



Huhtamäki Oyj Results 2021

January 1-December 31, 2021

Huhtamäki

Huhtamäki Oyj's Results January 1–December 31, 2021

Strong net sales growth and solid profitability in a challenging market

Q4 2021 in brief

- Net sales increased 23% to EUR 999 million (EUR 813 million)
- Adjusted EBIT was EUR 82 million (EUR 73 million); reported EBIT was EUR 84 million (EUR 48 million)
- Adjusted EPS was EUR 0.54 (EUR 0.48); reported EPS was EUR 0.56 (EUR 0.30)
- Comparable net sales growth was 12% at Group level and 19% in emerging markets
- The impact of currency movements was EUR 24 million on the Group's net sales and EUR 2 million on EBIT

Q1-Q4 2021 in brief

- Net sales increased 8% to EUR 3,575 million (EUR 3,302 million)
- Adjusted EBIT was EUR 315 million (EUR 302 million); reported EBIT was EUR 296 million (EUR 265 million)
- Adjusted EPS was EUR 2.07 (EUR 1.95); reported EPS was EUR 1.91 (EUR 1.69)
- Comparable net sales growth was 7% at Group level and 13% in emerging markets
- The impact of currency movements was EUR -54 million on the Group's net sales and EUR -6 million on EBIT
- Capital expenditure was EUR 259 million (EUR 223 million)
- Free cash flow was EUR -26 million (EUR 207 million)
- The Board of Directors proposes a dividend of EUR 0.94 (0.92) per share

Key figures

EUR million	Q4 2021	Q4 2020	Change	2021	2020	Change
Net sales	999.5	812.8	23%	3,574.9	3,301.8	8%
Comparable net sales growth	12%	-2%		7%	-2%	
Adjusted EBITDA ¹	130.3	116.8	12%	488.4	473.1	3%
Margin ¹	13.0%	14.4%		13.7%	14.3%	
EBITDA	132.5	101.4	31%	469.6	464.5	1%
Adjusted EBIT ²	82.2	72.8	13%	315.3	302.1	4%
Margin ²	8.2%	9.0%		8.8%	9.1%	
EBIT	84.5	47.9	76%	296.0	265.3	12%
Adjusted EPS ³	0.54	0.48	13%	2.07	1.95	6%
EPS, EUR	0.56	0.30	87%	1.91	1.69	12%
Adjusted ROI ²				11.3%	11.7%	
Adjusted ROE ³				15.1%	14.8%	
ROI				10.6%	10.3%	
ROE				13.9%	12.9%	
Capital expenditure	112.2	103.2	9%	259.4	223.5	16%
Free Cash Flow	-54.1	57.5	<-100%	-26.1	207.1	<-100%
¹ Excluding IAC of	2.2	-15.4		-18.7	-8.6	
² Excluding IAC of	2.3	-24.9		-19.3	-36.8	
³ Excluding IAC of	1.1	-19.3		-17.1	-26.2	

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2020. 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.

IAC includes, but is not limited to, material restructuring costs and acquisition related costs (gains and losses on business combinations, professional and legal fees, material purchase price accounting adjustments for inventory, material purchase price amortization of intangible assets and changes in contingent considerations) as well as material impairment losses and reversals, gains and losses relating to sale of intangible and tangible assets and fines and penalties imposed by authorities.

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.

President and CEO's review

"The year 2021 was marked by a challenging business environment. This was linked to the continued COVID-19 pandemic, with appearance of new variants, and the significant disruption of the value chain. Throughout 2021 we continued to focus on the health, safety and wellbeing of our employees and to ensure business continuity under these exceptional circumstances.

During the year, we saw a gradual improvement in consumption, as vaccination deployment sped up and restrictions were eased across most geographies. This was visible in our foodservice packaging business globally, particularly in Europe and US. Solid growth continued in categories which were supported by in-home consumption, such as flexible packaging and retail tableware. The pandemic-driven supply chain disruptions throughout the year led to scarcity, particularly in raw materials, that resulted in an extraordinary inflation in input costs, and started to impact our operations. Freight, energy and labor inflation also increased significantly in the second half of 2021.

We delivered a solid performance in the face of this challenging operational environment. This reflects the resilience of our diversified portfolio and the ability of our company to manage adverse conditions. Huhtamaki delivered a solid fourth quarter in sales and profitability, with comparable net sales growth of 12%. For the full year 2021, our net sales amounted to EUR 3.6 billion with comparable net sales growth of 7%. In 2021, our profitability was constantly challenged by extraordinary input cost levels, however our adjusted EBIT improved 4%, reflecting our operational performance and ability to manage the impact of inflation. Negative cashflow was mainly impacted by increased working capital following market recovery and inflationary impact in raw materials as well as higher cash taxes.

Our long-term focus is on creating value by delivering growth, improving competitiveness, developing talent, embedding sustainability in everything we do and digitalizing our core operations. In 2021, we continued to implement these strategic priorities, making very good progress. Huhtamaki's climate targets were approved and validated by the globally recognized Science Based Targets initiative (SBTi). We also received recognition of our commitment to our ESG agenda by improved ratings in three key ESG Ratings: EcoVadis, CDP and S&P Global Corporate Sustainability Assessment (part of DJSI). In 2021 we also saw the launch of several of our new transformative sustainable packaging solutions. We recently launched Push Tab® paper, an industry-first sustainable renewable paper-based blister solution for the global healthcare industry. We also announced the next generation of tube laminates for use in both the cosmetics and food sectors in partnership with LyondellBasell, Plastuni Lisses and Groupe Rocher. Earlier in the year, we launched our award-winning Future Smart fiber lids, replacing plastic lids. These new fiber lids made of renewable material are recyclable and compostable.

In line with these successful innovations in sustainable solutions, we increased our investments for deployment and capacity expansion, enabling profitable growth in technologies where Huhtamaki has developed a competitive advantage. We also announced investments in a new state-of-the-art foodservice manufacturing unit in Malaysia and in a new fiber packaging manufacturing site in South Africa.

In September, we completed the acquisition of Elif, a major supplier of sustainable flexible packaging for global FMCG brand owners, operating out of Turkey and Egypt. The acquisition of Elif expands our technology capabilities and product range. It also strengthens our position as a leading flexible packaging company in emerging markets. In addition, during the year we acquired Hihio-Art Packaging, a leading manufacturer of paper bags, wrapping paper and folding carton packaging in China.

In 2021, Huhtamaki made demonstrable progress on its strategic priorities. This was only possible because of our high-performing teams, whom we thank for the continued dedication, entrepreneurship and focus on delivery. We are also thankful for the support and recognition our customers, suppliers and other stakeholders have shown us throughout the year."

Charles Héaulmé, President and CEO

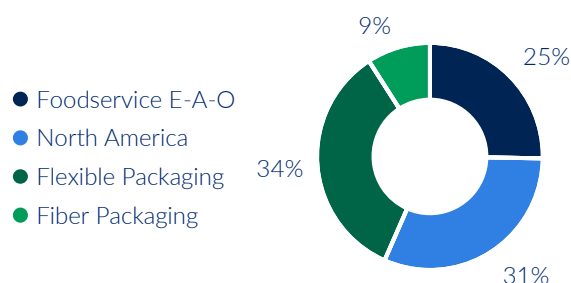
Thomas Geust, Interim Deputy CEO

Financial review Q4 2021

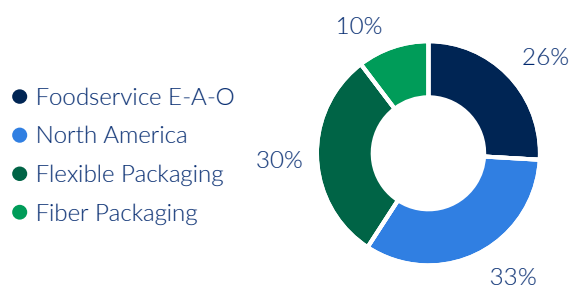
Net sales by business segment

EUR million	Q4 2021	Q4 2020	Change
Foodservice Europe-Asia-Oceania	254.0	213.5	19%
North America	314.7	274.0	15%
Flexible Packaging	344.8	250.8	38%
Fiber Packaging	91.5	85.4	7%
Elimination of internal sales	-5.5	-10.8	
Group	999.5	812.8	23%

Net sales by segment, Q4 2021



Net sales by segment, Q4 2020



Comparable net sales growth by business segment

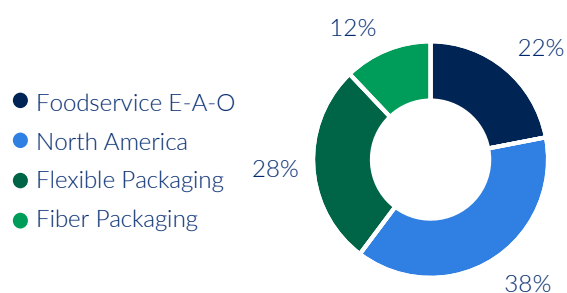
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Foodservice Europe-Asia-Oceania	12%	2%	40%	-2%	-7%
North America	11%	5%	9%	-2%	-2%
Flexible Packaging	12%	7%	6%	0%	-0%
Fiber Packaging	2%	2%	1%	4%	8%
Group	12%	4%	14%	-0%	-2%

The Group's net sales increased 23% to EUR 999 million (EUR 813 million) during the quarter. Comparable net sales growth was 12%. Net sales growth was mainly driven by recovery in foodservice demand, continued growth in retail tableware in North America and strong growth in flexible packaging. Comparable growth was the highest in the Foodservice EAO and the Flexible Packaging segment. Comparable sales growth in emerging markets was 19%. Foreign currency translation impact on the Group's net sales was EUR 24 million (EUR -52 million) compared to 2020 exchange rates.

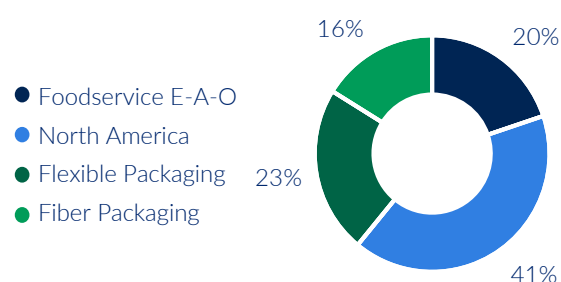
Adjusted EBIT by business segment

EUR million	Q4 2021	Q4 2020	Change	Items affecting comparability	
				Q4 2021	Q4 2020
Foodservice Europe-Asia-Oceania	19.5	15.5	25%	7.1	-10.5
North America	33.9	32.2	5%	-1.1	0.1
Flexible Packaging	24.5	17.9	36%	-3.1	-0.5
Fiber Packaging	10.7	12.7	-15%	-0.5	-3.5
Other activities	-6.4	-5.5		-0.1	-10.5
Group	82.2	72.8	13%	2.3	-24.9

Adjusted EBIT by segment, Q4 2021



Adjusted EBIT by segment, Q4 2020



Adjusted EBIT margin by business segment

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Foodservice Europe-Asia-Oceania	7.7%	8.5%	8.4%	8.5%	7.3%
North America	10.8%	12.2%	13.0%	12.2%	11.8%
Flexible Packaging	7.1%	6.0%	6.1%	8.1%	7.2%
Fiber Packaging	11.7%	9.5%	10.3%	12.1%	14.8%
Group	8.2%	8.5%	9.1%	9.6%	9.0%

The Group's adjusted EBIT increased to EUR 82 million (EUR 73 million) and reported EBIT was EUR 84 million (EUR 48 million) in the quarter. Adjusted EBIT improved mainly driven by sales growth and was supported by acquisitions. Earnings in Fiber Packaging segment declined due to increased input cost. The Group's adjusted EBIT margin decreased and was 8.2% (9.0%). Foreign currency translation impact on the Group's earnings was EUR 2 million (EUR -5 million).

Adjusted EBIT excludes EUR 2.3 million (EUR -24.9 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q4 2021	Q4 2020
Adjusted EBIT	82.2	72.8
Acquisition related costs	-0.3	-0.4
Restructuring gains and losses, including writedowns of related assets	6.1	-14.0
PPA amortization	-2.0	-
Settlement and legal fees of disputes	-1.1	-10.5
Property damage incidents	-0.4	-
One-time gain from acquisition of Laminor	-	-
EBIT	84.5	47.9

Net financial expenses were EUR 9 million (EUR 6 million) in the quarter. Tax expense was EUR 16 million (EUR 9 million). Profit for the fourth quarter was EUR 59 million (EUR 32 million). Adjusted earnings per share (EPS) was EUR 0.54 (EUR 0.48) and reported EPS EUR 0.56 (EUR 0.30). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR 1.1 million (EUR -19.3 million) of IAC.

Adjusted profit and IAC

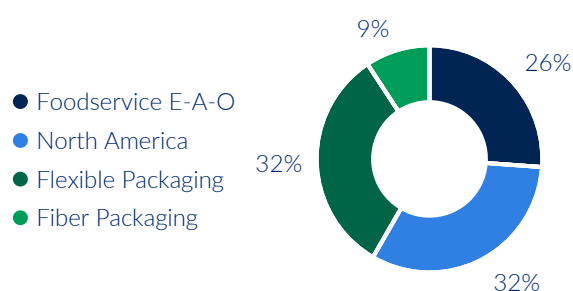
EUR million	Q4 2021	Q4 2020
Adjusted profit for the period attributable to equity holders of the parent company	56.8	50.4
IAC in EBIT	2.3	-24.9
IAC in Financial items	-0.7	-
Taxes relating to IAC	-0.5	5.6
Profit for the period attributable to equity holders of the parent company	57.9	31.0

Financial review 2021

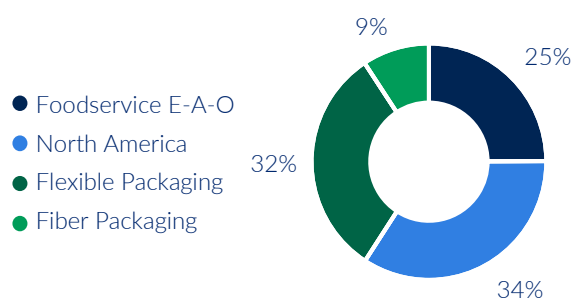
Net sales by business segment

EUR million	2021	2020	Change
Foodservice Europe-Asia-Oceania	941.8	829.1	14%
North America	1,160.3	1,138.9	2%
Flexible Packaging	1,166.6	1,050.8	11%
Fiber Packaging	333.6	307.8	8%
Elimination of internal sales	-27.4	-24.8	
Group	3,574.9	3,301.8	8%

Net sales by segment, 2021



Net sales by segment, 2020



Comparable net sales growth by business segment

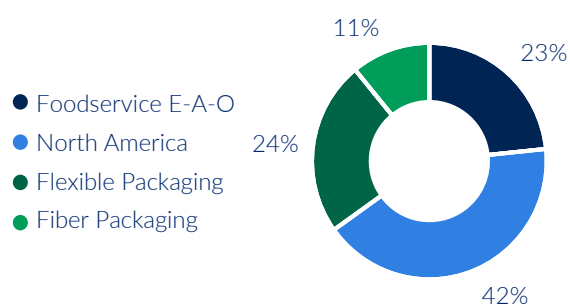
	2021	2020	2019
Foodservice Europe-Asia-Oceania	11%	-10%	4%
North America	6%	1%	9%
Flexible Packaging	7%	1%	3%
Fiber Packaging	2%	9%	6%
Group	7%	-2%	6%

The Group's net sales increased 8% to EUR 3,575 million (EUR 3,302 million) during the reporting period. Comparable net sales growth was 7%. Net sales increased especially in the Foodservice Europe-Asia-Oceania segment, driven by the continued recovery in demand for foodservice products. Sales of retail tableware in North America was strong. Comparable sales growth in emerging markets was 13%. Foreign currency translation impact on the Group's net sales was EUR -54 million (EUR -89 million) compared to 2020 exchange rates.

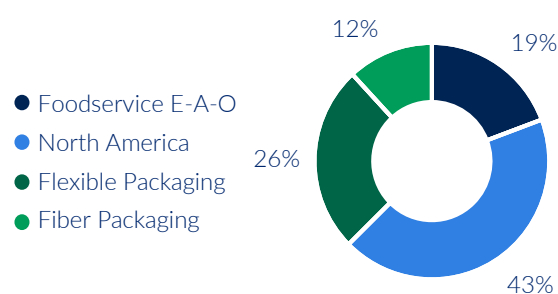
Adjusted EBIT by business segment

EUR million	2021	2020	Change	Items affecting comparability	
				2021	2020
Foodservice Europe-Asia-Oceania	77.8	60.9	28%	0.8	-30.0
North America	139.1	136.6	2%	-1.9	-6.5
Flexible Packaging	79.8	80.7	-1%	-16.1	-6.2
Fiber Packaging	36.4	37.4	-3%	-1.1	-5.2
Other activities	-17.8	-13.5		-1.0	11.0
Group	315.3	302.1	4%	-19.3	-36.8

Adjusted EBIT by segment, 2021



Adjusted EBIT by segment, 2020



Adjusted EBIT margin by business segment

	2021	2020	2019
Foodservice Europe-Asia-Oceania	8.3%	7.3%	9.0%
North America	12.0%	12.0%	9.7%
Flexible Packaging	6.8%	7.7%	8.1%
Fiber Packaging	10.9%	12.2%	9.9%
Group Total	8.8%	9.1%	8.6%

The Group's adjusted EBIT increased to EUR 315 million (EUR 302 million) and reported EBIT was EUR 296 million (EUR 265 million). Adjusted EBIT improved following net sales growth, continued focus on operational efficiency and pricing actions and was offset by higher input costs. The Group's adjusted EBIT margin decreased and was 8.8% (9.1%). Foreign currency translation impact on the Group's earnings was EUR -6 million (EUR -8 million).

Adjusted EBIT excludes EUR -19.3 million (EUR -36.8 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	2021	2020
Adjusted EBIT	315.3	302.1
Acquisition related costs	-8.8	-1.0
Restructuring gains and losses, including writedowns of related assets	-6.0	-47.6
PPA amortization	-2.0	-
Settlement and legal fees of disputes	-1.5	-10.5
Property damage incidents	-0.9	-
One-time gain from acquisition of Laminor	-	22.4
EBIT	296.0	265.3

Net financial expenses were EUR 33 million (EUR 28 million). Tax expense was EUR 60 million (EUR 53 million). The effective tax rate was 23% (23%). Profit for the period was EUR 203 million (EUR 184 million). Adjusted earnings per share (EPS) were EUR 2.07 (EUR 1.95) and reported EPS EUR 1.91 (EUR 1.69). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -17.1 million (EUR -26.2 million) of IAC.

Adjusted profit and IAC

EUR million	2021	2020
Adjusted profit for the period attributable to equity holders of the parent company	216.0	203.0
IAC in EBIT	-19.3	-36.8
IAC in Financial items	-2.9	3.0
Taxes relating to IAC	5.1	7.6
Profit for the period attributable to equity holders of the parent company	198.8	176.8

Statement of financial position and cash flow

The Group's net debt increased mainly due to the acquisitions and was EUR 1520 million (EUR 867 million) at the end of December. The level of net debt corresponds to a gearing ratio of 0.95 (0.64). Net debt to adjusted EBITDA ratio (excluding IAC) was 3.1 (1.8). Average maturity of external committed credit facilities and loans was 2.6 years (2.7 years).

On January 7, 2021, a signing of a EUR 400 million syndicated multicurrency revolving credit facility loan agreement ("RCF") with a maturity of three (3) years was announced. The RCF refinanced an earlier EUR 400 million credit facility signed in January 2015 and will be used for general corporate purposes of the Group. The RCF has two one-year extension options and the interest margin is tied to three sustainability indicators: share of renewable or recycled material in products, share of non-hazardous waste recycled and EcoVadis rating. During the third quarter of 2021, Huhtamäki Oyj signed a bridge financing facility of USD 500 million to support the financing of the acquisition of Elif. On December 16, 2021, Huhtamäki Oyj signed a confirmation to extend the maturity of the EUR 400 million syndicated revolving credit facility loan agreement for a further period of one year in accordance with the extension option of the loan agreement.

Capital expenditure was EUR 259 million (EUR 223 million). The largest investments for business expansion were made in North America, Germany and Russia. The Group's free cash flow was EUR -26 million (EUR 207 million) mainly

impacted by increased working capital following market recovery and inflationary impact in raw materials as well as higher cash taxes.

Cash and cash equivalents were EUR 179 million (EUR 315 million) at the end of December and the Group had EUR 382 million (EUR 310 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 4,542 million (EUR 3,596 million).

Development in sustainability

At Huhtamaki, we are committed to protecting food, people and the planet. Our innovative products protect on-the-go and on-the-shelf food and beverages, ensuring hygiene and safety, and helping to prevent food waste. We aim to minimize the negative impacts of our operations and products on the environment while maximizing the positive impacts on our stakeholders, consumers and society.

As part of our 2030 Strategy, we are focusing on embedding sustainability in everything we do. Huhtamaki has continued its work on operational sustainability roadmaps to reach the 2030 sustainability ambitions. The site-specific roadmaps identify tangible areas of improvement and initiatives include for example actions to increase the use of renewable energy and to improve waste and water management processes. In April 2021, Huhtamaki renewed its global Environmental policy to ensure a group-wide understanding of Huhtamaki's environmental commitments. Huhtamaki has also continued to develop its human rights policies and processes to ensure that human rights are respected throughout the value chain. In September 2021, Huhtamaki's emission reduction targets were approved and validated by the global recognized Science Based Targets initiative. With the targets Huhtamaki is committed to limiting the global temperature rise to well-below 2°C in its operations and value chain and will reduce its direct and electricity greenhouse gas emissions by 27.5% by 2030 and greenhouse gas emissions from its product end-of-life by 13.5% also by the same timeframe.

Huhtamaki has developed a global sustainability dashboard with a selection of key performance indicators. These environmental key performance indicators reflect Huhtamaki's entire ESG agenda and may be revised from time to time. In January 2021 we introduced our Global Sustainability Index GSI, which links the short-term incentives of the President and CEO and other Global Executive Team members to our sustainability key performance indicators. Read more about how we deliver on our sustainability ambition on www.huhtamaki.com.

Impact of COVID-19

As a global leader in food on-the-go and food on-the-shelf packaging, Huhtamaki is an integral part of the supply chain making food safe, hygienic, accessible and affordable wherever you are. Huhtamaki's customers are essential in ensuring the supply and access to food products for consumers worldwide. Packaging promotes hygiene and prevents spread of disease. It keeps food safe, prevents spoilage, preserves the food's original properties and helps to avoid food waste.

Within food on-the-go packaging, foodservice sales have been affected by closures of quick-service restaurants and restrictions on movement. On the other hand, demand for food delivery has increased as people have stayed at home more. Demand for food on-the-shelf packaging, constituting of mainly flexible packaging and fiber packaging, has remained resilient to the effects of COVID-19. The impact on retail business and consumer goods products has been limited. The overall impact from COVID-19 on net sales has varied in accordance with the level of restrictions throughout the crisis. From the peak of the COVID-19 crisis in the second quarter of 2020, the demand for food on-the-go products has gradually recovered. The recovery has continued throughout 2021. Huhtamaki has a healthy balance sheet and its financial position is good. This has enabled the company to continue with investments in growth, innovation and efficiency, activities all of which are key for its future success.

Acquisitions and divestments

On April 21, 2021 Huhtamaki announced its agreement to acquire the assets of Jiangsu Hihio-Art Packaging Co. Ltd., a leading manufacturer of paper bags, wraps and folding carton packaging in China. With this acquisition, Huhtamaki continues to strengthen its position as the leading foodservice packaging provider in Asia and expands its product portfolio in China, allowing it to better serve its existing and new customers in this exciting growth market. Jiangsu Hihio-Art Packaging employs approximately 200 people in its manufacturing unit in Xuzhou city, Jiangsu. In 2020 the

annual net sales of the privately owned business were approximately EUR 20 million. The debt free purchase price was EUR 31 million. The acquisition was completed on June 11, 2021 and since then the business has been reported as part of the Foodservice Europe-Asia-Oceania business segment.

On August 16, 2021 Huhtamaki announced its agreement to acquire Elif Holding A.Ş. (Elif), a major supplier of sustainable flexible packaging to global FMCG brand owners, with operations in Turkey and in Egypt. In line with Huhtamaki's 2030 growth strategy, the acquisition adds scale in strategic geographies and supports Huhtamaki's progress towards reaching its high sustainability ambitions. The acquisition also expands Huhtamaki's technology capabilities and product range, allowing it to serve its customers even better. The net sales of the acquired business were approximately EUR 163 million (USD 195 million) in 2020. Elif employs approximately 1,500 people in its two manufacturing locations in Istanbul, Turkey and Cairo, Egypt. The cash free debt free purchase price was EUR 412 million (USD 483 million). The acquisition was completed on September 23, 2021 and since then the business has been reported as part of Huhtamaki's Flexible Packaging business segment.

On November 30, 2021, Huhtamaki acquired full ownership of its Ireland based joint venture company Huhtamaki CupPrint Limited from the founding shareholders. Huhtamaki acquired 70% majority ownership in the company (that time Cup Print Unlimited Company) on May 31, 2018. CupPrint is specialized in short run custom printed cups with quick delivery time. It has an on-line service model which allows efficient design and delivery of small volumes. The purchase price for the additional shares was approximately EUR 11 million. The business has been reported as part of the Foodservice Europe-Asia-Oceania business segment since June 2018.

Significant events after the reporting period

On January 3, 2022, Huhtamaki announced that it has acquired full ownership of its Polish joint venture company Huhtamaki Smith Anderson sp. z o.o. from Smith Anderson Group Ltd. The company manufactures and sells foodservice paper bags in Eastern Europe at Huhtamaki's facility in Czeladz, Poland. Paper bags have become an increasingly important part of Huhtamaki's product offering and the acquisition enables the company to invest in and further grow the business in Eastern Europe. The purchase price for additional shares and related manufacturing equipment is approximately EUR 2 million. The business has been reported as part of the Foodservice Europe-Asia-Oceania business segment since beginning of operations in 2018.

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 units in Europe, South Africa, Middle East, Asia and Oceania.

EUR million	Q4 2021	Q4 2020	Change	2021	2020	Change
Net sales	254.0	213.5	19%	941.8	829.1	14%
Comparable net sales growth	12%	-7%		11%	-10%	
Adjusted EBIT ¹	19.5	15.5	25%	77.8	60.9	28%
Margin ¹	7.7%	7.3%		8.3%	7.3%	
Adjusted RONA ¹				9.2 %	7.7 %	
Capital expenditure	40.5	31.6	28%	85.0	78.7	8%
Operating cash flow ¹	-31.0	11.7	<-100%	8.9	41.6	-79%
Items affecting comparability (IAC)	7.1	-10.5		0.8	-30.0	

¹ Excluding IAC.

Q4 2021

The demand for foodservice packaging continued to improve during the quarter, as market recovery was not significantly impacted by the continued pandemic and spread of its variants. Variations between markets and product categories remained. Paperboard prices remained stable while polymer prices increased. The logistics chain continued to be disrupted, leading to cost escalation.

Net sales in the Foodservice Europe-Asia-Oceania segment increased, with growth of products related to food delivery continuing to be strong. Comparable net sales growth was 12%. Net sales increased in all main markets and was especially strong in Central and Eastern Europe and Middle East

The impact of currency movements on the segment's reported net sales was EUR 7 million.

The segment's adjusted EBIT improved mainly driven by net sales growth and mix. The escalating input and distribution costs continued to burden the margin.

The impact of currency movements on the segment's reported earnings was EUR 0 million.

Q1-Q4 2021

Throughout 2021, demand for foodservice packaging was negatively impacted by the COVID-19 pandemic. Demand improved gradually during the first three quarters as restrictions started to be lifted and remained resilient through Q4 despite the new acceleration of new Covid variants. Compared to the previous year, polymer prices increased, whereas prices of paperboard remained relatively stable.

Net sales in the Foodservice Europe-Asia-Oceania segment increased. Comparable net sales growth was 11%. Net sales increased in all main markets and was especially strong in Central and Eastern Europe as well as Middle East and Africa.

The impact of currency movements on the segment's reported net sales was EUR 2 million.

The segment's adjusted EBIT improved, as a result of increased sales, pricing actions and continued focus on operational efficiency and was partially offset by higher polymer prices.

The impact of currency movements on the segment's reported earnings was EUR -0 million.

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 units in the United States and Mexico.

EUR million	Q4 2021	Q4 2020	Change	2021	2020	Change
Net sales	314.7	274.0	15%	1,160.3	1,138.9	2%
Comparable net sales growth	11%	-2%		6%	1%	
Adjusted EBIT ¹	33.9	32.2	5%	139.1	136.6	2%
Margin ¹	10.8%	11.8%		12.0%	12.0%	
Adjusted RONA ¹				17.5 %	16.8 %	
Capital expenditure	36.2	35.9	1%	70.6	71.7	-2%
Operating cash flow ¹	24.4	22.1	10%	117.0	150.1	-22%
Items affecting comparability (IAC)	-1.1	0.1		-1.9	-6.5	

¹ Excluding IAC.

Q4 2021

Demand for foodservice related packaging improved, following easing of restrictions particularly related to schools, offices and stadiums. Demand for retail tableware remained strong and the ice cream market was relatively stable. Cost inflation continued with increased cost of raw material, distribution, and energy. The labor market remained tight.

Net sales in the North America segment increased, driven by continued high demand for retail tableware and recovered demand in foodservice packaging. Comparable net sales growth was 11%.

The impact of currency movements on the segment's reported net sales was EUR 11 million.

The segment's adjusted EBIT improved, supported by net sales growth. Earnings were supported by pricing actions and offset by higher raw material prices and distribution costs.

The impact of currency movements on the segment's reported earnings was EUR 2 million.

Q1-Q4 2021

Demand for foodservice packaging was subdued in the beginning of the reporting period and improved towards the end of the period as restrictions were lifted particularly in schools and other venues. Demand for retail tableware was consistently strong throughout the period, defying old seasonal patterns. Raw material prices and distribution costs were higher compared to the previous year, particularly towards the end of the period.

Net sales in North America segment increased, supported by favorable currency movements in the second half of the year. Comparable net sales growth was 6%. Growth was driven by both price and volume and was strongest in retail tableware and supported by strong recovery in foodservice.

The impact of currency movements on the segment's reported net sales was EUR -44 million.

The segment's adjusted EBIT improved. The improvement in profitability was driven by volume growth and pricing actions partially offset by higher raw material prices and distribution costs.

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	Q4 2021	Q4 2020	Change	2021	2020	Change
Net sales	344.8	250.8	38%	1,166.6	1,050.8	11%
Comparable net sales growth	12%	0%		7%	1%	
Adjusted EBIT ¹	24.5	17.9	36%	79.8	80.7	-1%
Margin ¹	7.1%	7.2%		6.8%	7.7%	
Adjusted RONA ¹				8.0 %	10.1 %	
Capital expenditure	12.7	12.9	-2%	46.0	35.9	28%
Operating cash flow ¹	38.3	45.4	-16%	54.9	83.8	-34%
Items affecting comparability (IAC)	-3.1	-0.5		-16.1	-6.2	

¹ Excluding IAC.

Q4 2021

Overall demand for flexible packaging remained good, although with variations between product categories and markets. The recovery in demand in emerging markets was impacted by continued restrictions and lockdowns. The competitive situation in all regions remained tight. Raw material prices increased compared to Q4 2020 as well as cost for energy and transport.

Net sales in the Flexible Packaging segment increased and comparable net sales growth was 12%. Net sales increased throughout key markets, partly against weak comparisons and supported by pricing actions. The Elif acquisition was included in reporting since Q4 and contributed favorably to the reported net sales.

The impact of currency movements on the segment's reported net sales was EUR 4 million.

The segment's adjusted EBIT increased. Profitability continued to be affected by cost inflation especially through higher raw material costs that were significantly offset by pricing. Earnings improved especially in Middle East and Africa. The Elif acquisition contributed favorably to the adjusted EBIT.

The impact of currency movements on the segment's reported earnings was EUR -0 million.

Q1-Q4 2021

Demand for flexible packaging varied between product categories and markets throughout the year. The competitive situation remained tight, and some emerging markets continued to be disrupted. The supply environment was volatile and cost levels increased compared to prior year in critical categories, such as raw material, energy and transport.

Net sales increased in the Flexible Packaging segment. Comparable net sales growth was 7%. Growth was driven by Middle East and Africa, and Southeast Asia and Oceania. The Elif acquisition has been included in the reporting since Q4 and contributed favorably to the reported net sales.

The impact of currency movements on the segment's reported net sales was EUR -17 million.

The segment's adjusted EBIT decreased due to higher raw material prices, partially offset by pricing actions and improved operational efficiency. Earnings growth was highest Middle East and Africa. The Elif acquisition contributed favorably to adjusted EBIT.

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 units in Europe, Oceania, Africa and South America.

EUR million	Q4 2021	Q4 2020	Change	2021	2020	Change
Net sales	91.5	85.4	7%	333.6	307.8	8%
Comparable net sales growth	2%	8%		2%	9%	
Adjusted EBIT ¹	10.7	12.7	-15%	36.4	37.4	-3%
Margin ¹	11.7%	14.8%		10.9%	12.2%	
Adjusted RONA ¹				14.0 %	15.8 %	
Capital expenditure	22.2	22.5	-1%	56.2	36.7	53%
Operating cash flow ¹	-9.4	8.5	<-100 %	-9.3	18.9	<-100 %
Items affecting comparability (IAC)	-0.5	-3.5		-1.1	-5.2	

¹ Excluding IAC.

Q4 2021

Demand for fiber-based egg packaging softened on the back of very strong growth in consumption in 2020 while demand for food on the go products was strong. The prices of recycled fiber continued to increase and were higher compared to Q4 2020.

Net sales in the Fiber Packaging segment increased with support of onboarded capacity and pricing. Comparable net sales growth was 2%. Net sales growth was strongest in Southeast Asia and Oceania.

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

The segment's adjusted EBIT decreased as the higher raw material and energy prices were only partially offset by pricing actions and operational efficiencies.

The impact of currency movements on the segment's reported earnings was EUR 0 million.

Q1-Q4 2021

Demand for fiber-based packaging normalized on the back of very strong growth in consumption in 2020. Demand for egg packaging softened throughout the year, while increased demand for on-the-go products continued. Prices of recycled fiber increased compared to the previous year.

Net sales in the Fiber Packaging segment increased, supported by continued demand, onboarded capacity and pricing. Comparable net sales growth was 2%.

The impact of currency movements on the segment's reported net sales was EUR 4 million.

The segment's adjusted EBIT decreased as continued operational efficiency and pricing actions only partially offset the increased raw material prices and energy prices.

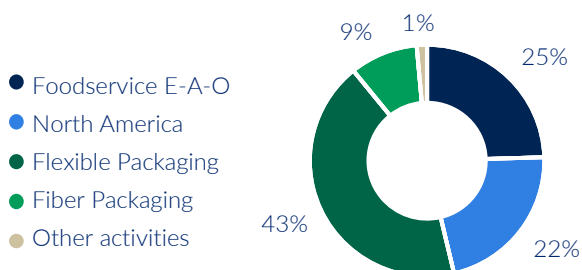
The impact of currency movements on the segment's reported earnings was EUR 1 million.

Personnel

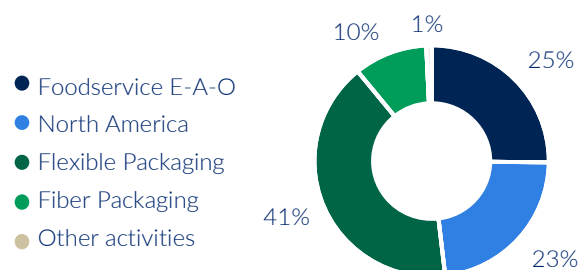
Number of personnel

	December 31, 2021	December 31, 2020	Change
Foodservice Europe-Asia-Oceania	4,797	4,591	4%
North America	4,261	4,185	2%
Flexible Packaging	8,387	7,468	12%
Fiber Packaging	1,840	1,849	-0%
Other activities	279	134	>100%
Group	19,564	18,227	7%

Personnel by segment on December 31, 2021



Personnel by segment on December 31, 2020



At the end of December 2021, the Group had a total of 19,564 (18,227) employees. The number of employees was 7% higher than in the comparison period, driven mainly by the impact of the two acquisitions.

Changes in management

Ann O'Hara, MBA, BSE (Chemical Engineering), was appointed President, North America and a member of the Global Executive Team as of January 1, 2021.

Marco Hilty, Ph.D. (Business Administration) was appointed President, Flexible Packaging and a member of the Global Executive Team as of September 1, 2021. Arup Basu, President, Flexible Packaging, decided to leave Huhtamaki on May 12, 2021.

Ingolf Thom, MBA, was appointed Executive Vice President, HR and Safety and a member of the Global Executive Team as of January 10, 2022. It was announced on July 22, 2021 that Teija Sarajärvi, Executive Vice President, Human Resources and Safety, and a member of Huhtamaki Global Executive Team, would leave Huhtamaki in order to pursue another career opportunity.

Fredrik Davidsson, Bs (Engineering), has been appointed Executive Vice President, Digital and Process Performance and a member of the Global Executive Team as of June 1, 2022, at the latest. Antti Valtokari, Executive Vice President, IT and Process Performance, will assume the role of Senior Vice President, Operating Model and Systems reporting to Fredrik Davidsson.

It was announced on December 21, 2021, that President and CEO Charles Héaulmé would take a leave of absence from early January to undergo medical treatment. He is expected back in Q2 2022. Thomas Geust, CFO, was appointed as interim Deputy CEO, effective January 1, 2022. He reports to the Board of Directors and assumes the duties of the CEO until the end of Charles Héaulmé's leave of absence. Eric Le Lay, President Fiber Foodservice EAO, was appointed interim Chief Operating Officer effective January 1, 2022. He reports to the Board of Directors on the said position

until the end of Charles Héaulmé's leave of absence. Marco Hilty, President, Flexible Packaging, and Ann O'Hara, President, North America, will report to Eric Le Lay.

Share capital, shareholders and trading of shares

Share capital and number of shares

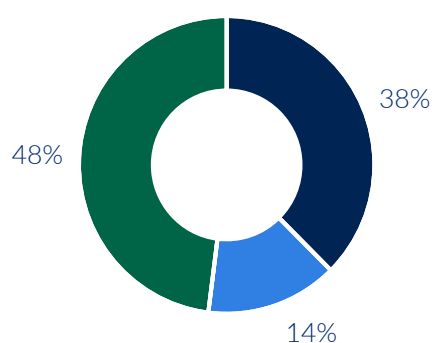
	December 31, 2021	December 31, 2020
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,395,709	3,410,709
% of total number of shares	3.2%	3.2%
Number of outstanding shares ¹	104,364,676	104,349,676
Average number of shares ^{1,2}	104,360,114	104,349,676

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at December 31, 2021

- Finnish institutions, companies and organizations
- Households
- Foreign and nominee-registered shareholders



The number of registered shareholders at the end of December 2021 was 43,774 (36,764). Foreign ownership including nominee registered shares accounted for 48% (50%).

Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	2021	2020
Number of shares traded, million	51.0	59.0
Closing price on final day of trading, EUR	38.89	42.26
Volume-weighted average price, EUR	40.12	37.34
High, EUR	45.93	46.62
Low, EUR	36.57	23.48
Market capitalization (at end of period), EUR million	4,191	4,554

During the reporting period, 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 December 2021, the Company's market capitalization was EUR 4,191 million (EUR 4,554 million). With a closing price of EUR 38.89 (EUR 42.26) at the end of the reporting period, the share price decreased approximately 8% from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 40.12 (EUR 37.34). The highest price paid was EUR 45.93 (EUR 46.62) and the lowest was EUR 36.57 (EUR 23.48).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 2,027 million (EUR 2,217 million). The trading volume of approximately 51 million (59 million) shares equaled an average daily turnover of 200,455 (235,468) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 6,022 million (EUR 5,673 million). During the reporting period, 66% (63%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, fragmentation.fidessa.com)

Resolutions of the Annual General Meeting 2021

Huhtamäki Oyj's Annual General Meeting of Shareholders was held on April 22, 2021 in Espoo. The meeting adopted the Annual Accounts including the Consolidated Annual Accounts for 2020, discharged the members of the Company's Board of Directors and the CEO from liability, and approved all proposals made to the Annual General Meeting by the Board of Directors and the Shareholders' Nomination Board. The Annual General Meeting also approved the Remuneration Report for the Company's Governing Bodies presented to it.

The Annual General Meeting resolved that an aggregate dividend of EUR 0.92 per share be paid based on the balance sheet adopted for the financial period ended on December 31, 2020. The dividend was paid in two instalments. The first dividend instalment, EUR 0.46 per share, was paid to shareholders registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the record date for the first dividend instalment April 26, 2021. The payment date for the first dividend instalment was May 3, 2021. The second dividend instalment, EUR 0.46 per share, was paid to shareholders registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the record date for the second dividend instalment October 1, 2021. The payment date for the second dividend instalment was October 8, 2021.

The number of members of the Board of Directors was confirmed to as seven (7). Mr. Pekka Ala-Pietilä, Mr. Doug Baillie, Mr. William R. Barker, Ms. Anja Korhonen, Ms. Kerttu Tuomas, Ms. Sandra Turner and Mr. Ralf K. Wunderlich were re-elected as members of the Board of Directors for a term ending at the end of the next Annual General Meeting. The Annual General Meeting re-elected Mr. Pekka Ala-Pietilä as the Chairman of the Board and Ms. Kerttu Tuomas as the Vice-Chairman of the Board.

The Annual General Meeting resolved that the annual remuneration to the members of the Board of Directors will be paid as follows: to the Chairman of the Board EUR 140,000, to the Vice-Chairman EUR 75,000 and to the other members EUR 62,000 each. In addition, the Annual General Meeting resolved that the annual remuneration to the Chairman and members of the Board Committees will be paid as follows: to the Chairman of the Audit Committee EUR 15,000 and to the other members of the Audit Committee EUR 5,000 as well as to the Chairman of the Human Resources Committee EUR 5,000 and to the other members of the Human Resources Committee EUR 2,500. In addition, the Annual General Meeting resolved that EUR 1,500 will be paid for each Board and Committee meeting attended. Traveling expenses of the Board members will be compensated in accordance with the Company policy.

KPMG Oy Ab, a firm of authorized public accountants, was re-elected as Auditor of the Company for the financial year January 1 - December 31, 2021. Mr. Henrik Holmbom, APA, will continue to act as the Auditor with principal responsibility.

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase of an aggregate maximum of 10,776,038 of the Company's own shares. Own shares may be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The authorization covers also directed repurchases of the Company's own shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2022.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of new shares to be issued may not exceed 10,000,000 shares which corresponds to approximately 9.3 percent of the current shares of the Company, and the aggregate number of own treasury shares to be transferred may not exceed 4,000,000 shares which corresponds to approximately 3.7 percent of the current shares of the Company. The authorization covers also directed issuances of shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2022.

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.

Outlook for 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.

Dividend proposal

On December 31, 2021 Huhtamäki Oyj's distributable funds were EUR 462 million (EUR 542 million). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0,94 (EUR 0.92) per share be paid.

Annual General Meeting 2022

The Annual General Meeting of Shareholders (AGM) will be held on Wednesday, April 27, 2022 with exceptional meeting procedures based on the Finnish temporary legislative act (375/2021). The AGM will be held without the presence of shareholders or their representatives in order to ensure the health and safety of the Company's shareholders, personnel and other stakeholders. After the AGM, shareholders will be provided with an opportunity to follow a webinar where the Chairman of the Board and other Company's representatives will address topical themes of the Company.

Financial reporting in 2022

In 2022, Huhtamaki will publish financial information as follows:

Interim Report, January 1 - March 31, 2022	April 27
Half-yearly Report, January 1 - June 30, 2022	July 21
Interim Report, January 1 - September 30, 2022	October 21

Annual Accounts 2021 will be published on the week commencing February 28, 2022.

Espoo, February 9, 2022

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS)

EUR million	Q1-Q4 2021	Q1-Q4 2020*	Q4 2021	Q4 2020*
Net sales	3,574.9	3,301.8	999.5	812.8
Cost of goods sold	-2980.4	-2,749.3	-840.1	-682.5
Gross profit	594.4	552.5	159.4	130.2
Other operating income	24.4	42.8	15.6	8.6
Sales and marketing	-84.8	-86.1	-26.7	-22.9
Research and development	-25.7	-21.9	-7.5	-6.8
Administration expenses	-207.6	-203.7	-58.4	-48.0
Other operating expenses	-4.8	-18.8	2.2	-13.1
Share of profit of equity-accounted investments	-	0.4	-	-0.0
Earnings before interest and taxes	296.0	265.3	84.5	47.9
Financial income	4.0	10.2	1.7	3.7
Financial expenses	-37.0	-38.4	-10.8	-10.2
Profit before taxes	263.0	237.1	75.4	41.4
Income tax expense	-60.3	-53.3	-16.4	-9.3
Profit for the period	202.7	183.7	59.0	32.1
Attributable to:				
Equity holders of the parent company	198.8	176.8	57.9	31.0
Non-controlling interest	3.8	6.9	1.0	1.1
EUR				
EPS attributable to equity holders of the parent company	1.91	1.69	0.56	0.30
Diluted EPS attributable to equity holders of the parent company	1.91	1.69	0.56	0.30

*Restated (see Notes to the Results Report - Change in accounting policy: Presentation of amortization)

Group statement of comprehensive income (IFRS)

<i>EUR million</i>	Q1-Q4 2021	Q1-Q4 2020	Q4 2021	Q4 2020
Profit for the period	202.7	183.7	59.0	32.1
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements on defined benefit plans	35.7	-1.4	35.5	-1.2
Income taxes related to items that will not be reclassified	-8.0	2.0	-7.9	2.0
Total	27.8	0.7	27.6	0.8
Items that may be reclassified subsequently to profit or loss				
Translation differences	117.8	-153.6	48.1	-38.9
Equity hedges	-17.9	17.2	-6.7	8.5
Cash flow hedges	4.9	-2.3	0.5	-1.4
Income taxes related to items that may be reclassified	-1.1	0.7	-0.1	0.4
Total	103.8	-138.1	41.8	-31.4
Other comprehensive income, net of tax	131.5	-137.4	69.3	-30.6
Total comprehensive income	334.2	46.3	128.3	1.5
Attributable to:				
Equity holders of the parent company	330.1	39.9	127.5	0.9
Non-controlling interest	4.1	6.4	0.8	0.5

Group statement of financial position (IFRS)

<i>EUR million</i>	Dec 31, 2021	Dec 31, 2020
ASSETS		
Non-current assets		
Goodwill	1,000.9	732.4
Other intangible assets	121.5	37.4
Tangible assets	1,674.1	1,365.3
Other investments	2.2	2.3
Interest-bearing receivables	2.0	3.3
Deferred tax assets	55.1	61.3
Employee benefit assets	67.6	57.4
Other non-current assets	5.6	3.4
	2,929.1	2,262.8
Current assets		
Inventory	665.7	473.4
Interest-bearing receivables	1.9	7.4
Current tax assets	22.0	16.3
Trade and other current receivables	744.9	520.5
Cash and cash equivalents	178.7	315.5
	1,613.1	1,333.0
Total assets	4,542.2	3,595.8
EQUITY AND LIABILITIES		
Share capital	366.4	366.4
Premium fund	115.0	115.0
Treasury shares	-31.2	-31.3
Translation differences	-102.4	-202.3
Fair value and other reserves	-72.4	-103.8
Retained earnings	1,245.3	1,140.1
Total equity attributable to equity holders of the parent company	1,520.7	1,284.1
Non-controlling interest	76.5	80.4
Total equity	1,597.2	1,364.5
Non-current liabilities		
Interest-bearing liabilities	1,275.6	941.4
Deferred tax liabilities	131.9	99.1
Employee benefit liabilities	197.2	228.5
Provisions	13.1	12.1
Other non-current liabilities	5.1	12.6
	1,622.8	1,293.6
Current liabilities		
Interest-bearing liabilities		
Current portion of long term loans	157.1	95.4
Short-term loans	270.1	156.2
Provisions	4.7	22.1
Current tax liabilities	55.0	66.6
Trade and other current liabilities	835.3	597.4
	1,322.2	937.7
Total liabilities	2,945.0	2,231.3
Total equity and liabilities	4,542.2	3,595.8

Group statement of changes in equity (IFRS)

Attributable to equity holders of the parent company

<i>EUR million</i>	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance on January 1, 2020	366.4	115.0	-31.3	-65.8	-103.4	1,067.1	1,348.0	89.1	1,437.1
Dividends paid						-92.9	-92.9		-92.9
Share-based payments						2.9	2.9		2.9
Total comprehensive income for the year				-136.5	-0.4	176.8	39.9	6.4	46.3
Acquisition of non-controlling interest						9.6	9.6	-8.6	1.1
Other Changes						-23.5	-23.5	-6.5	-30.0
Balance on Dec 31, 2020	366.4	115.0	-31.3	-202.3	-103.8	1,140.1	1,284.1	80.4	1,364.5
Dividends paid						-96.0	-96.0		-96.0
Share-based payments			0.1			5.4	5.6		5.6
Total comprehensive income for the year				99.8	31.4	198.8	330.1	4.1	334.2
Acquisition of non-controlling interest						-3.0	-3.0	-8.0	-11.0
Other Changes						0.0	0.0	-0.0	-0.0
Balance on Dec 31, 2021	366.4	115.0	-31.2	-102.4	-72.4	1,245.3	1,520.7	76.5	1,597.2

Group statement of cash flows (IFRS)

EUR million	Q1-Q4 2021	Q1-Q4 2020	Q4 2021	Q4 2020
Profit for the period*	202.7	183.7	59.0	32.1
Adjustments*	267.1	271.3	65.0	77.9
Depreciation and amortization*	173.7	199.2	48.1	53.5
Share of profit of equity-accounted investments*	-	-0.4	-	0.0
Gain/loss from disposal of assets*	-3.8	0.5	-5.7	0.6
Financial expense/-income*	33.0	28.2	9.1	6.5
Income tax expense*	60.3	53.3	16.4	9.3
Other adjustments, operational*	4.0	-9.6	-2.9	8.1
Change in inventory*	-105.0	-4.7	-21.1	44.7
Change in non-interest bearing receivables*	-150.2	50.9	-27.1	48.0
Change in non-interest bearing payables*	116.4	-6.6	25.2	-25.4
Dividends received*	0.2	0.0	0.1	0.0
Interest received*	2.2	2.6	0.8	0.8
Interest paid*	-25.4	-23.4	-12.1	-7.2
Other financial expense and income*	-2.4	-0.4	-1.4	0.2
Taxes paid*	-82.8	-44.9	-39.4	-11.0
Net cash flows from operating activities	222.7	428.6	48.9	160.1
Capital expenditure*	-259.4	-223.5	-112.2	-103.2
Proceeds from selling tangible assets*	10.5	1.9	9.1	0.6
Acquired subsidiaries and assets	-365.2	-39.0	-10.7	-1.0
Proceeds from long-term deposits	1.8	0.9	0.1	0.1
Payment of long-term deposits	-0.4	-0.2	-0.2	-0.2
Proceeds from short-term deposits	7.0	34.2	0.7	25.4
Payment of short-term deposits	-1.4	-28.7	-0.6	-4.1
Net cash flows from investing activities	-607.0	-254.3	-113.5	-82.4
Proceeds from long-term borrowings	621.3	345.2	7.4	31.5
Repayment of long-term borrowings	-257.3	-199.4	2.2	-43.5
Change in short-term loans	-15.8	-94.8	6.4	-68.5
Acquisition of non-controlling interest	-15.1	-	-	-
Dividends paid	-96.0	-92.9	-48.0	-
Net cash flows from financing activities	237.1	-41.8	-32.0	-80.5
Change in liquid assets	-136.8	116.0	-92.7	0.4
Cash flow based	-147.2	132.5	-96.7	-2.8
Translation difference	10.4	-16.5	4.0	3.2
Liquid assets period start	315.5	199.4	271.4	315.1
Liquid assets period end	178.7	315.5	178.7	315.5
Free cash flow (including figures marked with *)	-26.1	207.1	-54.1	57.5

Notes to the Results Report

The figures in this Results Report are based on audited 2021 Financial Statements.

The Results Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the accounting policy changes listed below, the same accounting policies have been applied in the Results Report as in the annual financial statements for 2020. The following new and amended standards and interpretations have been adopted with effect from January 1, 2021:

- **Revised IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases** (Interest Rate Benchmark Reform, Phase 2). Amendments address issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of interest rate benchmark reform. Amendments assist companies in providing useful information about the effects of interest rate benchmark reform on financial statements. Group's risk exposure that is directly affected by the reform are fair value hedge accounting of long term fixed rate debt for changes in fair value attributable to changes in EURIBOR and cash flow hedge accounting for long term floating rate debt for fair value changes attributable to changes in USD LIBOR. The Group will continue to monitor the effects of the IBOR reform. The amendments had no impact on the interim financial statements.

- **Change in accounting policy: Presentation of amortization.** The Group has changed its accounting policy for presentation of amortization in the consolidated statement of income. Amortization is reclassified from Other operating expenses to Cost of goods sold, Sales and Marketing, Research and development and Administration expenses based on the function that the underlying intangible assets relate to. This change results reliable and more relevant information about the Group's financial performance. The change is applied retrospectively and the year 2020 is restated. The comparative amounts related to the consolidated statement of income are adjusted accordingly. Since this is a reclassification between the line items of the consolidated statement of income, there is no impact to the consolidated statement of financial position.

<i>EUR million</i>	Restated		Restated Q4			
	Q1-Q4 2020	Change	Q1-Q4 2020	2020	Change	Q4 2020
Net sales	3,301.8	-	3,301.8	812.8	-	812.8
Cost of goods sold	-2,749.3	-0.7	-2,748.6	-682.5	-0.2	-682.4
Gross profit	552.5	-0.7	553.3	130.2	-0.2	130.4
Other operating income	42.8	-	42.8	8.6	-	8.6
Sales and marketing	-86.1	-4.7	-81.4	-22.9	-1.6	-21.3
Research and development	-21.9	-1.2	-20.7	-6.8	-1.2	-5.7
Administration expenses	-203.7	-4.1	-199.6	-48.0	-1.1	-47.0
Other operating expenses	-18.8	10.6	-29.4	-13.1	4.0	-17.1
Share of profit of equity-accounted investments	0.4	-	0.4	-0.0	-	-0.0
Earnings before interest and taxes	265.3	-	265.3	47.9	-	47.9
Financial income	10.2	-	10.2	3.7	-	3.7
Financial expenses	-38.4	-	-38.4	-10.2	-	-10.2
Profit before taxes	237.1	-	237.1	41.4	-	41.4
Income tax expense	-53.3	-	-53.3	-9.3	-	-9.3
Profit for the period	183.7	-	183.7	32.1	-	32.1
Attributable to:						

Equity holders of the parent company	176.8	-	176.8	31.0	-	31.0
Non-controlling interest	6.9	-	6.9	1.1	-	1.1
EUR						
EPS attributable to equity holders of the parent company	1.69	-	1.69	0.30	-	0.30
Diluted EPS attributable to equity holders of the parent company	1.69	-	1.69	0.30	-	0.30

Description of the impact of COVID-19 on the business can be found in the chapter 'Impact of COVID-19' in the Results Review.

Segments

Segment information is presented according to the IFRS standards. Items below EBIT – financial items and taxes – are not allocated to the segments. Reportable segments' net sales and EBIT form Group's total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

Net sales

<i>EUR million</i>	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	937.8	252.6	243.3	235.2	206.7	825.9	212.7	230.3	166.4
Intersegment net sales	4.0	1.4	1.3	0.6	0.6	3.2	0.8	0.5	0.8
North America	1,156.1	313.3	293.7	293.9	255.2	1,134.2	273.0	281.8	294.6
Intersegment net sales	4.2	1.4	0.7	1.3	0.8	4.7	1.0	0.8	1.5
Flexible Packaging	1,165.6	348.4	282.4	269.3	265.5	1,046.5	250.4	264.5	261.7
Intersegment net sales	0.9	-3.6	1.5	1.4	1.6	4.3	0.3	1.5	1.4
Fiber Packaging	315.4	85.1	77.0	78.8	74.5	295.2	76.6	70.7	74.4
Intersegment net sales	18.3	6.3	6.3	1.6	4.1	12.6	8.7	1.5	1.4
Elimination of intersegment net sales	-27.4	-5.5	-9.8	-5.0	-7.1	-24.8	-10.8	-4.3	-5.1
Total	3,574.9	999.5	896.3	877.1	801.9	3,301.8	812.8	847.3	797.1

EBIT

<i>EUR million</i>	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	78.5	26.6	20.0	18.5	13.4	30.9	5.0	4.4	5.7
North America	137.3	32.8	35.7	37.6	31.2	130.1	32.3	32.8	37.9
Flexible Packaging	63.6	21.4	6.7	14.9	20.6	74.5	17.4	21.9	18.9
Fiber Packaging	35.2	10.3	7.8	7.8	9.5	32.2	9.2	7.8	7.7
Other activities	-18.7	-6.6	-5.3	-3.8	-3.1	-2.4	-16.0	-2.3	0.0
Total	296.0	84.5	64.9	75.0	71.6	265.3	47.9	64.7	70.2

IAC in EBIT

<i>EUR million</i>	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	0.8	7.1	-0.7	-1.4	-4.2	-30.0	-10.5	-17.3	-0.5
North America	-1.9	-1.1	-0.1	-0.6	-	-6.5	0.1	-3.2	-0.0
Flexible Packaging	-16.1	-3.1	-10.3	-1.6	-1.1	-6.2	-0.5	-0.7	-0.3
Fiber Packaging	-1.1	-0.5	-0.1	-0.5	0.0	-5.2	-3.5	-0.2	-0.8
Other activities	-1.0	-0.1	-0.1	-0.7	-0.0	11.0	-10.5	0.6	1.7
Total	-19.3	2.3	-11.4	-4.9	-5.3	-36.8	-24.9	-20.9	0.1

EBITDA

<i>EUR million</i>	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	133.8	38.9	34.2	31.7	29.1	104.9	26.4	28.0	19.5
North America	188.2	46.1	48.6	50.1	43.4	185.4	44.5	48.8	51.5
Flexible Packaging	106.6	37.1	16.5	22.6	30.3	116.5	27.4	32.3	28.0
Fiber Packaging	57.0	16.1	13.4	13.1	14.4	57.7	18.5	12.7	13.3
Other activities	-16.0	-5.6	-4.7	-3.2	-2.5	0.1	-15.4	-1.7	0.7
Total	469.6	132.5	108.0	114.3	114.8	464.5	101.4	120.1	113.0

IAC in EBITDA

<i>EUR million</i>	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	0.7	4.8	-0.7	-1.4	-1.9	-11.3	-3.1	-7.4	-0.5
North America	-1.9	-1.1	-0.1	-0.6	-	-3.3	0.0	0.1	-0.0
Flexible Packaging	-15.4	-0.8	-10.1	-3.5	-1.0	-3.3	-0.5	-0.2	-0.3
Fiber Packaging	-1.2	-0.5	-0.1	-0.5	-0.1	-1.7	-1.3	-0.1	-0.1
Other activities	-1.0	-0.1	-0.1	-0.7	-0.0	11.0	-10.5	0.6	1.7
Total	-18.7	2.2	-11.2	-6.8	-3.0	-8.6	-15.4	-7.1	0.9

Depreciation and amortization

<i>EUR million</i>	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	55.3	12.3	14.2	13.2	15.7	74.0	21.4	23.6	13.8
North America	50.9	13.3	12.9	12.5	12.2	55.3	12.2	16.0	13.6
Flexible Packaging	42.9	15.7	9.8	7.7	9.7	42.0	9.9	10.3	9.1
Fiber Packaging	21.8	5.8	5.6	5.4	4.9	25.5	9.3	4.9	5.6
Other activities	2.8	0.9	0.6	0.6	0.6	2.5	0.6	0.7	0.7
Total	173.7	48.1	43.1	39.3	43.1	199.2	53.5	55.4	42.8

Net assets allocated to the segments¹

<i>EUR million</i>	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	909.1	848.2	841.1	810.2	789.8	788.8	803.8	775.2
North America	824.3	796.8	793.8	801.8	748.3	779.0	826.6	878.6
Flexible Packaging	1,252.7	1,321.8	824.7	808.5	783.1	801.0	822.3	828.8
Fiber Packaging	269.5	274.1	261.7	251.1	242.4	236.4	236.7	234.7

¹ Following statement of financial position items are included in net assets: intangible and tangible assets, equity-accounted investments, other non-current assets, inventories, trade and other current receivables (excluding accrued interest income), other non-current liabilities and trade and other current liabilities (excluding accrued interest expense).

Capital expenditure

<i>EUR million</i>	Q1-Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	85.0	40.5	19.2	15.4	9.8	78.7	31.6	12.6	18.5
North America	70.6	36.2	12.0	12.8	9.6	71.7	35.9	13.9	9.9
Flexible Packaging	46.0	12.7	13.6	11.5	8.1	35.9	12.9	7.5	7.5
Fiber Packaging	56.2	22.2	17.1	11.6	5.2	36.7	22.5	6.5	4.3
Other activities	1.7	0.5	0.4	0.5	0.3	0.4	0.2	0.0	0.1
Total	259.4	112.2	62.3	51.8	33.0	223.5	103.2	40.6	40.3

Business combinations

Jiangsu Hihio-Art Packaging

On June 11, 2021 Huhtamaki completed the acquisition of Jiangsu Hihio-Art Packaging Co. Ltd.'s business operations. Jiangsu Hihio-Art Packaging is a privately owned manufacturer of paper bags, wraps and folding carton packaging in China. The acquisition strengthens Huhtamaki's position as the leading foodservice packaging provider in Asia and expands its product portfolio allowing it to better serve both existing and new customers in China. The debt free purchase price was EUR 31 million including a contingent consideration. The acquired business is incorporated into and reports as part of the Foodservice Europe-Asia-Oceania reporting segment as of June 11, 2021. The goodwill from the acquired business is expected to be non-deductible for income tax purposes. The transaction costs EUR 0.9 million are included in the Group income statement in Administration expenses (EUR 0.6 million) and Other operating expenses (EUR 0.3 million).

The values of acquired assets and liabilities at time of acquisition were as follows:

EUR million

Other intangible assets	1.5
Tangible assets	14.0
Inventory	3.3
Total assets	18.9
Interest bearing liabilities	0.7
Deferred tax liabilities	0.4
Total liabilities	1.1
Net assets total	17.8
Goodwill	13.0
Consideration	30.7
Consideration, paid in cash	24.7
Consideration, contingent	6.1

Analysis of cash flows of acquisition

EUR million

Purchase consideration, cash payment	-24.7
Transaction costs of the acquisition	-0.9
Net cash flow on acquisition	-25.6

The net sales of the acquired business included in the Group income statement since acquisition date were EUR 12.6 million and result for the period was EUR 0.0 million.

Elif Holding

On September 23, 2021 Huhtamaki has completed the acquisition of Elif Holding A.Ş. (Elif), a major supplier of sustainable flexible packaging to global FMCG brand owners, with operations in Turkey and in Egypt. With this acquisition, Huhtamaki reinforces its position as a leading flexible packaging company in emerging markets and strengthens its existing flexible packaging business in attractive consumer product categories. The cash free debt free purchase price was EUR 412 million (USD 483 million). The acquired business is reported as part of Huhtamaki's Flexible Packaging business segment as of September 23, 2021. The goodwill from the acquired business is expected to be non-deductible for income tax purposes. The transaction costs EUR 8.8 million are included in the Group income statement in Administration expenses (EUR 6.6 million) and Financial expenses (EUR 2.2 million).

The draft values of acquired assets and liabilities at time of acquisition were as follows:

<i>EUR million</i>	
Other intangible assets	78.5
Tangible assets	96.8
Inventory	58.7
Trade and other receivables	53.4
Cash and cash equivalents	28.4
Total assets	315.8
Interest bearing liabilities	111.2
Deferred tax liabilities	30.5
Trade and other liabilities	35.3
Total liabilities	176.9
Net assets total	139.0
Goodwill	219.3
Consideration	358.3
Consideration, paid in cash	358.3

Analysis of cash flows of acquisition

<i>EUR million</i>	
Purchase consideration, cash payment	-358.3
Cash and cash equivalents in acquired companies	28.4
Transaction costs of the acquisition	-8.8
Net cash flow on acquisition	-338.6

The net sales of the acquired business included in the Group income statement since acquisition date were EUR 56.7 million and result for the period was EUR -0.2 million.

The Group net sales would have been approx. EUR 3,720 million and the Group result for the period approx. EUR 210 million if the acquired businesses of Jiangsu Hihio-Art Packaging and Elif Holding would have been consolidated from January 1, 2021 onwards.

CupPrint

On November 30, 2021, Huhtamaki acquired full ownership of its Ireland based joint venture company Huhtamaki CupPrint Limited from the founding shareholders. Huhtamaki acquired 70% majority ownership in the company (that time Cup Print Unlimited Company) on May 31, 2018. The purchase price for the additional shares was approximately EUR 11 million. The business has been reported as part of the Foodservice Europe-Asia-Oceania business segment since June 2018.

Other information

Key indicators

	Q1-Q4 2021	Q1-Q4 2020
Equity per share (EUR)	14.57	12.31
ROE, % (12m roll.)	13.9 %	12.9 %
ROI, % (12m roll.)	10.6 %	10.3 %
Net debt	1,520.2	866.8
Net debt to equity (gearing)	0.95	0.64
Personnel	19,564	18,227
Profit before taxes (EUR million, 12m roll.)	263.0	237.1
Depreciation of tangible assets (EUR million)	164.4	185.4
Amortization of other intangible assets (EUR million)	9.3	13.8

Contingent liabilities

EUR million	Dec 31, 2021	Dec 31, 2020
Capital expenditure commitments	81.4	45.2

Financial instruments measured at fair value

EUR million	Dec 31, 2021	Dec 31, 2020
Derivatives - assets		
Currency forwards, transaction risk hedges	1.8	1.8
Currency forwards, translation risk hedges	-	4.5
Currency forwards, for financing purposes	19.5	6.4
Currency options, transaction risk hedges	-	0.2
Interest rate swaps	0.9	0.8
Other investments	2.2	2.3
Derivatives - liabilities		
Currency forwards, transaction risk hedges	0.6	5.2
Currency forwards, translation risk hedges	5.4	0.3
Currency forwards, for financing purposes	9.5	3.8
Currency options, transaction risk hedges	-	0.4
Interest rate swaps	1.8	3.3
Cross currency swaps	0.7	2.1

The fair values of the financial instruments measured at fair value have been indirectly derived from market prices. Other investments include quoted and unquoted shares. Quoted shares are measured at fair value. For unquoted shares the fair value cannot be measured reliably, as a result of which the investments are carried at cost.

Interest-bearing liabilities

EUR million	Dec 31, 2021		Dec 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	1,275.6	1,251.7	941.4	925.0
Current	427.2	427.2	251.6	251.6
Total	1,702.8	1,678.9	1,193.0	1,176.6

Exchange rates

The exchange rates used at the month end are the rates of the date prior to the last working day of the month.

Income statement, average:

	Q1-Q4 2021	Q1-Q4 2020
AUD 1 =	0.6350	0.6040
GBP 1 =	1.1625	1.1249
INR 1 =	0.0114	0.0118
RUB 1 =	0.0115	0.0121
THB 1 =	0.0264	0.0280
USD 1 =	0.8447	0.8765

Statement of financial position, month end:

	Dec 31, 2021	Dec 31, 2020
AUD 1 =	0.6413	0.6240
GBP 1 =	1.1915	1.1073
INR 1 =	0.0119	0.0111
RUB 1 =	0.0118	0.0109
THB 1 =	0.0264	0.0272
USD 1 =	0.8823	0.8143

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.