

Strong performance in a volatile environment

Results 2022

Charles Héaulmé
President and CEO

Thomas Geust
CFO

Huhtamaki

Strong performance in a volatile environment

- **Volatility continues** – Variations in input cost development. Softening demand in many categories and geographies
- **Financial performance** – Continued strong performance with 9% comparable sales growth in Q4 and 15% in 2022. Strong growth in adj. EBIT; Q4 +14%, 2022 +25%
- **Dividend proposal** – Board of Directors propose a dividend of EUR 1.00 per share for FY 2022, growth of 6%
- **Investing for growth** – Improving technology capabilities and increasing capacity
- **Delivering innovation** – In November, announcement of Nespresso paper-based compostable coffee capsules
- **Evolving legislation** – PPWR proposal announced in November 2022



Investing in next-generation innovation

- Development of paper-based coffee capsules
 - Exclusive partnership with Nespresso
 - Based on our proprietary high-precision technology
- Other launches in 2022
 - ICON - recyclable paper ice-cream packaging in North America
 - bluelooptm PaperLid
 - Push Tab[®] blister lid
 - OmniLock[™] ultra paper flexible packaging solutions



Official photo by Nespresso

Evolving EU Packaging & Packaging Waste Regulation, as proposed, will have positive and negative impacts

Objective and content of PPWR proposal

- **Mixed business implications**
 - Requirement for recyclability at-scale
 - Amount of recyclable content
 - Reuse systems in HORECA
- **Impact from reuse mandate not meaningful**
 - 2030: ~2% of current net sales
 - 2040: ~5% of current net sales
 - Certain products outside scope
- **Net positive long-term Foodservice development**
 - QSR underlying market growth
 - Plastic substitution favoring our portfolio
 - Non-compostable coffee capsules banned in EU in 2 years (from implementation of law)

Regulation not a done deal

- **Legislative process** lengthy and complex
 - Ongoing scrutiny in EU Parliament and Member States until late Q4 2023 (estimation)
 - Followed by Trilogue - Negotiations between EU Commission, Parliament and Council in 2024 (estimation)
- **Timing** – If the PPWR is not agreed by end-April 2024 there will be further uncertainty due to end of the legislative mandate. A regulation normally takes 18 to 24 months from proposal to law
- **Quorum** – Member States currently forming their opinions. Several countries including Italy and Finland have already raised concerns, minimum 65% support required to pass

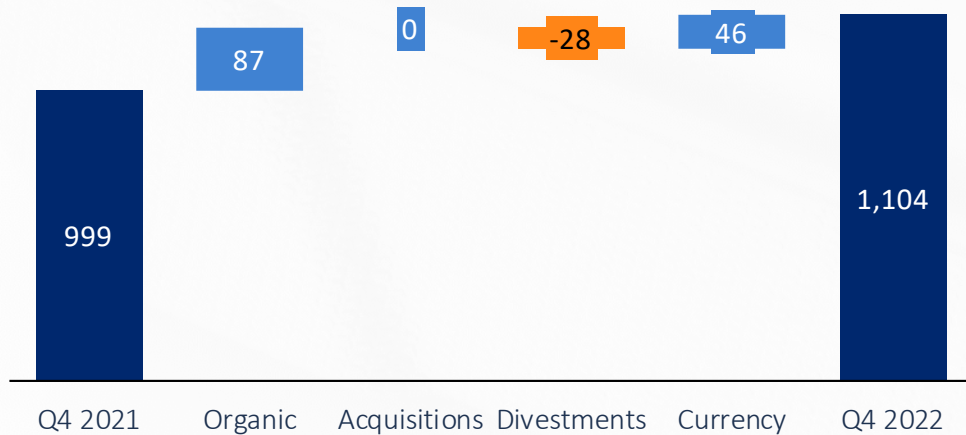
Business performance



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Q4 2022: Continued strong organic growth

Development of net sales in Q4 2022
(EUR million)



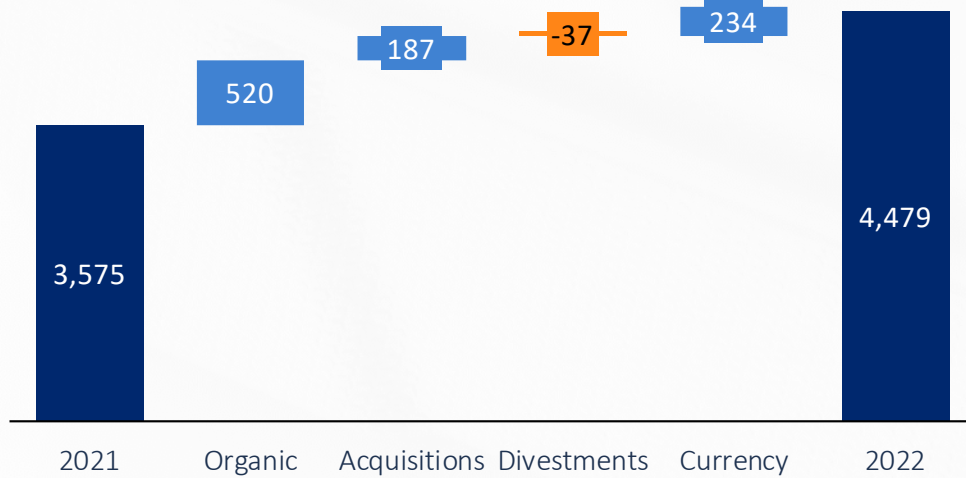
Net sales increased 10% in Q4 2022

- Comparable net sales growth 9% (6 % in emerging markets), driven by pricing
- -3% from divestment
- 5% 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.

FY 2022: Solid growth throughout the year

Development of net sales in 2022
(EUR million)



Net sales increased 25% during 2022

- Comparable net sales growth 15% (16 % in emerging markets), driven by pricing
- 5% mainly from Elif acquisition
- -1% from divestment
- 6% 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.

Growth remained strong in most segments

<i>Comparable growth</i>	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	2021	2022	Long-term ambitions
Foodservice E-A-O	12%	18%	18%	22%	15%	11%	18%	5-7%
North America	11%	24%	14%	10%	10%	6%	14%	3-5%
Flexible Packaging	12%	18%	19%	20%	1%	7%	14%	6-8%
Fiber Packaging	2%	8%	16%	19%	17%	2%	15%	3-5%
Group	12%	19%	17%	17%	9%	7%	15%	5+%

Q4 commentary:

- Foodservice packaging demand softened slightly during the quarter
- Increasing variations in demand across categories in North America. In particular, demand in retail was good whereas consumer goods suffered from lower ice-cream consumption
- Demand for flexible packaging softened in our key markets
- Demand for fiber-based egg packaging and food on-the-go products remained stable in most markets

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

Improved adjusted EBIT despite inflation

MEUR	Q4 22	Q4 21	Change	2022	2021	Change
Net sales	1,103.6	999.5	10%	4,479.0	3,574.9	25%
Adjusted EBIT ¹	93.3	82.2	14%	395.1	315.3	25%
Margin	8.5%	8.2%		8.8%	8.8%	
Adjusted EPS, EUR ²	0.65	0.54	20%	2.49	2.07	20%
Capital expenditure	133.2	112.2	19%	318.5	259.4	23%

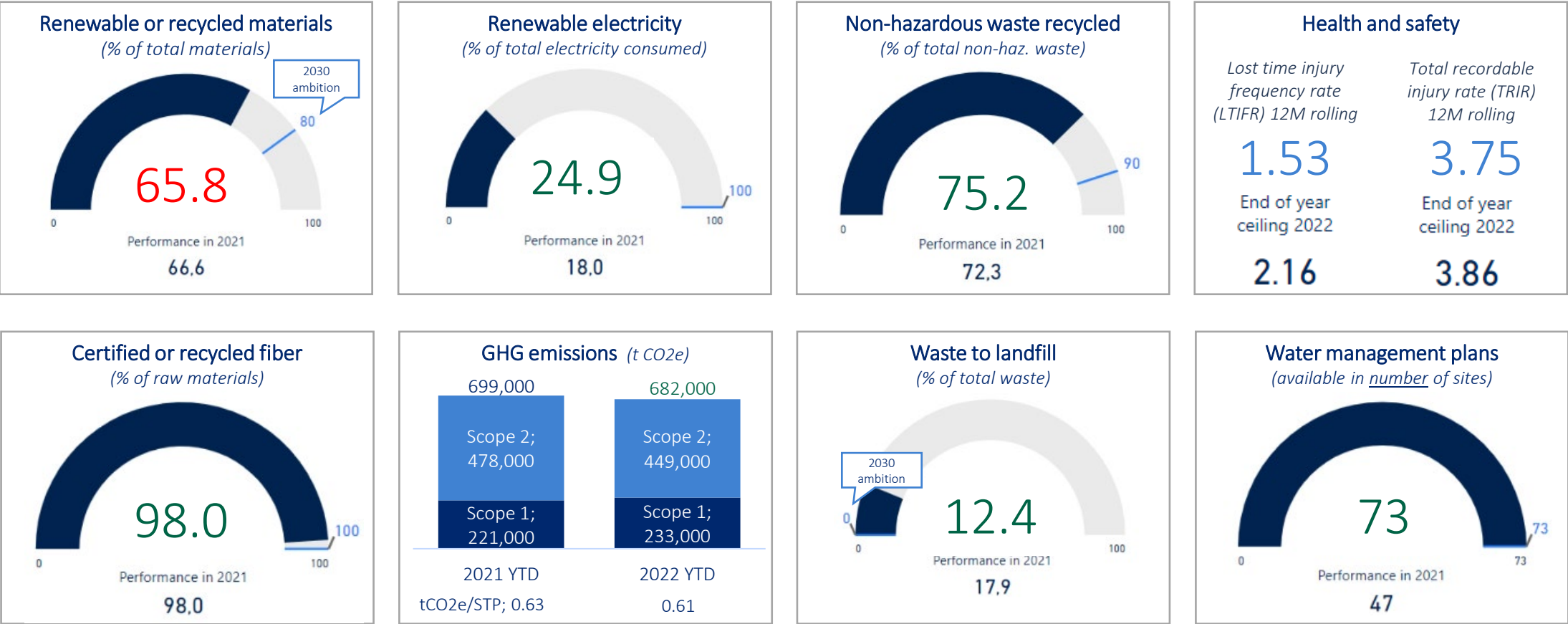
Q4 commentary:

- Improved adjusted EBIT through sales growth and operational efficiency
- Increase in adjusted EPS following improvement in earnings, mix of higher financing costs and lower taxes
- Timing of capex high towards end of the year as in 2021, as we invest for growth and innovation

1) Excluding IAC of EUR -15.3 million in Q4 2022 (EUR 2.3 million) and EUR 10.2 million in Q1-Q4 2022 (EUR -19.3 million).

2) Excluding IAC of EUR -11.6 million in Q4 2022 (EUR 1.1 million) and EUR 16.0 million in Q1-Q4 2022 (EUR -17.1 million).

Sustainability Dashboard – Good overall progress in line with our trajectory to reach our 2030 commitments



Targets displayed in the graphs are Huhtamaki group's 2030 ambitions; GHG = greenhouse gas

Business segment review

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Foodservice EAO: Strong sales growth continued

Key figures, MEUR

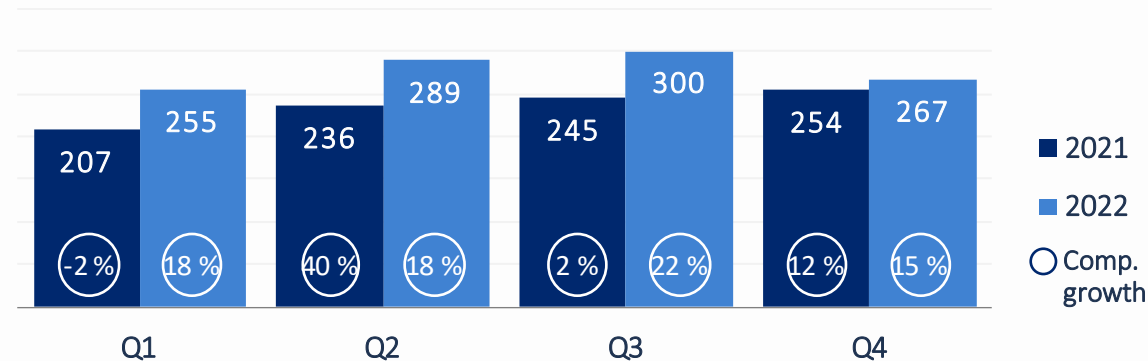
	Q4 22	Q4 21	Change
Net sales	266.7	254.0	5%
Comparable growth	15%	12%	
Adjusted EBIT ¹	24.2	19.5	24%
Margin	9.1%	7.7%	
Capital expenditure	41.2	40.5	2%
Operating cash flow ¹	29.5	-31.0	>100%

Key figures, MEUR

	2022	2021	Change
Net sales	1,110.7	941.8	18%
Comparable growth	18%	11%	
Adjusted EBIT ¹	105.7	77.8	36%
Margin	9.5%	8.3%	
Adjusted RONA	10.9%	9.2%	
Capital expenditure	118.9	85.0	40%
Operating cash flow ¹	28.3	8.9	>100%

1) Excluding IAC of EUR -4.9 million in Q4 2022 (EUR 7.1 million) and EUR 16.0 million in Q1-Q4 2022 (EUR 0.8 million).

Net sales and comparable growth (EUR million & %)



- The demand for foodservice packaging softened slightly during the quarter
- Sales increased in the key markets, driven by pricing. China was the main negative deviation
- Raw material prices continued to increase
- Adjusted EBIT improved driven by pricing and an improved mix
- Foodservice investments are mostly directed towards SMF and FMCG innovative solutions

North America: Growth continued, margin remained strong

Key figures, MEUR

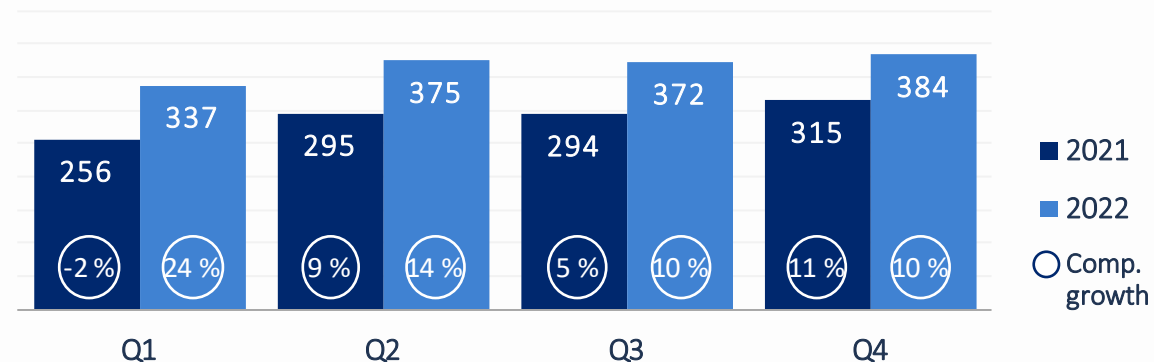
	Q4 22	Q4 21	Change
Net sales	383.6	314.7	22%
Comparable growth	10%	11%	
Adjusted EBIT ¹	49.0	33.9	45%
Margin	12.8%	10.8%	
Capital expenditure	49.5	36.2	37%
Operating cash flow ¹	13.1	24.4	-46%

Key figures, MEUR

	2022	2021	Change
Net sales	1,468.3	1,160.3	27%
Comparable growth	14%	6%	
Adjusted EBIT ¹	171.6	139.1	23%
Margin	11.7%	12.0%	
Adjusted RONA	17.9%	17.5%	
Capital expenditure	99.8	70.6	41%
Operating cash flow ¹	45.6	117.0	-61%

1) Excluding IAC of EUR -5.6 million in Q4 2022 (EUR -1.1 million) and EUR -5.6 million in Q1-Q4 2022 (EUR -1.9 million).

Net sales and comparable growth (EUR million & %)



- Increasing variations in demand across categories. Significant and broad-based cost inflation continued
- Net sales growth in all product categories, driven by pricing. Volumes declined, partly due to customers' stock management, especially in December
- Adjusted EBIT improved; positive impact from net sales growth and increased operational efficiency but sales mix was unfavorable. The impact from inflation was offset by pricing actions

Flexible Packaging: Challenging market conditions and one-off item impacting Q4 profitability

Key figures, MEUR

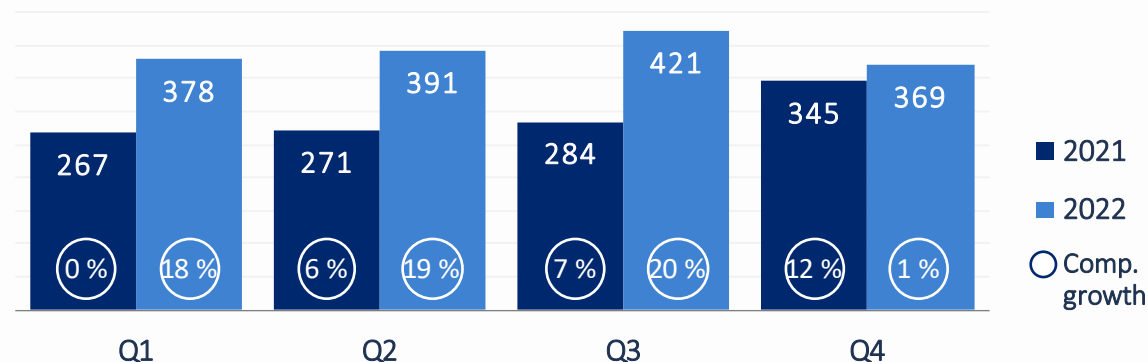
	Q4 22	Q4 21	Change
Net sales	369.1	344.8	7%
Comparable growth	1%	12%	
Adjusted EBIT ¹	15.5	24.5	-37%
Margin	4.2%	7.1%	
Capital expenditure	32.9	12.7	>100%
Operating cash flow ¹	62.9	38.3	64%

Key figures, MEUR

	2022	2021	Change
Net sales	1,558.2	1,166.6	34%
Comparable growth	14%	7%	
Adjusted EBIT ¹	98.1	79.8	23%
Margin	6.3%	6.8%	
Adjusted RONA	6.9%	8.0%	
Capital expenditure	68.2	46.0	48%
Operating cash flow ¹	51.5	54.9	-6%

1) Excluding IAC of EUR -6.0 million in Q4 2022 (EUR -3.1 million) and EUR -15.9 million in Q1-Q4 2022 (EUR -16.1 million).

Net sales and comparable growth (EUR million & %)



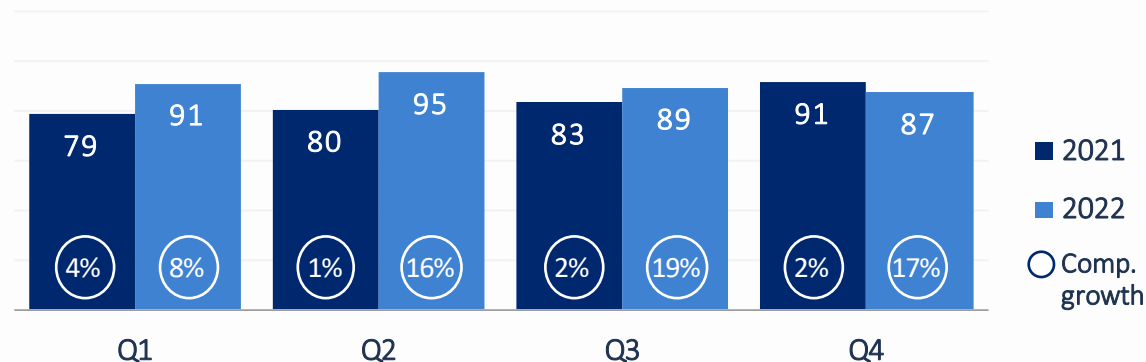
- Overall demand for flexible packaging in our key markets declined, particularly in Turkey, Eastern Europe and the UAE. On the other hand, demand in South-East Asia improved
- Net sales increased driven by pricing, partly offset by a decrease in volumes
- Adjusted EBIT decreased. Profitability was weighed on by an unfavorable currency impact on local operations, particularly linked to the devaluation of the Egyptian pound and the Turkish lira. Additionally, unfavorable volume development and a one-off inventory adjustment had a negative impact

Fiber Packaging: Strong growth and profitability

Key figures, MEUR

	Q4 22	Q4 21	Change
Net sales	87.4	91.5	-4%
Comparable growth	17%	2%	
Adjusted EBIT ¹	11.1	10.7	4%
Margin	12.7%	11.7%	
Capital expenditure	9.5	22.2	-57%
Operating cash flow ¹	-11.6	-9.4	-23%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR

	2022	2021	Change
Net sales	363.0	333.6	9%
Comparable growth	15%	2%	
Adjusted EBIT ¹	40.0	36.4	10%
Margin	11.0%	10.9%	
Adjusted RONA	14.4%	14.0%	
Capital expenditure	31.2	56.2	-44%
Operating cash flow ¹	20.9	-9.3	>100%

- Overall demand for fiber-based egg packaging and food-on-the-go products remained stable in most markets. The price of recycled fiber decreased during the quarter from Q3
- Net sales increased especially in Europe and was driven by pricing
- Adjusted EBIT increased, supported by pricing actions

1) Excluding IAC of EUR 1.7 million in Q4 2022 (EUR -0.5 million) and EUR 18.1 million in Q1-Q4 2022 (EUR -1.1 million).

Financial review



Higher sales are driving improved earnings

MEUR	Q4 22	Q4 21	Change	2022	2021	Change
Net sales	1,103.6	999.5	10%	4,479.0	3,574.9	25%
Adjusted EBITDA ¹	143.3	130.3	10%	596.9	488.4	22%
Margin ¹	13.0%	13.0%		13.3%	13.7%	
Adjusted EBIT ²	93.3	82.2	14%	395.1	315.3	25%
Margin ²	8.5%	8.2%		8.8%	8.8%	
EBIT	78.1	84.5	-8%	405.3	296.0	37%
Adjusted Net financial items ³	-16.5	-8.4	-97%	-53.2	-30.1	-77%
Adjusted profit before taxes	76.8	73.8	4%	341.9	285.2	20%
Adjusted income tax expense ⁴	-6.2	-15.9	61%	-72.5	-65.4	-11%
Adjusted profit for the period ⁵	70.6	57.9	22%	269.4	219.8	23%
Adjusted EPS, EUR ⁵	0.65	0.54	20%	2.49	2.07	20%

- Q4 earnings improved following increased net sales, continued focus on operational efficiency, weighed on by the Russian divestment
- Net financial items increased due to higher financing costs
- 2022 reported tax rate decreased to 19% (23%), impacted by:
 - One-off fixed asset revaluation in Turkey, decreasing deferred tax liability
 - Tax exempt gain from divestment of Russian operations

1) Excluding IAC of EUR -12.7 million in Q4 2022 (EUR 2.2 million) and EUR 18.0 million in Q1-Q4 2022 (EUR -18.7 million).

2) Excluding IAC of EUR -15.3 million in Q4 2022 (EUR 2.3 million) and EUR 10.2 million in Q1-Q4 2022 (EUR -19.3 million).

3) Excluding IAC of EUR 0.2 million in Q4 2022 (EUR -0.7 million) and EUR 0.0 million in Q1-Q4 2022 (EUR -2.9 million).

4) Excluding IAC of EUR 3.4 million in Q4 2022 (EUR -0.5 million) and EUR 5.8 million in Q1-Q4 2022 (EUR 5.1 million).

5) Excluding IAC of EUR -11.6 million in Q4 2022 (EUR 1.1 million) and EUR 16.0 million in Q1-Q4 2022 (EUR -17.1 million).

Continued positive currency impact

	Average rate 2021	Average rate 2022	Change in average rate	Closing rates					Change in closing rate (YoY)
				Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	
USD	1.18	1.05	11 %	1.13	1.11	1.05	0.97	1.06	6%
INR	87.50	82.70	5 %	84.26	84.38	83.04	79.31	88.23	-5%
GBP	0.86	0.85	1 %	0.84	0.85	0.86	0.89	0.89	-6%
CNY	7.64	7.08	7 %	7.22	7.07	7.04	6.92	7.42	-3%
AUD	1.57	1.52	4 %	1.56	1.48	1.53	1.50	1.59	-2%
THB	37.82	36.86	3 %	37.87	37.14	36.93	36.95	36.88	3%
BRL	6.38	5.45	15 %	6.37	5.28	5.52	5.25	5.54	13%
NZD	1.67	1.66	1 %	1.65	1.59	1.69	1.70	1.69	-2%
ZAR	17.48	17.21	2 %	18.02	16.13	16.93	17.45	18.20	-1%
TRY	10.45	17.36	-66 %	14.72	16.33	17.50	18.00	19.93	-35%

Foreign currency translation impact

Q4 2022

(EUR million)

Net sales

+46

EBIT

+5

2022

(EUR million)

Net sales

+234

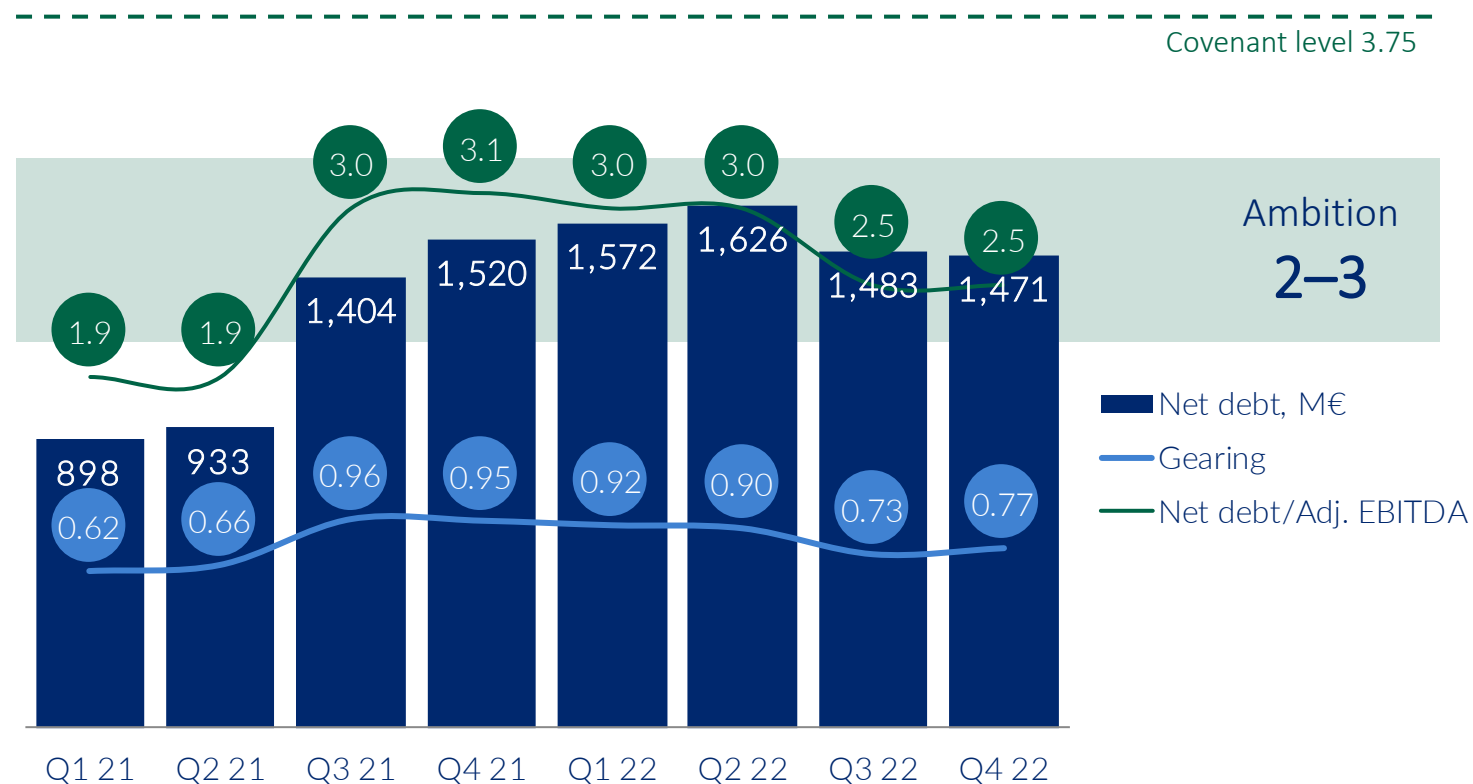
EBIT

+22

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

Net debt to adjusted EBITDA unchanged from Q3

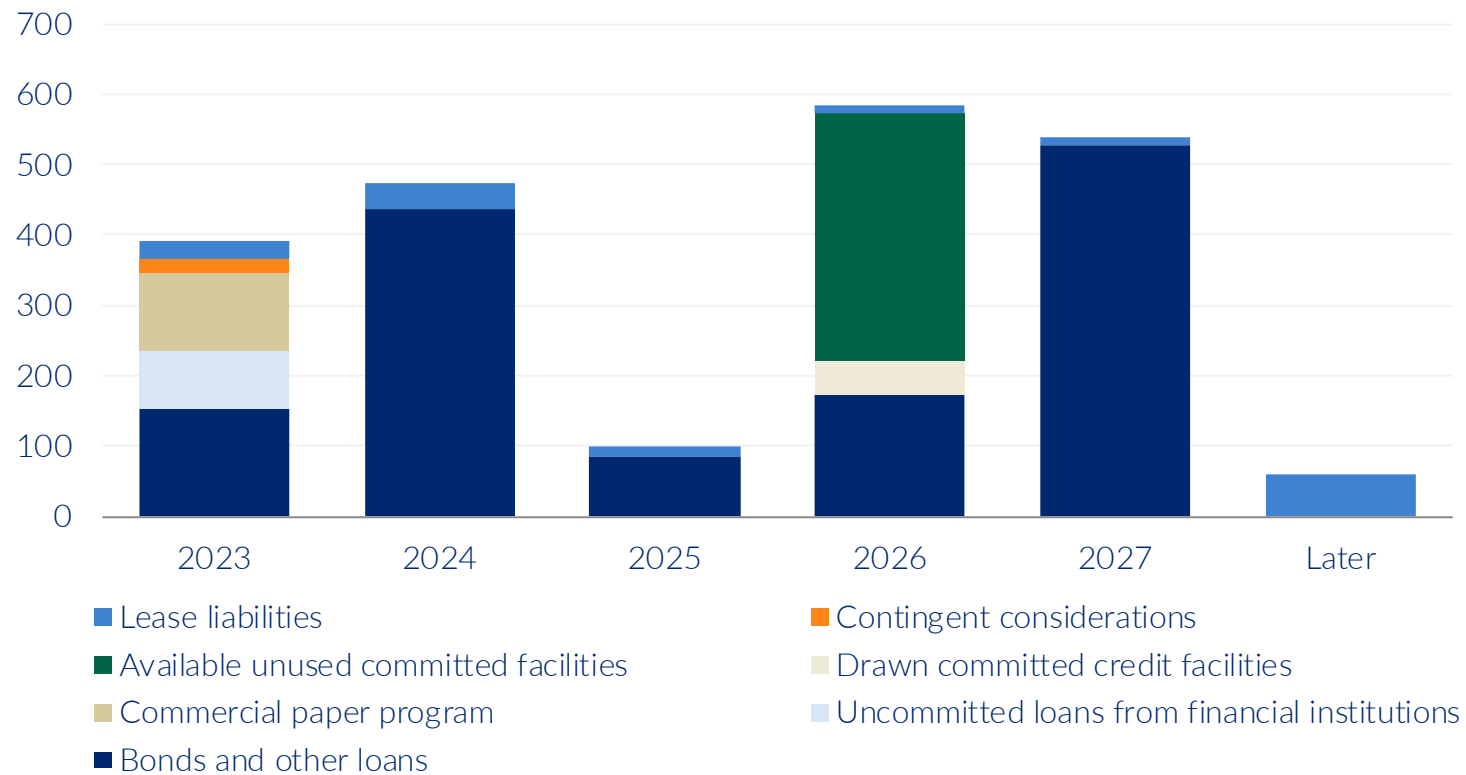
Net debt, net debt/adj. EBITDA and gearing



- Net debt/Adj. EBITDA at 2.5
- At the end of Q4 2022:
 - Cash and cash equivalents EUR 309 million
 - Unused committed credit facilities available EUR 353 million
- Net debt EUR 1,471 million

Loan maturities

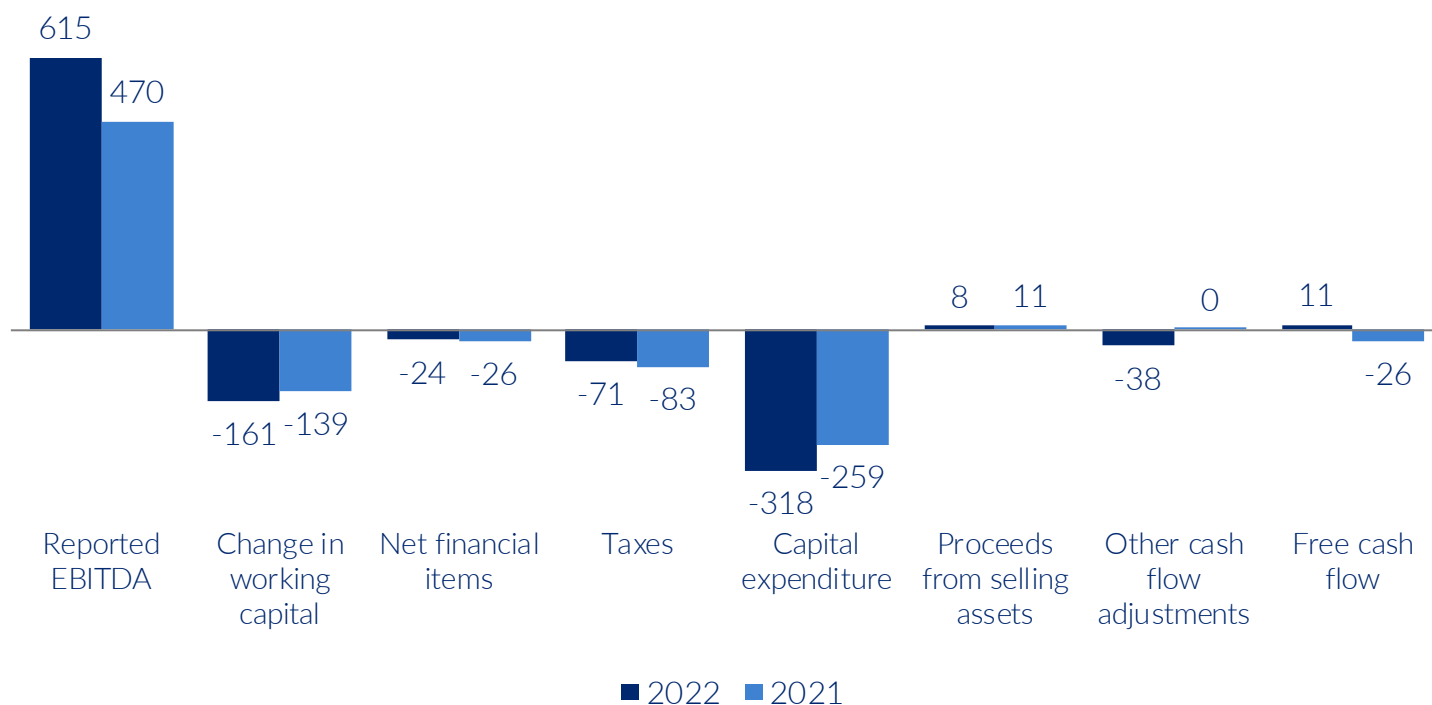
Debt maturity structure December 31, 2022
(EUR million)



- Average maturity **3.2** years at the end of Q4 2022 (2.6 at the end of Q4 2021)
- **63%** of gross debt with fixed rates, **37%** in floating
- Increased interest rate

Free cash flow impacted by working capital and capital expenditure

Free cash flow bridge
(EUR million)



Note: Gain from divestment of operations in Russia not impacting free cash flow – in chart included in Reported EBITDA (positive) and Other (negative)

Strong free cash flow in Q4 2022 of EUR **71** million

Full-year cash flow impacted by:

- Strong growth in EBITDA
- Significant change in working capital mainly following increase in inventory, which started to ease towards the end of the year
- Higher capex

Stable financial position

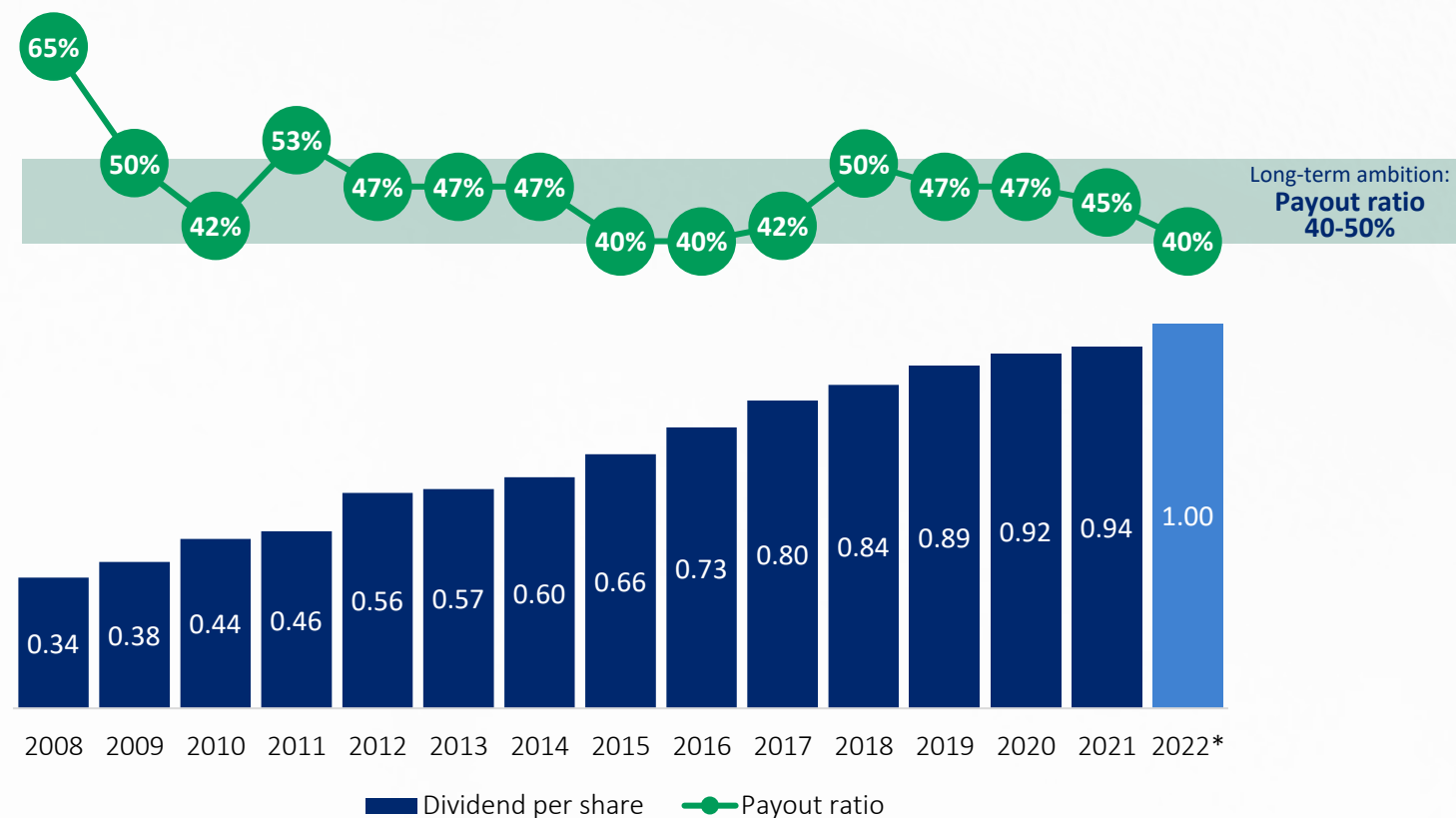
MEUR	Dec 2022	Dec 2021
Total assets	4,821	4,542
Operating working capital	828	684
Net debt	1,471	1,520
Equity & non-controlling interest	1,922	1,597
Gearing	0.77	0.95
Adjusted ROI ¹	11.0%	11.3%
Adjusted ROE ¹	14.9%	15.1%

- Assets mainly impacted by:
 - Divestment of Russia
 - Currency impact
 - Capex and operating working capital
- Operating working capital increased year on year due to higher inventories, but decreased clearly from the end of Q3
- Net debt below the previous year's level, benefitting from the Russia divestment
- Stable financial position remains

1) Excluding IAC.

The Board of Directors aims for predictable and growing dividends

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



	2022*	2021	Change
Adjusted EPS	2.49	2.07	20%
Dividend per share	1.00	0.94	6%
Payout ratio	40%	45%	
Share price on Dec 31	32.00	38.89	-8%
Dividend yield	3.1%	2.4%	

- 14th consecutive year of growing dividends*
- Dividend has increased 194% since 2008*
- CAGR +8% since 2008*

* Dividend for 2022 is a proposal made by the Board of Directors.

Progress towards long-term financial ambitions

	2015	2016	2017	2018	2019	2020	2021	2022	Long-term ambition
Organic growth	4%	4%	3%	5%	6%	-2%	7%	15%	5+%
Adjusted EBIT margin	8.7%	9.4%	9.0%	8.1%	8.6%	9.1%	8.8%	8.8%	10+%
Net debt/Adj. EBITDA	1.6	1.8	1.8	2.3	2.0	1.8	3.1	2.5	2-3
Dividend payout ratio	40%	40%	42%	50%	47%	47%	45%	40%	40-50%

FY 2018 figures restated for IFRS 16 impact.

Looking forward



Huhtamaki

Outlook 2023

The Group's trading conditions are expected to remain relatively stable, despite the continued volatility in the operating environment. Huhtamaki's diversified product portfolio provides resilience and the Group's good financial position enables addressing profitable long-term growth opportunities.

Short-term risks and uncertainties

Significant and broad-based inflation (including raw materials, labor, distribution and energy), decline in consumer demand, availability of raw materials as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. Geopolitical, general political, economic and financial market conditions, as well as a potential further escalation of the geopolitical crisis in Europe, can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings. The COVID-19 pandemic may continue to create further disturbances in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Further, natural disasters may have negative effects on the Group's operating environment.

Capital Markets Day to be arranged on March 28

March 28, 2023

Capital Markets Day 2023
in Espoo, Finland

April 27, 2023

Q1 2023 Interim Report
Annual General Meeting

July 20, 2023

Half-yearly Report 2023

October 20, 2023

Q3 2023 Interim Report

March 1, 2023

Annual Report 2022

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