



# Huhtamaki Capital Markets Day

March 28, 2023



# Our Global Executive Team and today's presenters



Charles Héaulmé  
President and CEO



Thomas Geust  
CFO



Marco Hilty  
President, Flexible Packaging



Eric Le Lay  
President, Fiber and  
Foodservice EAO



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Legal, Group General Counsel



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EVP, Human Resources  
and Safety

# Today's agenda



## Our 2030 Strategy

∨ \_\_\_\_\_  
Charles Héaulmé



## Our Sustainability Journey

∨ \_\_\_\_\_  
Thomasine Kamerling



## Our Financial Ambitions

∨ \_\_\_\_\_  
Thomas Geust



## Our Business Segments

∨ \_\_\_\_\_  
Marco Hilty  
Eric Le Lay  
Ann O'Hara



## Concluding Remarks

∨ \_\_\_\_\_  
Charles Héaulmé

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# REDESIGNING THE FUTURE

*of sustainable packaging solutions*

Huhtamaki



# Our 2030 Strategy

Charles Héaulmé  
President & CEO

# Huhtamaki is a global market and innovation leader in packaging for food and everyday necessities

## 2022 Key figures

4,479 MEUR net sales

395 MEUR adjusted EBIT

8.8% adjusted EBIT margin

18,927 employees

37 operating countries

116 operating locations

## 2020-2022

*Starting our transformation journey*

**Net sales +32%, adjusted EBIT +35%**

Launched transformative **innovation**

Improved **sustainability** performance

## 2023 onward

*Accelerating our profitable growth*

Scale profitable **core businesses**

Invest in sustainable break-through **technology innovation**

Improve **operational performance**

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Strengthen innovation, customer excellence and digital capabilities

We have a strong vision for the future and are investing to deliver on it

# Providing packaging for food and everyday necessities, globally

Customers

Food service



FMCG



Retail



Healthcare



Products

Food packaging

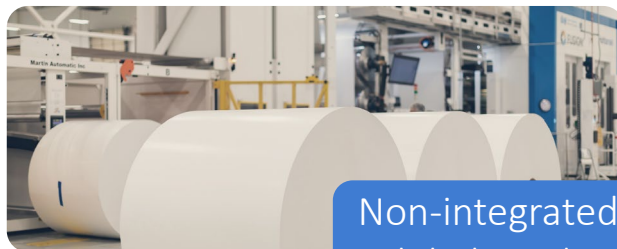


Packaging for everyday necessities



Packaging technology

Paperboard



Non-integrated  
Global Leader

Flexibles



Global Category  
Leader

Fiber



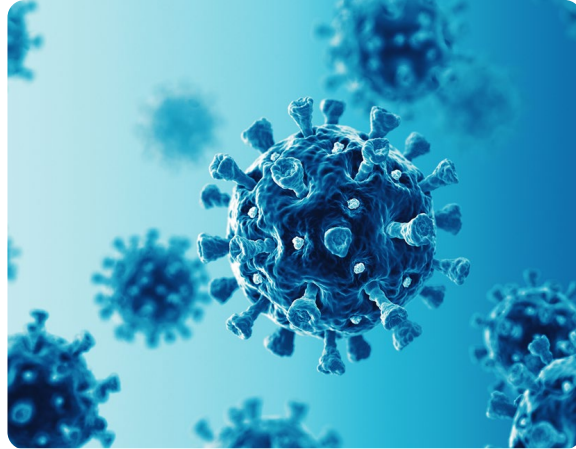
Global Leader



# 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

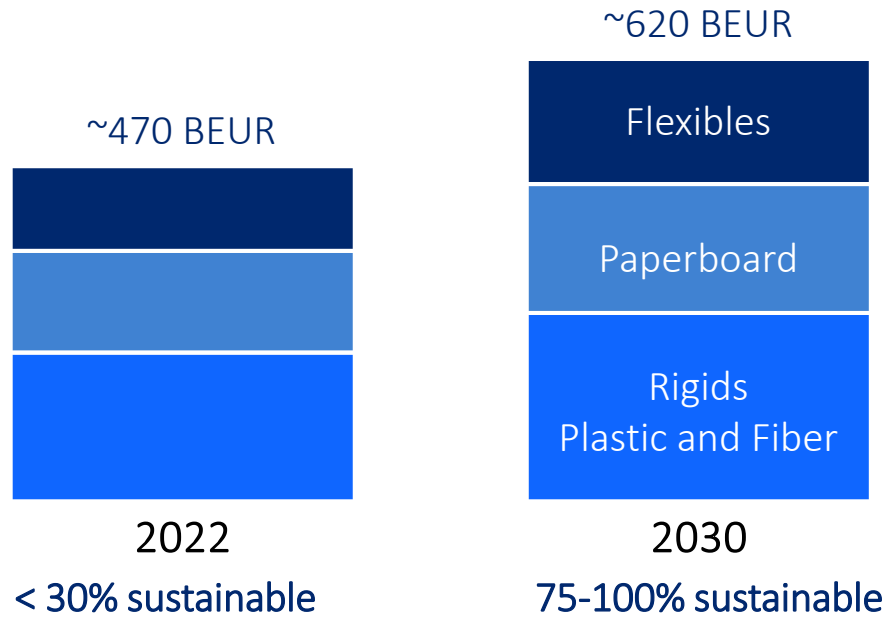
cross-fertilizing across material, technology and digital innovation to deliver new solutions on a global scale

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%

Need for sustainable solutions represents innovation opportunities



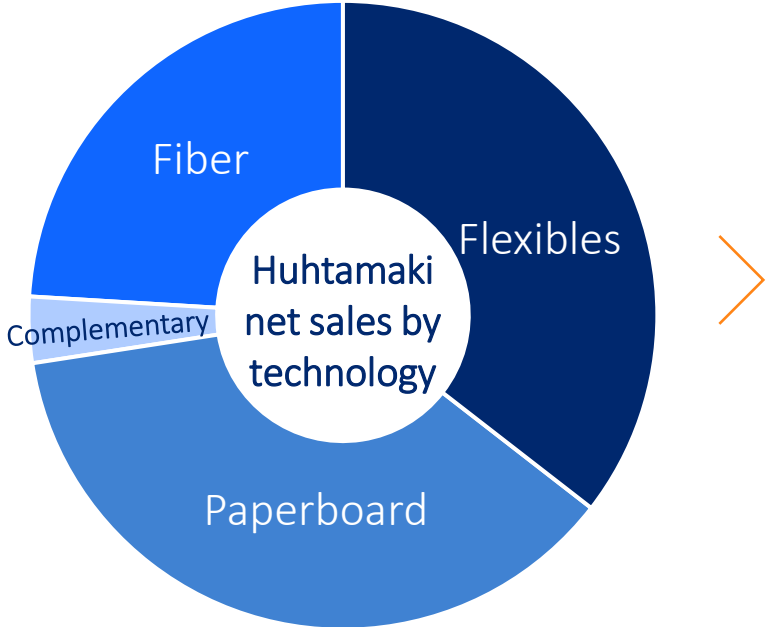
- Technologies for recyclable mono-material structures
- Recyclable or compostable barrier coatings for paperboard
- High-precision fiber technologies, bio-plastics and paperboard

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

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

Note: Market projections include both Huhtamaki addressable categories and broader space in Huhtamaki technologies with innovation opportunities  
 Source: Mordor Intelligence, Grand View Research, Smithers, Wood Mackenzie, Huhtamaki estimates

# 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

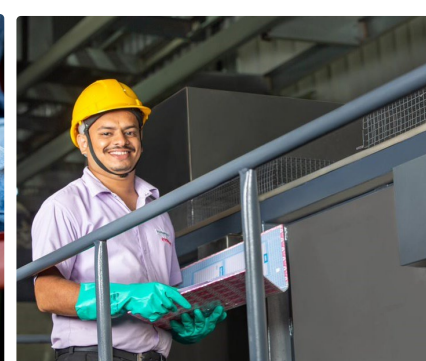
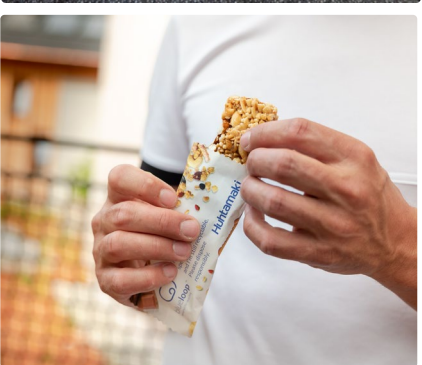
**Flexibles**  
*Global Category Leader*

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

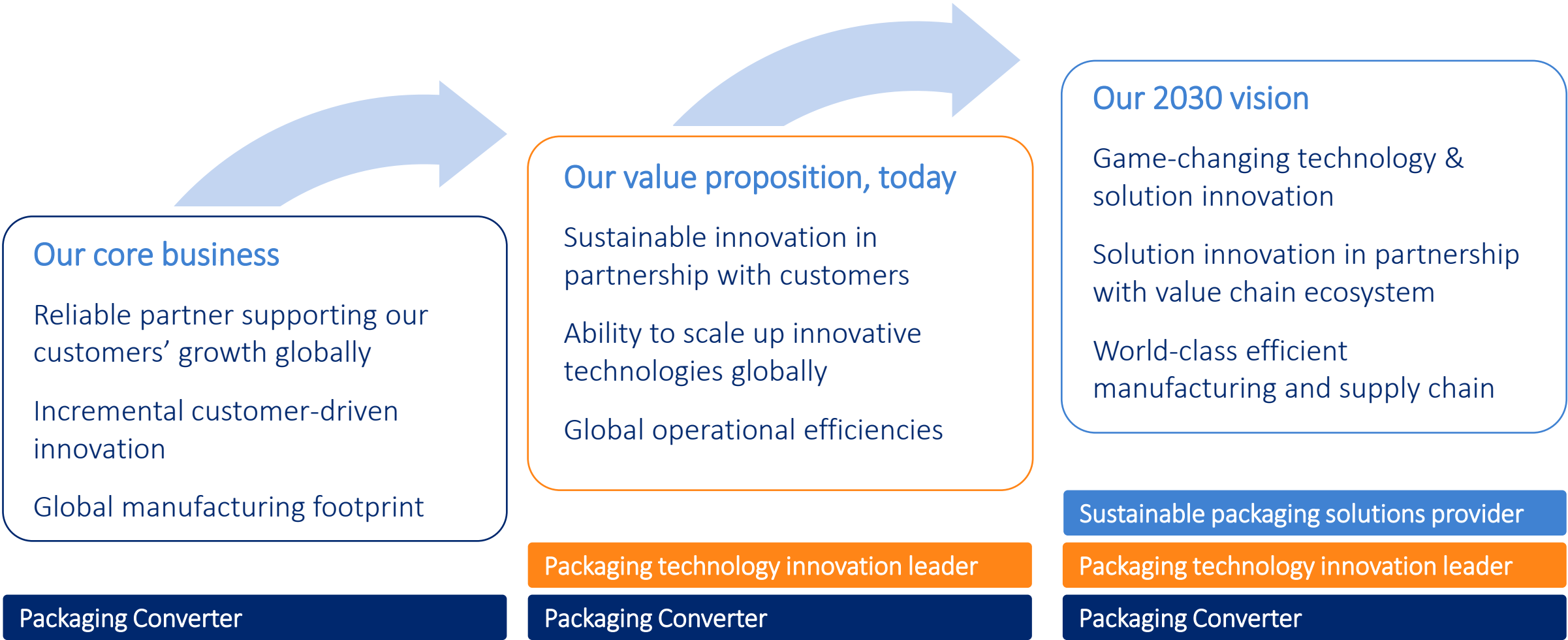


# Our 2030 North Star



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

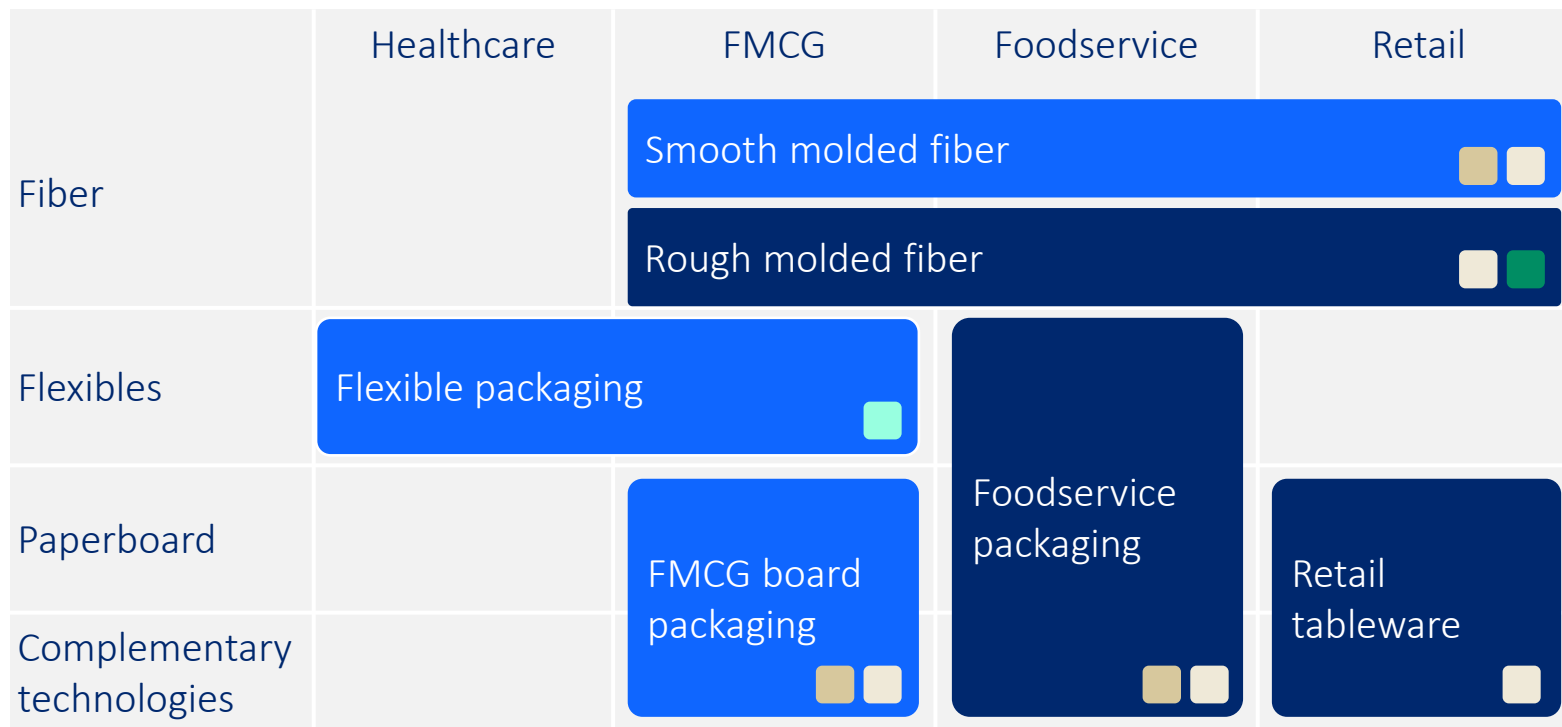


Talent

# 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

# 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

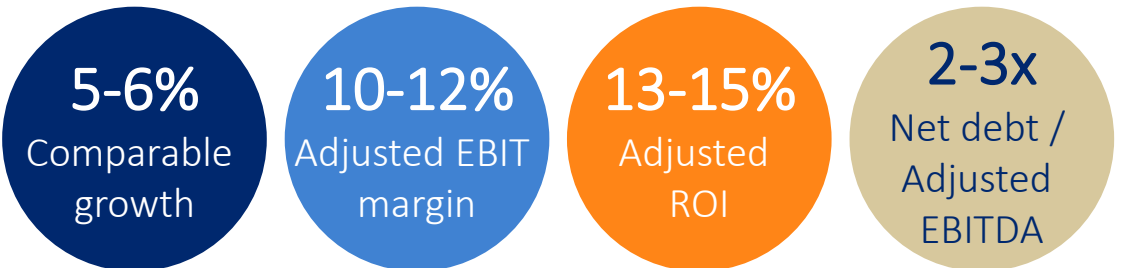
Our long-term ambition is to contribute 1-2 p.p. to the overall profitability improvement

# Huhtamaki investment case – increasing our long-term growth and profitability ambition

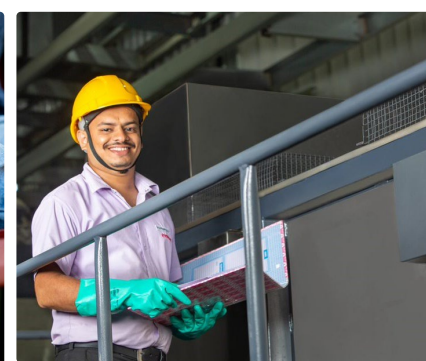
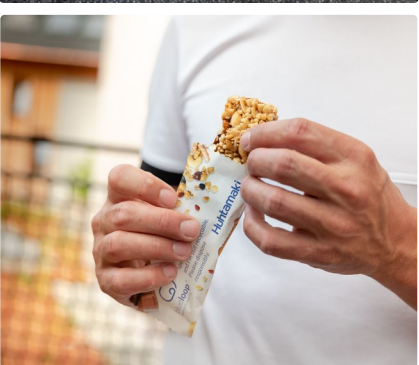
Huhtamaki is a market and technology innovation leader for essential packaging, creating value through:

- **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

Absolute **EPS** growth



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



## Our Promise

- At Huhtamaki, we believe that **packaging is essential to protect food, people and the planet**. Everyone, everywhere, should have access to safe, hygienic, affordable food and everyday necessities
- We strive to **deliver profitable growth**, driving **competitive next generation sustainable packaging solutions at scale, globally**. This makes us an attractive financial investment, a trusted innovative partner and an employer of choice across the world
- **We focus on three technologies** (paperboard, fiber and flexibles) and sustainable complementary products to deliver smart, fit-for-purpose sustainable packaging solutions
- We are guided by our purpose and our values (Care Dare Deliver) in everything we do. Together, we make a difference where it matters, **redesigning the future of sustainable packaging solutions**





# REDESIGNING THE FUTURE

*of sustainable packaging solutions*

Huhtamaki



# Our Sustainability Journey

Thomasine Kamerling  
EVP, Sustainability and Communications

# Sustainability-driven legislation is impacting packaging development, globally



> Climate & environment

> Materials & waste

> Food security



# 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 set our 2030 sustainability ambitions in 2020, driving our transformational agenda

## Our ambition First choice in sustainable packaging solutions

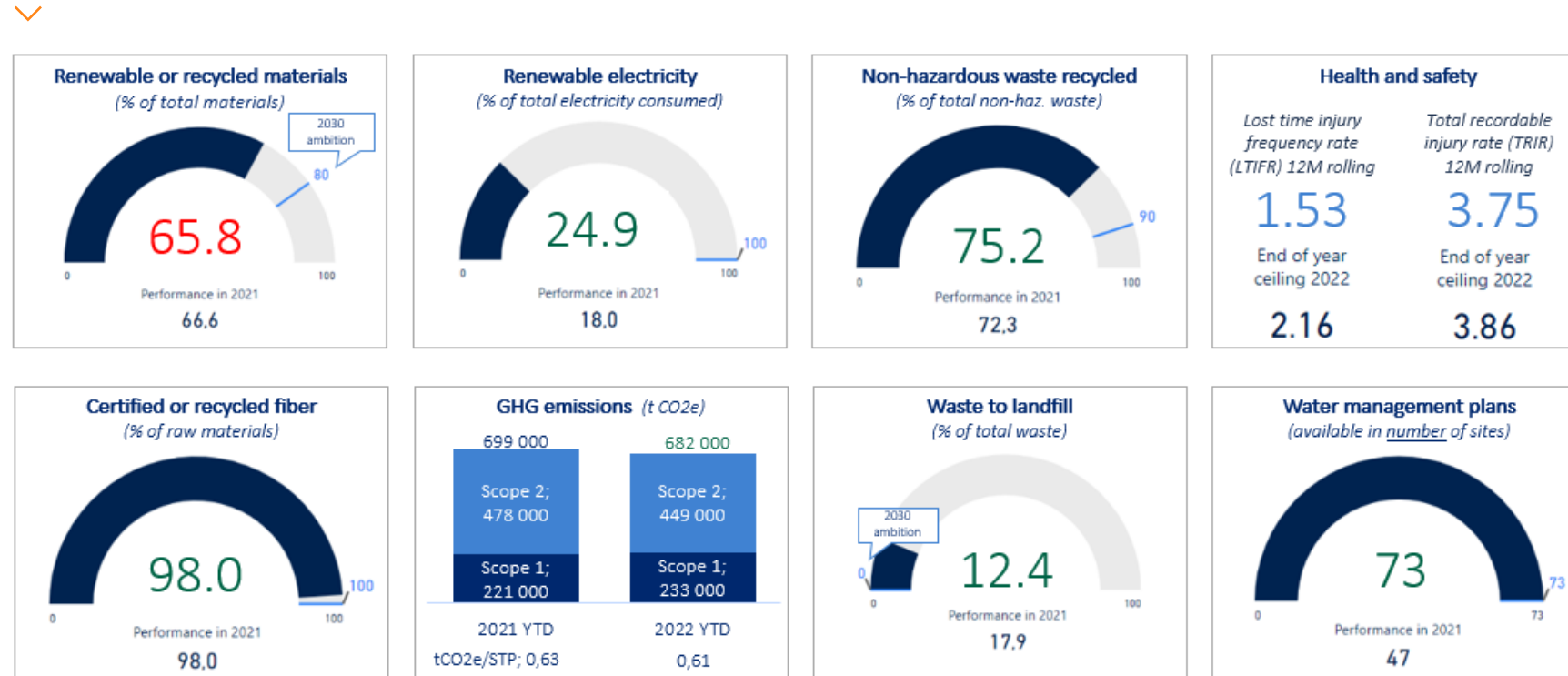
<b>100%</b> of products designed to be recyclable, compostable or reusable	<b>&gt;80%</b> renewable or recycled materials	<b>100%</b> of fiber from recycled or certified sources	<b>&gt;90%</b> of non-hazardous waste recycled or composted	<b>100%</b> renewable electricity	<b>Carbon neutral production</b> and science-based emission target
We offer the most <b>engaging, motivating and safest</b> workplace for our people		We ensure <b>human rights are respected</b> throughout our value chain		We support <b>UN Global Compact &amp; UN Sustainable Development Goals</b>	

Our performance has been **externally recognized**

	 Climate management (B)	 Company score 67		
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# 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



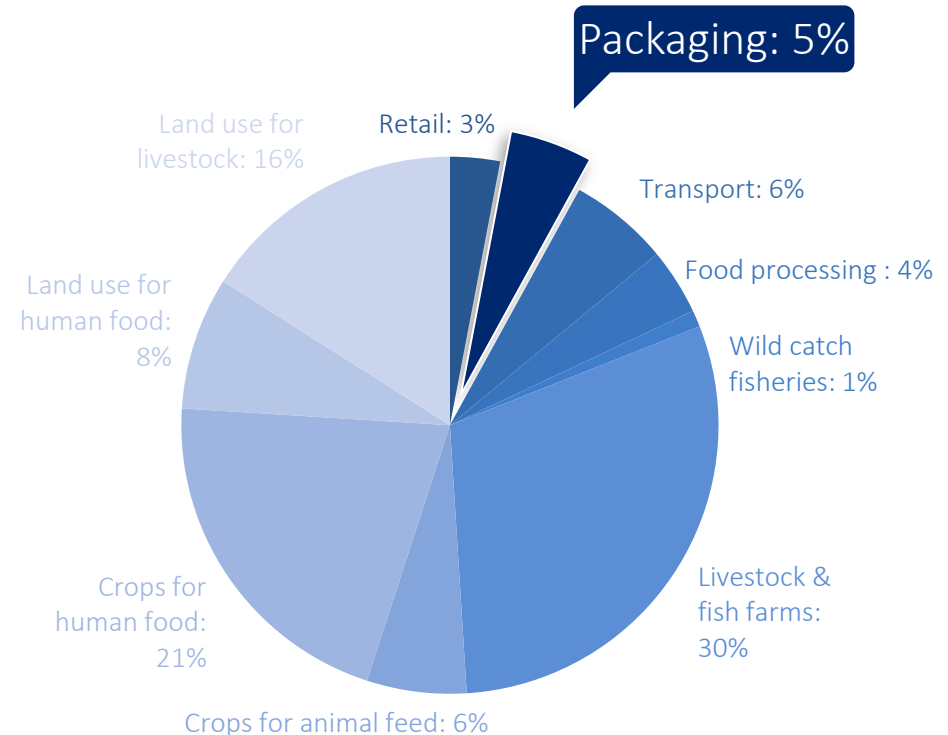
- 1 Material positive
- 2 Material / resource efficient
- 3 Recyclable
- 4 Circular (recycled content)
- 5 Connected

<p>Fully fiber-based cup and lid, replacing coated paperboard and plastic</p>	<p>Paper-based pushtab blister, replacing aluminium</p>	<p>Paper-based yogurt cup, replacing plastic-based</p>
<p>Food safe recycled plastic wet petfood packaging with Mars &amp; SABIC</p>	<p>Nespresso's paper-based home compostable coffee capsules*</p>	<p>Next generation recyclable tube laminate without aluminium</p>

# 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







# Our Financial Ambitions

Thomas Geust  
Chief Financial Officer

# We are delivering towards the long-term ambitions we set in 2020

**5+%**

Comparable growth  
By capex or M&A

## Net sales CAGR 9.6% (2019 -2022)

- > Volume (capacity addition) and M&A (Elif acquisition) driven growth
- > Further boosted by pricing and FX translation

**2-3x**

Net debt /  
Adjusted  
EBITDA

## Low leverage ambition

- > Exceeded slightly the ambition range for one quarter following the Elif acquisition
- > Deleveraged to 2.5x by end of 2022 despite elevated working capital levels

**10+%**

Adjusted EBIT  
margin

## 2022 adj. EBIT margin 8.8%, growth CAGR 10.5%

- > In a challenging market environment with dilutive impact from inflation
- > Support from efficiency measures and improved mix

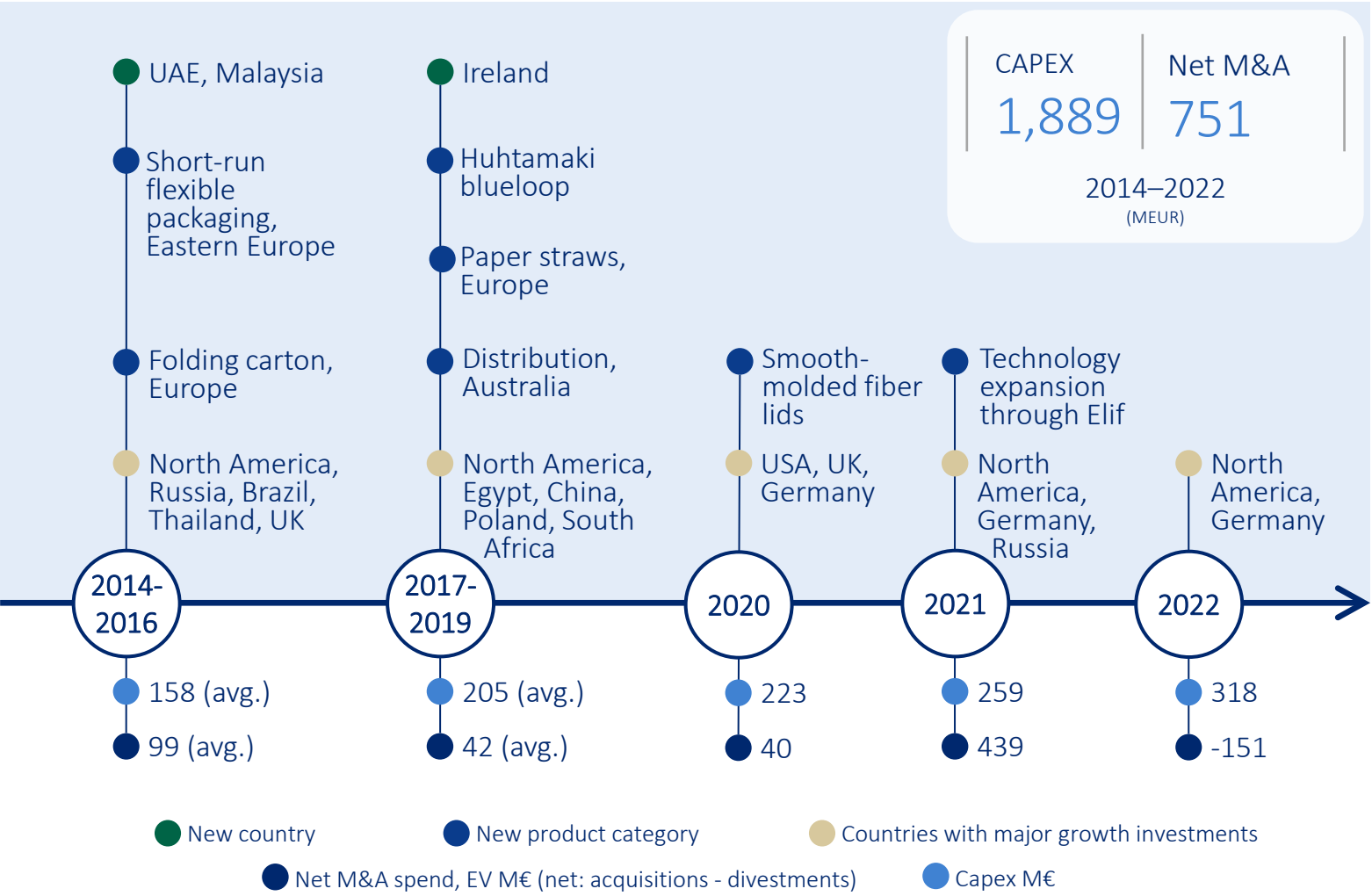
**40-50%**

Dividend  
payout ratio

## Continued payout within range

- > Continued long dividend growth path
- > Payout within set ambition range

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



## Key expansions coming online

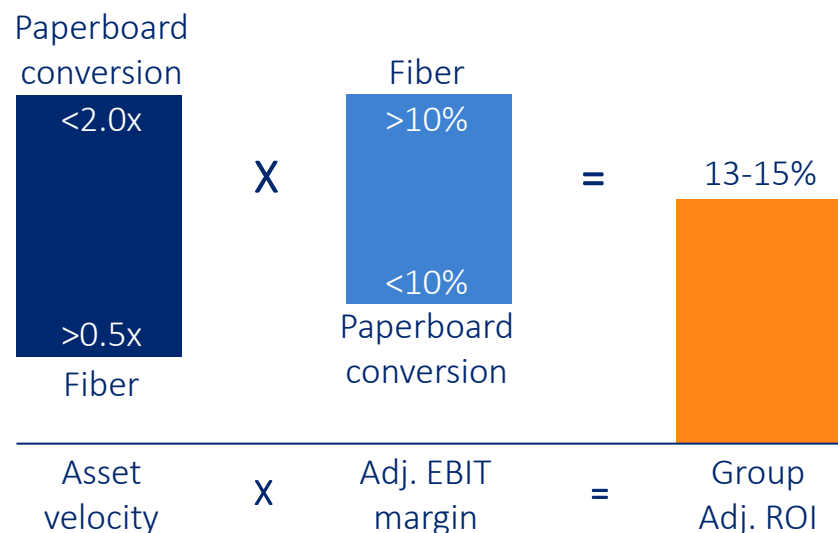
Fiber	
SMF Lids Phase II	2023
Capsules	Starting 2023
NA egg cartons	Starting late 2023
NA SMF expansion	2024

Paperboard	
Nules	Early 2023

Flexibles	
blueloop™ Flexibles Phase II	Starting 2023

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

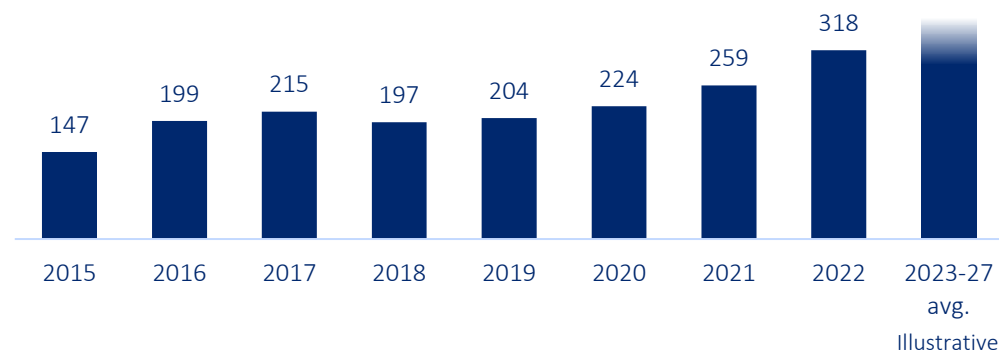
## Investment profile changing (illustrative)



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
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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
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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



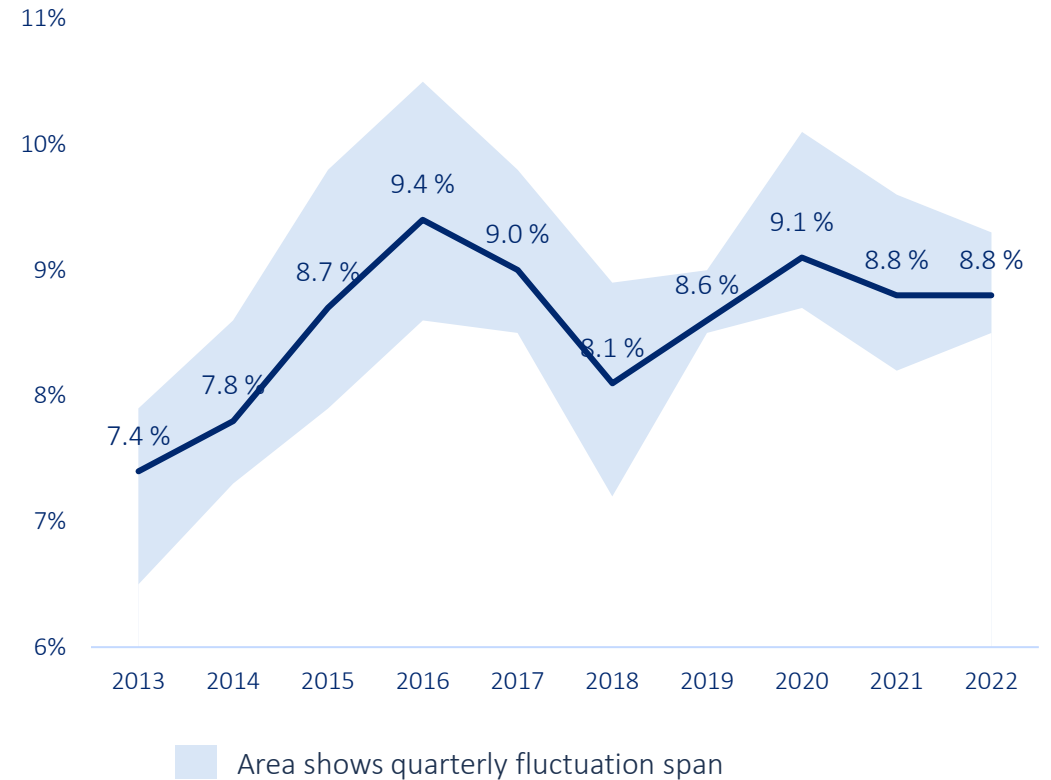
**Commercial excellence**  
Upgrading commercial practices and digitalization of commercial processes

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

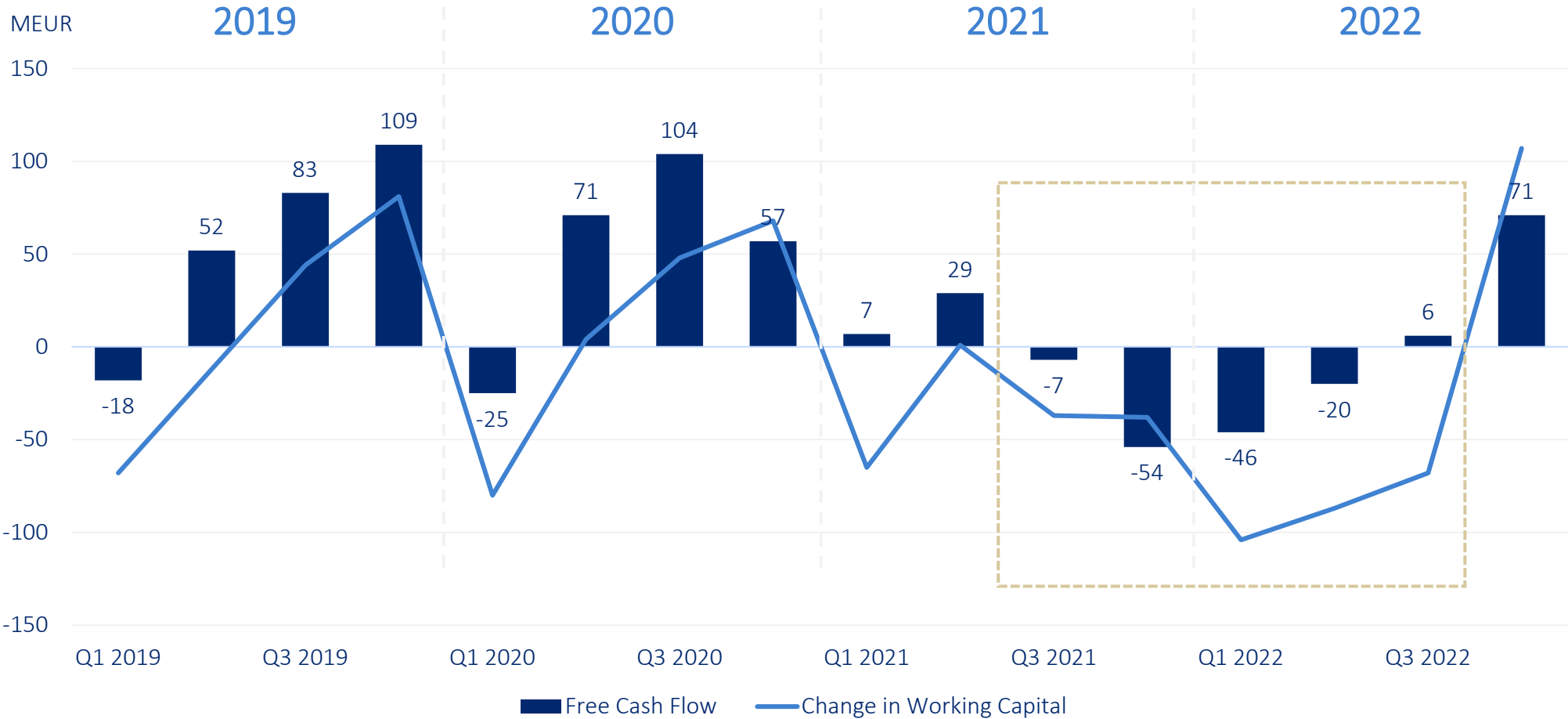
**Operational excellence**  
Continuous operational improvement  
Digitalization of shop-floor processes

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

## Adj. EBIT margin



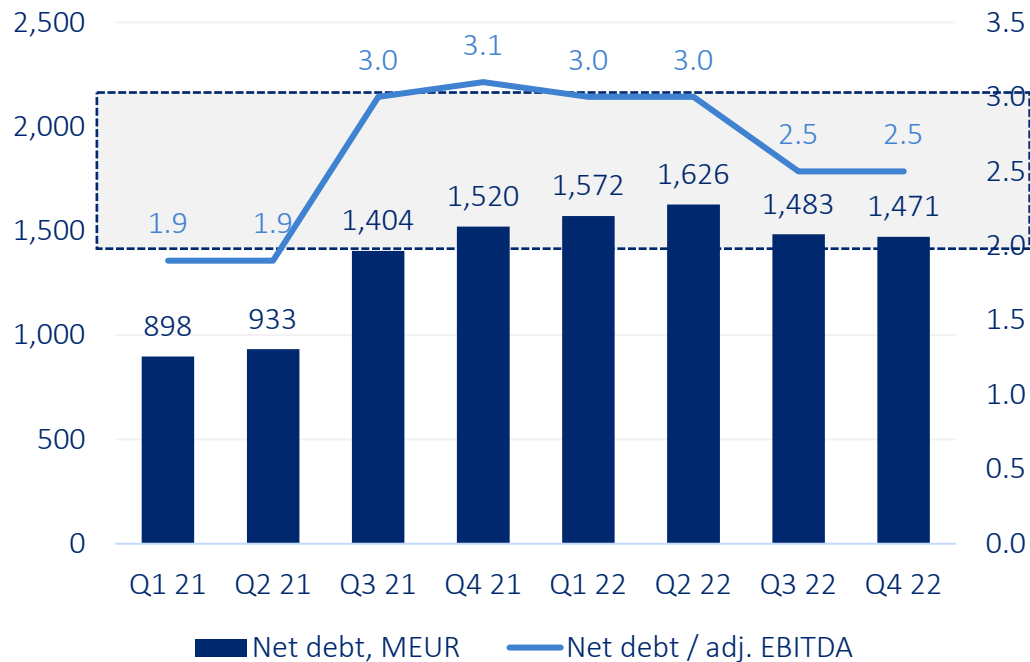
# Our focus has been on management of working capital to fund growth



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

# Our balance sheet gives room to scale our core and invest in sustainable innovation

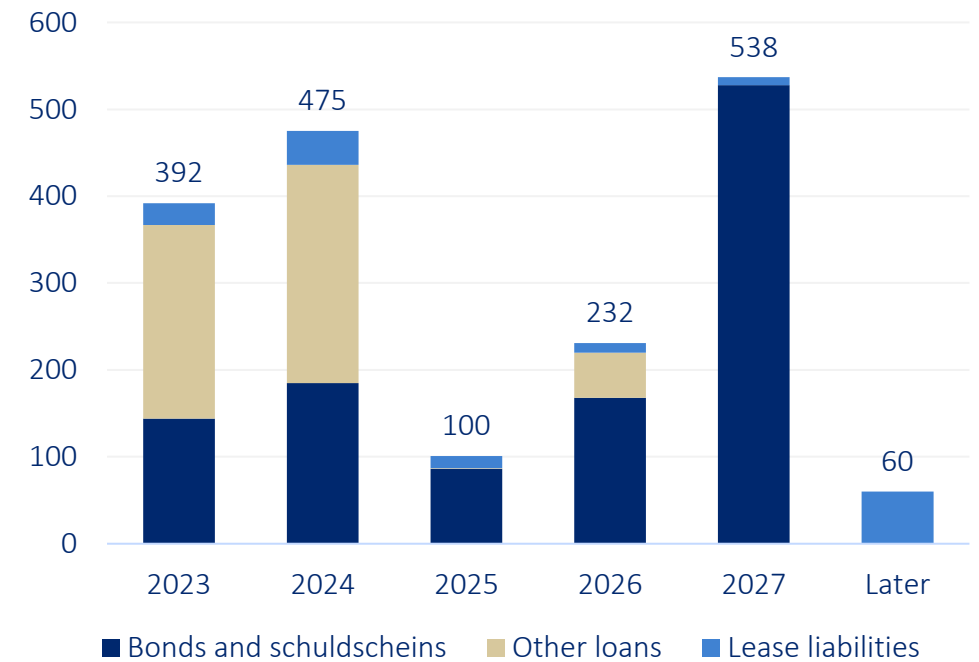
## Net debt (MEUR) and net debt / adj. EBITDA



Ambition:  
2-3x

> Disciplined capital management to allow for growth while keeping leverage within ambition range

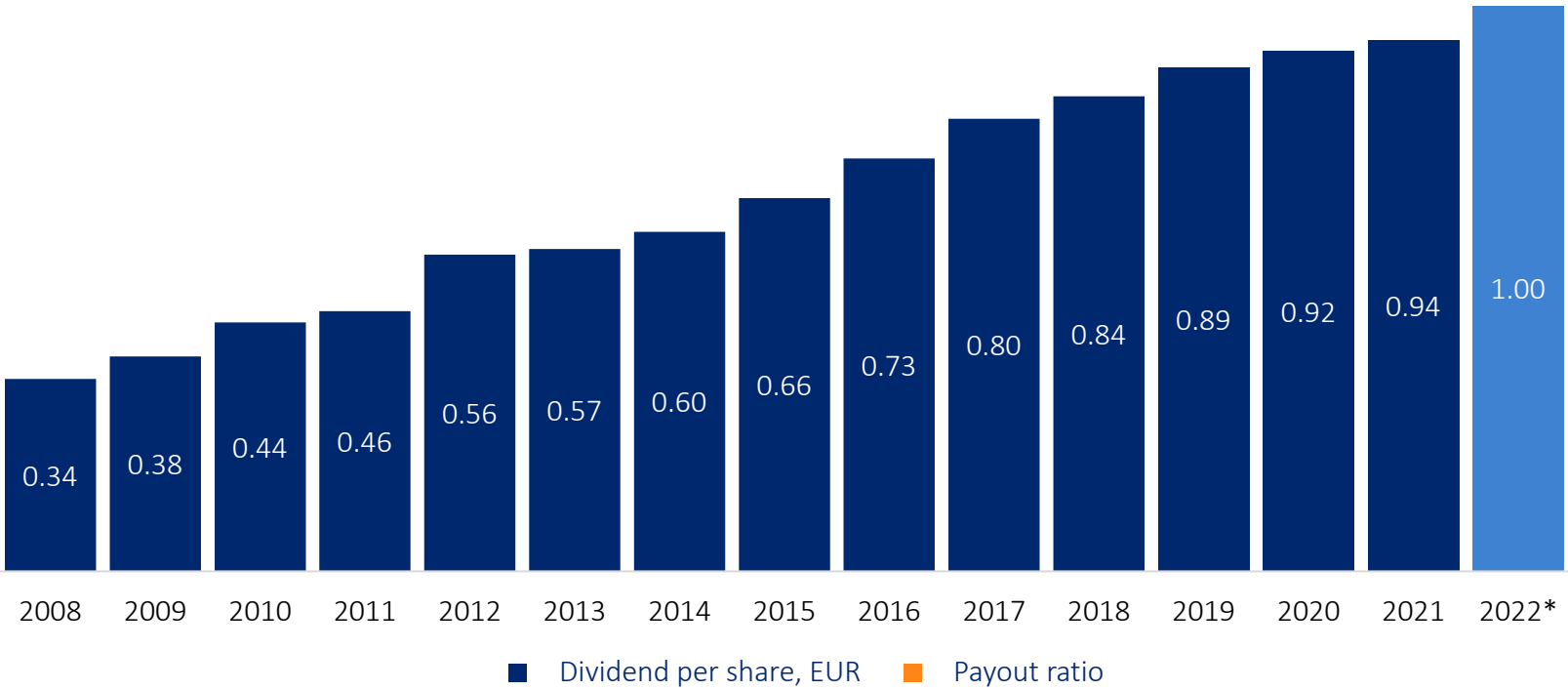
## Debt maturities (MEUR) at the end of 2022



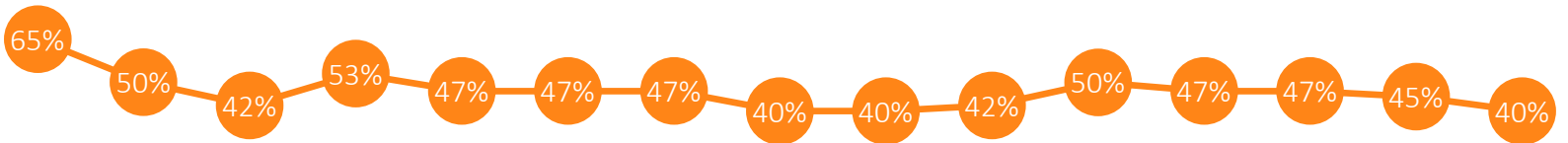
> Balanced debt portfolio with a healthy mix of short and long-term funding



# 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

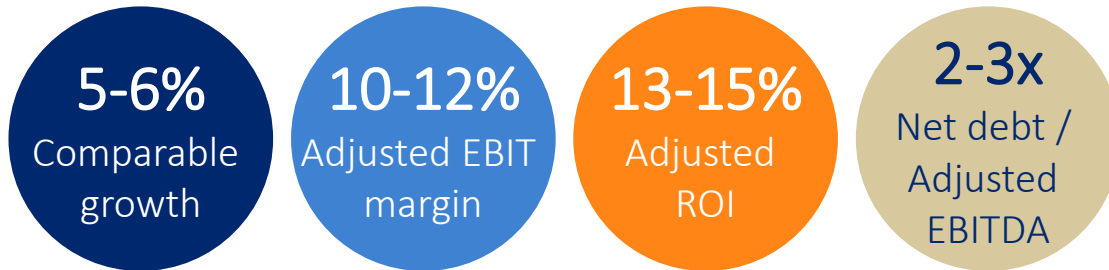


**40-50%**  
dividend pay-out ratio

\*Dividend for 2022 is a proposal by the Board of Directors

# Our long-term financial ambitions are founded on scaling up the core and game-changing sustainable innovation, globally

Absolute **EPS** growth



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

## Key growth and profit drivers



Expanding core business in growing markets

Innovation for in products and categories

Operational excellence

Commercial excellence



# REDESIGNING THE FUTURE

*of sustainable packaging solutions*

Huhtamaki



# Business segments



# Flexible Packaging

Dr. Marco Hilty  
President, Flexible Packaging

# Flexible packaging is the best technology to provide affordable access to food and everyday necessities, globally

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

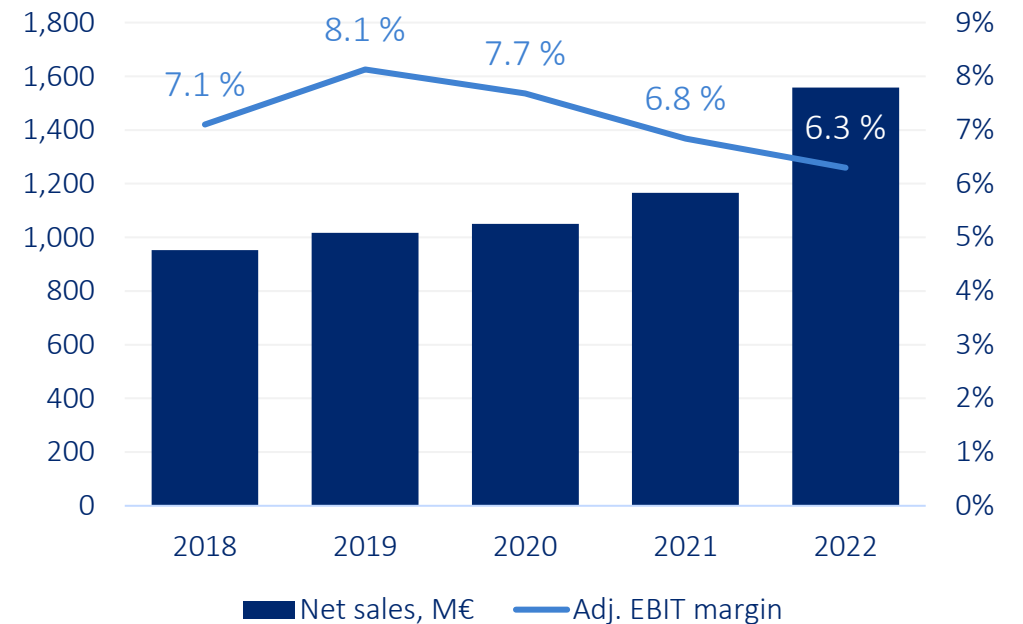
# We are delivering solid growth, but need to address profitability

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

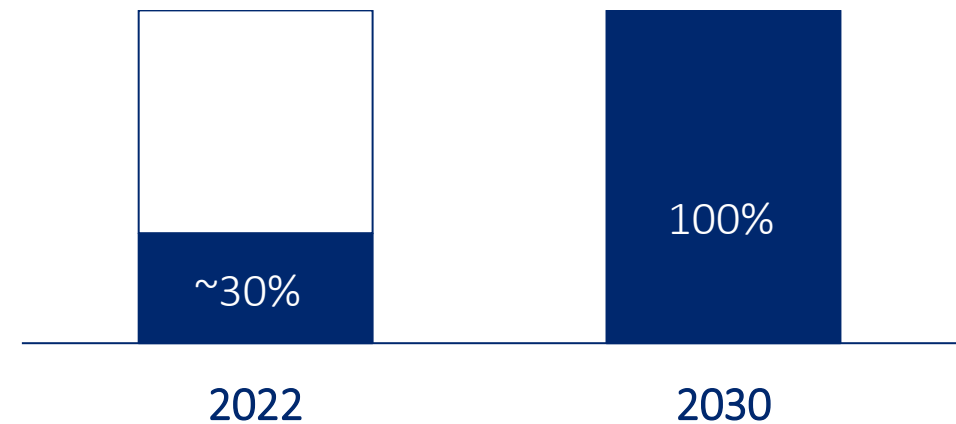
Investment is ongoing, products in market in H2 2023

## blueloop™ market opportunity

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

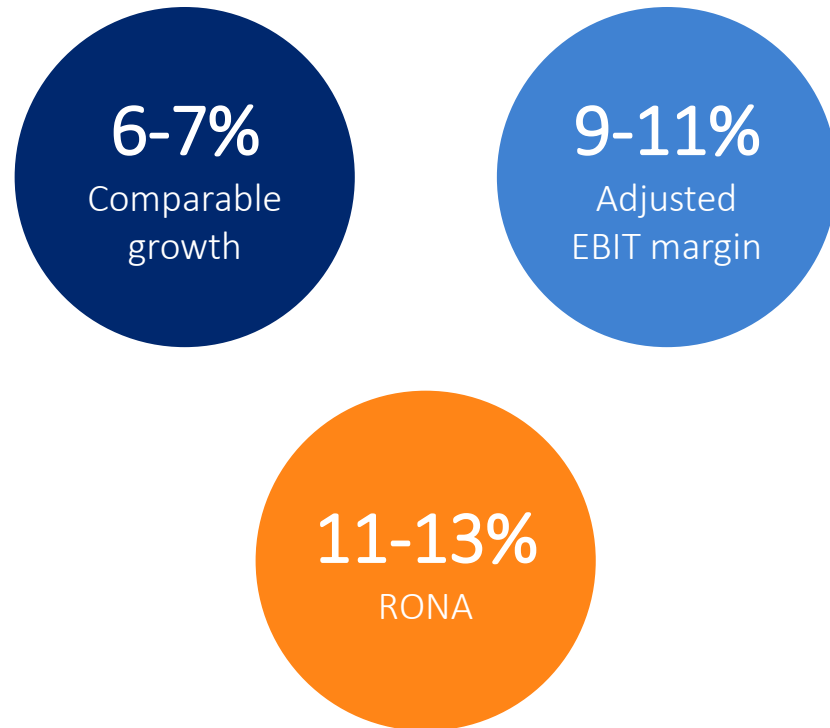
Supports transition of consumer brands to sustainable packaging to honor 2025 sustainability pledges

Share of segment net sales



# We remain committed to our long-term strong profitable growth ambition

## 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



# Fiber Foodservice E-A-O

Eric Le Lay  
President,  
Fiber and Foodservice Europe-Asia-Oceania

# Our fiber and paperboard technologies are an essential part of sustainable packaging innovation, globally

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

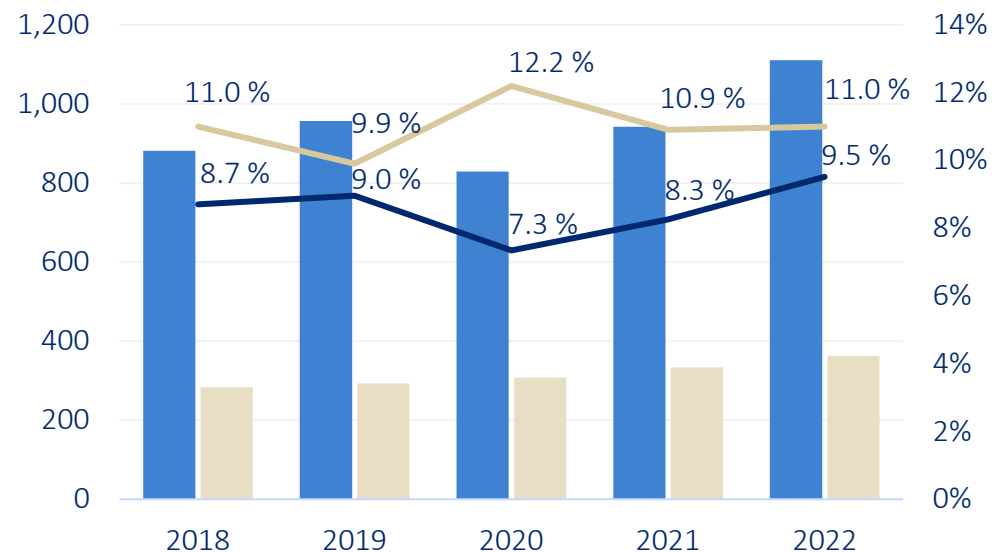
Source: Smithers, Mordor Intelligence, Grand View Research, Huhtamaki estimates

**Huhtamaki**

# We are delivering growth and improving profitability, while managing continued market disruption

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

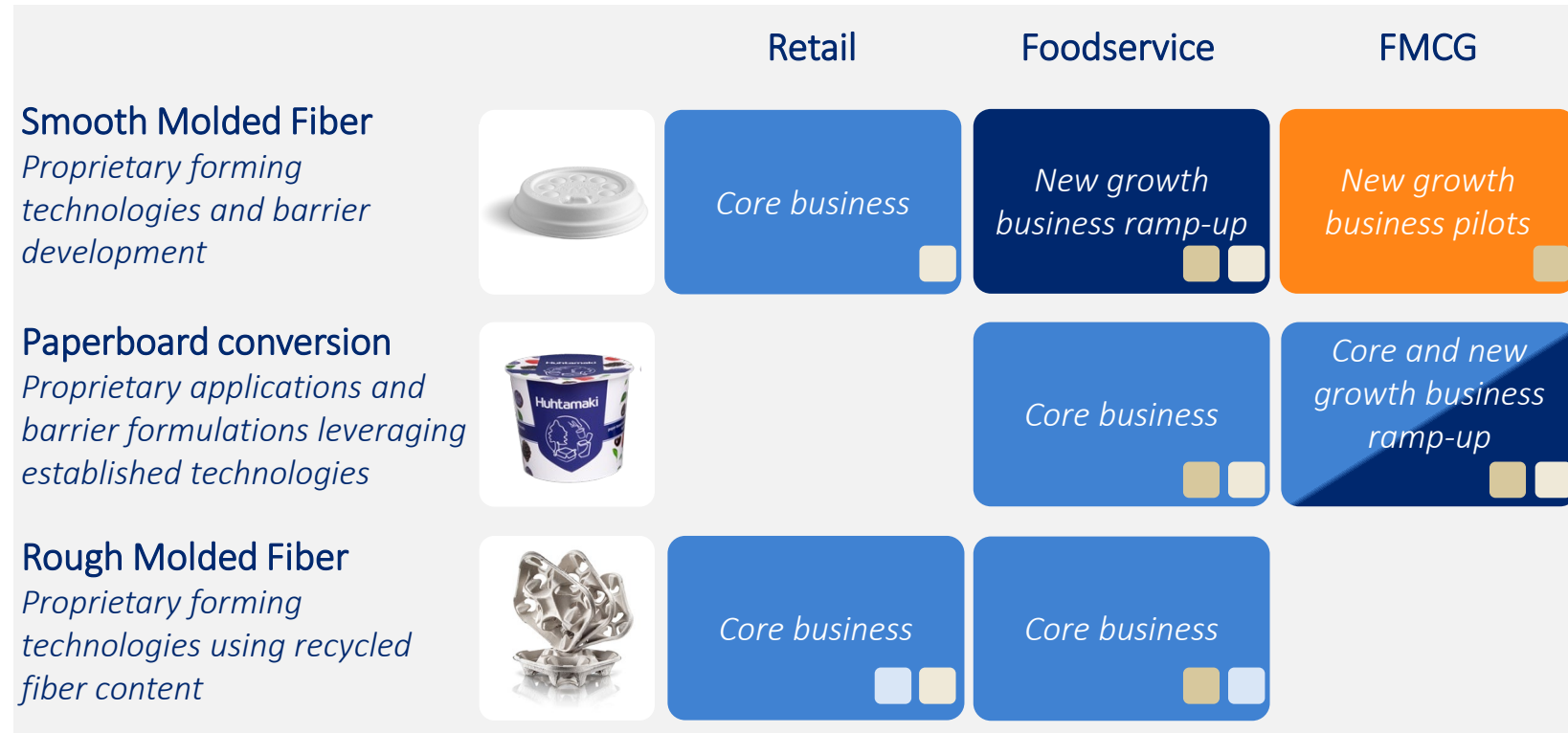
## Smooth Molded Fiber



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

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

Leveraging sustainable technology to drive core business and innovation development



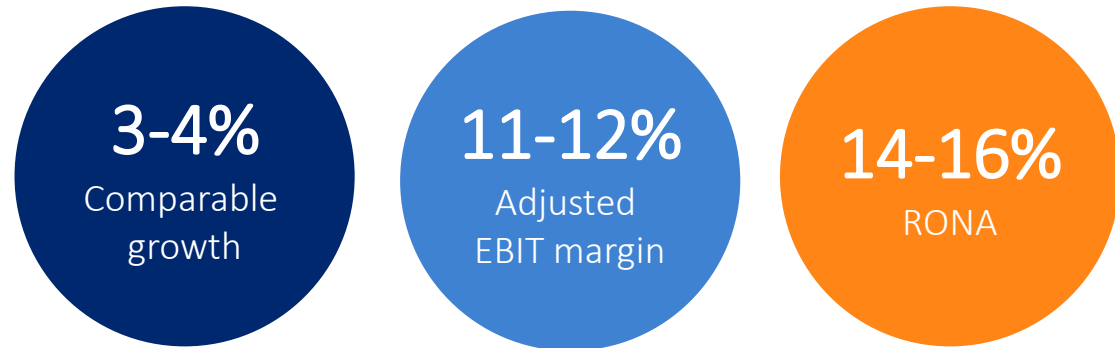
 Foodservice E-A-O  North America  Fiber Packaging

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 will scale and optimize our core business, while investing in breakthrough innovation

## 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

Ann O'Hara  
President, North America

# We have an attractive and resilient portfolio of businesses, with a strong execution record

Global Fiber leader  
Global Paperboard Conversion\* leader

Net sales	Adjusted EBIT margin
<b>1,468</b> MEUR	<b>11.7%</b>
Employees	Manufacturing units
<b>4,268</b>	<b>18</b>



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

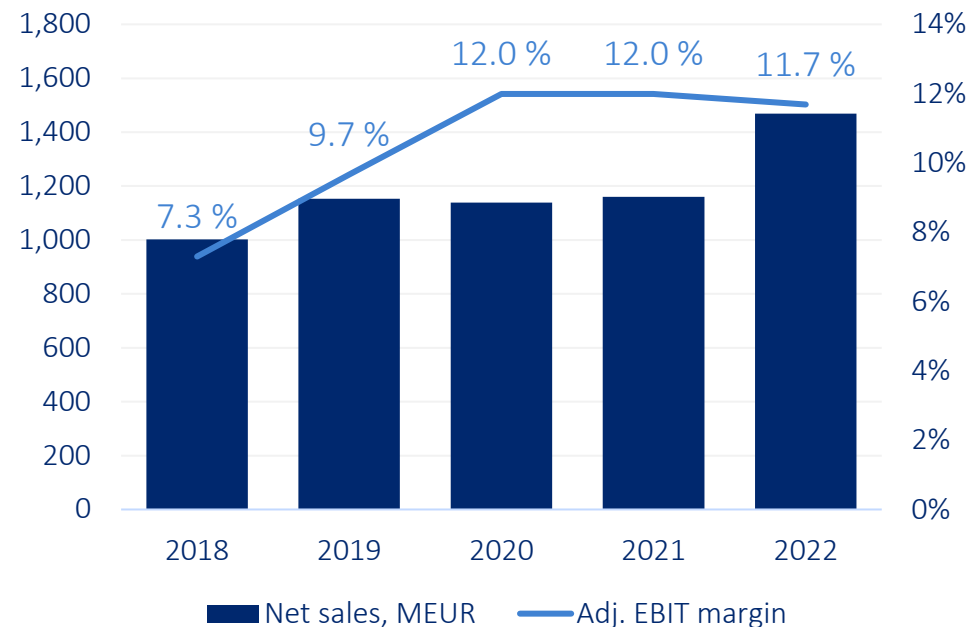
Source: Technovia, Smithers, Mordor Intelligence, Grand View Research, Huhtamaki estimates

**Huhtamaki**

# We are delivering solid financial performance, on the back of investments to scale our core business

## 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

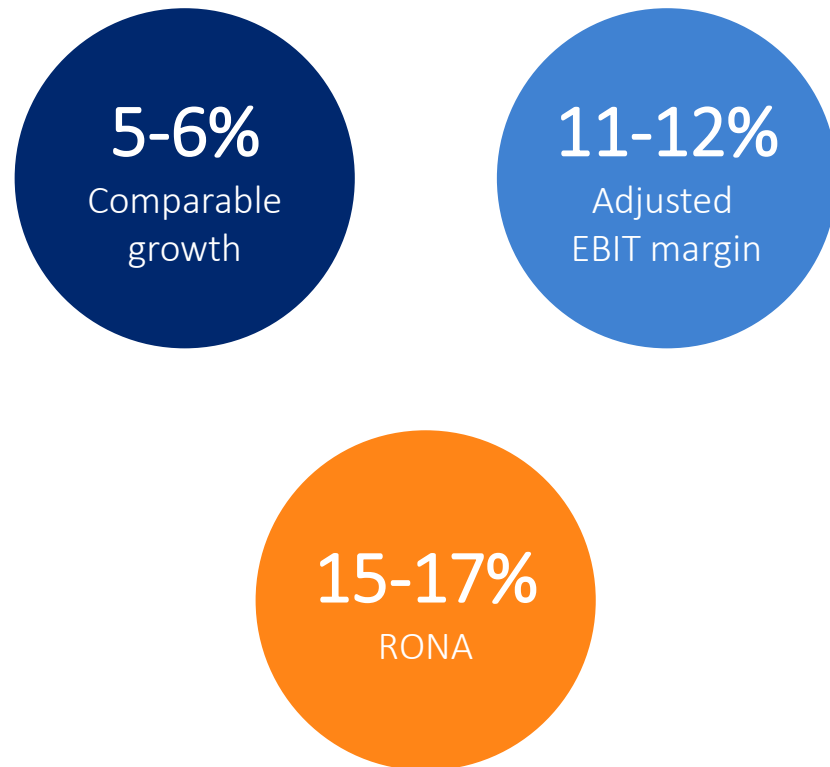
- > Continuing to expand the molded fiber school/stadium tray capacity
- > Further expanding in attractive hot/cold cups and to-go container categories

## FMCG

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

# We are raising our long-term profitable growth ambition

## North America long-term ambition



## How we get there

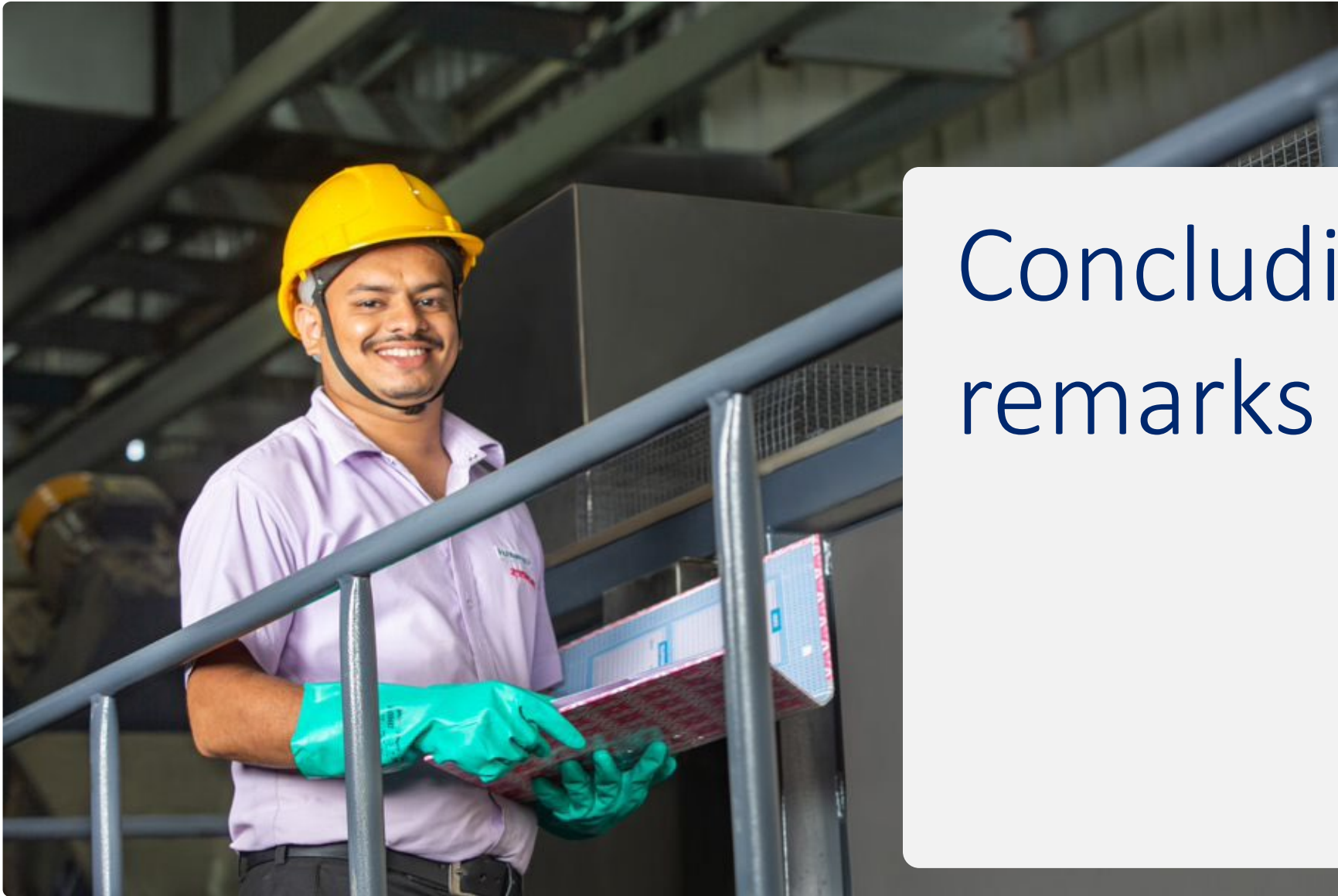
- > **Partner** with strategic customers to continue to introduce new products and systems and help them achieve sustainable solutions
- > **Build** on our continuous improvement culture to achieve World-Class operations and increase output, reduce waste and achieve new levels of efficiency
- > **Complete**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



# **REDESIGNING THE FUTURE**

*of sustainable packaging solutions*

**Huhtamaki**



# Concluding remarks

Charles Héaulmé  
President & CEO



# We are committed to create value for our customers, employees, shareholders and the planet

## value for CUSTOMERS

<p><b>CUSTOMER EXCELLENCE</b> Increasing Net Promoter Score</p>	<p><b>INNOVATION</b> Increasing Share of sustainable products through innovation</p>
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## value for SHAREHOLDERS

Absolute EPS growth			
<p><b>GROWTH</b> Revenue</p>	<p><b>PERFORMANCE</b> Adj. EBIT%</p>	<p><b>LEVERAGE</b> Net Debt/EBITDA</p>	<p><b>EFFICIENCY</b> Adj. ROI%</p>
Enabling <b>DIVIDEND</b> payout growth			

## value for EMPLOYEES

<p><b>SAFETY</b> Reducing Incident Rate</p>	<p><b>EMPLOYEE EXPERIENCE</b> Increasing Engagement and Leadership Index</p>	<p><b>INCLUSIVE CULTURE</b> Increasing Inclusion Index</p>
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## value for the PLANET

Our innovation in sustainable packaging solutions has a <b>net positive impact</b> by driving low carbon circularity		
OUR ENVIRONMENT	OUR OPERATIONS	OUR PRODUCTS

# We have a strong vision for the future and strengths to capture significant market opportunities

## Our vision



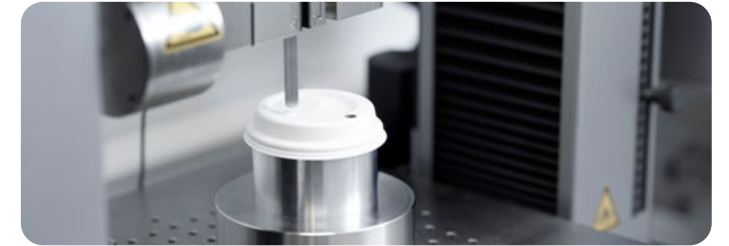
- › Protect food, people and the planet
- › Advance the future of sustainable, innovative, connected packaging
- › Be the first choice in sustainable packaging solutions
- › Embrace our values: Care Dare Deliver

## Our strengths



- › Partnering with customers, to deliver innovation
- › Our global footprint
- › Proven advanced technologies
- › Our people, agility and resilience, around the world
- › Measuring end-to-end value creation

## Our opportunities



- › Growth in core businesses
- › Market transformation to sustainable solutions
- › Delivering innovation using proprietary technology
- › Strong focus on operational performance



# REDESIGNING THE FUTURE

*of sustainable packaging solutions*

Huhtamaki