



# Huhtamäki Oyj Interim Report Q1 2022

January 1 – March 31, 2022

**Huhtamäki**

## Strong start to the year

### Q1 2022 in brief

- Net sales increased 31% to EUR 1,050 million (EUR 802 million)
- Adjusted EBIT was EUR 98 million (EUR 77 million); reported EBIT was EUR 94 million (EUR 72 million)
- Adjusted EPS was EUR 0.63 (EUR 0.49); reported EPS was EUR 0.63 (EUR 0.45)
- Comparable net sales growth was 19% at Group level and 19% in emerging markets
- The impact of currency movements was EUR 35 million on the Group's net sales and EUR 3 million on EBIT

### Key figures

EUR million	Q1 2022	Q1 2021	Change	2021
Net sales	1,049.7	802.1	31%	3,574.9
Comparable net sales growth	19%	-0%		7%
Adjusted EBITDA <sup>1</sup>	146.6	117.7	24%	488.4
Margin <sup>1</sup>	14.0%	14.7%		13.7%
EBITDA	144.6	114.8	26%	469.6
Adjusted EBIT <sup>2</sup>	97.5	77.0	27%	315.3
Margin <sup>2</sup>	9.3%	9.6%		8.8%
EBIT	93.5	71.6	31%	296.0
Adjusted EPS <sup>3</sup>	0.63	0.49	29%	2.07
EPS, EUR	0.63	0.45	40%	1.91
Adjusted ROI <sup>2</sup>	11.2%	11.7%		11.3%
Adjusted ROE <sup>3</sup>	15.4%	14.9%		15.1%
ROI	10.8%	9.8%		10.6%
ROE	14.6%	12.3%		13.9%
Capital expenditure	76.4	33.0	>100%	259.4
Free Cash Flow	-45.7	6.6	<-100%	-26.1
<sup>1</sup> Excluding IAC of	-2.0	-3.0		-18.7
<sup>2</sup> Excluding IAC of	-4.0	-5.3		-19.3
<sup>3</sup> Excluding IAC of	0.3	-4.1		-17.1

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2021. 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.

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

## Charles Héaulmé, President and CEO

“Huhtamaki had a strong start to the year, despite challenging market conditions. Overall, the demand was strong, in an operating environment affected by continued supply chain tensions and very high inflation across the board. The geopolitical development with the war in Ukraine and continued COVID-19 pandemic added complexity.

Net sales increased by 31% against the same period 2021, and by 19% in comparable terms. It was driven by both improved pricing and increased sales volumes. We have continued to mitigate impact of inflation, which is visible in all our major input costs, including raw materials, freight costs, energy and labor. The volume growth, improved operational efficiency and actions to mitigate inflation had a positive impact on profitability, with the adjusted EBIT increasing by 27%, broadly in line with net sales. While we have been able to handle the impact of inflation, it continues to put pressure on the business performance.

The first quarter has been dominated by geopolitical tensions and the war in Ukraine. We condemn the war in the strongest possible terms and stopped all our investments to Russia immediately after the Russian invasion of Ukraine. We consider that the current evolution of the situation and the long-term outlook in Russia will prevent the realization of our growth strategy and ambitions in the country. As a consequence, we have decided to initiate the divestiture process of our operations in Russia. We will continue to prioritize investments that capture the significant growth opportunities in the rest of the world, in line with our global ambitions and 2030 Strategy.

As a result of focus on our 2030 strategy, we have taken several steps on our sustainability journey, with the intent to reach carbon-neutral production by 2030 while optimizing usage of resources, including energy, water, and waste. During the first quarter, we signed a Virtual Power Purchase Agreement in the United States, covering 30% of our local electricity usage. We also installed the first solar panel arrays at our factories in Guangzhou and Shanghai in China, covering an initial 10% of the two factories' energy use. In addition, we continue investments into innovative, sustainable products and business expansion. For instance, we are stepping up production of advanced smooth molded fiber packaging in Alf, Germany, to provide plastic free packaging solutions.

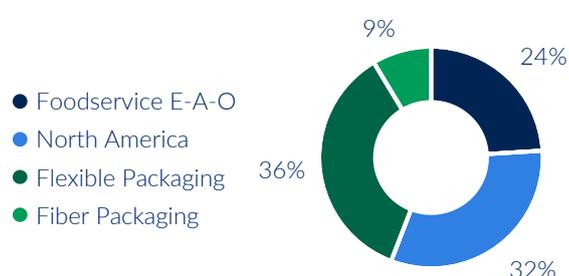
Our strong performance highlights the resilience of our diversified portfolio and global presence. It also underlines the ability of our company to manage adverse conditions. I want to thank our entire team for their great work in demanding times and during my absence in the first quarter. I am confident that we will continue to successfully deliver on our long-term ambition.”

## Financial review Q1 2022

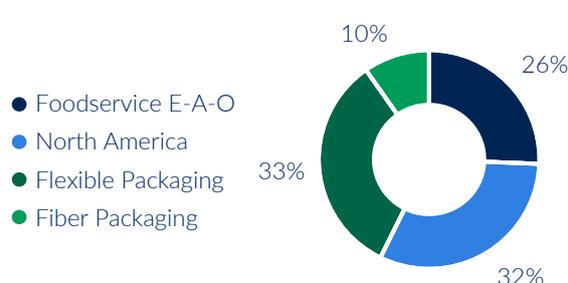
### Net sales by business segment

EUR million	Q1 2022	Q1 2021	Change
Foodservice Europe-Asia-Oceania	254.7	207.5	23%
North America	337.5	256.1	32%
Flexible Packaging	377.7	267.1	41%
Fiber Packaging	90.9	78.6	16%
Elimination of internal sales	-11.1	-7.1	
<b>Group</b>	<b>1,049.7</b>	<b>802.1</b>	<b>31%</b>

### Net sales by segment, Q1 2022



### Net sales by segment, Q1 2021



### Comparable net sales growth by business segment

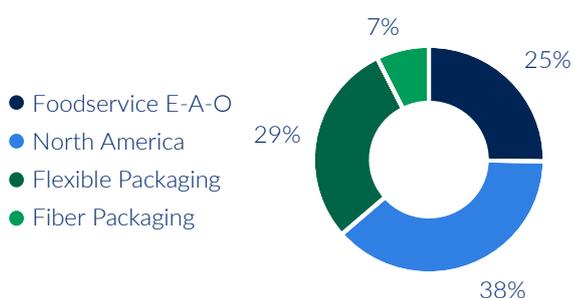
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	18%	12%	2%	40%	-2%
North America	24%	11%	5%	9%	-2%
Flexible Packaging	18%	12%	7%	6%	0%
Fiber Packaging	8%	2%	2%	1%	4%
<b>Group</b>	<b>19%</b>	<b>12%</b>	<b>4%</b>	<b>14%</b>	<b>-0%</b>

The Group's net sales increased 31% to EUR 1,050 million (EUR 802 million) during the quarter, supported by the Elif acquisition. Comparable net sales growth was 19%. Demand for foodservice products continued to recover and demand for food on-the-shelf was solid. Comparable growth was strongest in the North America segment, followed by Foodservice Europe-Asia-Oceania and Flexible Packaging. Comparable sales growth in emerging markets was 19%. Foreign currency translation impact on the Group's net sales was EUR 35 million (EUR -46 million) compared to 2021 exchange rates.

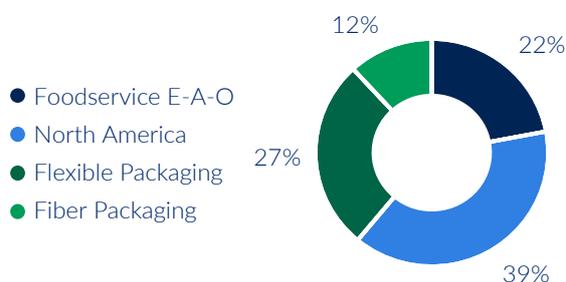
## Adjusted EBIT by business segment

EUR million	Q1 2022	Q1 2021	Change	Items affecting comparability	
				Q1 2022	Q1 2021
Foodservice Europe-Asia-Oceania	25.6	17.6	45%	-0.0	-4.2
North America	38.8	31.2	25%	-0.0	-
Flexible Packaging	29.4	21.7	35%	-2.8	-1.1
Fiber Packaging	7.5	9.5	-21%	-0.0	0.0
Other activities	-3.8	-3.0		-1.1	-0.0
<b>Group</b>	<b>97.5</b>	<b>77.0</b>	<b>27%</b>	<b>-4.0</b>	<b>-5.3</b>

### Adjusted EBIT by segment, Q1 2022



### Adjusted EBIT by segment, Q1 2021



## Adjusted EBIT margin by business segment

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	10.0%	7.7%	8.5%	8.4%	8.5%
North America	11.5%	10.8%	12.2%	13.0%	12.2%
Flexible Packaging	7.8%	7.1%	6.0%	6.1%	8.1%
Fiber Packaging	8.2%	11.7%	9.5%	10.3%	12.1%
<b>Group</b>	<b>9.3%</b>	<b>8.2%</b>	<b>8.5%</b>	<b>9.1%</b>	<b>9.6%</b>

The Group's adjusted EBIT increased to EUR 98 million (EUR 77 million) and reported EBIT was EUR 94 million (EUR 72 million). Adjusted EBIT improved following growth in sales volumes, a favorable sales mix and continued focus on operational efficiency. The Group's adjusted EBIT margin decreased and was 9.3% (9.6%). Foreign currency translation impact on the Group's earnings was EUR 3 million (EUR -5 million).

Adjusted EBIT excludes EUR -4.0 million (EUR -5.3 million) of items affecting comparability (IAC).

## Adjusted EBIT and IAC

EUR million	Q1 2022	Q1 2021
<b>Adjusted EBIT</b>	<b>97.5</b>	<b>77.0</b>
Acquisition related costs	-0.6	-0.3
Restructuring gains and losses, including writedowns of related assets	-1.4	-5.0
PPA amortization	-1.9	-
Settlement and legal fees of disputes	-0.1	-0.0
<b>EBIT</b>	<b>93.5</b>	<b>71.6</b>

Net financial expenses were EUR 3 million (EUR 9 million), positively impacted by an one-off IAC item. Tax expense was EUR 22 million (EUR 15 million). The corresponding tax rate was 24% (23%). Profit for the first quarter was EUR 69 million (EUR 48 million). Adjusted earnings per share (EPS) was EUR 0.63 (EUR 0.49) and reported EPS EUR 0.63 (EUR 0.45). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR 0.3 million (EUR -4.1 million) of IAC.

## Adjusted profit and IAC

EUR million	Q1 2022	Q1 2021
Adjusted profit for the period attributable to equity holders of the parent company	65.7	51.1
IAC in EBIT	-4.0	-5.3
IAC in Financial items	4.4	-
Taxes relating to IAC	-0.1	1.2
<b>Profit for the period attributable to equity holders of the parent company</b>	<b>66.0</b>	<b>47.0</b>

## Statement of financial position and cash flow

The Group's net debt increased mainly due to acquisitions made in 2021 and was EUR 1,572 million (EUR 898 million) at the end of March. The level of net debt corresponds to a gearing ratio of 0.92 (0.62). Net debt to adjusted EBITDA ratio (excluding IAC) was 3.0 (1.9). Average maturity of external committed credit facilities and loans was 2.6 years (3.4 years).

Cash and cash equivalents were EUR 215 million (EUR 272 million) at the end of March and the Group had EUR 382 million (EUR 323 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 4,810 million (EUR 3,745 million).

Capital expenditure was EUR 76 million (EUR 33 million). The increase was driven by investments into innovative, sustainable products and business expansion. The largest investments for business expansion were made in the U.S. and Germany. The Group's free cash flow was EUR -46 million (EUR 7 million). It was mainly burdened by an increase in working capital, as a result of the significant cost inflation. Additionally, increased capital expenditure had a negative impact on free cash flow.

## 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 in the first quarter of 2022 in most markets, albeit with a few exceptions, particularly in China. 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.

## Significant events after the reporting period

### **Huhtamaki to initiate a divestiture process for its Russian operations**

Huhtamaki has decided to initiate the process to divest its operations in Russia. This follows an earlier decision to stop all investments in Russia at the outbreak of the invasion of Ukraine. Huhtamaki considers that the current evolution of the situation and the long-term outlook in Russia will prevent the realization of its growth strategy and long-term ambitions in the country. Huhtamaki will continue to prioritize investments that capture the significant growth opportunities in the rest of the world, in line with its global ambitions and 2030 Strategy.

Huhtamaki will explore the market for potential buyers and will maintain its operations during this transitional period, subject to supply chain availability, to meet its contractual and regulatory obligations and to safeguard employees and customers.

Huhtamaki has operations in both Ukraine and Russia. In Ukraine, the company has one factory, which has mostly served the local market. The factory has been temporarily closed since the war started. Net sales in 2021 had only a minor contribution to the Group level net sales.

Huhtamaki has four manufacturing units in Russia, employing approximately 700 people. The net sales in Russia amounted to EUR 99.5 million in 2021, representing less than 3% of the Group's total net sales. Non-current assets in the country was EUR 59.0 million at the end of March 2022. The factories in Russia have mostly served the local market, with a minor part of production exported.

### **Huhtamaki signed a EUR 250 million term loan facility**

On April 8, 2022 Huhtamäki Oyj signed a EUR 250 million term loan facility agreement with a maturity of two (2) years. The facility has a one-year extension option at the discretion of the lenders. The facility will be used for refinancing and general corporate purposes of the Group.

## Business review by segment

### Foodservice Europe-Asia-Oceania

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

EUR million	Q1 2022	Q1 2021	Change	2021
Net sales	254.7	207.5	23%	941.8
Comparable net sales growth	18%	-2%		11%
Adjusted EBIT <sup>1</sup>	25.6	17.6	45%	77.8
Margin <sup>1</sup>	10.0%	8.5%		8.3%
Adjusted RONA <sup>1</sup>	9.7 %	7.7 %		9.2 %
Capital expenditure	38.1	9.8	>100%	85.0
Operating cash flow <sup>1</sup>	-11.1	21.4	<-100%	8.9
Items affecting comparability (IAC)	-0.0	-4.2		0.8

<sup>1</sup> Excluding IAC.

#### Q1 2022

The demand for foodservice packaging continued to improve during the quarter, as market recovery was not significantly impacted by the continued pandemic. Variations between markets and product categories remained. Compared to Q1 2021, both paperboard and polymer prices have increased significantly. The supply chain continued to be disrupted, leading to cost escalation as well as some challenges with availability.

Net sales in the Foodservice Europe-Asia-Oceania segment increased and comparable net sales growth was 18%. Net sales increased in most main markets, with the exception of exception China, due to continued COVID-19 lockdowns.

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

The segment's adjusted EBIT improved mainly driven by growth in sales volumes and mix and supported by pricing to offset the significant cost inflation. Additionally, there was a continued positive impact from productivity actions in 2021.

The impact of currency movements on the segment's reported earnings was EUR -1 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 in the United States and Mexico.

EUR million	Q1 2022	Q1 2021	Change	2021
Net sales	337.5	256.1	32%	1,160.3
Comparable net sales growth	24%	-2%		6%
Adjusted EBIT <sup>1</sup>	38.8	31.2	25%	139.1
Margin <sup>1</sup>	11.5%	12.2%		12.0%
Adjusted RONA <sup>1</sup>	17.7 %	17.0 %		17.5%
Capital expenditure	16.2	9.6	70%	70.6
Operating cash flow <sup>1</sup>	-21.1	13.0	<-100%	117.0
Items affecting comparability (IAC)	-0.0	-		-1.9

<sup>1</sup> Excluding IAC.

### Q1 2022

Demand was strong in most product categories with a continued recovery in foodservice products. Cost inflation was significant and broad-based, affecting raw material, labor, distribution, and energy. Additionally, there were constraints on raw material availability.

Net sales in the North America segment increased driven by foodservice packaging and retail tableware. Comparable net sales growth was 24%

The impact of currency movements on the segment's reported net sales was EUR 23 million.

The segment's adjusted EBIT improved, supported by net sales growth and increased operational efficiency. The impact on profitability from increased costs for raw materials, labor, distribution and energy was largely offset by pricing actions.

The impact of currency movements on the segment's reported earnings was EUR 3 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	Q1 2022	Q1 2021	Change	2021
Net sales	377.7	267.1	41%	1,166.6
Comparable net sales growth	18%	0%		7%
Adjusted EBIT <sup>1</sup>	29.4	21.7	35%	79.8
Margin <sup>1</sup>	7.8%	8.1%		6.8%
Adjusted RONA <sup>1</sup>	7.4 %	10.1 %		8.0 %
Capital expenditure	14.4	8.1	77%	46.0
Operating cash flow <sup>1</sup>	-17.3	14.8	<-100%	54.9
Items affecting comparability (IAC)	-2.8	-1.1		-16.1

<sup>1</sup> Excluding IAC.

### Q1 2022

Overall demand for flexible packaging remained good. The competitive situation in all regions remained tight. Raw material prices increased significantly compared to Q1 2021 as well as cost for energy and transport.

Net sales in the Flexible Packaging segment increased by double-digit figures in all main markets, adapting to the high inflationary environment and comparable net sales growth was 18%. Net sales growth was strongest in Middle East and Africa. The Elif acquisition contributed favorably to the reported net sales.

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

The segment's adjusted EBIT increased. The significant cost inflation was largely offset by pricing actions. Additionally, portfolio management and the first operational improvements in India had a positive impact. The Elif acquisition contributed favorably to the 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 in Europe, Oceania, Africa and South America.

EUR million	Q1 2022	Q1 2021	Change	2021
Net sales	90.9	78.6	16%	333.6
Comparable net sales growth	8%	4%		2%
Adjusted EBIT <sup>1</sup>	7.5	9.5	-21%	36.4
Margin <sup>1</sup>	8.2%	12.1%		10.9%
Adjusted RONA <sup>1</sup>	13.0 %	16.1 %		14.0 %
Capital expenditure	7.4	5.2	41%	56.2
Operating cash flow <sup>1</sup>	20.6	2.6	>100 %	-9.3
Items affecting comparability (IAC)	-0.0	0.0		-1.1

<sup>1</sup> Excluding IAC.

### Q1 2022

Demand for fiber-based egg packaging continued to soften, while demand for food on the go products was good. The prices of recycled fiber continued to increase and were significantly higher compared to Q1 2021.

Net sales in the Fiber Packaging segment increased. Comparable net sales growth was 8%. Net sales increased especially in Europe. Net sales growth was driven by volume and pricing actions. The mix of the business evolved as a result of the acceleration of machine production, to enable growth in the Foodservice Europe-Asia-Oceania segment.

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

The segment's adjusted EBIT decreased, as the impact from increased sales volumes was outweighed by inflation and a weaker product mix. In addition, the higher share of internal machine sales burdened the margin.

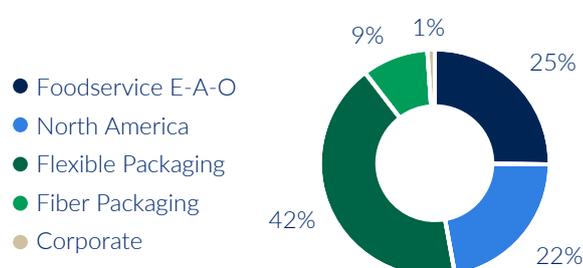
The impact of currency movements on the segment's reported earnings was EUR 0 million.

## Personnel

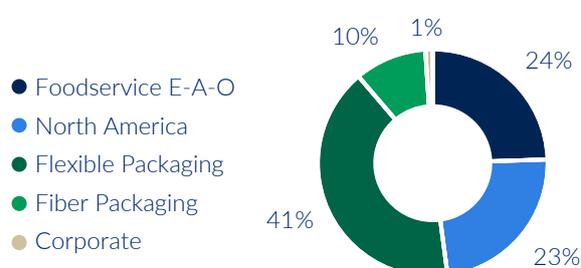
### Number of personnel

	March 31, 2022	March 31, 2021	Change
Foodservice Europe-Asia-Oceania	4,983	4,428	13%
North America	4,358	4,240	3%
Flexible Packaging	8,409	7,397	14%
Fiber Packaging	1,849	1,839	1%
Corporate	206	186	11%
<b>Group</b>	<b>19,805</b>	<b>18,090</b>	<b>9%</b>

### Personnel by segment on March 31, 2022



### Personnel by segment on March 31, 2021



At the end of March 2022, the Group had a total of 19,805 (18,090) employees. The number of employees was 9% higher than in the comparison period.

## Changes in management

On December 21, 2021, it was announced that the President and CEO Charles Héaulmé was diagnosed with a cancer. He took a leave of absence from early January 2022, to undergo treatment, and resumed his duties on April 19, 2022. Thomas Geust, CFO, acted as interim Deputy CEO from January 1, 2022 to April 18, 2022. During the same time, Eric Le Lay, President Fiber and Foodservice EAO, acted as interim Chief Operating Officer.

## Share capital, shareholders and trading of shares

### Share capital and number of shares

	March 31, 2022	March 31, 2021
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 <sup>1</sup>	104,364,676	104,349,676
Average number of shares <sup>1,2</sup>	104,364,676	104,349,676

<sup>1</sup> Excluding shares owned by the Company

<sup>2</sup> Average number of outstanding shares used in EPS calculations

## Shareholder structure as at March 31, 2022



The number of registered shareholders at the end of March 2022 was 48,335 (40,672). Foreign ownership including nominee registered shares accounted for 46% (50%).

## Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	Q1 2022	Q1 2021
Number of shares traded, million	19.0	12.9
Closing price on final day of trading, EUR	31.58	38.56
Volume-weighted average price, EUR	32.85	40.00
High, EUR	39.40	43.76
Low, EUR	26.41	37.20
Market capitalization (at end of period), EUR million	3,403	4,155

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 March 2022, the Company's market capitalization was EUR 3,403 million (EUR 4,155 million). With a closing price of EUR 31.58 (EUR 38.56) at the end of the reporting period, the share price decreased approximately 19% from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 32.85 (EUR 40.00). The highest price paid was EUR 39.40 (EUR 43.76) and the lowest was EUR 26.41 (EUR 37.20).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 617 million (EUR 516 million). The trading volume of approximately 19 million (13 million) shares equaled an average daily turnover of 298,344 (208,206) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 1,895 million (EUR 1,464 million). During the reporting period, 69% (65%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, [fragmentation.fidessa.com](http://fragmentation.fidessa.com))

## Short-term risks and uncertainties

Significant and broad-based inflation in input costs (including raw materials, labor, distribution and energy), 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.

## Sustainability

As part of our 2030 Strategy, we are focusing on embedding sustainability in everything we do. In February, Huhtamaki signed a Virtual Power Purchase Agreement in the United States, covering 30% of its electricity usage in North America. This marked a major step in the company's ambition to use 100% renewable electricity by 2030. The renewable energy covered by the 12-year agreement will be sourced from a new wind farm in Texas, which is expected to be operational by the end of 2022. The agreement builds on the European VPPA agreement announced late in 2021, which covers 80% of our European electricity usage.

Additionally, Huhtamaki took a significant first step in China towards its global sustainability ambitions by installing and commissioning its first solar panel arrays at its factories in Guangzhou and Shanghai and successfully connecting these to the electricity grid on January 1, 2022. This initial investment covers approximately 10% of the two factories' energy use.

To strengthen our commitment to sustainability, we introduced our Global Sustainability Index (GSI) in 2021, which links the short-term incentives of the President and CEO and other GET members to our sustainability performance. As of 2022, sustainability objectives will be rolled out to all employees taking part in the short-term incentive plan. Read more about how we deliver on our sustainability ambition on [www.huhtamaki.com](http://www.huhtamaki.com).

## Outlook for 2022 (unchanged)

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.

## 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 webcast 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:

Half-yearly Report, January 1 – June 30, 2022	July 21
Interim Report, January 1 – September 30, 2022	October 21

Espoo, April 26, 2022

Huhtamäki Oyj  
Board of Directors

## Group income statement (IFRS) - unaudited

<i>EUR million</i>	Q1 2022	Q1 2021*	Q1-Q4 2021
<b>Net sales</b>	<b>1,049.7</b>	<b>802.1</b>	<b>3,574.9</b>
Cost of goods sold	-868.7	-664.2	-2,980.4
<b>Gross profit</b>	<b>181.0</b>	<b>137.9</b>	<b>594.4</b>
Other operating income	3.3	3.1	24.4
Sales and marketing	-23.7	-19.0	-84.8
Research and development	-7.6	-5.2	-25.7
Administration expenses	-58.6	-43.9	-207.6
Other operating expenses	-0.8	-1.3	-4.8
Share of profit of equity-accounted investments	-	-	-
<b>Earnings before interest and taxes</b>	<b>93.5</b>	<b>71.6</b>	<b>296.0</b>
Financial income	5.8	1.2	4.0
Financial expenses	-8.7	-9.6	-36.9
<b>Profit before taxes</b>	<b>90.6</b>	<b>63.2</b>	<b>263.0</b>
Income tax expense	-22.1	-14.8	-60.3
<b>Profit for the period</b>	<b>68.5</b>	<b>48.5</b>	<b>202.7</b>
<b>Attributable to:</b>			
Equity holders of the parent company	66.0	47.0	198.8
Non-controlling interest	2.5	1.5	3.8
<b>EUR</b>			
EPS attributable to equity holders of the parent company	0.63	0.45	1.91
Diluted EPS attributable to equity holders of the parent company	0.63	0.45	1.91

\*Restated (see Notes to the Interim Report - Restatement Q1-Q3 2021)

## Group statement of comprehensive income (IFRS) - unaudited

<i>EUR million</i>	Q1 2022	Q1 2021	Q1-Q4 2021
Profit for the period	68.5	48.5	202.7
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements on defined benefit plans	0.0	0.2	35.7
Income taxes related to items that will not be reclassified	-0.1	-0.1	-8.0
<b>Total</b>	<b>-0.0</b>	<b>0.2</b>	<b>27.8</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Translation differences	42.6	51.9	117.8
Equity hedges	-3.9	-9.9	-17.9
Cash flow hedges	10.2	0.7	4.9
Income taxes related to items that may be reclassified	-1.9	-0.3	-1.1
<b>Total</b>	<b>47.0</b>	<b>42.5</b>	<b>103.7</b>
<b>Other comprehensive income, net of tax</b>	<b>47.0</b>	<b>42.7</b>	<b>131.5</b>
<b>Total comprehensive income</b>	<b>115.5</b>	<b>91.1</b>	<b>334.2</b>
<b>Attributable to:</b>			
Equity holders of the parent company	112.2	89.3	330.1
Non-controlling interest	3.3	1.8	4.1

## Group statement of financial position (IFRS) - unaudited

EUR million	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	1,019.4	1,000.9	747.6
Other intangible assets	121.6	121.5	36.5
Tangible assets	1,705.8	1,674.1	1,401.1
Other investments	2.8	2.2	2.3
Interest-bearing receivables	1.8	2.0	1.7
Deferred tax assets	55.2	55.1	62.2
Employee benefit assets	68.3	67.6	59.4
Other non-current assets	16.5	5.6	3.6
	<b>2,991.4</b>	<b>2,929.1</b>	<b>2,314.5</b>
<b>Current assets</b>			
Inventory	776.9	665.7	530.7
Interest-bearing receivables	6.7	1.9	5.2
Current tax assets	16.2	22.0	15.7
Trade and other current receivables	803.9	744.9	607.9
Cash and cash equivalents	215.1	178.7	271.5
	<b>1,818.9</b>	<b>1,613.1</b>	<b>1,431.0</b>
<b>Total assets</b>	<b>4,810.3</b>	<b>4,542.2</b>	<b>3,745.4</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-31.2	-31.2	-31.3
Translation differences	-64.6	-102.4	-160.3
Fair value and other reserves	-64.0	-72.4	-103.4
Retained earnings	1,314.1	1,245.3	1,185.8
<b>Total equity attributable to equity holders of the parent company</b>	<b>1,635.7</b>	<b>1,520.7</b>	<b>1,372.2</b>
Non-controlling interest	80.7	76.5	83.7
<b>Total equity</b>	<b>1,716.3</b>	<b>1,597.2</b>	<b>1,455.9</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	1,283.3	1,275.6	937.3
Deferred tax liabilities	136.7	131.9	106.0
Employee benefit liabilities	196.8	197.2	231.1
Provisions	13.6	13.1	14.2
Other non-current liabilities	7.3	5.1	10.7
	<b>1,637.6</b>	<b>1,622.8</b>	<b>1,299.4</b>
<b>Current liabilities</b>			
Interest-bearing liabilities			
Current portion of long term loans	151.4	157.1	24.2
Short-term loans	360.5	270.1	214.7
Provisions	4.7	4.7	8.3
Current tax liabilities	59.7	55.0	72.3
Trade and other current liabilities	879.9	835.3	670.8
	<b>1,456.3</b>	<b>1,322.2</b>	<b>990.2</b>
<b>Total liabilities</b>	<b>3,093.9</b>	<b>2,945.0</b>	<b>2,289.5</b>
<b>Total equity and liabilities</b>	<b>4,810.3</b>	<b>4,542.2</b>	<b>3,745.4</b>

\*Restated (see Notes to the Interim Report - Restatement Q1-Q3 2021)

## Group statement of changes in equity (IFRS) - unaudited

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, 2021	366.4	115.0	-31.3	-202.3	-103.8	1,140.1	1,284.1	80.4	1,364.5
Share-based payments						-0.8	-0.8		-0.8
Total comprehensive income for the year				42.0	0.3	47.0	89.4	1.8	91.2
Acquisition of non-controlling interest						-1.4	-1.4	-0.8	-2.2
Other Changes						0.9	0.9	2.3	3.2
<b>Balance on Mar 31, 2021</b>	<b>366.4</b>	<b>115.0</b>	<b>-31.3</b>	<b>-160.2</b>	<b>-103.4</b>	<b>1,185.8</b>	<b>1,372.2</b>	<b>83.7</b>	<b>1,455.9</b>
Balance on January 1, 2022	366.4	115.0	-31.2	-102.4	-72.4	1,245.3	1,520.7	76.5	1,597.2
Share-based payments			-			4.5	4.5		4.5
Total comprehensive income for the year				37.9	8.3	66.0	112.2	3.3	115.4
Acquisition of non-controlling interest						-2.0	-2.0	-0.3	-2.3
Other Changes						0.2	0.2	1.2	1.5
<b>Balance on Mar 31, 2022</b>	<b>366.4</b>	<b>115.0</b>	<b>-31.2</b>	<b>-64.6</b>	<b>-64.0</b>	<b>1,314.1</b>	<b>1,635.7</b>	<b>80.7</b>	<b>1,716.3</b>

## Group statement of cash flows (IFRS) - unaudited

EUR million	Q1 2022	Q1 2021**	Q1-Q4 2021
<b>Profit for the period*</b>	68.5	48.5	202.7
Adjustments*	80.7	65.8	267.1
Depreciation and amortization*	51.1	43.1	173.7
Share of profit of equity-accounted investments*	-	-	-
Gain/loss from disposal of assets*	-0.1	0.0	-3.8
Financial expense/-income*	2.9	8.4	33.0
Income tax expense*	22.1	14.8	60.3
Other adjustments, operational*	4.7	-0.5	4.0
Change in inventory*	-102.6	-44.8	-105.0
Change in non-interest bearing receivables*	-48.4	-58.1	-150.2
Change in non-interest bearing payables*	47.3	37.8	116.4
Dividends received*	-	-	0.2
Interest received*	4.6	0.5	2.2
Interest paid*	-9.6	-5.0	-25.4
Other financial expense and income*	0.1	-0.5	-2.4
Taxes paid*	-11.0	-5.0	-82.8
<b>Net cash flows from operating activities</b>	<b>29.7</b>	<b>39.3</b>	<b>222.7</b>
Capital expenditure*	-76.4	-33.0	-259.4
Proceeds from selling tangible assets*	0.9	0.3	10.5
Acquired subsidiaries and assets	-	-	-365.2
Proceeds from long-term deposits	0.3	1.6	1.8
Payment of long-term deposits	-0.0	-	-0.4
Proceeds from short-term deposits	0.7	2.2	7.0
Payment of short-term deposits	-4.8	-0.1	-1.4
<b>Net cash flows from investing activities</b>	<b>-79.3</b>	<b>-28.9</b>	<b>-607.0</b>
Proceeds from long-term borrowings	10.9	108.1	621.3
Repayment of long-term borrowings	-4.2	-123.0	-257.3
Change in short-term loans	77.6	-44.0	-15.8
Acquisition of non-controlling interest	-2.3	-2.2	-15.1
Dividends paid	0.0	-0.0	-96.0
<b>Net cash flows from financing activities</b>	<b>82.1</b>	<b>-61.2</b>	<b>237.1</b>
<b>Change in liquid assets</b>	<b>36.5</b>	<b>-43.9</b>	<b>-136.8</b>
Cash flow based	32.4	-50.8	-147.2
Translation difference	4.1	6.9	10.4
Liquid assets period start	178.7	315.5	315.5
Liquid assets period end	215.1	271.5	178.7
Free cash flow (including figures marked with *)	-45.7	6.6	-26.1

\*\*Restated (see Notes to the Interim Report - Restatement Q1-Q3 2021)

## Notes to the Interim Report

The Interim 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 Interim Report as in the annual financial statements for 2021. The following new and amended standards and interpretations have been adopted with effect from January 1, 2022. The amendments had no material impact on the interim financial statements:

- **Revised IFRS 3 Business Combinations.** The amendments update the outdated reference to the Conceptual Framework.
- **Revised IAS 16 Property, Plant and Equipment.** Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items.
- **Revised IAS 37 Provisions, Contingent Liabilities and Contingent Assets.** When an onerous contract is accounted for based on the costs of fulfilling the contract, the amendments clarify that these costs comprise both the incremental costs and an allocation of other direct costs
- **Annual Improvements to IFRS standards 2018–2020.** Annual improvements include smaller amendments to four standards.

### Restatement Q1-Q3 2021

The Group has restated the comparative numbers for Q1-Q3 2021, see more information in the final chapter 'Restatement Q1-Q3' 2021' in the Notes.

### COVID-19

Description of the COVID-19 on the business can be found in the chapter 'Impact of COVID-19' in the interim results review.

### Huhtamaki to initiate a divestiture process for its Russian operations

Huhtamaki has decided to initiate the process to divest its operations in Russia. This follows an earlier decision to stop all investments in Russia at the outbreak of the invasion of Ukraine. Huhtamaki considers that the current evolution of the situation and the long-term outlook in Russia will prevent the realization of its growth strategy and long-term ambitions in the country. Huhtamaki will continue to prioritize investments that capture the significant growth opportunities in the rest of the world, in line with its global ambitions and 2030 Strategy.

Huhtamaki will explore the market for potential buyers and will maintain its operations during this transitional period, subject to supply chain availability, to meet its contractual and regulatory obligations and to safeguard employees and customers.

Huhtamaki has operations in both Ukraine and Russia. In Ukraine, the company has one factory, which has mostly served the local market. The factory has been temporarily closed since the war started. Net sales in 2021 had only a minor contribution to the Group level net sales.

Huhtamaki has four manufacturing units in Russia, employing approximately 700 people. The net sales in Russia amounted to EUR 99.5 million in 2021, representing less than 3% of the Group's total net sales. Non-current assets in the country was EUR 59.0 million at the end of March 2022. The factories in Russia have mostly served the local market, with a minor part of production exported.

## 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 2022	Q1 - Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	253.4	937.8	252.6	243.3	235.2	206.9
Intersegment net sales	1.3	4.0	1.4	1.3	0.6	0.6
North America	335.9	1,156.1	313.3	293.7	293.9	255.3
Intersegment net sales	1.6	4.2	1.4	0.7	1.3	0.8
Flexible Packaging	376.0	1,165.6	348.5	282.4	269.3	265.5
Intersegment net sales	1.7	0.9	-3.6	1.5	1.4	1.6
Fiber Packaging	84.4	315.4	85.1	77.0	78.8	74.5
Intersegment net sales	6.5	18.3	6.3	6.3	1.6	4.1
Elimination of intersegment net sales	-11.1	-27.4	-5.5	-9.8	-5.0	-7.1
<b>Total</b>	<b>1,049.7</b>	<b>3,574.9</b>	<b>999.5</b>	<b>896.3</b>	<b>877.1</b>	<b>802.1</b>

### EBIT

<i>EUR million</i>	Q1 2022	Q1 - Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	25.5	78.5	26.6	20.0	18.5	13.4
North America	38.8	137.3	32.8	35.7	37.6	31.2
Flexible Packaging	26.6	63.6	21.4	6.7	14.9	20.6
Fiber Packaging	7.5	35.2	10.3	7.8	7.8	9.5
Other activities	-4.9	-18.7	-6.6	-5.3	-3.8	-3.1
<b>Total</b>	<b>93.5</b>	<b>296.0</b>	<b>84.5</b>	<b>64.9</b>	<b>75.0</b>	<b>71.6</b>

### IAC in EBIT

<i>EUR million</i>	Q1 2022	Q1 - Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	-0.0	0.8	7.1	-0.7	-1.4	-4.2
North America	-0.0	-1.9	-1.1	-0.1	-0.6	-
Flexible Packaging	-2.8	-16.1	-3.1	-10.3	-1.6	-1.1
Fiber Packaging	-0.0	-1.1	-0.5	-0.1	-0.5	0.0
Other activities	-1.1	-1.0	-0.1	-0.1	-0.7	-0.0
<b>Total</b>	<b>-4.0</b>	<b>-19.3</b>	<b>2.3</b>	<b>-11.4</b>	<b>-4.9</b>	<b>-5.3</b>

## EBITDA

<i>EUR million</i>	Q1 2022	Q1 - Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	40.4	133.8	38.9	34.2	31.7	29.1
North America	52.3	188.2	46.1	48.6	50.1	43.4
Flexible Packaging	42.4	106.6	37.1	16.5	22.6	30.3
Fiber Packaging	13.5	57.0	16.1	13.4	13.1	14.4
Other activities	-4.0	-16.0	-5.6	-4.7	-3.2	-2.5
<b>Total</b>	<b>144.6</b>	<b>469.6</b>	<b>132.5</b>	<b>108.0</b>	<b>114.3</b>	<b>114.8</b>

## IAC in EBITDA

<i>EUR million</i>	Q1 2022	Q1 - Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	-0.0	0.7	4.8	-0.7	-1.4	-1.9
North America	-0.0	-1.9	-1.1	-0.1	-0.6	-
Flexible Packaging	-0.8	-15.4	-0.8	-10.1	-3.5	-1.0
Fiber Packaging	-0.0	-1.2	-0.5	-0.1	-0.5	-0.1
Other activities	-1.1	-1.0	-0.1	-0.1	-0.7	-0.0
<b>Total</b>	<b>-2.0</b>	<b>-18.7</b>	<b>2.2</b>	<b>-11.2</b>	<b>-6.8</b>	<b>-3.0</b>

## Depreciation and amortization

<i>EUR million</i>	Q1 2022	Q1 - Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	14.8	55.3	12.3	14.2	13.2	15.7
North America	13.6	50.9	13.3	12.9	12.5	12.2
Flexible Packaging	15.8	42.9	15.7	9.8	7.7	9.7
Fiber Packaging	6.0	21.8	5.8	5.6	5.4	4.9
Other activities	0.9	2.8	0.9	0.6	0.6	0.6
<b>Total</b>	<b>51.1</b>	<b>173.7</b>	<b>48.1</b>	<b>43.1</b>	<b>39.3</b>	<b>43.1</b>

## Net assets allocated to the segments<sup>1</sup>

<i>EUR million</i>	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	972.3	930.9	848.2	841.1	810.2
North America	918.9	838.1	796.8	793.8	801.8
Flexible Packaging	1,650.0	1,272.7	1,321.8	824.7	808.5
Fiber Packaging	264.9	272.8	274.1	261.7	251.1

<sup>1</sup> 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 2022	Q1 - Q4 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Foodservice Europe-Asia-Oceania	38.1	85.0	40.5	19.2	15.4	9.8
North America	16.2	70.6	36.2	12.0	12.8	9.6
Flexible Packaging	14.4	46.0	12.7	13.6	11.5	8.1
Fiber Packaging	7.4	56.2	22.2	17.1	11.6	5.2
Other activities	0.2	1.7	0.5	0.4	0.5	0.3
<b>Total</b>	<b>76.4</b>	<b>259.4</b>	<b>112.2</b>	<b>62.3</b>	<b>51.8</b>	<b>33.0</b>

## Business Combinations

On September 23, 2021 Huhtamaki 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. The acquired business is reported as part of Huhtamaki's Flexible Packaging business segment as of September 23, 2021.

In the end of the reporting period, the acquired assets and liabilities were recognized with draft values as of the acquisition date. The draft values have remained the same as disclosed in the Financial Statements of 2021 and Results Report of Q1-Q4 2021.

## Other information

### Key indicators

	Q1 2022	Q1-Q4 2021	Q1 2021
Equity per share (EUR)	15.67	14.57	13.15
ROE, % (12m roll.)	14.6 %	13.9 %	12.3 %
ROI, % (12m roll.)	10.8 %	10.6 %	9.8 %
Net debt	1,571.6	1,520.2	897.7
Net debt to equity (gearing)	0.92	0.95	0.62
Personnel	19,805	19,564	18,090
Profit before taxes (EUR million, 12m roll.)	290.4	263.0	227.0
Depreciation of tangible assets (EUR million)	46.3	164.4	40.8
Amortization of other intangible assets (EUR million)	4.7	9.3	2.3

### Contingent liabilities

EUR million	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Capital expenditure commitments	88.0	81.4	56.4

### Financial instruments measured at fair value

EUR million	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
<b>Derivatives - assets</b>			
Currency forwards, transaction risk hedges	2.4	1.8	1.7
Currency forwards, translation risk hedges	-	-	1.0
Currency forwards, for financing purposes	4.1	19.5	6.7
Currency options, transaction risk hedges	-	-	0.2
Interest rate swaps	10.2	0.9	0.6
Other investments	2.8	2.2	2.3
<b>Derivatives - liabilities</b>			
Currency forwards, transaction risk hedges	2.4	0.6	3.5
Currency forwards, translation risk hedges	7.4	5.4	2.7
Currency forwards, for financing purposes	14.6	9.5	12.5
Currency options, transaction risk hedges	-	-	-
Interest rate swaps	2.9	1.8	2.4
Cross currency swaps	0.3	0.7	1.4

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	Mar 31, 2022		Dec 31, 2021		Mar 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	1,283.3	1,251.3	1,275.6	1,251.7	937.3	919.4
Current	512.0	512.0	427.2	427.2	238.8	238.8
<b>Total</b>	<b>1,795.3</b>	<b>1,763.3</b>	<b>1,702.8</b>	<b>1,678.9</b>	<b>1,176.1</b>	<b>1,158.2</b>

## 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 2022	Q1 2021
AUD 1 =	0.6440	0.6406
GBP 1 =	1.1957	1.1425
INR 1 =	0.0118	0.0114
RUB 1 =	0.0104	0.0111
THB 1 =	0.0270	0.0274
USD 1 =	0.8906	0.8290

Statement of financial position, month end:

	Mar 31, 2022	Mar 31, 2021
AUD 1 =	0.6753	0.6486
GBP 1 =	1.1826	1.1713
INR 1 =	0.0119	0.0116
RUB 1 =	0.0104	0.0112
THB 1 =	0.0269	0.0272
USD 1 =	0.8988	0.8517

## 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.

## Restatement Q1-Q3 2021

The Group implemented a new consolidation system in the end of the year 2021 and as part of the implementation, the use of the chart of accounts and the presentation by function were reviewed.

- In the Financial statements of 2021 and Results Report of Q1-Q4 2021, the Group changed its accounting policy for presentation of amortization in the consolidated statement of income. Amortization was 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. The change was applied retrospectively and the year 2020 was restated.
- In addition, the use of chart of accounts and the presentation by function were harmonized. This created other minor changes for the year 2021. The year 2020 was not restated.

The restated year 2020 was presented in the Financial statements of 2021 and the Results Report of Q1-Q4 2021. The restated numbers for Q1-Q3 2021 are enclosed.

### Group income statement (IFRS)

<i>EUR million</i>	Restated			Restated			Restated		
	Q1 2021	Changes	Q1 2021	Q2 2021	Changes	Q2 2021	Q3 2021	Changes	Q3 2021
<b>Net sales</b>	<b>802.1</b>	0.2	<b>801.9</b>	<b>876.9</b>	-0.1	<b>877.1</b>	<b>896.4</b>	0.1	<b>896.3</b>
Cost of goods sold	-664.2	0.5	-664.6	-728.4	-1.4	-727.0	-747.7	-0.9	-746.8
<b>Gross profit</b>	<b>137.9</b>	<b>0.6</b>	<b>137.2</b>	<b>148.5</b>	<b>-1.5</b>	<b>150.0</b>	<b>148.7</b>	<b>-0.8</b>	<b>149.5</b>
Other operating income	3.1	0.1	3.0	3.6	-1.1	4.7	2.1	-3.8	5.9
Sales and marketing	-19.0	0.3	-19.3	-19.0	0.2	-19.2	-20.1	-2.0	-18.0
Research and development	-5.2	1.2	-6.4	-6.1	0.3	-6.4	-6.8	-0.1	-6.7
Administration expenses	-43.9	-4.3	-39.6	-49.1	0.1	-49.3	-56.1	2.6	-58.7
Other operating expenses	-1.3	2.1	-3.4	-2.9	2.0	-4.9	-2.8	4.3	-7.1
Share of profit of equity-accounted investments	-	-	-	-	-	-	-	-	-
<b>Earnings before interest and taxes</b>	<b>71.6</b>	-	<b>71.6</b>	<b>74.9</b>	-0.1	<b>75.0</b>	<b>64.9</b>	-	<b>64.9</b>
Financial income	1.2	-0.1	1.3	1.1	0.1	1.0	0.0	-0.4	0.4
Financial expenses	-9.6	0.1	-9.7	-7.0	-0.0	-6.9	-9.6	0.3	-9.9
<b>Profit before taxes</b>	<b>63.2</b>	-	<b>63.2</b>	<b>69.0</b>	-0.1	<b>69.1</b>	<b>55.4</b>	-	<b>55.4</b>
Income tax expense	-14.8	-	-14.8	-16.2	-	-16.2	-13.0	-	-13.0
<b>Profit for the period</b>	<b>48.5</b>	<b>0.0</b>	<b>48.4</b>	<b>52.9</b>	-	<b>52.9</b>	<b>42.4</b>	-	<b>42.4</b>
Attributable to:									
Equity holders of the parent company	47.0	-	47.0	51.7	-	51.7	42.3	-0.1	42.4
Non-controlling interest	1.5	-	1.5	1.2	-	1.2	0.1	0.1	0.1
<b>EUR</b>									
EPS attributable to equity holders of the parent company	0.45	-	0.45	0.50	-	0.50	0.40	-0.00	0.41
Diluted EPS attributable to equity holders of the parent company	0.45	-	0.45	0.50	-	0.50	0.40	-0.00	0.41

## Group statement of financial position (IFRS)

<i>EUR million</i>	Restated Q1 2021	Changes	Q1 2021	Restated Q2 2021	Changes	Q2 2021	Restated Q3 2021	Changes	Q3 2021
<b>ASSETS</b>									
<b>Non-current assets</b>									
Goodwill	747.6	-	747.6	762.7	-	762.7	1,036.0	-	1,036.0
Other intangible assets	36.5	0.0	36.5	35.8	0.3	35.6	44.7	-	44.7
Tangible assets	1,401.1	0.0	1,401.1	1,434.8	-	1,434.8	1,566.2	-	1,566.2
Other investments	2.3	-	2.3	2.2	-	2.2	2.2	-	2.2
Interest-bearing receivables	1.7	-	1.7	1.9	-	1.9	2.0	-	2.0
Deferred tax assets	62.2	-	62.2	64.1	-	64.1	63.9	0.5	63.4
Employee benefit assets	59.4	-	59.4	57.9	-	57.9	58.9	-	58.9
Other non-current assets	3.6	-	3.6	3.9	-	3.9	4.2	-	4.2
	<b>2,314.5</b>	<b>0.0</b>	<b>2,314.4</b>	<b>2,363.5</b>	<b>0.3</b>	<b>2,363.2</b>	<b>2,778.1</b>	<b>0.5</b>	<b>2,777.6</b>
<b>Current assets</b>									
Inventory	530.7	-	530.7	545.3	-0.1	545.4	631.1	-0.1	631.3
Interest-bearing receivables	5.2	-	5.2	3.8	-	3.8	2.0	-	2.0
Current tax assets	15.7	-	15.7	17.7	-	17.7	22.2	-	22.1
Trade and other current receivables	607.9	-0.8	608.7	630.9	-1.4	632.3	714.4	0.1	714.3
Cash and cash equivalents	271.5	-	271.6	212.5	-0.1	212.6	271.4	0.1	271.3
	<b>1,431.0</b>	<b>-0.8</b>	<b>1,431.8</b>	<b>1,410.2</b>	<b>-1.5</b>	<b>1,411.7</b>	<b>1,641.0</b>	<b>0.1</b>	<b>1,640.9</b>
<b>Total assets</b>	<b>3,745.4</b>	<b>-0.8</b>	<b>3,746.2</b>	<b>3,773.6</b>	<b>-1.2</b>	<b>3,774.9</b>	<b>4,419.0</b>	<b>0.6</b>	<b>4,418.5</b>
<b>EQUITY AND LIABILITIES</b>									
Share capital	366.4	-	366.4	366.4	-	366.4	366.4	-	366.4
Premium fund	115.0	-	115.0	115.0	-	115.0	115.0	-	115.0
Treasury shares	-31.3	-	-31.3	-31.2	-	-31.2	-31.2	-	-31.2
Translation differences	-160.2	0.1	-160.3	-159.9	0.0	-160.0	-143.6	0.2	-143.9
Fair value and other reserves	-103.4	-0.0	-103.4	-102.1	-	-102.1	-100.5	-	-100.5
Retained earnings	1,185.8	-0.0	1,185.8	1,142.0	-	1,142.0	1,184.4	-0.1	1,184.5
<b>Total equity attributable to equity holders of the parent company</b>	<b>1,372.2</b>	<b>-0.0</b>	<b>1,372.2</b>	<b>1,330.1</b>	<b>0.0</b>	<b>1,330.1</b>	<b>1,390.4</b>	<b>0.1</b>	<b>1,390.3</b>
Non-controlling interest	83.7	-0.0	83.8	83.9	-0.1	84.0	76.4	-	76.4
<b>Total equity</b>	<b>1,455.9</b>	<b>-0.0</b>	<b>1,455.9</b>	<b>1,414.1</b>	<b>-0.0</b>	<b>1,414.1</b>	<b>1,466.8</b>	<b>0.1</b>	<b>1,466.6</b>
<b>Non-current liabilities</b>									
Interest-bearing liabilities	937.3	0.2	937.1	858.6	-	858.6	1,270.2	-0.2	1,270.4
Deferred tax liabilities	106.0	-	106.0	108.6	-	108.6	116.8	0.5	116.3
Employee benefit liabilities	231.1	-	231.1	229.6	-	229.6	224.6	-	224.6
Provisions	14.2	0.4	13.8	14.5	0.2	14.2	14.7	0.1	14.6
Other non-current liabilities	10.7	-	10.7	10.9	-	10.9	10.0	-	10.0
	<b>1,299.4</b>	<b>0.6</b>	<b>1,298.7</b>	<b>1,222.3</b>	<b>0.2</b>	<b>1,222.0</b>	<b>1,636.4</b>	<b>0.4</b>	<b>1,636.0</b>
<b>Current liabilities</b>									
Interest-bearing liabilities									
Current portion of long term loans	24.2	-0.2	24.3	108.0	-	108.0	150.4	-	150.4
Short-term loans	214.7	-0.1	214.7	184.5	-0.1	184.6	258.3	0.2	258.1
Provisions	8.3	-1.2	9.5	8.2	-1.7	9.9	6.9	-0.3	7.2
Current tax liabilities	72.3	-	72.3	67.6	-0.0	67.7	76.5	-0.1	76.6
Trade and other current liabilities	670.8	0.1	670.6	769.0	0.3	768.6	824.0	0.4	823.6
	<b>990.2</b>	<b>-1.4</b>	<b>991.6</b>	<b>1,137.3</b>	<b>-1.4</b>	<b>1,138.7</b>	<b>1,316.0</b>	<b>0.2</b>	<b>1,315.8</b>
<b>Total liabilities</b>	<b>2,289.5</b>	<b>-0.8</b>	<b>2,290.3</b>	<b>2,359.6</b>	<b>-1.2</b>	<b>2,360.8</b>	<b>2,952.4</b>	<b>0.6</b>	<b>2,951.8</b>
<b>Total equity and liabilities</b>	<b>3,745.4</b>	<b>-0.8</b>	<b>3,746.2</b>	<b>3,773.6</b>	<b>-1.2</b>	<b>3,774.9</b>	<b>4,419.1</b>	<b>0.7</b>	<b>4,418.5</b>

## Group statement of cash flows (IFRS)

<i>EUR million</i>	Restated Q1 2021	Changes	Q1 2021	Restated Q2 2021	Changes	Q2 2021	Restated Q3 2021	Changes	Q3 2021
<b>Profit for the period*</b>	48.5	0.0	48.4	52.9	-0.1	52.9	42.4	-0.0	42.4
Adjustments*	65.8	11.1	54.8	63.4	-2.2	65.6	73.0	3.9	69.1
Depreciation and amortisation*	43.1	-	43.1	39.4	-	39.3	43.1	0.0	43.1
Share of result of equity-accounted investment*	-	-	-	-	-	-	-	-	-
Gain/loss from disposal of assets*	0.0	-	0.0	1.9	-	1.9	-0.1	-0.2	0.1
Financial expense/-income*	8.4	-	8.4	5.9	-	5.9	9.6	0.1	9.5
Income tax expense*	14.8	-	14.8	16.2	-	16.2	13.0	0.0	13.0
Other adjustments, operational*	-0.5	11.1	-11.6	0.0	-2.2	2.2	7.4	4.0	3.4
Change in inventory*	-44.8	-0.4	-44.4	-13.9	-0.7	-13.3	-25.1	1.0	-26.1
Change in non-interest bearing receivables*	-58.1	1.0	-59.1	-41.1	-0.9	-40.2	-24.0	-0.0	-23.9
Change in non-interest bearing payables*	37.8	-13.1	50.9	44.2	2.0	42.2	9.1	-3.8	12.9
Dividends received*	-	-	-	0.0	-	0.0	0.1	-0.0	0.1
Interest received*	0.5	-	0.5	0.7	-	0.7	0.2	-0.0	0.2
Interest paid*	-5.0	0.5	-5.4	-4.2	0.7	-4.9	-4.1	0.5	-4.6
Other financial expense and income*	-0.5	-0.1	-0.4	-0.2	-0.2	0.0	-0.4	1.0	-1.4
Taxes paid*	-5.0	-	-5.0	-21.9	-0.0	-21.9	-16.6	-0.0	-16.5
<b>Net cash flows from operating activities</b>	<b>39.3</b>	<b>-1.0</b>	<b>40.3</b>	<b>79.9</b>	<b>-1.3</b>	<b>81.2</b>	<b>54.6</b>	<b>2.4</b>	<b>52.2</b>
Capital expenditure*	-33.0	0.0	-33.0	-51.8	-	-51.8	-62.4	-0.0	-62.3
Proceeds from selling fixed assets*	0.3	0.0	0.3	0.5	-	0.5	0.5	0.3	0.3
Acquired subsidiaries and assets	-	-	-	-21.6	-	-21.6	-332.9	0.1	-333.1
Proceeds from long-term deposits	1.6	-	1.6	0.1	-	0.1	-0.0	-	0.0
Payment of long-term deposits	-	-	-0.0	-0.3	-	-0.3	-0.0	-	-0.0
Proceeds from short-term deposits	2.2	-	2.2	2.1	-	2.1	2.0	-	2.0
Payment of short-term deposits	-0.1	-	-0.1	-0.6	-	-0.6	-0.1	-	-0.0
<b>Net cash flows from investing activities</b>	<b>-28.9</b>	<b>0.0</b>	<b>-29.0</b>	<b>-71.6</b>	<b>-</b>	<b>-71.6</b>	<b>-392.9</b>	<b>0.3</b>	<b>-393.2</b>
Proceeds from long-term borrowings	108.1	-	108.1	3.2	-10.3	13.4	502.6	2.8	499.8
Repayment of long-term borrowings	-123.0	-	-123.0	-3.5	10.3	-13.8	-132.9	-1.8	-131.2
Change in short-term loans	-44.0	1.1	-45.0	-16.8	0.9	-17.7	38.6	-2.8	41.4
Acquisition of non-controlling interest	-2.2	-	-2.2	-0.6	-	-0.6	-12.3	-	-12.3
Dividends paid	-0.0	-0.0	-	-47.8	0.2	-48.0	-0.2	-0.2	0.0
<b>Net cash flows from financing activities</b>	<b>-61.2</b>	<b>1.0</b>	<b>-62.1</b>	<b>-65.5</b>	<b>1.2</b>	<b>-66.7</b>	<b>395.8</b>	<b>-2.0</b>	<b>397.7</b>
Change in liquid assets	-43.9	-0.0	-43.9	-59.0	-0.1	-59.0	58.9	0.2	58.7

Cash flow based	-50.8	-0.0	-50.8	-57.2	-0.0	-57.1	57.4	0.8	56.7
Translation difference	6.9	-0.0	6.9	-1.8	-0.0	-1.8	1.4	-0.6	2.0
Liquid assets in balance sheet period start	315.5	-	315.5	271.5	-0.0	271.6	212.5	-0.1	212.6
Liquid assets in balance sheet period end	271.5	-0.0	271.6	212.5	-0.1	212.6	271.4	0.1	271.3
Free Cash Flow (including figures marked with *)	6.6	-1.0	7.6	28.6	-1.3	29.9	-7.2	2.7	-9.9

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