per share - owners of the Parent company | | | | | |
| Earnings per share before and after dilution effects, SEK | 2.23 | 3.90 | 2.11 | 4.78 | 9.45 |
| Average numbers of shares before and after dilution, million | 702.3 | 702.3 | 702.3 | 702.3 | 702.3 |
| ¹ Of which, depreciation and amortization | -2,162 | -1,857 | -2,068 | -6,217 | -5,288 |
| ² Of which, impairment | -151 | -75 | -308 | -1,841 | -102 |
| Gross margin | 23.3 | 28.7 | 24.3 | 23.3 | 30.3 |
| EBITA margin | 6.9 | 13.2 | 7.0 | 6.3 | 12.6 |
| Operating margin | 6.2 | 12.4 | 6.2 | 5.3 | 11.9 |
| Financial net margin | -0.9 | -0.4 | -0.6 | -0.7 | -0.5 |
| Profit margin | 5.3 | 12.0 | 5.6 | 4.6 | 11.4 |
| Income taxes | -1.2 | -2.5 | -1.2 | -1.2 | -2.7 |
| Net margin | 4.1 | 9.5 | 4.4 | 3.4 | 8.7 |
| Adjusted, excluding items affecting comparability: | | | | | |
| Gross margin | 23.6 | 28.7 | 25.3 | 24.7 | 30.4 |
| EBITA margin | 7.5 | 11.5 | 8.3 | 8.0 | 12.1 |
| Operating margin | 6.7 | 10.8 | 7.6 | 7.3 | 11.4 |
| Financial net margin | -0.9 | -0.4 | -0.6 | -0.7 | -0.5 |
| Profit margin | 5.8 | 10.4 | 7.0 | 6.6 | 10.9 |
| Income taxes | -1.3 | -2.6 | -1.5 | -1.3 | -2.8 |
| Net margin | 4.5 | 7.8 | 5.5 | 5.3 | 8.1 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| SEKm | 2022:3 | 2021:3 | 2022:2 | 2209 | 2109 |
|---|--------------|--------|--------|---------------|--------|
| Profit for the period | 1,624 | 2,965 | 1,673 | 3,818 | 7,592 |
| Other comprehensive income for the period | | | | | |
| Items that will not be reclassified to the income statement | | | | | |
| Actuarial gains/losses on defined benefit pension plans | 56 | -1,141 | 934 | 2,318 | -43 |
| Fair value through other comprehensive income | -2 | 0 | -7 | -16 | 1 |
| Income tax attributable to components in other comprehensive income | 5 | 258 | -241 | -552 | 119 |
| | 59 | -883 | 686 | 1,750 | 77 |
| Items that have been or may be reclassified subsequently to the income statement | | | | | |
| Cash flow hedges | | | | | |
| Result from remeasurement of derivatives recognized in equity | 5,202 | 2,795 | 2,304 | 10,897 | 3,762 |
| Transferred to profit or loss for the period | -1,908 | -321 | -1,145 | -4,131 | -467 |
| Translation differences in foreign operations | 3,969 | 1,448 | 5,373 | 11,544 | 3,728 |
| Gains/losses from hedges of net investments in foreign operations | -827 | -291 | -1,010 | -2,205 | -758 |
| Other comprehensive income from associates | 0 | 0 | 0 | 0 | 12 |
| Income tax attributable to components in other comprehensive income | -701 | -600 | -121 | -1,365 | -731 |
| | 5,735 | 3,031 | 5,401 | 14,740 | 5,546 |
| Other comprehensive income for the period, net of tax | 5,794 | 2,148 | 6,087 | 16,490 | 5,623 |
| Total comprehensive income for the period | 7,418 | 5,113 | 7,760 | 20,308 | 13,215 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Parent company | 7,173 | 4,610 | 7,193 | 19,020 | 11,722 |
| Non-controlling interests | 245 | 503 | 567 | 1,288 | 1,493 |

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

| SEKm | 2209 | 2109 |
|--|---------------|--------|
| Equity attributable to owners of the Parent company | | |
| Value, January 1 | 59,874 | 54,352 |
| Total comprehensive income for the period | 19,020 | 11,722 |
| Dividend | -4,916 | -4,741 |
| Acquisition of non-controlling interests | -10 | -4,041 |
| Private placement to non-controlling interests | 17 | 12 |
| Transferred to cost of hedged investments | 28 | 4 |
| Revaluation effect upon acquisition of non-controlling interests | 0 | -3 |
| Value, September 30 | 74,013 | 57,305 |
| Non-controlling interests | | |
| Value, January 1 | 8,633 | 8,990 |
| Total comprehensive income for the period | 1,288 | 1,493 |
| Dividend | -393 | -512 |
| Private placement to non-controlling interests | 16 | 12 |
| Acquisition of non-controlling interests | -4 | -1,919 |
| Value, September 30 | 9,540 | 8,064 |
| Total equity, value September 30 | 83,553 | 65,369 |

CONSOLIDATED OPERATING CASH FLOW STATEMENT

| SEKm | 2209 | 2109 |
|--|----------------|----------------|
| Operating cash surplus | 14,819 | 15,598 |
| Change in working capital | -2,525 | -1,858 |
| Investment in non-current assets, net | -4,769 | -5,195 |
| Restructuring costs, etc. | -352 | -545 |
| Operating cash flow before Investments in operating assets through leases | 7,173 | 8,000 |
| Investments in operating assets through leases | -469 | -88 |
| Operating cash flow | 6,704 | 7,912 |
| Financial items | -800 | -472 |
| Income taxes paid | -1,843 | -2,768 |
| Other | 10 | 72 |
| Cash flow from current operations | 4,071 | 4,744 |
| Acquisitions of Group companies and other operations | -5,015 | -10,564 |
| Divestments of Group companies and other operations | 0 | 9 |
| Cash flow before transactions with shareholders | -944 | -5,811 |
| Private placement to non-controlling interest | 34 | 24 |
| Dividend to non-controlling interests | -389 | -556 |
| Dividend | -4,916 | -4,741 |
| Net cash flow | -6,215 | -11,084 |
| Net debt at the start of the period | -55,433 | -42,688 |
| Net cash flow | -6,215 | -11,084 |
| Remeasurements to equity | 2,302 | -43 |
| Investments in non-operating assets through leases | -387 | -321 |
| Translation differences | -4,654 | -1,415 |
| Net debt at the end of the period | -64,387 | -55,551 |
| Debt/equity ratio | 0.77 | 0.85 |
| Debt payment capacity, % | 24 | 31 |
| Net debt / EBITDA | 3.42 | 2.53 |
| Net debt / Adjusted EBITDA | 3.37 | 2.60 |

CONSOLIDATED CASH FLOW STATEMENT

| SEKm | 2209 | 2109 |
|---|----------------|----------------|
| Operating activities | | |
| Operating profit | 6,008 | 10,445 |
| Adjustment for non-cash items ¹ | 8,713 | 5,060 |
| Interest paid | -557 | -580 |
| Interest received | 102 | 75 |
| Other financial items | -345 | -10 |
| Change in liabilities relating to restructuring programs, etc. | -244 | -380 |
| Paid tax | -1,843 | -2,768 |
| Cash flow from operating activities before changes in working capital | 11,834 | 11,842 |
| Cash flow from changes in working capital | | |
| Change in inventories | -4,801 | -2,175 |
| Change in operating receivables | -4,541 | -970 |
| Change in operating liabilities | 6,817 | 1,287 |
| Cash flow from operating activities | 9,309 | 9,984 |
| Investing activities | | |
| Acquisitions of Group companies and other operations | -4,857 | -3,188 |
| Divestments of Group companies and other operations | 0 | -7 |
| Investments in intangible assets and property, plant and equipment | -4,811 | -5,185 |
| Sale of property, plant and equipment | 81 | 34 |
| Loans granted to external parties | -2,855 | -112 |
| Paid interest capitalized in intangible asset and property, plant and equipment | -39 | -43 |
| Cash flow from investing activities | -12,481 | -8,501 |
| Financing activities | | |
| Private placement to non-controlling interests | 34 | 24 |
| Acquisition of non-controlling interests | -14 | -5,960 |
| Dividend | -4,916 | -4,741 |
| Proceeds from borrowings | 18,287 | 18,741 |
| Repayment of borrowings | -4,311 | -3,988 |
| Dividend to non-controlling interests | -389 | -556 |
| Cash flow from financing activities | 8,691 | 3,520 |
| Cash flow for the period | 5,519 | 5,003 |
| Cash and cash equivalents at the beginning of the period | 3,904 | 4,982 |
| Translation differences in cash and cash equivalents | 690 | 115 |
| Cash and cash equivalents at the end of the period | 10,113 | 10,100 |
| Cash flow from operating activities per share, SEK | 13.25 | 14.22 |
| Reconciliation with consolidated operating cash flow statement | | |
| Cash flow for the period | 5,519 | 5,003 |
| Repayment of borrowings | 4,311 | 3,988 |
| Proceeds from borrowings | -18,287 | -18,741 |
| Loans granted to external parties | 2,855 | 112 |
| Investment in operating assets through leases | -469 | -88 |
| Net debt in acquired and divested operations | -144 | -1,400 |
| Accrued interest | 0 | 43 |
| Other | 0 | -1 |
| Net cash flow according to consolidated operating cash flow statement | -6,215 | -11,084 |
| ¹⁾ <i>Adjustment for non-cash items</i> | | |
| Depreciation/amortization and impairment of non-current assets | 8,058 | 5,390 |
| Gain/loss on asset sales | 7 | -1 |
| Change in provision for ongoing competition case | 0 | -55 |
| Depreciation of prepaid selling expenses | 342 | 298 |
| Gain/loss on divestments and liquidation | 2 | -8 |
| Non-cash items relating to efficiency program | 133 | -65 |
| Revaluation effect of previously owned holding upon acquisition | 0 | -706 |
| Other | 171 | 207 |
| Total | 8,713 | 5,060 |

CONSOLIDATED BALANCE SHEET

| SEKm | September 30, 2022 | December 31, 2021 |
|--|---------------------------|--------------------------|
| ASSETS | | |
| Non-current assets | | |
| Goodwill | 45,763 | 37,803 |
| Other intangible assets | 25,667 | 21,806 |
| Property, plant and equipment | 63,857 | 58,918 |
| Participation in joint ventures and associates | 280 | 239 |
| Shares and other participations | 9 | 7 |
| Surplus in funded pension plans | 1,876 | 1,439 |
| Non-current financial assets | 119 | 412 |
| Deferred tax assets | 2,666 | 2,012 |
| Other non-current assets | 4,039 | 1,411 |
| Total non-current assets | 144,276 | 124,047 |
| Current Assets | | |
| Inventories | 27,127 | 19,339 |
| Trade receivables | 25,996 | 19,871 |
| Current tax assets | 1,294 | 952 |
| Other current receivables | 11,468 | 5,787 |
| Current financial assets | 4,936 | 1,150 |
| Cash and cash equivalents | 10,113 | 3,904 |
| Total current assets | 80,934 | 51,003 |
| Total assets | 225,210 | 175,050 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 2,350 | 2,350 |
| Reserves | 20,339 | 6,416 |
| Retained earnings | 51,324 | 51,108 |
| Attributable to owner of the Parent company | 74,013 | 59,874 |
| Non-controlling interests | 9,540 | 8,633 |
| Total equity | 83,553 | 68,507 |
| Non-current liabilities | | |
| Non-current financial liabilities | 54,420 | 47,443 |
| Provisions for pensions | 2,589 | 4,149 |
| Deferred tax liabilities | 10,998 | 7,574 |
| Other non-current provisions | 501 | 396 |
| Other non-current liabilities | 1,192 | 86 |
| Total non-current liabilities | 69,700 | 59,648 |
| Current liabilities | | |
| Current financial liabilities | 24,422 | 10,746 |
| Trade payables | 25,053 | 18,030 |
| Current tax liabilities | 1,696 | 1,576 |
| Current provisions | 997 | 736 |
| Other current liabilities | 19,789 | 15,807 |
| Total current liabilities | 71,957 | 46,895 |
| Total liabilities | 141,657 | 106,543 |
| Total equity and liabilities | 225,210 | 175,050 |

CONSOLIDATED BALANCE SHEET (cont.)

| SEKm | September 30, 2022 | December 31, 2021 |
|---|--------------------|-------------------|
| Debt/equity ratio | 0.77 | 0.81 |
| Equity/assets ratio | 33% | 34% |
| Equity | 83,553 | 68,507 |
| Equity per share, SEK | 119 | 98 |
| Return on equity | 8.3% | 15.0% |
| Return on equity excluding items affecting comparability | 11.2% | 14.3% |
| Capital employed | 147,940 | 123,940 |
| - of which working capital | 19,973 | 11,157 |
| Return on capital employed* | 7.7% | 12.3% |
| Return on capital employed* excluding items affecting comparability | 9.2% | 12.0% |
| Net debt | 64,387 | 55,433 |
| Provisions for restructuring costs are included in the balance sheet as follows | | |
| -Other non-current provisions | 122 | 96 |
| -Other current provisions | 257 | 160 |

*) rolling 12 months

NET SALES (business area reporting)

| SEKm | 2209 | 2109 | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 | 2021:2 |
|------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Health & Medical | 18,511 | 15,831 | 6,544 | 6,145 | 5,822 | 5,854 | 5,572 | 5,255 |
| Consumer Goods | 67,781 | 53,196 | 23,825 | 22,970 | 20,986 | 20,844 | 18,310 | 17,577 |
| Professional Hygiene | 26,037 | 18,616 | 9,733 | 8,811 | 7,493 | 7,527 | 7,260 | 6,140 |
| Other | 10 | -2 | 7 | 3 | 0 | 1 | 3 | -4 |
| Total net sales | 112,339 | 87,641 | 40,109 | 37,929 | 34,301 | 34,226 | 31,145 | 28,968 |

ORGANIC SALES GROWTH (business area reporting)

| (%) | 2209 | 2109 | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 | 2021:2 |
|----------------------|-------------|------------|-------------|-------------|-------------|------------|------------|------------|
| Health & Medical | 8.3 | 4.9 | 7.6 | 7.9 | 9.5 | 6.9 | 7.3 | 13.4 |
| Consumer Goods | 15.7 | 0.5 | 17.6 | 17.9 | 11.5 | 5.7 | 2.9 | 3.7 |
| Professional Hygiene | 24.7 | 2.2 | 19.9 | 26.1 | 29.8 | 16.4 | 20.7 | 26.1 |
| Total | 16.3 | 1.6 | 16.3 | 17.8 | 14.6 | 8.0 | 7.4 | 9.5 |

SALES GROWTH, INCLUDING ORGANIC SALES GROWTH AND ACQUISITIONS (business area reporting)

| (%) | 2209 | 2109 | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 | 2021:2 |
|----------------------|-------------|------------|-------------|-------------|-------------|-------------|------------|------------|
| Health & Medical | 10.8 | 5.9 | 9.9 | 10.9 | 11.7 | 8.2 | 8.6 | 13.8 |
| Consumer Goods | 17.4 | 1.2 | 18.4 | 20.0 | 13.8 | 7.8 | 5.0 | 3.7 |
| Professional Hygiene | 27.4 | 3.3 | 20.3 | 30.2 | 34.1 | 20.2 | 24.3 | 26.1 |
| Total | 18.4 | 2.4 | 17.3 | 20.6 | 17.3 | 10.3 | 9.7 | 9.6 |

ADJUSTED EBITA (business area reporting)

| SEKm | 2209 | 2109 | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 | 2021:2 |
|-----------------------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Health & Medical | 2,182 | 2,894 | 673 | 673 | 836 | 927 | 1,024 | 950 |
| Consumer Goods | 4,966 | 6,272 | 1,460 | 1,861 | 1,645 | 1,666 | 1,832 | 1,967 |
| Professional Hygiene | 2,575 | 2,029 | 1,096 | 916 | 563 | 681 | 900 | 710 |
| Other | -749 | -592 | -239 | -292 | -218 | -197 | -170 | -218 |
| Total adjusted EBITA | 8,974 | 10,603 | 2,990 | 3,158 | 2,826 | 3,077 | 3,586 | 3,409 |

ADJUSTED OPERATING PROFIT (business area reporting)

| SEKm | 2209 | 2109 | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 | 2021:2 |
|---|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Health & Medical | 1,554 | 2,364 | 456 | 463 | 635 | 737 | 849 | 773 |
| Consumer Goods | 4,782 | 6,207 | 1,395 | 1,801 | 1,586 | 1,608 | 1,774 | 1,963 |
| Professional Hygiene | 2,561 | 2,022 | 1,091 | 911 | 559 | 679 | 898 | 709 |
| Other | -749 | -592 | -239 | -293 | -217 | -197 | -170 | -217 |
| Total adjusted operating profit¹ | 8,148 | 10,001 | 2,703 | 2,882 | 2,563 | 2,827 | 3,351 | 3,228 |
| Financial items | -800 | -472 | -368 | -224 | -208 | -190 | -137 | -177 |
| Profit before tax¹ | 7,348 | 9,529 | 2,335 | 2,658 | 2,355 | 2,637 | 3,214 | 3,051 |
| Income taxes | -1,511 | -2,430 | -509 | -575 | -427 | -373 | -808 | -849 |
| Net profit for the period² | 5,837 | 7,099 | 1,826 | 2,083 | 1,928 | 2,264 | 2,406 | 2,202 |
| ¹ Excluding items affecting comparability before tax amounting to: | -2,140 | 444 | -212 | -515 | -1,413 | -73 | 524 | -136 |
| ² Excluding items affecting comparability after tax amounting to: | -2,019 | 493 | -202 | -410 | -1,407 | -46 | 559 | -127 |

ADJUSTED EBITA MARGIN (business area reporting)

| (%) | 2209 | 2109 | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 | 2021:2 |
|----------------------|------------|-------------|------------|------------|------------|------------|-------------|-------------|
| Health & Medical | 11.8 | 18.3 | 10.3 | 11.0 | 14.4 | 15.8 | 18.4 | 18.1 |
| Consumer Goods | 7.3 | 11.8 | 6.1 | 8.1 | 7.8 | 8.0 | 10.0 | 11.2 |
| Professional Hygiene | 9.9 | 10.9 | 11.3 | 10.4 | 7.5 | 9.0 | 12.4 | 11.6 |
| Total | 8.0 | 12.1 | 7.5 | 8.3 | 8.2 | 9.0 | 11.5 | 11.8 |

STATEMENT OF PROFIT OR LOSS

| SEKm | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 |
|---|---------------|---------------|---------------|---------------|---------------|
| Net sales | 40,109 | 37,929 | 34,301 | 34,226 | 31,145 |
| Cost of goods sold | -30,625 | -28,321 | -25,601 | -25,617 | -22,202 |
| Items affecting comparability - cost of goods sold | -131 | -383 | -1,083 | -82 | -11 |
| Gross profit | 9,353 | 9,225 | 7,617 | 8,527 | 8,932 |
| Sales, general and administration | -6,500 | -6,460 | -5,888 | -5,538 | -5,361 |
| Items affecting comparability - sales, general and administration | -75 | -125 | -80 | 9 | 535 |
| Share of profits of associates and joint ventures | 6 | 10 | 14 | 6 | 4 |
| EBITA | 2,784 | 2,650 | 1,663 | 3,004 | 4,110 |
| Amortization of acquisition-related intangible assets | -287 | -276 | -263 | -250 | -235 |
| Items affecting comparability - acquisition-related intangible assets | -6 | -7 | -250 | 0 | 0 |
| Operating profit | 2,491 | 2,367 | 1,150 | 2,754 | 3,875 |
| Financial items | -368 | -224 | -208 | -190 | -137 |
| Profit before tax | 2,123 | 2,143 | 942 | 2,564 | 3,738 |
| Income taxes | -499 | -470 | -421 | -346 | -773 |
| Profit for the period | 1,624 | 1,673 | 521 | 2,218 | 2,965 |

CONDENSED INCOME STATEMENT PARENT COMPANY

| SEKm | 2209 | 2109 |
|------------------------------|---------------|--------------|
| Administrative expenses | -589 | -562 |
| Other operating income | 40 | 160 |
| Operating loss | -549 | -402 |
| Financial items | -775 | 3,639 |
| Profit before tax | -1,324 | 3,237 |
| Income taxes | 682 | 287 |
| Profit for the period | -642 | 3,524 |

CONDENSED BALANCE SHEET PARENT COMPANY

| SEKm | September 30, 2022 | December 31, 2021 |
|---|---------------------------|--------------------------|
| Intangible assets | 0 | 0 |
| Property, plant and equipment | 12 | 13 |
| Financial non-current assets | 177,108 | 177,279 |
| Total non-current assets | 177,120 | 177,292 |
| Total current assets | 1,924 | 852 |
| Total assets | 179,044 | 178,144 |
| Restricted equity | 2,350 | 2,350 |
| Non-restricted equity | 78,001 | 83,559 |
| Total equity | 80,351 | 85,909 |
| Untaxed reserves | 6 | 6 |
| Provisions | 892 | 880 |
| Non-current liabilities | 36,521 | 34,752 |
| Current liabilities | 61,274 | 56,597 |
| Total equity, provisions and liabilities | 179,044 | 178,144 |

NOTES

1 ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regards to the Parent company, RFR 2. A few amended accounting standards published by the IASB entered into force on January 1, 2022 following approval by the EU. Essity Aktiebolag (publ) applies these amendments, which have not had any material impact on the Group's or the Parent company's financial statements. All other applied accounting principles and calculation methods correspond to those presented in Essity Aktiebolag's (publ) Annual and Sustainability Report for 2021.

2 RISKS AND UNCERTAINTIES

Processes for risk management

Essity's Board of Directors determines the Group's strategic direction based on recommendations from the Executive Management Team. Responsibility for the long-term, overall management of strategic risks corresponds to the company's delegation structure, from the Board of Directors to the CEO and from the CEO to the business unit presidents. This means that most operational risks are managed by Essity's business units at the local level, but that they are coordinated when considered necessary. The tools used in this coordination consist primarily of the business units' regular reporting and the annual strategy process, where risks and risk management are a part of the process.

Essity's financial risk management is centralized, as is the Group's internal bank for the Group companies' financial transactions and management of the Group's energy risks. Financial risks are managed in accordance with the Group's finance policy, which is adopted by Essity's Board of Directors and which – together with Essity's energy risk policy – makes up a framework for risk management. Risks are aggregated and monitored on a regular basis to ensure compliance with these guidelines. Essity has also centralized other risk management.

Essity has a staff function for internal audit, which monitors compliance with the Group's policies in the organization.

Essity's risk exposure and risk management are described on pages 35–40 of Essity's Annual and Sustainability Report for 2021. No significant changes have taken place that have affected the reported risks.

Risks in conjunction with company acquisitions are analyzed in the due diligence processes that Essity carries out prior to all acquisitions. In cases where acquisitions have been carried out that may affect the assessment of Essity's risk exposure, these are described under the heading "Events during the quarter" in the interim and year-end reports.

Risk that arose in conjunction with the war in Ukraine

The war in Ukraine has created an uncertain situation for the health and safety of several of our employees. Furthermore, the global situation has also been negatively affected and, for example, energy prices in Europe have increased drastically. The higher energy prices impact Essity's earnings.

The company's assets in Russia have been impaired by approximately SEK 1.7bn. Furthermore, work has been initiated to exit the Russian market. In 2021, Essity's net sales in Russia amounted to approximately SEK 2.8bn, corresponding to about 2% of total consolidated net sales in 2021. Net assets in Russia amount to approximately SEK 1.7bn. These assets consist of, among other things, cash and cash equivalents of SEK 1.1bn. It is not possible to foresee if these cash and cash equivalents will be available outside Russia but it is assumed that they can be used to pay debts in Russia that amount to approximately SEK 1.0bn. Other assets consist of inventory of approximately SEK 700m, trade receivables of approximately SEK 700m and other receivables of approximately SEK 200m. Essity has 1,300 employees in Russia and three production plants.

Essity's net sales in Ukraine amounted to less than 1% of total consolidated net sales in 2021.

3 FINANCIAL INSTRUMENTS PER CATEGORY

Distribution by level for measurement at fair value

| SEKm | Carrying amount in the balance sheet | Measured at fair value through profit or loss | Derivatives used for hedge accounting | Financial assets measured at fair value through OCI | Financial liabilities measured at amortized cost | Of which fair value by level ¹ | |
|-----------------------------------|--------------------------------------|---|---------------------------------------|---|--|---|---------------|
| | | | | | | 1 | 2 |
| September 30, 2022 | | | | | | | |
| Derivatives | 12,833 | 1,972 | 10,861 | - | - | - | 12,833 |
| Non-current financial assets | 89 | - | - | 89 | - | 89 | - |
| Total assets | 12,922 | 1,972 | 10,861 | 89 | - | 89 | 12,833 |
| Derivatives | 5,793 | 1,361 | 4,432 | - | - | - | 5,793 |
| Financial liabilities | | | | | | | |
| Current financial liabilities | 22,860 | 4,380 | - | - | 18,480 | - | 4,380 |
| Non-current financial liabilities | 50,454 | 23,446 | - | - | 27,008 | - | 23,446 |
| Total liabilities | 79,107 | 29,187 | 4,432 | - | 45,488 | - | 33,619 |
| December 31, 2021 | | | | | | | |
| Derivatives | 4,784 | 910 | 3,874 | - | - | - | 4,784 |
| Non-current financial assets | 99 | - | - | 99 | - | 99 | - |
| Total assets | 4,883 | 910 | 3,874 | 99 | - | 99 | 4,784 |
| Derivatives | 1,578 | 633 | 945 | - | - | - | 1,578 |
| Financial liabilities | | | | | | | |
| Current financial liabilities | 9,838 | 14 | - | - | 9,824 | - | 14 |
| Non-current financial liabilities | 47,056 | 20,386 | - | - | 26,670 | - | 20,386 |
| Total liabilities | 58,472 | 21,033 | 945 | - | 36,494 | - | 21,978 |

¹ No financial instruments have been classified to level 3

The total fair value of the above financial liabilities, excluding lease liabilities, is SEK 71,108m (53,925). The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, trade payables and other current and non-current liabilities is estimated to be equal to their carrying amount.

No transfers between level 1 and 2 were made during the period.

4 ACQUISITIONS AND DIVESTMENTS

On July 1, 2021, Essity acquired the remaining 63.8% of the shares in the hygiene company Asaleo Care. The purchase price allocation for the acquisition has been finalized. No adjustments were made and the final purchase price allocation is the same as the preliminary purchase price allocation presented in the Annual and Sustainability Report for 2021.

On December 29, 2021, Essity acquired 100% of the US-based wound care company Hydrofera. The purchase price allocation is unchanged compared to the Annual and Sustainability Report for 2021 and has not yet been finalized.

In addition to the acquisitions of Asaleo Care and Hydrofera, Essity also acquired the company Aquacast LCC in the final quarter of 2021. The purchase price allocation for this acquisition is the same as that presented in the Annual and Sustainability Report for 2021 and has not yet been finalized.

On February 2, 2022, Essity acquired the US cleaning and wiping company Legacy Converting, Inc. The company has approximately 30 employees. The final purchase price amounts to USD 39m (SEK 362m) with a potential additional earnout amount of USD 10m (SEK 94m) on a cash and debt-free basis, excluding financial lease liabilities. Since the acquisition, Legacy Converting's reported net sales amounted to SEK 97m, adjusted EBITDA to SEK 14m, and adjusted EBITA to SEK -1m. If Legacy Converting had been consolidated as of January 1, 2022, net sales would have amounted to SEK 107m, adjusted EBITDA to SEK 16m and adjusted EBITA to SEK -1m.

On July 7, 2022, Essity announced that the company was acquiring the Australian company Modibodi, a leading leakproof apparel company in Australia, New Zealand and the UK. The purchase price amounted to AUD 141m (approximately SEK 1bn) on a cash and debt-free basis. Modibodi has about 45 employees and is headquartered in Sydney, Australia. Modibodi was consolidated into Essity's accounts from August 1, 2022. Since the acquisition, Modibodi's reported net sales amounted to SEK 63m, adjusted EBITDA to SEK -6m, and adjusted EBITA to SEK -6m. If Modibodi had been consolidated as of January 1, 2022, net sales would have amounted to SEK 291m, adjusted EBITDA to SEK -9m and adjusted EBITA to SEK -10m.

| Purchase price allocation, Modibodi | Preliminary |
|---|---------------|
| SEKm | |
| Intangible assets | 343 |
| Property, plant and equipment | 4 |
| Other non-current assets | 3 |
| Operating assets | 100 |
| Cash and cash equivalents | 26 |
| Provisions and other non-current liabilities | -103 |
| Net debt excluding cash and cash equivalents | -3 |
| Operating liabilities | -51 |
| Fair value of net assets | 319 |
| Goodwill | 711 |
| Consideration transferred | 1,030 |
| Consideration transferred | -1,030 |
| Cash and cash equivalents in acquired companies | 26 |
| Effect on Group's cash and cash equivalents, acquisition of Group companies and other operations | -1,004 |
| Acquired net debt excluding cash and cash equivalents | -3 |
| Acquisitions of Group companies and other operations during the period, including net debt assumed | -1,007 |

On July 8, 2022, Essity announced that the company is acquiring 80 percent of Canadian company Knix Wear Inc. ("Knix"), a leading supplier of absorbent menstrual and incontinence underwear. The agreement with the seller includes a put/call option to buy/sell the remaining share in three years at fair value at the future time when the option can be redeemed. The amount to be paid if the option is exercised is initially recorded at present value as a liability in Essity's balance sheet. The transaction was completed on September 1, 2022. The purchase price amounted to CAD 430m (approximately SEK 3.5bn) on a cash and debt-free basis for 80 percent of the company. In 2021, the company reported net sales of CAD 133.6m (approximately SEK 914m), EBITDA of CAD 13.8m (approximately SEK 95m) and EBITA of CAD 13.4m (approximately SEK 92m). Knix has approximately 200 employees and is headquartered in Toronto, Canada. Knix was consolidated into Essity's accounts from September 1, 2022. Since the acquisition, Knix's reported net sales amounted to SEK 112m, adjusted EBITDA to SEK 1m, and adjusted EBITA to SEK 0m. If Knix had been consolidated as of January 1, 2022, net sales would have amounted to SEK 966m, adjusted EBITDA to SEK -10m and adjusted EBITA to SEK -15m.

| Purchase price allocation, Knix | Preliminary |
|---|---------------|
| SEKm | |
| Intangible assets | 1,774 |
| Property, plant and equipment | 79 |
| Other non-current assets | 5 |
| Operating assets | 470 |
| Cash and cash equivalents | 17 |
| Provisions and other non-current liabilities | -464 |
| Net debt excluding cash and cash equivalents | -53 |
| Operating liabilities | -271 |
| Fair value of net assets | 1,557 |
| Goodwill | 2,834 |
| Consideration not transferred, recognized as a liability | -878 |
| Consideration transferred | 3,513 |
| Consideration transferred | -3,513 |
| Cash and cash equivalents in acquired companies | 17 |
| Effect on Group's cash and cash equivalents, acquisition of Group companies and other operations | -3,496 |
| Acquired net debt excluding cash and cash equivalents | -53 |
| Acquisitions of Group companies and other operations during the period, including net debt assumed | -3,549 |

5 USE OF NON-INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) PERFORMANCE MEASURES

Guidelines for Alternative Performance Measures (APMs) for companies with securities listed on a regulated market in the EU have been issued by ESMA (European Securities and Markets Authority). These guidelines are to be applied for APMs not supported under IFRS.

This interim report refers to a number of performance measures not defined in IFRS. These performance measures are used to help investors, management and other stakeholders analyze the company's operations. These non-IFRS measures may differ from similarly titled measures among other companies. Essity's 2021 Annual Report, pages 75–80, describes the various non-IFRS performance measures that are used as a complement to the financial information presented in accordance with IFRS. Tables are presented below that show how the performance measures have been calculated.

Capital employed

| SEKm | 2209 | 2112 |
|---|---------|---------|
| Total assets | 225,210 | 175,050 |
| -Financial assets | -17,044 | -6,905 |
| -Non-current non-interest bearing liabilities | -12,691 | -8,056 |
| -Current non-interest bearing liabilities | -47,535 | -36,149 |
| Capital employed | 147,940 | 123,940 |

| SEKm | 2022:3 | 2022:2 | 2022:1 | 2021:4 | 2021:3 |
|----------------------|---------|---------|---------|---------|---------|
| Health & Medical | 35,708 | 34,799 | 32,471 | 31,401 | 29,931 |
| Consumer Goods | 81,936 | 73,267 | 68,526 | 66,939 | 65,827 |
| Professional Hygiene | 30,622 | 28,750 | 26,213 | 24,518 | 24,595 |
| Other | -326 | -950 | 839 | 1,082 | 567 |
| Capital employed | 147,940 | 135,866 | 128,049 | 123,940 | 120,920 |

Working capital

| SEKm | 2209 | 2112 |
|---------------------------|---------|---------|
| Inventories | 27,127 | 19,339 |
| Trade receivables | 25,996 | 19,871 |
| Other current receivables | 11,468 | 5,787 |
| Trade payables | -25,053 | -18,030 |
| Other current liabilities | -19,789 | -15,807 |
| Other | 224 | -3 |
| Working capital | 19,973 | 11,157 |

Net debt

| SEKm | 2209 | 2112 |
|-----------------------------------|--------|--------|
| Surplus in funded pension plans | 1,876 | 1,439 |
| Non-current financial assets | 119 | 412 |
| Current financial assets | 4,936 | 1,150 |
| Cash and cash equivalents | 10,113 | 3,904 |
| Financial assets | 17,044 | 6,905 |
| Non-current financial liabilities | 54,420 | 47,443 |
| Provisions for pensions | 2,589 | 4,149 |
| Current financial liabilities | 24,422 | 10,746 |
| Financial liabilities | 81,431 | 62,338 |
| Net debt | 64,387 | 55,433 |

EBITDA

| SEKm | 2209 | 2109 | 2022:3 | 2021:3 |
|--|--------|--------|--------|--------|
| Operating profit | 6,008 | 10,445 | 2,491 | 3,875 |
| -Amortization of acquisition-related intangible assets | 826 | 602 | 287 | 235 |
| -Depreciation/amortization | 4,596 | 4,000 | 1,603 | 1,383 |
| -Depreciation right-of-use asset | 795 | 686 | 272 | 239 |
| -Impairment | 11 | 1 | 4 | 3 |
| -Items affecting comparability - impairment net | 1,567 | 101 | 141 | 72 |
| -Items affecting comparability - impairment of acquisition-related intangible assets | 263 | 0 | 6 | 0 |
| EBITDA | 14,066 | 15,835 | 4,804 | 5,807 |
| -Items affecting comparability excluding depreciation/amortization and impairment | 310 | -545 | 65 | -596 |
| Adjusted EBITDA | 14,376 | 15,290 | 4,869 | 5,211 |

EBITA

| SEKm | 2209 | 2109 | 2022:3 | 2021:3 |
|---|-------|--------|--------|--------|
| Operating profit | 6,008 | 10,445 | 2,491 | 3,875 |
| -Amortization of acquisition-related intangible assets | 826 | 602 | 287 | 235 |
| -Items affecting comparability - impairment of acquisition-related intangible assets | 263 | 0 | 6 | 0 |
| -Operating profit before amortization and impairment of acquisition-related intangible assets (EBITA) | 7,097 | 11,047 | 2,784 | 4,110 |
| EBITA margin (%) | 6.3 | 12.6 | 6.9 | 13.2 |
| -Items affecting comparability - cost of goods sold | 1,597 | 64 | 131 | 11 |
| -Items affecting comparability - sales, general and administration | 280 | -508 | 75 | -535 |
| Adjusted EBITA | 8,974 | 10,603 | 2,990 | 3,586 |
| Adjusted EBITA margin (%) | 8.0 | 12.1 | 7.5 | 11.5 |

Operating cash flow

| SEKm | 2209 | 2109 | 2022:3 | 2021:3 |
|---|--------|--------|--------|--------|
| Health & Medical | | | | |
| Operating cash surplus | 2,829 | 3,492 | 894 | 1,218 |
| Change in working capital | -869 | -150 | 90 | 393 |
| Investment in non-current assets, net | -540 | -597 | -176 | -336 |
| Restructuring costs, etc. | 99 | 41 | 49 | 14 |
| Operating cash flow before investments in operating assets through leases | 1,519 | 2,786 | 857 | 1,289 |
| Investment in operating assets through leases | -49 | 8 | -16 | 18 |
| Operating cash flow | 1,470 | 2,794 | 841 | 1,307 |
| Consumer Goods | | | | |
| Operating cash surplus | 8,187 | 8,989 | 2,562 | 2,807 |
| Change in working capital | -908 | -887 | -581 | 128 |
| Investment in non-current assets, net | -2,783 | -3,246 | -1,107 | -1,167 |
| Restructuring costs, etc. | -129 | -252 | 11 | -99 |
| Operating cash flow before investments in operating assets through leases | 4,367 | 4,604 | 885 | 1,669 |
| Investment in operating assets through leases | -352 | -80 | -207 | -29 |
| Operating cash flow | 4,015 | 4,524 | 678 | 1,640 |
| Professional Hygiene | | | | |
| Operating cash surplus | 4,363 | 3,549 | 1,731 | 1,436 |
| Change in working capital | -1,002 | -846 | -31 | 39 |
| Investment in non-current assets, net | -811 | -604 | -288 | -250 |
| Restructuring costs, etc. | -344 | -327 | -122 | -83 |
| Operating cash flow before investments in operating assets through leases | 2,206 | 1,772 | 1,290 | 1,142 |
| Investment in operating assets through leases | -68 | -14 | -22 | -10 |
| Operating cash flow | 2,138 | 1,758 | 1,268 | 1,132 |

Sales growth

| SEKm | 2209 | 2022:3 |
|---|---------------|--------------|
| Health & Medical | | |
| Organic sales growth | 1,309 | 422 |
| Acquisitions | 407 | 132 |
| Sales growth including organic sales growth and acquisitions | 1,716 | 554 |
| Divestments | -74 | -27 |
| Exchange rate effect ¹ | 1,039 | 446 |
| Recognized change | 2,681 | 973 |
| Consumer Goods | | |
| Organic sales growth | 8,347 | 3,214 |
| Acquisitions | 926 | 148 |
| Sales growth including organic sales growth and acquisitions | 9,273 | 3,362 |
| Divestments | -8 | -8 |
| Exchange rate effect ¹ | 5,320 | 2,161 |
| Recognized change | 14,585 | 5,515 |
| Professional Hygiene | | |
| Organic sales growth | 4,600 | 1,445 |
| Acquisitions | 508 | 29 |
| Sales growth including organic sales growth and acquisitions | 5,108 | 1,474 |
| Divestments | 0 | 0 |
| Exchange rate effect ¹ | 2,313 | 999 |
| Recognized change | 7,421 | 2,473 |
| Essity | | |
| Organic sales growth | 14,267 | 5,084 |
| Acquisitions | 1,841 | 309 |
| Sales growth including organic sales growth and acquisitions | 16,108 | 5,393 |
| Divestments | -82 | -35 |
| Exchange rate effect ¹ | 8,672 | 3,607 |
| Recognized change | 24,698 | 8,965 |

¹ Consists solely of currency translation effects

6 Supplementary information

Net sales, first nine months of 2022 by region

Health & Medical

| | |
|---------------|-----|
| Europe | 62% |
| North America | 18% |
| Asia | 8% |
| Latin America | 5% |
| Other | 7% |

Consumer Goods

| | |
|---------------|-----|
| Europe | 53% |
| Asia | 24% |
| Latin America | 19% |
| North America | 2% |
| Other | 2% |

Professional Hygiene

| | |
|---------------|-----|
| Europe | 44% |
| North America | 40% |
| Latin America | 7% |
| Asia | 5% |
| Other | 4% |