

# Becoming the first choice in sustainable packaging solutions

Roadshow presentation  
May-June 2023

**Huhtamaki**



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# Overview

# A strong local presence, delivering for our customers, globally (figures for 2022)

NET SALES

€4.5B

ADJUSTED EBIT MARGIN

8.8%

OPERATING LOCATIONS

116

OPERATING COUNTRIES

37

EMPLOYEES

18,927



● Fiber Foodservice E-A-O ● North America ● Flexible Packaging ● Sales and other locations



# Providing packaging for food and everyday necessities

Customers

Food service



FMCG



Retail



Healthcare



Products

Food packaging

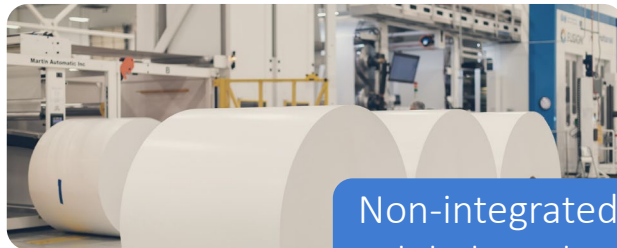


Packaging for everyday necessities



Packaging technology

Paperboard



Non-integrated  
Global Leader

Flexibles



Global Category  
Leader

Fiber



Global Leader

# We operate through three business areas and four reporting segments

Fiber Packaging and Foodservice E-A-O have been integrated as of June 1, 2020

## Fiber Packaging

10 manufacturing units  
1,700 employees

EUR 363 million



EUR 40.0 million  
Adj. EBIT margin 11.0%

## Foodservice Europe-Asia-Oceania

22 manufacturing units  
4,400 employees

EUR 1,111 million



EUR 105.7 million  
Adj. EBIT margin 9.5%

## North America

18 manufacturing units  
4,200 employees

EUR 1,468 million



EUR 171.6 million  
Adj. EBIT margin 11.7%

## Flexible Packaging

27 manufacturing units  
8,000 employees

EUR 1,558 million



EUR 98.1 million  
Adj. EBIT margin 6.3%

Net sales and split

Adj. EBIT

# Products, customers and competitors per segment

Fiber Packaging and Foodservice E-A-O have been integrated as of June 1, 2020

## Fiber Packaging

## Foodservice E-A-O

## North America

## Flexible Packaging

### Our products



### Our customers



### Key competitors

- Hartmann
- Pactiv
- Local players
- Plastics manufacturers

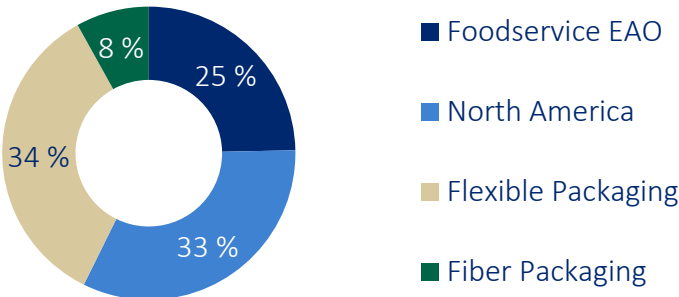
- Seda
- Detpak
- HK Cup
- Graphic Packaging
- Dart/Solo
- Local players

- Graphic Packaging
- Dart/Solo
- Reynolds/Pactiv
- Koch/Georgia Pacific
- Novolex
- Berry Global
- Westrock
- Sabert
- Gen Pak
- AJM
- Aspen

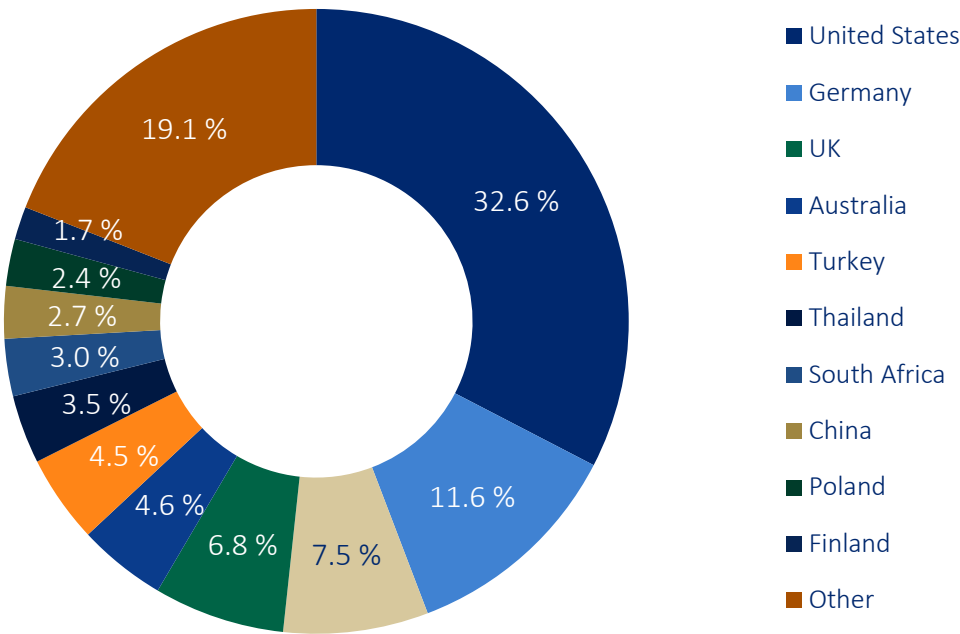
- Amcor
- Constantia
- Sealed Air
- Dai Nippon
- Regional players
- Local players

# Sales split by segment and key markets

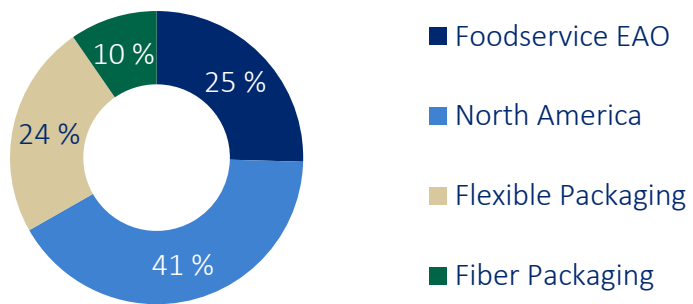
Net sales by segment



Net sales by key markets



Adj. EBIT by segment





# Our 2030 Profitable Growth Strategy



Scale up profitable core businesses



Develop blueloop™ sustainable innovation in partnership with our customers



Drive world-class operational performance

Smart, fit-for purpose sustainable packaging solutions

Powered by strategic capabilities



Sustainability



Innovation



Digitalization



Customer excellence



World-class operations



Talent

# Our long-term financial ambitions

## Group

Absolute **EPS** growth

**5-6%**

Comparable  
growth

**10-12%**

Adjusted EBIT  
margin

**13-15%**

Adjusted  
ROI

**2-3x**

Net debt /  
Adjusted  
EBITDA

**40-50%** dividend pay-out ratio

## Segments

	Comparable growth	Adj. EBIT margin	Adj. RONA
Foodservice EAO	4-5%	10-12%	13-15%
North America	5-6%	11-12%	15-17%
Flexible Packaging	6-7%	9-11%	11-13%
Fiber Packaging	3-4%	11-12%	14-16%

# Our 2030 sustainability ambitions

Our ambition

## First choice in sustainable packaging solutions

100%

of products designed to be recyclable, compostable or reusable

>80%

renewable or recycled materials

100%

of fiber from recycled or certified sources

>90%

of non-hazardous waste recycled or composted

100%

renewable electricity

Carbon neutral production and science-based emission target

We offer the most **engaging, motivating and safest** workplace for our people

We ensure **human rights are respected** throughout our value chain

We support **UN Global Compact & UN Sustainable Development Goals**

Our performance has been **externally recognized**



# Huhtamaki investment case

Huhtamaki is a market and technology innovation leader for essential packaging, creating value through:

- **Attractive portfolio of sustainable core businesses** to capture strong underlying market **growth**
- **Technology innovation** to capture value-added sustainable innovation opportunities as the industry shifts to circularity
- **Step-up in operational performance** to secure competitiveness in short and long term
- **Strategic capabilities** to win today and in the future

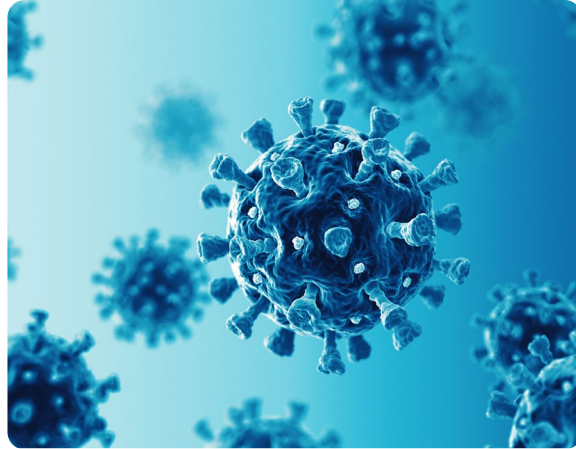


# Strategy

# Packaging is essential for food and everyday necessities



Packaging supports food from farm to fork, making it **more accessible and affordable**



Packaging helps **secure hygiene and food safety** for consumers around the world



Packaging helps prevent **food loss and waste**, in food systems



Packaging has driven **social and economic progress**, globally

We deliver fit-for-purpose smart sustainable packaging solutions to address these needs

# Packaging paradigm shift creates profitable growth opportunities for Huhtamaki



## Consumers

everywhere, are accelerating agenda for sustainable, affordable, adaptable and functional packaging



## Sustainability

driving industry transformation, creating opportunities in sustainable solutions



## Customers

demanding partnership for innovation of added-value sustainable solutions scalable everywhere they operate



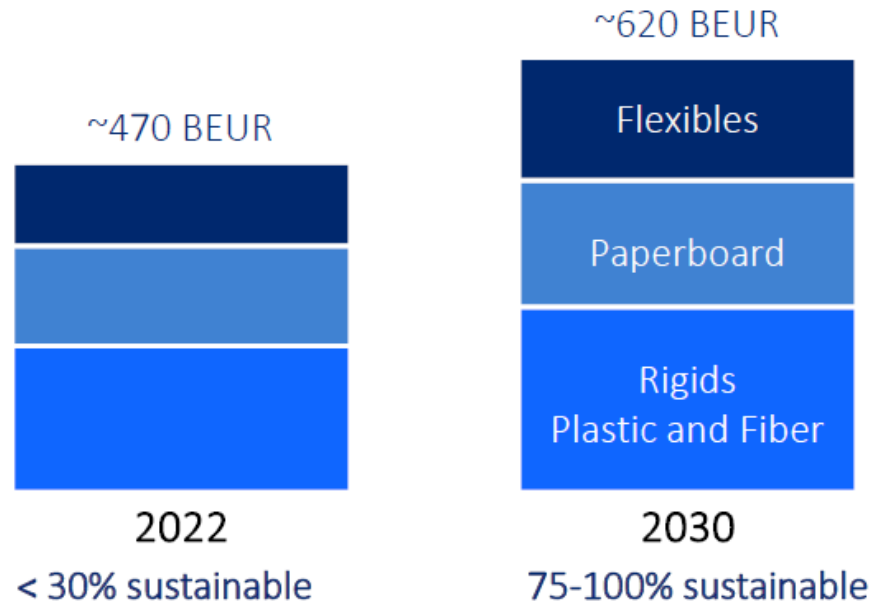
## Packaging value chain

cross-fertilizing across material, technology and digital innovation to deliver new solutions on a global scale

Our ability to provide sustainable technology innovation at scale differentiates Huhtamaki, globally

# Consumer demand for packaging is expected to grow, with further opportunities in sustainable innovation

Food & everyday necessities packaging market is projected to grow ~30%



We define sustainable packaging as recyclable, compostable or reusable and made from responsibly sourced material

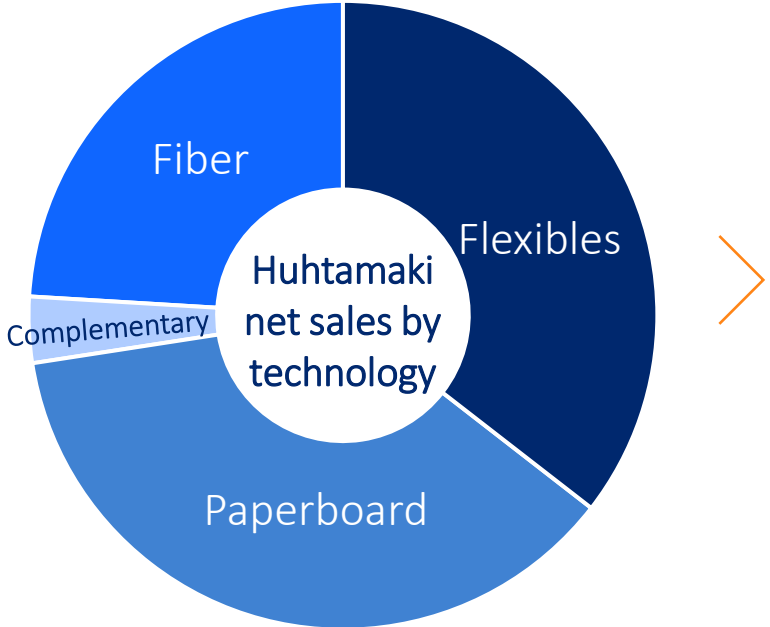
Need for sustainable solutions represents innovation opportunities

- Technologies for recyclable mono-material structures
- Recyclable or compostable barrier coatings for paperboard
- High-precision fiber technologies, bio-plastics and paperboard

Underpinning success of these solutions is also innovation in reuse and recycling systems, use of recycled material



# Our leadership in three key packaging technologies uniquely positions us to capture innovation opportunities



**Fiber**  
*Global Leader*

Proprietary high-precision fiber technology innovation for plastic substitution

30-40 BEUR opportunity

**Paperboard**  
*Non-integrated Leader*

Application and barrier innovation for sustainable coatings

25-30 BEUR opportunity

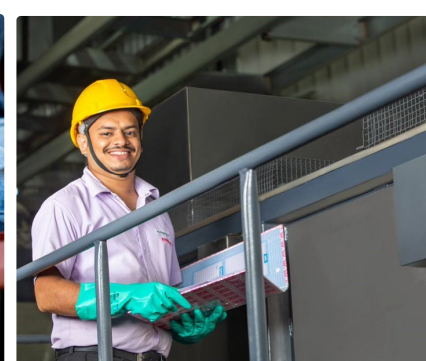
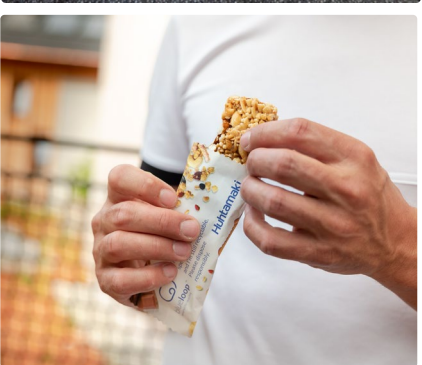
**Flexibles**  
*Global Category Leader*

Recyclable mono-material technology innovation

30-70 BEUR opportunity

**Our three core technologies enable us to be material positive – innovating for the best sustainability outcomes in the right material to achieve critical packaging functionalities**

Note: Opportunity represents areas where we can play to win with our current technologies and deliver alternatives in e.g. plastic substitution



# Our 2030 North Star



Be the first choice in sustainable packaging solutions,  
driven by innovation and operational performance



# We are on a transformation journey to become the first choice in sustainable packaging solutions



# Our 2030 Profitable Growth Strategy



Scale up profitable core businesses



Develop blueloop™ sustainable innovation in partnership with our customers



Drive world-class operational performance

Smart, fit-for purpose sustainable packaging solutions

Powered by strategic capabilities



Sustainability



Innovation



Digitalization



Customer excellence



World-class operations

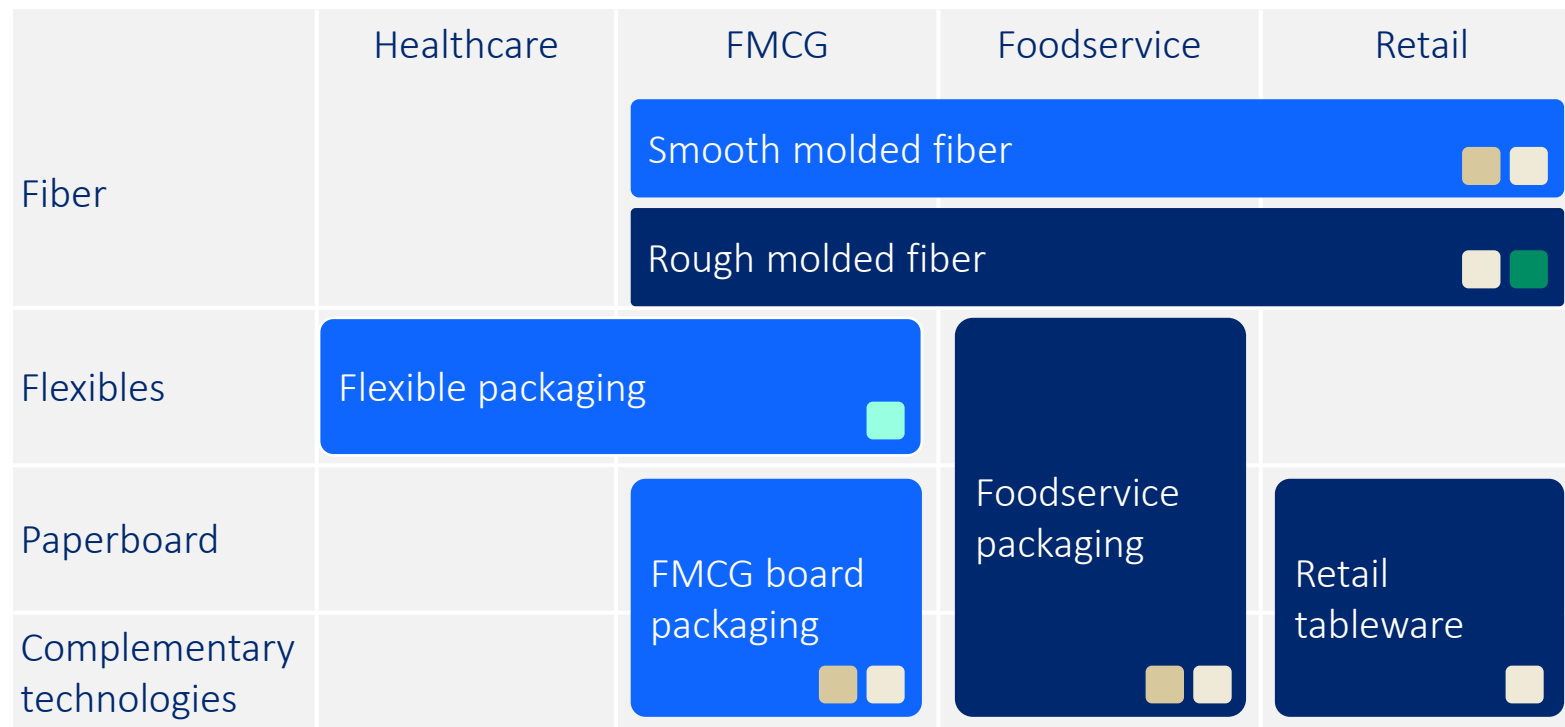


Talent

# We continue to invest in profitable sustainable core businesses and blueloop™ transformative innovation, across our business segments

Profitable growth opportunities in our core businesses and in transformative sustainable innovation

Balanced investments in core and innovation



Investing in scaling up profitable core

- > Rough molded fiber egg packaging
- > Foodservice delivery applications
- > Retail applications

Capturing opportunity in transformative innovation solutions blueloop™

- > Smooth molded fiber technologies
- > Flexible recyclable technologies
- > Paperboard applications for FMCG

■ Foodservice E-A-O   
 ■ North America   
 ■ Flexible Packaging   
 ■ Fiber Packaging

# blueloop™ focuses on scaling sustainable innovation in proprietary technologies, driving value creation



- > Recyclable, compostable or reusable
- > Lower carbon footprint than the replaced product
- > From responsibly sourced materials

## blueloop™ Fiber

High precision fiber forming technologies and barriers for complex compostable applications

## blueloop™ Paperboard

Paper and paperboard applications with recyclable and compostable barrier technologies

## blueloop™ Flexibles

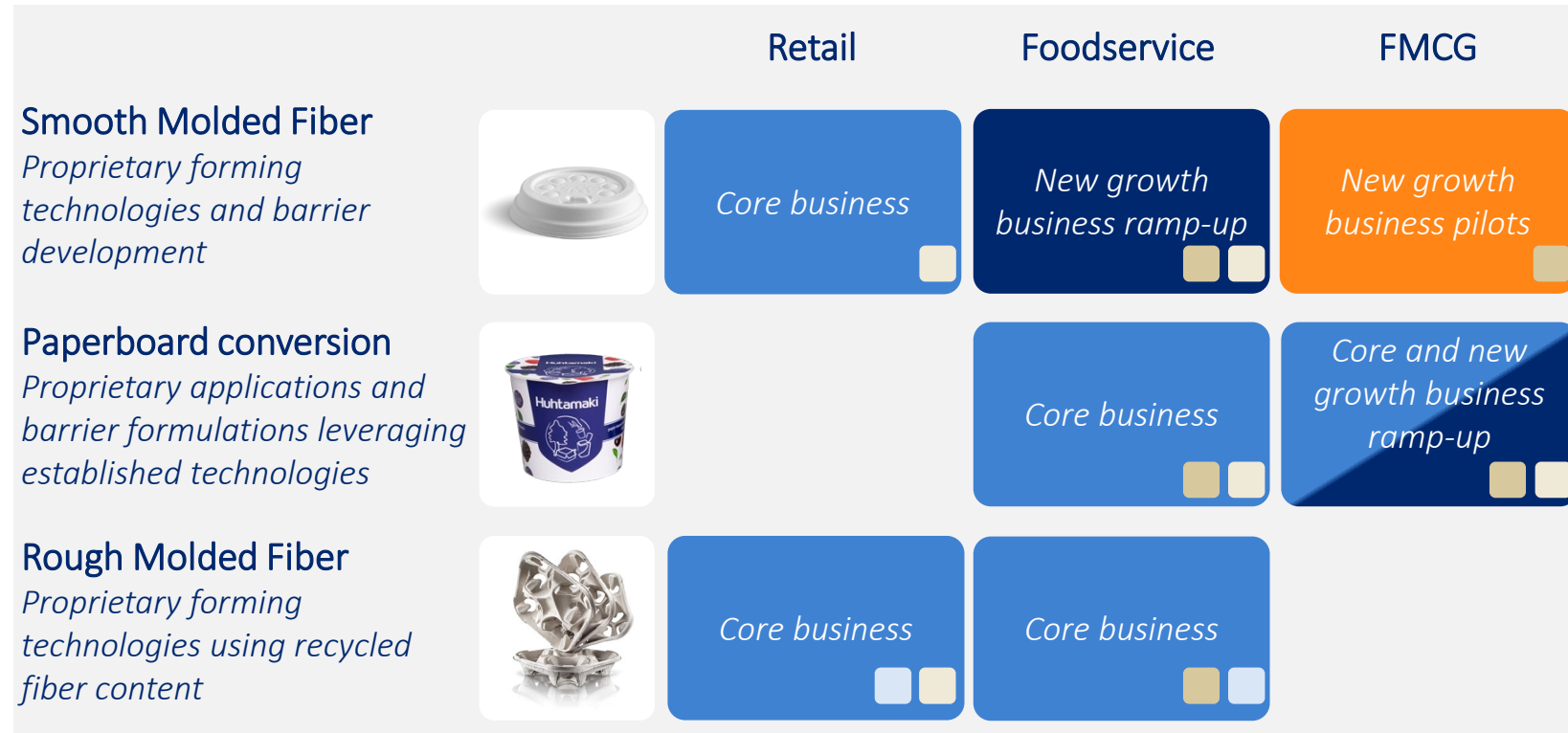
Technologies for recyclable mono-material structures in Polyethylene, Paper, Polyester and Polypropylene

## blueloop™ Venturing

Partnerships for emerging solutions and technologies in barriers, bio plastics, smart packaging, reuse and recycling

# Our focus is on development and scaling of blueloop™ innovation

Leveraging sustainable technology to drive core business and innovation development



 Foodservice E-A-O  North America  Fiber Packaging

Focusing on technology and barrier development

- > SMF portfolio includes established high-volume and developing high-precision technologies
- > Paperboard application development for FMCG
- > Established RMF technology development to improve throughput
- > Barrier development is essential across all technologies and is shared with Flexible Packaging

# We are introducing new sustainable blueloop™ solutions, many in partnership with our customers

## Recyclable solutions

ICON™ ice-cream packaging technology with repulpable coating



- > *Lowers carbon footprint and eliminates waste, provides superior printability & sealability*

Mono-PET PushTab™ blister lids that run on existing lines without speed loss



- > *Provides recyclable alternatives by eliminating multi-material structures*

## Home compostable solutions

Paper based cup lids for Foodservice developed with McDonalds



- > *Lowers carbon footprint*
- > *Eliminates waste*

Partnership with Nespresso



Official photo by Nespresso

- > *Nespresso's home compostable paper-based coffee capsules, which uses our manufacturing technology*



# We are also stepping up structural and operational efficiencies

## Structural performance improvement

- › Productivity measures
- › Process automation
- › Addressing underperformance
- › Optimizing manufacturing network
- › Improving operating model

## Operational performance improvement

- › Manufacturing excellence: continuous operational improvement and digitalization of shop-floor processes
- › Customer excellence: upgrading commercial practices and digitalization of commercial processes

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Investing in commercial and operational excellence capabilities to secure competitiveness step change and continuous improvement

World class operational performance program

Our long-term ambition is to contribute 1-2 p.p. to the overall profitability improvement

# Operating model

## Inputs

### Materials

- Paperboard
- Plastic resins
- Recycled fiber
- Approximately 66% of materials that we use are renewable or recycled

### Energy and water

- Energy consumption 2,348 GWh, share of renewable energy 13%
- Water withdrawal 9.1 million m<sup>3</sup>

### Personnel

- Competence and know-how of 18,927 employees

### Financial resources

- Equity M€ 1,922
- Net debt M€ 1,471

### Partnerships

- Key stakeholder relationships
- Collaborations with key customers and suppliers



## Our activities

### Advanced manufacturing using multiple technologies

- 76 manufacturing units, 26 offices, 37 countries
- Paperboard conversion
- Smooth and rough molded fiber production
- Flexible packaging

### Operational excellence

- Energy efficiency: 2.1 MWh/sellable ton produced
- Relative water consumption: 0.9 m<sup>3</sup>/sellable ton produced
- Digitalization to improve efficiency
- Optimizing production to reduce material loss
- Safe working conditions, LTIFR 1.5, TRIFR 3.7

### Innovations

- R&D for design of sustainable packaging solutions
- Smart packaging
- Manufacturing technology development

### Leadership and management

- Driven by our values: Care Dare Deliver
- Talent development for a high-performance culture
- Guiding principles and management systems
- Continuous improvement (Lean Six Sigma, Total Productive Manufacturing)

### Business growth

- Growth through organic investments, M&A, innovation and venturing in core areas and emerging markets
- Capital expenditure M€ 318

## Outputs and impacts

### Protecting food, people and the planet

- Ensuring food hygiene and safety, driving accessibility and affordability of food
- Reducing food waste with fit-for-purpose packaging, designed for circular economy, e.g. packaging that is recyclable and recycled
- Excellent customer experience

### Environmental impacts

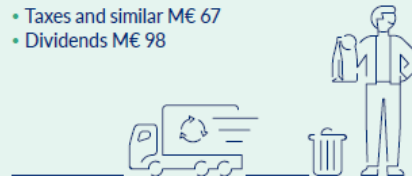
- Greenhouse gas emissions: absolute emissions reduced 11% from 2019 base year
- Waste: recycling rate 75%
- Water: water discharge 8.1 million m<sup>3</sup>; water management plans in place to mitigate negative impacts
- Biodiversity: impacts through manufacturing operations and product value chain

### Social impacts

- Human rights
- Employee engagement and increased know-how through learning
- Diversity and inclusion
- Health and safety
- Job opportunities and value for local communities
- Corporate citizenship

### Economic value distributed in 2022

- Profit M€ 285
- Wages and benefits M€ 820
- Net financial items M€ 53
- Taxes and similar M€ 67
- Dividends M€ 98



### Safe, fit-for-purpose, sustainable packaging solutions

- Cups, plates, bowls, utensils and folded cartons for foodservice products
- Rough molded fiber packaging for eggs and fruit
- Smooth molded fiber packaging incl. ready-meal trays and ice cream tubs
- Laminates, pouches and labels for food and personal care



### Intangible assets

- Huhtamaki brand value, including blueloop™
- Patents for product and design innovations



### New manufacturing assets

- Through investments and acquisitions
- Unique Huhtamaki developed conversion equipment
- Customer equipment and engineering services

# Segments

# Fiber Foodservice - Overview

Global Fiber leader

Global paperboard conversion\* leader

Foodservice EAO

Net sales **1,111** MEUR

Adj. EBIT margin **9.5%**

Fiber Packaging

Net sales **363** MEUR

Adj. EBIT margin **11.0%**

Employees **6,116**

Manufacturing sites **32**



Foodservice

53% of sales



FMCG

9% of sales



Retail

38% of sales



- 100-110 BEUR markets growing at 3-5% p.a.
- Significant opportunities in fiber and paperboard innovation to close sustainability gaps and plastic substitution
- EU PPWR proposal expected to have both positive and negative impacts on paperboard foodservice sector
- Our priorities are scaling up fiber and paperboard innovation

Note: figures for 2022; Sales split excluding operations in Russia, divested in September 2022

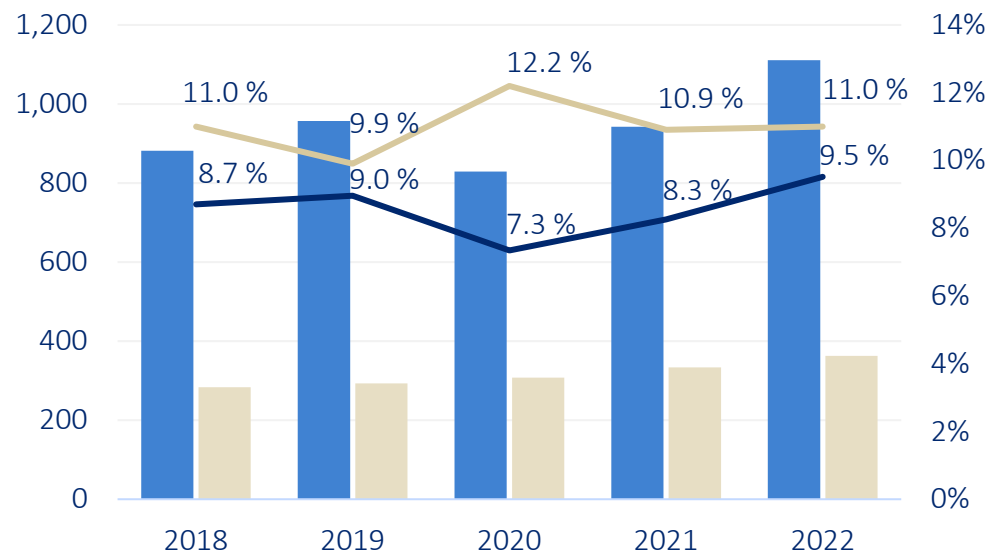
\*Non-integrated paperboard converter for food-contact applications

Source: Smithers, Mordor Intelligence, Grand View Research, Huhtamaki estimates

# Fiber Foodservice - Financial performance

We have recovered growth and improved profitability

Net sales and adj. EBIT margin



Foodservice EAO    ■ Net sales, MEUR    — Adj. EBIT margin  
 Fiber Packaging    ■ Net sales, MEUR    — Adj. EBIT margin

We have strengthened our innovation leadership, improved cost position, while managing market disruptions

- **Delivered** strong growth and profitability, while managing consecutive market disruptions:
  - Impact of Covid restrictions and supply chain disruption
  - Divestment of Russia operations in September 2022
- **Completed** segment integration and transformation in 2020-21
- **Strengthened** global supply chain capabilities supporting market transition to more sustainable products and improve cost position
- **Introduced** new high-precision fiber technologies for sustainable product alternatives in Foodservice E-A-O

# We are investing in sustainable innovation across our technology platforms, and driving operational improvement

## Paperboard conversion



- > **Invest** in new sustainable solutions for FMCG sector
- > **Optimize** core Foodservice network, address operational performance where necessary
- > **Scale** Cup Collective and other circular system initiatives

## Rough Molded Fiber



- > **Unlock** capacity and increase operational performance
- > **Invest** in incremental innovation to improve technologies
- > **Expand** selectively in attractive regions and markets

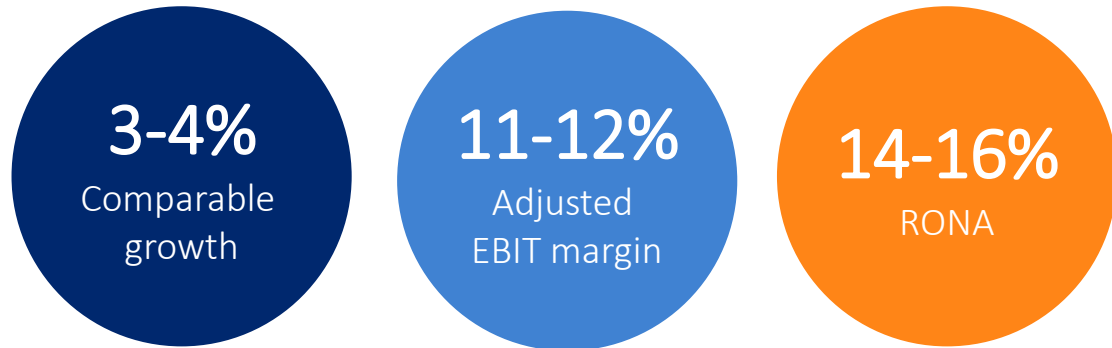
## Smooth Molded Fiber



- > **Invest** in scaling up current innovations globally
- > **Expand** our Fiber Technology center capabilities
- > **Develop proprietary** next generation technology and its applications

# Fiber Foodservice - Long-term ambitions

## Fiber Packaging long-term ambition



## Foodservice EAO long-term ambition



## How we get there

### Core businesses

- > Further improve productivity and operational performance in legacy Paperboard operations
- > Expand in RMF through incremental innovation

### blueloop™

- > Invest in capacities in SMF and paperboard for FMCG
- > Invest in further technology and barrier development for complex, high-precision applications

# North America - Overview

Global Fiber leader  
Global Paperboard Conversion\* leader

Net sales  
**1,468** MEUR

Adjusted EBIT margin  
**11.7%**

Employees  
**4,268**

Manufacturing units  
**18**



## Retail Tableware

48% of sales



## Foodservice

34% of sales



## FMCG

18% of sales



- > 30-40 BEUR markets growing at 3-5% p.a.
- > Accelerating sustainability trend focusing on circularity
- > Regulatory foam bans are creating additional growth opportunities for our technologies
- > Our priorities are executing the next wave of growth investments, while leveraging further economies of scale

Note: figures for 2022

\*Non-integrated paperboard converter for food-contact applications

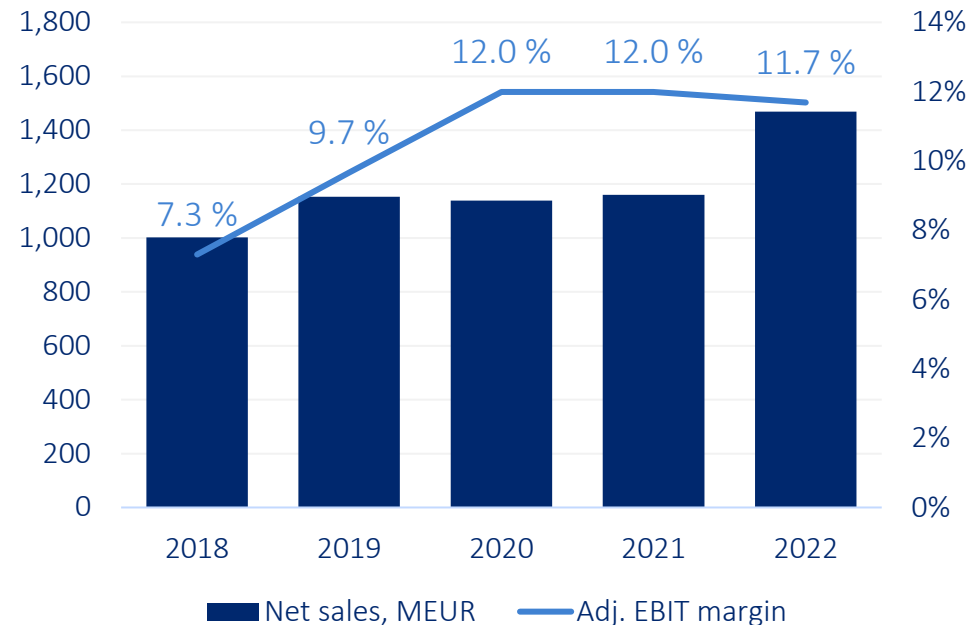
Source: Technovia, Smithers, Mordor Intelligence, Grand View Research, Huhtamaki estimates



# North America - Financial performance

We are delivering strong financial performance

Net sales and adj. EBIT margin



We are investing into our core businesses, driving profitable growth

- > **Leveraging historic investments** in profitable core Retail Tableware and Foodservice growth markets
- > **Strengthening customer position** with broad product portfolio and unique services
- > **Creating scale benefits in supply chain, operations and central functions**
- > **Introducing game-changing innovation**, such as repulpable coated paperboard applications for FMCG

# We will continue to develop our core businesses, with circular solutions and further operational improvements

## Driving growth through sustainable solutions across all our businesses

- **Retail** – Partnering with retailers to create the future of sustainable tableware in branded and private label products; Continue to significant capacity expansion in Chinet® Classic, Comfort and Crystal
- **Foodservice** – Provide a differentiated approach, including services, to drive circularity with compostable and recyclable solutions more easily sorted by consumers
- **FMCG** – Support core frozen dessert market with sustainable solutions, expand into new applications with global capabilities and innovations

## Building on historic strengths and enhancing strategic capabilities

- **Building** on our continuous improvement methodology and digitalization investment to achieve world-class operations efficiency ambition
- **Capitalizing** on broadening the supplier network and innovation developments
- **Strengthening** capabilities in commercial excellence to further partner with customers to develop their future packaging roadmaps

# Regulation and consumer preferences create additional growth opportunities for us

**17** states in the US have introduced varying levels of foam packaging bans

**2x** higher preference for circular solutions compared to foam

## Retail Tableware

- > Significant investments in Smooth Molded Fiber capacities for Chinet® plate
- > Investment in pressed paperboard plate and hot cup capacities

## Foodservice

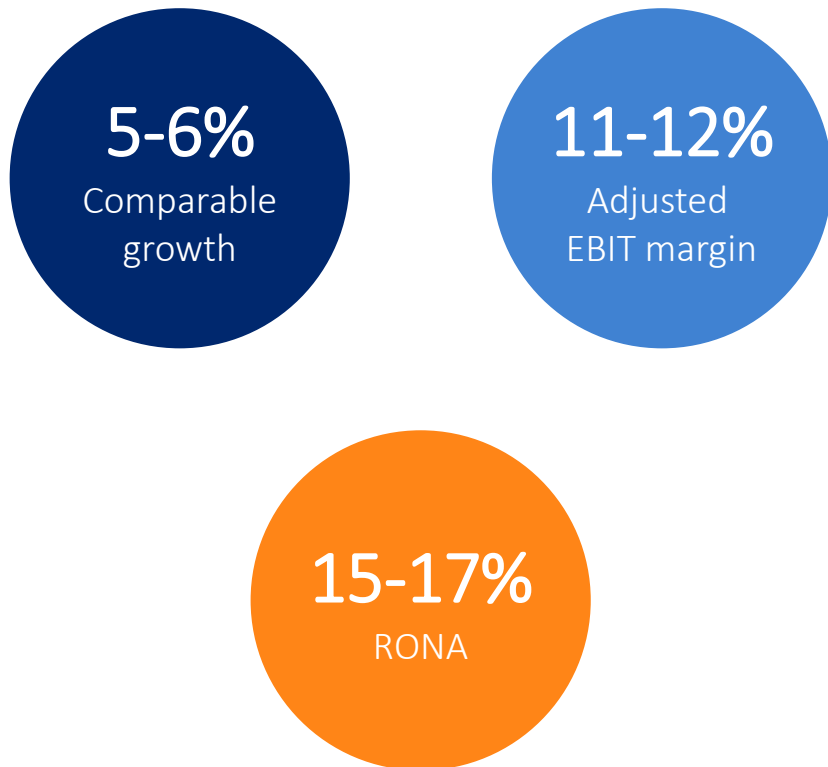
- > Continuing to expand the molded fiber school/stadium tray capacity
- > Further expanding in attractive hot/cold cups and to-go container categories

## FMCG

- > Investing in Rough Molded Fiber capacities for egg packaging in Hammond
- > Developing sustainable products for on-the-shelf applications

# North America - Long-term ambitions

## North America long-term ambition



## How we get there

- > **Partner** with strategic customers to continue to introduce new products and systems and help them achieve sustainable solutions
- > **Build** on our continuous improvement culture to achieve World-Class operations and increase output, reduce waste and achieve new levels of efficiency
- > **Complete** the next wave of investments in profitable growth in our core businesses (e.g., SMF Chinet®, paper-based conversion capacities, new RMF egg packaging)

# Flexible Packaging - Overview

Huhtamaki is a global category leader

Net sales  
**1,558** MEUR

Adjusted EBIT margin  
**6.3%**

Employees  
**8,316**

Manufacturing units  
**27**



**Food & beverage**  
61% of sales



**Home & personal care**  
29% of sales



**Healthcare/Other**  
10% of sales



- > 100-120 BEUR market growing at 4-5% p.a.
- > Opportunities for technology innovators to close sustainability gap
- > Advantage in the markets driven by category leadership
- > Our priorities are turning around profitability and scaling innovation

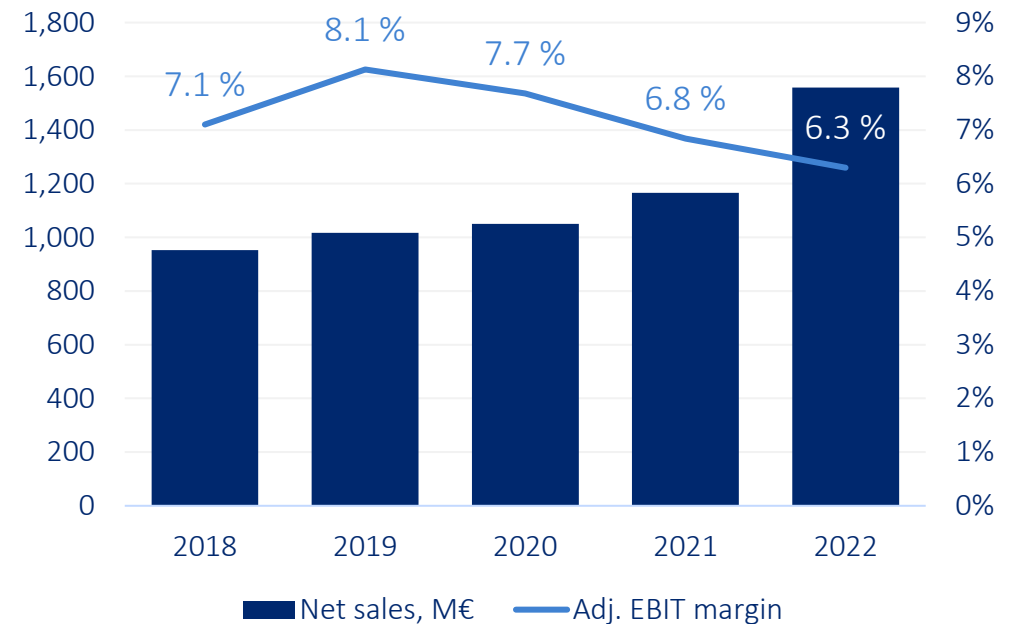
# Flexible Packaging - Financial performance

We have improved our market position, despite market headwinds

- Improved position in flexo print and filmmaking technology, personal and homecare portfolio
- Developed recyclable mono-material solutions with unique IP in PP, PE, Paper and PET
- Ability to pass through cost inflation
- Profitability impacted predominantly by emerging markets:
  - Inflationary pressure across the regions
  - Devaluation in Turkey and Egypt
  - India performance

We are delivering growth, but need to address profitability

Net sales and adj. EBIT margin



# We are taking immediate actions to transform our operational performance

## Operational performance program

Long-term ambition to contribute 1-2 pp to the segment overall profitability improvement

### Take structural measures to improve our cost position

- › Implement productivity actions
- › Optimize manufacturing network
- › Harmonize our operating model across segment
- › Accelerating Elif integration synergies

### Strengthen best practices and capabilities

- › Health and Fire Safety
- › Manufacturing continuous improvement
- › blueloop™ - insourcing of barrier film and significant stock-keep unit reduction
- › Build commercial excellence capability

# We are rolling out our blueloop™ flexibles proprietary mono-material solutions to support brands in achieving their 2025 pledges



## blueloop™ flexibles value proposition

Cost-effective solutions in mono-material PP, PE, PET and Paper structures

No compromise of shelf-life properties helps reduce food waste

Enhanced look and feel coupled with easy open, close and handling

100% recyclable in existing mechanical recycling streams globally

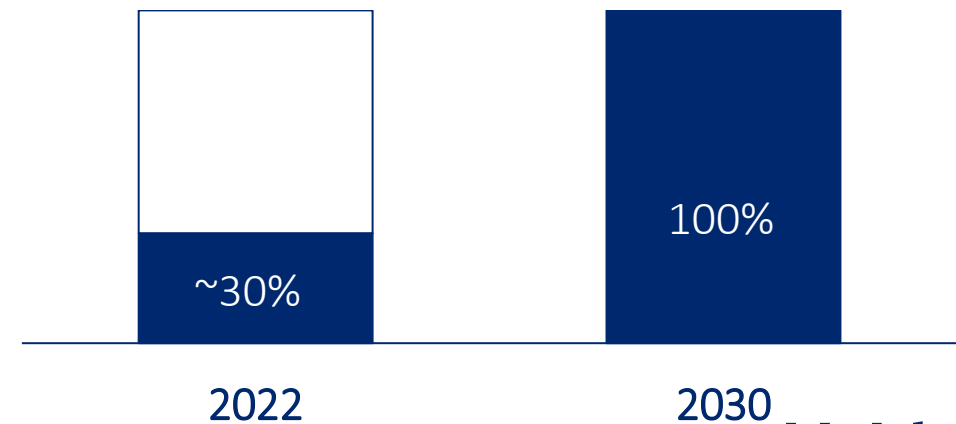
Investment is ongoing, products in market in H2 2023

## blueloop™ market opportunity

blueloop™ flexibles opens a market opportunity of 30-70 BEUR in sustainable solutions

Supports transition of consumer brands to sustainable packaging to honor 2025 sustainability pledges

Share of segment net sales





# Flexible Packaging - Long-term ambitions

## Huhtamaki Flexible Packaging long-term ambition



## How we get there

### Operations

- > Improve productivity, reduce waste, optimize network
- > Complete Elif integration

### Capabilities

- > Improve commercial and operational capabilities

### blueloop™

- > Bringing transformative, recyclable and affordable packaging solutions to market
- > Strengthen leadership position in our key categories

# Financials

# Group financials 2012-2022

		2012 <sup>2</sup>	2013 <sup>1</sup>	2014 <sup>1</sup>	2015	2016	2017	2018 <sup>2</sup>	2019	2020	2021	2022
Net sales	MEUR	2,321	2,161	2,236	2,726	2,865	2,989	3,104	3,399	3,302	3,575	4,479
Comparable growth <sup>3</sup>		3%	3%	6%	4%	4%	3%	5%	6%	-2%	7%	15%
Adjusted EBITDA <sup>4</sup>	MEUR	254	242	259	342	382	390	399	456	473	488	596.9
Margin <sup>4</sup>		10.9%	11.2%	11.6%	12.5%	13.3%	13.0%	12.8%	13.4%	14.3%	13.7%	13.3%
Adjusted EBIT <sup>4</sup>	MEUR	164	160	175	238	268	268	251	293	302	315	395
Margin <sup>4</sup>		7.0%	7.4%	7.8%	8.7%	9.4%	9.0%	8.1%	8.6%	9.1%	8.8%	8.8%
Adjusted EPS <sup>4</sup>	EUR	1.19	1.17	1.24	1.65	1.83	1.9	1.69	1.88	1.95	2.07	2.49
Adjusted ROI <sup>4</sup>		12.6%	12.1%	12.6%	14.7%	14.7%	13.6%	11.6%	12.3%	11.7%	11.3%	11.0%
Adjusted ROE <sup>4</sup>		15.8%	15.8%	16.1%	18.1%	17.7%	17.0%	14.5%	15.2%	14.8%	15.1%	14.9%
Capex	MEUR	94	121	127	147	199	215	197	204	223	259	318
Free cash flow	MEUR	103	56	65	91	100	56	80	226	207	-26	11
Gearing		0.5	0.5	0.32	0.53	0.57	0.58	0.73	0.63	0.64	0.95	0.77
Net debt to adj. EBITDA <sup>4</sup>		1.6	1.6	1.0	1.6	1.8	1.8	2.3	2.0	1.8	3.1	2.5
Dividend per share	EUR	0.56	0.57	0.60	0.66	0.73	0.80	0.84	0.89	0.92	0.94	1.00

<sup>1</sup>Continuing operations <sup>2</sup>Figures restated <sup>3</sup>Net sales growth excluding foreign currency changes, acquisitions and divestments <sup>4</sup>Excluding IAC

# Segment key figures (1/2)

Fiber Packaging and Foodservice E-A-O have been integrated as on June 1, 2020

## Foodservice Europe-Asia-Oceania

Key figures (MEUR)	2015	2016	2017	2018 <sup>1</sup>	2019	2020	2021	2022	Long-term ambition
Net sales	667.5	741.0	807.5	881.7	956.7	829.1	941.8	1,110.7	
Comparable growth	4%	5%	4%	4%	4%	-10%	11%	18%	4-5%
Adjusted EBIT	52.4	63.2	70.1	77.1	85.7	60.9	77.8	105.7	
Margin	7.9%	8.5%	8.7%	8.7%	9.0%	7.3%	8.3%	9.5%	10-12%
RONA	14.2%	13.7%	13.0%	12.6%	11.5%	7.7%	9.2%	10.9%	13-15%

## Fiber Packaging

Key figures (MEUR)	2015	2016	2017	2018 <sup>1</sup>	2019	2020	2021	2022	Long-term ambition
Net sales	260.3	267.8	285.1	283.0	293.4	307.8	333.6	363.0	
Comparable growth	5%	5%	5%	4%	6%	9%	2%	15%	3-4%
Adjusted EBIT	33.5	34.6	28.2	31.2	29.0	37.4	36.4	40.0	
Margin	12.9%	12.9%	9.9%	11.0%	9.9%	12.2%	10.9%	11.0%	11-12%
RONA	17.7%	16.4%	12.8%	14.4%	12.6%	15.8%	14.0%	14.4%	14-16%

All figures excluding Items Affecting Comparability (IAC). <sup>1</sup> 2018 figures have been restated for IFRS 16 impact.

# Segment key figures (2/2)

## North America

Key figures (MEUR)	2015	2016	2017	2018 <sup>1</sup>	2019	2020	2021	2022	Long-term ambition
Net sales	947.7	1,005.1	1,000.4	1,002.7	1,152.7	1,138.9	1,160.3	1,468.3	
Comparable growth	4%	6%	2%	5%	9%	1%	6%	14%	5-6%
Adjusted EBIT	88.2	107.6	104.1	73.0	111.4	136.6	139.1	171.6	
Margin	9.3%	10.7%	10.4%	7.3%	9.7%	12.0%	12.0%	11.7%	11-12%
RONA	14.1%	16.3%	14.2%	9.3%	13.0%	16.8%	17.5%	17.9%	15-17%

## Flexible Packaging

Key figures (MEUR)	2015	2016	2017	2018 <sup>1</sup>	2019	2020	2021	2022	Long-term ambition
Net sales	868.9	868.6	912.7	952.3	1,016.4	1,050.8	1,166.6	1,558.2	
Comparable growth	3%	-1%	4%	7%	3%	1%	7%	14%	6-7%
Adjusted EBIT	68.8	73.8	69.7	67.8	82.6	80.7	79.8	98.1	
Margin	7.9%	8.5%	7.6%	7.1%	8.1%	7.7%	6.8%	6.3%	9-11%
RONA	12.3%	11.6%	10.8%	10.1%	11.1%	10.1%	8.0%	6.9%	11-13%

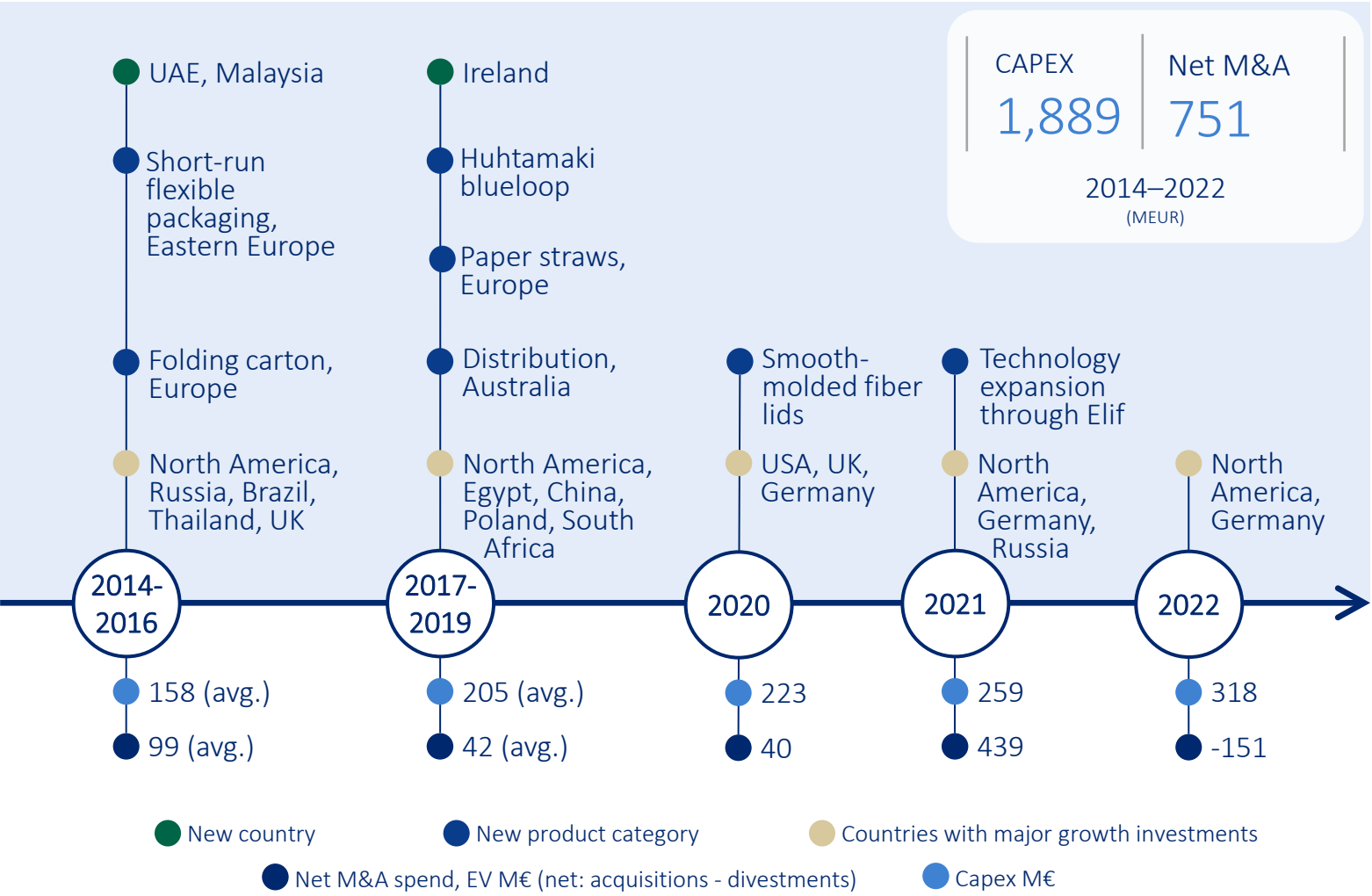
All figures excluding Items Affecting Comparability (IAC). <sup>1</sup> 2018 figures have been restated for IFRS 16 impact.

# Comparable net sales growth by business segment

Quarterly	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Foodservice E-A-O	-4%	-28%	-1%	-7%	-2%	40%	2%	12%	18%	18%	22%	15%	11%
North America	9%	-5%	4%	-2%	-2%	9%	5%	11%	24%	14%	10%	10%	2%
Flexible Packaging	2%	2%	1%	0%	0%	6%	7%	12%	18%	19%	20%	1%	-5%
Fiber Packaging	9%	10%	7%	8%	4%	1%	2%	2%	8%	16%	19%	17%	17%
<b>Group</b>	<b>3%</b>	<b>-8%</b>	<b>2%</b>	<b>-2%</b>	<b>-0%</b>	<b>14%</b>	<b>4%</b>	<b>12%</b>	<b>19%</b>	<b>17%</b>	<b>17%</b>	<b>9%</b>	<b>2%</b>

Annual	FY 18	FY 19	FY 20	FY 22	Long-term ambition
Foodservice E-A-O	4%	-10%	11%	18%	4-5%
North America	9%	1%	6%	14%	5-6%
Flexible Packaging	3%	1%	7%	14%	6-7%
Fiber Packaging	6%	9%	2%	15%	3-4%
<b>Group</b>	<b>6%</b>	<b>-2%</b>	<b>7%</b>	<b>15%</b>	<b>5-6%</b>

# Our investments have enabled us to build capabilities and technologies for the future



## Key expansions coming online

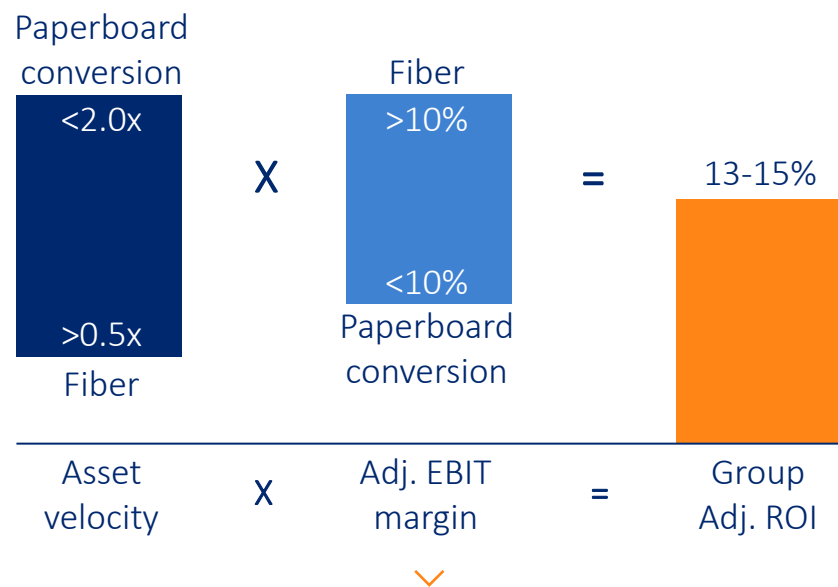
Fiber	
SMF Lids Phase II	2023
Capsules	Starting 2023
NA egg cartons	Starting late 2023
NA SMF expansion	2024

Paperboard	
Nules	Early 2023

Flexibles	
blueloop™ Flexibles Phase II	Starting 2023

# Our organic investments will drive our profitable growth and portfolio differentiation

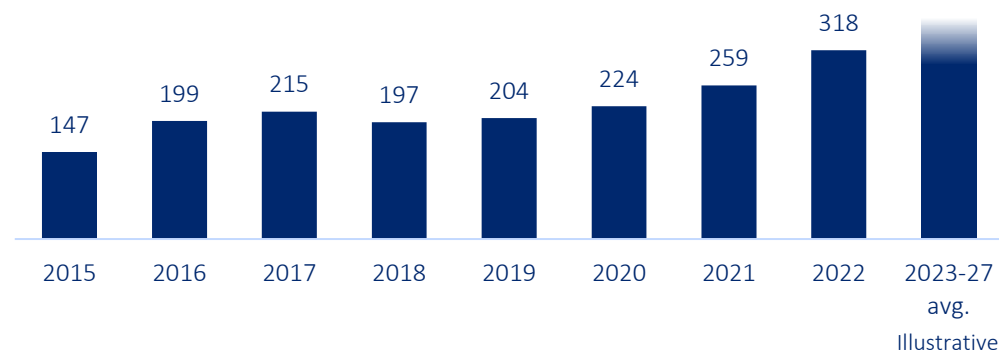
## Investment profile changing (illustrative)



Growth investment profile varies by technology and requirement of general infrastructure

All investments drive Group ROI accretion

## Capex is focused on scaling our core, while investing in innovation (MEUR)



Going forward, our investments will continue focusing on:

- > Scaling our core business for profitable growth
- > Developing technology-driven innovation

This progressive shift to a more value adding portfolio will drive improved margins



# We will continue our efficient use of capital to create shareholder value

## Sources



Cash flow	Profit improvement Working capital efficiency
-----------	--

Leverage	Net debt / adj. EBITDA ambition of 2-3x
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## Uses



Investments	Capex for organic growth Acquisitions to gain scale and capabilities
-------------	---

Payout	Predictable and growing dividends - ambition of 40-50% dividend payout
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# We will continue to drive long-term profitable growth

Long-term ambition

**10-12%**  
Adj. EBIT margin

## Key drivers for profitability improvement



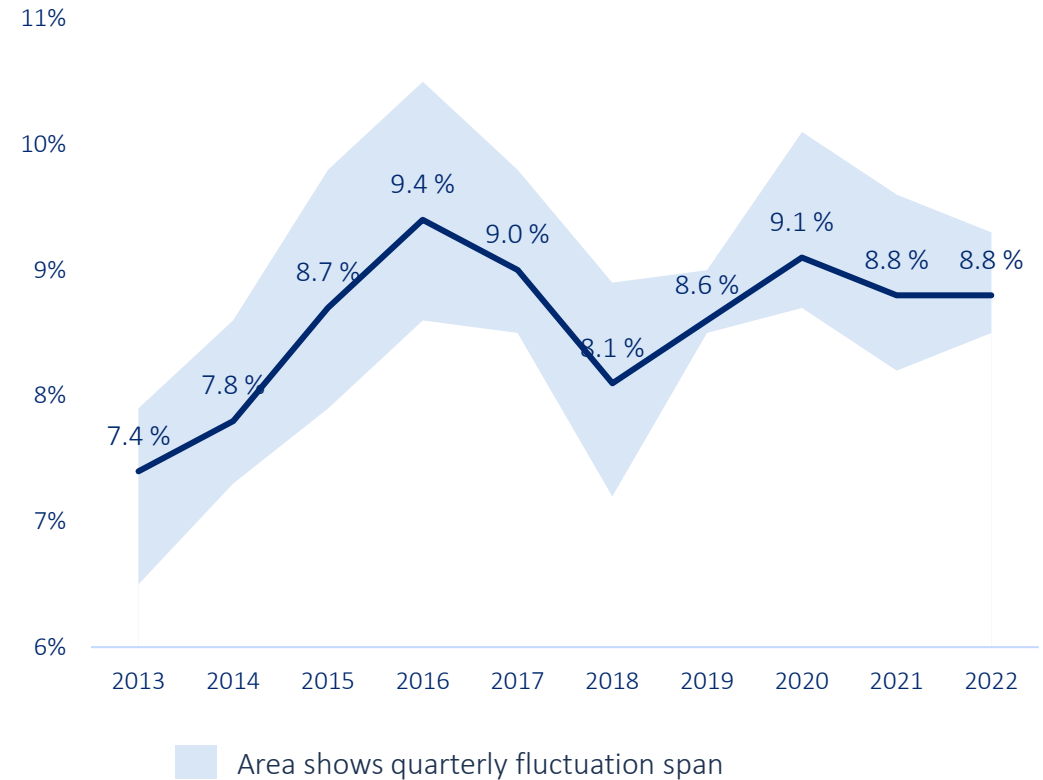
**Commercial excellence**  
Upgrading commercial practices and digitalization of commercial processes

**Value add of innovative technologies**  
Margin accretion through providing fit for purpose innovative solutions

**Operational excellence**  
Continuous operational improvement  
Digitalization of shop-floor processes

**Footprint optimization**  
Supply chain scale & efficiencies  
Address underperforming businesses

## Adj. EBIT margin



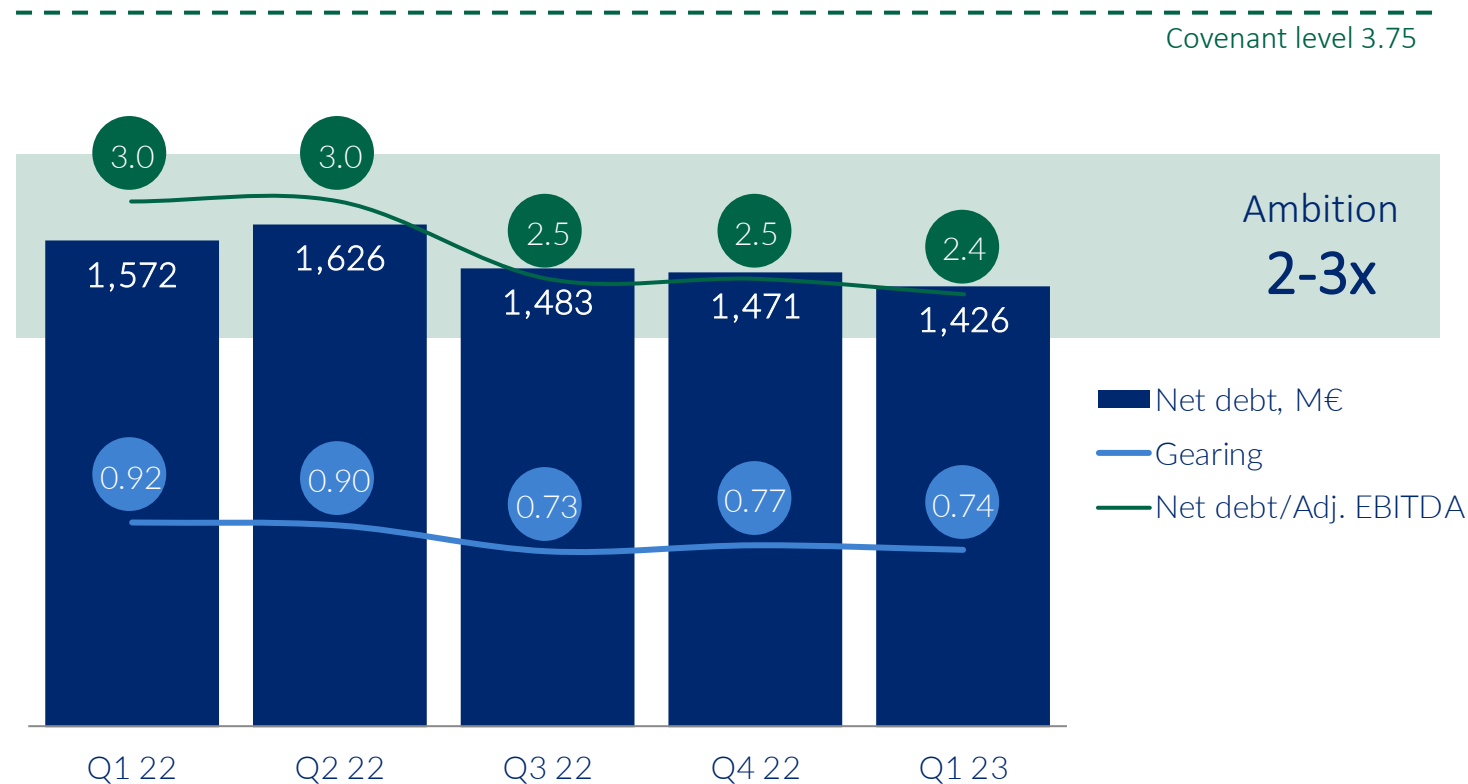
# Our focus has been on management of working capital to fund growth



Normal working capital cycle disrupted by high inflation and supply chain constraints, improving towards end of 2022

# Net debt to adjusted EBITDA

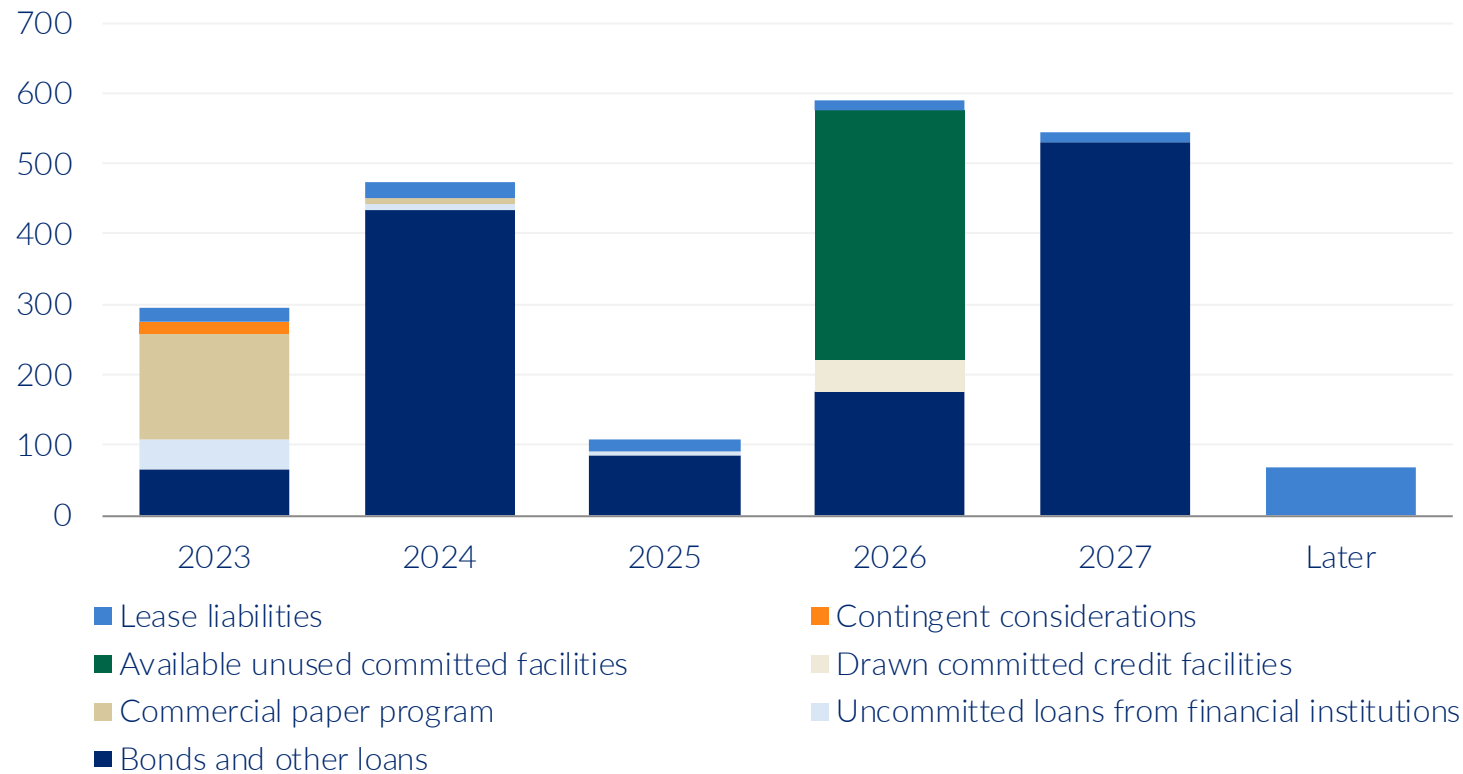
## Net debt, net debt/adj. EBITDA and gearing



- Net debt/Adj. EBITDA at **2.4**
- At the end of Q1 2023:
  - Cash and cash equivalents EUR 264 million
  - Unused committed credit facilities available EUR 354 million
- Net debt EUR 1,426 million

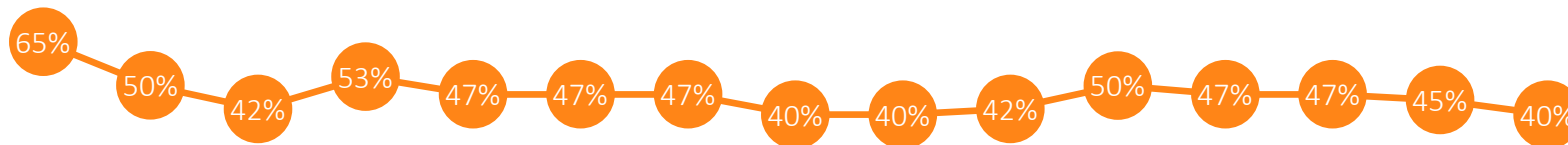
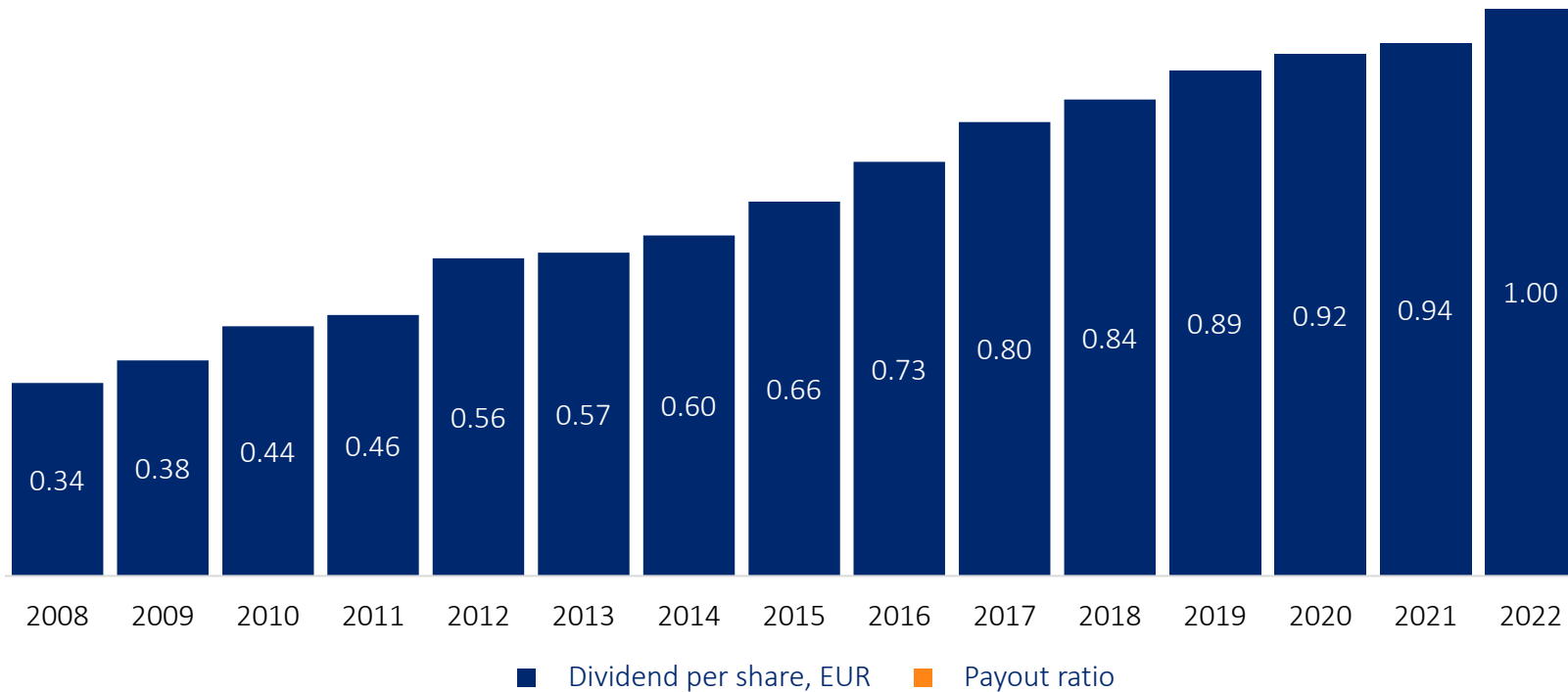
# Loan maturities

Debt maturity structure March 31, 2023  
(EUR million)



- Average maturity **2.8** years at the end of Q1 2023 (2.6 at the end of Q1 2022)
- **62%** of gross debt with fixed rates, **38%** in floating

# In addition to growing organically and inorganically, our EPS growth has secured continuous dividend growth



- > >1BEUR paid since 2008
- > Dividend growth CAGR >8% since 2008
- > EPS growth to allow for continued predictable dividend payout
- > Sales and margin improvement in line with ambitions
- > Disciplined capital use to optimize debt level

**40-50%**  
dividend pay-out ratio

# Sustainability and role of packaging

# Sustainability-driven legislation is impacting packaging development, globally



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> Climate & environment

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> Materials & waste

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> Food security

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# Changing consumer expectations – increased focus on making packaging *sustainable, affordable and adaptable*



## Sustainable

Consumers expect business to play bigger role protecting climate & environment

75% of consumers expect consumer brands to progress on reducing carbon emissions more\*

86% of consumers (<45) show willingness to pay more for sustainable packaging\*\*

57% of consumers "less likely" to buy products in harmful packaging\*\*



## Affordable

Consumers around the world are **adjusting purchasing patterns** to accommodate **reduction in income**

However, majority are **not willing to compromise sustainability** in their choices for more affordable alternatives

Brands need to reduce total cost to stay relevant, **sustainable packaging needs to come at no extra cost** to consumer



## Adaptable

Consumers have adopted a more integrated **mix of staying-in and going-out lifestyles**

E-commerce will continue to rise and packaging needs to support this, but also be relevant for **in-store**

Digital engagement and **smart packaging** need to go beyond deals & offers

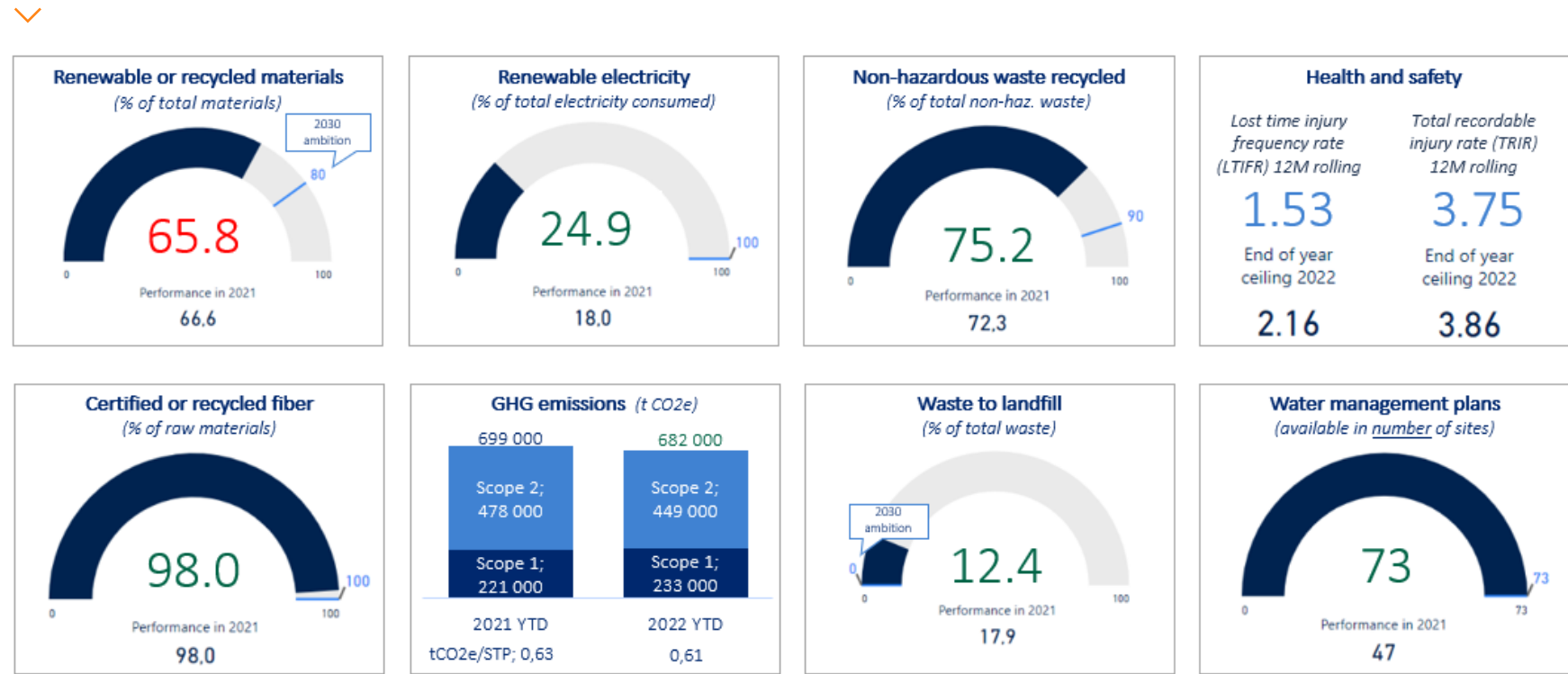
# The value of packaging is bigger than its impact on environment



Huhtamaki

# We have made good progress on our sustainability journey; we still have work to do

## 2022 Results



- > Global Sustainability and Safety Index extended to all participants of the global short-term incentive plan
- > Sustainability-linked Bond Framework published and 500M€ sustainability-linked bond issued
- > Science Based Targets validated our GHG emissions reduction targets in 2021
- > We are committed to the Ten Principles of the UN Global Compact since 2020

# We play to win by making packaging that is:



blue**loop**™

## Fit-for-purpose

- › Our packaging is engineered to provide **the right functionality to protect each product**
- › We choose **the right material** for each application
- › We seek to **simplify material structures** to minimize the amount of material used
- › We drive **circularity**, both in material selection and product design

## A sustainable solution

- › We offer the **most sustainable available** alternative
- › We want to be the **partner of choice to our customers**
- › We are committed to **comply with all global, regional and local regulations and legislation**
- › We will not invest where a more **sustainable, economically viable** alternative is available

We are extending our blueloop trademark to cover all of our sustainable products

# In practice this means we develop game-changing alternative sustainable packaging solutions



- 1 Material positive
- 2 Material / resource efficient
- 3 Recyclable
- 4 Circular (recycled content)
- 5 Connected



Fully fiber-based cup and lid, replacing coated paperboard and plastic



Paper-based pushtab blister, replacing aluminium



Paper-based yogurt cup, replacing plastic-based



Food safe recycled plastic wet petfood packaging with Mars & SABIC



Nespresso's paper-based home compostable coffee capsules\*

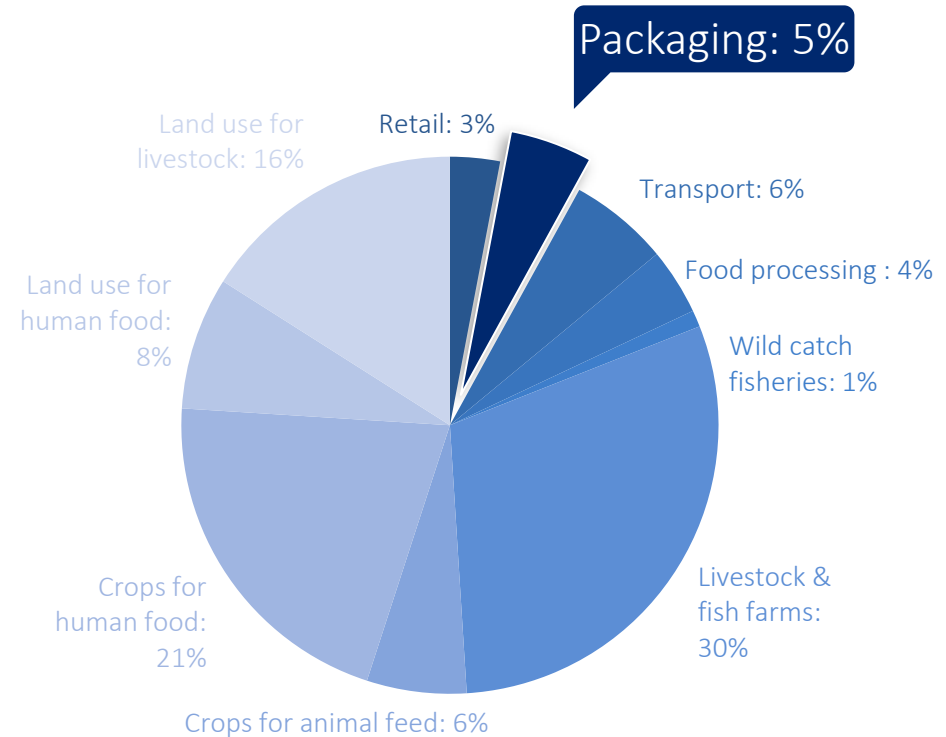


Next generation recyclable tube laminate without aluminium

# Packaging accounts for only 5% of green-house-gas emissions in food systems, low recycling rates remain a challenge

- > Packaging accounts for 5% of green-house-gas emissions in food systems
- > Packaging helps reducing food waste, which accounts for third of all food produced
- > Recycling of packaging remains the next big challenge

Global greenhouse gas emissions from food systems.  
Food systems account for 26% of GHG emissions. Wasted food for 10%.



Source: Poore & Nemecek (2018)

# Scalable recycling pilots, closing the loop

## Fiber packaging

### The Cup Collective - An at-scale solution for paper cup recycling in Europe

- > Launched in Belgium with Stora Enso, partnering with McDonalds, SNCB etc.
- > Objective is to **recycle half a billion cups** within 2 years

### Pilot in China demonstrates profitable recyclability of paper cups

- > Demonstrates recycling of paper cups, currently classified as non-recyclable, is profitable and technically possible
- > **15 tons of paper cups** recycled into notebooks and other fiber products to date

## Flexible packaging

### Accelerating plastic circularity in India

- > Processing post-consumer multi-layered plastics (MLP) to recycled resins, used in household products
- > Current output yield of the plant is **1 ton/day**, still in scale-up phase

### Circulating printed plastic scrap back into production in Turkey

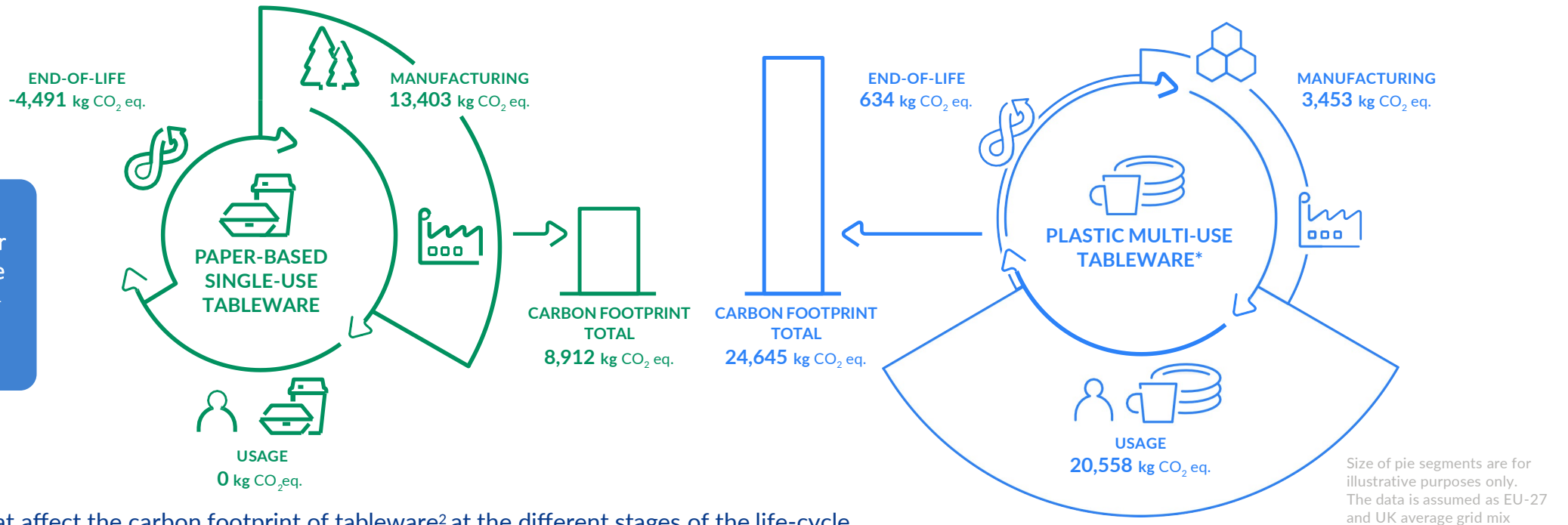
- > First de-inking technology machine processing post-industrial waste
- > **35-40% of the total printed plastic scrap** generated in production processes, can go back into the process



Huhtamaki

# Comparing carbon footprints of single-use and multi-use systems

Multi-use tableware systems generate over 2.8 times higher CO<sub>2</sub>-e emissions than paper-based single-use tableware systems<sup>1</sup>



## Factors that affect the carbon footprint of tableware<sup>2</sup> at the different stages of the life-cycle

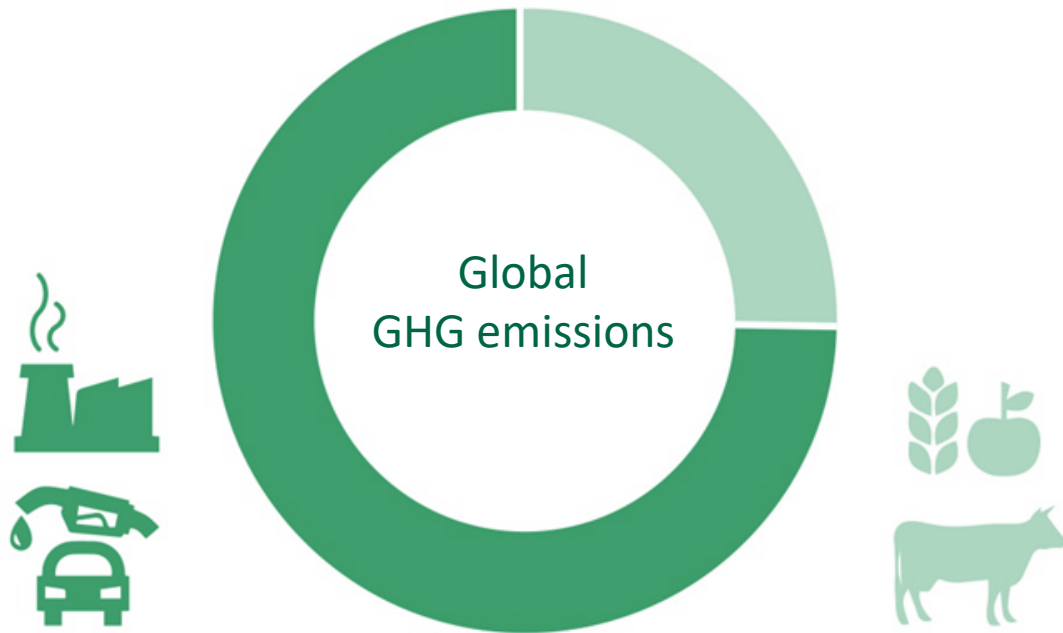
<p><b>MANUFACTURING</b> Manufacturing of raw materials and packaging, distribution of food and beverage tableware</p> <p>Includes e.g.:</p> <ul style="list-style-type: none"> <li>• Production of paper or plastic resin</li> <li>• Transport</li> </ul>	<p><b>USAGE</b> Usage includes operations and use of multi-use tableware at Quick Service Restaurants (QSR) (e.g. in-house dishwashing and drying)</p> <p>The electricity demand of the washing process is the single main contributor to climate change impact in the multi-use scenario, accounting for 83% of the total impact.</p>	<p><b>END-OF-LIFE</b> End-of-life treatment of multi-use and single-use tableware</p> <p>Includes e.g.:</p> <ul style="list-style-type: none"> <li>• Incineration of tableware with energy recovery</li> <li>• Recycling of tableware materials</li> <li>• Landfilling</li> </ul>
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<sup>1</sup> Source: Comparative Life-cycle Assessment (LCA), single-use and multiple-use dishes systems for in-store consumption in Quick Service Restaurants, Ramboll 2020. Third-party accreditation by TÜV. Data updated in September 2021. The study is available at [www.eppa-eu.org](http://www.eppa-eu.org)

<sup>2</sup> The functional unit was the in-store consumption of foodstuff and beverages with single-use or multi-use dishes (including cups, lids, plates, containers and cutlery) in an average QSR for 365 days in Europe in consideration of established facilities and hygiene standards as well as QSR-specific characteristics (e.g. peak times, throughput of served dishes). \*Baseline scenario - Polypropylene tableware



# Food is a major contributor to climate change

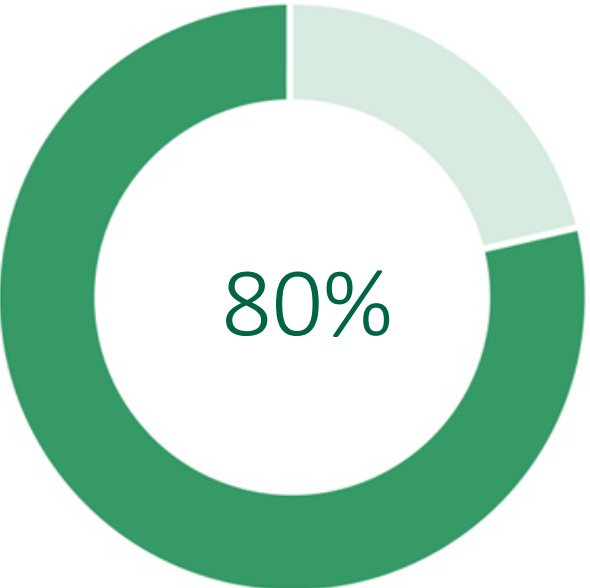


approx. 25%  
of global GHG emissions come from  
food systems

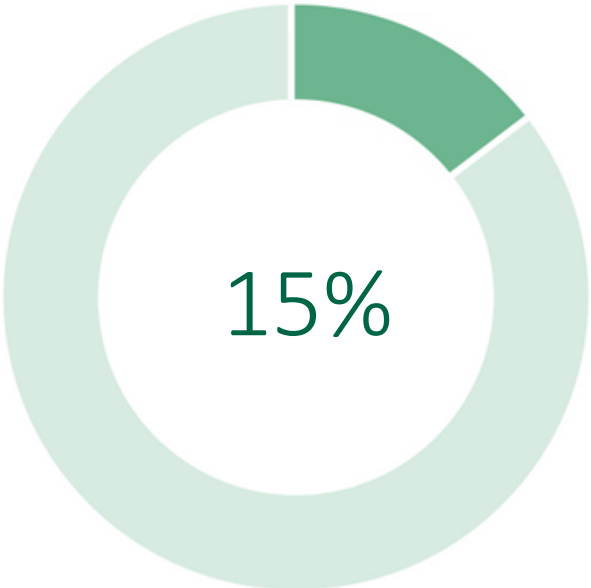


10%  
of global GHG emissions come from wasted  
or lost food

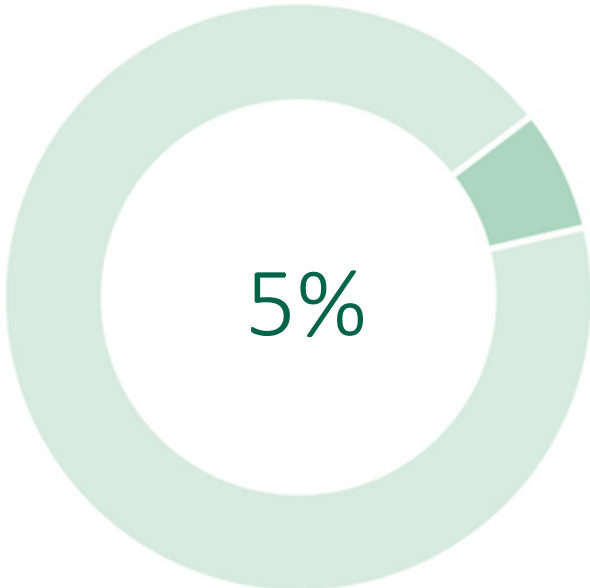
# Packaging accounts for approx. 5% of food's CO2 footprint



Food production

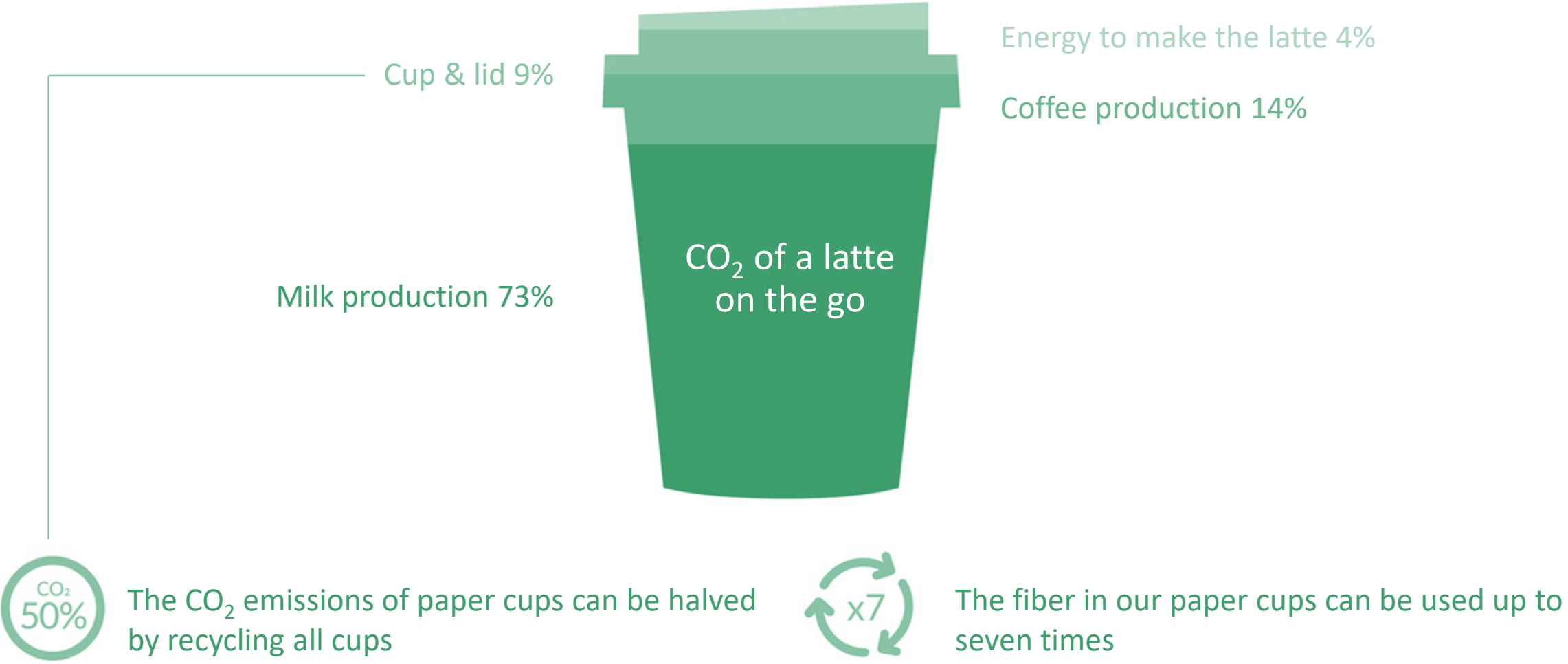


Transport and distribution



Packaging

# Only a small share of CO<sub>2</sub> emissions of a latte on-the-go come from the cup, and these can be halved by increasing recycling

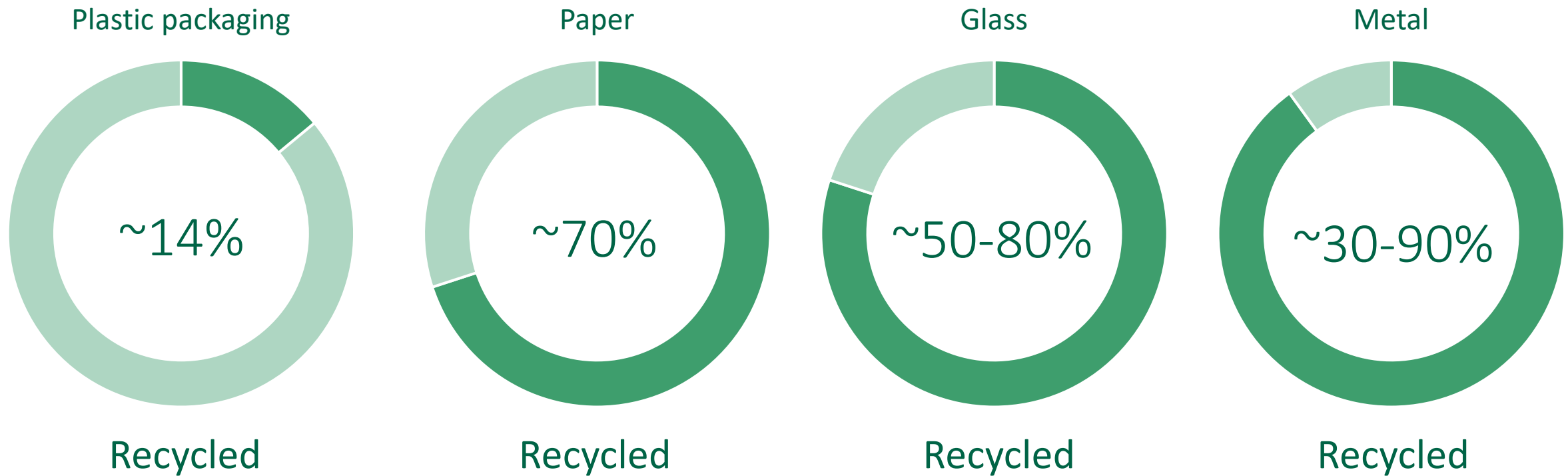


Source: Comparative LCA study of cups for hot drinks made of six different materials, VTT 2019

In addition to recyclable packaging, consumer awareness and an efficient collection, sorting and recycling infrastructure are required to solve littering and waste challenges



# Recycling rates vary – significant potential to utilize valuable materials



Source: Smithers Pira: Future Lifecycles of Packaging Recycling to 2023

# EU PPWR

## Objective and content of PPWR proposal

- **Mixed business implications**
  - Requirement for recyclability at-scale
  - Amount of recyclable content
  - Reuse systems in HORECA
- **Impact from reuse mandate not meaningful**
  - 2030: ~2% of current net sales
  - 2040: ~5% of current net sales
  - Certain products outside scope
- **Net positive long-term Foodservice development**
  - QSR underlying market growth
  - Plastic substitution favoring our portfolio

## Regulation not a done deal

- **Legislative process** lengthy and complex
  - Ongoing scrutiny in EU Parliament and Member States until late Q4 2023 (estimation)
  - Push-back on HORECA requirements from several parliament Committees
  - Followed by Trilogue - Negotiations between EU Commission, Parliament and Council in 2024 (estimation)
- **Timing** – If the PPWR is not agreed by end-April 2024 there will be further uncertainty due to end of the legislative mandate. A regulation normally takes 18 to 24 months from proposal to law
- **Quorum** – Member States currently forming their opinions. Several countries including Italy and Finland have already raised concerns, minimum 65% support required to pass

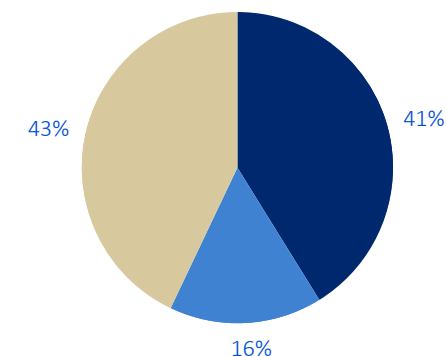
# Other

# Largest shareholders and split of shareholding

Shareholder	Number of shares	% of total shares	Change	Change %
1. Finnish Cultural Foundation	11,318,840	10.50 %	0	0.00 %
2. Varma Mutual Pension Insurance Company	4,419,171	4.10 %	0	0.00 %
3. Ilmarinen Mutual Pension Insurance Company	3,269,000	3.03 %	0	0.00 %
4. Huhtamäki Oyj	3,222,204	2.99 %	0	0.00 %
5. Holding Manutas Oy	1,470,000	1.36 %	0	0.00 %
6. Elo Mutual Pension Insurance Company	1,439,000	1.34 %	-6,000	-0.42 %
7. Security Trading Oy	1,010,000	0.94 %	10,000	1.00 %
8. The State Pension Fund	1,000,000	0.93 %	0	0.00 %
9. OP-Finland	968,642	0.90 %	0	0.00 %
10. Society of Swedish Literature in Finland	963,500	0.89 %	0	0.00 %
<b>Total of 10 largest shareholders</b>	<b>29,080,357</b>	<b>26.99 %</b>	<b>4,000</b>	<b>0.00 %</b>
<b>Other shareholders</b>	<b>78,680,028</b>	<b>73.01 %</b>	-	-
<b>Total</b>	<b>107,760,385</b>	<b>100.00 %</b>	-	-

Shareholder data as at April 30, 2023. 'Change' refers to the change in shareholding during the previous calendar month.

## Split of shareholding

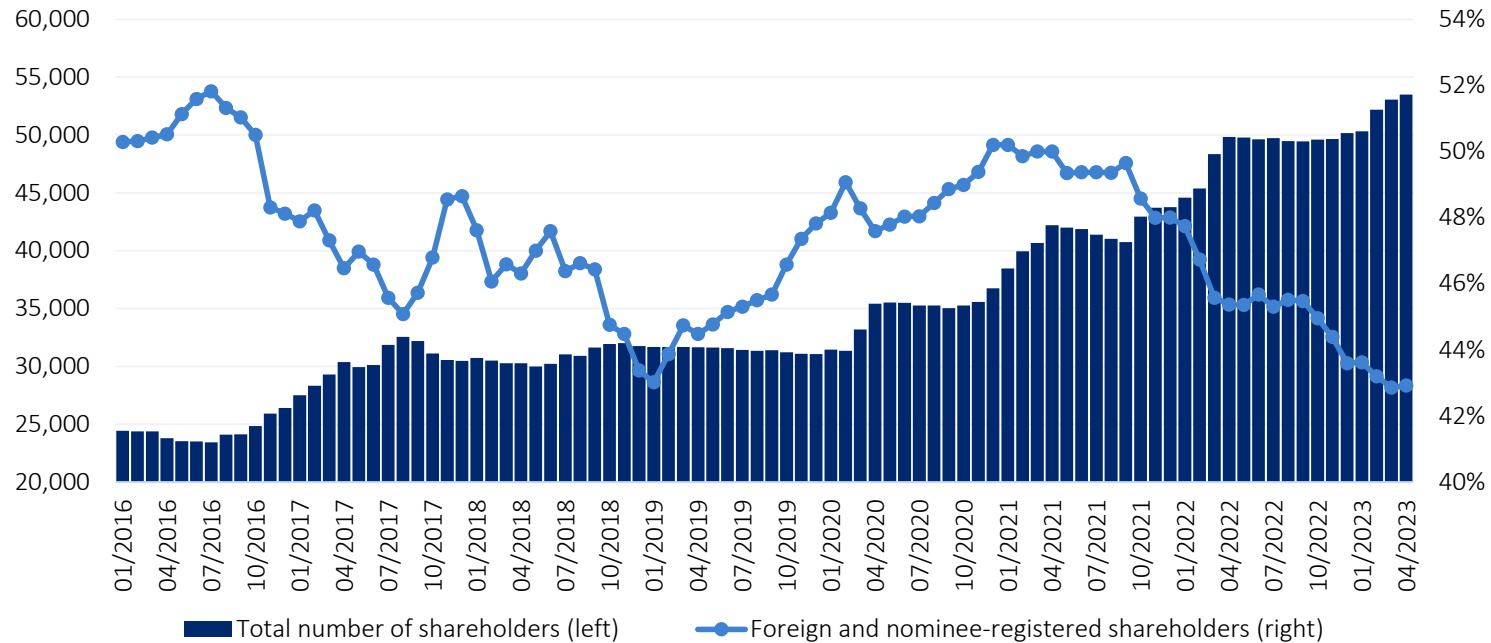


- Finnish institutions, companies and organizations
- Households
- Foreign and nominee-registered shareholders



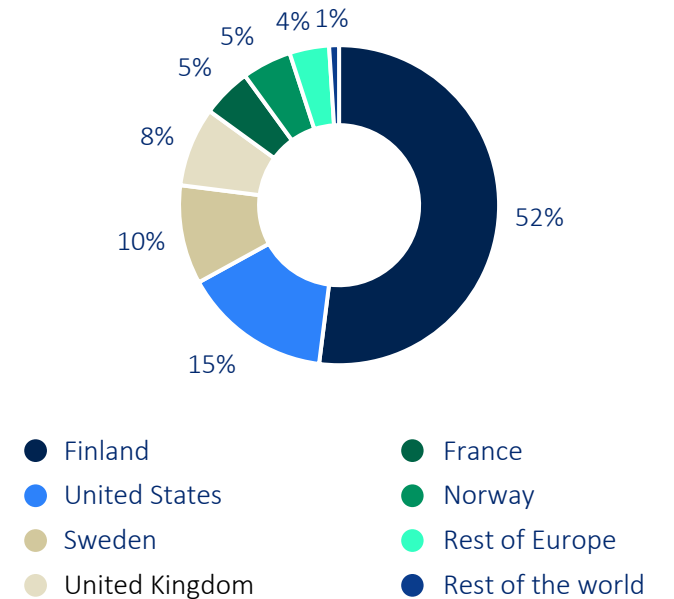
# Foreign shareholding and distribution by geography

## Total number of shareholders and foreign shareholding



## Approximate shareholder distribution by geography

(Ownership as a percentage of identified shareholders in September 2022)



# Global Executive Team



Charles Héaulmé  
President and CEO



Thomas Geust  
CFO



Fredrik Davidsson  
President, Fiber Foodservice  
EAO, interim EVP, Digital and  
Process Performance



Marco Hilty  
President, Flexible Packaging



Ann O'Hara  
President, North America



Thomasine Kamerling  
EVP, Sustainability  
and Communications



Marina Madanat  
EVP, Strategy and  
Business Development



Sami Pauni  
EVP, Corporate Affairs and  
Legal, Group General Counsel



Ingolf Thom  
EVP, Human Resources  
and Safety

# Board of Directors



**Pekka Ala-Pietilä**  
Chairman of the Board

HR

Born 1957, Finnish citizen

**Starting date:** April 24, 2012

**Key positions of trust:**

Sanoma Corporation, Chairman of the Board (2016–) and Board member (2014–2016); SAP SE, Supervisory Board member (2002–2021); and others



**Kerttu Tuomas**  
Vice-Chairman

AC

Born 1957, Finnish citizen

**Starting date:** April 27, 2017

**Key positions of trust:**

Medix Biochemica Group Oy, Board member (2018–); Kemira Oyj, Vice-Chairman of the Board (2014–2021) and Board member (2010–2021); and others



**Mercedes Alonso**

AC

Born 1966, Spanish and Swiss citizen

**Starting date:** April 27, 2022

**Key positions of trust:**

The European Chemical Industry Council (Cefic), Board member



**Doug Baillie**

HR

Born 1955, U.K. citizen

**Starting date:** April 21, 2016

**Key positions of trust:**

Little Sun Foundation, Board Member (2020–); Airtel Africa PLC, Board member (2019–); The MasterCard Foundation, Board member (2015–); and others



**William R. Barker**

HR

Born 1949, U.S. citizen

**Starting date:** March 24, 2010

**Key positions of trust:**

Shield Holdco LLC (holding company of Dynatect Manufacturing, Inc.), Board member (2014–) and Chairman of the Board (2014–2019); and others



**Anja Korhonen**

AC

Born 1953, Finnish citizen

**Starting date:** April 25, 2018

**Key positions of trust:**

Outotec Oyj, Board member (2013–2020); Oriola Oyj, Board member (2014–)



**Pauline Lindwall**

HR

Born 1961, Swedish citizen

**Starting date:** April 27, 2023

**Key positions of trust:**

EIT Food of The European Institute of Innovation and Technology, Supervisory Board member Cloetta AB (publ.), Board member (2023–)



**Pekka Vauramo**

AC

Born 1957, Finnish citizen

**Starting date:** April 27, 2023

**Key positions of trust:**

Nokian Tyres plc, Deputy Chairman of the Board (2018–) National Defence University, Board member; and others



**Ralf K. Wunderlich**

HR

Born 1966, German citizen

**Starting date:** July 1, 2018

**Key positions of trust:**

AptarGroup, Board member (2009–); Essentra PLC, Board member (2017–); Shepherd Building Group, Board Member (2021–)

All members of the Board of Directors are independent of the Company and significant shareholders.

AC = Audit Committee

HR = Human Resources Committee

★ = Chairman of the Committee

For more information about the Board of Directors, please see [here](#).

# Disclaimer

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Thank you!

Huhtamaki