

Strong net sales growth continued and profitability improved

Q3 2019 in brief

- Net sales increased 10 percent to EUR 855 million (EUR 780 million)
- Adjusted EBIT was EUR 72 million (EUR 57 million); reported EBIT was EUR 68 million (EUR 57 million)
- Adjusted EPS was EUR 0.45 (EUR 0.38); reported EPS was EUR 0.41 (EUR 0.38)
- Comparable net sales growth was 7 percent at Group level and 8 percent in emerging markets
- Currency movements had a positive impact of EUR 24 million on the Group's net sales and EUR 2 million on EBIT

Q1-Q3 2019 in brief

- Net sales increased 10 percent to EUR 2,524 million (EUR 2,291 million)
- Adjusted EBIT was EUR 218 million (EUR 189 million); reported EBIT was EUR 213 million (EUR 198 million)
- Adjusted EPS was EUR 1.40 (EUR 1.24); reported EPS was EUR 1.36 (EUR 1.32)
- Comparable net sales growth was 6 percent at Group level and 7 percent in emerging markets
- Currency movements had a positive impact of EUR 68 million on the Group's net sales and EUR 6 million on EBIT

Key figures

EUR million	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change	FY 2018
Net sales	854.9	779.8	10%	2,524.3	2,290.9	10%	3,103.6
Adjusted EBITDA ¹	113.5	94.2	20%	339.0	296.8	14%	398.7
Margin ¹	13.3%	12.1%		13.4%	13.0%		12.8%
EBITDA	108.8	94.1	16%	333.8	308.3	8%	390.3
Adjusted EBIT ²	72.3	57.2	26%	218.4	188.6	16%	251.0
Margin ²	8.5%	7.3%		8.7%	8.2%		8.1%
EBIT	67.7	57.1	19%	213.2	198.1	8%	225.5
Adjusted EPS ³	0.45	0.38	17%	1.40	1.24	13%	1.69
EPS, EUR	0.41	0.38	8%	1.36	1.32	3%	1.49
Adjusted ROI ^{2,4}				12.0%	12.3%		11.6%
Adjusted ROE ^{3,4}				15.2%	15.5%		14.5%
ROI ⁴				10.3%	12.5%		10.4%
ROE ⁴				12.8%	15.8%		12.8%
Capital expenditure	54.6	45.6	20%	132.9	126.5	5%	196.9
Free cash flow	82.9	2.1	>100%	117.1	38.6	>100%	79.6

¹ Excluding IAC of EUR -4.6 million in Q3 2019 (EUR -0.1 million), EUR -5.2 million in Q1-Q3 2019 (EUR 11.5 million) and EUR -8.4 million in FY 2018.

² Excluding IAC of EUR -4.6 million in Q3 2019 (EUR -0.1 million), EUR -5.2 million in Q1-Q3 2019 (EUR 9.4 million) and EUR -25.5 million in FY 2018.

³ Excluding IAC of EUR -3.6 million in Q3 2019 (EUR -0.0 million), EUR -4.1 million in Q1-Q3 2019 (EUR 7.6 million) and EUR -20.6 million in FY 2018.

⁴ ROI and ROE for Q1-Q3 2018 have not been restated for IFRS 16 impact.

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2018. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) as well as net debt to EBITDA presented in this report are calculated on a 12-month rolling basis.

IFRS 16 Leases standard has been adopted as of January 1, 2019 using full retrospective transition method. The financial information for 2018 has been restated except for key figures ROI, ROE, RONA and net debt to EBITDA for periods Q1 2018, Q2 2018 and Q3 2018. For more information see the notes.

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

Charles Héaulmé, President and CEO:

“Our growth continued to be strong in the third quarter of 2019. Net sales increased 10 percent to EUR 855 million with the comparable net sales growth at 7 percent. In the emerging markets our growth continued strong at 8 percent. We had some tailwinds from currencies during the quarter as the translation impact on net sales was 3 percent.

During the quarter, we continued to improve our profitability. Our adjusted EBIT increased 26 percent to EUR 72 million, and the corresponding margin improved to 8.5 percent. Adjusted EBIT increased significantly in the North America segment and strongly in the Flexible Packaging and Foodservice Europe-Asia-Oceania segments. Overall, the improvement in profitability is a result of the actions we took in late 2018 to improve pricing and efficiency.

We continue to develop and deploy our portfolio of sustainable packaging. Fresh, the fiber-based ready meal tray, has been well received. The pilots that have taken place in Waitrose stores in the UK have showed that there is a strong customer and consumer interest for Fresh and the product performs well through the supply chain. Huhtamaki’s first industrial-scale Fresh manufacturing line will start operations during the fourth quarter of 2019, in Lurgan, Northern Ireland. Our two other recent new launches, the Huhtamaki blueloop concept for recyclable flexible packaging and our paper straws, also progressed well during the quarter.

At the end of the quarter we announced two acquisitions that support our growth in the developing markets. One of the flexible packaging manufacturers is located in South Africa and the other in India. Following the acquisitions, we expand our flexible packaging manufacturing footprint into South Africa and are able to speed up our growth in India by improving our capability to serve the customers in the southern parts of the country.”

Financial review Q3 2019

The Group's net sales growth was strong during the quarter, especially in the North America segment. Comparable net sales growth was strong at 7 percent, supported by all segments. Growth in emerging markets was 8 percent. The Group's net sales increased 10 percent to EUR 855 million (EUR 780 million). Foreign currency translation impact on the Group's net sales was EUR 24 million (EUR -9 million) compared to 2018 exchange rates. The majority of the positive impact came from the US Dollar.

Net sales by business segment

EUR million	Q3 2019	Q3 2018	Change	Of Group in Q3 2019
Foodservice Europe-Asia-Oceania	242.4	229.9	5%	28%
North America	287.0	242.3	18%	33%
Flexible Packaging	260.7	242.4	8%	30%
Fiber Packaging	68.2	69.1	-1%	8%
Elimination of internal sales	-3.4	-4.0		
Group	854.9	779.8	10%	

Comparable net sales growth by business segment

	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Foodservice Europe-Asia-Oceania	4%	3%	4%	3%
North America	14%	13%	5%	11%
Flexible Packaging	4%	1%	5%	4%
Fiber Packaging	7%	7%	4%	5%
Group	7%	6%	5%	6%

The Group's adjusted EBIT improved significantly, and profitability was at a good level. Earnings growth was driven by operational improvement in all businesses. Earnings improved significantly in the North America segment as a result of the pricing actions taken in the second half of 2018, higher sales volumes, a moderation in distribution costs and good operational efficiency. Earnings improved significantly in the Flexible Packaging segment, driven by an improvement in the emerging markets. The Group's adjusted EBIT was EUR 72 million (EUR 57 million) and reported EBIT EUR 68 million (EUR 57 million). Foreign currency translation impact on the Group's earnings was EUR 2 million (EUR 0 million).

Adjusted EBIT by business segment

EUR million	Q3 2019	Q3 2018	Change	Of Group in Q3 2019
Foodservice Europe-Asia-Oceania ¹	22.7	19.1	19%	30%
North America ²	25.3	14.7	73%	33%
Flexible Packaging ³	20.6	15.1	36%	27%
Fiber Packaging ⁴	7.1	7.1	1%	9%
Other activities ⁵	-3.4	1.3		
Group	72.3	57.2	26%	

¹ Excluding IAC of EUR -0.1 million in Q3 2019 (no IAC in Q3 2018)

² Excluding IAC of EUR -3.0 million in Q3 2019 (no IAC in Q3 2018)

³ Excluding IAC of EUR -0.1 million in Q3 2019 (EUR 0.0 million)

⁴ Excluding IAC of EUR -1.0 million in Q3 2019 (no IAC in Q3 2018)

⁵ Excluding IAC of EUR -0.4 million in Q3 2019 (EUR -0.1 million)

Adjusted EBIT excludes EUR -4.6 million (EUR -0.1 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q3 2019	Q3 2018
Adjusted EBIT	72.3	57.2
Losses from fire incidents	-4.0	-
Acquisition related costs	-0.6	-0.4
Restructuring costs including write-downs of related assets	-	0.3
Gains relating to sale of trademark portfolio	-	-
EBIT	67.7	57.1

Net financial expenses were EUR 7 million (EUR 8 million). Tax expense was EUR 15 million (EUR 10 million).

Profit for the quarter was EUR 46 million (EUR 39 million). Adjusted earnings per share (EPS) were EUR 0.45 and reported EPS EUR 0.41 (adjusted and reported EPS EUR 0.38). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -3.6 million (EUR -0.0 million) of IAC.

Adjusted EPS and IAC

EUR million	Q3 2019	Q3 2018
Adjusted profit for the period attributable to equity holders of the parent company	46.9	40.0
IAC excluded from adjusted EBIT	-4.6	-0.1
Taxes related to IAC	1.1	0.1
Profit for the period attributable to equity holders of the parent company	43.3	39.9

Financial review Q1-Q3 2019

The Group's net sales growth was strong during the reporting period, with all business segments contributing. Growth was strongest in the North America segment. Comparable net sales growth was strong at 6 percent, led by the North America segment. Growth in emerging markets was 7 percent. The Group's net sales increased 10 percent to EUR 2,524 million (EUR 2,291 million). Foreign currency translation impact on the Group's net sales was EUR 68 million (EUR -117 million) compared to 2018 exchange rates. The majority of the positive impact came from the US Dollar.

Net sales by business segment

EUR million	Q1-Q3 2019	Q1-Q3 2018	Change	Of Group in Q1-Q3 2019
Foodservice Europe-Asia-Oceania	711.4	650.2	9%	28%
North America	849.0	726.1	17%	33%
Flexible Packaging	761.3	716.8	6%	30%
Fiber Packaging	217.3	210.2	3%	9%
Elimination of internal sales	-14.7	-12.3		
Group	2,524.3	2,290.9	10%	

The Group's adjusted EBIT improved significantly, and profitability was solid. Earnings improved significantly in the North America and Flexible Packaging segments. Earnings declined in the Fiber Packaging segment due to development and commercialization costs of the Fresh ready meal tray. The Group's adjusted EBIT was EUR 218 million (EUR 189 million) and reported EBIT EUR 213 million (EUR 198 million). Foreign currency translation impact on the Group's earnings was EUR 6 million (EUR -9 million).

Adjusted EBIT by business segment

EUR million	Q1-Q3 2019	Q1-Q3 2018	Change	Of Group in Q1-Q3 2019
Foodservice Europe-Asia-Oceania ¹	64.7	59.1	9%	28%
North America ²	78.3	53.6	46%	34%
Flexible Packaging ³	63.8	50.9	25%	28%
Fiber Packaging ⁴	21.6	22.5	-4%	9%
Other activities ⁵	-10.0	2.6		
Group	218.4	188.6	16%	

¹ Excluding IAC of EUR -0.3 million in Q1-Q3 2019 (EUR -1.3 million)

² Excluding IAC of EUR -3.0 million in Q1-Q3 2019 (no IAC in Q1-Q3 2018)

³ Excluding IAC of EUR -0.1 million in Q1-Q3 2019 (EUR -1.5 million)

⁴ Excluding IAC of EUR -1.0 million in Q1-Q3 2019 (EUR -0.6 million)

⁵ Excluding IAC of EUR -0.8 million in Q1-Q3 2019 (EUR 12.8 million)

Adjusted EBIT excludes EUR -5.2 million (EUR 9.4 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q1-Q3 2019	Q1-Q3 2018
Adjusted EBIT	218.4	188.6
Losses from fire incidents	-4.0	-
Acquisition related costs	-1.2	-1.6
Restructuring costs including write-downs of related assets	-	-3.2
Gains relating to sale of trademark portfolio	-	14.2
EBIT	213.2	198.1

Net financial expenses were EUR 23 million (EUR 23 million). Tax expense was EUR 43 million (EUR 37 million). The corresponding tax rate was 23 percent (21 percent).

Profit for the period was EUR 148 million (EUR 138 million). Adjusted earnings per share (EPS) were EUR 1.40 (EUR 1.24) and reported EPS EUR 1.36 (EUR 1.32). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -4.1 million (EUR 7.6 million) of IAC.

Adjusted EPS and IAC

EUR million	Q1-Q3 2019	Q1-Q3 2018
Adjusted profit for the period attributable to equity holders of the parent company	146.0	129.6
IAC excluded from adjusted EBIT	-5.2	9.4
Taxes related to IAC	1.2	-1.8
Profit for the period attributable to equity holders of the parent company	141.9	137.2

Statement of financial position and cash flow

The Group's net debt decreased, primarily due to improved working capital. At the end of September, net debt was EUR 944 million (EUR 958 million). The level of net debt corresponds to a gearing ratio of 0.68 (0.78). Net debt to EBITDA ratio (excluding IAC) was 2.1 (2.2). Average maturity of external committed credit facilities and loans was 3.0 years (3.9 years).

Cash and cash equivalents were EUR 128 million (EUR 79 million) at the end of September and the Group had EUR 299 million (EUR 306 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 3,473 million (EUR 3,194 million).

Capital expenditure was EUR 133 million (EUR 127 million). The largest investments for business expansion were made in the U.S., the UK and Russia. The Group's free cash flow was EUR 117 million (EUR 39 million).

Significant events during the reporting period

On March 7, 2019 the European Commission announced that it has opened an investigation into Luxembourg tax practices, in particular Huhtamaki tax rulings from the years 2009, 2012 and 2013. The investigation is not targeted at Huhtamaki and Huhtamaki has not been approached by the European Commission.

On July 11, 2019 the General Court of the European Union announced that it has dismissed Huhtamaki's appeal against the European Commission's decision on anticompetitive behavior. In June 2015 the European Commission announced that it had found certain of Huhtamaki's former operations to have been involved in anticompetitive practices during years 2000-2006 and imposed a EUR 15.6 million fine on Huhtamaki. The fine and legal costs of EUR 2.7 million were recognized as a non-recurring expense in the Group's Q2 2015 result and the payment of fine was made during Q3 2015.

Business review by segment

Foodservice Europe-Asia-Oceania

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

EUR million	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change	FY 2018
Net sales	242.4	229.9	5%	711.4	650.2	9%	881.7
Adjusted EBIT ¹	22.7	19.1	19%	64.7	59.1	9%	77.1
Margin ¹	9.4%	8.3%		9.1%	9.1%		8.7%
Adjusted RONA ¹				11.4%	13.1%		11.9%
Capital expenditure	19.8	14.1	40%	48.7	37.9	29%	57.8
Operating cash flow	21.1	13.3	59%	44.5	35.0	27%	53.9
Items affecting comparability (IAC)	-0.1	-		-0.3	-1.3		-13.3

¹Excluding IAC. RONA for Q1-Q3 2018 has not been restated for IFRS 16 impact.

Q3 2019

Demand for foodservice packaging continued to be relatively stable across markets, especially in the fast food sector. Preference for fiber-based packaging over plastics continued. Paperboard prices were stable during the quarter, while polymer prices were lower than in Q3 2018.

Net sales growth in the Foodservice Europe-Asia-Oceania segment was solid. Comparable net sales growth was 4 percent. Growth was strongest in Middle East and Africa, and Europe, driven by continued good progress in the fast food sector.

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

The segment's adjusted EBIT increased due to improved operational efficiency. Profitability was further supported by stable paperboard prices and lower polymer prices.

There was no significant foreign currency impact on the segment's reported earnings.

Q1-Q3 2019

Demand for foodservice packaging was relatively stable, especially in Europe. Increased demand for sustainable packaging supported demand for paperboard products. Raw material prices were relatively stable, with plastic resin prices decreasing towards the latter part of the reporting period.

Net sales growth in the Foodservice Europe-Asia-Oceania segment was solid, driven by contribution from the businesses acquired during Q2 2018. Comparable net sales growth was 4 percent. Growth was strongest in Eastern Europe, and Middle East and Africa. The businesses acquired during the second quarter of 2018 contributed EUR 70 million to the segment's net sales. Tailored Packaging in Australia has been reported as part of the Foodservice Europe-Asia-Oceania segment as of May 1, 2018 and CupPrint in Ireland as of June 1, 2018.

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

The segment's adjusted EBIT increased as a result of net sales growth and earlier implemented price increases and efficiency measures. Earnings development was further supported by stable or slightly decreasing raw material prices. Additionally, the businesses acquired during Q2 2018 had a positive contribution to the segment's earnings.

There was no significant foreign currency impact on the segment's reported earnings.

North America

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

EUR million	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change	FY 2018
Net sales	287.0	242.3	18%	849.0	726.1	17%	1,002.7
Adjusted EBIT ¹	25.3	14.7	73%	78.3	53.6	46%	73.0
Margin ¹	8.8%	6.1%		9.2%	7.4%		7.3%
Adjusted RONA ¹				11.5%	10.8%		9.2%
Capital expenditure	14.6	12.6	16%	38.7	42.6	-9%	62.9
Operating cash flow	43.5	-3.1	>100%	80.6	-1.8	>100%	19.8
Items affecting comparability (IAC)	-3.0	-		-3.0	-		-10.7

¹ Excluding IAC. RONA for Q1-Q3 2018 has not been restated for IFRS 16 impact.

Q3 2019

Demand for retail tableware continued to be solid. Demand for foodservice packaging continued to be moderate while demand for ice cream packaging was flat. The labor market continued to be tight while distribution costs decreased from Q3 2018.

Net sales growth in the North America segment was strong, supported by all businesses. Net sales increased due to volume growth but also following the pricing actions taken in the second half of 2018. In 2018, some net sales moved from Q3 to Q4 due to timing of customer call-offs. During Q3 2019, comparable net sales growth was 14 percent. Net sales growth was strongest within retail tableware products.

The impact of currency movements on the segment's reported net sales was EUR 13 million.

The segment's adjusted EBIT increased significantly, and profitability was strong. Earnings improved as a result of the pricing actions taken in the second half of 2018, higher sales volumes, and a moderation in distribution costs. Earnings growth was further supported by good operational efficiency.

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

Q1-Q3 2019

Demand for private label tableware was strong throughout the period, while demand for foodservice packaging was moderate. Demand for ice cream packaging moderated. The labor market remained tight.

Net sales growth in the North America segment was very strong, with comparable net sales growth at 11 percent. Net sales increased due to good volume development and pricing actions. Growth in net sales was strongest within retail tableware products.

The impact of currency movements on the segment's reported net sales was EUR 51 million.

The segment's adjusted EBIT increased significantly, and profitability was strong. Earnings improved as a result of pricing actions, higher sales volumes, and a moderation in distribution costs. Earnings growth has been further supported by good operational efficiency.

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

Flexible Packaging

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

EUR million	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change	FY 2018
Net sales	260.7	242.4	8%	761.3	716.8	6%	952.3
Adjusted EBIT ¹	20.6	15.1	36%	63.8	50.9	25%	67.8
Margin ¹	7.9%	6.2%		8.4%	7.1%		7.1%
Adjusted RONA ¹				11.1%	10.6%		10.0%
Capital expenditure	9.9	13.5	-27%	29.2	33.7	-13%	49.7
Operating cash flow	23.6	2.9	>100%	39.4	24.8	59%	42.2
Items affecting comparability (IAC)	-0.1	0.0		-0.1	-1.5		-9.7

¹ Excluding IAC. RONA for Q1-Q3 2018 has not been restated for IFRS 16 impact.

Q3 2019

Demand for flexible packaging continued to be good across most markets, with Europe being an exception. Raw material prices were stable and the tight competitive situation in Southeast Asia continued.

Net sales growth in the Flexible Packaging segment was strong at 8 percent. Comparable net sales growth was, mainly due to currencies, moderate at 4 percent. Growth was driven by emerging markets and moderated by Europe. Growth in India was mainly driven by exports and the decline in Europe was primarily due to continued soft demand for packaging in the food & beverage category. The new unit in Egypt, inaugurated in April 2019, contributed positively to the segment's net sales growth.

The impact of currency movements on the segment's reported net sales was EUR 8 million.

The segment's adjusted EBIT improved significantly, and the segment's profitability was moderate. Earnings growth was driven mainly by continued positive development in India, resulting from successful pricing activity and improved product mix. Earnings improved also in Southeast Asia, and Middle East and Africa, but declined in Europe. The earnings decline in Europe was mainly due to low net sales.

There was no significant foreign currency impact on the segment's reported earnings.

Q1-Q3 2019

Demand for flexible packaging was good across most markets, except in Europe. Prices of plastic resins decreased during the beginning of the reporting period. The competitive situation was tight especially in Southeast Asia. Pressures related to environmental sustainability of flexible packaging intensified.

Net sales growth in the Flexible Packaging segment was solid at 6 percent. Comparable net sales growth was, mainly due to currencies, moderate at 3 percent. Net sales increased in India, Southeast Asia, and Middle East and Africa, but decreased in Europe. The decrease in Europe was primarily due to soft demand for packaging in the food & beverage category.

During the second quarter of 2019, the Flexible Packaging segment launched Huhtamaki blueloop: an umbrella concept for recyclable flexible packaging. Commercial deliveries of recyclable laminates for shampoo began during the second quarter of the year and solutions for other product groups are expected to be commercialized by the end of the year.

The impact of currency movements on the segment's reported net sales was EUR 15 million.

The segment's adjusted EBIT improved significantly, and the segment's profitability was solid. The positive earnings development in India supported the segment's earnings growth.

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

Fiber Packaging

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

EUR million	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change	FY 2018
Net sales	68.2	69.1	-1%	217.3	210.2	3%	283.0
Adjusted EBIT ¹	7.1	7.1	1%	21.6	22.5	-4%	31.2
Margin ¹	10.4%	10.2%		9.9%	10.7%		11.0%
Adjusted RONA ¹				13.3%	12.9%		14.2%
Capital expenditure	10.1	4.7	>100%	15.8	9.8	62%	23.4
Operating cash flow	1.1	2.4	-55%	14.6	20.9	-30%	25.1
Items affecting comparability (IAC)	-1.0	-		-1.0	-0.6		-2.1

¹ Excluding IAC. RONA for Q1-Q3 2018 has not been restated for IFRS 16 impact.

Q3 2019

Demand for fiber-based packaging was generally solid, with strong demand for egg cartons especially in Europe and Russia. The fruit packaging market continued to develop favorably in South Africa, fueled by a continued replacement of plastic fruit packaging by the UK retail chains. Demand for egg packaging in Oceania decreased due to an overall lack of eggs in the market. Prices of recycled fiber were lower than in the comparison period while energy prices increased.

Net sales growth in the Fiber Packaging segment was -1 percent while comparable growth was solid at 7 percent. Net sales increased in Eastern Europe and South Africa. Net sales growth in Australia was supported by new capacity installed during late 2018.

There was no significant foreign currency impact on the segment's reported net sales.

The segment's adjusted EBIT remained flat. Profitability was moderate as the improved operational performance across units was not sufficient to fully offset the development and commercialization costs of the Fresh ready meal tray.

There was no significant foreign currency impact on the segment's reported earnings.

Q1-Q3 2019

Demand for fiber-based packaging was solid across most markets. Demand was strong especially in Russia, while the economic conditions have had a negative impact on demand in Brazil. Prices of recycled fiber declined while energy prices have remained at a high level.

Net sales growth in the Fiber Packaging segment was 3 percent while comparable growth was good at 6 percent. Growth was strongest in Central Europe, Oceania and Russia.

There was no significant foreign currency impact on the segment's reported net sales.

The segment's adjusted EBIT declined as the improved operational performance across units was not sufficient to fully cover the development and commercialization costs of the Fresh ready meal tray.

There was no significant foreign currency impact on the segment's reported earnings.

Personnel

The Group had a total of 18,125 (18,098) employees at the end of September 2019. The number of employees by segment was the following: Foodservice Europe-Asia-Oceania 4,866 (5,010), North America 4,187 (3,920), Flexible Packaging 7,205 (7,340), Fiber Packaging 1,784 (1,749), and Other activities, including global functions in Finland 83 (79).

Changes in management

Michael Orye (46), Executive Vice President, Fiber Packaging and a member of the Global Executive Team decided to leave Huhtamaki on July 22, 2019. Eric Le Lay, Executive Vice President, Foodservice Europe-Asia-Oceania, and a member of the Global Executive Team, assumed the leadership of Fiber Packaging in addition to his previous role.

Charles Héaulmé (52) started as President and CEO of Huhtamäki Oyj, and Chairman of the Global Executive Team, on April 26, 2019.

Share capital and shareholders

At the end of September 2019, the registered share capital of Huhtamäki Oyj ("the Company") was EUR 366 million (EUR 366 million) corresponding to a total number of shares of 107,760,385 (107,760,385), including 3,410,709 (3,425,709) shares owned by the Company. Own shares represent 3.2 percent (3.2%) of the total number of shares and votes. The number of outstanding shares excluding the Company's own shares was 104,349,676 (104,334,676). The average number of outstanding shares used in EPS calculations was 104,343,357 (104,263,519), excluding the Company's own shares.

There were 31,390 (31,630) registered shareholders at the end of September 2019. Foreign ownership including nominee registered shares accounted for 46 percent (46%).

Share trading

During January-September 2019, the Company's shares were quoted on Nasdaq Helsinki Ltd on the Nordic Large Cap list under the Industrials sector. It was a component of the Nasdaq Helsinki 25 Index.

At the end of September 2019, the Company's market capitalization was EUR 3,817 million (EUR 2,881 million) excluding the Company's own shares. With a closing price of EUR 36.58 (EUR 27.61) the share price increased 35 percent from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 33.12. The highest price paid was EUR 37.76 and the lowest was EUR 26.81.

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,385 million (EUR 1,836 million). The trading volume of approximately 42 million (56 million) shares equaled an average daily turnover of 221,811 (297,237) shares. Huhtamaki's share is also traded on multiple alternative trading venues such as Chi-X, BATS, London and Turquoise. During the reporting period, a total number 30 million (47 million) shares were traded on these alternative markets. (Source: Euroland)

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.

Outlook for 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 reporting in 2020

In 2020, Huhtamaki will publish financial information as follows:

Results 2019	February 13
Interim Report, January 1–March 31, 2020	April 29
Half-yearly Report, January 1–June 30, 2020	July 23
Interim Report, January 1–September 30, 2020	October 22

Annual Accounts 2019 will be published on week 10.

Huhtamäki Oyj's Annual General Meeting is planned to be held on April 29, 2020.

Espoo, October 22, 2019

Huhtamäki Oyj
Board of Directors