

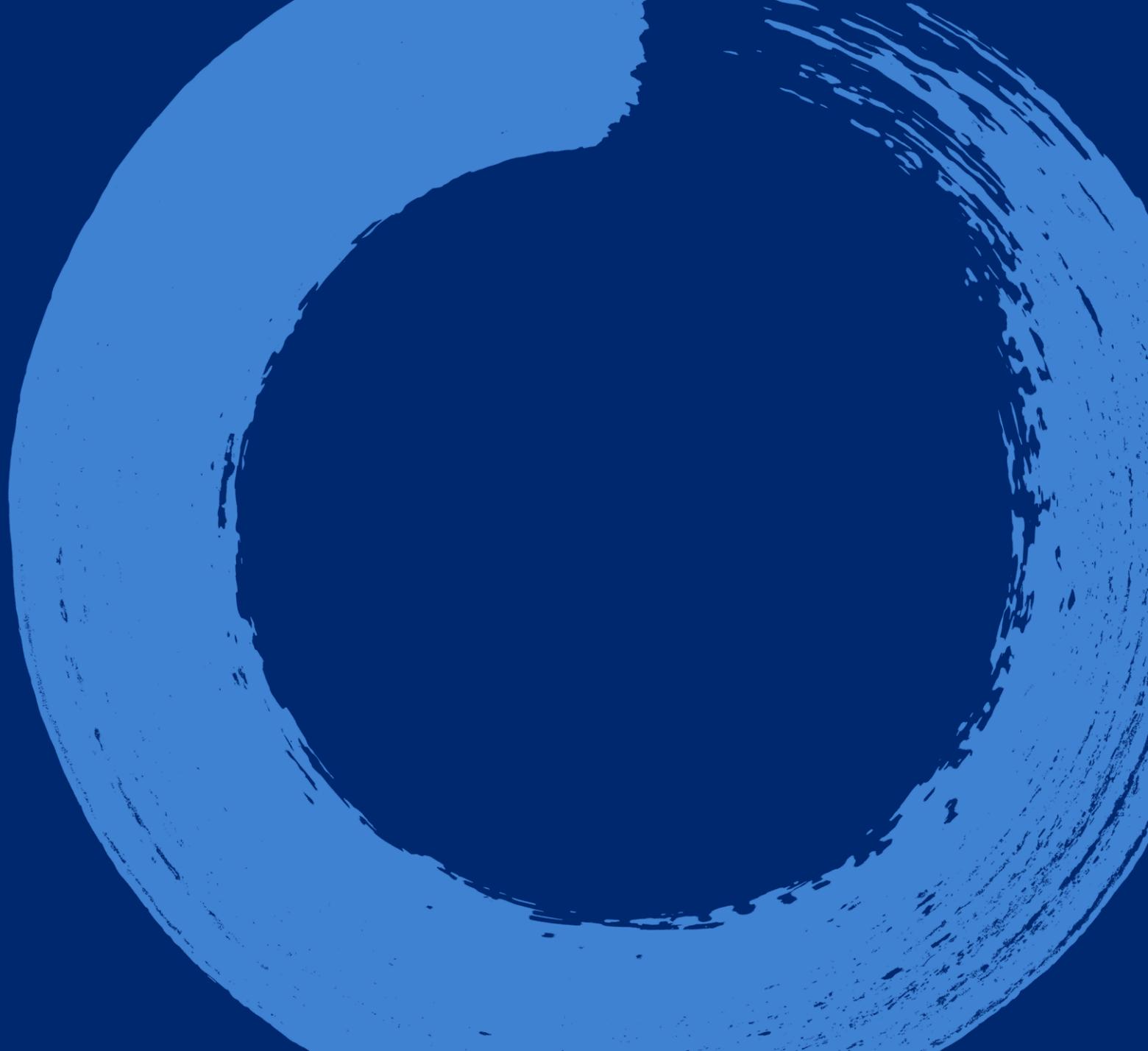
Solid performance despite a challenging cost environment

Interim Report Q3 2021

Charles Héaulmé
President and CEO

Thomas Geust
CFO

Huhtamaki



Solid performance despite a challenging cost environment

- Solid growth, especially in emerging markets. Recovery in food on-the-go packaging accelerated
- Significant inflationary cost environment impacted profitability, despite mitigation actions. Overall successful pass-through of raw material inflation, however more challenging in emerging markets
- We continue to focus on our sustainability priorities. Our science-based targets have been approved. Our Global Sustainability Index continues to improve
- Acquisition of Elif announced and completed at the end of the quarter



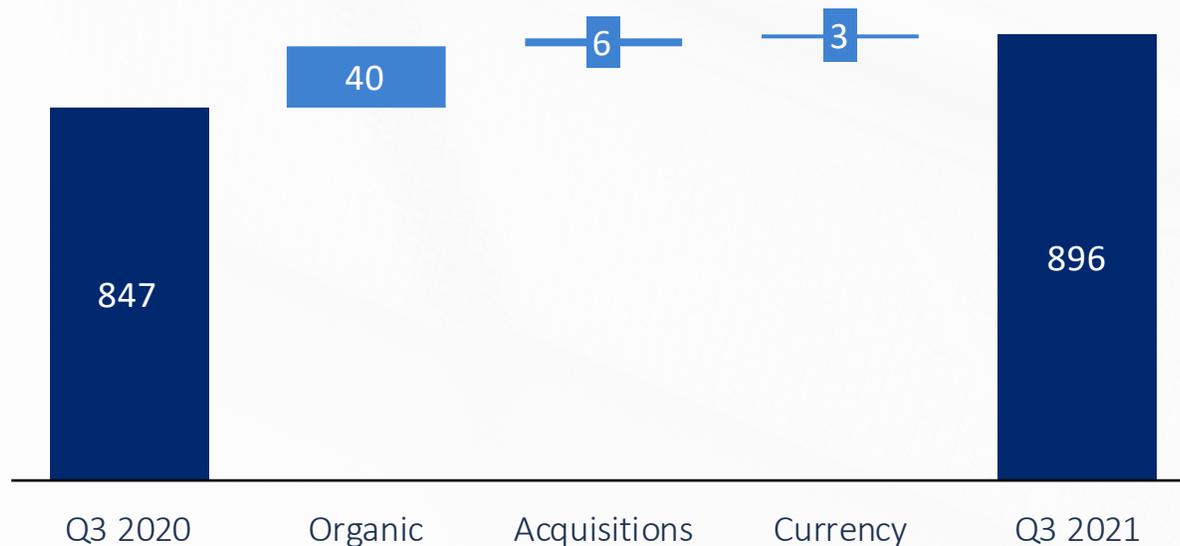
Business performance



Huhtamaki

Q3 2021: Solid comparable net sales growth

Development of net sales in Q3 2021
(EUR million)



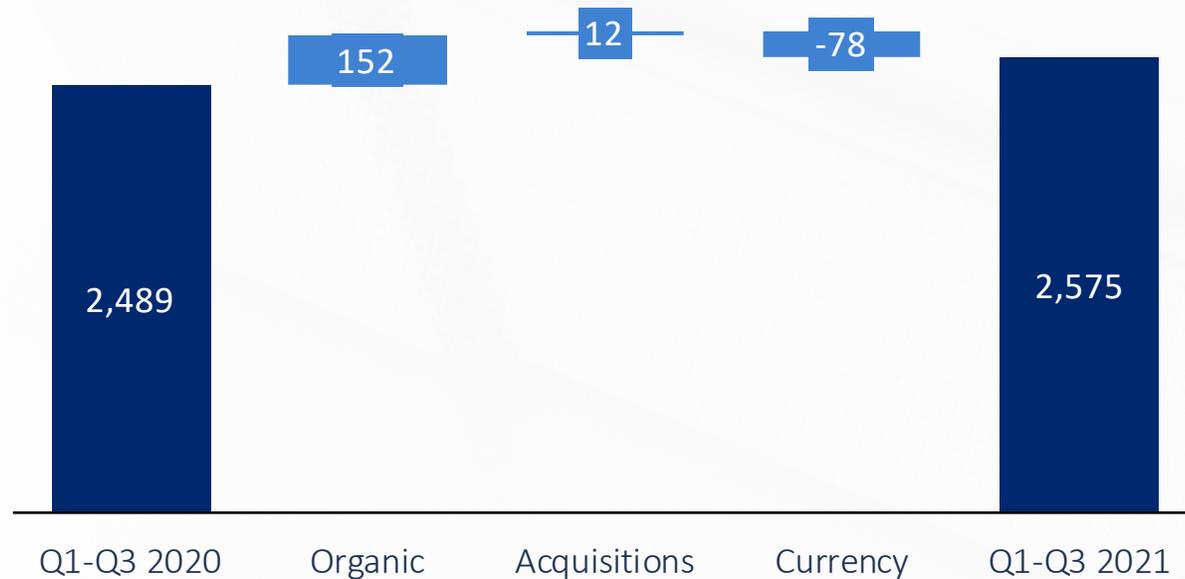
Net sales increased 6% in Q3 2021

- Comparable net sales growth 4% (5% in emerging markets)
- 1% from acquisitions – Elif impact from Q4 onwards
- Slight 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.

Q1-Q3 2021: Solid growth, especially in the emerging markets

Development of net sales in Q1-Q3 2021
(EUR million)



Net sales increased 3% in Q1-Q3 2021

- Comparable net sales growth 6% (11% in emerging markets)
- Positive impact from acquisitions – Elif impact from Q4 onwards
- 3% 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.

Continued growth in all segments

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

Q3 commentary:

- Market demand for foodservice continued to recover globally, quarter to quarter comparison is affected by high volatility in 2020
- Retail tableware remained strong in North America. Demand for school and stadium on-the-go products restarted
- Good demand for Flexible Packaging, with variation between product categories and markets
- Moderate growth in Fiber Packaging after strong growth in 2020

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

Raw material cost impact visible in Q3

<i>MEUR</i>	Q3 21	Q3 20	Change	Q1-Q3 21	Q1-Q3 20	Change
Net sales	896.3	847.3	6%	2,575.3	2,489.0	3%
Adjusted EBIT ¹	76.3	85.5	-11%	233.1	229.2	2%
<i>Margin</i>	8.5%	10.1%		9.1%	9.2%	
Adjusted EPS, EUR ²	0.51	0.56	-10%	1.53	1.46	4%
Capital expenditure	62.3	40.6	54%	147.2	120.3	22%

Q3 commentary:

- Solid net sales growth, both reported and comparable
- Adjusted EBIT and EPS decreased due to input cost headwind – timing of inflation impact and price mitigation has not been linear across the segments. Year to date margin reflects true operational performance
- Increase in capex to accelerate growth and expand portfolio

1) Excluding IAC of EUR -11.4 million in Q3 2021 (EUR -20.9 million) and EUR -21.6 million in Q1-Q3 2021 (EUR -11.8 million).

2) Excluding IAC of EUR -10.4 million in Q3 2021 (EUR -13.8 million) and EUR -18.2 million in Q1-Q3 2021 (EUR -6.8 million).

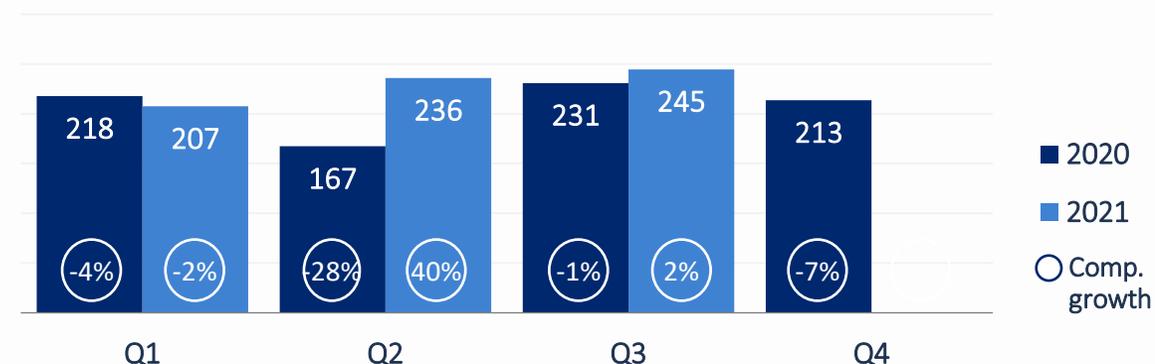
Business segment review



Foodservice EAO: Continued recovery in demand

Key figures, MEUR	Q3 21	Q3 20	Change
Net sales	244.6	230.8	6%
Comparable growth	2%	-1%	
Adjusted EBIT ¹	20.7	21.7	-4%
Margin	8.5%	9.4%	
Capital expenditure	19.2	12.6	53%
Operating cash flow ¹	6.1	25.9	-77%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	Q1-Q3 21	Q1-Q3 20	Change
Net sales	687.8	615.6	12%
Comparable growth	11%	-11%	
Adjusted EBIT ¹	58.3	45.3	29%
Margin	8.5%	7.4%	
Adjusted RONA	9.1%	8.5%	
Capital expenditure	44.4	47.1	-6%
Operating cash flow ¹	40.0	30.0	33%

- Sustained recovery in demand – continued variations between markets and product categories
- Net sales increased, with growth of products related to food delivery continuing to be strong
- Year to date adjusted EBIT margin well above previous year, however Q3 decreased due to polymer and distribution costs and negative sales mix

1) Excluding IAC of EUR -0.7 million in Q3 2021 (EUR -17.3 million) and EUR -6.4 million in Q1-Q3 2021 (EUR -19.4 million).

North America: Foodservice and retail tableware driving growth

Key figures, MEUR	Q3 21	Q3 20	Change
Net sales	294.3	282.6	4%
Comparable growth	5%	4%	
Adjusted EBIT ¹	35.8	36.0	-1%
Margin	12.2%	12.7%	
Capital expenditure	12.0	13.9	-14%
Operating cash flow ¹	45.6	48.8	-7%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	Q1-Q3 21	Q1-Q3 20	Change
Net sales	845.6	864.9	-2%
Comparable growth	4%	2%	
Adjusted EBIT ¹	105.2	104.4	1%
Margin	12.4%	12.1%	
Adjusted RONA	17.5%	16.4%	
Capital expenditure	34.4	35.7	-4%
Operating cash flow ¹	92.6	128.0	-28%

- Demand and sales remained strong, particularly in retail tableware and supported by a pick-up in foodservice products, e.g. school lunch trays and stadium catering
- Raw material and freight availability and price challenges accelerated through Q3
- Adjusted EBIT at previous year's level, supported by pricing actions and offset by higher raw material prices and distribution costs

1) Excluding IAC of EUR -0.1 million in Q3 2021 (EUR -3.2 million) and EUR -0.7 million in Q1-Q3 2021 (EUR -6.6 million).

Flexible Packaging: Solid growth, headwind from raw material prices

Key figures, MEUR	Q3 21	Q3 20	Change
Net sales	283.9	266.0	7%
Comparable growth	7%	1%	
Adjusted EBIT ¹	17.0	22.7	-25%
Margin	6.0%	8.5%	
Capital expenditure	13.6	7.5	81%
Operating cash flow ¹	-10.0	29.3	<-100%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	Q1-Q3 21	Q1-Q3 20	Change
Net sales	821.7	800.0	3%
Comparable growth	4%	2%	
Adjusted EBIT ¹	55.3	62.7	-12%
Margin	6.7%	7.8%	
Adjusted RONA	8.1%	10.3%	
Capital expenditure	33.3	23.0	45%
Operating cash flow ¹	16.7	38.4	-57%

- Overall good demand, though significant variation between product categories and markets, e.g. lockdowns in Southeast Asia and slow return to normal in emerging markets
- Net sales increased in most markets, especially in Middle East and Africa, and Europe
- Earnings impacted negatively, by a limited pass-through of higher raw material prices in emerging markets
- Acquisition of Elif announced and closed at the end of the quarter

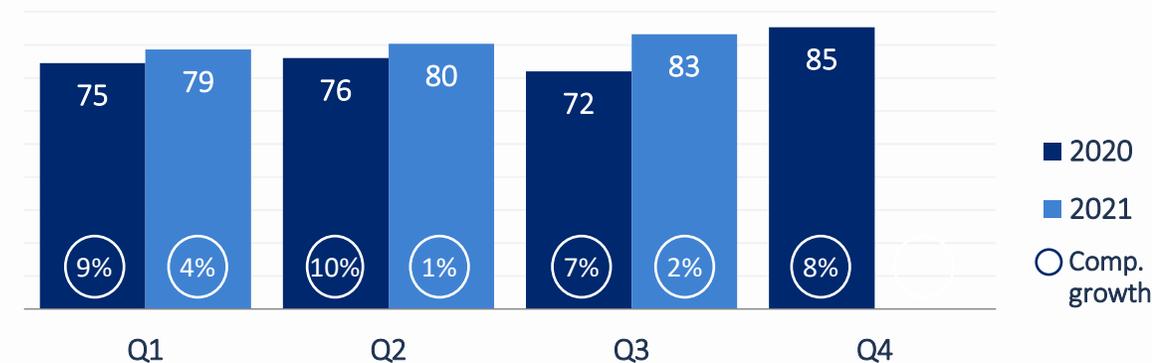
1) Excluding IAC of EUR -10.3 million in Q3 2021 (EUR -0.7 million) and EUR -13.0 million in Q1-Q3 2021 (EUR -5.7 million).

Fiber Packaging: Continued growth, higher raw material prices impacting earnings

Key figures, MEUR

	Q3 21	Q3 20	Change
Net sales	83.3	72.2	15%
Comparable growth	2%	7%	
Adjusted EBIT ¹	7.9	8.0	-1%
Margin	9.5%	11.1%	
Capital expenditure	17.1	6.5	>100%
Operating cash flow ¹	-4.9	3.0	<-100%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR

	Q1-Q3 21	Q1-Q3 20	Change
Net sales	242.2	222.5	9%
Comparable growth	2%	9%	
Adjusted EBIT ¹	25.7	24.8	4%
Margin	10.6%	11.1%	
Adjusted RONA	15.2%	13.7%	
Capital expenditure	34.0	14.2	>100%
Operating cash flow ¹	0.1	10.3	-99%

- Demand for fiber-based packaging has normalized on the back of very strong growth in consumption in 2020. Fiber products growth has been solid over the two-year trajectory
- Moderate net sales growth, strongest growth in Southeast Asia and Oceania
- Earnings negatively impacted by higher raw material prices, partially offset by pricing actions and operational efficiencies

1) Excluding IAC of EUR -0.1 million in Q3 2021 (EUR -0.2 million) and EUR -0.7 million in Q1-Q3 2021 (EUR -1.7 million).

Elif acquisition



Elif acquisition helps to reinforce leadership position in emerging markets

- A trusted long-term partner for major global consumer brand owners in Europe, Middle East and Africa
- Manufactures consumer packaging for e.g. diapers & feminine care, detergents, tissue paper and wet wipes, food and pet food
- Has state-of-the-art flexographic printing – adding new technology to our portfolio
- Committed to having a positive impact on sustainability – hygiene, product safety and availability, food and product waste reduction
- Specialized in high-quality sustainable flexible packaging – using both post-industrial and post-consumer recycled polymers as raw materials



Operations in
Turkey and Egypt

Share of recyclable
products **>90%**

Combined portfolio offers a comprehensive range of solutions across food and non-food products

	Food & beverage	Personal care	Home care	Pet care	Industrial, retail & other
					
Product categories	<ul style="list-style-type: none"> • Dried food • Confectionery • Snacks • Coffee, tea & solubles • Food mixes & ingr. • Bakery & baking ingr. • Chilled & deli food • Fresh produce • Frozen goods • Beverages • Dairy 	<ul style="list-style-type: none"> • Feminine care • Baby & adult diapers • Hair & body care • Wet wipes packaging 	<ul style="list-style-type: none"> • Laundry detergents • Cleaning agents • Consumer tissue 	<ul style="list-style-type: none"> • Pet food • Other pet products 	<ul style="list-style-type: none"> • Retail & shopping • Cargo & safety • Packaging • Hygiene • Agriculture & horticulture • Chemicals & petrochem. • Textile • Automotive & metals • Building & construction • E-commerce & logistics
Relevant solution types	<ul style="list-style-type: none"> • Premade bags & pouches • Packaging films 				<ul style="list-style-type: none"> • Premade bags & pouches • Packaging films • Industrial

The acquisition is in line with Huhtamaki's 2030 growth strategy sustainability ambitions

Strengthening existing footprint

- Reinforces Huhtamaki's position as a leading flexible packaging company in emerging markets
- Adds scale in strategic geographies, as well as improves competitiveness
 - For example, expands Huhtamaki's flexible packaging manufacturing footprint into Turkey, one of the top future growth countries
 - Elif has a competitive production platform for exports

Complimentary technologies and portfolio

- Expands Huhtamaki's technology capabilities and product range, allowing to serve its customers even better
- Strengthens Huhtamaki's existing flexible packaging business in attractive consumer product categories
- Creates cross-selling opportunities across customers and geographies
- Adds state-of-the-art flexographic printing capability to Huhtamaki's technology offering

Embedding sustainability

- Elif has a similarly strong focus on sustainability
 - >90% of sales consisting of recyclable products
 - Uses both post-industrial and post-consumer recycled polymers as raw material
 - Uses advanced system of collecting and utilizing production scrap from both its own as well as from customer locations

The acquisition of Elif makes strategic and financial sense for us

Attractive multiples

- Elif has grown since 2020
- Earnings' accretive, with significantly higher profit than Huhtamaki
- Previous acquisitions broadly in the range of 8-10x EV/EBITDA – Elif acquisition in the upper end of this range

Synergies

- Topline opportunities through growth and cross-selling
- Some cost synergies in procurement and operations
- Technology expansion, including Elif's portfolio of sustainable solutions
- Competitive exports platform

Net sales in 2020

Approx. EUR 163 million

Employees

Approx. 1,500

Manufacturing units

Istanbul (Turkey) and Cairo (Egypt)

Enterprise value

EUR 412 million (USD 483 million)



Flexible Packaging is key to our 2030 growth strategy

- Global flexible packaging market is estimated to **grow** at **CAGR 6.1%** until 2030
- Flexible packaging has great **sustainability value**
 - Makes food and products available everywhere
 - Light to transport
 - Ensures hygiene and food safety
 - **Reduces the wastage of food** by extending the shelf-life of products



Financial review



Earnings decreased due to increased input costs

MEUR	Q3 21	Q3 20	Change	Q1-Q3 21	Q1-Q3 20	Change
Net sales	896.3	847.3	6%	2,575.3	2,489.0	3%
Adjusted EBITDA ¹	119.2	127.2	-6%	358.0	356.3	0%
<i>Margin¹</i>	13.3%	15.0%		13.9%	14.3%	
Adjusted EBIT ²	76.3	85.5	-11%	233.1	229.2	2%
<i>Margin²</i>	8.5%	10.1%		9.1%	9.2%	
EBIT	64.9	64.7	0%	211.5	217.4	-3%
Net financial items	-9.5	-4.2	<-100%	-23.8	-21.7	-9%
Adjusted profit before taxes	68.9	78.4	-12%	211.5	204.5	3%
Adjusted income tax expense ³	-16.1	-17.6	9%	-49.5	-46.0	-8%
Adjusted profit for the period ⁴	52.8	60.7	-13%	162.0	158.5	2%
Adjusted EPS, EUR ⁴	0.51	0.56	-10%	1.53	1.46	4%

- Sales growth supported by all segments in Q3
- Input costs impacted earnings negatively in Q3, with year-to-date reflecting proactive mitigation in H1
- Higher net financial items, especially in Q3
- Tax rate 23% (unchanged)
- Adjusted EPS decreased in Q3 and increased 4% year-to-date

1) Excluding IAC of EUR -11.2 million in Q3 2021 (EUR -7.1 million) and EUR -21.0 million in Q1-Q3 2021 (EUR 6.8 million).

3) Excluding IAC of EUR 3.2 million in Q3 2021 (EUR 4.0 million) and EUR 5.6 million in Q1-Q3 2021 (EUR 2.0 million).

2) Excluding IAC of EUR -11.4 million in Q3 2021 (EUR -20.9 million) and EUR -21.6 million in Q1-Q3 2021 (EUR -11.8 million).

4) Excluding IAC of EUR -10.4 million in Q3 2021 (EUR -13.8 million) and EUR -18.2 million in Q1-Q3 2021 (EUR -6.8 million).

Currency impact turned slightly positive in Q3 2021

	Average rate Q1-Q3 20	Average rate Q1-Q3 21	Change in average rate	Closing rates					Change in closing rate (YoY)
				Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	
USD	1.12	1.20	-7%	1.17	1.23	1.17	1.19	1.17	0%
INR	83.39	88.09	-6%	86.28	89.88	86.25	88.30	86.47	-0%
GBP	0.88	0.86	2%	0.91	0.90	0.85	0.86	0.86	5%
CNY	7.86	7.74	1%	7.98	8.01	7.72	7.68	7.53	6%
AUD	1.66	1.58	5%	1.64	1.60	1.54	1.58	1.61	2%
THB	35.41	37.69	-6%	36.99	36.77	36.71	38.17	39.49	-7%
RUB	79.79	88.64	-11%	92.16	91.89	89.16	86.47	84.68	8%
BRL	5.70	6.38	-12%	6.60	6.36	6.77	5.88	6.32	4%
NZD	1.76	1.68	5%	1.77	1.71	1.68	1.70	1.68	5%
ZAR	18.79	17.43	7%	19.87	18.01	17.54	17.05	17.52	12%

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

Foreign currency translation impact

Q3 2021
(EUR million)

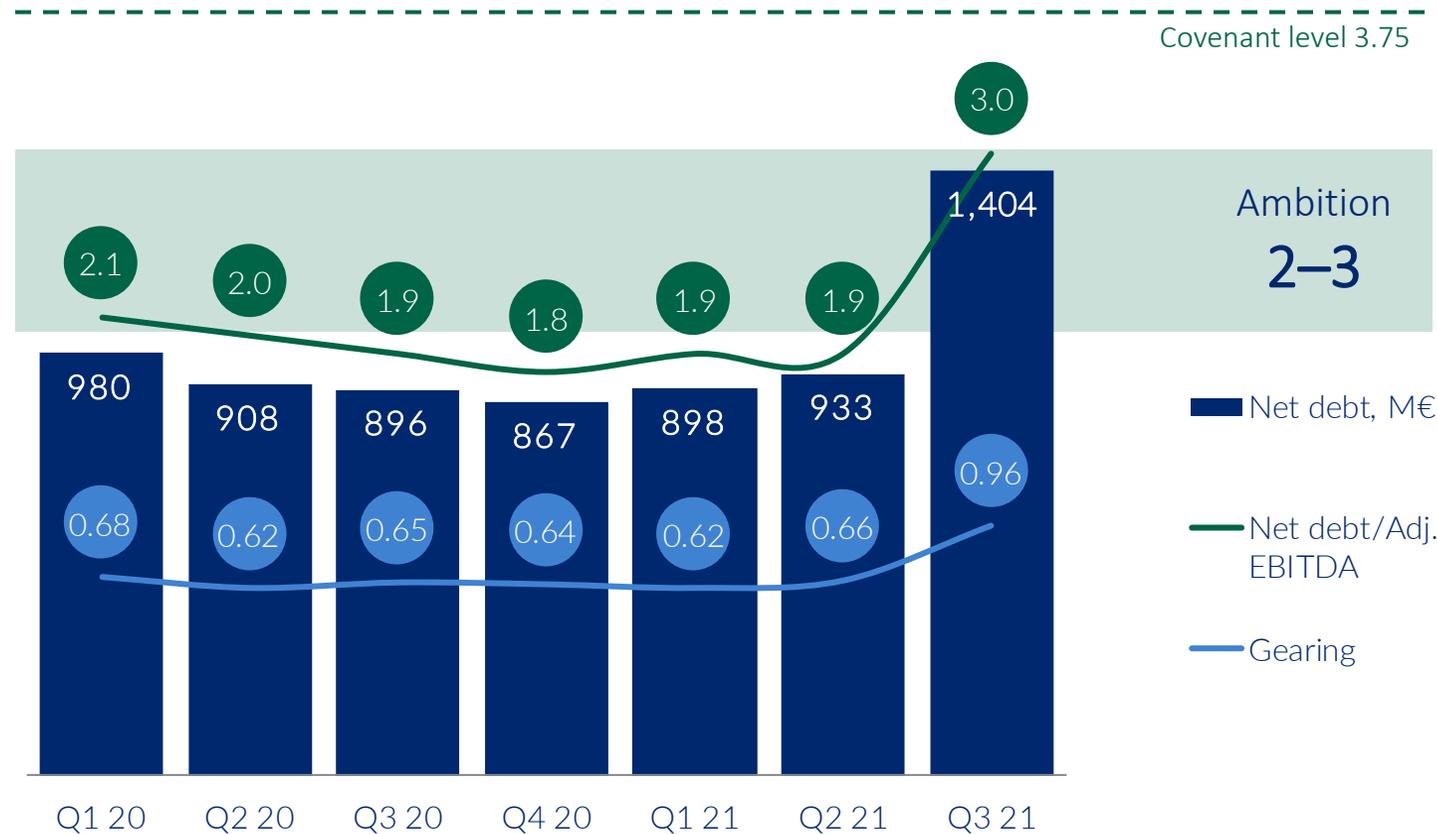
Net sales	EBIT
+3	0

Q1-Q3 2021
(EUR million)

Net sales	EBIT
-78	-8

Net debt to adjusted EBITDA increased following acquisition

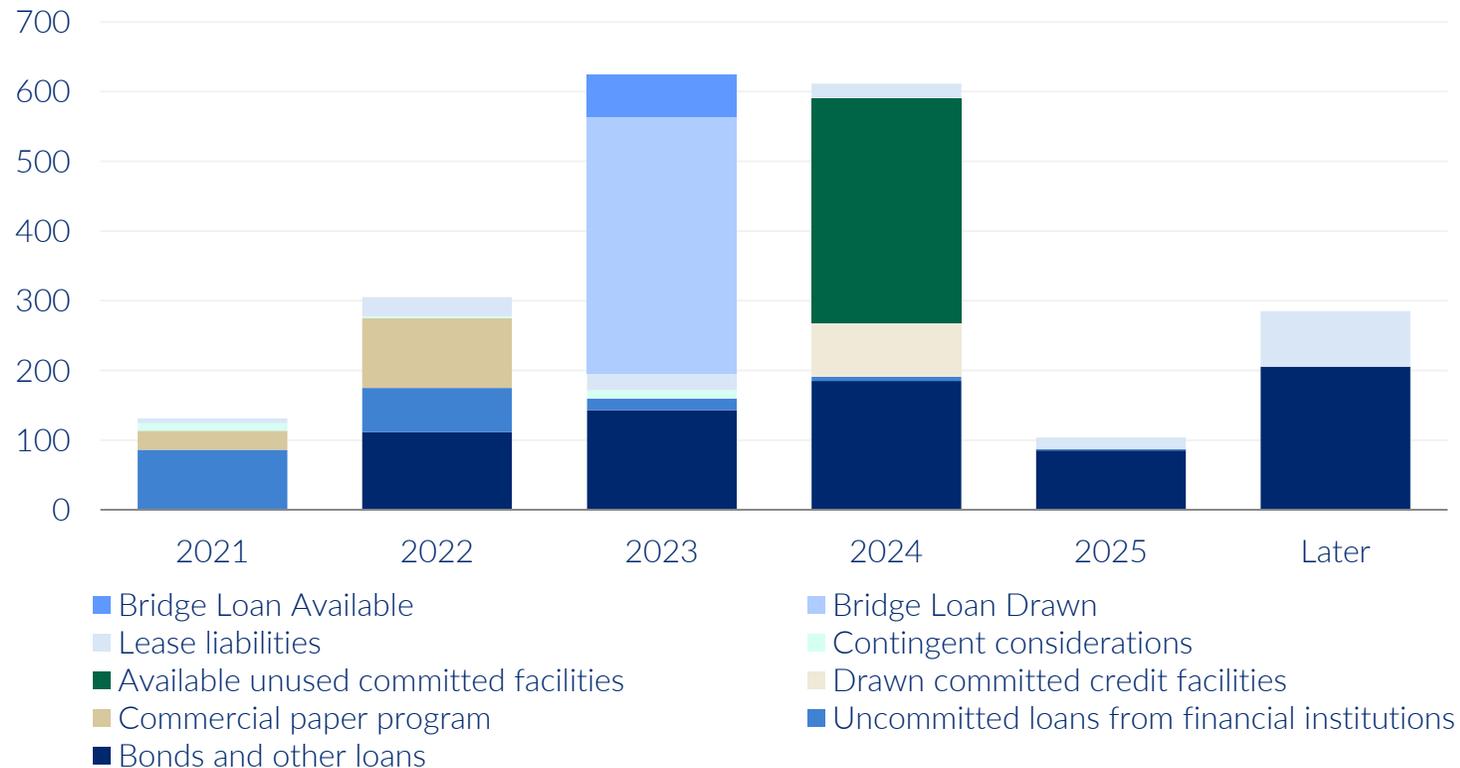
Net debt, net debt/adj. EBITDA and gearing



- Acquisition of Elif impacting balance sheet
 - Net debt/Adj. EBITDA increased to 3.0
 - Gearing increased to 0.96
 - Ratios presented excluding pro-forma impact
- At the end of Q3 2021:
 - Cash and cash equivalents EUR 271 million
 - Net debt EUR 1,404 million and lease liabilities EUR 175 million

Loan maturities

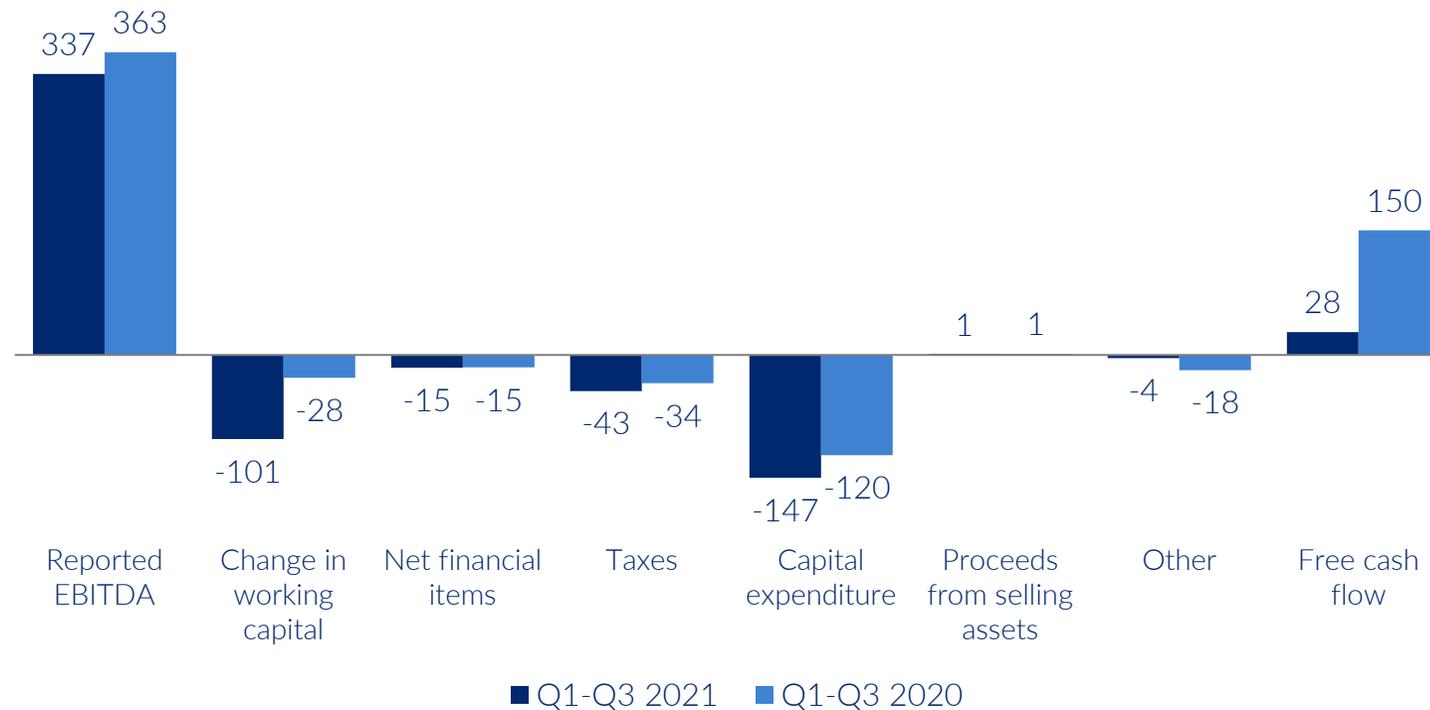
Debt maturity structure September 30, 2021
(EUR million)



- To support the financing of the acquisition of Elif, Huhtamaki signed in August 2021 a bridge financing facility of USD 500 million
- Committed credit facilities at the end of Q3 2021 (including the bridge financing facility):
 - Average maturity 2.6 years (3.0 at the end of Q3 2020)
 - Unused EUR 383 million (EUR 306 million at the end of Q3 2020)

Free cash flow below last year's level

Free cash flow bridge
(EUR million)



Cash flow driven 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 capex in 2021

Stable financial position also after acquisition of Elif

<i>MEUR</i>	Sep 2021	Sep 2020
Total assets	4,418	3,685
Operating working capital	690	590
Net debt	1,404	896
Equity & non-controlling interest	1,467	1,379
Gearing	0.96	0.65
Adjusted ROI ¹	11.5%	11.9%
Adjusted ROE ¹	15.1%	14.9%

- Acquisition of Elif mainly impacting balance sheet in Q3
 - Higher total assets
 - Increased net debt and gearing
 - Higher equity

1) Excluding IAC.

Progress towards long-term financial ambitions

	2014	2015	2016	2017	2018	2019	2020	Q1-Q3 2021	Long-term ambition
Organic growth	6%	4%	4%	3%	5%	6%	-2%	6%	5+%
Adjusted EBIT margin	7.8%	8.7%	9.4%	9.0%	8.1%	8.6%	9.1%	9.1%	10+%
Net debt/Adj. EBITDA	1.0	1.6	1.8	1.8	2.3	2.0	1.8	3.0	2-3
Dividend payout ratio	47%	40%	40%	42%	50%	47%	47%		40-50%

- In April, the AGM decided on a dividend payment of EUR 0.92 in two instalments:
 - First instalment of EUR 0.46 per share was paid on May 3, 2021
 - Second instalment of EUR 0.46 per share was paid on October 8, 2021

FY 2018 figures restated for IFRS 16 impact.

Looking forward



Huhtamaki

Outlook 2021

(unchanged)

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

Short-term risks and uncertainties

The COVID-19 pandemic 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.

Solid performance despite a challenging cost environment

- Solid growth, especially in emerging markets. Recovery in food on-the-go packaging accelerated
- Significant inflationary cost environment impacted profitability, despite mitigation actions. Overall successful pass-through of raw material inflation, however more challenging in emerging markets
- We continue to focus on our sustainability priorities. Our science-based targets have been approved. Our Global Sustainability Index continues to improve
- Acquisition of Elif announced and completed at the end of the quarter



Financial calendar 2022

February 10, 2022

Results 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

Week commencing

February 28, 2022

Annual Report 2021

Disclaimer

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