

A person is shown from the waist down, wearing dark pants and sneakers, standing on a skateboard. They are holding a green paper coffee cup with a white lid. The cup has a green leaf pattern and the text "Caring for the future" in a white script font. The background is a bright, sunny outdoor setting with palm trees and a clear blue sky.

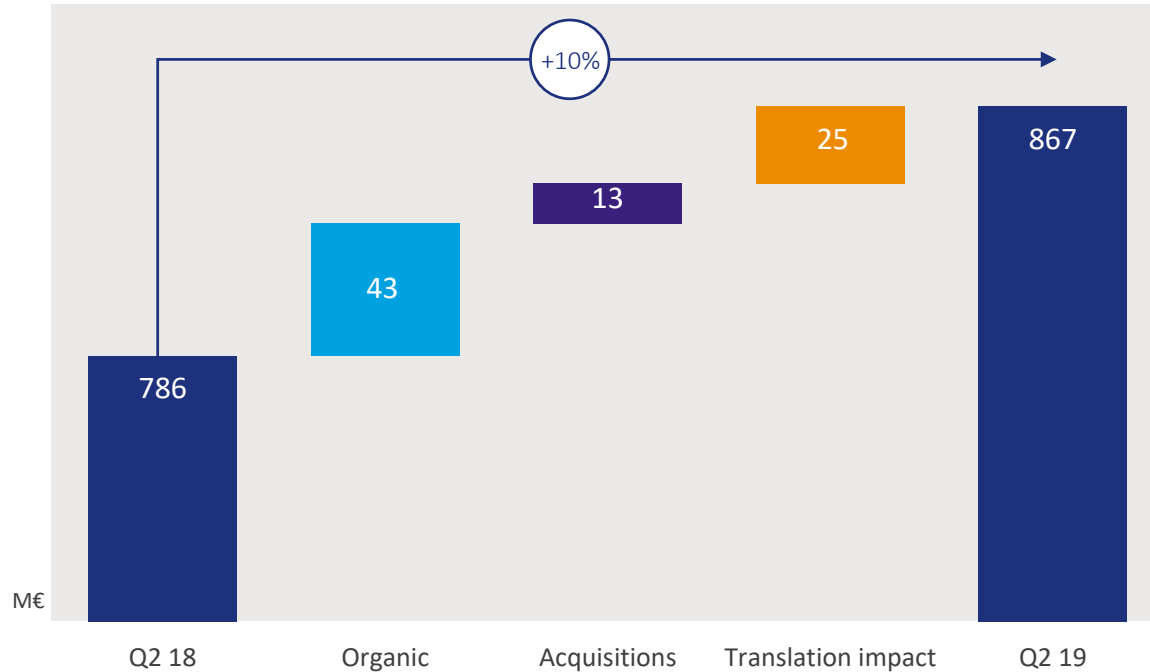
# Strong net sales growth and solid profitability

Half-yearly Report 2019

President and CEO Charles Héaulmé  
CFO Thomas Geust

**Huhtamaki**

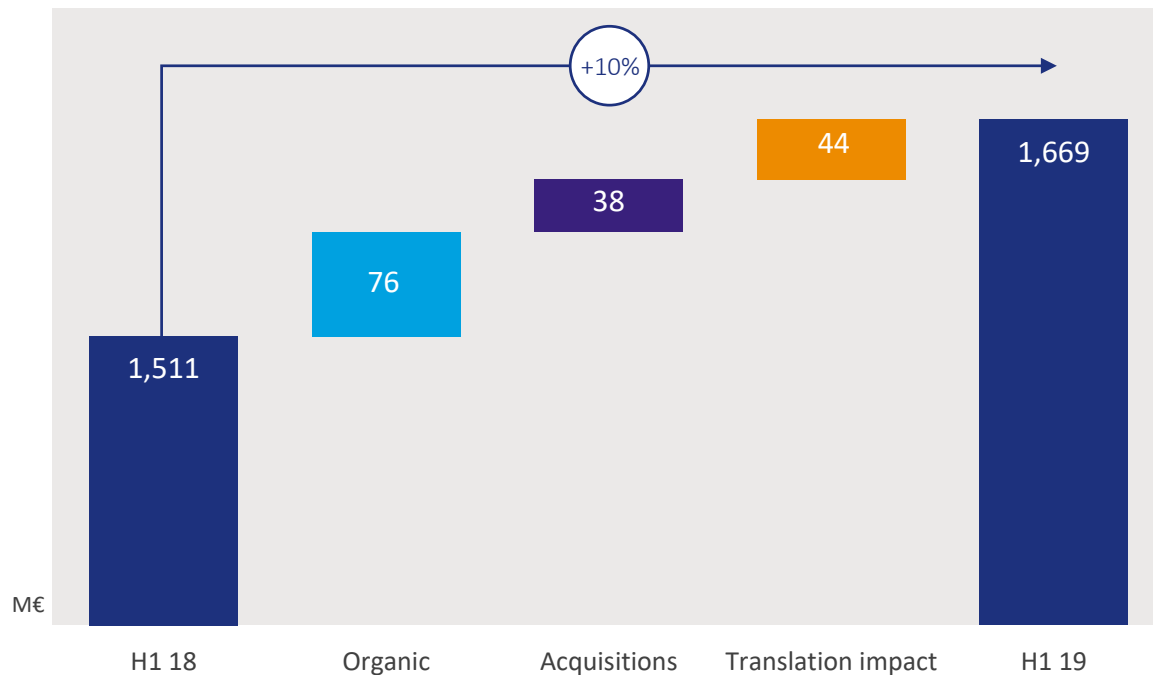
# Strong total net sales growth in Q2



## Net sales growth split in Q2 19

- 6% comparable net sales growth with significant growth in North America segment
- 7% in emerging markets
- 2% from acquisitions
- Positive currency impact

# H1 comparable growth in line with our long-term ambition



## Net sales growth split in H1 19

- 5% comparable net sales growth
- 7% in emerging markets
- 3% from acquisitions
- Positive currency impact

# All segments contributing to comparable net sales growth

	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	H1 19	FY 2018	Long-term ambitions
Foodservice E-A-O	3%	4%	3%	5%	5%	5%	4%	4%	5-7%
North America	13%	5%	11%	2%	2%	5%	9%	5%	2-5%
Flexible Packaging	1%	5%	4%	6%	11%	6%	3%	7%	6-8%
Fiber Packaging	7%	4%	5%	4%	3%	5%	5%	4%	5-7%
Group	6%	5%	6%	4%	6%	5%	5%	5%	5+%

- Good progress in the fast food customer segment and Eastern Europe contributed to Foodservice Europe-Asia-Oceania segment's comparable growth
- In North America timing of Easter sales shifted from Q1 to Q2, H1 development reflects market demand, increased capacity and successful pricing activities
- Flexible Packaging: focus in portfolio management moderated volume growth in India; negative growth in Europe
- New capacity - installed in 2018 - and favorable product mix supported growth in Fiber Packaging

# Strong net sales growth and good profitability

MEUR	Q2 19	Q2 18	Change
Net sales	<b>867.3</b>	785.9	10%
Adjusted EBITDA <sup>1</sup>	<b>118.6</b>	107.0	11%
Margin <sup>1</sup>	<b>13.7%</b>	13.6%	
Adjusted EBIT <sup>2</sup>	<b>78.3</b>	70.8	11%
Margin <sup>2</sup>	<b>9.0%</b>	9.0%	
Adjusted EPS, EUR <sup>3</sup>	<b>0.51</b>	0.46	11%
Adjusted ROI <sup>2,4</sup>			
Adjusted ROE <sup>3,4</sup>			
Capital expenditure	<b>38.6</b>	47.7	-19%
Free cash flow	<b>52.4</b>	49.9	5%

	H1 2019	H1 2018	Change
Net sales	<b>1,669.4</b>	1,511.1	10%
Adjusted EBITDA <sup>1</sup>	<b>225.5</b>	202.6	11%
Margin <sup>1</sup>	<b>13.5%</b>	13.4%	
Adjusted EBIT <sup>2</sup>	<b>146.1</b>	131.5	11%
Margin <sup>2</sup>	<b>8.8%</b>	8.7%	
Adjusted EPS, EUR <sup>3</sup>	<b>0.95</b>	0.86	11%
Adjusted ROI <sup>2,4</sup>	<b>11.5%</b>	12.8%	
Adjusted ROE <sup>3,4</sup>	<b>14.8%</b>	16.3%	
Capital expenditure	<b>78.3</b>	80.9	-3%
Free cash flow	<b>34.2</b>	36.5	-6%

## Q2 19 Highlights

- 10% reported net sales growth, all segments contributing
- Earnings growth led by the North America and Flexible Packaging segments
- Capex lower due to timing of investments
- Strong operating cash flow improvement offset by one-time gain booked in Q2 18

NB: ROI and ROE comparison impacted by IFRS 16 implementation

<sup>1</sup> Excluding IAC of EUR -0.5 million in Q2 2019 (EUR 11.6 million) and EUR -0.6 million in H1 2019 (EUR 11.6 million) and EUR -8.4 million in FY 2018.

<sup>2</sup> Excluding IAC of EUR -0.5 million in Q2 2019 (EUR 9.5 million) and EUR -0.6 million in H1 2019 (EUR 9.5 million) and EUR -25.5 million in FY 2018.

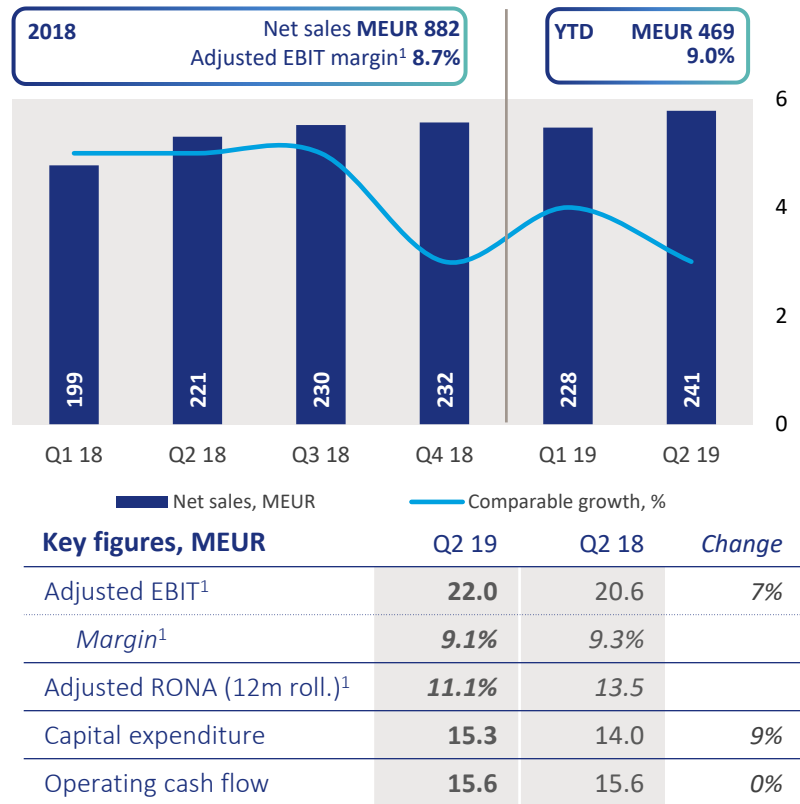
<sup>3</sup> Excluding IAC of EUR -0.4 million in Q2 2019 (EUR 7.7 million) and EUR -0.5 million in H1 2019 (EUR 7.7 million) and EUR -20.6 million in FY 2018.

<sup>4</sup> ROI and ROE for H1 2018 have not been restated for IFRS 16 impact.

# Business segment review

# Foodservice Europe-Asia-Oceania: Strong net sales growth including acquisitive growth

- Strong net sales growth
  - Contribution from acquisitions
  - Good growth in QSR continued
- Net sales growth and price increases contributed to earnings growth
- Sustainability driven preference of fiber-based packaging over plastics intensified
  - Capacity constraints in some product categories, e.g. paper vending cups
  - Opening of paper straw facility well received by the market



## Responding to market need - expansion into paper straws

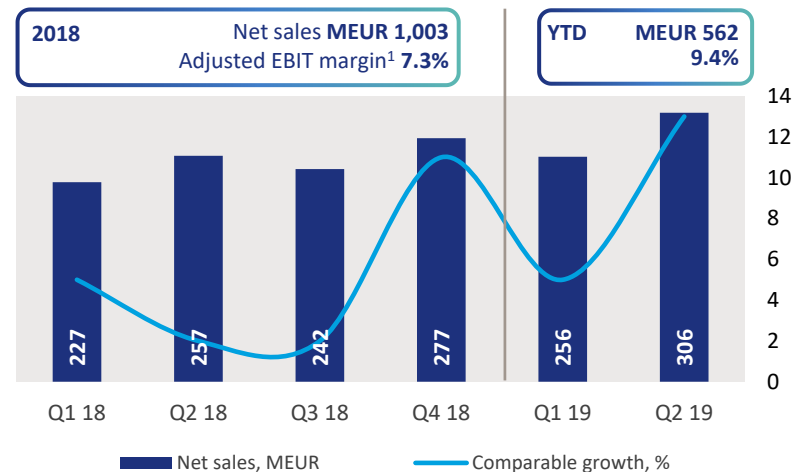
- Premium recyclable paper straws made of 100% PEFC certified paper
- Purpose-built machinery for Huhtamaki
- New, dedicated manufacturing facility opened in Antrim, Northern Ireland in May 2019
  - Deliveries ongoing
  - Ramp-up to be finalized during 2019
- Plans to expand manufacturing to other units in Europe





# North America: Strong growth from investments and Easter timing

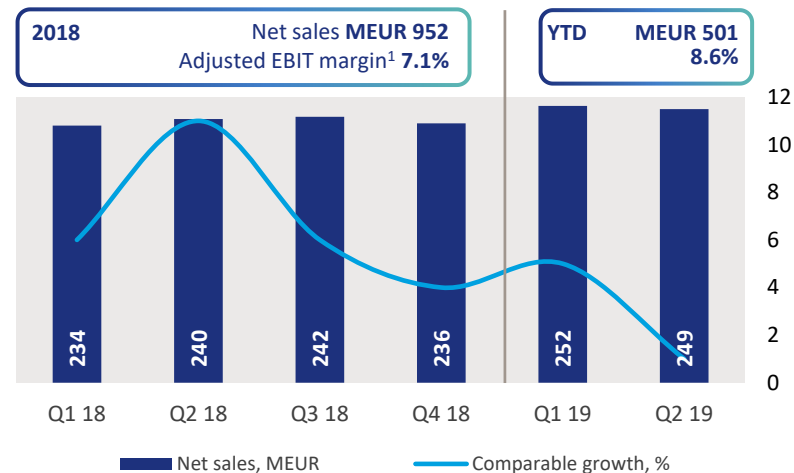
- Good volume development from new business gains and timing of Easter deliveries
- Net sales further boosted by pricing actions
- Significant earnings growth and profitability improvement
  - Pricing actions
  - Volume growth
  - Moderation in distribution costs
- Improved earnings and lower capex visible in cash flow



Key figures, MEUR	Q2 19	Q2 18	Change
Adjusted EBIT	32.4	22.6	43%
Margin	10.6%	8.8%	
Adjusted RONA (12m roll.) <sup>1</sup>	10.3%	11.7%	
Capital expenditure	9.4	15.1	-38%
Operating cash flow	34.2	27.0	27%

# Flexible Packaging: Significant earnings improvement

- Moderate comparable growth due to negative development in Europe
  - Good growth in Middle East and Africa, Southeast Asia also developing well
  - Volume growth in India moderated by portfolio management and temporary constraints in exports
- Earnings growth driven by continued positive development in India
  - Earnings decline in Europe due to low net sales and negative impact from support strikes
- Launch of recyclable laminates



Key figures, MEUR	Q2 19	Q2 18	Change
Adjusted EBIT <sup>1</sup>	20.1	18.1	11%
Margin <sup>1</sup>	8.1%	7.5%	
Adjusted RONA (12m roll.) <sup>1</sup>	10.5%	11.2%	
Capital expenditure	10.6	14.6	-27%
Operating cash flow	16.5	11.2	47%

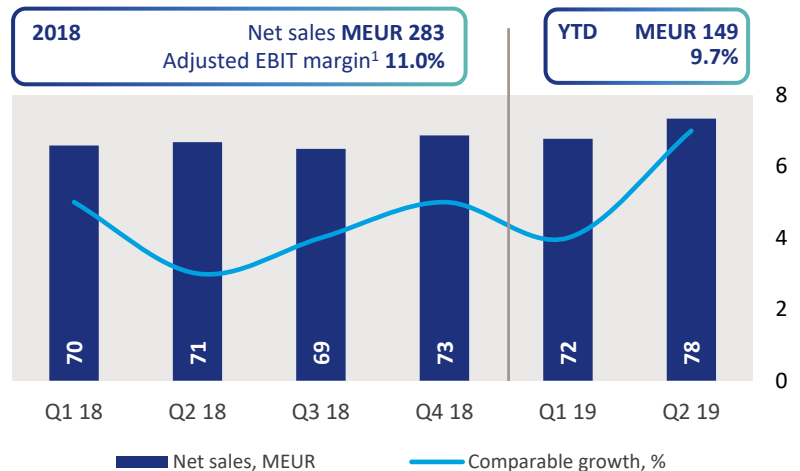
# Huhtamaki blueloop – Next generation flexible packaging driving for circularity

- New range of recyclable flexible packaging
- Innovative mono-material structures enable recycling without compromising barrier properties
- blueloop solutions use PP, PE or paper due to their wide recyclability and applicability for mass packaging applications
- Available for several end applications
- Commercial deliveries began during Q2 2019



# Fiber Packaging: Solid comparable growth - earnings weighed down by costs of Fresh project

- Strong net sales growth led by Eastern Europe and Oceania
  - New capacity supports growth in Australia
  - Net sales grew in Russia despite capacity constraints
- Challenging economic conditions continued in Brazil
- Good operational performance across units not sufficient to cover the costs related to the development and commercialization of Fresh ready meal tray



Key figures, MEUR	Q2 19	Q2 18	Change
Adjusted EBIT	7.6	7.4	3%
Margin	9.8%	10.4%	
Adjusted RONA (12m roll.) <sup>1</sup>	13.5%	13.0%	
Capital expenditure	3.2	2.9	8%
Operating cash flow	8.9	12.5	-29%

# Fresh – the natural alternative to black plastic ready meal trays

- Recyclable and home compostable\* fiber tray for chilled ready meals
- Microwave and oven safe
- Made of fibers from FSC certified (Nordic) forests
- Patented technology
- Ongoing investment in Lurgan, Northern Ireland to scale up manufacturing
- Manufacturing to begin during H2/19 – full capacity during Q2/20



# Financial review

# Solid improvement through to EPS

MEUR	Q2 19	Q2 18	Change	H1 2019	H1 2018	Change
Net sales	867.3	785.9	10%	1,669.4	1,511.1	10%
Adjusted EBITDA <sup>1</sup>	118.6	107.0	11%	225.5	202.6	11%
Margin <sup>1</sup>	13.7%	13.6%		13.5%	13.4%	
Adjusted EBIT <sup>2</sup>	78.3	70.8	11%	146.1	131.5	11%
Margin <sup>2</sup>	9.0%	9.0%		8.8%	8.7%	
EBIT	77.8	80.3	-3%	145.5	141.0	3%
Net financial items	-7.8	-8.2	6%	-15.7	-15.8	1%
Adjusted profit before taxes	70.5	62.6	13%	130.4	115.6	13%
Adjusted income tax expense <sup>3</sup>	-15.6	-13.3	-17%	-28.0	-24.4	-15%
Adjusted profit for the period <sup>4</sup>	54.9	49.3	11%	102.3	91.2	12%
Adjusted EPS, EUR <sup>4</sup>	0.51	0.46	11%	0.95	0.86	11%

## Q2 and H1 Highlights

- Strong growth and positive currency translation
- Topline growth, pricing actions and efficiency improvement measures translated into improved profitability
- Lack of royalty income affecting comparability
- Higher reported tax for the quarter – effective tax rate 22%

<sup>1</sup> Excluding IAC of EUR -0.5 million in Q2 2019 (EUR 11.6 million), EUR -0.6 million in H1 2019 (EUR 11.6 million) and EUR -8.4 million in FY 2018.

<sup>2</sup> Excluding IAC of EUR -0.5 million in Q2 2019 (EUR 9.5 million), EUR -0.6 million in H1 2019 (EUR 9.5 million) and EUR -25.5 million in FY 2018.

<sup>3</sup> Excluding IAC of EUR 0.1 million in Q2 2019 (EUR -1.9 million), EUR 0.1 million in H1 2019 (EUR -1.9 million) and EUR 4.9 million in FY 2018.

<sup>4</sup> Excluding IAC of EUR -0.4 million in Q2 2019 (EUR 7.7 million), EUR -0.5 million in H1 2019 (EUR 7.7 million) and EUR -20.6 million in FY 2018.

# Positive currency impact, primarily from USD

	Average rate H1 2018	Closing rates					Average rate H1 2019
		Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	
USD	1.21	1.16	1.17	1.15	1.12	1.14	1.13
INR	79.49	79.68	84.98	80.23	77.78	78.57	79.13
GBP	0.88	0.89	0.89	0.90	0.86	0.89	0.87
CNY	7.71	7.67	8.06	7.88	7.56	7.82	7.67
AUD	1.57	1.58	1.62	1.62	1.58	1.63	1.60
THB	38.43	38.36	37.96	37.32	35.75	35.00	35.72
RUB	71.94	73.10	76.90	79.54	73.14	71.61	73.79
BRL	4.14	4.48	4.73	4.44	4.46	4.39	4.34
NZD	1.69	1.71	1.76	1.71	1.65	1.70	1.68
ZAR	14.88	16.06	16.52	16.45	16.49	16.09	16.05

## Foreign currency translation impact

### Q2 19:

MEUR +25 on net sales

MEUR +2 on EBIT

### H1 19:

MEUR +44 on net sales

MEUR +4 on EBIT



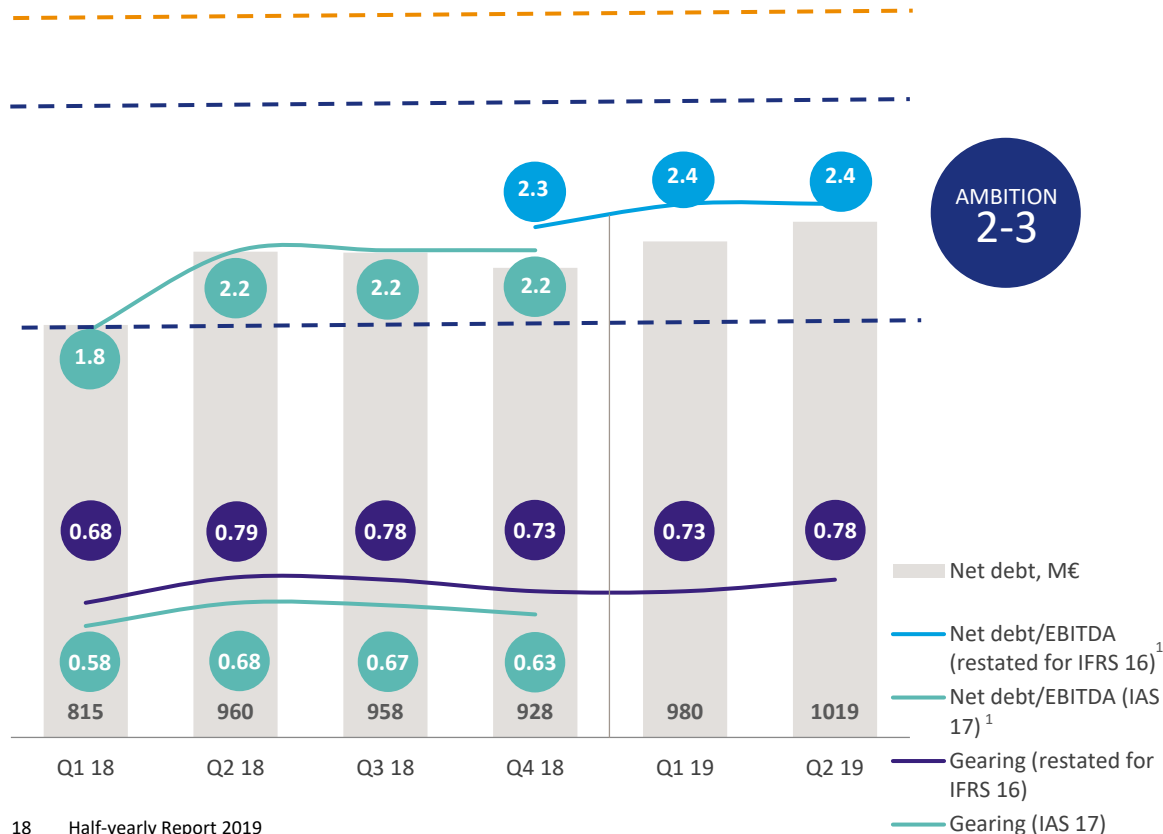
# Raw material costs relatively stable



- Resin prices relatively stable, some variation across polymers and markets
- Paperboard prices relatively stable, but on a slightly higher level than previous year
- Prices of recycled fiber stable or trending down depending on markets

# Higher working capital visible in net debt

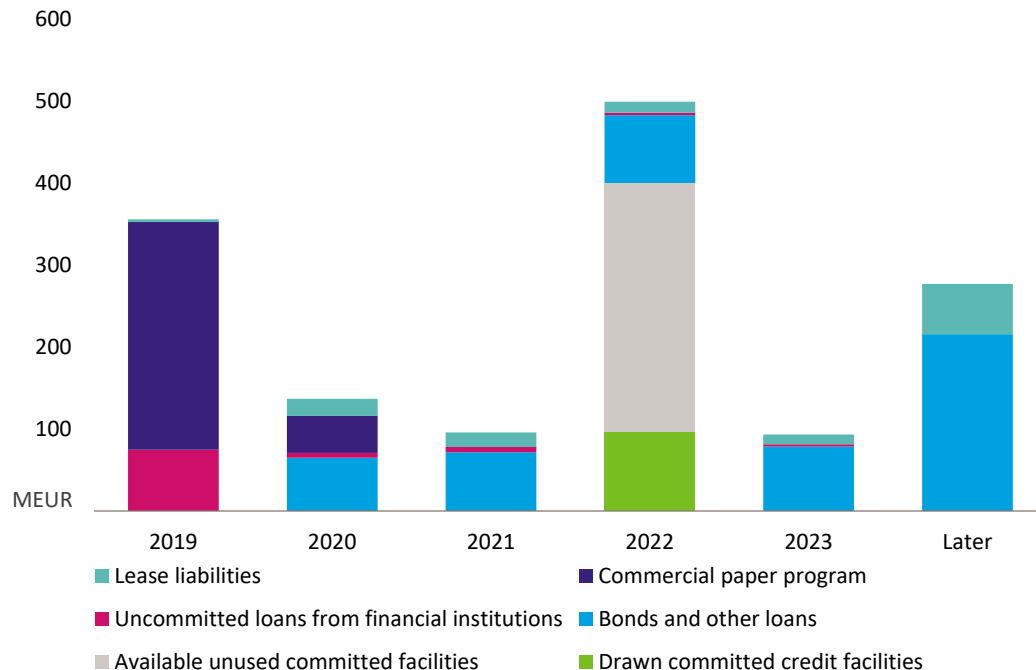
Covenant level 3.5



- Net debt/EBITDA at 2.4
- At the end of Q2 19
  - Cash and cash equivalents MEUR 123
  - Unused committed credit facilities available MEUR 303
- Dividends of MEUR 88 were paid in May
- Funds available for acquisitions approx. MEUR 400-500

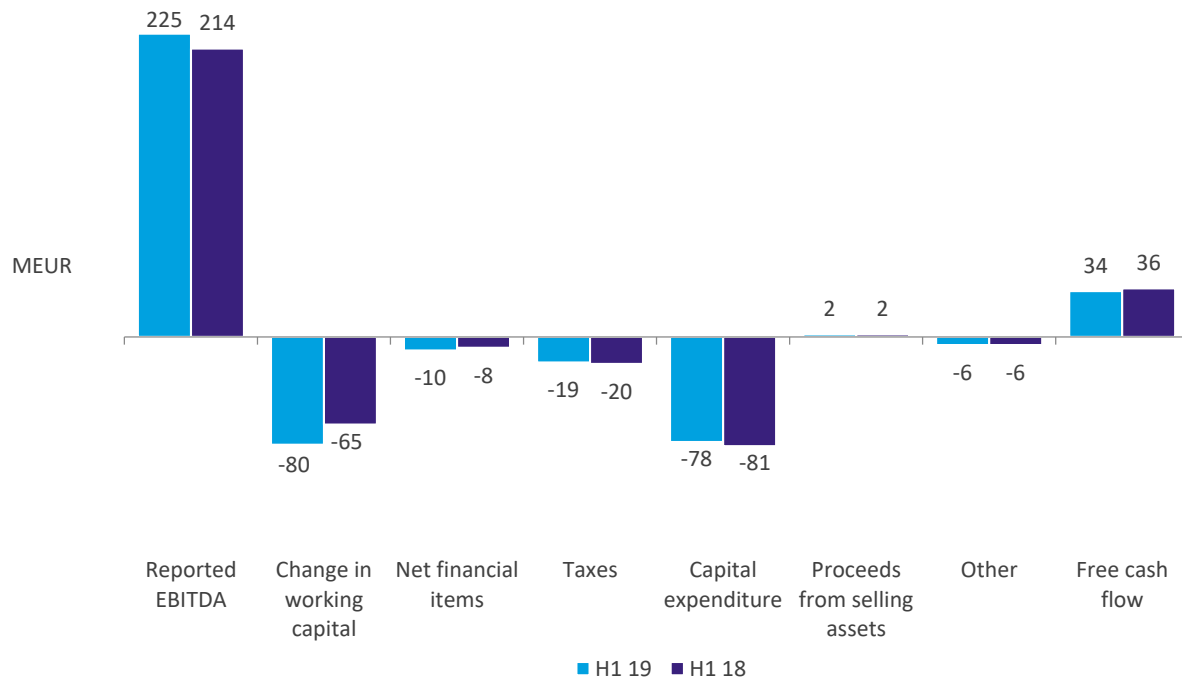
# Loan maturities

## Debt maturity structure June 30, 2019



- Average maturity 3.2 years at the end of Q2 2019 (4.1 at the end of Q2 2018)
- Unused committed credit facilities of MEUR 303 maturing in 2022

# Free cash flow



- Improved EBITDA following growth
- Strong operating cash flow improvement offset by one-time gain booked in Q2 18
- Working capital increase mainly due to high receivables following good sales
- Slightly lower capex due to timing

# Stable financial position

<i>MEUR</i>	Jun 2019	Dec 2018	Jun 2018
Total assets	<b>3,413</b>	3,240	3,265
Operating working capital	<b>662</b>	598	591
Net debt	<b>1,019</b>	928	960
Equity & non-controlling interest	<b>1,305</b>	1,267	1,211
Gearing	<b>0.78</b>	0.73	0.79
Adjusted ROI <sup>1</sup>	<b>11.5%</b>	11.6%	12.8%
Adjusted ROE <sup>1</sup>	<b>14.8%</b>	14.5%	16.3%

- Higher assets and net debt increase following growth
- Gearing slightly improved
- ROI and ROE comparison impacted by IFRS 16 implementation

# Progress towards long-term ambitions

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 <sup>1</sup>	H1 2019	Long- term ambition
Organic growth	6%	4%	4%	3%	5+%	5%	5+%
Adjusted EBITDA margin	11.6%	12.5%	13.3%	13.0%	12.8%	13.5%	14+%
Adjusted EBIT margin	7.8%	8.7%	9.4%	9.0%	8.1%	8.8%	10+%
Adjusted ROI	12.6%	14.7%	14.7%	13.6%	11.6%	11.5%	15+%
Adjusted ROE	16.1%	18.1%	17.7%	17.0%	14.5%	14.8%	18%
Capex/EBITDA	49%	43%	52%	55%	49%	35%	40%
Net debt/EBITDA	1.0	1.6	1.8	1.8	2.3	2.4	2-3
Free cash flow, MEUR	65	91	100	56	80	34.2	150
Dividend payout ratio	47%	40%	40%	42%	50%	n/a	40-50%

- Group comparable growth at the 5% ambition level
- Net sales growth and pricing actions visible in improved margins

Looking forward

# Outlook 2019

The Group's trading conditions are expected to remain relatively stable during 2019. The good financial position and ability to generate a positive cash flow will enable the Group to address profitable growth opportunities. Capital expenditure is expected to be approximately at the same level as in 2018 with the majority of the investments directed to business expansion.



# Financial calendar 2019

October 23

**Q3 2019 Interim Report**



# President and CEO Charles Héaulmé: Impressions after first 100 days

Helping great products  
reach more people,  
more easily

## Short-term risks and uncertainties

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.

# Appendices

# We're the global specialist in packaging for food and drink

Net sales

**€3.1bn**

Comparable growth

**5%**



Adjusted EBIT  
margin\*

**8.1%**

Adjusted ROI\*

**11.6%**



Our vision

**The first choice in food  
packaging**

Employees

**18,100**



Manufacturing sites

**79**

Operations in  
**35** countries



Our purpose

**Helping great products  
reach more people,  
more easily.**

# We're well positioned to deliver on our ambitions

Who we are:

Who we serve:

What we offer:

Main materials we use:

#1

**FOODSERVICE**  
packaging company  
operating globally



Paperboard

#1

**FIBER PACKAGING**  
company globally



Recycled fibers

#1

**FLEXIBLE PACKAGING**  
company in  
emerging markets



Plastic & other  
materials



# Our three business areas are organized into four reporting segments

## Foodservice packaging



### Foodservice Europe-Asia-Oceania and North America

- 40 plants on 5 continents
- 9,100 employees
- €1.9bn net sales

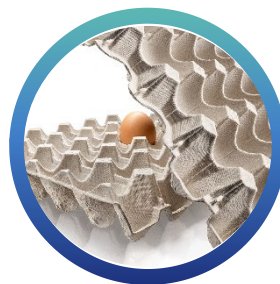
## Flexible packaging



### Flexible Packaging

- 28 plants on 3 continents
- 7,100 employees
- €952mn net sales

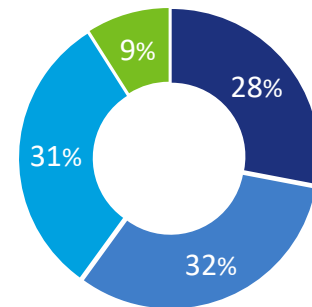
## Fiber packaging



### Fiber Packaging

- 11 plants on 4 continents
- 1,800 employees
- €283mn net sales

## Share of net sales per segment in 2018



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



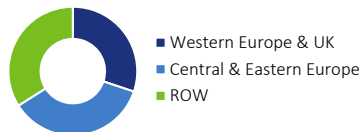
# Foodservice E-A-O: Geared for profitable growth

Foodservice paper and plastic disposable tableware, such as cups and lids, is supplied to foodservice operators, fast food restaurants and coffee shops. The segment has production in Europe, South Africa, Middle East, Asia and Oceania.

## Our products



Net sales by geography



## Our competitive advantages

- Unique footprint and leadership position
- Wide product range and scale to serve and innovate globally
- Impeccable quality and service for our customers
- Renewed innovation on sustainability challenges

## Our customers



## Market position



## Key competitors

Seda, Detpak, HK Cup, Graphic Packaging, Dart/Solo and local players

MEUR	Long-term ambition	2018*	2017	2016	2015	2014	2013	2012
Net sales		881.7	807.5	741.0	667.5	620.4	629.1	626.8
Comparable net sales growth	5-7%	4%	4%	5%	4%	4%	2%	-1%
Adjusted EBIT		77.1	70.1	63.2	52.4	57.4	46.9	38.1
Margin	9-11%	8.7%	8.7%	8.5%	7.9%	9.3%	7.5%	6.1%
Adjusted RONA	15+%	11.9%	13.0%	13.7%	14.2%	17.6%	13.9%	11.6%
Capex		57.8	53.4	46.9	39.6	33.6	16.8	21.1
Operating cash flow		53.9	57.1	38.0	35.4	41.9	55.9	39.7



## Focus areas

- Footprint expansion and optimization
- Product portfolio expansion
- Lead in innovation and sustainability
- Drive automation and layout optimization across our factories
- Pursue M&A to expand product range, geographical presence or access to channels

**Huhtamaki**

# North America: Continue on the growth path

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

## Our products



Net sales by market channel



## Our competitive advantages

- Molded fiber competence/scale
- Chinnet brand
- 21st century new cup capacity
- Ice-cream systems
- Capability for customer promotions

## Our customers



## Market position



## Key competitors

Graphic Packaging, Dart/Solo, Reynolds/Pactiv, Koch/Georgia Pacific, Novolex, Berry Plastics, Westrock, Sabert, Gen Pak, AJM, and Aspen

MEUR	Long-term ambition	2018*	2017	2016	2015	2014	2013	2012
Net sales		1,002.7	1,000.4	1,005.1	947.7	769.3	725.3	704.3
Comparable net sales growth	2-5%	5%	2%	6%	4%	6%	5%	5%
Adjusted EBIT		73.0	104.1	107.6	88.2	38.4	38.4	53.0
Margin	9-10%	7.3%	10.4%	10.7%	9.3%	5.0%	5.3%	7.5%
Adjusted RONA	11-14%	9.2%	14.2%	16.3%	14.1%	7.2%	8.0%	11.7%
Capex		62.9	97.9	97.9	40.9	36.7	66.7	31.5
Operating cash flow		19.8	31.7	40.4	61.1	18.7	-15.0	28.7



## Focus areas

- Safety
- Leading Molded Fiber – Chinnet brand
- Build out paperboard in Goodyear and Batavia
- 21st century work environment
- Build culture to attract best employees and best customers
- Positioning; positive market disruptor and alignment with brand forward customers

**Huhtamaki**

# Flexible Packaging: Strengthening our position

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

## Our products



Sales by geography



## Our competitive advantages

- Unmatched footprint in emerging markets
- Good reputation among blue-chip customers
- Global R&D knowhow to speed up innovations & commercialization
- Wide product offering
- Strong teams & resource pool in India

MEUR	Long-term ambition	2018*	2017	2016	2015	2014	2013	2012
Net sales		952.3	912.7	868.6	868.9	618.0	585.8	573.3
Comparable net sales growth	6-8%	7%	4%	-1%	3%	7%	4%	2%
Adjusted EBIT		67.8	69.7	73.8	68.8	45.5	44.0	44.6
Margin	9-11%	7.1%	7.6%	8.5%	7.9%	7.4%	7.5%	7.8%
Adjusted RONA	15+%	10.0%	10.8%	11.6%	12.3%	13.6%	13.3%	13.8%
Capex		49.7	41.1	25.7	31.6	24.7	15.6	19.8
Operating cash flow		42.2	36.6	87.9	63.5	27.8	34.8	41.4

## Our customers



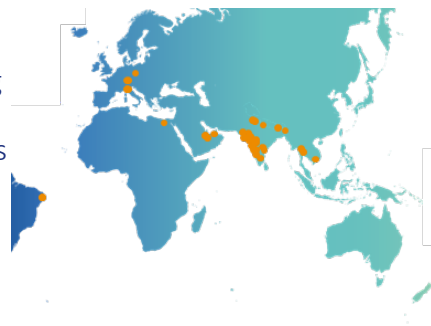
## Market position



flexible packaging company in emerging markets

## Key competitors

Amcor(/Bemis), Constantia, Sealed Air, Dai Nippon, regional and local players



## Focus areas

- Harvest full benefits of scale and our recent growth initiatives
- Continue expanding in emerging markets
- Ensure cost competitiveness and continue improvements in operational efficiency
- Develop and innovate sustainable solutions fit for the circular economy
- Build on strength in consumer convenience solutions and agility in on-demand packaging.

**Huhtamaki**

# Fiber Packaging: Focus on profitable growth to enhance our positions

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

## Our products



Sales by geography



■ Europe  
■ ROW

## Our competitive advantages

- Full control throughout the value chain from raw material sourcing to NPD
- Centralized R&D
- Sustainability knowhow
- Local service backed by global knowledge
- Strong teams and continuous knowledge sharing

## Our customers



## Market position

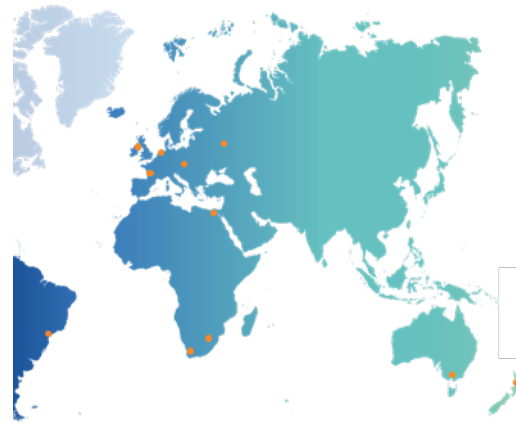


in fiber packaging globally

## Key competitors

Hartmann, Pactiv, local players, plastics manufacturers

MEUR	Long-term ambition	2018*	2017	2016	2015	2014	2013	2012
Net sales		283.0	285.1	267.8	260.3	247.0	236.3	237.3
Comparable net sales growth	5-7%	4%	5%	5%	5%	9%	6%	4%
Adjusted EBIT		31.2	28.2	34.6	33.5	35.0	29.6	26.4
Margin	13-15%	11.0%	9.9%	12.9%	12.9%	14.2%	12.5%	11.1%
Adjusted RONA	18+%	14.2%	12.8%	16.4%	17.7%	20.4%	18.2%	16.1%
Capex		23.4	22.0	27.6	34.1	27.3	18.9	14.8
Operating cash flow		25.1	20.7	16.7	9.9	17.5	21.0	25.6



## Focus areas

- Continued investments in new capacity
- Expansion of product portfolio
- Active interest in potential acquisitions
- Innovations and sustainability
- Continuous improvement: operational efficiency, cost mgmt
- Knowledge sharing

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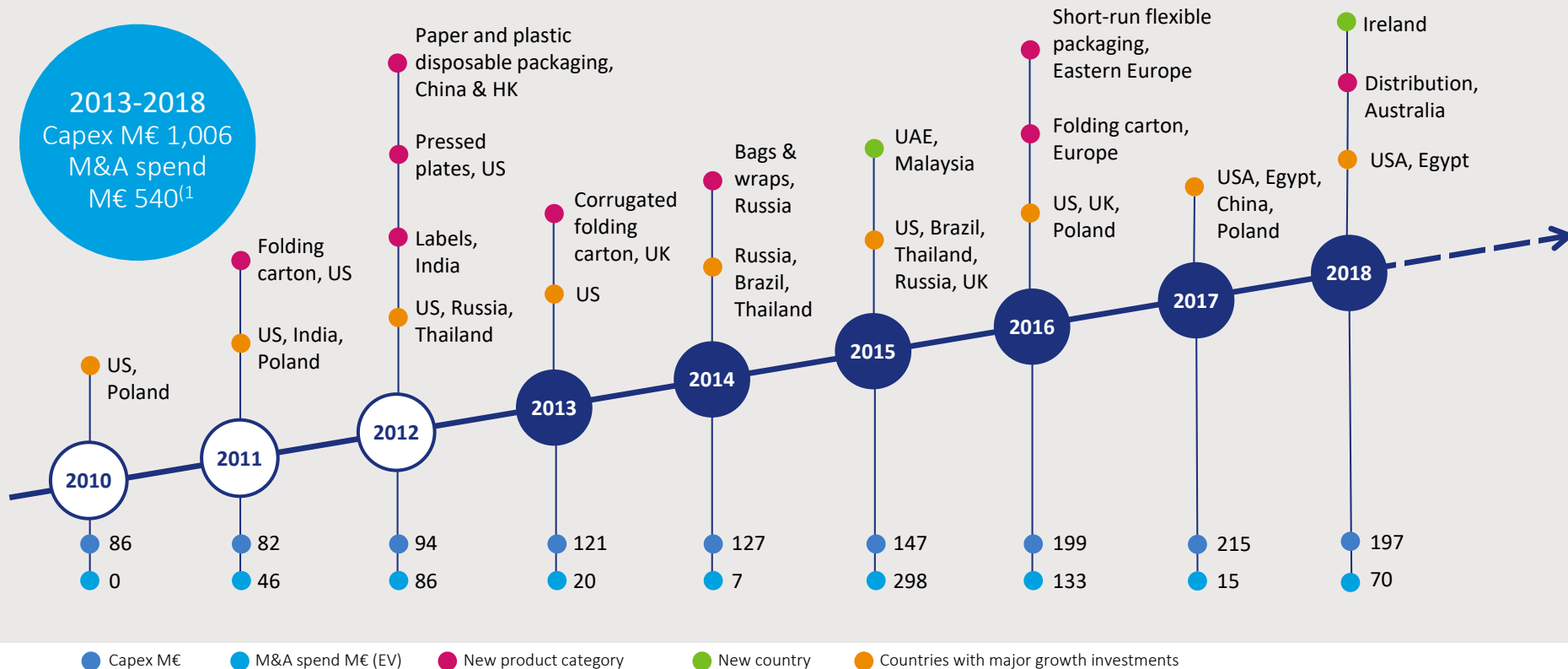
# Group financials 2009-2018

		2018 <sup>(2)</sup>	2017	2016	2015	2014 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012 <sup>(2)</sup>	2011	2010	2009
Net sales	MEUR	3,104	2,989	2,865	2,726	2,236	2,161	2,321	2,043	1,952	1,832
Comparable net sales growth <sup>(3)</sup>	%	5	3	4	4	6	3	3	5	3	-5
Adjusted EBITDA <sup>(4)</sup>	MEUR	399	390	382	342	259	242	254	208	214	193
Margin <sup>(4)</sup>	%	12.8	13.0	13.3	12.5	11.6	11.2	10.9	10.2	11.0	10.5
Adjusted EBIT <sup>(4)</sup>	MEUR	251	268	268	238	175	160	164	128	134	112
Margin <sup>(4)</sup>	%	8.1	9.0	9.4	8.7	7.8	7.4	7.0	6.2	6.9	6.1
Adjusted EPS <sup>(4)</sup>	EUR	1.69	1.90	1.83	1.65	1.24	1.17	1.19	0.87	0.92	0.57
Adjusted ROI <sup>(4)</sup>	%	11.6	13.6	14.7	14.7	12.6	12.1	12.6	9.8	12.0	9.6
Adjusted ROE <sup>(4)</sup>	%	14.5	17.0	17.7	18.1	16.1	15.8	15.8	11.0	14.5	10.1
Capex	MEUR	197	215	199	147	127	121	94	82	86	53
Free cash flow	MEUR	80	56	100	91	65	56	103	65	113	208
Gearing		0.73	0.58	0.57	0.53	0.32	0.50	0.50	0.49	0.32	0.50
Net debt to EBITDA <sup>(4)</sup>		2.3	1.8	1.8	1.6	1.0	1.6	1.6	1.9	1.2	1.7
Dividend per share	EUR	0.84	0.80	0.73	0.66	0.60	0.57	0.56	0.46	0.44	0.38

# Quarterly comparable net sales growth by business segment

	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	FY 18	FY 17	FY 16	Long-term ambition
Foodservice E-A-O	3%	4%	3%	5%	5%	5%	6%	4%	2%	3%	4%	4%	5%	5-7%
North America	13%	5%	11%	2%	2%	5%	2%	2%	1%	2%	5%	2%	6%	2-5%
Flexible Packaging	1%	5%	4%	6%	11%	6%	9%	7%	-2%	3%	7%	4%	-1%	6-8%
Fiber Packaging	7%	4%	5%	4%	3%	5%	4%	5%	8%	4%	4%	5%	5%	5-7%
Group total	6%	5%	6%	4%	6%	5%	5%	4%	1%	3%	5%	3%	4%	5+%

# Solid track record of growth investments



# 17 acquisitions completed since 2011

- Paris Packaging, Inc., US, September 2011 (North America)
- Ample Industries, Inc., US, November 2011 (North America)
- Josco (Holdings) Limited, China, April 2012 (Foodservice E-A-O)
- Winterfield, LLC, US, August 2012 (North America)
- Webtech Labels Private Limited, India, November 2012 (Flexible Packaging)
- BCP Fluted Packaging Ltd., UK, November 2013 (Foodservice E-A-O)
- Interpac Packaging Ltd., New Zealand, August 2014 (Foodservice E-A-O)
- Positive Packaging, India, January 2015 (Flexible Packaging)
- Butterworth Paper Cups, Malaysia, March 2015 (Foodservice E-A-O)
- Pure-Stat Technologies, Inc., US, July 2015 (North America)
- FIOMO a.s., Czech Republic, January 2016 (Flexible Packaging)
- Delta Print and Packaging Ltd., UK, May 2016 (Foodservice E-A-O)
- Val Pack Solutions Private Limited, India, July 2016 (Foodservice E-A-O)
- International Paper foodservice packaging units, China, September 2017 (Foodservice E-A-O)
- Tailored Packaging Pty Ltd., Australia, April 2018 (Foodservice E-A-O)
- Cup Print Unlimited Company, May 2018 (Foodservice E-A-O)
- Ajanta Packaging, India, June 2018 (Flexible Packaging)

In total approx. MEUR 671 of annual net sales acquired for MEUR 675<sup>(1)</sup>

More details per acquisition are 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/)

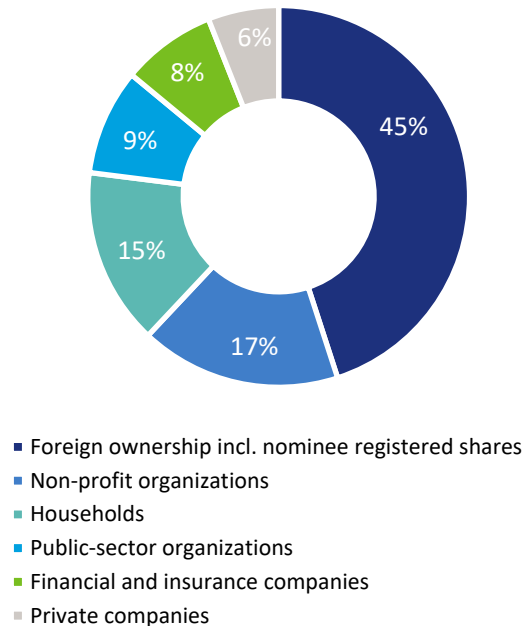




# Ownership

- 31,575 registered shareholders at the end of June 2019
- 55% of shares in domestic ownership
- 17% of shares controlled by non-profit organizations
  - Finnish Cultural Foundation a major owner since 1943, current ownership 11%
- Number of outstanding shares 107,760,385 including 3,410,709 of the Company's own shares

Shareholder distribution by sector  
June 30, 2019



# Definitions for performance measures

## Performance measures according to IFRS

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

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

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

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

## Alternative performance measures

EBITDA =

EBIT + depreciation and amortization

Net debt to equity (gearing) =

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

Return on net assets (RONA) =

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

Operating cash flow =

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

Shareholders' equity per share =

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

Return on equity (ROE) =

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

Return on investment (ROI) =

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

Comparable net sales growth =

Net sales growth excluding foreign currency changes, acquisitions and divestments

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

# 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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