

Strong net sales growth and solid profitability in a challenging market

Results 2021

Thomas Geust
Deputy CEO

Huhtamaki

Our operating environment



Delivering on our transformation, in 2021's challenging environment

- **Strong growth** – driven by positive impact of acquisitions, pricing actions and recovery of food service
- **Challenging environment** - caused by supply chain disruption leading to extraordinary inflation
- **Innovation pipeline**- launched breakthrough innovations
- **Two acquisitions completed** – extending our capabilities and footprint in emerging markets
- **Sustainability remains key focus** - SBT's validated, Global Sustainability Index launched and improved ratings in 3 key ESG Ratings: EcoVadis, CDP and S&P's CSA

Interim Q1 operating structure put in place to cover leave of absence of Charles Héaulmé



In 2021, our strong innovation pipeline delivered sustainable packaging solutions for our customers



McDonald's Sundae cup and cold cup lid

Fiber Foodservice EAO



Paperboard yogurt cup

North America



Push Tab® paper

Flexible Packaging



Home Delivery Range



Smilepack egg carton



Futuro egg carton



Savaday® molded fiber cafeteria trays



Sustainably Sourced Material for Danone



Huhtamaki Sipp Straw



Next Generation Tube Laminates



ElifNatty & ElifProLite



Food safe recycled plastic wet petfood packaging with Mars & SABIC

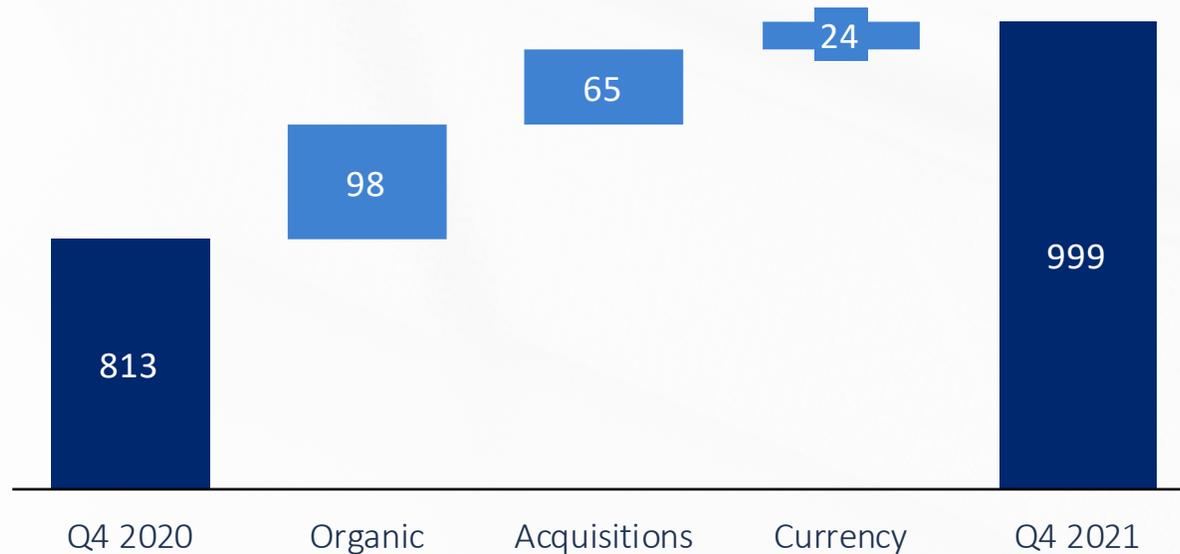
Business performance



Huhtamaki

Q4 2021: Strong comparable net sales growth

Development of net sales in Q4 2021
(EUR million)



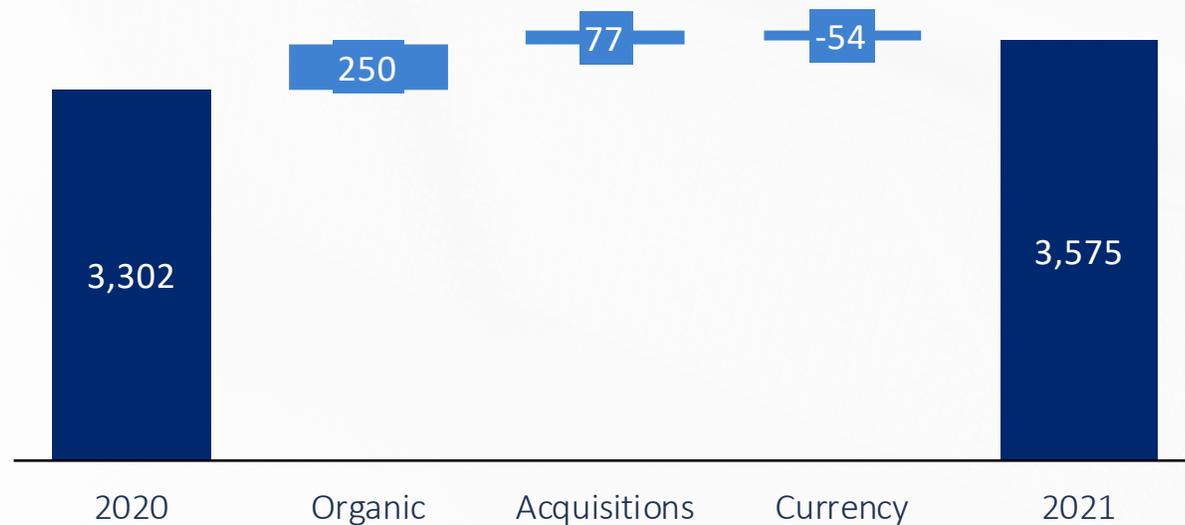
Net sales increased 23% in Q4 2021

- Comparable net sales growth 12% (19% in emerging markets)
- 8% from acquisitions – including Elif and Hihio-Art acquisitions
- 3% positive currency impact

Comparable net sales growth is growth excluding foreign currency changes, acquisitions, divestments and ancillary businesses. Acquisitions calculated for 12 first months from closing. The acquisition of Elif closed at the end of Q3 2021.

FY 2021: Strong comparable net sales growth

Development of net sales in 2021
(EUR million)



Net sales increased 8% in 2021

- Comparable net sales growth 7% (13% in emerging markets)
- 2% from acquisitions – including Elif and Hihio-Art acquisitions
- -2% negative currency impact

Comparable net sales growth is growth excluding foreign currency changes, acquisitions, divestments and ancillary businesses. Acquisitions calculated for 12 first months from closing. The acquisition of Elif closed at the end of Q3 2021.

Growth driven by continued in-home consumption supported by recovery in foodservice categories

<i>Comparable growth</i>	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	2020	2021	Long-term ambitions
Foodservice E-A-O	-7%	-2%	40%	2%	12%	-10%	11%	5-7%
North America	-2%	-2%	9%	5%	11%	1%	6%	3-5%
Flexible Packaging	-0%	0%	6%	7%	12%	1%	7%	6-8%
Fiber Packaging	8%	4%	1%	2%	2%	9%	2%	3-5%
Group	-2%	-0%	14%	4%	12%	-2%	7%	5+%

- Demand in foodservice packaging improved gradually, as restrictions lifted, and remained resilient
- Demand for retail tableware remained strong, and ice cream market relatively stable
- Good demand for Flexible Packaging throughout the year, with variation between product categories and markets
- Continued increased demand for on-the-go products, while demand for egg packaging softened

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

Growth in Q4 accelerated - boosted by acquisitions and pricing to offset cost inflation

<i>MEUR</i>	Q4 21	Q4 20	Change	2021	2020	Change
Net sales	999.5	812.8	23%	3,574.9	3,301.8	8%
Adjusted EBIT ¹	82.2	72.8	13%	315.3	302.1	4%
<i>Margin</i>	8.2%	9.0%		8.8%	9.1%	
Adjusted EPS, EUR ²	0.54	0.48	13%	2.07	1.95	6%
Capital expenditure	112.2	103.2	9%	259.4	223.5	16%

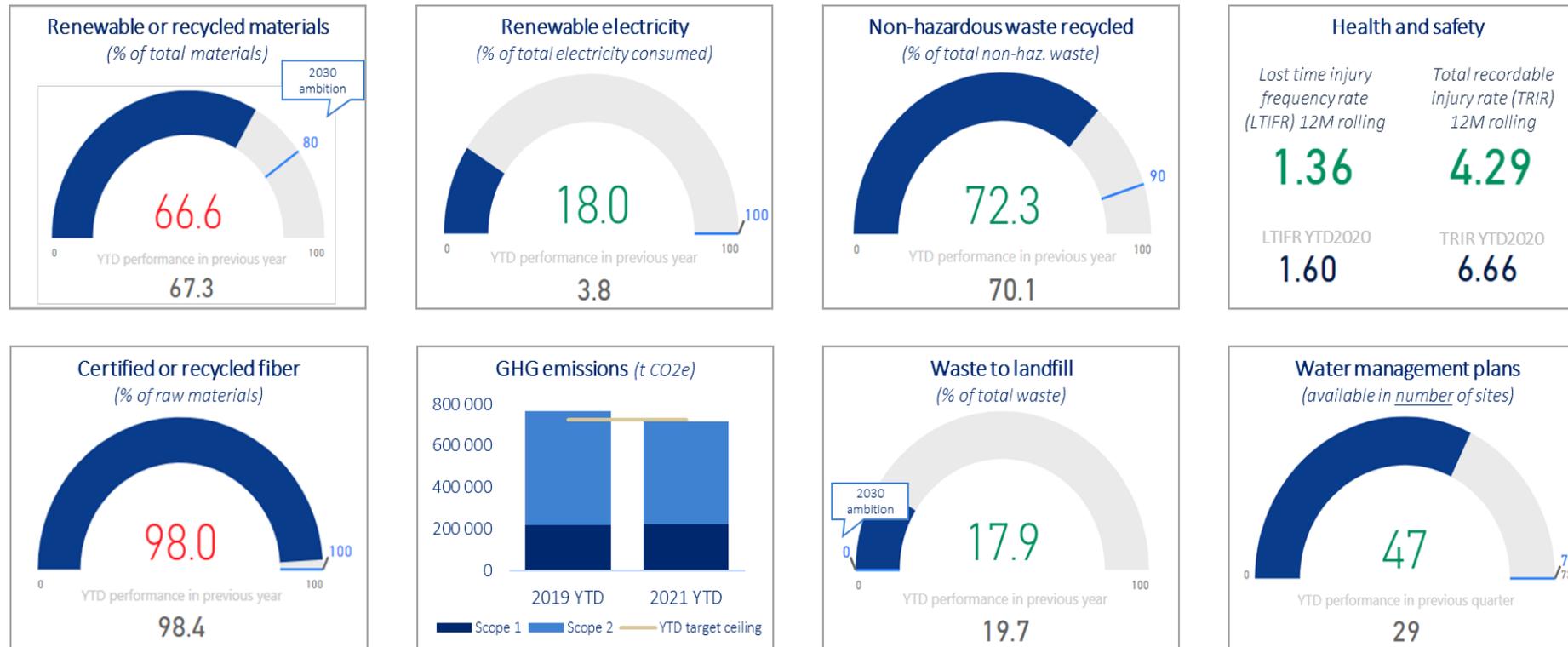
- Strong net sales growth, both reported and comparable
- Adjusted EBIT improved, margin impacted by pricing activities and higher input costs
- Adjusted EPS increased 6% in 2021
- Investment activities continued to enable business expansion, portfolio transformation and improved productivity

1) Excluding IAC of EUR 2.3 million in Q4 2021 (EUR -24.9 million) and EUR -19.3 million in 21 (EUR -36.8 million).

2) Excluding IAC of EUR 1.1 million in Q4 2021 (EUR -19.3 million) and EUR -17.1 million in 21 (EUR -26.2 million).

Embedding sustainability in everything we do – 2021 Highlights

2021 Full Year performance



Other highlights

- Good performance on ESG ratings; improvement on S&P Global CSA, Ecovadis, CDP's water, climate and forest assessments
- First European VPPA signed with 200GWh of new renewable electricity annually (80% of EU consumption)
- Sustainability, as part of standard incentive structure, for the Global Executive Team rolled-out

Reporting aligned with SASB standards, TCFD and EU taxonomy

Business segment review



Foodservice EAO: Continued recovery throughout the year

Key figures, MEUR	Q4 21	Q4 20	Change
Net sales	254.0	213.5	19%
Comparable growth	12%	-7%	
Adjusted EBIT ¹	19.5	15.5	25%
Margin	7.7%	7.3%	
Capital expenditure	40.5	31.6	28%
Operating cash flow ¹	-31.0	11.7	<-100%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	2021	2020	Change
Net sales	941.8	829.1	14%
Comparable growth	11%	-10%	
Adjusted EBIT ¹	77.8	60.9	28%
Margin	8.3%	7.3%	
Adjusted RONA	9.2%	7.7%	
Capital expenditure	85.0	78.7	8%
Operating cash flow ¹	8.9	41.6	-79%

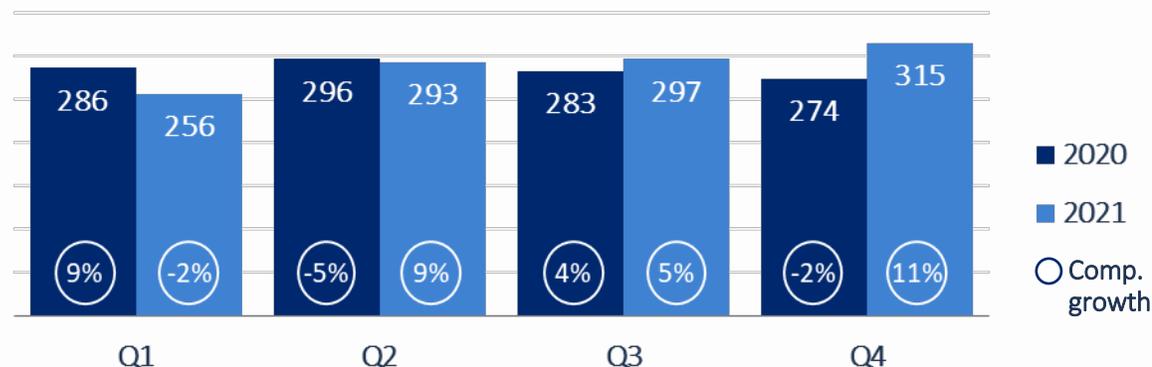
- Continued recovery in demand, with variations between markets and product categories
- Net sales increased in all main markets, driven mainly by food delivery products
- Full year adjusted EBIT margin well above previous year, however continued to be burdened by escalating input and distribution costs

1) Excluding IAC of EUR 7.1 million in Q4 2021 (EUR -10.5 million) and EUR 0.8 million in 2021 (EUR -30.0 million).

North America: Strong performance despite increasingly inflationary environment

Key figures, MEUR	Q4 21	Q4 20	Change
Net sales	314.7	274.0	15%
Comparable growth	11%	-2%	
Adjusted EBIT ¹	33.9	32.2	5%
Margin	10.8%	11.8%	
Capital expenditure	36.2	35.9	1%
Operating cash flow ¹	24.4	22.1	10%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	2021	2020	Change
Net sales	1,160.3	1,138.9	2%
Comparable growth	6%	1%	
Adjusted EBIT ¹	139.1	136.6	2%
Margin	12.0%	12.0%	
Adjusted RONA	17.5%	16.8%	
Capital expenditure	70.6	71.7	-2%
Operating cash flow ¹	117.0	150.1	-22%

- Demand improved following easing of restrictions, particularly related to schools, offices and stadiums. While good demand continued in other key categories
- Raw material and freight availability leading to price challenges continued to accelerate in Q4
- Full year adjusted EBIT margin remained at previous year's level, supported by pricing actions and offset by higher raw material prices and distribution costs

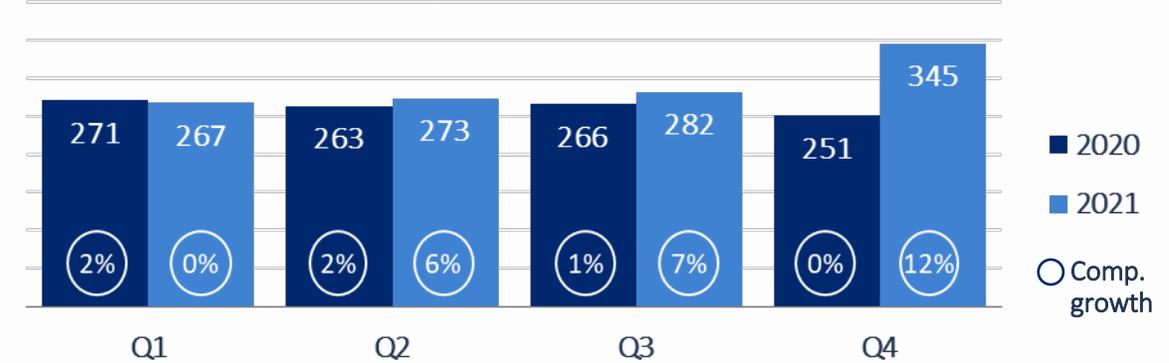
1) Excluding IAC of EUR -1.1 million in Q4 2021 (EUR 0.1 million) and EUR -1.9 million in 2021 (EUR -6.5 million).

Flexible Packaging: Strong growth, supported by Elif acquisition – slight improvement in cost mitigation in Q4

Key figures, MEUR

	Q4 21	Q4 20	Change
Net sales	344.8	250.8	38%
Comparable growth	12%	-0%	
Adjusted EBIT ¹	24.5	17.9	36%
Margin	7.1%	7.2%	
Capital expenditure	12.7	12.9	-2%
Operating cash flow ¹	38.3	45.4	-16%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR

	2021	2020	Change
Net sales	1,166.4	1,050.8	11%
Comparable growth	7%	1%	
Adjusted EBIT ¹	79.8	80.7	-1%
Margin	6.8%	7.7%	
Adjusted RONA	8.0%	10.1%	
Capital expenditure	46.0	35.9	28%
Operating cash flow ¹	54.9	83.8	-34%

- Overall good demand remained, with variation between product categories and markets. Emerging market recovery was impacted by continued restrictions and lockdowns
- Net sales increased throughout key markets, partly against weak comparisons. Acquisition of Elif contributed positively to Q4
- Profitability continued to be impacted by cost inflation and limited pass-through of higher cost

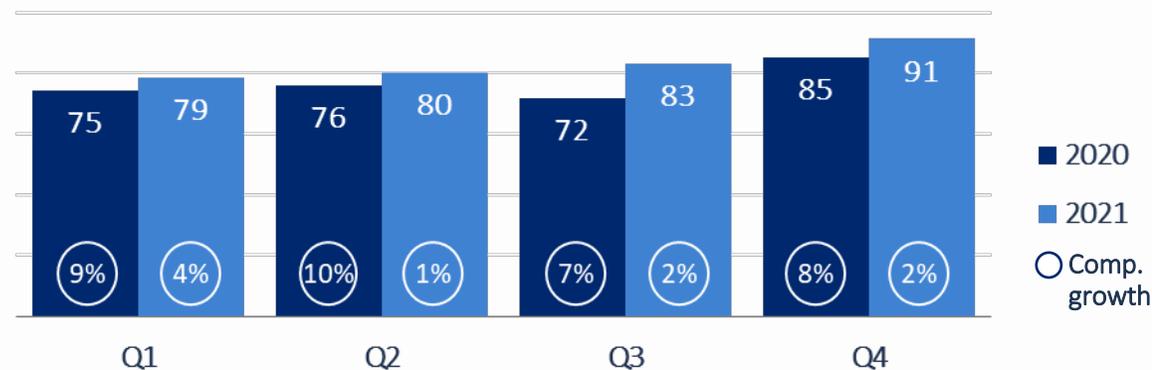
1) Excluding IAC of EUR -3.1 million in Q4 2021 (EUR -0.5 million) and EUR -16.1 million in 2021 (EUR -6.2 million).

Fiber Packaging: Growth impacted by softened demand in egg packaging

Key figures, MEUR

	Q4 21	Q4 20	Change
Net sales	91.5	85.4	7%
Comparable growth	2%	8%	
Adjusted EBIT ¹	10.7	12.7	-15%
Margin	11.7%	14.8%	
Capital expenditure	22.2	22.5	-1%
Operating cash flow ¹	-9.4	8.5	<-100%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR

	2021	2020	Change
Net sales	333.6	307.8	8%
Comparable growth	2%	9%	
Adjusted EBIT ¹	36.4	37.4	-3%
Margin	10.9%	12.2%	
Adjusted RONA	14.0%	15.8%	
Capital expenditure	56.2	36.7	53%
Operating cash flow ¹	-9.3	18.9	<-100%

- Demand for fiber-based egg packaging softened, on the back of a very strong growth in consumption in 2020
- Demand for food on-the-go products increased
- Earnings negatively impacted by higher raw material prices, partially offset by pricing actions and operational efficiencies

1) Excluding IAC of EUR -0.5 million in Q4 2021 (EUR -3.5 million) and EUR -1.1 million in 2021 (EUR -5.2 million).

Financial review



Solid adjusted EBIT margin

MEUR	Q4 21	Q4 20	Change	2021	2020	Change
Net sales	999.5	812.8	23%	3,574.9	3,301.8	8%
Adjusted EBITDA ¹	130.3	116.8	12%	488.4	473.1	3%
<i>Margin¹</i>	<i>13.0%</i>	<i>14.4%</i>		<i>13.7%</i>	<i>14.3%</i>	
Adjusted EBIT ²	82.2	72.8	13%	315.3	302.1	4%
<i>Margin²</i>	<i>8.2%</i>	<i>9.0%</i>		<i>8.8%</i>	<i>9.1%</i>	
EBIT	84.5	47.9	76%	296.0	265.3	12%
Adjusted net financial items	-8.4	-6.5	-30%	-30.1	-31.2	4%
Adjusted profit before taxes	73.8	66.4	11%	285.2	270.9	5%
Adjusted income tax expense ³	-15.9	-14.9	-7%	-65.4	-60.9	-7%
Adjusted profit for the period ⁴	57.9	51.4	13%	219.8	209.9	5%
Adjusted EPS, EUR ⁴	0.54	0.48	13%	2.07	1.95	6%

- Sales growth supported by all segments in Q4, Elif acquisition contributed positively
- Input costs continued to impact earnings negatively throughout the year, successful mitigation actions secured profitability
- Lower adjusted net financial items due to lower interest rates
- Compared to prior year, flat effective tax rate of 23%
- Adjusted EPS up 6% compared to prior year

1) Excluding IAC of EUR 2.2 million in Q4 2021 (EUR -15.4 million) and EUR -18.7 million in 2021 (EUR -8.6 million).

2) Excluding IAC of EUR 2.3 million in Q4 2021 (EUR -24.9 million) and EUR -19.3 million in 2021 (EUR -36.8 million).

3) Excluding IAC of EUR -0.5 million in Q4 2021 (EUR 5.6 million) and EUR 5.1 million in 2021 (EUR 7.6 million).

4) Excluding IAC of EUR 1.1 million in Q4 2021 (EUR -19.3 million) and EUR -17.1 million in 2021 (EUR -26.2 million).

Currency impact remained positive in Q4 2021

	Average rate 2020	Average rate 2021	Change in average rate	Closing rates					Change in closing rate (YoY)
				Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	
USD	1.14	1.18	-4%	1.23	1.17	1.19	1.17	1.13	8%
INR	84.54	87.50	-4%	89.88	86.25	88.31	86.47	84.26	6%
GBP	0.89	0.86	3%	0.90	0.85	0.86	0.86	0.84	7%
CNY	7.87	7.64	3%	8.01	7.72	7.68	7.53	7.22	10%
AUD	1.66	1.57	5%	1.60	1.54	1.58	1.61	1.56	3%
THB	35.68	37.82	-6%	36.77	36.71	38.17	39.49	37.87	-3%
RUB	82.56	87.26	-6%	91.89	89.16	86.47	84.68	84.89	8%
BRL	5.88	6.38	-9%	6.36	6.77	5.88	6.32	6.37	-0%
NZD	1.76	1.67	5%	1.71	1.68	1.70	1.68	1.65	3%
ZAR	18.76	17.48	7%	18.01	17.54	17.05	17.52	18.02	-0%
TRY	8.03	10.45	-30%	9.03	9.78	10.36	10.32	14.72	-63%

Foreign currency translation impact

Q4 2021 (EUR million)

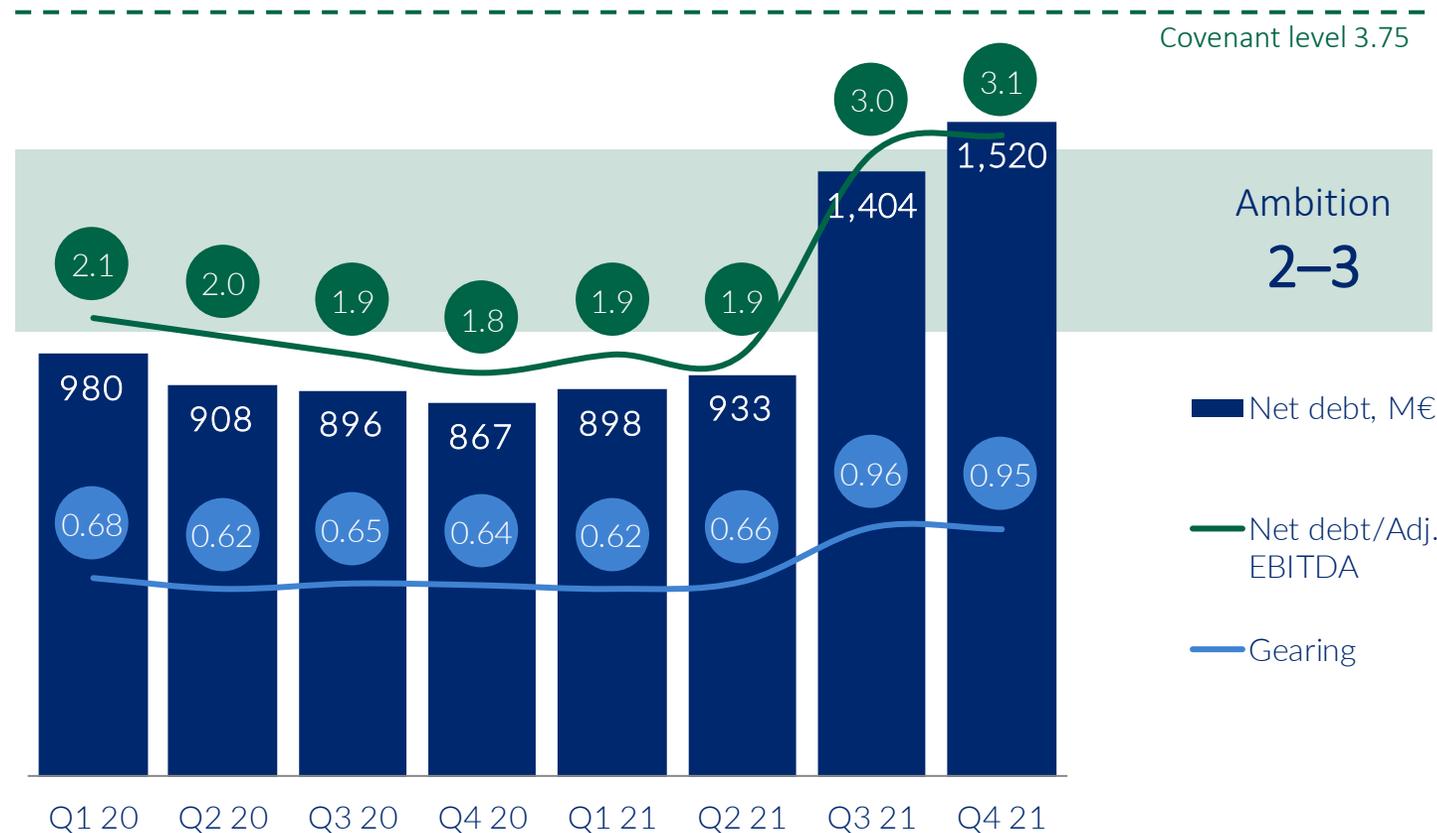
Net sales	EBIT
+24	+2

2021 (EUR million)

Net sales	EBIT
-54	-6

Net debt to adjusted EBITDA increased following acquisition

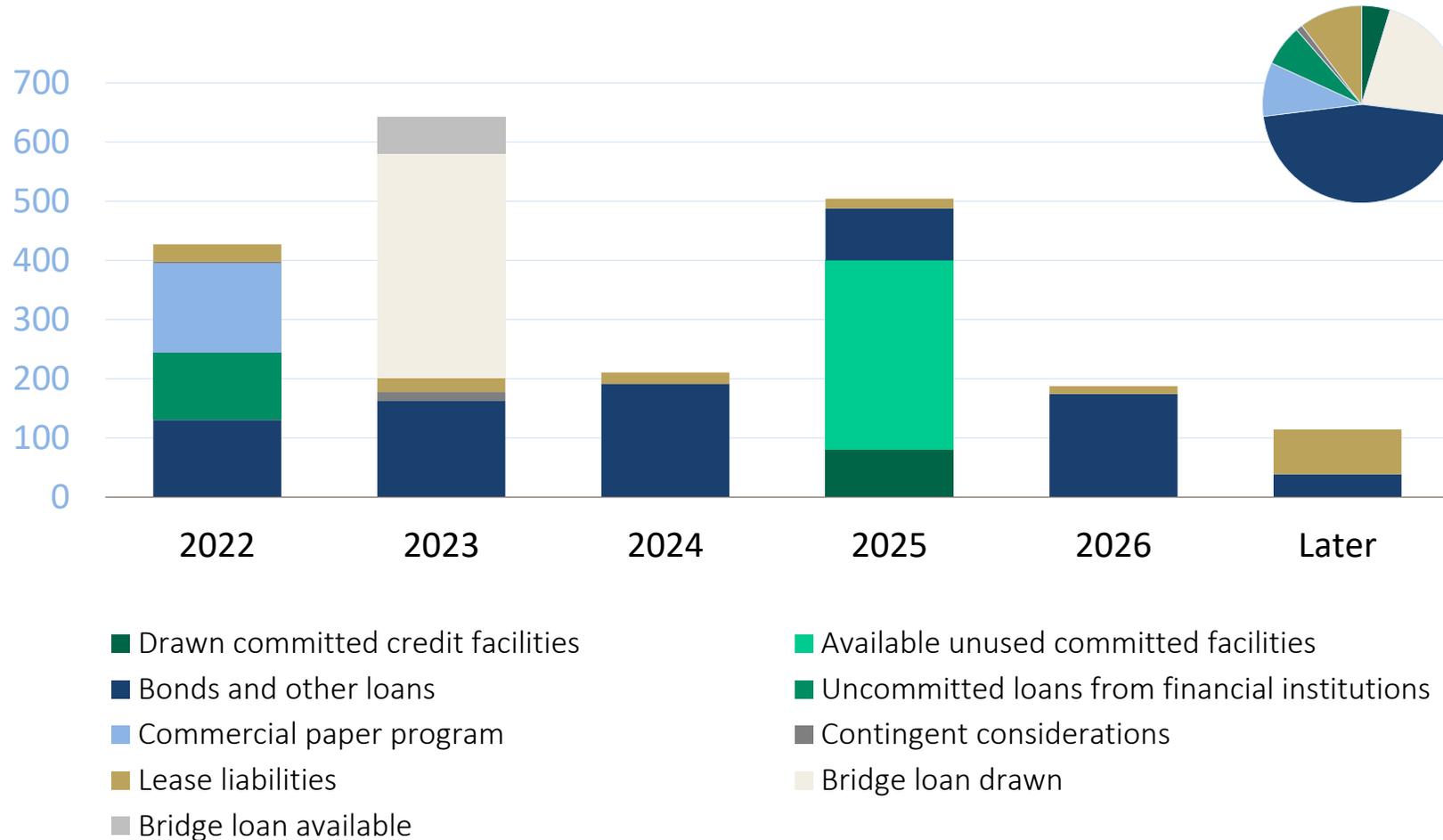
Net debt, net debt/adj. EBITDA and gearing



- Acquisition of Elif impacting balance sheet:
 - Net debt/Adj. EBITDA increased to 3.1 at year-end
 - Gearing 0.95
 - Ratios presented excluding pro-forma impact
- At the end of 2021:
 - Cash and cash equivalents EUR 179 million
 - Net debt EUR 1,520 million and lease liabilities EUR 176 million

Loan maturities

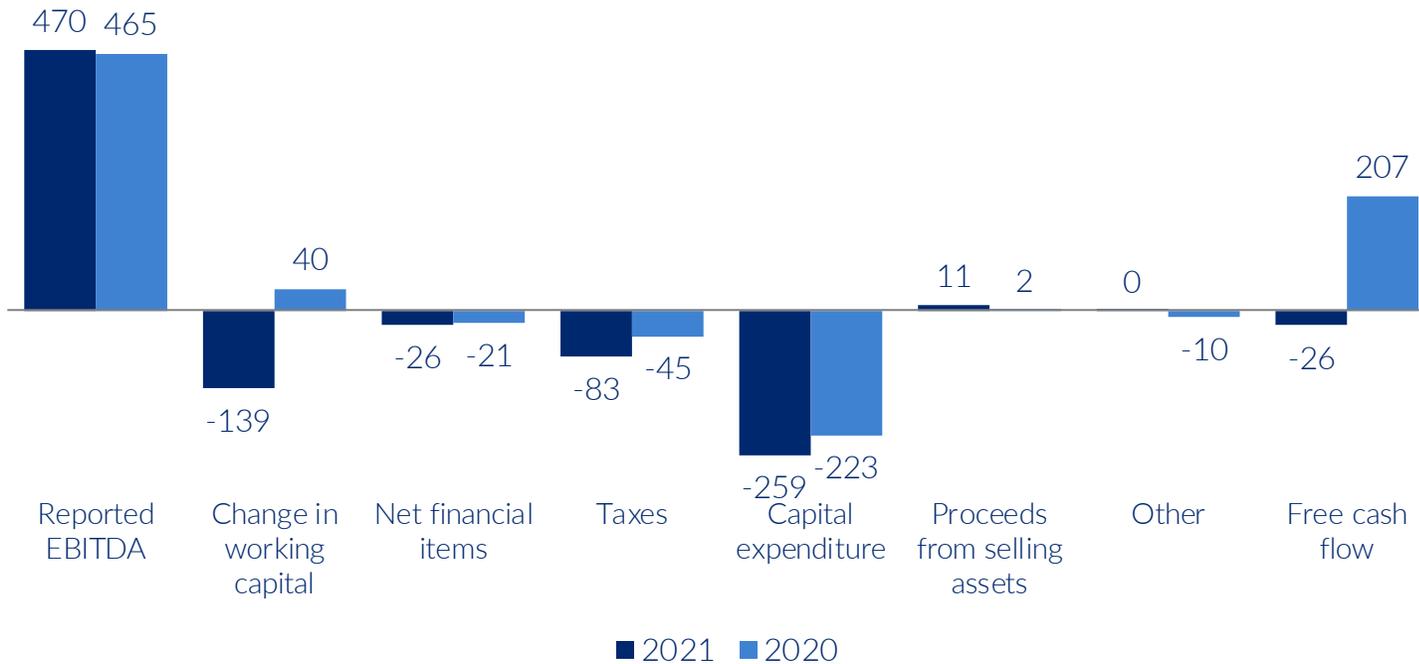
Debt maturity structure December 31, 2021
(EUR million)



- MEUR 400 syndicated revolving credit facility extended in Dec. 2021 for an additional year
- To support the financing of Elif Huhtamaki signed, in August 2021, a bridge financing facility of MUSD 500
- Committed credit facilities at the end of Q4 2021 (including the bridge financing facility)
 - Average maturity 2.6 years (2.7 at the end of Q4 2020)
 - Unused MEUR 382 (MEUR 310 at end of Q4 2020)

Free cash flow impacted by working capital and higher cash taxes

Free cash flow bridge
(EUR million)



Cash flow impacted by:

- Adjusted EBITDA at previous year's level
 - In comparison period, Laminor gain of ~20 MEUR is recognized as non-cash in 'Other'
- Large change in working capital mainly following increase in trade receivables and inventory
- Higher cash taxes in 2021
- Higher capex in 2021

Stable financial position, also post Elif acquisition

<i>MEUR</i>	Dec 2021	Dec 2020
Total assets	4,542	3,596
Operating working capital	684	514
Net debt	1,520	867
Equity & non-controlling interest	1,597	1,364
Gearing	0.95	0.64
Adjusted ROI ¹	11.3%	11.7%
Adjusted ROE ¹	15.1%	14.8%

- Acquisition of Elif mainly impacting balance sheet at Dec 31, 2021
 - Assets increased
 - Net debt and gearing increased
- Equity including positive translation impact
- Stable financial position remains

1) Excluding IAC.

The Board of Directors aims for predictable and growing dividends

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



	2021*	2020	Change
Adjusted EPS	2.07	1.95	6%
Dividend per share	0.94	0.92	2%
Payout ratio	45%	47%	
Share price on Dec 31	38.89	42.26	-8%
Dividend yield	2.4%	2.2%	

- 13th consecutive year of growing dividends*
- Dividend has increased 176% since 2008*
- CAGR +8% since 2008*

* Dividend for 2021 is a proposal made by the Board of Directors.

Progress towards long-term financial ambitions

	2014	2015	2016	2017	2018	2019	2020	2021	Long-term ambition
Organic growth	6%	4%	4%	3%	5%	6%	-2%	7%	5+%
Adjusted EBIT margin	7.8%	8.7%	9.4%	9.0%	8.1%	8.6%	9.1%	8.8%	10+%
Net debt/Adj. EBITDA	1.0	1.6	1.8	1.8	2.3	2.0	1.8	3.1	2-3
Dividend payout ratio	47%	40%	40%	42%	50%	47%	47%	45%	40-50%

Long-term ambitions were updated at the Strategy Update on March 23, 2020

FY 2018 figures restated for IFRS 16 impact.

Looking forward



Huhtamaki

Outlook 2022

The Group's trading conditions are expected to improve compared to 2021, however with continued volatility in the operating environment. Huhtamaki's diversified product portfolio provides resilience and the Group's good financial position enables addressing profitable growth opportunities.

Short-term risks and uncertainties

The COVID-19 pandemic may create further disturbances in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Availability and cost of raw material, distribution and energy 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. Further, natural disasters and social unrest may have negative effects on the Group's operating environment.

Financial calendar 2022

Week commencing

February 28, 2022

Annual Report 2021

April 27, 2022

Q1 2022 Interim Report,
Annual General Meeting

July 21, 2022

Half-yearly Report 2022

October 21, 2022

Q3 2022 Interim Report

Disclaimer

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