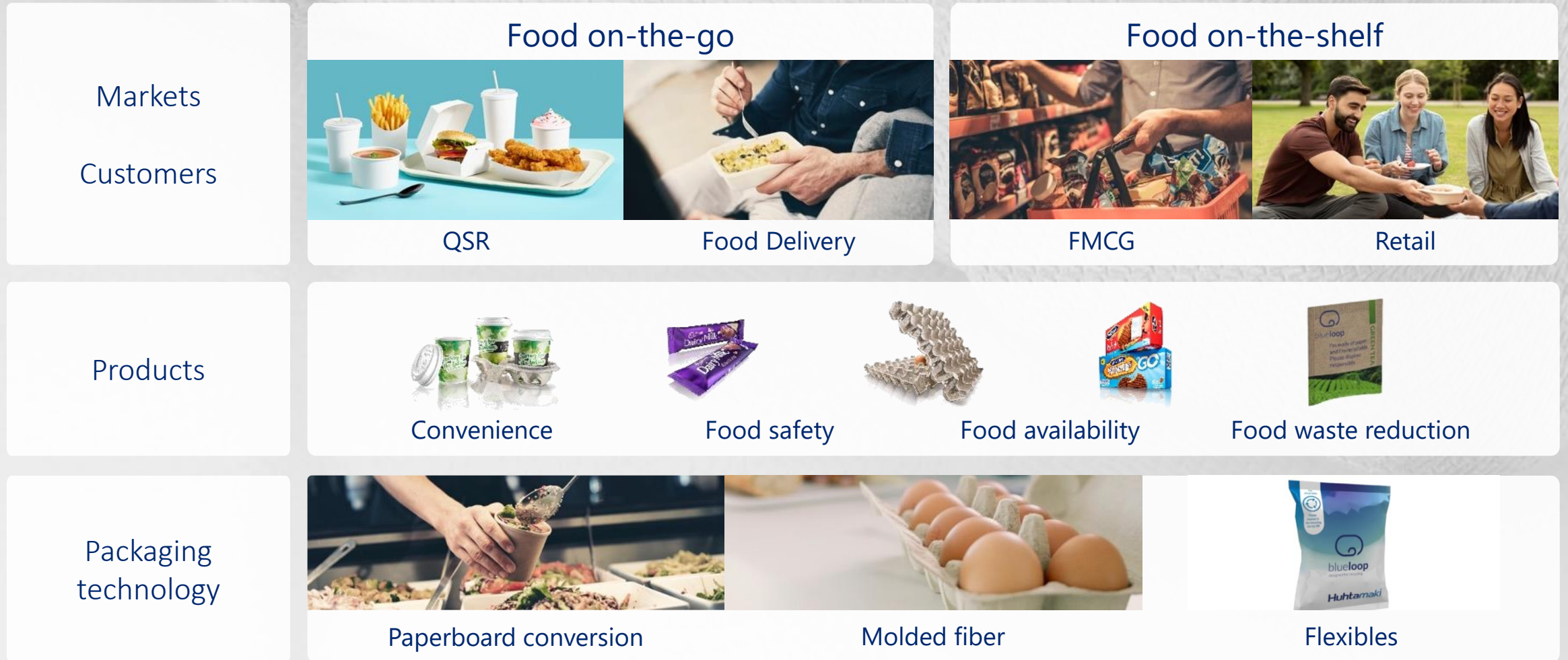


# Becoming the first choice in sustainable packaging solutions

Roadshow presentation  
April-June 2021

**Huhtamaki**

# Broadly serving food on-the-go and food on-the-shelf



# Huhtamaki operates on a global scale

Figures for 2020

NET SALES

€3.3B

ADJUSTED EBIT MARGIN

9.1%

MANUFACTURING UNITS

81

OPERATING COUNTRIES

35

EMPLOYEES

18,227



# We operate through 3 business areas

## Fiber and Foodservice Europe-Asia-Oceania

**34** manufacturing units and  
operations in **28** countries

**6,400** employees

**€1.1B** net sales

## North America

**18** manufacturing units and  
operations in **2** countries

**4,200** employees

**€1.1B** net sales

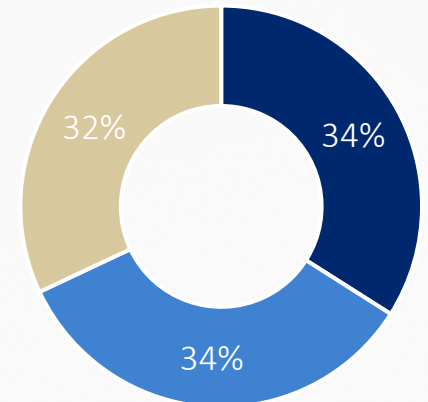
## Flexible Packaging

**29** manufacturing units and  
operations in **16** countries

**7,500** employees

**€1.1B** net sales

## Net sales per business area (2020)



- Fiber and Foodservice Europe-Asia-Oceania
- North America
- Flexible Packaging

Fiber Packaging and Foodservice EAO have been integrated as of June 1, 2020. The segments will continue to be reported separately.

# Understanding the value of packaging within the broader sustainability context

## Hygiene

Packaging promotes hygiene and prevents spread of disease

## Food safety

Packaging keeps food safe from spoilage and preserves its original properties

## Food availability

Packaging enables food availability everywhere in the world and allows food to be transported affordably and at low emissions

## Food waste prevention

1/3 of food is wasted, representing 8% of global greenhouse gases. Packaging prevents food waste

# Our strategy builds on transformative trends impacting the future of packaging

- **The next billion consumers** will come from emerging markets
- **Future consumer** will require packaging to be innovative, individual and sustainable
- **Digitalization** will influence packaging and the way we do business
- **Sustainability** will drive innovation and collaboration



# Our 2030 Strategy

Protecting food, people and the planet

Our ambition is to be the first choice in sustainable packaging solutions, enabling wellbeing and convenience for people around the world

**GROWING  
OUR BUSINESS**

**IMPROVING OUR  
COMPETITIVENESS**

**DEVELOPING  
OUR TALENT**

**EMBEDDING SUSTAINABILITY IN EVERYTHING WE DO**

**DRIVEN BY DIGITAL TECHNOLOGIES AND DATA**

Our values Care Dare Deliver help us to make a difference, where it matters

# We focus on our strategic priorities to drive growth



## Competitiveness

- Achieve world-class processes and operational performance
- Achieve scale and structural efficiencies across the company
- Focus on business productivity



## Talent

- Develop strategic capabilities
- Promote high-performance culture
- Develop zero-accident safety culture



## Sustainability

- Focus innovation on sustainable packaging designed for circularity
- Achieve over 80% of renewable or recyclable raw material use
- Achieve carbon-neutral production



## Digitalization

- Improve operational performance
- Strengthen business model
- Explore new business growth avenues

## Driving sustainable profitable growth

Scaling our core business, expanding geographically, extending our product portfolio and innovating in sustainable packaging solutions



# We have high financial and sustainability ambitions

Our ambition

## First choice in sustainable packaging solutions

Comparable growth

5+%

Adjusted EBIT margin

10+%

Net debt/Adjusted EBITDA

2-3

Dividend payout ratio

40-50%

100%

of products designed to be recyclable, compostable or reusable

>80%

renewable or recycled raw material

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

For further  
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[www.huhtamaki.com/investors](http://www.huhtamaki.com/investors)

**Huhtamaki**

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# Appendix: The role of packaging



# The future of food packaging is impacted by four transformative trends



The next billion consumers will come from emerging markets

- Middle class will increase by 1.8B people in the next 10 years
- Coming from China, India, South East Asia and longer-term Africa
- Demanding safe access to affordable food every day, enabled by packaging
- Driving the need for local scale and cost competitiveness



Future consumer will require packaging to be innovative, individual and sustainable

- Future consumer values convenience and self expression
- Consciousness of personal and environmental wellbeing is increasing
- New brands and models are emerging in Food delivery, FMCG, Retail
- Increasing demand for innovative, individual, sustainable packaging fast to the market



Digitalization will influence packaging and the way we do business

- The pace of digitalization will accelerate
- Creating demand for smart packaging for product traceability and consumer engagement
- Technology and analytics will reshape operations
- New digital-enabled business models will rise

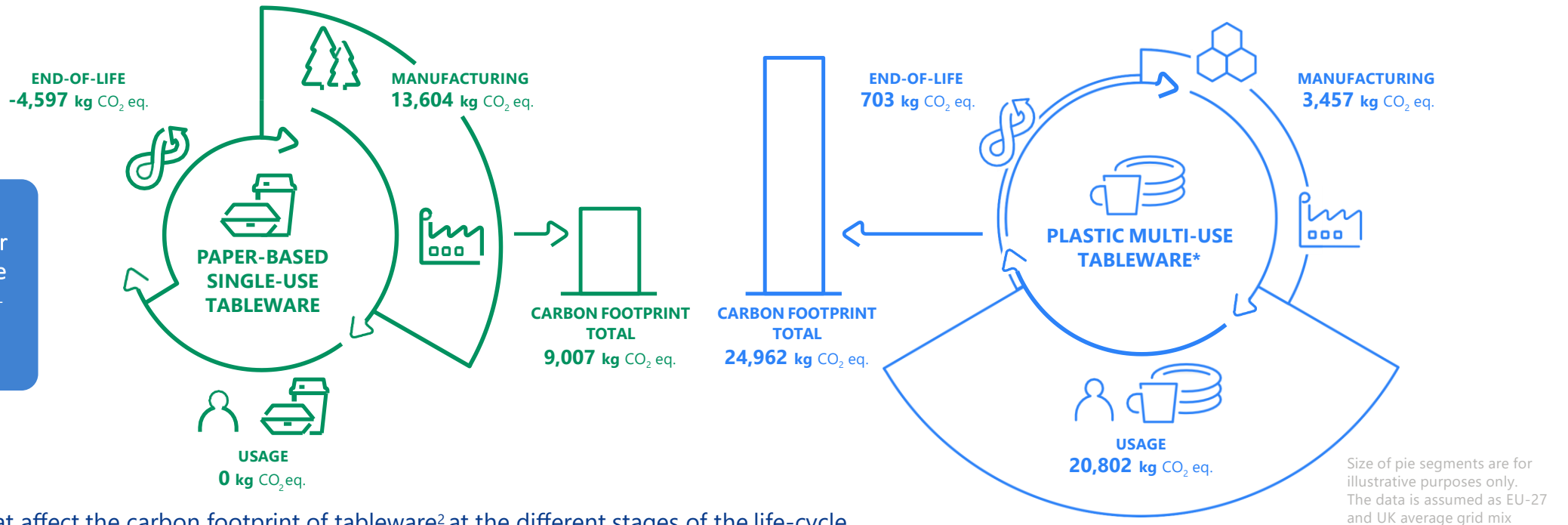


Sustainability will drive innovation and collaboration

- Increasing consumer sentiment and regulation spreading globally
- Demanding circularity and plastic substitution solutions
- Driving a need for innovation in products and business models
- Requiring us to collaborate across the value chain

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

Multi-use tableware systems generate over 2.7 times higher CO<sub>2</sub>-e emissions than paper-based single-use tableware systems<sup>1</sup>



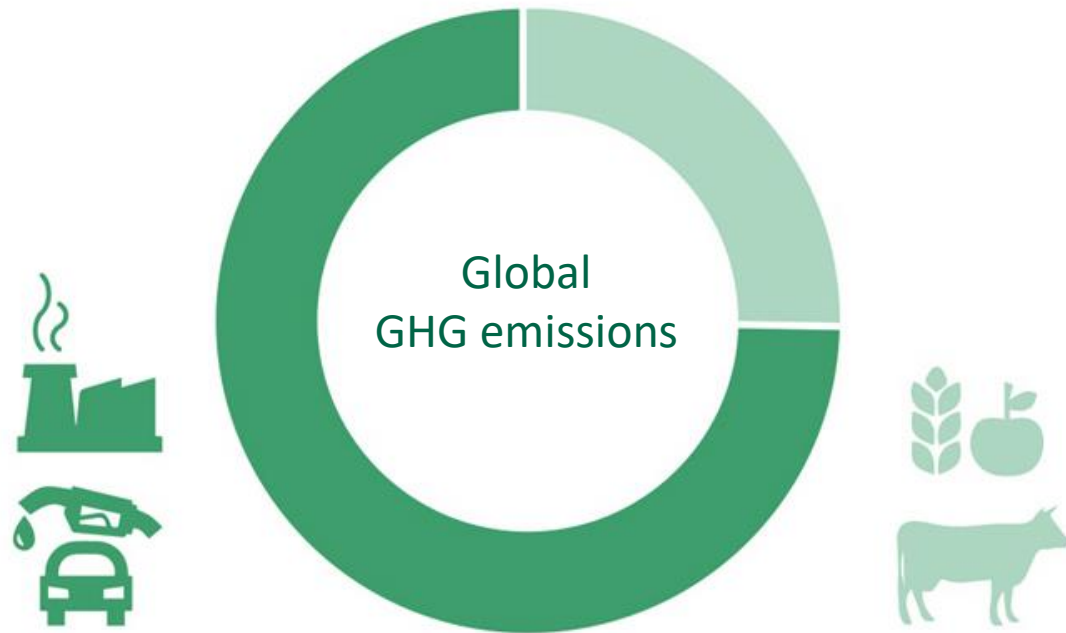
## Factors that affect the carbon footprint of tableware<sup>2</sup> at the different stages of the life-cycle

<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. 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

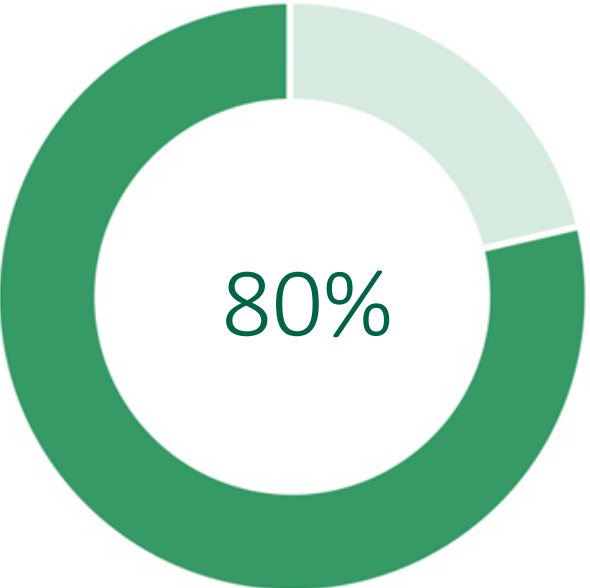


approx. 25%  
of global GHG emissions come from  
food systems

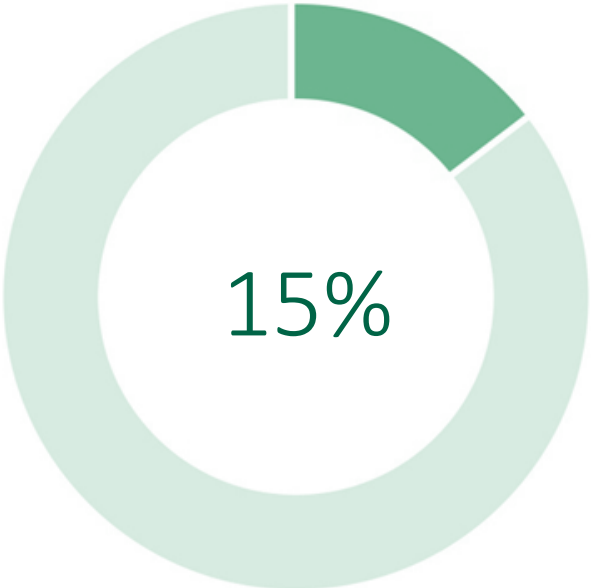


8%  
of global GHG emissions come from wasted  
of lost food

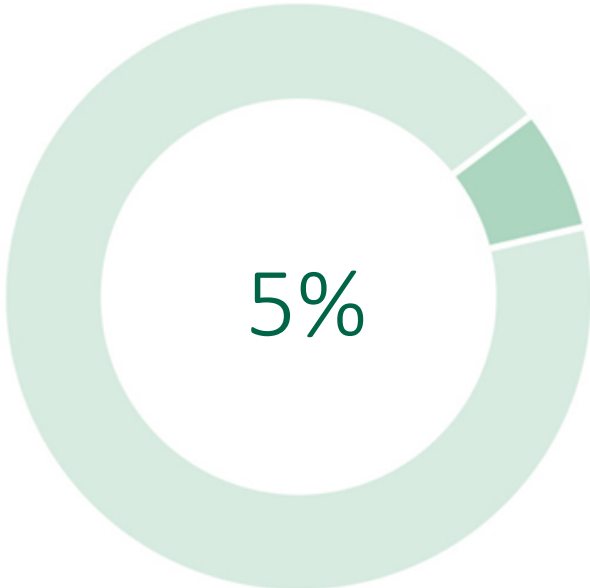
# Packaging accounts for approx. 5% of food's CO2 footprint



Food production



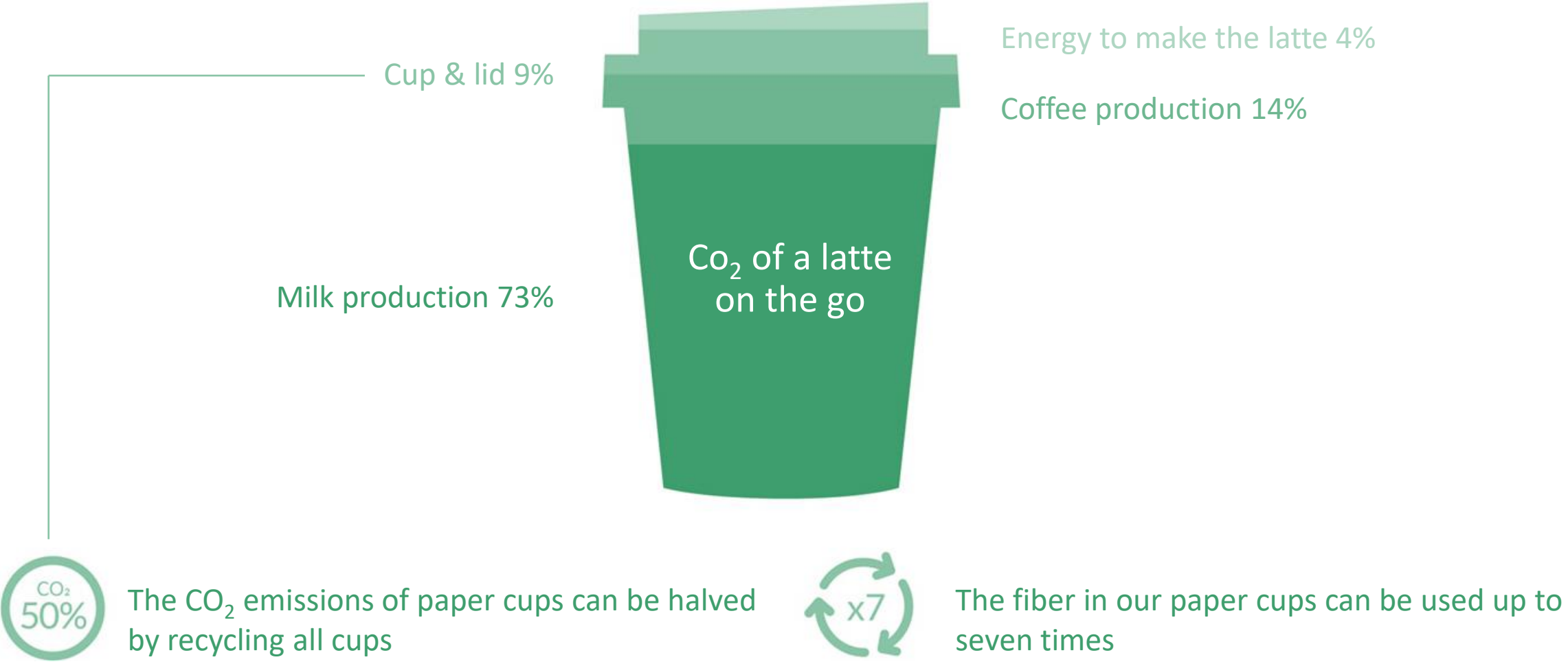
Transport and distribution



Packaging

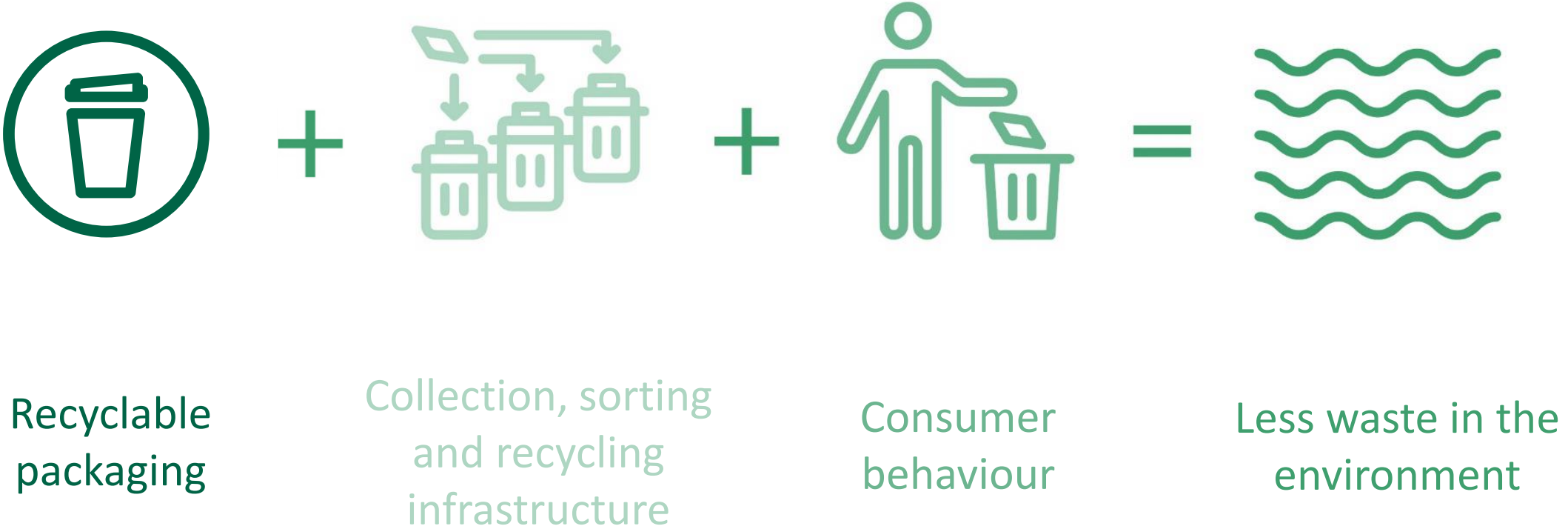


# Only a small share of CO<sub>2</sub> emissions of a latte on-the-go come from the cup, and these can be halved by increasing recycling

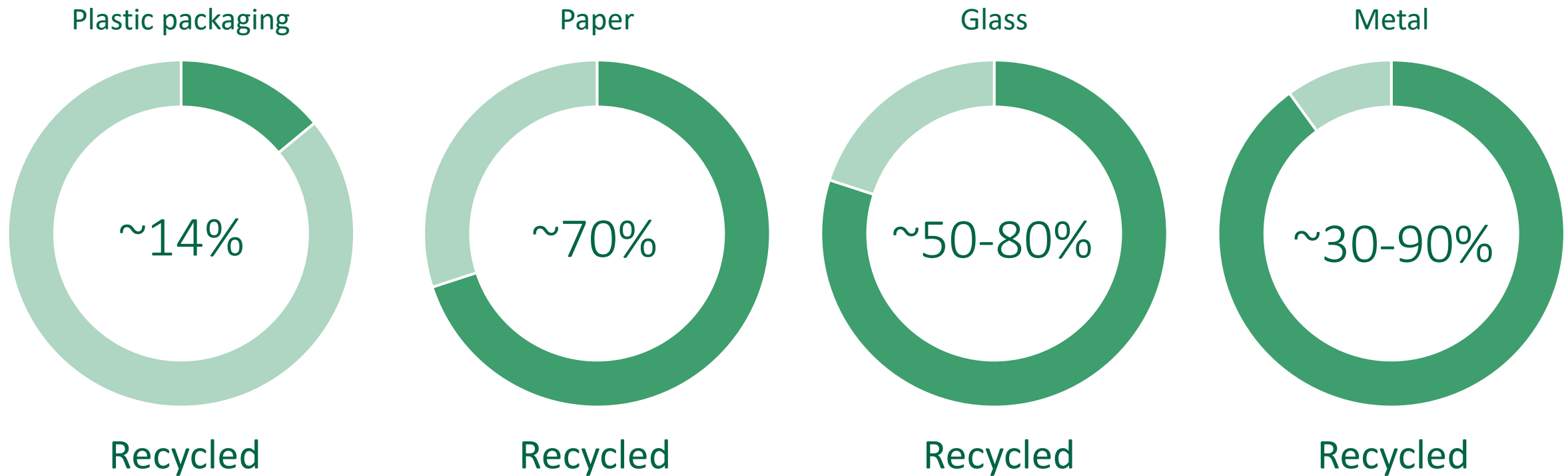


Source: Comparative LCA study of cups for hot drinks made of six different materials, VTT 2019

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

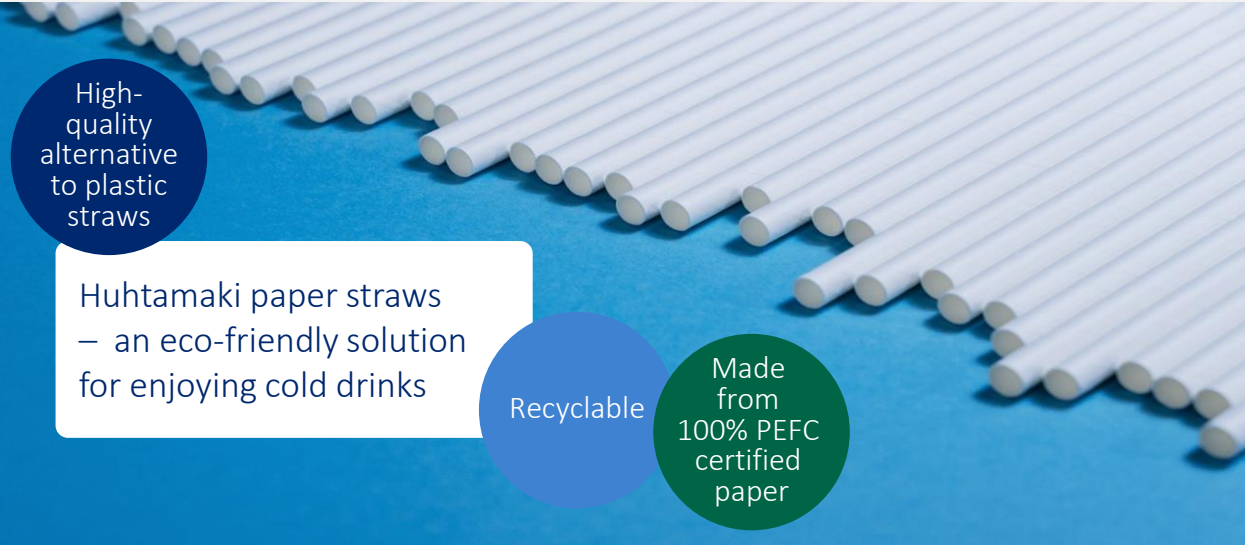
# Examples of recent innovations and product launches



Huhtamaki Fresh ready meal tray – a recyclable alternative to black plastic, made of renewable raw materials

Micro-wave and oven safe

Cooler to touch than plastic



High-quality alternative to plastic straws

Huhtamaki paper straws – an eco-friendly solution for enjoying cold drinks

Recyclable

Made from 100% PEFC certified paper



Huhtamaki blueloop – flexible packaging designed for recycling

- Mono-material structures
- Minimum 90% standard materials like PE, PP, or PET
- Available already for several end applications ranging from candy and chocolates to dry foods and personal care products

100% renewable FutureSmart product line further reduces CO<sub>2</sub> emissions



# Appendix: Segments and financials



# Operating model: We are a converter

## Key inputs

- Raw materials**
  - Paperboard
  - Plastic resins
  - Recycled fiber
  - Approximately 66% of raw materials used in manufacturing our products are renewable
- Energy and water in 2020**
  - Energy 2,142 GWh
  - Water 8.7 million m<sup>3</sup>
- Global operations**
  - 81 manufacturing units, 35 countries
- Personnel**
  - Competence and know-how of 18,227 employees
- Social capital**
  - Key stakeholder relationships
  - Collaboration with key customers and suppliers
- Intellectual property**
  - Immaterial rights, patents
  - Brand and reputation
- Financial resources on Dec 31, 2020**
  - Equity M€ 1,364
  - Net debt M€ 867

## Our activities

- Advanced manufacturing**
  - Cup forming
  - Folded carton production
  - Smooth and rough molded fiber production
  - Extrusion and lamination technology
  - Plastic thermoforming
  - Printing and digital printing
- Resource efficiency**
  - Energy: 5% improvement in energy efficiency in 2016–2020
- Innovations**
  - Digitalization and design of sustainable packaging solutions
  - Continuous product development
- Leadership and management**
  - Strive for excellence and collaboration between our business segments and centralized functions to benefit our customers
  - Workplace safety improved 45% in 2016–2020 with the Lost Time Incident rate decreasing from 2.9 to 1.6
  - Guiding principles and systems (e.g. Code of Conduct)
  - Continuous improvement (Lean Six Sigma, Total Productive Manufacturing)
- Organic growth and acquisitions**
  - Growing both organically and through acquisitions
  - Capital expenditure M€ 223

## Key outputs

- Safe, convenient and fit-for-purpose consumer packaging**
  - Cups, plates, bowls and folded cartons for foodservice products
  - Laminates, pouches and labels for food and personal care
  - Molded fiber packaging for eggs and fruit
- Emissions and waste**
  - Relative GHG emissions reduced 11% in 2016–2020
  - Waste in 2020
    - Recycling 70%
    - Energy recovery 10%
    - Landfill 19%
- Intellectual**
  - Immaterial rights, patents
- New manufacturing assets**
  - Through investments and acquisitions
- Economic value**
  - Gross profit M€ 553

## Key impacts

- Environment**
  - Replacing non-renewable materials with alternative renewable materials
  - Reducing food waste with fit-for-purpose packaging, designed for circular economy
  - Impact on climate change from manufacturing and waste to landfill
- Intellectual**
  - Huhtamaki brand value
  - Product and design innovations
- Social capital**
  - Customer satisfaction
  - Employee engagement and increased know-how through learning
  - Job opportunities and value for local communities
- Financial economic value distributed in 2020**
  - Profit M€ 184
  - Wages and benefits M€ 721
  - Net financial items M€ 28
  - Taxes M€ 53
  - Dividends M€ 93

# Fiber and Foodservice Europe-Asia-Oceania

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

Recycled and other natural fibers are used to make fresh product packaging, such as egg, fruit, food and drink packaging, and foodservice paper and plastic disposable tableware, such as cups and lids, is supplied to foodservice operators, fast food restaurants and coffee shops.

Production in Europe, South Africa, Middle East, Asia and Oceania.

## NET SALES

€1,121 mn

## ADJUSTED EBIT MARGIN

8.7%

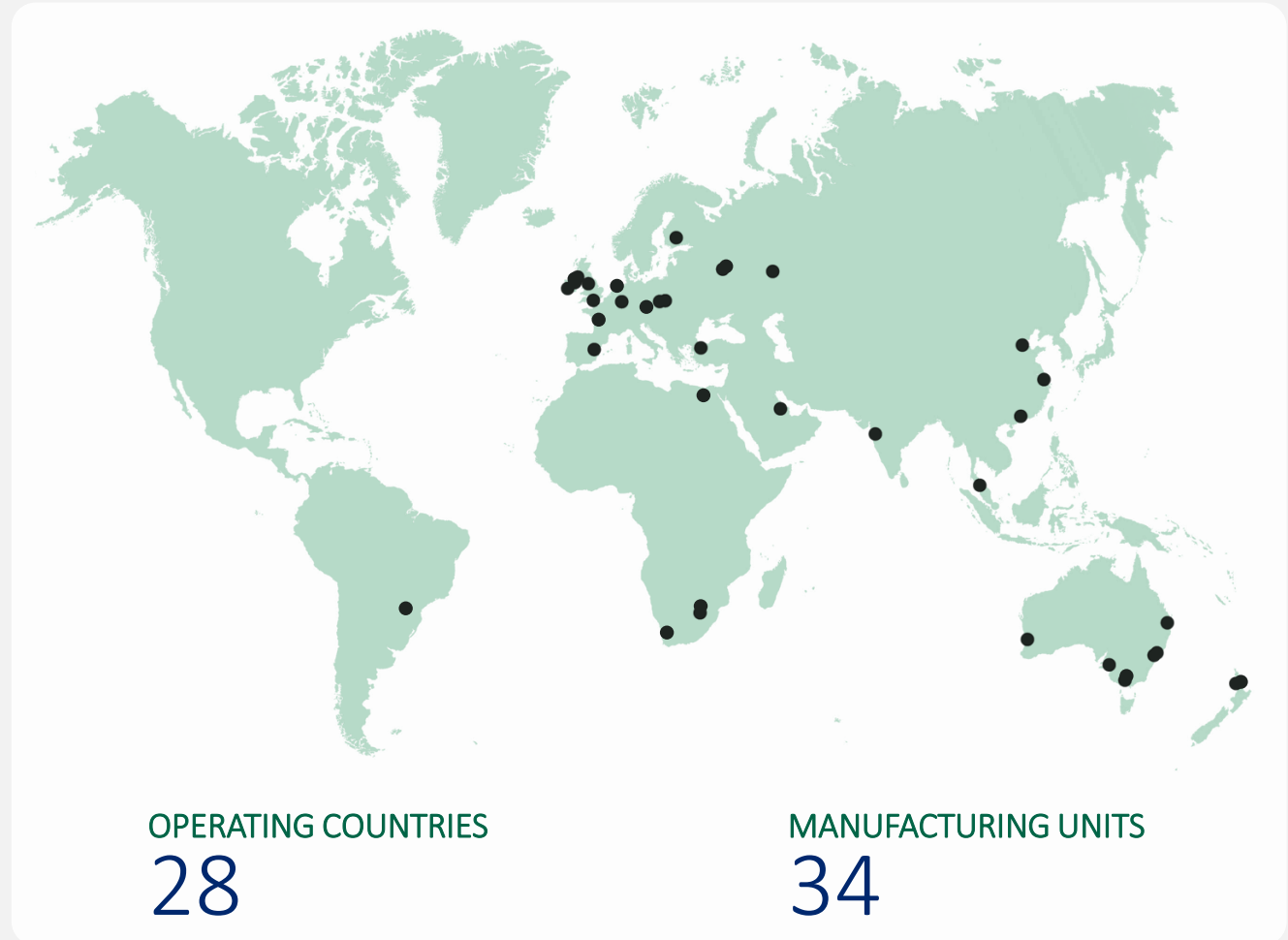
## EMPLOYEES

6,440

## MARKET POSITION

#1

- globally operating foodservice packaging company
- in fiber packaging globally



Combined figures for 2020 for Fiber Packaging and Foodservice Europe-Asia-Oceania.

# North America

Serves local markets with foodservice packaging, Chinet® disposable tableware as well as ice-cream containers and other consumer goods packaging products.

Production in the United States and Mexico.

NET SALES

€1,139 mn

ADJUSTED EBIT MARGIN

12.0%

EMPLOYEES

4,185

MARKET POSITION

#1

globally operating  
foodservice packaging  
company



Figures for 2020



# Flexible Packaging

Flexible packaging is used for a wide range of pre-packed consumer products including food, beverages, pet food, hygiene and health care products.

Production in Europe, Middle East and Africa, Asia and South America.

NET SALES

€1,051 mn

ADJUSTED EBIT MARGIN

7.7%

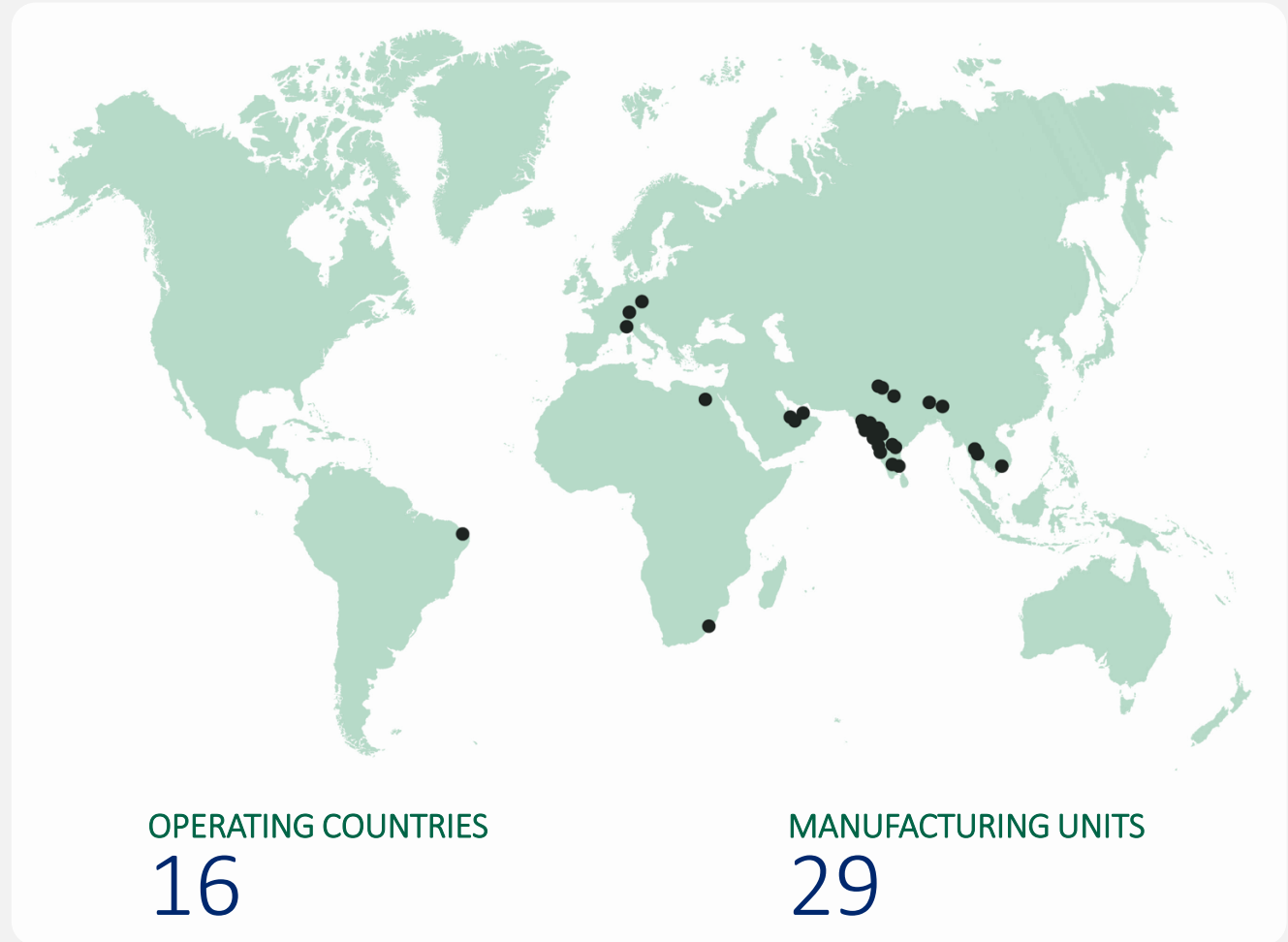
EMPLOYEES

7,468

MARKET POSITION

#1

flexible packaging  
company in  
emerging markets



Figures for 2020

# Products, customers, sales split 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				
Net sales split				
Key competitors	<ul style="list-style-type: none"> <li>Hartmann</li> <li>Local players</li> <li>Pactiv</li> <li>Plastics manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Seda</li> <li>Graphic Packaging</li> <li>Detpak</li> <li>Dart/Solo</li> <li>HK Cup</li> <li>Local players</li> </ul>	<ul style="list-style-type: none"> <li>Graphic Packaging</li> <li>Dart/Solo</li> <li>Reynolds/Pactiv</li> <li>Koch/Georgia Pacific</li> <li>Novolex</li> <li>Berry Global</li> <li>Westrock</li> <li>Sabert</li> <li>Gen Pak</li> <li>AJM</li> <li>Aspen</li> </ul>	<ul style="list-style-type: none"> <li>Amcor</li> <li>Dai Nippon</li> <li>Constantia</li> <li>Regional players</li> <li>Sealed Air</li> <li>Local players</li> </ul>
Net sales (in 2020)	EUR 308 million (9% of group)	EUR 829 million (25% of group)	EUR 1,139 million (34% of group)	EUR 1,051 million (32% of group)

# Strategic focus areas for segments

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

## Fiber Packaging

### Egg and fruit protective packaging

- Steady underlying growth and plastic substitution in some geographies
- Room to expand geographically, within product categories and to take share from plastic
- Base to develop circular models together with Foodservice

### Molded fiber technology

- Plastic substitution in QSR, FMCG and Grocery Retail drives demand for more complex molded fiber applications
- Our molded fiber technology and application development capabilities position us well to capture this opportunity together with Foodservice

## Foodservice E-A-O

### Global key accounts in QSR, Coffee and FMCG

- Strong business with room to grow product portfolio and expand geographically
- Well positioned to expand in emerging markets

### Plastic substitution

- Unique platform in paperboard conversion and molded fiber, to develop complex sustainable solutions
- Global reach and scale allows to industrialize new solutions fast

### Agile models

- Agile model serving small accounts, combining short-run, long-run, sourcing and distribution capabilities
- Base to build a strong food delivery packaging business

## North America

### Retail, Foodservice, Consumer goods

- Convenience lifestyle driving growth for our core products
- Room to expand in growing categories – folded carton, molded fiber, private label pressed plates

### Unique capabilities position us well to capture growth

- Brand building and retail expertise
- Ice cream systems and capabilities
- Paperboard technology and ability to do complex promotion management
- Molded fiber technology and scale
- Strong track record in sustainability
- National network allowing us to offer right products in the right markets to the right customers

## Flexible Packaging

### Strong demand for flexible packaging

- Strong underlying demand for FMCG products, driven by emerging markets
- Flexible packaging remains superior solution for modern retail supply chain
- Footprint in fast growing emerging markets with further room to expand
- Accelerating innovation in line with our customer needs positions us for growth above market

### Competitiveness, agility and sustainability

- Improving operations to be the best-in-class will drive rise in profitability
- Increasing agility, while maintaining quality and reliability
- Actions in circularity, advocacy and innovation for sustainability will enhance our industry leadership

# Segment key figures (1/2)

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

- Improving customers access to combined fiber and paperboard technology
- Leveraging organization synergies and growth opportunities (plastic substitution, food delivery)
- Positive financial benefits

## Foodservice Europe-Asia-Oceania

Key figures (MEUR)	2013	2014	2015	2016	2017	2018 <sup>1</sup>	2019	2020	Long-term ambition
Net sales	629.1	620.4	667.5	741.0	807.5	881.7	956.7	829.1	
Comparable growth	2%	4%	4%	5%	4%	4%	4%	-10%	5-7%
Adjusted EBIT	46.9	57.4	52.4	63.2	70.1	77.1	85.7	60.9	
Margin	7.5%	9.3%	7.9%	8.5%	8.7%	8.7%	9.0%	7.3%	9-11%

## Fiber Packaging

Key figures (MEUR)	2013	2014	2015	2016	2017	2018 <sup>1</sup>	2019	2020	Long-term ambition
Net sales	236.3	247.0	260.3	267.8	285.1	283.0	293.4	307.8	
Comparable growth	6%	9%	5%	5%	5%	4%	6%	9%	3-5%
Adjusted EBIT	29.6	35.0	33.5	34.6	28.2	31.2	29.0	37.4	
Margin	12.5%	14.2%	12.9%	12.9%	9.9%	11.0%	9.9%	12.2%	13-15%

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)	2013	2014	2015	2016	2017	2018 <sup>1</sup>	2019	2020	Long-term ambition
Net sales	725.3	769.3	947.7	1,005.1	1,000.4	1,002.7	1,152.7	1,138.9	
Comparable growth	5%	6%	4%	6%	2%	5%	9%	1%	3-5%
Adjusted EBIT	38.4	38.4	88.2	107.6	104.1	73.0	111.4	136.6	
Margin	5.3%	5.0%	9.3%	10.7%	10.4%	7.3%	9.7%	12.0%	9-10%

## Flexible Packaging

Key figures (MEUR)	2013	2014	2015	2016	2017	2018 <sup>1</sup>	2019	2020	Long-term ambition
Net sales	585.8	618.0	868.9	868.6	912.7	952.3	1,016.4	1,050.8	
Comparable growth	4%	7%	3%	-1%	4%	7%	3%	1%	6-8%
Adjusted EBIT	44.0	45.5	68.8	73.8	69.7	67.8	82.6	80.7	
Margin	7.5%	7.4%	7.9%	8.5%	7.6%	7.1%	8.1%	7.7%	9-11%

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

# Group financials 2010-2020

		2010	2011	2012 <sup>2</sup>	2013 <sup>1</sup>	2014 <sup>1</sup>	2015	2016	2017	2018 <sup>2</sup>	2019	2020
Net sales	MEUR	1,952	2,043	2,321	2,161	2,236	2,726	2,865	2,989	3,104	3,399	3,302
Comparable growth <sup>3</sup>		3%	5%	3%	3%	6%	4%	4%	3%	5%	6%	-2%
Adjusted EBITDA <sup>4</sup>	MEUR	214	208	254	242	259	342	382	390	399	456	473
Margin <sup>4</sup>		11.0%	10.2%	10.9%	11.2%	11.6%	12.5%	13.3%	13.0%	12.8%	13.4%	14.3%
Adjusted EBIT <sup>4</sup>	MEUR	134	128	164	160	175	238	268	268	251	293	302
Margin <sup>4</sup>		6.9%	6.2%	7.0%	7.4%	7.8%	8.7%	9.4%	9.0%	8.1%	8.6%	9.1%
Adjusted EPS <sup>4</sup>	EUR	0.92	0.87	1.19	1.17	1.24	1.65	1.83	1.9	1.69	1.88	1.95
Adjusted ROI <sup>4</sup>		12.0%	9.8%	12.6%	12.1%	12.6%	14.7%	14.7%	13.6%	11.6%	12.3%	11.7%
Adjusted ROE <sup>4</sup>		14.5%	11.0%	15.8%	15.8%	16.1%	18.1%	17.7%	17.0%	14.5%	15.2%	14.8%
Capex	MEUR	86	82	94	121	127	147	199	215	197	204	223
Free cash flow	MEUR	113	65	103	56	65	91	100	56	80	226	207
Gearing		0.32	0.49	0.5	0.5	0.32	0.53	0.57	0.58	0.73	0.63	0.64
Net debt to adj. EBITDA <sup>4</sup>		1.2	1.9	1.6	1.6	1.0	1.6	1.8	1.8	2.3	2.0	1.8
Dividend per share	EUR	0.44	0.46	0.56	0.57	0.60	0.66	0.73	0.80	0.84	0.89	0.92 <sup>5</sup>

<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 <sup>5</sup>Proposal by the Board of Directors

# Comparable net sales growth by business segment

Quarterly	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
Foodservice E-A-O	3%	2%	4%	6%	5%	5%	5%	3%	4%	3%	4%	4%	-4%	-28%	-1%	-7%	-2%
North America	2%	1%	2%	2%	5%	2%	2%	11%	5%	13%	14%	6%	9%	-5%	4%	-2%	-2%
Flexible Packaging	3%	-2%	7%	9%	6%	11%	6%	4%	5%	1%	4%	3%	2%	2%	1%	0%	0%
Fiber Packaging	4%	8%	5%	4%	5%	3%	4%	5%	4%	7%	7%	8%	9%	10%	7%	8%	4%
<b>Group</b>	<b>3%</b>	<b>1%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>4%</b>	<b>6%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>	<b>5%</b>	<b>3%</b>	<b>-8%</b>	<b>2%</b>	<b>-2%</b>	<b>-0%</b>

Annual	FY 17	FY 18	FY 19	FY 20	Long-term ambition
Foodservice E-A-O	4%	4%	4%	-10%	5-7%
North America	2%	5%	9%	1%	3-5%
Flexible Packaging	4%	7%	3%	1%	6-8%
Fiber Packaging	5%	4%	6%	9%	3-5%
<b>Group</b>	<b>3%</b>	<b>5%</b>	<b>6%</b>	<b>-2%</b>	<b>5+%</b>

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

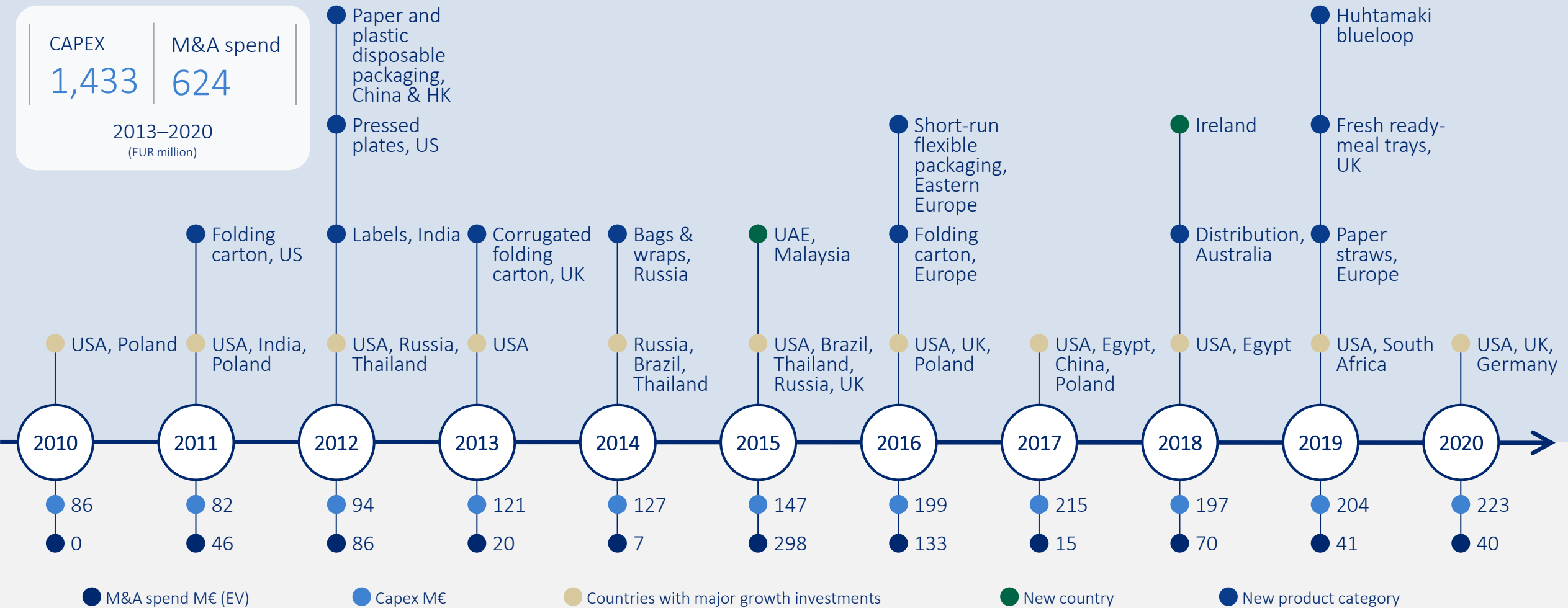
- Improving customers access to combined fiber and paperboard technology
- Leveraging organization synergies and growth opportunities (plastic substitution, food delivery)
- Positive financial benefits

# Solid track record of growth investments

CAPEX  
**1,433**

M&A spend  
**624**

2013–2020  
(EUR million)



● M&A spend M€ (EV)

● Capex M€

● Countries with major growth investments

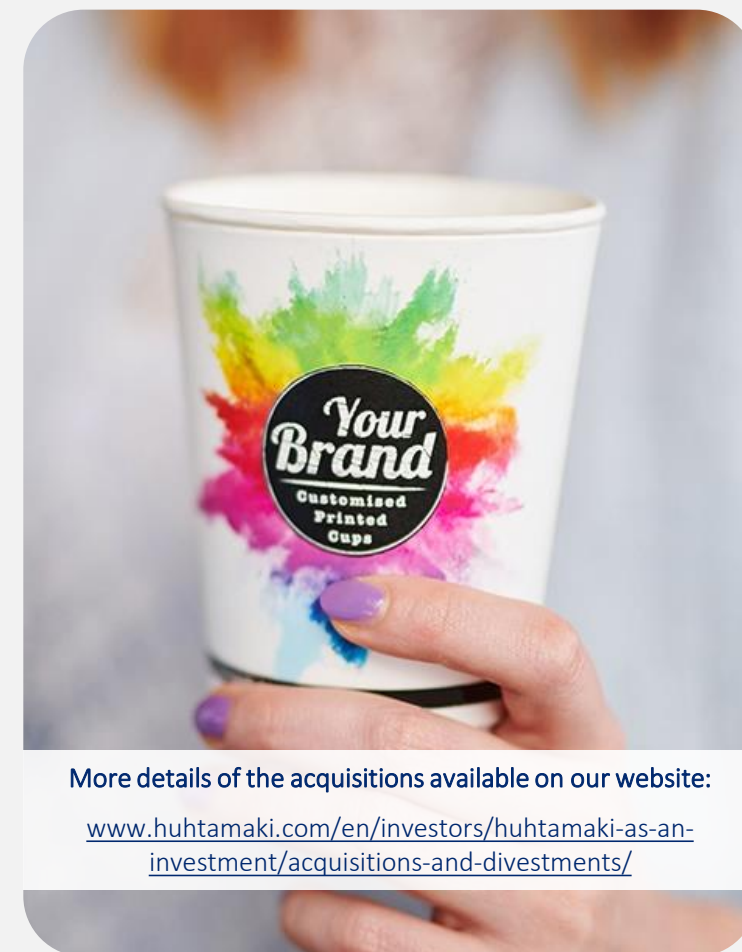
● New country

● New product category



# 20 acquisitions completed since 2011

Date (completed)	Acquired company	Country	Acquiring segment
Q3 2021 (TBC)	Jiangsu Hihio-Art Packaging Co. Ltd	China	Foodservice E-A-O
Mar 2020	Laminor S.A.	Brazil	Flexible Packaging
Jan 2020	Mohan Mutha Polytech Private Limited	India	Flexible Packaging
Dec 2019	Everest Flexibles Pty Ltd	South Africa	Flexible Packaging
Jun 2018	Ajanta Packaging	India	Flexible Packaging
May 2018	Cup Print Unlimited Company	Republic of Ireland	Foodservice E-A-O
Apr 2018	Tailored Packaging Pty Ltd.	Australia	Foodservice E-A-O
Sep 2017	International Paper foodservice packaging units	China	Foodservice E-A-O
Jul 2016	Val Pack Solutions Private Limited	India	Foodservice E-A-O
May 2016	Delta Print and Packaging Ltd.	UK	Foodservice E-A-O
Jan 2016	FIOMO a.s.	Czech Republic	Flexible Packaging
Jul 2015	Pure-Stat Technologies, Inc.	USA	North America
Apr 2015	Butterworth Paper Cups	Malaysia	Foodservice E-A-O
Jan 2015	Positive Packaging	India	Flexible Packaging
Aug 2014	Interpac Packaging Ltd.	New Zealand	Foodservice E-A-O
Nov 2013	BCP Fluted Packaging Ltd.	UK	Foodservice E-A-O
Nov 2012	Webtech Labels Private Limited	India	Flexible Packaging
Aug 2012	Winterfield, LLC	USA	North America
Apr 2012	Josco (Holdings) Limited	China	Foodservice E-A-O
Nov 2011	Ample Industries, Inc.	USA	North America
Sep 2011	Paris Packaging, Inc.	USA	North America



More details of the acquisitions available on our website:

[www.huhtamaki.com/en/investors/huhtamaki-as-an-investment/acquisitions-and-divestments/](http://www.huhtamaki.com/en/investors/huhtamaki-as-an-investment/acquisitions-and-divestments/)

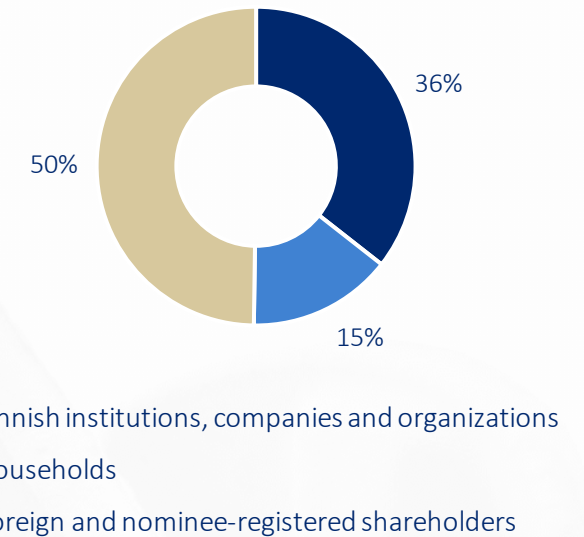
# Appendix: Shareholders and management



# Largest shareholders and split of shareholding

Shareholder	Number of shares	% of total shares	Change	Change %
1. Finnish Cultural Foundation	11,314,840	10.50%	0	0.00%
2. Huhtamäki Oyj	3,395,709	3.15%	-15,000	-0.44%
3. Ilmarinen Mutual Pension Insurance Company	2,690,000	2.50%	0	0.00%
4. Varma Mutual Pension Insurance Company	2,320,809	2.15%	-125,000	-5.11%
5. Elo Mutual Pension Insurance Company	1,137,931	1.06%	-17,500	-1.51%
6. Society of Swedish Literature in Finland	988,500	0.92%	0	0.00%
7. Holding Manutas Oy	880,000	0.82%	200,000	29.41%
8. The State Pension Fund	695,951	0.65%	0	0.00%
9. Mandatum Life Insurance Company Ltd.	657,330	0.61%	-42,685	-6.10%
10. Security Trading Oy	580,000	0.54%	120,000	26.09%
<b>Total of 10 largest shareholders</b>	<b>24,661,070</b>	<b>22.89%</b>	<b>119,815</b>	<b>0.11%</b>
<b>Other shareholders</b>	<b>83,099,315</b>	<b>77.11%</b>	-	-
<b>Total</b>	<b>107,760,385</b>	<b>100.00%</b>	-	-

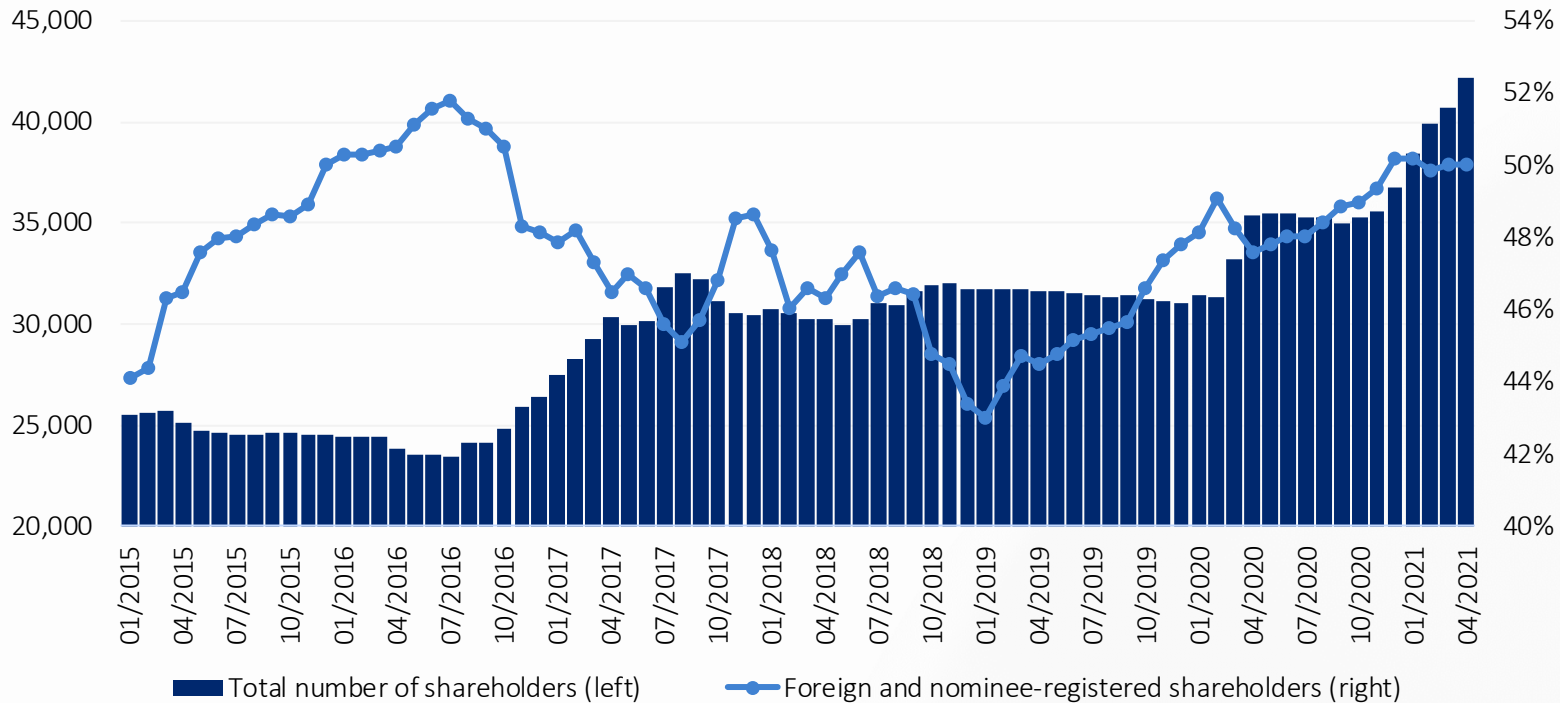
## Split of shareholding



Shareholder data as at April 30, 2021. 'Change' refers to the change in shareholding during the previous calendar month.

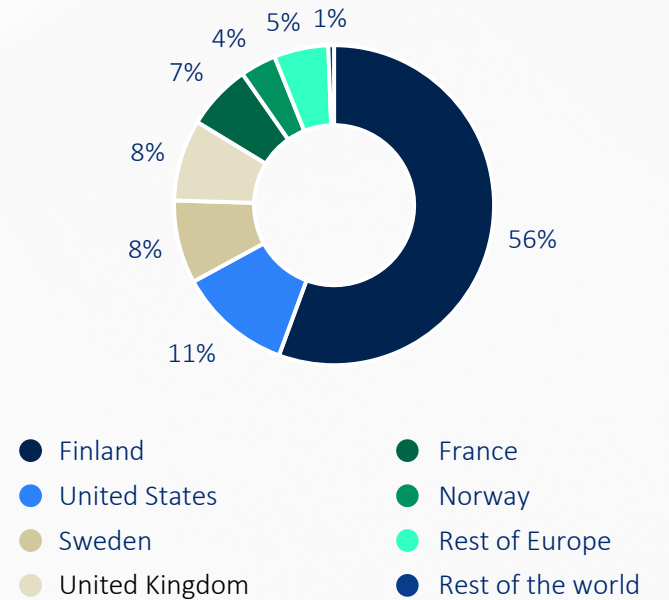
# Foreign shareholding and distribution by geography

## Total number of shareholders and foreign shareholding



## Approximate shareholder distribution by geography

(Ownership as a percentage of identified shareholders in September 2020)



# Global Executive Team



Charles Héaulmé  
President and CEO



Ann O'Hara  
President, North America



Eric Le Lay  
President, Foodservice EAO  
and Fiber Packaging



Thomas Geust  
CFO



Thomasine Kamerling  
EVP Sustainability  
and Communications



Marina Madanat  
EVP Strategy and  
Business Development



Sami Pauni  
EVP Corporate Affairs and  
Legal, Group General Counsel



Teija Sarajärvi  
EVP Human Resources  
and safety



Antti Valtokari  
EVP IT and  
Process Performance

Arup Basu, President, Flexible Packaging, decided to leave Huhtamaki on May 12, 2021. The Flexible Packaging team will report to President and CEO Charles Héaulmé until a successor is appointed.

# Board of Directors



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



Born 1957, Finnish citizen  
**Starting date:** April 24, 2012

**Key positions of trust:**  
Sanoma Corporation, Chairman of the Board (2016–) and Board member (2014–); SAP SE, Supervisory Board member (2002–); and others



**Kerttu Tuomas**  
Vice-Chairman



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



**Doug Baillie**



Born 1955, U.K. citizen  
**Starting date:** April 21, 2016

**Key positions of trust:**  
Airtel Africa PLC, Board member (2019–); The MasterCard Foundation, Board member (2015–); Leverhulme Trust, Board member (2015–)



**William R. Barker**



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, 2019–) and Chairman of the Board (2014–2019); and others



**Anja Korhonen**



Born 1953, Finnish citizen  
**Starting date:** April 25, 2018

**Key positions of trust:**  
Outotec Oyj, Board member (2013–); Oriola Oyj, Board member (2014–)



**Sandra Turner**



Born 1952, U.K. citizen  
**Starting date:** April 20, 2011

**Key positions of trust:**  
Carpetright PLC, Board member (2010–); McBride PLC, Board member (2011–); Greggs PLC, Board member (2014–); Greene King PLC, Board member (2019–); and others



**Ralf K. Wunderlich**



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](#).

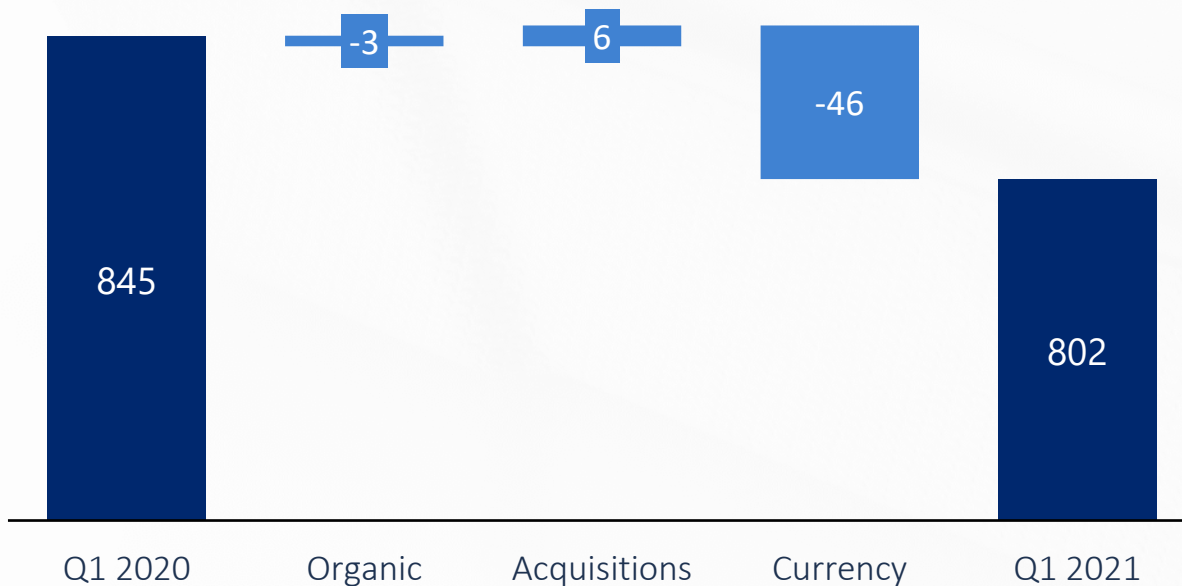
## Q1 2021 results:

Improved profitability with a gradual recovery in demand



# Q1 2021: Net sales negatively impacted by effects from COVID-19

Development of net sales in Q1 2021  
(EUR million)



## Net sales -5% in Q1 2021

- Comparable net sales flat (4% in emerging markets)
- 1% growth from acquisitions
- 5% negative currency impact

Comparable net sales growth is growth excluding foreign currency changes, acquisitions, divestments and ancillary businesses. Acquisitions calculated for 12 first months from closing.



# Gradual recovery for food on-the-go, slow progress in Flexible Packaging

<i>Comparable growth</i>	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	2020	Long-term ambitions
Foodservice E-A-O	-4%	-28%	-1%	-7%	-2%	-10%	5-7%
North America	9%	-5%	4%	-2%	-2%	1%	3-5%
Flexible Packaging	2%	2%	1%	0%	0%	1%	6-8%
Fiber Packaging	9%	10%	7%	8%	4%	9%	3-5%
<b>Group</b>	<b>3%</b>	<b>-8%</b>	<b>2%</b>	<b>-2%</b>	<b>-0%</b>	<b>-2%</b>	<b>5+%</b>

- COVID-19 continued to affect foodservice business globally, however demand is gradually improving
- North America sales growth impacted by the relative comparison to a very strong Q1 2020
- Slow progress in Flexible Packaging organic growth
- Solid growth in fiber even in comparison to a very strong Q1 last year

Comparable net sales growth is growth excluding foreign currency changes, acquisitions, divestments and ancillary businesses.

# Strong adjusted EBIT adding to the progress made in previous quarters

<i>MEUR</i>	Q1 21	Q1 20	Change	2020
Net sales	801.9	844.6	-5%	3,301.8
Adjusted EBIT <sup>1</sup>	77.0	73.6	5%	302.1
<i>Margin</i>	9.6%	8.7%		9.1%
Adjusted EPS, EUR <sup>2</sup>	0.49	0.46	7%	1.95
Capital expenditure	33.0	39.4	-16%	223.5

- Net sales decreased due to FX impact – gradually improving sales not enough to offset
- Adjusted EBIT improved following favorable sales mix and continued focus on operational efficiency
- Increase in adjusted EPS following improvement in earnings
- Significant decrease in capex, mostly timing-related

1) Excluding IAC of EUR -5.3 million in Q1 2021 (EUR 8.9 million) and -36.8 million in 2020.

2) Excluding IAC of EUR -4.1 million in Q1 2021 (EUR 6.9 million) and -26.2 million in 2020.

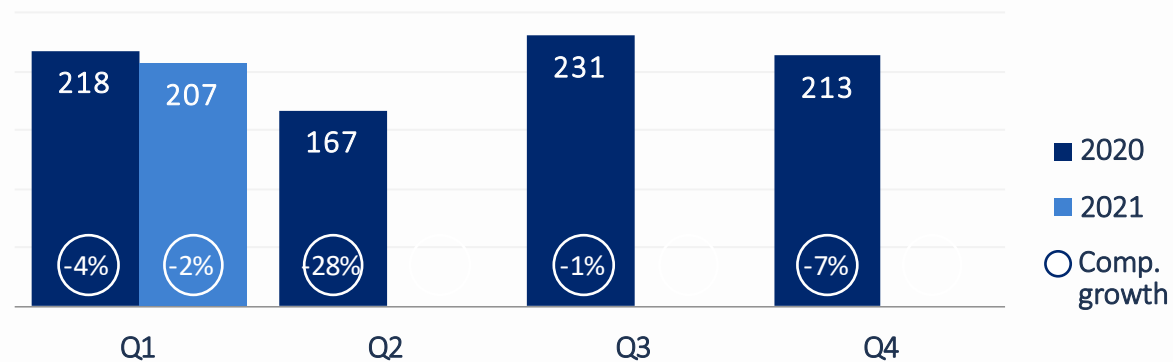
# Q1 2021 results: Business segment review



# Foodservice EAO: Gradual recovery in demand

Key figures, MEUR	Q1 21	Q1 20	Change
Net sales	207.4	217.6	-5%
Comparable growth	-2%	-4%	
Adjusted EBIT <sup>1</sup>	17.6	17.5	1%
Margin	8.5%	8.0%	
Adjusted RONA	7.7%	10.9%	
Capital expenditure	9.8	16.0	-39%
Operating cash flow <sup>1</sup>	21.4	11.1	93%

Net sales and comparable growth (EUR million and %)



- COVID-19 continued to have a negative impact on demand – demand improved gradually
- The segment’s adjusted EBIT remained at the previous year’s level despite lower sales
- Encouraging signs on the back of the transformation

1) Excluding IAC of EUR -4.2 million in Q1 2021 (EUR -1.6 million).

# Acquisition of Jiangsu Hihio-Art Packaging Co. Ltd in China

## Jiangsu Hihio-Art Packaging Co. Ltd.

(announced on April 21, 2021)

- A leading manufacturer of paper bags, wraps and folding carton packaging in China
- Manufacturing unit in Xuzhou city, Jiangsu
- Currently serves international quick-service restaurants (QSR) as well as national bakery chains
- Strengthens Huhtamaki's position as the leading foodservice packaging provider in Asia and expands product portfolio in China

### Net sales

Approximately EUR 20 million

### Employees

Approximately 200

### Debt free purchase price

EUR 27 million

### Expected completion of acquisition

End of Q3 2021

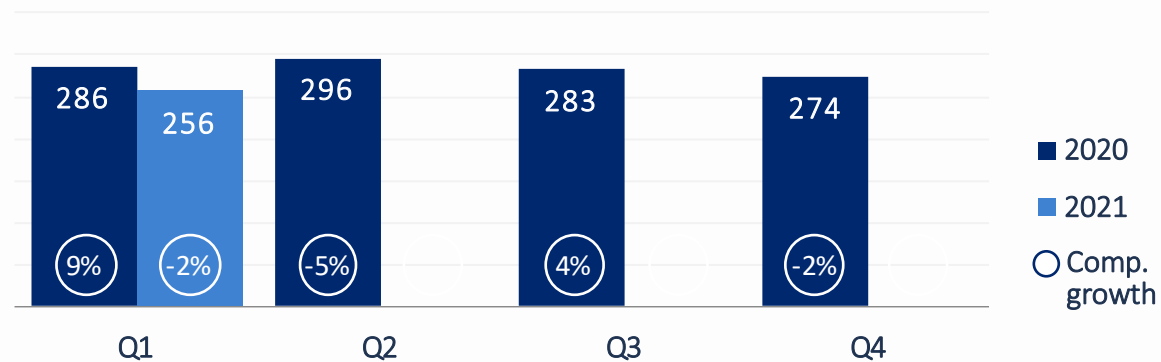
### Reporting segment

Part of the Foodservice Europe-Asia-Oceania segment

# North America: Continued strong performance

Key figures, MEUR	Q1 21	Q1 20	Change
Net sales	256.0	286.2	-11%
Comparable growth	-2%	9%	
Adjusted EBIT <sup>1</sup>	31.2	30.4	2%
Margin	12.2%	10.6%	
Adjusted RONA	17.0%	14.0%	
Capital expenditure	9.6	11.9	-19%
Operating cash flow <sup>1</sup>	13.0	7.3	77%

Net sales and comparable growth (EUR million and %)



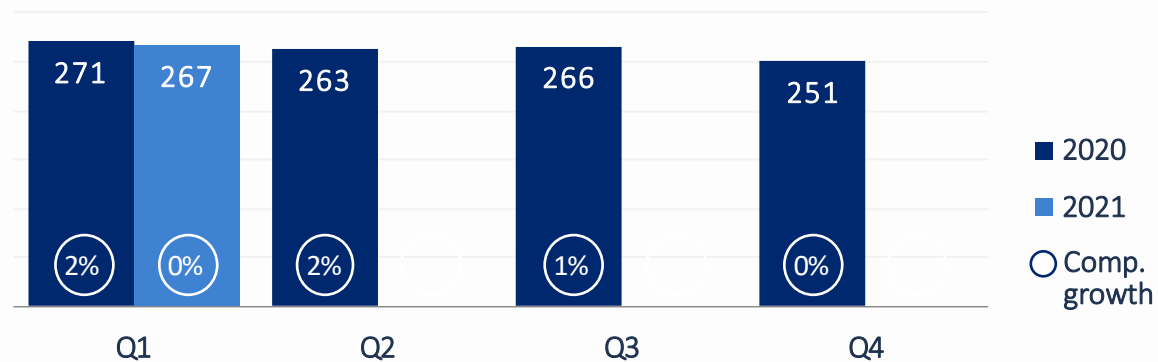
- Sales growth impacted by the relative comparison to a very strong Q1 2020
- Demand for foodservice packaging still impacted by COVID-19, continued strong demand for retail tableware
- Earnings improved as a result of operational performance and favorable sales mix

1) Excluding IAC of EUR 0.0 million in Q1 2021 (EUR -3.4 million).

# Flexible Packaging: Slow progress in organic growth

Key figures, MEUR	Q1 21	Q1 20	Change
Net sales	267.1	271.0	-1%
Comparable growth	0%	2%	
Adjusted EBIT <sup>1</sup>	21.7	20.9	4%
Margin	8.1%	7.7%	
Adjusted RONA	10.1%	10.5%	
Capital expenditure	8.1	7.9	3%
Operating cash flow <sup>1</sup>	14.8	1.7	>100%

Net sales and comparable growth (EUR million and %)



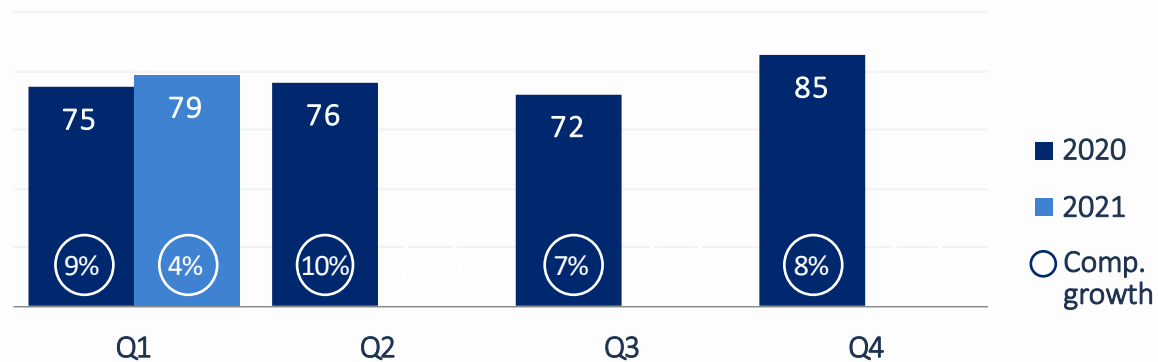
- Slow progress particularly linked to varying levels of demand across geographies
- Growth was strongest in Southeast Asia – restrictions and lockdowns impacted sales negatively in the United Arab Emirates
- Earnings growth was driven mainly by improved operational efficiency and partially offset by higher raw material prices

1) Excluding IAC of EUR -1.1 million in Q1 2021 (EUR -4.7 million).

# Fiber Packaging: Continued strong demand and performance

Key figures, MEUR	Q1 21	Q1 20	Change
Net sales	78.6	74.5	5%
Comparable growth	4%	9%	
Adjusted EBIT <sup>1</sup>	9.5	8.2	15%
Margin	12.1%	11.0%	
Adjusted RONA	16.1%	13.1%	
Capital expenditure	5.2	3.4	53%
Operating cash flow <sup>1</sup>	2.6	-0.1	>100%

Net sales and comparable growth (EUR million and %)



- Continued strong demand for fiber-based packaging
- Net sales growth was strong, especially in Eastern Europe, driven by volume and pricing actions
- Earnings improvement driven by volume growth and pricing actions implemented earlier

1) Excluding IAC of EUR 0.0 million in Q1 2021 (EUR -0.7 million).



# Q1 2021 results: Financials review



# Adjusted EBIT margin increased to 9.6%

MEUR	Q1 21	Q1 20	Change	2020
Net sales	801.9	844.6	-5%	3,301.8
Adjusted EBITDA <sup>1</sup>	117.8	117.0	1%	473.1
<i>Margin<sup>1</sup></i>	<b>14.7%</b>	13.9%		14.3%
Adjusted EBIT <sup>2</sup>	77.0	73.6	5%	302.1
<i>Margin<sup>2</sup></i>	<b>9.6%</b>	8.7%		9.1%
EBIT	71.6	82.6	-13%	265.3
Net financial items	-8.4	-9.2	9%	-28.2
Adjusted profit before taxes	68.6	64.4	6%	270.9
Adjusted income tax expense <sup>3</sup>	-16.0	-14.5	-11%	-60.9
Adjusted profit for the period <sup>4</sup>	52.5	49.9	5%	209.9
Adjusted EPS, EUR <sup>4</sup>	0.49	0.46	7%	1.95

- Lower net sales due to negative impact from COVID-19 on foodservice products
- Earnings improved following favorable sales mix and continued focus on operational efficiency
- Lower net financial items
- Tax rate 23%
- Adjusted EPS increased 7%

1) Excluding IAC of EUR -3.0 million in Q1 2021 (EUR 13.1 million) and EUR -8.6 million in 2020.

2) Excluding IAC of EUR -5.3 million in Q1 2021 (EUR 8.9 million) and EUR -36.8 million in 2020.

3) Excluding IAC of EUR 1.2 million in Q1 2021 (EUR -2.0 million) and EUR 7.6 million in 2020.

4) Excluding IAC of EUR -4.1 million in Q1 2021 (EUR 6.9 million) and EUR -26.2 million in 2020.

# Continued negative currency impact

	Average rate Q1 2020	Average rate Q1 2021	Change in average rate	Closing rates					Change in closing rate (YoY)
				Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	
USD	1.10	1.21	-9%	1.10	1.13	1.17	1.23	1.17	-6%
INR	79.80	87.95	-10%	83.50	85.19	86.28	89.88	86.25	-3%
GBP	0.86	0.88	-2%	0.89	0.92	0.91	0.90	0.85	4%
CNY	7.69	7.82	-2%	7.83	7.98	7.98	8.01	7.72	2%
AUD	1.67	1.56	7%	1.80	1.64	1.64	1.60	1.54	14%
THB	34.46	36.49	-6%	36.08	34.85	36.99	36.77	36.71	-2%
RUB	73.45	89.75	-22%	88.14	78.92	92.16	91.89	89.16	-1%
BRL	4.89	6.59	-35%	5.65	6.11	6.60	6.36	6.77	-20%
NZD	1.74	1.68	3%	1.84	1.75	1.77	1.71	1.68	9%
ZAR	16.87	18.05	-7%	19.73	19.43	19.87	18.01	17.54	11%

Please note: Income statement is valued on average rate, balance sheet on closing rate.

## Foreign currency translation impact

### Q1 2021

(EUR million)

Net sales

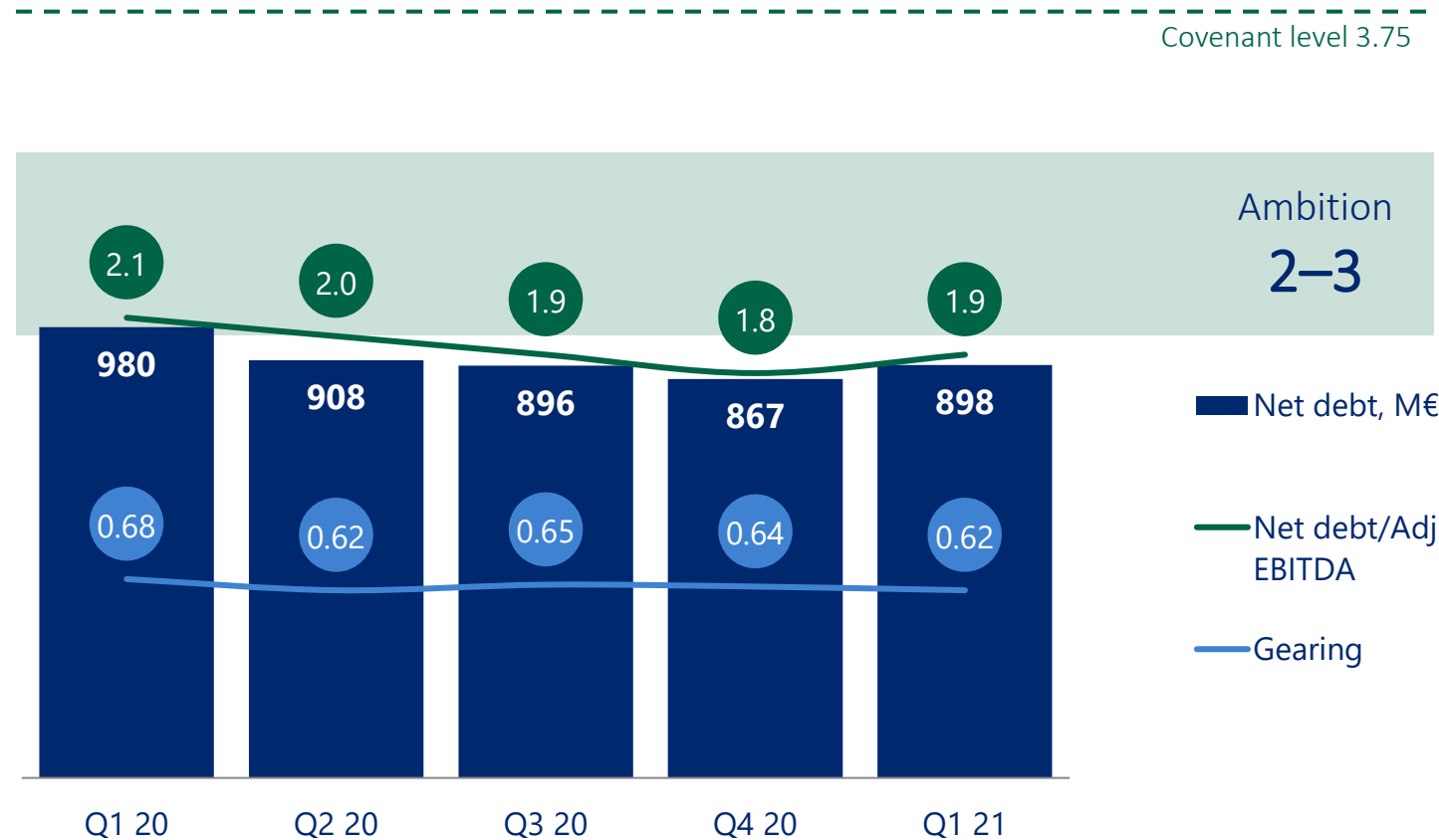
**-46**

EBIT

**-5**

# Net debt to adjusted EBITDA decreased compared to Q1/2020

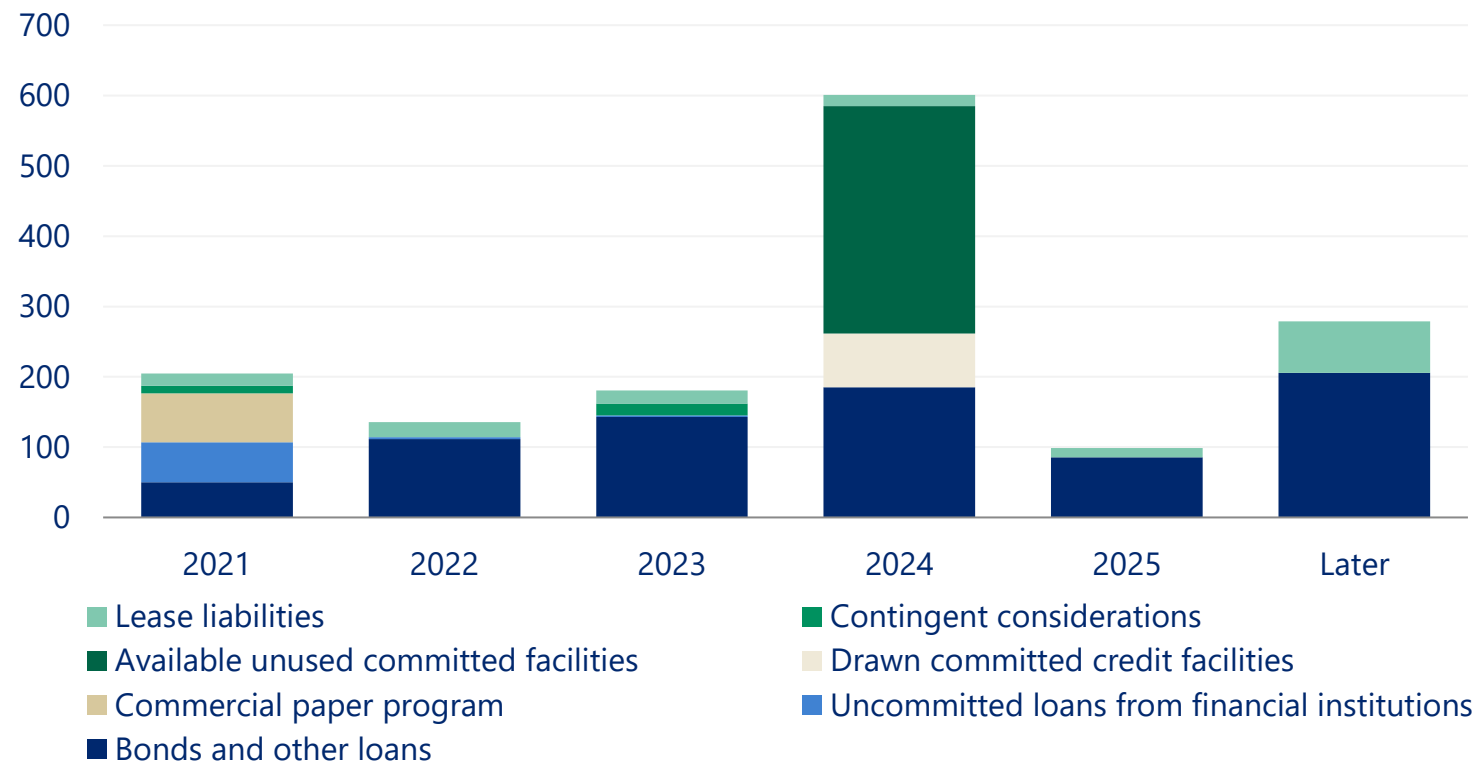
Net debt, net debt/adj. EBITDA and gearing



- Net debt/Adj. EBITDA at 1.9
- At the end of Q1 2021:
  - Cash and cash equivalents EUR 272 million
  - Unused committed credit facilities available EUR 323 million
- Net debt EUR 898 million and lease liabilities EUR 160 million

# Loan maturities

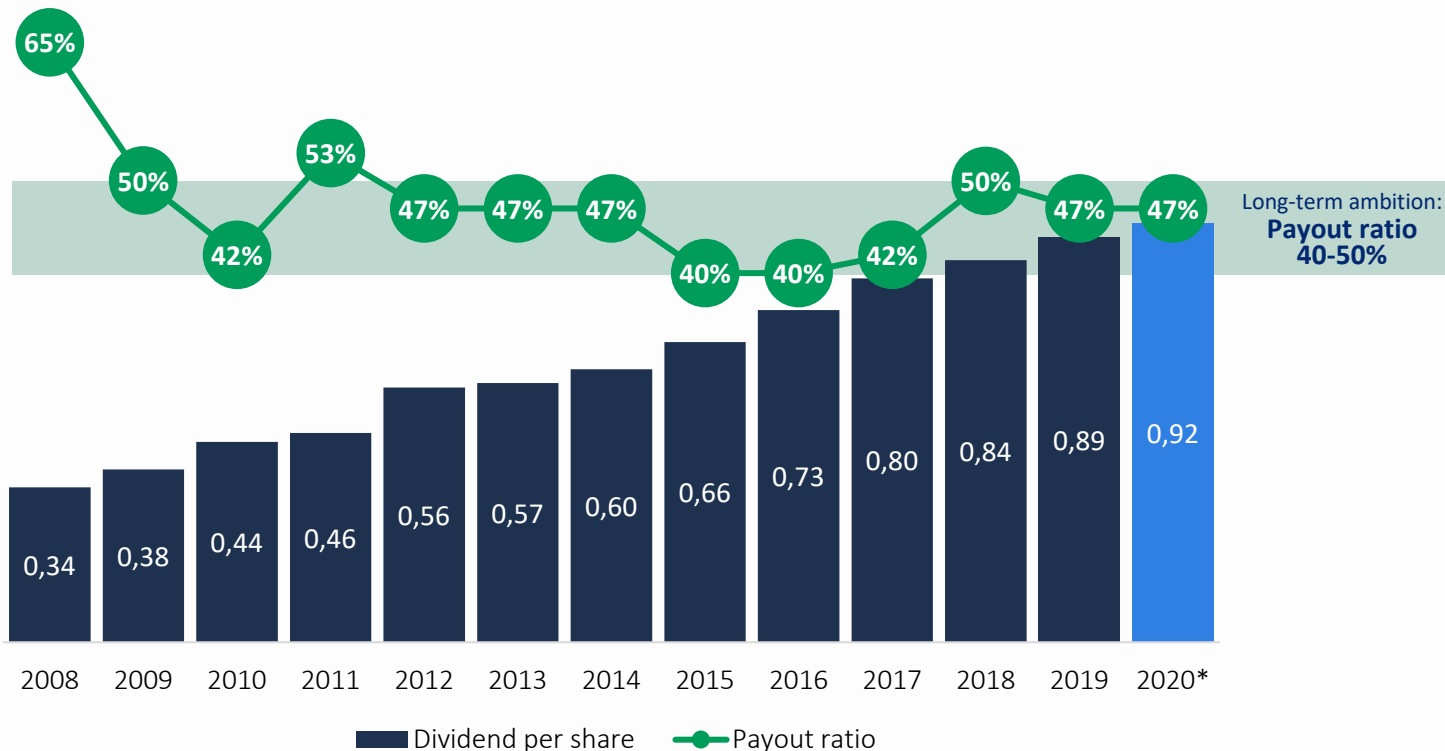
Debt maturity structure March 31, 2021  
(EUR million)



- Average maturity 3.4 years at the end of Q1 2021 (3.2 at the end of Q1 2020)
- Unused committed credit facilities of EUR 323 million maturing in 2022
- New syndicated multicurrency revolving credit facility loan agreement signed in January 2021
  - **Size:** EUR 400 million
  - **Maturity:** 3 years with two one-year extension options
  - **Interest margin:** Tied to three sustainability indicators
  - **Reason:** To refinance existing credit facility signed in 2015
  - **Purpose:** For general corporate purposes

# The Board of Directors aims for predictable and growing dividends

Dividend per share (EUR) and payout ratio (% of adjusted EPS)



	2020	2019	Change
Adjusted EPS	1.95	1.88	4%
Dividend per share	0.92	0.89	3%
Payout ratio	47%	47%	
Share price on Dec 31	42.26	41.38	2%
Dividend yield	2.2%	2.2%	

- 12<sup>th</sup> consecutive year of growing dividends
- Dividend has increased 171% since 2008
- CAGR +9% since 2008

# Progress towards long-term financial ambitions

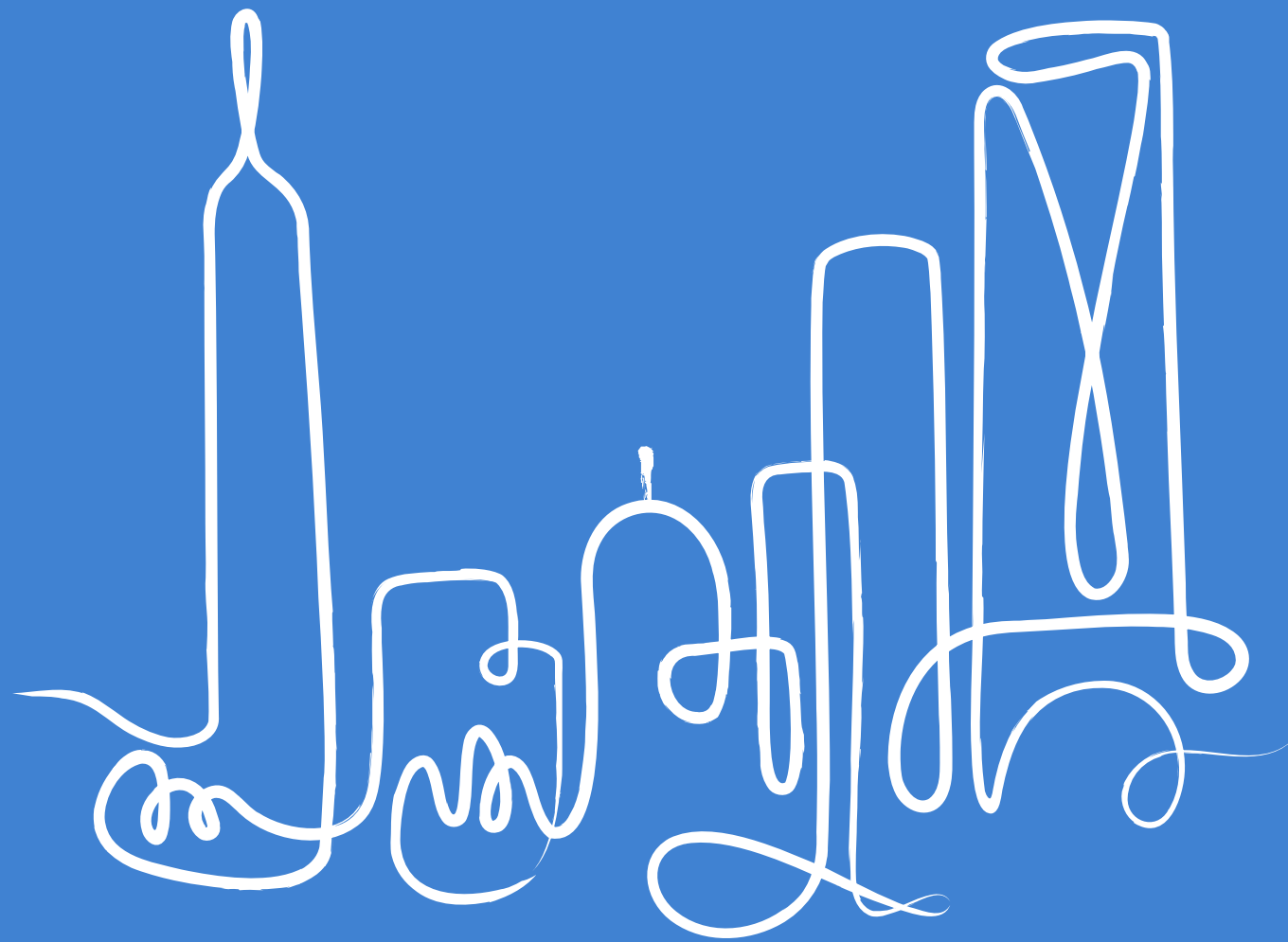
	2014	2015	2016	2017	2018	2019	2020	Q1 2021	Long-term ambition
Organic growth	6%	4%	4%	3%	5%	6%	-2%	-0%	5+%
Adjusted EBIT margin	7.8%	8.7%	9.4%	9.0%	8.1%	8.6%	9.1%	9.6%	10+%
Net debt/Adj. EBITDA	1.0	1.6	1.8	1.8	2.3	2.0	1.8	1.9	2-3
Dividend payout ratio	47%	40%	40%	42%	50%	47%	47%*		40-50%

- A dividend of EUR 0.92 for fiscal year 2020, in two instalments:
  - First instalment: EUR 0.46 per share, payment date May 3, 2021
  - Second instalment: EUR 0.46 per share, payment date October 8, 2021

FY 2018 figures restated for IFRS 16 impact.

\* Dividend for 2020 is a proposal made by the Board of Directors.

Q1 2021 results:  
Looking forward



Huhtamaki



# Outlook 2021

The Group's trading conditions are expected to improve compared to 2020, however with continued volatility in the operating environment. Huhtamaki's diversified product portfolio provides resilience and the Group's good financial position enables addressing profitable growth opportunities.

# Short-term risks and uncertainties

The COVID-19 pandemic is a significant short-term risk potentially creating disturbance in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Volatile raw material and energy prices as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. General political, economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

# Improved profitability with a gradual recovery in demand

- The gradual recovery in demand for food on-the-go products has continued. Strong continued demand for fiber packaging and retail tableware
- Significant tension in supply and price of raw materials – especially in polymers and recycled fiber
- Unfavorable currency exchange rate evolution
- Our transformation journey continues, with focus on improving our competitiveness, innovation and sustainability, for growth



# Financial calendar 2021

**July 22, 2021**

Half-yearly Report

**October 21, 2021**

Q3 2021 Interim Report

# Disclaimer

Information presented herein contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or Huhtamäki Oyj's or its affiliates' ("Huhtamäki") future financial performance, including, but not limited to, strategic plans, potential growth, expected capital expenditure, ability to generate cash flows, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause Huhtamäki's actual results, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties include, but are not limited to: (1) general economic conditions such as movements in currency rates, volatile raw material and energy prices and political uncertainties; (2) industry conditions such as demand for Huhtamäki's products, pricing pressures and competitive situation; and (3) Huhtamäki's own operating and other conditions such as the success of manufacturing activities and the achievement of efficiencies therein as well as the success of pending and future acquisitions and restructurings and product innovations. Future results may vary from the results expressed in, or implied by, forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information currently available to the management and Huhtamäki assumes no obligation to update or revise any forward-looking statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

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