



Huhtamäki Oyj Results 2022

January 1 - December 31, 2022

Huhtamäki

Huhtamäki Oyj's Results January 1–December 31, 2022

Strong performance in a volatile environment

Q4 2022 in brief

- Net sales increased 10% to EUR 1,104 million (EUR 999 million)
- Adjusted EBIT was EUR 93 million (EUR 82 million); reported EBIT was EUR 78 million (EUR 84 million)
- Adjusted EPS was EUR 0.65 (EUR 0.54); reported EPS was EUR 0.54 (EUR 0.56)
- Comparable net sales growth at Group level was 9% and 6% in emerging markets
- The impact of currency movements on the Group's net sales was EUR 46 million and EUR 5 million on EBIT

Q1-Q4 2022 in brief

- Net sales increased 25% to EUR 4,479 million (EUR 3,575 million)
- Adjusted EBIT was EUR 395 million (EUR 315 million); reported EBIT was EUR 405 million (EUR 296 million)
- Adjusted EPS was EUR 2.49 (EUR 2.07); reported EPS was EUR 2.65 (EUR 1.91)
- Comparable net sales growth at Group level was 15 % and 16% in emerging markets
- The impact of currency movements on the Group's net sales was EUR 234 million and EUR 22 million on EBIT
- Capital expenditure was EUR 318 million (EUR 259 million)
- Free cash flow was EUR 11 million (EUR -26 million)
- The Board of Directors proposes a dividend of EUR 1.00 (0.94) per share

Key figures

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	1,103.6	999.5	10%	4,479.0	3,574.9	25%
Comparable net sales growth	9%	12%		15%	7%	
Adjusted EBITDA ¹	143.3	130.3	10%	596.9	488.4	22%
Margin ¹	13.0%	13.0%		13.3%	13.7%	
EBITDA	130.5	132.5	-2%	614.9	469.6	31%
Adjusted EBIT ²	93.3	82.2	14%	395.1	315.3	25%
Margin ²	8.5%	8.2%		8.8%	8.8%	
EBIT	78.1	84.5	-8%	405.3	296.0	37%
Adjusted EPS, EUR ³	0.65	0.54	20%	2.49	2.07	20%
EPS, EUR	0.54	0.56	-3%	2.65	1.91	39%
Adjusted ROI ²				11.0%	11.3%	
Adjusted ROE ³				14.9%	15.1%	
ROI				11.4%	10.6%	
ROE				15.7%	13.9%	
Capital expenditure	133.2	112.2	19%	318.5	259.4	23%
Free Cash Flow	71.3	-54.1	>100%	11.1	-26.1	>100%
¹ Excluding IAC of	-12.7	2.2		18.0	-18.7	
² Excluding IAC of	-15.5	2.3		10.2	-19.5	
³ Excluding IAC of	-11.6	1.1		16.0	-17.1	

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2021. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) as well as net debt to EBITDA presented in this report are calculated on a 12-month rolling basis.

IAC includes, but is not limited to, material restructuring costs and acquisition related costs (gains and losses on business combinations, professional and legal fees, material purchase price accounting adjustments for inventory, material purchase price amortization of intangible assets and changes in contingent considerations) as well as material impairment losses and reversals, gains and losses relating to sale of intangible and tangible assets and fines and penalties imposed by authorities.

The figures in the tables are exact figures and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

President and CEO's review

We continued to successfully execute the Huhtamaki 2030 growth strategy and despite facing a challenging operational environment, delivered a strong performance in 2022. Complexity, volatility, and uncertainty affected the business environment during the year, with geopolitical disruption and high inflation across the value chain. Whilst demand remained overall solid, the pressure of inflation on consumers started to erode the consumption growth across categories and geographies during the second half of the year. The year 2022 was most importantly marked by the war in Ukraine, which led to the decision to divest our operations in Russia. This was successfully completed in September.

In the fourth quarter, our business performance remained consistent with previous quarters, delivering solid revenue and profit growth. Our comparable net sales increased by 9% and adjusted EBIT by 14%. Free cash flow generated reached EUR 71.3 million, representing a significant improvement compared to previous quarters and last year. The positive cash flow was driven by a release of working capital, while we have continued to invest for growth and innovation.

For the full year 2022, our net sales increased to EUR 4.5 billion with comparable net sales growth of 15%. Despite continued high inflation, market headwinds and decreased sales volumes in the latter part of the year, adjusted EBIT improved by 25%. While the cash flow remained low, it improved during the second half of the year. Our solid performance in 2022 reflects the scale and strength of our global footprint, our key technologies and diverse portfolio, and importantly the resilience, agility and commitment of our people.

As we consistently execute our 2030 strategy with the ambition to be the first choice for our customers in sustainable packaging solutions, we are accelerating the development of our technology capabilities for differentiated innovation. In November, we announced our collaboration with Nespresso to create paper-based coffee capsules which are fully home compostable. This innovation in paper-based coffee capsules is born as a continued development of our fiber high-precision technology, which was previously illustrated by the launch of Fiber Lids for the foodservice sector, replacing plastics. In addition, we launched products such as the ICON recyclable ice cream packaging solution in North America and expanded the product range of recyclable flexible packaging.

Innovation in new product alternatives supports our ambitious sustainability agenda. We continuously develop it to take a comprehensive systems-thinking approach, by setting a framework to drive net positive impact of our products. Our goal is to design all our products to be recyclable, compostable, or reusable. During the year, we signed our second virtual power purchase agreement, created water management plans for all our manufacturing sites and launched a sustainability-linked bond. We also invested in scalable recycling pilots, as we launched a plastic recycling plant in India through the Huhtamaki Foundation and started The Cup Collective initiative, focused on recycling paper cups. In 2022 we have taken important steps with our sustainability agenda, with our performance being recognized externally with improved sustainability ratings.

We have made good progress in 2022 on our journey to transform our company to address mega trends. We have a solid core business with underlying market growth and opportunities. Our scale, technology capabilities and customer innovation partnerships allow us to take a leading role in designing sustainable packaging solutions. This makes me confident of the bright future of our company. I would like to thank our customers and stakeholders for their continued trust in us as well as our employees for their dedication and hard work.

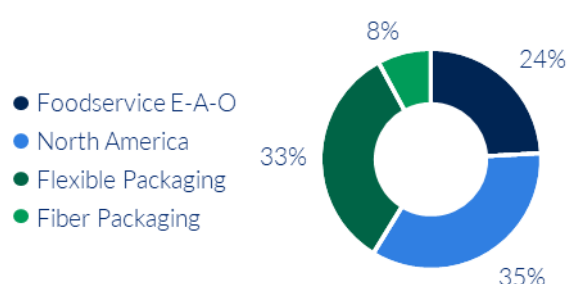
Charles Héaulmé
President and CEO

Financial review Q4 2022

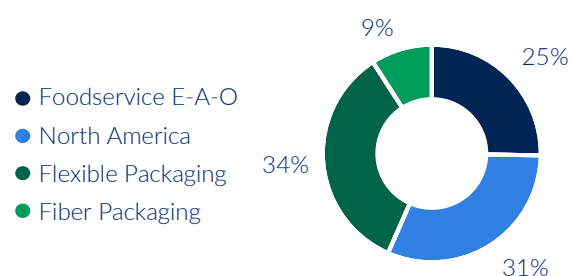
Net sales by business segment

EUR million	Q4 2022	Q4 2021	Change
Foodservice Europe-Asia-Oceania	266.7	254.0	5%
North America	383.6	314.7	22%
Flexible Packaging	369.1	344.8	7%
Fiber Packaging	87.4	91.5	-4%
Elimination of internal sales	-3.2	-5.5	
Group	1,103.6	999.5	10%

Net sales by segment, Q4 2022



Net sales by segment, Q4 2021



Comparable net sales growth by business segment

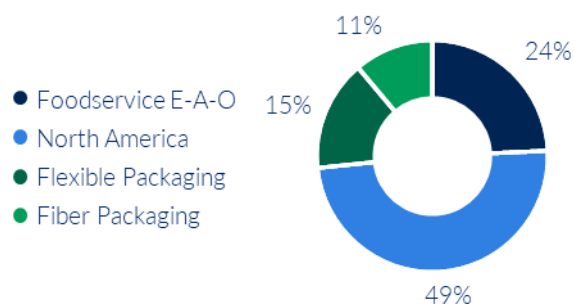
	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Foodservice Europe-Asia-Oceania	15%	22%	18%	18%	12%
North America	10%	10%	14%	24%	11%
Flexible Packaging	1%	20%	19%	18%	12%
Fiber Packaging	17%	19%	16%	8%	2%
Group	9%	17%	17%	19%	12%

The Group's net sales increased 10% to EUR 1,104 million (EUR 999 million) during the quarter and comparable net sales growth was 9%. Overall, demand softened in many categories and geographies. Net sales growth was mainly driven by pricing and supported by changes in currencies. The divestment of the operations in Russia had a negative impact. Comparable sales growth in emerging markets was 6%. Foreign currency translation impact on the Group's net sales was EUR 46 million (EUR 24 million) compared to 2021 exchange rates.

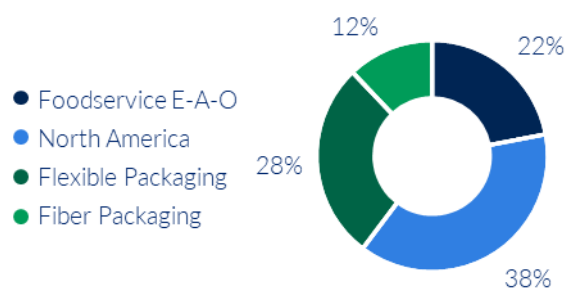
Adjusted EBIT by business segment

EUR million	Q4 2022	Q4 2021	Change	Items affecting comparability	
				Q4 2022	Q4 2021
Foodservice Europe-Asia-Oceania	24.2	19.5	24%	-4.9	7.1
North America	49.0	33.9	45%	-5.6	-1.1
Flexible Packaging	15.5	24.5	-37%	-6.0	-3.1
Fiber Packaging	11.1	10.7	4%	1.7	-0.5
Other activities	-6.5	-6.4		-0.4	-0.1
Group	93.3	82.2	14%	-15.3	2.3

Adjusted EBIT by segment, Q4 2022



Adjusted EBIT by segment, Q4 2021



Adjusted EBIT margin by business segment

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Foodservice Europe-Asia-Oceania	9.1%	10.2%	8.7%	10.0%	7.7%
North America	12.8%	11.2%	11.2%	11.5%	10.8%
Flexible Packaging	4.2%	6.2%	6.9%	7.8%	7.1%
Fiber Packaging	12.7%	9.6%	13.4%	8.2%	11.7%
Group	8.5%	8.6%	9.0%	9.3%	8.2%

The Group's adjusted EBIT increased to EUR 93 million (EUR 82 million) and reported EBIT was EUR 78 million (EUR 84 million) in the quarter. Adjusted EBIT improved driven by sales growth and continued focus on operational efficiency. The divestment of the operations in Russia had a negative impact. The Group's adjusted EBIT margin increased and was 8.5% (8.2%). Foreign currency translation impact on the Group's earnings was EUR 5 million (EUR 2 million).

Adjusted EBIT excludes EUR -15.3 million (EUR 2.3 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q4 2022	Q4 2021
Adjusted EBIT	93.3	82.2
Acquisition related costs	-1.5	-0.3
Restructuring gains and losses, including writedowns of related assets	-7.5	6.1
PPA amortization	-3.1	-2.0
Settlement and legal fees of disputes	-1.5	-1.1
Property damage incidents	-0.1	-0.4
Divestment of subsidiaries	7.0	
Environmental case	-8.4	-
EBIT	78.1	84.5

Net financial expenses were EUR 16 million (EUR 9 million) in the quarter. The increase was due to higher interest rates. Tax expense was EUR 3 million (EUR 16 million), the change was driven by a one-off fixed asset revaluation in Turkey, decreasing deferred tax liability. Profit for the fourth quarter was EUR 59 million (EUR 59 million). Adjusted earnings per share (EPS) was EUR 0.65 (EUR 0.54) and reported EPS EUR 0.54 (EUR 0.56). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -11.6 million (EUR 1.1 million) of IAC.

Adjusted profit and IAC

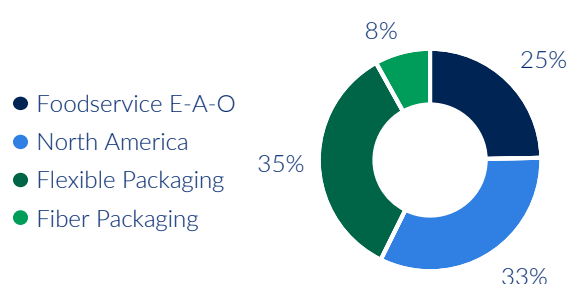
EUR million	Q4 2022	Q4 2021
Adjusted profit for the period attributable to equity holders of the parent company	68.0	56.8
IAC in EBIT	-15.3	2.3
IAC in Financial items	0.2	-0.7
Taxes relating to IAC	3.4	-0.5
Profit for the period attributable to equity holders of the parent company	56.3	57.9

Financial review 2022

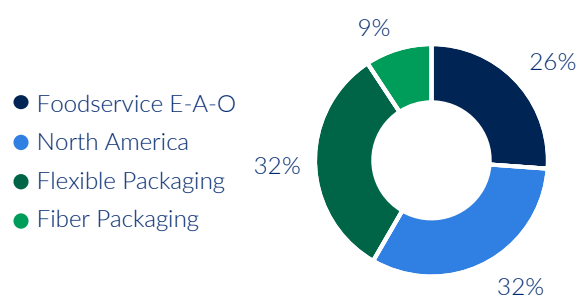
Net sales by business segment

EUR million	2022	2021	Change
Foodservice Europe-Asia-Oceania	1,110.7	941.8	18%
North America	1,468.3	1,160.3	27%
Flexible Packaging	1,558.2	1,166.6	34%
Fiber Packaging	363.0	333.6	9%
Elimination of internal sales	-21.1	-27.4	
Group	4,479.0	3,574.9	25%

Net sales by segment, 2022



Net sales by segment, 2021



Comparable net sales growth by business segment

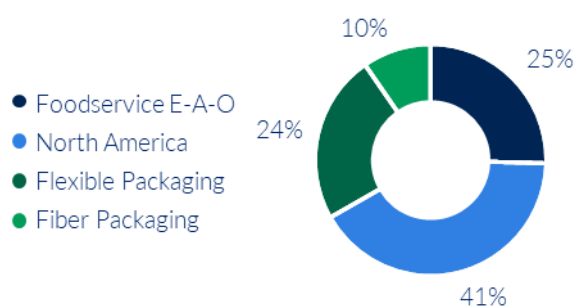
	2022	2021	2020
Foodservice Europe-Asia-Oceania	18%	11%	-10%
North America	14%	6%	1%
Flexible Packaging	14%	7%	1%
Fiber Packaging	15%	2%	9%
Group	15%	7%	-2%

The Group's net sales increased 25% to EUR 4,479 million (EUR 3,575 million) during the reporting period, and comparable net sales growth was 15%. Net sales growth was mainly driven by pricing, changes in currencies and the Elif acquisition. The divestment of the operations in Russia had a negative impact on net sales. Comparable sales growth in emerging markets was 16%. Foreign currency translation impact on the Group's net sales was EUR 234 million (EUR -54 million) compared to 2021 exchange rates.

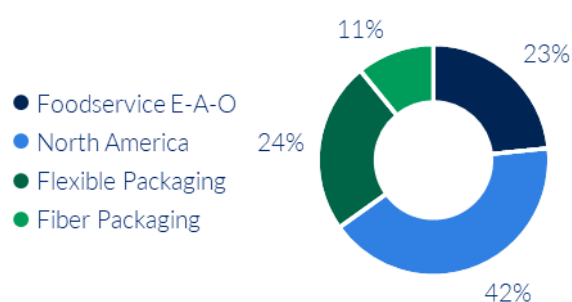
Adjusted EBIT by business segment

EUR million	2022	2021	Change	Items affecting comparability	
				2022	2021
Foodservice Europe-Asia-Oceania	105.7	77.8	36%	16.0	0.8
North America	171.6	139.1	23%	-5.6	-1.9
Flexible Packaging	98.1	79.8	23%	-15.9	-16.1
Fiber Packaging	40.0	36.4	10%	18.1	-1.1
Other activities	-20.3	-17.8		-2.4	-1.0
Group	395.1	315.3	25%	10.2	-19.3

Adjusted EBIT by segment, 2022



Adjusted EBIT by segment, 2021



Adjusted EBIT margin by business segment

	2022	2021	2020
Foodservice Europe-Asia-Oceania	9.5%	8.3%	7.3%
North America	11.7%	12.0%	12.0%
Flexible Packaging	6.3%	6.8%	7.7%
Fiber Packaging	11.0%	10.9%	12.2%
Group Total	8.8%	8.8%	9.1%

The Group's adjusted EBIT increased to EUR 395 million (EUR 315 million) and reported EBIT was EUR 405 million (EUR 296 million). Adjusted EBIT improved driven by sales growth and continued focus on operational efficiency as well as with the support from acquisitions. The Group's adjusted EBIT margin remained unchanged and was 8.8% (8.8%). Foreign currency translation impact on the Group's earnings was EUR 22 million (EUR -6 million).

Adjusted EBIT excludes EUR 10.2 million (EUR -19.3 million) of items affecting comparability (IAC). The main change in IACs relates to the profit booked from the divestment of the operations in Russia.

Adjusted EBIT and IAC

EUR million	2022	2021
Adjusted EBIT	395.1	315.3
Acquisition related costs	-2.2	-8.8
Restructuring gains and losses, including writedowns of related assets	-9.9	-6.0
PPA amortization	-8.2	-2.0
Settlement and legal fees of disputes	-4.5	-1.5
Property damage incidents	-1.1	-0.9
Divestment of subsidiaries	44.5	-
Environmental case	-8.4	-
EBIT	405.3	296.0

Net financial expenses were EUR 53 million (EUR 33 million). The increase was due to higher debt during the period as well as an increase in interest rates. Tax expense was EUR 67 million (EUR 60 million). The effective tax rate was 19% (23%), impacted by the tax-free gain related to the divestment of the operations in Russia as well as by a one-off fixed asset revaluation in Turkey, decreasing deferred tax liability. Profit for the period was EUR 285 million (EUR 203 million). Adjusted earnings per share (EPS) were EUR 2.49 (EUR 2.07) and reported EPS EUR 2.65 (EUR 1.91). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR 16.0 million (EUR -17.1 million) of IAC.

Adjusted profit and IAC

EUR million	2022	2021
Adjusted profit for the period attributable to equity holders of the parent company	260.2	216.0
IAC in EBIT	10.2	-19.3
IAC in Financial items	0.0	-2.9
Taxes relating to IAC	5.8	5.1
Profit for the period attributable to equity holders of the parent company	276.2	198.8

Statement of financial position and cash flow

The Group's net debt decreased and was EUR 1,471 million (EUR 1,520 million) at the end of December. The divestment of the operations in Russia had a positive impact on net debt. The level of net debt corresponds to a gearing ratio of 0.77 (0.95). Net debt to adjusted EBITDA ratio (excluding IAC) was 2.5 (3.1). Average maturity of external committed credit facilities and loans was 3.2 years (2.6 years).

On April 8, 2022, Huhtamäki Oyj signed a EUR 250 million term loan facility agreement with a maturity of two (2) years. The facility has a one-year extension option at the discretion of the lenders. The facility will be used for refinancing and general corporate purposes of the Group. On June 1, 2022, Huhtamäki Oyj issued a EUR 500 million senior unsecured sustainability-linked bond. The sustainability-linked 5-year bond matures on June 9, 2027 and bears interest at the rate of 4.25 per cent per annum, which is subject to an increased rate upon the failure to satisfy certain sustainability performance targets. With the proceeds from the issue of the bond, Huhtamaki refinanced its USD 500 million bridge loan facility and will use it for general corporate purposes of the Group. On December 16, 2022, Huhtamäki Oyj signed a confirmation to extend the maturity of a EUR 400 million syndicated revolving credit facility loan agreement for a further period of one year.

Capital expenditure was EUR 318 million (EUR 259 million). The increase was driven by investments into innovative, sustainable products and business expansion. The largest investments for business expansion were made in North America and Germany. The Group's free cash flow was EUR 11 million (EUR -26 million), mainly weighed on by increased working capital following market recovery and inflationary impact in raw materials. During the fourth quarter of the year, the change in working capital turned positive.

Cash and cash equivalents were EUR 309 million (EUR 179 million) at the end of December and the Group had EUR 353 million (EUR 382 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 4,821 million (EUR 4,542 million).

Sustainability

As part of Huhtamaki's 2030 Strategy, the company is focusing on embedding sustainability in everything it does. In February, Huhtamaki signed a virtual power purchase agreement in the United States, covering 30% of its electricity usage in North America. This marked a major step in the company's ambition to use 100% renewable electricity by 2030.

Huhtamaki launched a sustainability-linked bond framework in accordance with the International Capital Markets Association's Sustainability-Linked Bond Principles 2020 in June. The framework is designed to support the issuance of sustainability-linked securities by Huhtamäki Oyj. For securities issued under the framework, the interest rate, or other financial characteristics will change if Huhtamaki fails to meet the predefined sustainability performance target at an agreed testing date for a designated sustainability performance indicator. On June 1, the company issued an unsecured, EUR 500 million, five-year sustainability-linked bond.

During the third quarter, Huhtamaki and Stora Enso launched an industrial scale recycling program for paper cups in Europe. The program, which is the first of its kind in Europe, aims to recycle and capture the value of used paper cups on an industrial scale. Initially the program will be implemented across the Benelux. The first partners, including McDonald's, SSP - The Food Travel Experts, C2 Centre, and the National Railway Company of Belgium (SNCB), were launched in early December. The first cup collection bins can be now found in the premises of these partners. China cup collection pilot is progressing well, and the first collected cups have been sent to the paper and pulp mill where they will be recycled to notebooks and other fiber products.

Huhtamaki completed its second human rights Impact assessment in the third quarter and managed to set water management plans in all sites. The Huhtamaki Global Environmental policy was also updated, increasing the focus on biodiversity, water management and chemicals management. In addition, Huhtamaki added KPI's on water intensity and solvent recovery in its Global Sustainability and Safety Index.

In the fourth quarter, Huhtamaki launched a significant sustainable innovation, the home compostable paper-based coffee capsule in partnership with Nespresso. This is an example of how the company collaborates to create solutions that transforms industries.

Huhtamaki made good progress on its 2030 sustainability targets. The company scored 71 out of 100 points in the 2022 EcoVadis rating, placing it in the top 5% of all companies assessed globally. In addition, Huhtamaki's rating with MSCI increased to the level A and the company maintained a Gold medal level with EcoVadis.

Impacts of the war in Ukraine and the divestment of operations in Russia

On September 2, 2022, Huhtamaki announced the divestment of its operations in Russia to Espetina Ltd. Espetina is a holding company owned by Alexander Govor and Iury Kushnerov. The transaction has been completed. The cash and debt free sales price was EUR 151 million. As a result of the sale, Huhtamaki booked a gain of EUR 44.5 million during the third and fourth quarter. The transaction included four manufacturing units in Russia, employing 724 people. Net sales in Russia amounted to EUR 99.5 million in 2021, representing less than 3% of the Group's net sales. The factories in Russia mostly served the local market and only a minor part of production was exported. Following the divestment, Huhtamaki does not have any operations in Russia.

Huhtamaki has operations in Ukraine but does not operate in Belarus. In Ukraine, the company has one factory, which has mostly served the local market. It's net sales prior to the war made only a minor contribution to the Group level net sales.

Impact of COVID-19

The impact of COVID-19 on Huhtamaki's business has decreased gradually. During the fourth quarter of 2022, the situation in most markets has normalized, and demand has recovered overall. There were some exceptions, such as China, where the operating environment was still negatively impacted by lockdowns.

Other significant events during the reporting period

Huhtamaki signed a EUR 250 million term loan facility

On April 8, 2022, Huhtamäki Oyj signed a EUR 250 million term loan facility agreement with a maturity of two (2) years. The facility has a one-year extension option at the discretion of the lenders. The facility is used for refinancing and general corporate purposes of the Group.

Huhtamaki launched a Sustainability-Linked Bond Framework

On May 25, 2022, Huhtamaki issued a sustainability-linked bond framework (the "SLB Framework") in accordance with the International Capital Markets Association's Sustainability-Linked Bond Principles 2020. The SLB Framework is designed to support the issuance of sustainability-linked securities by Huhtamaki. For the securities issued under the SLB Framework, the interest rate, or other financial characteristics, of a security will change if Huhtamaki fails to meet

the predefined sustainability performance target at an agreed testing date for a designated sustainability performance indicator.

S&P Global Ratings assigned BB+ issuer credit rating to Huhtamäki Oyj

On May 25, 2022, S&P Global Ratings assigned a long-term issuer credit rating of BB+ to Huhtamäki Oyj, with a stable outlook. It is the first debt rating for Huhtamaki.

Huhtamaki issued a EUR 500 million sustainability-linked bond

On June 1, 2022, Huhtamäki Oyj issued a EUR 500 million senior unsecured sustainability-linked bond. The sustainability-linked 5-year bond matures on June 9, 2027 and bears interest at the rate of 4.25 per cent per annum, which is subject to an increased rate upon the failure to satisfy certain sustainability performance targets. With the proceeds from the issue of the bond, Huhtamaki refinanced its USD 500 million bridge loan facility and is used for general corporate purposes of the Group.

Huhtamaki to expand molded fiber manufacturing capacity in North America

On June 8, 2022, Huhtamaki announced plans to expand its molded fiber product manufacturing unit in the city of Hammond, Indiana, US, as part of its investment in fiber solutions. The investment, which is expected to start ramping up towards the end of 2023, will enable Huhtamaki to better serve existing and new customers with a broad range of sustainable, fully recyclable and compostable, fiber-based packaging solutions, including egg cartons and cup carriers. The products will be manufactured from 100% recycled North American raw material.

Amounting to a total investment of almost USD 100 million, the expanded facility covers circa 23,000 square meters and will be built adjacent to Huhtamaki's existing Hammond manufacturing unit. Huhtamaki has operated in Hammond, Indiana, since 1948 and currently has approximately 140 employees there. It expects to employ a further 100 new employees when fully operational.

Huhtamaki invested in Emerald Technology Ventures' sustainable packaging fund focusing on next-generation sustainable packaging solutions

On September 13, 2022, Huhtamaki announced an investment in Emerald Technology Ventures' sustainable packaging fund. Huhtamaki is committed to ensuring that its innovation for sustainable packaging solutions has a net positive impact by achieving carbon neutral production and designing all its products to be recyclable, compostable or reusable by 2030. In line with this, Huhtamaki is continuously investing in innovation and seeking to develop next-generation, transformative innovation. The investment into Emerald Technology Ventures' sustainable packaging fund follows Huhtamaki's earlier collaboration with start-ups – launched in 2020 as part of Huhtamaki's centennial – which demonstrated the value of partnerships in identifying, developing and deploying systemic solutions to deliver game-changing sustainable packaging solutions for the future.

As a limited partner, Huhtamaki will help to foster next-generation sustainable packaging solutions and tap into nascent innovation of start-ups.

Huhtamaki expanded paper-based packaging capacity at its factory in Nules, Spain

On November 24, Huhtamaki announced the inauguration of the extension to its existing paper-based packaging manufacturing site in Nules, Spain. The extension, which will commence production in January 2023 represents a EUR 20 million investment and will double the site's capacity. This latest investment reflects the growing demand for renewable and recyclable paper-based packaging to substitute rigid plastics. The Nules factory is a Huhtamaki Global Center of Excellence, developing innovative, sustainable packaging solutions for its customers across Europe.

Huhtamaki extended the maturity of EUR 400 million syndicated revolving credit facility for a further period of one year

On December 16, 2022, Huhtamäki Oyj signed a confirmation to extend the maturity of a EUR 400 million syndicated revolving credit facility loan agreement for a further period of one year in accordance with the extension option of the loan agreement. The new termination date is January 7, 2026. The credit facility is used for general corporate purposes of the Group.

Significant events after the reporting period

There were no significant events after the reporting period.

Business review by segment

Foodservice Europe-Asia-Oceania

Foodservice offers high-quality paperboard and molded fiber packaging for fresh food and drinks to foodservice operators, fast food restaurants, coffee shops and FMCG companies. The segment has production units in Europe, South Africa, Middle East, Asia and Oceania.

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	266.7	254.0	5%	1,110.7	941.8	18%
Comparable net sales growth	15%	12%		18%	11%	
Adjusted EBIT ¹	24.2	19.5	24%	105.7	77.8	36%
Margin ¹	9.1%	7.7%		9.5%	8.3%	
Adjusted RONA ¹				10.9%	9.2%	
Capital expenditure	41.2	40.5	2%	118.9	85.0	40%
Operating cash flow ¹	29.5	-31.0	>100%	28.3	8.9	>100%
Items affecting comparability (IAC)	-4.9	7.1		16.0	0.8	

¹ Excluding IAC.

Q4 2022

The demand for foodservice packaging softened slightly during the quarter. Prices of most input costs continued to increase.

Net sales in the Foodservice Europe-Asia-Oceania segment increased. Comparable net sales growth was 15%, driven by pricing. Net sales increased in most main markets whereas China was the main negative deviation. The business in Russia was divested in September 2022.

The impact of currency movements on the segment's reported net sales was EUR -3 million.

The segment's adjusted EBIT improved, driven by an improved mix and pricing to offset the significant cost inflation.

The impact of currency movements on the segment's reported earnings was EUR -0 million.

Q1-Q4 2022

In 2022, the demand for foodservice packaging was at a good level, fully recovering to the pre-pandemic level. However, variations between markets and product categories remained. Prices of all major input costs increased significantly compared to 2021. The supply chain was still disrupted during the first half of the year, leading to cost escalation as well as some challenges with availability.

Net sales in the Foodservice Europe-Asia-Oceania segment increased. Comparable net sales growth was 18%, driven by pricing and increased volumes. Net sales increased in all main markets and was especially strong in Central and Western Europe as well as Middle East and Africa. Net sales decreased most in China (due to COVID-19 lockdowns) and Ukraine. The business in Russia was divested in September 2022.

The impact of currency movements on the segment's reported net sales was EUR 17 million.

The segment's adjusted EBIT improved, driven by pricing (to offset the significant cost inflation), increased sales volumes and an improved sales mix. Additionally, there was a continued positive impact from productivity actions in 2021.

The impact of currency movements on the segment's reported earnings was EUR -1 million.

North America

The North America segment serves local markets with Chinet® disposable tableware products, foodservice packaging products, as well as consumer goods packaging products (such as ice-cream containers). The segment has production units in the United States and Mexico.

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	383.6	314.7	22%	1,468.3	1,160.3	27%
Comparable net sales growth	10%	11%		14%	6%	
Adjusted EBIT ¹	49.0	33.9	45%	171.6	139.1	23%
Margin ¹	12.8%	10.8%		11.7%	12.0%	
Adjusted RONA ¹				17.9 %	17.5 %	
Capital expenditure	49.5	36.2	37%	99.8	70.6	41%
Operating cash flow ¹	13.1	24.4	-46%	45.6	117.0	-61%
Items affecting comparability (IAC)	-5.6	-1.1		-5.6	-1.9	

¹ Excluding IAC.

Q4 2022

Overall, there were increasing variations in demand across categories. In particular, demand in retail was good whereas consumer goods suffered from lower ice-cream consumption. Cost inflation continued to be significant and broad-based, affecting raw material, labor, distribution, and energy.

Net sales in the North America segment increased, driven by all product categories. Comparable net sales growth was 10%, driven by pricing while volumes declined, partly due to customers' stock management especially in December.

The impact of currency movements on the segment's reported net sales was EUR 42 million.

The segment's adjusted EBIT improved, supported by net sales growth and increased operational efficiency, while an unfavorable sales mix had a negative impact. The impact on profitability from increased costs for raw materials, labor, distribution and energy was offset by pricing actions.

The impact of currency movements on the segment's reported earnings was EUR 5 million.

Q1-Q4 2022

Demand remained on a good level across the board in 2022. Cost inflation was significant and broad-based, affecting raw material, labor, distribution, and energy. Additionally, there were constraints on raw material availability, particularly during the first half of the year.

Net sales in North America segment increased, driven by pricing in all product categories. Comparable net sales growth was 14%.

The impact of currency movements on the segment's reported net sales was EUR 161 million.

The segment's adjusted EBIT improved, supported by net sales growth and increased operational efficiency, while an unfavorable sales mix had a negative impact. The impact on profitability from increased costs for raw materials, labor, distribution and energy was offset by pricing actions.

The impact of currency movements on the segment's reported earnings was EUR 19 million.

Flexible Packaging

Flexible packaging is used for a wide range of consumer products including food, pet food, hygiene and health care products. The segment serves global markets from production units in Europe, Middle East and Africa, Asia and South America.

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	369.1	344.8	7%	1,558.2	1,166.6	34%
Comparable net sales growth	1%	12%		14%	7%	
Adjusted EBIT ¹	15.5	24.5	-37%	98.1	79.8	23%
Margin ¹	4.2%	7.1%		6.3%	6.8%	
Adjusted RONA ¹				6.9 %	8.0 %	
Capital expenditure	32.9	12.7	>100%	68.2	46.0	48%
Operating cash flow ¹	62.9	38.3	64%	51.5	54.9	-6%
Items affecting comparability (IAC)	-6.0	-3.1		-15.9	-16.1	

¹ Excluding IAC.

Q4 2022

Overall demand for flexible packaging in the company's key markets declined during the quarter, particularly in Turkey, Eastern Europe and the UAE. On the other hand, demand in South-East Asia improved.

Raw material prices started to decrease compared to the third quarter of 2022 but were still clearly higher than in the fourth quarter of 2021. Most other input costs continued to increase.

Net sales in the Flexible Packaging segment increased driven by pricing, partly offset by a decrease in volumes. Comparable net sales growth was 1%.

The impact of currency movements on the segment's reported net sales was EUR 4 million.

The segment's adjusted EBIT decreased. The profitability was impacted by an unfavorable currency impact on local operations, particularly linked to the devaluation of the Egyptian pound and the Turkish lira. Additionally, unfavorable volume development and a one-off inventory adjustment had a negative impact. Cost inflation was largely offset by pricing actions and cost management.

The impact of currency movements on the segment's reported earnings was EUR 0 million.

Q1-Q4 2022

Overall demand for flexible packaging remained satisfactory but the competitive situation in all regions was tight. Raw material prices increased significantly compared to 2021 as well as cost for energy and transport.

Net sales increased in all main markets, driven by pricing. Comparable net sales growth was 14%, where the key drivers were Europe and Asia. The Elif acquisition contributed favorably to the reported net sales.

The impact of currency movements on the segment's reported net sales was EUR 48 million.

The segment's adjusted EBIT increased. The significant cost inflation was largely offset by pricing actions and cost management. Portfolio management actions and the Elif acquisition contributed favorably to the adjusted EBIT. The profitability was weighed on by an unfavorable currency impact on local operations, particularly linked to the devaluation of the Egyptian pound and the Turkish lira. A one-off inventory adjustment during the fourth quarter also had a negative impact.

The impact of currency movements on the segment's reported earnings was EUR 3 million.

Fiber Packaging

Recycled and other natural fibers are used to make fresh product packaging, such as egg, fruit, food and drink packaging. The segment has production units in Europe, Oceania, Africa and South America.

EUR million	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	87.4	91.5	-4%	363.0	333.6	9%
Comparable net sales growth	17%	2%		15%	2%	
Adjusted EBIT ¹	11.1	10.7	4%	40.0	36.4	10%
Margin ¹	12.7%	11.7%		11.0%	10.9%	
Adjusted RONA ¹				14.4 %	14.0 %	
Capital expenditure	9.5	22.2	-57%	31.2	56.2	-44%
Operating cash flow ¹	-11.6	-9.4	-23%	20.9	-9.3	>100 %
Items affecting comparability (IAC)	1.7	-0.5		18.1	-1.1	

¹ Excluding IAC.

Q4 2022

Overall demand for fiber-based egg packaging and food-on-the-go products remained stable in most markets. The prices of recycled fiber decreased during the quarter.

Net sales in the Fiber Packaging segment decreased due to the divestment of the business in Russia in September 2022. Comparable net sales growth was 17%. Net sales increased especially in Europe and was driven by pricing actions.

The impact of currency movements on the segment's reported net sales was EUR -0 million.

The segment's adjusted EBIT increased, supported by pricing actions to offset the significant cost inflation.

The impact of currency movements on the segment's reported earnings was EUR -0 million.

Q1-Q4 2022

Overall demand for fiber-based egg packaging and food-on-the-go products remained on a good level in most markets. The prices of recycled fiber were higher compared to the previous year's level.

Net sales in the Fiber Packaging segment increased. Comparable net sales growth was 15%. Net sales increased especially in Europe. Net sales growth was driven by volume and pricing actions.

The impact of currency movements on the segment's reported net sales was EUR 9 million.

The segment's adjusted EBIT increased, as a result of pricing to offset the significant cost inflation, an improved mix and increased sales volumes.

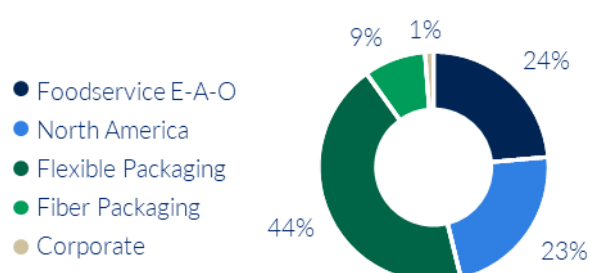
The impact of currency movements on the segment's reported earnings was EUR 1 million.

Personnel

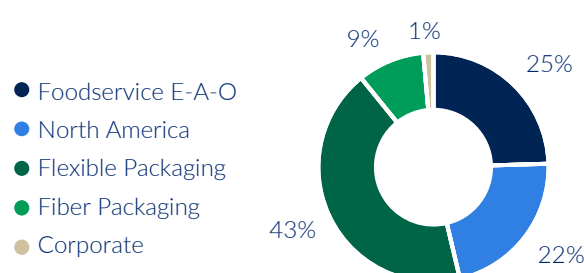
Number of personnel

	December 31, 2022	December 31, 2021	Change
Foodservice Europe-Asia-Oceania	4,465	4,797	-7%
North America	4,268	4,261	0%
Flexible Packaging	8,316	8,387	-1%
Fiber Packaging	1,651	1,840	-10%
Corporate	227	279	-19%
Group	18,927	19,564	-3%

Personnel by segment on December 31, 2022



Personnel by segment on December 31, 2021



At the end of December 2022, the Group had a total of 18,927 (19,564) employees. The number of employees was 3% lower than in the comparison period, driven by the divestment of the operations in Russia.

Changes in management

On December 21, 2021, it was announced that the President and CEO Charles Héaulmé was diagnosed with a cancer. He took a leave of absence from early January 2022, to undergo treatment, and fully resumed his duties on April 19, 2022. Thomas Geust, CFO, acted as interim Deputy CEO from January 1, 2022 to April 18, 2022. During the same time, Eric Le Lay, President Fiber and Foodservice EAO, acted as interim Chief Operating Officer.

Fredrik Davidsson, Bs (Engineering), was appointed as Executive Vice President, Digital and Process Performance and a member of the Global Executive Team as of May 1, 2022.

Share capital, shareholders and trading of shares

Share capital and number of shares

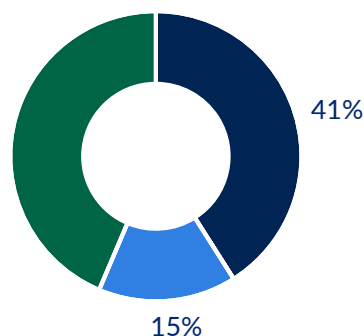
	December 31, 2022	December 31, 2021
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,395,709	3,395,709
% of total number of shares	3.2%	3.2%
Number of outstanding shares ¹	104,364,676	104,364,676
Average number of shares ^{1,2}	104,364,676	104,360,114

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at December 31, 2022

- Finnish institutions, companies and organizations 44%
- Households
- Foreign and nominee-registered shareholders



The number of registered shareholders at the end of December 2022 was 50,150 (43,774). Foreign ownership including nominee registered shares accounted for 44% (48%).

Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	2022	2021
Number of shares traded, million	61.7	51.0
Closing price on final day of trading, EUR	32.00	38.89
Volume-weighted average price, EUR	34.30	40.12
High, EUR	39.94	45.93
Low, EUR	26.41	36.57
Market capitalization (at end of period), EUR million	3,448	4,191

During the reporting period, the Company's shares were quoted on Nasdaq Helsinki Ltd on the Nordic Large Cap list under the Industrials sector. It was a component of the Nasdaq Helsinki 25 Index.

At the end of December 2022, the Company's market capitalization was EUR 3,448 million (EUR 4,191 million). With a closing price of EUR 32.00 (EUR 38.89) at the end of the reporting period, the share price decreased approximately 18% from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 34.30 (EUR 40.12). The highest price paid was EUR 39.94 (EUR 45.93) and the lowest was EUR 26.41 (EUR 36.57).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 2,117 million (EUR 2,027 million). The trading volume of approximately 62 million (51 million) shares equaled an average daily turnover of 243,923 (200,455) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 7,665 million (EUR 6,022 million). During the reporting period, 72% (66%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Refinitiv Eikon).

Resolutions of the Annual General Meeting 2022

Huhtamäki Oyj's Annual General Meeting of Shareholders was held on April 27, 2022 in Espoo, Finland. The meeting adopted the Company's Annual Accounts including the Consolidated Annual Accounts for 2021, discharged the members of the Company's Board of Directors and the CEO from liability, and approved all proposals made to the Annual General Meeting by the Board of Directors and the Shareholders' Nomination Board. The Annual General Meeting also approved the Remuneration Report for the Company's Governing Bodies presented to it.

The Annual General Meeting resolved that an aggregate dividend of EUR 0.94 per share be paid based on the balance sheet adopted for the financial period ended on December 31, 2021. The dividend was paid in two instalments. The first dividend instalment, EUR 0.47 per share, was paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date for the first dividend instalment April 29, 2022. The payment date for the first dividend instalment was May 6, 2022. The second dividend instalment, EUR 0.47 per share, was paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland

Ltd on the record date for the second dividend instalment October 3, 2022. The payment date for the second dividend instalment was on October 10, 2022.

The number of members of the Board of Directors was confirmed to as nine (9). Mr. Pekka Ala-Pietilä, Mr. Doug Baillie, Mr. William R. Barker, Ms. Anja Korhonen, Ms. Kerttu Tuomas, Ms. Sandra Turner and Mr. Ralf K. Wunderlich were re-elected as members of the Board of Directors and, as new members, Ms. Mercedes Alonso and Mr. Heikki Takala. They were elected for a term ending at the end of the next Annual General Meeting. The Annual General Meeting re-elected Mr. Pekka Ala-Pietilä as the Chair of the Board and Ms. Kerttu Tuomas as the Vice-Chair of the Board.

The Annual General Meeting resolved that the annual remuneration to the members of the Board of Directors will be paid as follows: to the Chair of the Board EUR 160,000, to the Vice-Chair EUR 75,000 and to the other members EUR 62,000 each. In addition, the Annual General Meeting resolved that the annual remuneration to the Chair and members of the Board Committees will be paid as follows: to the Chair of the Audit Committee EUR 15,000 and to the other members of the Audit Committee EUR 5,000 as well as to the Chair of the Human Resources Committee EUR 5,000 and to the other members of the Human Resources Committee EUR 2,500. In addition, the Annual General Meeting resolved that EUR 1,500 will be paid for each Board and Committee meeting attended. Traveling expenses of the Board members will be compensated in accordance with the Company policy.

KPMG Oy Ab, a firm of authorized public accountants, was re-elected as Auditor of the Company for the financial year January 1 – December 31, 2022. Mr. Henrik Holmbom, APA, continued to act as the Auditor with principal responsibility.

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase of an aggregate maximum of 10,776,038 of the Company's own shares. Own shares may be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The authorization covers also directed repurchases of the Company's own shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2023.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of new shares to be issued may not exceed 10,000,000 shares which corresponds to approximately 9.3 percent of the current shares of the Company, and the aggregate number of own treasury shares to be transferred may not exceed 4,000,000 shares which corresponds to approximately 3.7 percent of the current shares of the Company. The authorization covers also directed issuances of shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2023.

Short-term risks and uncertainties

Significant and broad-based inflation (including raw materials, labor, distribution and energy), decline in consumer demand, availability of raw materials as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. Geopolitical, general political, economic and financial market conditions, as well as a potential further escalation of the geopolitical crisis in Europe, can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings. The COVID-19 pandemic may continue to create further disturbances in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Further, natural disasters may have negative effects on the Group's operating environment.

Outlook for 2023

The Group's trading conditions are expected to remain relatively stable, despite the continued volatility in the operating environment. Huhtamaki's diversified product portfolio provides resilience and the Group's good financial position enables addressing profitable long-term growth opportunities.

Dividend proposal

On December 31, 2022 Huhtamäki Oyj's distributable funds were EUR 908 million (EUR 462 million). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 1.00 (EUR 0.94) per share be paid.

Annual General Meeting 2023

The Annual General Meeting of Shareholders (AGM) will be held on Thursday, April 27, 2023 at 11:00 (EEST) at Scandic Marina Congress Center, Katajanokanlaituri 6, Helsinki, Finland.

Financial reporting in 2023

In 2023, Huhtamaki will publish financial information as follows:

Interim Report, January 1 - March 31, 2023	April 27
Half-yearly Report, January 1 - June 30, 2023	July 20
Interim Report, January 1 - September 30, 2023	October 20

The Annual Report 2022 will be published on the week commencing February 27, 2023.

Espoo, February 8, 2023

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS)

<i>EUR million</i>	Q1-Q4 2022	Q1-Q4 2021	Q4 2022	Q4 2021
Net sales	4,479.0	3,574.9	1,103.6	999.5
Cost of goods sold	-3,746.6	-2,980.4	-934.6	-840.1
Gross profit	732.4	594.4	169.0	159.4
Other operating income	74.8	24.4	17.9	15.6
Sales and marketing	-99.6	-84.8	-24.3	-26.7
Research and development	-30.6	-25.7	-7.6	-7.5
Administration expenses	-254.9	-207.6	-69.8	-58.4
Other operating expenses	-16.8	-4.8	-7.0	2.2
Earnings before interest and taxes	405.3	296.0	78.1	84.5
Financial income	11.0	4.0	2.9	1.7
Financial expenses	-64.2	-37.0	-19.1	-10.8
Profit before taxes	352.1	263.0	61.8	75.4
Income tax expense	-66.7	-60.3	-2.8	-16.4
Profit for the period	285.4	202.7	58.9	59.0
Attributable to:				
Equity holders of the parent company	276.2	198.8	56.3	57.9
Non-controlling interest	9.2	3.8	2.6	1.0
EUR				
EPS attributable to equity holders of the parent company	2.65	1.91	0.54	0.56
Diluted EPS attributable to equity holders of the parent company	2.64	1.91	0.54	0.56

Group statement of comprehensive income (IFRS)

<i>EUR million</i>	Q1-Q4 2022	Q1-Q4 2021	Q4 2022	Q4 2021
Profit for the period	285.4	202.7	58.9	59.0
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements on defined benefit plans	44.1	35.7	44.1	35.5
Income taxes related to items that will not be reclassified	-16.3	-8.0	-16.3	-7.9
Total	27.8	27.8	27.8	27.6
Items that may be reclassified subsequently to profit or loss				
Translation differences	108.7	117.8	-197.8	48.1
Equity hedges	-14.7	-17.9	18.8	-6.7
Cash flow hedges	17.4	4.9	-3.8	0.5
Income taxes related to items that may be reclassified	-3.4	-1.1	-1.5	-0.1
Total	108.0	103.8	-184.2	41.8
Other comprehensive income, net of tax	135.8	131.5	-156.4	69.3
Total comprehensive income	421.2	334.2	-97.5	128.3
Attributable to:				
Equity holders of the parent company	413.6	330.1	-96.0	127.5
Non-controlling interest	7.5	4.1	-1.5	0.8

Group statement of financial position (IFRS)

<i>EUR million</i>	Dec 31, 2022	Dec 31, 2021
ASSETS		
Non-current assets		
Goodwill	1,035.0	1,000.9
Other intangible assets	117.9	121.5
Tangible assets	1,735.8	1,674.1
Other investments	2.4	2.2
Interest-bearing receivables	0.9	2.0
Deferred tax assets	48.4	55.1
Employee benefit assets	57.8	67.6
Other non-current assets	9.4	5.6
	3,007.7	2,929.1
Current assets		
Inventory	755.4	665.7
Interest-bearing receivables	14.9	1.9
Current tax assets	20.1	22.0
Trade and other current receivables	709.4	744.9
Cash and cash equivalents	309.4	178.7
Assets held for sale	4.3	-
	1,813.6	1,613.1
Total assets	4,821.3	4,542.2
EQUITY AND LIABILITIES		
Share capital	366.4	366.4
Premium fund	115.0	115.0
Treasury shares	-31.2	-31.2
Translation differences	-7.1	-102.4
Fair value and other reserves	-30.4	-72.4
Retained earnings	1,429.4	1,245.3
Total equity attributable to equity holders of the parent company	1,842.2	1,520.7
Non-controlling interest	80.0	76.5
Total equity	1,922.2	1,597.2
Non-current liabilities		
Interest-bearing liabilities	1,403.9	1,275.6
Deferred tax liabilities	133.3	131.9
Employee benefit liabilities	136.7	197.2
Provisions	13.3	13.1
Other non-current liabilities	4.3	5.1
	1,691.4	1,622.8
Current liabilities		
Interest-bearing liabilities		
Current portion of long term loans	168.9	157.1
Short-term loans	223.2	270.1
Provisions	9.8	4.7
Current tax liabilities	70.8	55.0
Trade and other current liabilities	734.9	835.3
	1,207.7	1,322.2
Total liabilities	2,899.1	2,945.0
Total equity and liabilities	4,821.3	4,542.2

Group statement of changes in equity (IFRS)

Attributable to equity holders of the parent company

<i>EUR million</i>	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance on January 1, 2021	366.4	115.0	-31.3	-202.3	-103.8	1,140.1	1,284.1	80.4	1,364.5
Dividends paid						-96.0	-96.0		-96.0
Share-based payments			0.1			5.4	5.6		5.6
Total comprehensive income for the year				99.8	31.4	198.8	330.1	4.1	334.2
Acquisition of non-controlling interest						-3.0	-3.0	-8.0	-11.0
Other Changes						0.0	0.0	-0.0	-0.0
Balance on Dec 31, 2021	366.4	115.0	-31.2	-102.4	-72.4	1,245.3	1,520.7	76.5	1,597.2
Dividends paid						-98.1	-98.1		-98.1
Share-based payments						13.8	13.8		13.8
Total comprehensive income for the year				95.4	42.0	276.2	413.6	7.5	421.2
Acquisition of non-controlling interest						-2.0	-2.0	-0.3	-2.3
Other Changes						-5.7	-5.7	-3.7	-9.4
Balance on Dec 31, 2022	366.4	115.0	-31.2	-7.1	-30.4	1,429.4	1,842.2	80.0	1,922.2

Group statement of cash flows (IFRS)

<i>EUR million</i>	Q1-Q4 2022	Q1-Q4 2021	Q4 2022	Q4 2021
Profit for the period*	285.4	202.7	58.9	59.0
Adjustments*	291.8	267.1	67.5	65.0
Depreciation and amortization*	209.7	173.7	52.4	48.1
Gain/loss from disposal of assets*	1.2	-3.8	1.5	-5.7
Financial expense/-income*	53.2	33.0	16.3	9.1
Income tax expense*	66.7	60.3	2.8	16.4
Other adjustments*	-38.9	4.0	-5.6	-2.9
Change in inventory*	-98.0	-105.0	96.5	-21.1
Change in non-interest bearing receivables*	20.6	-150.2	116.3	-27.1
Change in non-interest bearing payables*	-83.6	116.4	-114.6	25.2
Dividends received*	0.2	0.2	0.0	0.1
Interest received*	20.6	2.2	2.3	0.8
Interest paid*	-36.0	-25.4	0.0	-12.1
Other financial expense and income*	-8.2	-2.4	-1.4	-1.4
Taxes paid*	-71.3	-82.8	-23.1	-39.4
Net cash flows from operating activities	321.4	222.7	202.4	48.9
Capital expenditure*	-318.5	-259.4	-133.2	-112.2
Proceeds from selling tangible assets*	8.2	10.5	2.1	9.1
Disposed subsidiaries and business operations	149.2	-	-	-
Acquired subsidiaries and assets	-2.2	-365.2	-2.2	-10.7
Change in other investments	0.5	-	-0.5	-
Proceeds from long-term deposits	1.3	1.8	0.4	0.1
Payment of long-term deposits	-	-0.4	-	-0.2
Proceeds from short-term deposits	62.6	7.0	60.3	0.7
Payment of short-term deposits	-75.7	-1.4	-6.8	-0.6
Net cash flows from investing activities	-174.6	-607.0	-79.9	-113.5
Proceeds from long-term borrowings	917.5	621.3	44.7	7.4
Repayment of long-term borrowings	-623.8	-257.3	-68.2	2.2
Change in short-term loans	-214.9	-15.8	-49.7	6.4
Acquisition of non-controlling interest	-2.3	-15.1	-	-
Dividends paid	-98.1	-96.0	-49.1	-48.0
Net cash flows from financing activities	-21.6	237.1	-122.3	-32.0
Change in cash and cash equivalents	130.8	-136.8	-14.3	-92.7
Cash flow based	125.2	-147.2	0.3	-96.7
Translation difference	5.6	10.4	-14.7	4.0
Cash and cash equivalents period start	178.7	315.5	323.8	271.4
Cash and cash equivalents period end	309.4	178.7	309.4	178.7
Free cash flow (including figures marked with *)	11.1	-26.1	71.3	-54.1

Notes to the Results Report

The Results Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the accounting policy changes listed below, the same accounting policies have been applied in the Interim Report as in the annual financial statements for 2021. The following new and amended standards and interpretations have been adopted with effect from January 1, 2022. The amendments had no material impact on the interim financial statements:

- **Revised IFRS 3 Business Combinations.** The amendments update the outdated reference to the Conceptual Framework.
- **Revised IAS 16 Property, Plant and Equipment.** Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items.
- **Revised IAS 37 Provisions, Contingent Liabilities and Contingent Assets.** When an onerous contract is accounted for based on the costs of fulfilling the contract, the amendments clarify that these costs comprise both the incremental costs and an allocation of other direct costs.
- **Annual Improvements to IFRS standards 2018–2020.** Annual improvements include smaller amendments to four standards.

COVID-19

Description of the COVID-19 on the business can be found in the chapter 'Impact of COVID-19' in the Results report.

Impacts of the war in Ukraine and the divestment of operations in Russia

On September 2, 2022, Huhtamaki announced the divestment of its operations in Russia to Espetina Ltd. Espetina is a holding company owned by Alexander Govor and Iury Kushnerov. The transaction has been completed. The cash and debt free sales price was EUR 151 million. As a result of the sale, Huhtamaki booked a gain of EUR 44.5 million in its third and fourth quarter. The transaction included four manufacturing units in Russia, employing 724 people. Net sales in Russia amounted to EUR 99.5 million in 2021, representing less than 3% of the Group's net sales. The factories in Russia mostly served the local market and only a minor part of production has been exported. Following the divestment, Huhtamaki does not have any operations in Russia.

Huhtamaki has operations in Ukraine but does not operate in Belarus. In Ukraine, the company has one factory, which has mostly served the local market. It's net sales prior to the war made only a minor contribution to the Group level net sales.

Segments

Segment information is presented according to the IFRS standards. Items below EBIT – financial items and taxes – are not allocated to the segments. Reportable segments' net sales and EBIT form Group's total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

Net sales

<i>EUR million</i>	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	1,107.3	266.3	299.5	288.1	253.4	937.8	252.6	243.4	235.0
Intersegment net sales	3.4	0.4	1.0	0.7	1.3	4.0	1.4	1.3	0.6
North America	1,464.1	383.2	371.8	373.2	335.9	1,156.1	313.3	293.7	293.9
Intersegment net sales	4.2	0.4	0.6	1.6	1.6	4.2	1.4	0.7	1.3
Flexible Packaging	1,551.4	366.7	417.8	391.0	376.0	1,165.6	348.4	282.4	269.3
Intersegment net sales	6.7	2.4	2.9	-0.2	1.7	0.9	-3.6	1.5	1.4
Fiber Packaging	356.2	87.4	89.4	95.0	84.4	315.4	85.1	77.0	78.8
Intersegment net sales	6.8	-0.0	-0.1	0.4	6.5	18.3	6.3	6.3	1.6
Elimination of intersegment net sales	-21.1	-3.2	-4.4	-2.5	-11.1	-27.4	-5.5	-9.8	-5.0
Total	4,479.0	1,103.6	1,178.4	1,147.3	1,049.7	3,574.9	999.5	896.4	876.9

EBIT

<i>EUR million</i>	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	121.7	19.3	55.1	21.8	25.5	78.5	26.6	20.0	18.5
North America	165.9	43.4	41.8	41.9	38.8	137.3	32.8	35.7	37.6
Flexible Packaging	82.2	9.5	21.5	24.7	26.6	63.6	21.4	6.7	14.9
Fiber Packaging	58.0	12.8	25.3	12.5	7.5	35.2	10.3	7.8	7.8
Other activities	-22.7	-7.0	-6.5	-4.3	-4.9	-18.7	-6.6	-5.3	-3.8
Total	405.3	78.1	137.1	96.5	93.5	296.0	84.5	64.9	75.0

IAC in EBIT

<i>EUR million</i>	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	16.0	-4.9	24.4	-3.5	-0.0	0.8	7.1	-0.7	-1.4
North America	-5.6	-5.6	-	-	-0.0	-1.9	-1.1	-0.1	-0.6
Flexible Packaging	-15.9	-6.0	-4.8	-2.3	-2.8	-16.1	-3.1	-10.3	-1.6
Fiber Packaging	18.1	1.7	16.7	-0.3	-0.0	-1.1	-0.5	-0.1	-0.5
Other activities	-2.4	-0.4	-0.7	-0.1	-1.1	-1.0	-0.1	-0.1	-0.7
Total	10.2	-15.3	35.6	-6.2	-4.0	-19.3	2.3	-11.4	-4.9

EBITDA

<i>EUR million</i>	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	182.3	33.8	71.0	37.1	40.4	133.8	38.9	34.2	31.7
North America	224.3	58.7	57.0	56.3	52.3	188.2	46.1	48.6	50.1
Flexible Packaging	146.8	26.1	37.7	40.6	42.4	106.6	37.1	16.5	22.6
Fiber Packaging	81.3	17.9	31.2	18.6	13.5	57.0	16.1	13.4	13.1
Other activities	-19.8	-6.1	-6.3	-3.4	-4.0	-16.0	-5.6	-4.7	-3.2
Total	614.9	130.5	190.6	149.2	144.6	469.6	132.5	108.0	114.3

IAC in EBITDA

<i>EUR million</i>	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	16.0	-4.9	24.4	-3.5	-0.0	0.7	4.8	-0.7	-1.4
North America	-5.6	-5.6	-	-	-0.0	-1.9	-1.1	-0.1	-0.6
Flexible Packaging	-8.1	-3.5	-3.1	-0.6	-0.8	-15.4	-0.8	-10.1	-3.5
Fiber Packaging	18.2	1.8	16.7	-0.3	-0.0	-1.2	-0.5	-0.1	-0.5
Other activities	-2.4	-0.4	-0.7	-0.1	-1.1	-1.0	-0.1	-0.1	-0.7
Total	18.0	-12.7	37.3	-4.6	-2.0	-18.7	2.2	-11.2	-6.8

Depreciation and amortization

<i>EUR million</i>	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	60.6	14.5	15.9	15.3	14.8	55.3	12.3	14.2	13.2
North America	58.4	15.3	15.2	14.3	13.6	50.9	13.3	12.9	12.5
Flexible Packaging	64.6	16.6	16.2	16.0	15.8	42.9	15.7	9.8	7.7
Fiber Packaging	23.3	5.1	6.0	6.1	6.0	21.8	5.8	5.6	5.4
Other activities	2.9	0.9	0.2	1.0	0.9	2.8	0.9	0.6	0.6
Total	209.7	52.5	53.4	52.7	51.1	173.7	48.1	43.1	39.3

Net assets allocated to the segments¹

<i>EUR million</i>	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	965.4	967.1	1,011.2	972.3	930.9	848.2	841.1
North America	1,013.2	1,058.8	972.9	918.9	838.1	796.8	793.8
Flexible Packaging	1,407.1	1,573.5	1,473.1	1,418.8	1,272.7	1,321.8	824.7
Fiber Packaging	294.4	254.4	305.7	264.9	272.8	274.1	261.7

¹ Following statement of financial position items are included in net assets: intangible and tangible assets, equity-accounted investments, other non-current assets, inventories, trade and other current receivables (excluding accrued interest income), other non-current liabilities and trade and other current liabilities (excluding accrued interest expense).

Capital expenditure

<i>EUR million</i>	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021
Foodservice Europe-Asia-Oceania	118.9	41.2	19.9	19.6	38.1	85.0	40.5	19.2	15.4
North America	99.8	49.5	17.8	16.2	16.2	70.6	36.2	12.0	12.8
Flexible Packaging	68.2	32.9	13.9	7.0	14.4	46.0	12.7	13.6	11.5
Fiber Packaging	31.2	9.5	5.5	8.7	7.4	56.2	22.2	17.1	11.6
Other activities	0.4	0.0	0.1	0.0	0.2	1.7	0.5	0.4	0.5
Total	318.5	133.2	57.4	51.5	76.4	259.4	112.2	62.3	51.8

Business combinations

On September 23, 2021 Huhtamaki completed the acquisition of Elif Holding A.Ş. (Elif), a major supplier of sustainable flexible packaging to global FMCG brand owners, with operations in Turkey and in Egypt. The acquired business is reported as part of Huhtamaki's Flexible Packaging business segment as of September 23, 2021.

In the end of the reporting period, Huhtamaki has completed the initial accounting for the acquisition. The acquired assets and liabilities were recognized with the following values as of the acquisition date:

<i>EUR million</i>	
Other intangible assets	78.5
Tangible assets	96.8
Inventory	58.7
Trade and other receivables	53.4
Cash and cash equivalents	28.4
Total assets	315.8
Interest bearing liabilities	111.3
Deferred tax liabilities	33.0
Trade and other liabilities	35.3
Total liabilities	179.5
Net assets total	136.3
Goodwill	222.0
Consideration	358.3
Consideration, paid in cash	358.3

<i>EUR million</i>	
Purchase consideration, cash payment	-358.3
Cash and cash equivalents in acquired companies	28.4
Transaction costs of the acquisition	-9.2
Net cash flow on acquisition	-339.0

Other information

Key indicators

	Q1-Q4 2022	Q1-Q4 2021
Equity per share (EUR)	17.65	14.57
ROE, % (12m roll.)	15.7 %	13.9 %
ROI, % (12m roll.)	11.4 %	10.6 %
Net debt	1,470.8	1,520.2
Net debt to equity (gearing)	0.77	0.95
Personnel	18,927	19,564
Profit before taxes (EUR million, 12m roll.)	352.1	263.0
Depreciation of tangible assets (EUR million)	190.4	164.4
Amortization of other intangible assets (EUR million)	19.3	9.3

Contingent liabilities

<i>EUR million</i>	Dec 31, 2022	Dec 31, 2021
Capital expenditure commitments	115.9	81.4

Financial instruments measured at fair value

<i>EUR million</i>	Dec 31, 2022	Dec 31, 2021
Derivatives - assets		
Currency forwards, transaction risk hedges	2.7	1.8
Currency forwards, translation risk hedges	11.3	-
Currency forwards, for financing purposes	9.9	19.5
Currency options, transaction risk hedges	-	-
Interest rate swaps	7.0	0.9
Other investments	2.4	2.2
Derivatives - liabilities		
Currency forwards, transaction risk hedges	2.4	0.6
Currency forwards, translation risk hedges	1.1	5.4
Currency forwards, for financing purposes	7.3	9.5
Currency options, transaction risk hedges	-	-
Interest rate swaps	6.2	1.8
Cross currency swaps	-	0.7

The fair values of the financial instruments measured at fair value have been indirectly derived from market prices. Other investments include quoted and unquoted shares. Quoted shares are measured at fair value. For unquoted shares the fair value cannot be measured reliably, as a result of which the investments are carried at cost.

Interest-bearing liabilities

<i>EUR million</i>	Dec 31, 2022		Dec 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	1,403.9	1,360.7	1,275.6	1,251.7
Current	392.2	392.0	427.2	427.2
Total	1,796.0	1,752.6	1,702.8	1,678.9

Exchange rates

The exchange rates used at the month end are the rates of the date prior to the last working day of the month.

Income statement, average:

	Q1-Q4 2022	Q1-Q4 2021
AUD 1 =	0.6591	0.6350
GBP 1 =	1.1731	1.1625
INR 1 =	0.0121	0.0114
RUB 1 =	0.0129	0.0115
THB 1 =	0.0271	0.0264
USD 1 =	0.9486	0.8447

Statement of financial position, month end:

	Dec 31, 2022	Dec 31, 2021
AUD 1 =	0.6306	0.6413
GBP 1 =	1.1293	1.1915
INR 1 =	0.0113	0.0119
RUB 1 =	0.0167	0.0118
THB 1 =	0.0271	0.0264
USD 1 =	0.9391	0.8823

Definitions for performance measures

Performance measures according to IFRS

Earnings per share (EPS) attributable to equity holders of the parent company =

$\frac{\text{Profit for the period} - \text{non-controlling interest}}{\text{Average number of shares outstanding}}$

Diluted earnings per share (diluted EPS) attributable to equity holders of the parent company =

$\frac{\text{Diluted profit for the period} - \text{non-controlling interest}}{\text{Average fully diluted number of shares outstanding}}$

Alternative performance measures

EBITDA =

EBIT + depreciation and amortization

Net debt to equity (gearing) =

$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$

Return on net assets (RONA) =

$\frac{100 \times \text{Earnings before interest and taxes (12m roll)}}{\text{Net assets (12m roll)}}$

Operating cash flow =

Adjusted EBIT + depreciation and amortization - capital expenditure + disposals +/- change in inventories, trade receivables and trade payables

Shareholders' equity per share =

$\frac{\text{Total equity attributable to equity holders of the parent company}}{\text{Issue-adjusted number of shares at period end}}$

Return on equity (ROE) =

$\frac{100 \times \text{Profit for the period (12m roll)}}{\text{Total equity (average)}}$

Return on investment (ROI) =

$\frac{100 \times (\text{Profit before taxes} + \text{interest expenses} + \text{net other financial expenses}) (12m roll.)}{\text{Statement of financial position total} - \text{interest-free liabilities (average)}}$

Comparable net sales growth =

Net sales growth excluding foreign currency changes, acquisitions and divestments

In addition to IFRS and alternative performance measures presented above, Huhtamaki may present adjusted performance measures, which are derived from IFRS or alternative performance measures by adding or deducting items affecting comparability (IAC). The adjusted performance measures are used in addition to, but not substituting, the performance measures reported in accordance with IFRS.

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