



Huhtamäki Oyj Interim Report Q3 2023

January 1 – September 30, 2023

Huhtamäki

Good operational profitability in a challenging market

Q3 2023 in brief

- Net sales decreased 12% to EUR 1,037 million (EUR 1,178 million)
- Adjusted EBIT was EUR 100 million (EUR 101 million); reported EBIT was EUR 93 million (EUR 137 million)
- Adjusted EPS was EUR 0.57 (EUR 0.59); reported EPS was EUR 0.42 (EUR 0.89)
- Comparable net sales growth at Group level was -4% and -7% in emerging markets
- The impact of currency movements on the Group's net sales was EUR -70 million and EUR -7 million on EBIT

Q1-Q3 2023 in brief

- Net sales decreased 7% to EUR 3,136 million (EUR 3,375 million)
- Adjusted EBIT was EUR 285 million (EUR 302 million); reported EBIT was EUR 235 million (EUR 327 million)
- Adjusted EPS was EUR 1.64 (EUR 1.84); reported EPS was EUR 1.14 (EUR 2.11)
- Comparable net sales growth at Group level was -1% and -3% in emerging markets
- The impact of currency movements on the Group's net sales was EUR -108 million and EUR -9 million on EBIT
- Capital expenditure was EUR 204 million (EUR 185 million)
- Free cash flow was EUR 193 million (EUR -60 million)

Key figures

EUR million	Q3 2023	Q3 2022	Change	Q1-Q3 2023	Q1-Q3 2022	Change	2022
Net sales	1,037.2	1,178.4	-12%	3,136.0	3,375.4	-7%	4,479.0
Comparable net sales growth	-4%	17%		-1%	18%		15%
Adjusted EBITDA ¹	149.0	153.2	-3%	430.6	453.6	-5%	596.9
Margin ¹	14.4%	13.0%		13.7%	13.4%		13.3%
EBITDA	145.4	190.6	-24%	415.6	484.4	-14%	614.9
Adjusted EBIT ²	100.3	101.5	-1%	285.1	301.7	-6%	395.1
Margin ²	9.7%	8.6%		9.1%	8.9%		8.8%
EBIT	92.8	137.1	-32%	234.9	327.2	-28%	405.3
Adjusted EPS, EUR ³	0.57	0.59	-2%	1.64	1.84	-11%	2.49
EPS, EUR	0.42	0.89	-52%	1.14	2.11	-46%	2.65
Adjusted ROI ²				10.6%	11.0%		11.0%
Adjusted ROE ³				12.9%	14.9%		14.9%
ROI				8.8%	11.9%		11.4%
ROE				9.6%	16.6%		15.7%
Capital expenditure	69.7	57.4	21%	203.9	185.3	10%	318.5
Free Cash Flow	122.2	5.6	>100%	193.1	-60.2	>100%	11.1
¹ Excluding IAC of	-3.5	37.3		-15.1	30.8		18.0
² Excluding IAC of	-7.5	35.6		-50.2	25.4		10.2
³ Excluding IAC of	-15.7	31.8		-51.9	27.6		16.0

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2022. 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, fines and penalties imposed by authorities and extraordinary taxes.

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 market environment improved slightly during the third quarter of 2023, compared to the first half of the year. The significant destocking that impacted the previous two quarters faded during the third quarter. Overall, inflation continued to affect consumption negatively across categories and geographies.

Our profitability and cash generation in the third quarter improved significantly compared to the first half of the year, despite continued soft volumes and lower support from pricing. Comparable net sales decreased by 4% compared to the third quarter of 2022. For the first nine months of the year, comparable net sales decreased by 1%. Currency translation continued to have a negative impact, further accelerating in the third quarter. Adjusted EBIT decreased by 1% in the third quarter and by 6% during the first nine months of the year, including the negative impact from the divestment of our Russian operations. Throughout the year, we have taken actions to address productivity, and the results are starting to materialize. Free cash flow was strong, reaching EUR 122 million during the third quarter and EUR 193 million during the first nine months of the year, supported by reduced working capital.

All our business segments delivered an improved profitability level compared to the first half of 2023 and the third quarter of 2022. The improving trend in profitability during the third quarter was primarily driven by a strong performance in the Fiber and North America segments. The Flexible Packaging segment performance also improved during the third quarter, compared to the same period 2022. The profitability of Foodservice Europe-Asia-Oceania remained at same level as last year.

We continue to drive the execution of our 2030 strategy. We are making consistent progress on delivering on our sustainability commitments, particularly on operational health and safety, renewable energy and absolute greenhouse gas emissions. We are also investing in growth and innovation. At the end of the third quarter, we started ramping up commercial production at our expanded molded fiber factory in Hammond, US, entering the growing egg carton packaging market. This will allow us to leverage the rapid conversion into fiber egg carton packaging in several US states where foam packaging has been banned. In Europe, the acceleration of the fiber lids deployment in replacement of the traditional plastic lids allows a significant volume increase from our recently installed capacity in Alf, Germany. Our investments in technology and capacity will increasingly support our performance going forward.

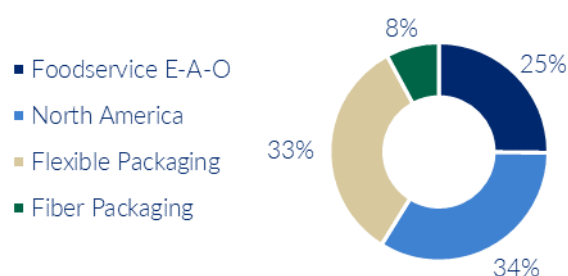
Charles Héaulmé
President and CEO

Financial review Q3 2023

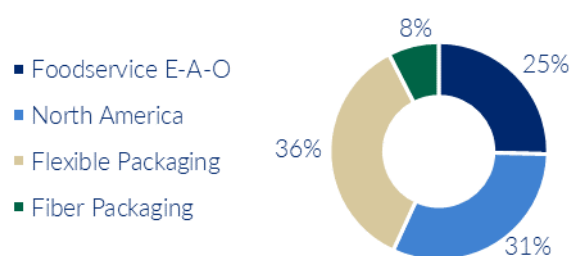
Net sales by business segment

EUR million	Q3 2023	Q3 2022	Change
Foodservice Europe-Asia-Oceania	259.9	300.5	-14%
North America	348.4	372.4	-6%
Flexible Packaging	344.2	420.6	-18%
Fiber Packaging	81.4	89.3	-9%
Elimination of internal sales	3.4	-4.4	
Group	1,037.2	1,178.4	-12%

Net sales by segment, Q3 2023



Net sales by segment, Q3 2022



Comparable net sales growth by business segment

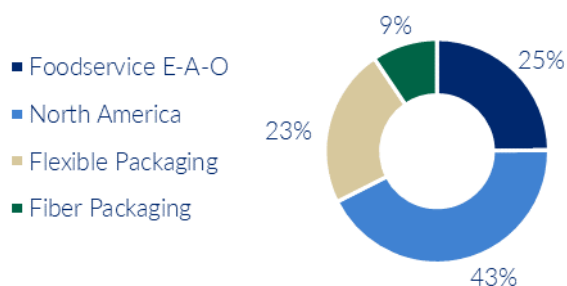
	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Foodservice Europe-Asia-Oceania	-3%	5%	11%	15%	22%
North America	1%	1%	2%	10%	10%
Flexible Packaging	-11%	-11%	-5%	1%	20%
Fiber Packaging	4%	7%	17%	17%	19%
Group	-4%	-2%	2%	9%	17%

The Group's net sales decreased 12% to EUR 1,037 million (EUR 1,178 million) during the quarter and comparable net sales growth was -4%. Demand continued to be muted by the impact of inflation, but started to show signs of improvement in certain categories and geographies. Net sales were weighed on by a decrease in sales volumes and changes in currencies, whereas pricing had a positive impact. The divestment of the operations in Russia had a negative impact. Comparable sales growth in emerging markets was -7%. Foreign currency translation impact on the Group's net sales was EUR -70 million (EUR 83 million) compared to 2022 exchange rates.

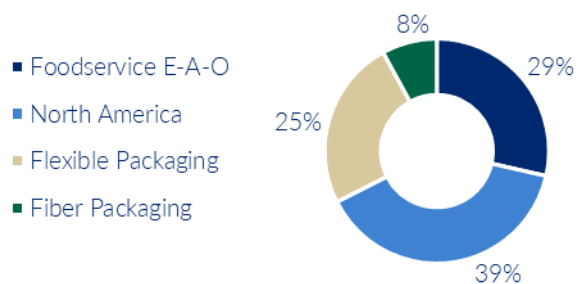
Adjusted EBIT by business segment

EUR million	Q3 2023	Q3 2022	Change	Items affecting comparability	
				Q3 2023	Q3 2022
Foodservice Europe-Asia-Oceania	26.7	30.6	-13%	-0.1	24.4
North America	45.9	41.8	10%	-	-
Flexible Packaging	24.7	26.3	-6%	-3.0	-4.8
Fiber Packaging	10.2	8.5	19%	-4.4	16.7
Other activities	-7.2	-5.7		-0.1	-0.7
Group	100.3	101.5	-1%	-7.5	35.6

Adjusted EBIT by segment, Q3 2023



Adjusted EBIT by segment, Q3 2022



Adjusted EBIT margin by business segment

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Foodservice Europe-Asia-Oceania	10.3%	9.2%	8.3%	9.1%	10.2%
North America	13.2%	12.2%	11.9%	12.8%	11.2%
Flexible Packaging	7.2%	4.9%	6.1%	4.2%	6.2%
Fiber Packaging	12.5%	10.8%	12.1%	12.7%	9.6%
Group	9.7%	8.8%	8.8%	8.5%	8.6%

The Group's adjusted EBIT decreased to EUR 100 million (EUR 101 million) and reported EBIT was EUR 93 million (EUR 137 million) in the quarter. Adjusted EBIT decreased mainly due to lower sales volumes and the divestment of operations in Russia, whereas pricing had a positive impact. The Group's adjusted EBIT margin increased and was 9.7% (8.6%). Foreign currency translation impact on the Group's earnings was EUR -7 million (EUR 7 million).

Adjusted EBIT excludes EUR -7.5 million (EUR 35.6 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q3 2023	Q3 2022
Adjusted EBIT	100.3	101.5
Acquisition related costs	-0.1	-0.1
Restructuring gains and losses, including writedowns of related assets	-5.4	2.6
PPA amortization	-2.2	-1.6
Settlement and legal fees of disputes	-0.1	-2.7
Prague site closure-related costs	0.2	-
Property damage incidents	-	-
Divestment of subsidiaries	-	37.5
EBIT	92.8	137.1

Net financial expenses were EUR 17 million (EUR 22 million) in the quarter. Tax expense was EUR 29 million (EUR 20 million). The increase is due to the business in Turkey, which has the US dollar as a functional currency. As taxes are calculated in the significantly devalued Turkish lira, the current tax charge as well as deferred tax liabilities increased significantly. The functional currency remeasurements related impact to deferred tax liabilities (mainly Turkey) are a non-cash item and are treated as IAC. Profit for the quarter was EUR 47 million (EUR 95 million). Adjusted earnings per share (EPS) was EUR 0.57 (EUR 0.59) and reported EPS EUR 0.42 (EUR 0.89). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -15.7 million (EUR 31.8 million) of IAC.

Adjusted profit and IAC

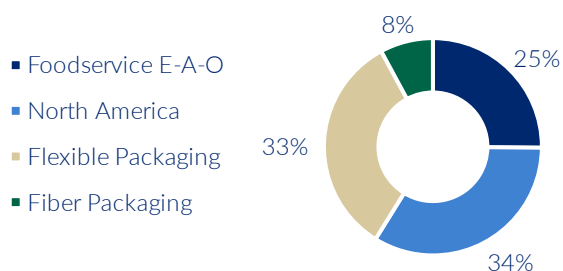
EUR million	Q3 2023	Q3 2022
Adjusted profit for the period attributable to equity holders of the parent company	60.0	61.2
IAC in EBIT	-7.5	35.6
IAC in Financial items	1.2	-4.8
IAC Tax	-9.4	1.0
Profit for the period attributable to equity holders of the parent company	44.3	93.0

Financial review Q1-Q3 2023

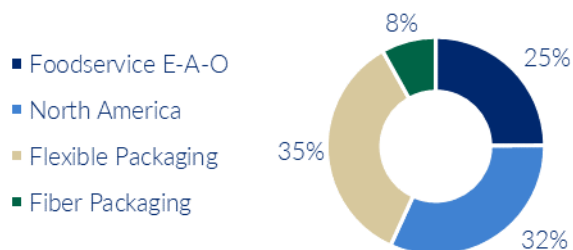
Net sales by business segment

EUR million	Q1-Q3 2023	Q1-Q3 2022	Change
Foodservice Europe-Asia-Oceania	787.0	844.0	-7%
North America	1,079.8	1,084.7	-0%
Flexible Packaging	1,021.2	1,189.1	-14%
Fiber Packaging	254.3	275.6	-8%
Elimination of internal sales	-6.2	-18.0	
Group	3,136.0	3,375.4	-7%

Net sales by segment, Q1-Q3 2023



Net sales by segment, Q1-Q3 2022



Comparable net sales growth by business segment

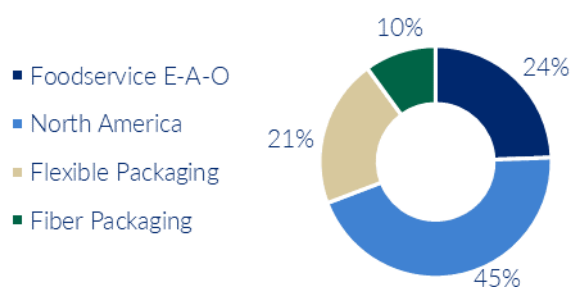
	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2021
Foodservice Europe-Asia-Oceania	4%	20%	11%
North America	1%	16%	4%
Flexible Packaging	-9%	19%	4%
Fiber Packaging	9%	14%	2%
Group	-1%	18%	6%

The Group's net sales decreased 7% to EUR 3,136 million (EUR 3,375 million) during the reporting period, and comparable net sales growth was -1%. Overall, demand was muted by the impact of inflation. Net sales were weighed on by a decrease in sales volumes and changes in currencies, whereas pricing had a positive impact. The divestment of the operations in Russia had a negative impact. Comparable sales growth in emerging markets was -3%. Foreign currency translation impact on the Group's net sales was EUR -108 million (EUR 186 million) compared to 2022 exchange rates.

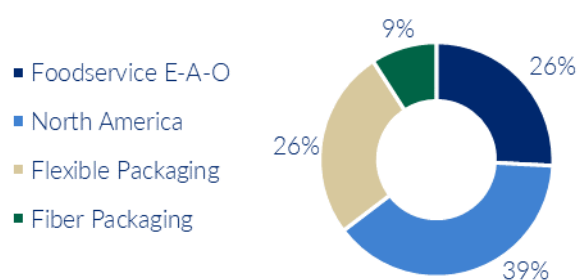
Adjusted EBIT by business segment

EUR million	Q1-Q3 2023	Q1-Q3 2022	Change	Items affecting comparability	
				Q1-Q3 2023	Q1-Q3 2022
Foodservice Europe-Asia-Oceania	73.0	81.5	-10%	-2.1	20.9
North America	133.8	122.6	9%	-0.0	-0.0
Flexible Packaging	62.0	82.6	-25%	-42.3	-9.9
Fiber Packaging	30.0	28.8	4%	-5.5	16.4
Other activities	-13.7	-13.7		-0.3	-1.9
Group	285.1	301.7	-6%	-50.2	25.4

Adjusted EBIT by segment, Q1-Q3 2023



Adjusted EBIT by segment, Q1-Q3 2022



Adjusted EBIT margin by business segment

	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2021
Foodservice Europe-Asia-Oceania	9.3%	9.7%	8.5%
North America	12.4%	11.3%	12.4%
Flexible Packaging	6.1%	6.9%	6.7%
Fiber Packaging	11.8%	10.5%	10.6%
Group Total	9.1%	8.9%	9.1%

The Group's adjusted EBIT decreased to EUR 285 million (EUR 302 million) and reported EBIT was EUR 235 million (EUR 327 million). Adjusted EBIT decreased mainly due to lower sales volumes and the divestment of operations in Russia. The Group's adjusted EBIT margin increased and was 9.1% (8.9%). Foreign currency translation impact on the Group's earnings was EUR -9 million (EUR 16 million).

Adjusted EBIT excludes EUR -50.2 million (EUR 25.4 million) of items affecting comparability (IAC). The main change in IACs relate to the planned closure of the Flexible Packaging production facility in Prague, Czech Republic.

Adjusted EBIT and IAC

EUR million	Q1-Q3 2023	Q1-Q3 2022
Adjusted EBIT	285.1	301.7
Acquisition related costs	-0.4	-0.7
Restructuring gains and losses, including writedowns of related assets	-10.7	-2.4
PPA amortization	-6.6	-5.0
Settlement and legal fees of disputes	-0.2	-3.0
Prague site closure-related costs	-32.3	-
Property damage incidents	-	-1.0
Divestment of subsidiaries	-	37.5
EBIT	234.9	327.2

Net financial expenses were EUR 51 million (EUR 37 million). The increase was due to higher interest rates and other financing costs. Tax expense was EUR 57 million (EUR 64 million). The effective tax rate was 31% (22%). The increase was due to an impact from the business in Turkey, which has the US dollar as a functional currency. As taxes are calculated in the significantly devalued Turkish lira, the current tax charge as well as deferred tax liabilities increased significantly. The functional currency remeasurements related impact to deferred tax liabilities (mainly Turkey) are a non-cash item and are treated as IAC. Additionally, the tax rate was impacted by a non-deductible goodwill impairment related to the planned closure of the Flexible Packaging site in Prague. Profit for the period was EUR 126 million (EUR 226 million). Adjusted earnings per share (EPS) were EUR 1.64 (EUR 1.84) and reported EPS EUR 1.14 (EUR 2.11). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -51.9 million (EUR 27.6 million) of IAC.

Adjusted profit and IAC

EUR million	Q1-Q3 2023	Q1-Q3 2022
Adjusted profit for the period attributable to equity holders of the parent company	171.0	192.2
IAC in EBIT	-50.2	25.4
IAC in Financial items	0.8	-0.2
IAC Tax	-2.5	2.4
Profit for the period attributable to equity holders of the parent company	119.1	219.8

Statement of financial position and cash flow

The Group's net debt decreased and was EUR 1,332 million (EUR 1,483 million) at the end of September. The level of net debt corresponds to a gearing ratio of 0.68 (0.73). Net debt to adjusted EBITDA ratio (excluding IAC) was 2.3 (2.5). Average maturity of external committed credit facilities and loans was 2.4 years (3.2 years).

On May 22, 2023, Huhtamäki Oyj signed a EUR 125 million bilateral term loan facility agreement with a maturity of two years. The term loan will be used for refinancing and general corporate purposes of the Group. The facility has a one-year extension option at the discretion of the Lender, and the interest margin is tied to three sustainability indicators; absolute scope 1 and 2 greenhouse gas emissions amount, share of non-hazardous waste recycled and Ecovadis Rating.

Capital expenditure was EUR 204 million (EUR 185 million). The largest investments for business expansion were directed to increase capacity of fiber products in Europe and North America. The Group's free cash flow was EUR 193 million (EUR -60 million), driven by an improvement in working capital.

Cash and cash equivalents were EUR 333 million (EUR 324 million) at the end of September and the Group had EUR 353 million (EUR 348 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 4,829 million (EUR 5,338 million).

Sustainability

During the third quarter, all the environmental KPI's performed better than the overall 2023 target level. For operational health and safety, the total recordable injuries and lost time injuries have been improved as there are fewer accidents compared to the previous year. Our absolute greenhouse gas emissions decreased due to a higher share of renewable electricity and lower sales volumes.

In the S&P Global 2023 Corporate Sustainability Assessment (CSA), Huhtamaki scored 67/100, putting it in the top 10%. The company's performance is driven by increased focus on biodiversity, climate action and waste management as well as human rights and anti-corruption.

Huhtamaki joins the UN Global Compact Finland training program on setting Science-Based Targets for Nature, strengthening our environmental work. The Science Based Targets Network (SBTN) guidelines for setting environmental targets for companies have been developed as a collaboration of more than 200 organizations and almost 100 companies. SBTN complements the Science Based Targets initiative, known for its climate goals, which is its sister initiative.

Impacts of the war in Ukraine and the divestment of operations in Russia

On September 2, 2022, Huhtamaki announced the divestment of its operations in Russia to Espetina Ltd. Espetina is a holding company owned by Alexander Govor and Iury Kushnerov. The transaction has been completed. The cash and debt free sales price was EUR 151 million. As a result of the sale, Huhtamaki booked a gain of EUR 44.5 million during the third and fourth quarter. The transaction included four manufacturing units in Russia, employing 724 people. Net sales in Russia amounted to EUR 99.5 million in 2021, representing less than 3% of the Group's net sales. The factories in Russia mostly served the local market and only a minor part of production was exported. Following the divestment, Huhtamaki does not have any operations in Russia.

Huhtamaki has operations in Ukraine but does not operate in Belarus. In Ukraine, the company has one factory, which has mostly served the local market. It's net sales prior to the war made only a minor contribution to the Group level net sales.

Other significant events during the reporting period

Acquisition of full ownership of Huhtamaki's foodservice distribution joint venture in Australia

On February 20, 2023, Huhtamaki announced that it has acquired full ownership of Huhtamaki Tailored Packaging Pty Ltd (HTP), the Australian foodservice packaging distribution and wholesale group.

HTP is one of the largest importers and distributors of foodservice packaging in Australia serving a wide network of customers including metropolitan and regional packaging wholesalers, food wholesalers, club and hospitality suppliers, and national quick service restaurant businesses.

Huhtamaki acquired a majority stake in the business in 2018 and held approximately 76% of the company prior to this transaction. The debt free purchase price for the additional shares was approximately EUR 19 million. The business has been reported as part of the Foodservice Europe-Asia-Oceania business segment since the beginning of operations in 2018.

Capital Markets Day

Huhtamaki held its Capital Markets Day in Espoo, Finland on March 28, 2023. At the event, the company presented its updated 2030 strategy and long-term financial ambitions. Huhtamaki's updated 2030 strategy focuses on four areas:

scaling up its profitable core businesses, developing its blueloop™ sustainable innovation in partnership with customers, driving world-class operational performance across its global footprint and investing in strategic capabilities to drive its transformation journey.

As part of the updated strategy, Huhtamaki has also outlined its long-term (5 years) financial ambitions:

- Comparable growth: 5-6%
- Adjusted EBIT margin: 10-12%
- Adjusted return on investment (ROI): 13-15%
- Net debt / adjusted EBITDA ratio: 2-3
- Dividend payout ratio: 40-50%

Huhtamaki to consolidate its flexible packaging footprint in Europe with closure of the manufacturing site in Prague, Czech Republic

On June 8, 2023, Huhtamaki announced the decision to consolidate the production footprint of its Flexible Packaging segment in Europe and will be closing its Flexible Packaging production facility in Prague, Czech Republic. All production and supporting activities at the facility will be scaled down during the second half of the year, with the closure of the

operations completed by March 31, 2024. Production will gradually be transferred to Huhtamaki's other manufacturing sites.

The Flexible Packaging Prague facility does not represent a material share of the sales or profits of Huhtamaki. Huhtamaki booked a closure-related costs of approximately EUR 35 million in the second quarter of 2023. The costs were booked as items affecting comparability and are mostly non-cash items. Over time, the closure is expected to be cash positive and improve our competitiveness in Europe.

Huhtamaki invests for further growth in North America through the expansion of its factory in Paris, Texas

On July 18, 2023, Huhtamaki announced the decision to expand its factory in Paris, Texas in the U.S. The investment consists of an expansion of its manufacturing capacity as well as a consolidation of an external warehouse. The investment into production assets is approximately USD 30 million, and the expanded warehouse and manufacturing facility will be leased. This will significantly increase the North America business segment's capacity in folding cartons to support the growth of the Foodservice business. Production is expected to start ramping up in Q1 2025 and will be key to servicing the growth of existing customers and a growing list of up-and-coming customers throughout the Southern and Midwestern states.

Significant events after the reporting period

There were no significant events after the reporting period.

Business review by segment

Foodservice Europe-Asia-Oceania

Foodservice offers high-quality paperboard and molded fiber packaging for fresh food and drinks to foodservice operators, fast food restaurants, coffee shops and FMCG companies. The segment has production units in Europe, South Africa, Middle East, Asia and Oceania.

EUR million	Q3 2023	Q3 2022	Change	Q1-Q3 2023	Q1-Q3 2022	Change	2022
Net sales	259.9	300.5	-14%	787.0	844.0	-7%	1,110.7
Comparable net sales growth	-3%	22%		4%	20%		18%
Adjusted EBIT ¹	26.7	30.6	-13%	73.0	81.5	-10%	105.7
Margin ¹	10.3%	10.2%		9.3%	9.7%		9.5%
Adjusted RONA ¹				10.2%	10.7%		10.9%
Capital expenditure	4.5	19.9	-78%	42.2	77.7	-46%	118.9
Operating cash flow ¹	52.4	3.9	>100%	105.4	-1.3	>100%	28.3
Items affecting comparability (IAC)	-0.1	24.4		-2.1	20.9		16.0

¹ Excluding IAC.

Q3 2023

The demand for foodservice packaging softened during the quarter. With the exception of paperboard, most raw material prices decreased compared to Q3 2022.

Net sales in the Foodservice Europe-Asia-Oceania segment decreased. Comparable net sales growth was -3%, as pricing did not make up for lower sales volumes. Net sales increased in Europe and Middle East and Africa, but decreased in Asia-Oceania, including China. The business in Russia was divested in September 2022.

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

The segment's adjusted EBIT decreased due to lower sales volumes as well as the divestment of the business in Russia.

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

Q1-Q3 2023

The demand for foodservice packaging softened. With the exception of paperboard, most raw material prices decreased compared to the first three quarters of 2022.

Net sales in the Foodservice Europe-Asia-Oceania segment decreased. Comparable net sales growth was 4%. Pricing and mix supported net sales, whereas lower sales volumes had a negative impact. Net sales increased in Europe and Middle East and Africa, but decreased in Asia-Oceania, including China. The business in Russia was divested in September 2022.

The impact of currency movements on the segment's reported net sales was EUR -26 million.

The segment's adjusted EBIT decreased due to lower sales volumes as well as the divestment of the business in Russia.

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

North America

The North America segment serves local markets with retail disposable tableware branded (Chinet®) and private label products, foodservice packaging products, as well as consumer goods packaging products (such as ice-cream containers). The segment has production units in the United States and Mexico.

EUR million	Q3 2023	Q3 2022	Change	Q1-Q3 2023	Q1-Q3 2022	Change	2022
Net sales	348.4	372.4	-6%	1,079.8	1,084.7	-0%	1,468.3
Comparable net sales growth	1%	10%		1%	16%		14%
Adjusted EBIT ¹	45.9	41.8	10%	133.8	122.6	9%	171.6
Margin ¹	13.2%	11.2%		12.4%	11.3%		11.7%
Adjusted RONA ¹				17.7%	17.1%		17.9%
Capital expenditure	28.0	17.8	57%	77.7	50.3	55%	99.8
Operating cash flow ¹	48.1	28.6	69%	86.7	32.4	>100%	45.6
Items affecting comparability (IAC)	-	-		-0.0	-0.0		-5.6

¹ Excluding IAC.

Q3 2023

Overall, there were significant variations in demand across categories. Demand in Foodservice was solid whereas it was softer in Consumer Goods and Retail. Prices of some of the raw materials started to decrease compared to Q3 2022.

Net sales in the North America segment decreased due to the currency impact. Comparable net sales growth was 1%, driven by pricing, offset by softness in volumes. Comparable net sales increased in Foodservice, remained at the previous year's level in Consumer Goods and decreased in Retail.

The impact of currency movements on the segment's reported net sales was EUR -27 million.

The segment's adjusted EBIT increased, supported by increased operational efficiency and pricing to mitigate inflation, compensating for lower sales volumes.

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

Q1-Q3 2023

Overall, there were significant variations in demand across categories. In particular, demand in Foodservice was solid whereas it was softer in Consumer Goods, due to lower ice-cream consumption. With the exception of paperboard, many raw material category prices decreased compared to the first three quarters of 2022.

Net sales in the North America segment remained on the previous year's level. Comparable net sales growth was 1%, driven by pricing, whereas there was softness in volumes. Comparable net sales was driven by Foodservice, remained at the previous years' level in Retail, but decreased in Consumer Goods.

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

The segment's adjusted EBIT increased, supported by net sales growth and increased operational efficiency, compensating for lower sales volumes and an unfavorable sales mix.

The impact of currency movements on the segment's reported earnings was EUR -2 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	Q3 2023	Q3 2022	Change	Q1-Q3 2023	Q1-Q3 2022	Change	2022
Net sales	344.2	420.6	-18%	1,021.2	1,189.1	-14%	1,558.2
Comparable net sales growth	-11%	20%		-9%	19%		14%
Adjusted EBIT ¹	24.7	26.3	-6%	62.0	82.6	-25%	98.1
Margin ¹	7.2%	6.2%		6.1%	6.9%		6.3%
Adjusted RONA ¹				5.5%	7.6%		6.9%
Capital expenditure	24.7	13.9	77%	63.5	35.3	80%	68.2
Operating cash flow ¹	31.5	-2.4	>100%	57.0	-11.4	>100%	51.5
Items affecting comparability (IAC)	-3.0	-4.8		-42.3	-9.9		-15.9

¹ Excluding IAC.

Q3 2023

Overall demand for flexible packaging softened slightly, due to inflationary pressure on consumption. Most raw material prices decreased compared to the third quarter of 2022.

Net sales in the Flexible Packaging segment decreased and comparable net sales growth was -11%. Net sales were impacted by a decrease in sales volumes. Net sales decreased particularly in India and Europe but increased in South-East Asia and Oceania.

The impact of currency movements on the segment's reported net sales was EUR -29 million.

The segment's adjusted EBIT decreased, impacted by a decrease in sales volumes and a negative sales mix. On the other hand, savings measures had a positive impact on profitability.

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

Q1-Q3 2023

Overall demand for flexible packaging declined mainly due to inflationary pressure on consumption as well as destocking in the value chain. Most raw material prices decreased compared to the first three quarters of 2022.

Net sales in the Flexible Packaging segment decreased and comparable net sales growth was -9%. Net sales were impacted by a decrease in sales volumes, due to soft demand and a destocking in the value chain. Net sales decreased particularly in India and Europe but increased in South-East Asia and Oceania.

The impact of currency movements on the segment's reported net sales was EUR -56 million.

The segment's adjusted EBIT decreased, impacted by a decrease in sales volumes and a negative sales mix. In the items affecting comparability, the main change relates to the planned closure of the production facility in Prague, Czech Republic.

The impact of currency movements on the segment's reported earnings was EUR -4 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	Q3 2023	Q3 2022	Change	Q1-Q3 2023	Q1-Q3 2022	Change	2022
Net sales	81.4	89.3	-9%	254.3	275.6	-8%	363.0
Comparable net sales growth	4%	19%		9%	14%		15%
Adjusted EBIT ¹	10.2	8.5	19%	30.0	28.8	4%	40.0
Margin ¹	12.5%	9.6%		11.8%	10.5%		11.0%
Adjusted RONA ¹				14.8%	14.4%		14.4%
Capital expenditure	12.5	5.5	>100%	20.3	21.7	-6%	31.2
Operating cash flow ¹	9.2	9.4	-2%	22.4	32.5	-31%	20.9
Items affecting comparability (IAC)	-4.4	16.7		-5.5	16.4		18.1

¹ Excluding IAC.

Q3 2023

Overall demand for fiber-based egg packaging and food-on-the-go products remained stable in most markets. The most significant deviation was in South Africa, where the avian flu impacted egg sales volumes. The prices of recycled fiber decreased compared to Q3 2022.

Net sales in the Fiber Packaging segment decreased due to the divestment of the business in Russia in September 2022. Comparable net sales growth was 4%. Net sales decreased in Europe but increased in most other markets. It was driven by pricing and mix, whereas sales volumes decreased.

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

The segment's adjusted EBIT increased supported by pricing, while lower sales volumes and the divestment of the business in Russia had a negative impact.

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

Q1-Q3 2023

Overall demand for fiber-based egg packaging and food-on-the-go products softened slightly. For egg packaging, there was a negative impact on supply of egg due to avian flu and the impact of inflation on feedstock. The prices of recycled fiber were lower than during the first three quarters of 2022.

Net sales in the Fiber Packaging segment decreased due to the divestment of the business in Russia in September 2022. Comparable net sales growth was 9%. Net sales increased in most markets, driven by pricing and mix, whereas sales volumes decreased.

The impact of currency movements on the segment's reported net sales was EUR -10 million.

The segment's adjusted EBIT increased supported by pricing, while lower sales volumes and the divestment of the business in Russia had a negative impact.

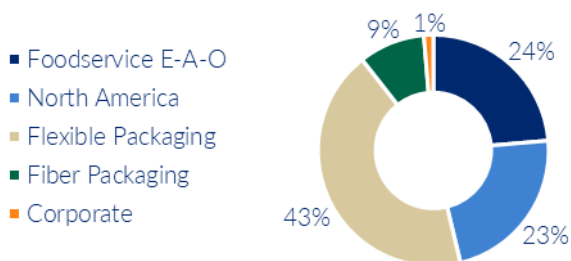
The impact of currency movements on the segment's reported earnings was EUR -1 million.

Personnel

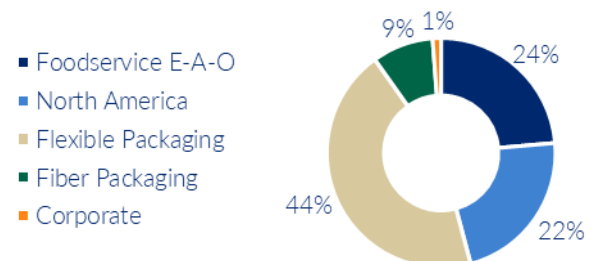
Number of personnel

	September 30, 2023	September 30, 2022	Change
Foodservice Europe-Asia-Oceania	4,247	4,525	-6%
North America	4,058	4,260	-5%
Flexible Packaging	7,754	8,487	-9%
Fiber Packaging	1,668	1,658	1%
Corporate	238	232	3%
Group	17,968	19,162	-6%

Personnel by segment on September 30, 2023



Personnel by segment on September 30, 2022



At the end of September 2023, the Group had a total of 17,968 (19,162) employees. The number of employees was 6% lower than in the comparison period, driven by efficiency improvements to drive competitiveness.

Changes in management

On May 4, 2023, Huhtamaki announced that Eric Le Lay, President, Fiber Foodservice Europe-Asia-Oceania, and member of Huhtamaki's Global Executive Team, decided to pursue a career opportunity outside of Huhtamaki. Fredrik Davidsson, formerly EVP, Digital and Process Performance, was appointed President, Fiber Foodservice Europe-Asia-Oceania.

On July 20, 2023, Huhtamaki announced the appointment of Johan Rabe as Executive Vice President, Digital and Process Performance and a member of the Global Executive Team as of August 1, 2023. He reports to President and CEO Charles Héaulmé and is based in Espoo, Finland.

On September 27, 2023, Huhtamaki announced that Thomasine Kamerling, Executive Vice President, Sustainability and Communications, and a member of the Global Executive Team decided to leave Huhtamaki to pursue other career opportunities. At the same time, Salla Ahonen was appointed as Executive Vice President, Sustainability and Communications and a member of Global Executive Team as of January 1, 2024. She will report to President and CEO Charles Héaulmé and will be based in Espoo, Finland.

Share capital, shareholders and trading of shares

Share capital and number of shares

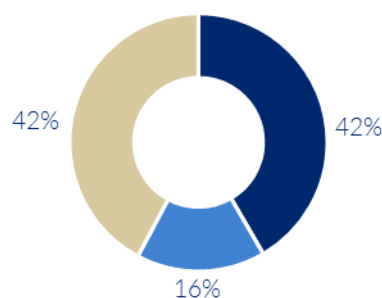
	September 30, 2023	September 30, 2022
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,222,204	3,395,709
% of total number of shares	3.0%	3.2%
Number of outstanding shares ¹	104,538,181	104,364,676
Average number of shares ^{1,2}	104,483,524	104,364,676

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at September 30, 2023

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



The number of registered shareholders at the end of September 2023 was 54,389 (49,445). Foreign ownership including nominee registered shares accounted for 42% (45%).

Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	Q1-Q3 2023	Q1-Q3 2022
Number of shares traded, million	35.0	48.0
Closing price on final day of trading, EUR	31.15	32.66
Volume-weighted average price, EUR	32.43	34.31
High, EUR	36.46	39.94
Low, EUR	28.45	26.41
Market capitalization (at end of period), EUR million	3,357	3,519

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 September 2023, the Company's market capitalization was EUR 3,357 million (EUR 3,519 million). With a closing price of EUR 31.15 (EUR 32.66) at the end of the reporting period, the share price decreased 3% from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 32.43 (EUR 34.31). The highest price paid was EUR 36.46 (EUR 39.94) and the lowest was EUR 28.45 (EUR 26.41).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,124 million (EUR 1,650 million). The trading volume of approximately 35 million (48 million) shares equaled an average daily turnover of 183,414 (253,085) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 4,893 million (EUR 6,055 million). During the reporting period, 77% (73%) of all trading took place outside Nasdaq Helsinki Ltd. (source: Refinitiv Eikon).

Resolutions of the Annual General Meeting 2023

Huhtamäki Oyj's Annual General Meeting of Shareholders was held in Helsinki on April 27, 2023. The meeting adopted the Annual Accounts including the Consolidated Annual Accounts for 2022, discharged the members of the Company's Board of Directors, the CEO and the interim Deputy 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 and the amended Remuneration Policy for the Governing Bodies presented to it.

The Annual General Meeting resolved that an aggregate dividend of EUR 1.00 per share be paid based on the balance sheet adopted for the financial period ended on December 31, 2022. The dividend will be paid in two instalments. The first dividend instalment, EUR 0.50 per share, was paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date for the first dividend instalment May 2, 2023. The payment date for the first dividend instalment was on May 9, 2023. The second dividend instalment, EUR 0.50 per share, was paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date for the second dividend instalment October 2, 2023. The payment date for the second dividend instalment was on October 9, 2023.

The number of members of the Board of Directors was confirmed to as nine (9). Mr. Pekka Ala-Pietilä, Ms. Mercedes Alonso, Mr. Doug Baillie, Mr. William R. Barker, Ms. Anja Korhonen, Ms. Kerttu Tuomas and Mr. Ralf K. Wunderlich were re-elected and, as new members, Ms. Pauline Lindwall and Mr. Pekka Vauramo were 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 Chair of the Board and Ms. Kerttu Tuomas as the Vice-Chair 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 Chair of the Board EUR 170,000, to the Vice-Chair EUR 80,000 and to the other members EUR 65,000 each. In addition, the Annual General Meeting resolved that the annual remuneration to the Chair and members of the Board Committees will be paid as follows: to the Chair of the Audit Committee EUR 16,000 and to the other members of the Audit Committee EUR 5,500 as well as to the Chair of the Human Resources Committee EUR 5,500 and to the other members of the Human Resources Committee EUR 2,750. 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, 2023. 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, 2024.

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, 2024.

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. Economic and financial market conditions, as well as a potential geopolitical escalation and natural disasters can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

Outlook for 2023 (unchanged)

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.

Financial reporting in 2024

In 2024, Huhtamaki will publish financial information as follows:

Results 2023	February 8
Interim Report, January 1 - March 31, 2024	April 25
Half-yearly Report, January 1 - June 30, 2024	July 25
Interim Report, January 1 - September 30, 2024	October 24

The Annual Report 2023 will be published on the week commencing February 26, 2024.

Huhtamäki Oyj's Annual General Meeting is planned to be held on April 25, 2024.

Espoo, October 19, 2023

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) - unaudited

EUR million	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022	Q1-Q4 2022
Net sales	3,136.0	3,375.4	1,037.2	1,178.4	4,479.0
Cost of goods sold	-2,585.7	-2,812.0	-845.3	-986.8	-3,746.6
Gross profit	550.4	563.4	191.9	191.5	732.4
Other operating income	17.7	56.9	5.7	46.7	74.8
Sales and marketing	-76.1	-75.3	-25.0	-26.1	-99.6
Research and development	-25.3	-23.0	-7.9	-7.7	-30.6
Administration expenses	-210.8	-185.1	-70.8	-63.9	-254.9
Other operating expenses	-20.9	-9.7	-1.1	-3.3	-16.8
Earnings before interest and taxes	234.9	327.2	92.8	137.1	405.3
Financial income	9.8	8.1	3.6	1.6	11.0
Financial expenses	-61.1	-45.0	-20.6	-23.6	-64.2
Profit before taxes	183.7	290.3	75.8	115.2	352.1
Income tax expense	-57.5	-63.8	-28.9	-20.1	-66.7
Profit for the period	126.2	226.5	46.9	95.1	285.4
Attributable to:					
Equity holders of the parent company	119.1	219.8	44.3	93.0	276.2
Non-controlling interest	7.0	6.6	2.6	2.1	9.2
EUR					
EPS attributable to equity holders of the parent company	1.14	2.11	0.42	0.89	2.65
Diluted EPS attributable to equity holders of the parent company	1.14	2.11	0.42	0.89	2.64

Group statement of comprehensive income (IFRS) - unaudited

<i>EUR million</i>	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022	Q1-Q4 2022
Profit for the period	126.2	226.5	46.9	95.1	285.4
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	-0.1	0.0	0.0	0.0	44.1
Income taxes related to items that will not be reclassified	0.1	-0.0	0.0	0.0	-16.3
Total	-0.0	0.0	0.0	0.0	27.8
Items that may be reclassified subsequently to profit or loss					
Translation differences	5.6	306.6	65.7	134.0	108.7
Equity hedges	-5.9	-33.5	-8.5	-17.5	-14.7
Cash flow hedges	-0.2	21.2	0.5	6.8	17.4
Income taxes related to items that may be reclassified	0.0	-1.9	-0.1	-1.4	-3.4
Total	-0.5	292.3	57.6	121.9	108.0
Other comprehensive income, net of tax	-0.5	292.4	57.6	122.0	135.8
Total comprehensive income	125.7	518.8	104.5	217.1	421.2
Attributable to:					
Equity holders of the parent company	119.4	509.8	101.0	213.8	413.6
Non-controlling interest	6.2	9.0	3.6	3.3	7.5

Group statement of financial position (IFRS) - unaudited

<i>EUR million</i>	Sep 30, 2023	Dec 31, 2022	Sep 30, 2022
ASSETS			
Non-current assets			
Goodwill	1,024.3	1,035.0	1,091.9
Other intangible assets	114.9	117.9	130.0
Tangible assets	1,779.3	1,735.8	1,756.4
Other investments	2.9	2.4	1.9
Interest-bearing receivables	0.0	0.9	1.4
Deferred tax assets	49.6	48.4	52.8
Employee benefit assets	58.2	57.8	77.3
Other non-current assets	12.1	9.4	10.2
	3,041.3	3,007.7	3,122.0
Current assets			
Inventory	694.9	755.4	905.8
Interest-bearing receivables	23.8	14.9	69.2
Current tax assets	32.7	20.1	31.5
Trade and other current receivables	692.9	709.4	885.4
Cash and cash equivalents	332.8	309.4	323.8
Assets held for sale	10.9	4.3	-
	1,788.0	1,813.6	2,215.6
Total assets	4,829.3	4,821.3	5,337.5
EQUITY AND LIABILITIES			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-29.6	-31.2	-31.2
Translation differences	-6.4	-7.1	168.4
Fair value and other reserves	-30.7	-30.4	-53.2
Retained earnings	1,451.6	1,429.4	1,374.4
Total equity attributable to equity holders of the parent company	1,866.3	1,842.2	1,939.8
Non-controlling interest	79.0	80.0	87.8
Total equity	1,945.3	1,922.2	2,027.5
Non-current liabilities			
Interest-bearing liabilities	1,234.3	1,403.9	1,434.3
Deferred tax liabilities	150.4	133.3	168.5
Employee benefit liabilities	134.3	136.7	197.4
Provisions	13.8	13.3	17.4
Other non-current liabilities	5.2	4.3	4.8
	1,537.9	1,691.4	1,822.4
Current liabilities			
Interest-bearing liabilities			
Current portion of long term loans	324.2	168.9	175.9
Short-term loans	130.0	223.2	267.6
Provisions	12.0	9.8	3.4
Current tax liabilities	70.8	70.8	64.1
Trade and other current liabilities	809.2	734.9	976.7
	1,346.1	1,207.7	1,487.7
Total liabilities	2,884.0	2,899.1	3,310.0
Total equity and liabilities	4,829.3	4,821.3	5,337.5

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, 2022	366.4	115.0	-31.2	-102.4	-72.4	1,245.3	1,520.7	76.5	1,597.2
Dividends						-98.1	-98.1		-98.1
Share-based payments						11.4	11.4		11.4
Total comprehensive income for the year				270.8	19.2	219.8	509.8	9.0	518.8
Acquisition of non-controlling interest						-2.0	-2.0	-0.3	-2.3
Other Changes						-2.1	-2.1	2.6	0.5
Balance on Sep 30, 2022	366.4	115.0	-31.2	168.4	-53.2	1,374.4	1,939.8	87.8	2,027.5
Balance on January 1, 2023	366.4	115.0	-31.2	-7.1	-30.4	1,429.4	1,842.2	80.0	1,922.2
Dividends						-104.5	-104.5		-104.5
Share-based payments			1.6			5.1	6.7		6.7
Total comprehensive income for the year				0.7	-0.4	119.1	119.4	6.2	125.7
Acquisition of non-controlling interest						2.2	2.2	-2.2	-
Other Changes						0.3	0.3	-5.0	-4.7
Balance on Sep 30, 2023	366.4	115.0	-29.6	-6.4	-30.7	1,451.6	1,866.3	79.0	1,945.3

Group statement of cash flows (IFRS) - unaudited

EUR million	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022	Q1-Q4 2022
Profit for the period*	126.2	226.5	46.9	95.1	285.4
Adjustments*	296.3	224.3	102.2	53.7	291.8
Depreciation, amortization and impairments*	180.7	157.2	52.6	53.4	209.7
Gain/loss from disposal of assets*	0.8	-0.3	-0.3	-3.9	1.2
Financial expense/-income*	51.2	36.9	17.0	21.9	53.2
Income tax expense*	57.5	63.8	28.9	20.1	66.7
Other adjustments*	6.1	-33.3	4.1	-37.8	-38.9
Change in inventory*	62.0	-194.4	40.5	-34.5	-98.0
Change in non-interest bearing receivables*	-7.7	-95.7	6.3	-5.1	20.6
Change in non-interest bearing payables*	20.3	31.0	17.3	-28.6	-83.6
Dividends received*	0.0	0.1	0.0	0.0	0.2
Interest received*	6.4	18.3	1.7	1.1	20.6
Interest paid*	-44.7	-36.1	-8.2	-8.2	-36.0
Other financial expense and income*	-7.1	-6.8	-2.0	-3.1	-8.2
Taxes paid*	-55.2	-48.2	-12.1	-12.8	-71.3
Net cash flows from operating activities	396.6	119.0	192.8	57.6	321.4
Capital expenditure*	-203.9	-185.3	-69.7	-57.4	-318.5
Proceeds from selling tangible assets*	0.4	6.1	-0.9	5.3	8.2
Disposed subsidiaries and business operations	-	149.2	-	149.2	149.2
Acquired subsidiaries and assets	-1.9	-	-1.9	-	-2.2
Change in other investments	-0.6	1.0	-0.7	1.0	0.5
Proceeds from long-term deposits	1.1	0.9	0.4	0.3	1.3
Payment of long-term deposits	-0.3	-	-	-	-
Proceeds from short-term deposits	171.0	2.3	0.4	0.7	62.6
Payment of short-term deposits	-179.1	-68.9	-5.2	-61.3	-75.7
Net cash flows from investing activities	-213.3	-94.7	-77.6	37.9	-174.6
Proceeds from long-term borrowings	130.1	872.7	-4.3	38.9	917.5
Repayment of long-term borrowings	-15.3	-555.6	-3.8	-77.7	-623.8
Change in short-term loans	-203.7	-165.2	-113.6	-95.4	-214.9
Acquisition of non-controlling interest	-18.2	-2.3	-	-	-2.3
Dividends paid	-52.2	-49.0	-0.0	-0.0	-98.1
Net cash flows from financing activities	-159.4	100.7	-121.7	-134.3	-21.6
Change in cash and cash equivalents	23.4	145.1	-1.4	-30.8	130.8
Cash flow based	24.0	124.8	-6.5	-38.9	125.2
Translation difference	-0.6	20.3	5.1	8.1	5.6
Cash and cash equivalents period start	309.4	178.7	334.2	354.5	178.7
Cash and cash equivalents period end	332.8	323.8	332.8	323.8	309.4
Free cash flow (including figures marked with *)	193.1	-60.2	122.2	5.6	11.1

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 2022. The following new and amended standards and interpretations have been adopted with effect from January 1, 2023. The amendments had no material impact on the interim financial statements:

- **Revised IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2.** The amendments clarify the application of materiality to disclosure of accounting policies.
- **Revised IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.** The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.
- **Revised IAS 12 Income Taxes.** The amendments narrow the initial recognition exemption (IRE) and clarify that the exemption does not apply to transactions which give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. The Group has revised the recognition of deferred tax assets and liabilities on leases, which were previously accounted under the net approach. The change does not have impact to the statement of financial position, since most of the Group entities are offsetting the deferred tax assets and liabilities either on legal entity or tax consolidation group level in accordance with IAS 12.

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-Q3 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	785.3	262.2	267.6	255.5	1,107.3	266.3	299.5	288.1	253.4
Intersegment net sales	1.6	-2.3	3.3	0.7	3.4	0.4	1.0	0.7	1.3
North America	1,078.7	350.0	371.8	356.9	1,464.1	383.2	371.8	373.2	335.9
Intersegment net sales	1.0	-1.6	1.5	1.2	4.2	0.4	0.6	1.6	1.6
Flexible Packaging	1,019.2	344.3	326.8	348.1	1,551.4	366.7	417.8	391.0	376.0
Intersegment net sales	2.0	-0.1	1.1	1.0	6.7	2.4	2.9	-0.2	1.7
Fiber Packaging	252.8	80.7	85.5	86.6	356.2	87.4	89.4	95.0	84.4
Intersegment net sales	1.6	0.7	0.6	0.3	6.8	-0.0	-0.1	0.4	6.5
Elimination of intersegment net sales	-6.2	3.4	-6.5	-3.1	-21.1	-3.2	-4.4	-2.5	-11.1
Total	3,136.0	1,037.2	1,051.7	1,047.1	4,479.0	1,103.6	1,178.4	1,147.3	1,049.7

EBIT

<i>EUR million</i>	Q1-Q3 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	70.9	26.7	24.5	19.7	121.7	19.3	55.1	21.8	25.5
North America	133.8	45.9	45.4	42.5	165.9	43.4	41.8	41.9	38.8
Flexible Packaging	19.7	21.7	-20.6	18.6	82.2	9.5	21.5	24.7	26.6
Fiber Packaging	24.5	5.8	8.5	10.2	58.0	12.8	25.3	12.5	7.5
Other activities	-13.9	-7.2	-3.1	-3.5	-22.7	-7.0	-6.5	-4.3	-4.9
Total	234.9	92.8	54.7	87.4	405.3	78.1	137.1	96.5	93.5

IAC in EBIT

<i>EUR million</i>	Q1-Q3 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	-2.1	-0.1	-0.5	-1.5	16.0	-4.9	24.4	-3.5	-0.0
North America	-0.0	-	-0.0	-	-5.6	-5.6	-	-	-0.0
Flexible Packaging	-42.3	-3.0	-36.5	-2.8	-15.9	-6.0	-4.8	-2.3	-2.8
Fiber Packaging	-5.5	-4.4	-0.8	-0.3	18.1	1.7	16.7	-0.3	-0.0
Other activities	-0.3	-0.1	-0.1	-0.1	-2.4	-0.4	-0.7	-0.1	-1.1
Total	-50.2	-7.5	-38.0	-4.7	10.2	-15.3	35.6	-6.2	-4.0

EBITDA

<i>EUR million</i>	Q1-Q3 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	115.7	41.7	39.8	34.2	182.3	33.8	71.0	37.1	40.4
North America	177.1	60.5	59.5	57.0	224.3	58.7	57.0	56.3	52.3
Flexible Packaging	93.0	36.9	21.6	34.4	146.8	26.1	37.7	40.6	42.4
Fiber Packaging	41.7	12.7	13.8	15.3	81.3	17.9	31.2	18.6	13.5
Other activities	-11.9	-6.4	-2.6	-2.8	-19.8	-6.1	-6.3	-3.4	-4.0
Total	415.6	145.4	132.1	138.1	614.9	130.5	190.6	149.2	144.6

IAC in EBITDA

<i>EUR million</i>	Q1-Q3 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	-2.1	-0.1	-0.5	-1.5	16.0	-4.9	24.4	-3.5	-0.0
North America	-0.0	-	-0.0	-	-5.6	-5.6	-	-	-0.0
Flexible Packaging	-9.1	-0.9	-7.6	-0.6	-8.1	-3.5	-3.1	-0.6	-0.8
Fiber Packaging	-3.6	-2.5	-0.8	-0.3	18.2	1.8	16.7	-0.3	-0.0
Other activities	-0.3	-0.1	-0.1	-0.1	-2.4	-0.4	-0.7	-0.1	-1.1
Total	-15.1	-3.5	-9.1	-2.4	18.0	-12.7	37.3	-4.6	-2.0

Depreciation, amortization, and impairments

<i>EUR million</i>	Q1-Q3 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	44.8	15.1	15.3	14.5	60.6	14.5	15.9	15.3	14.8
North America	43.3	14.6	14.2	14.5	58.4	15.3	15.2	14.3	13.6
Flexible Packaging	73.3	15.2	42.2	15.9	64.6	16.6	16.2	16.0	15.8
Fiber Packaging	17.2	6.9	5.2	5.1	23.3	5.1	6.0	6.1	6.0
Other activities	2.0	0.8	0.5	0.7	2.9	0.9	0.2	1.0	0.9
Total	180.7	52.6	77.4	50.7	209.7	52.5	53.4	52.7	51.1

Net assets allocated to the segments¹

<i>EUR million</i>	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	917.4	951.5	955.1	965.4	967.1	1,011.2	972.3
North America	1,046.5	1,012.4	1,026.8	1,013.2	1,058.8	972.9	918.9
Flexible Packaging	1,361.7	1,348.0	1,374.7	1,407.1	1,573.5	1,473.1	1,418.8
Fiber Packaging	292.3	282.3	268.0	294.4	254.4	305.7	264.9

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-Q3 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	42.2	4.5	13.4	24.3	118.9	41.2	19.9	19.6	38.1
North America	77.7	28.0	29.5	20.2	99.8	49.5	17.8	16.2	16.2
Flexible Packaging	63.5	24.7	22.6	16.2	68.2	32.9	13.9	7.0	14.4
Fiber Packaging	20.3	12.5	3.4	4.5	31.2	9.5	5.5	8.7	7.4
Other activities	0.1	0.1	0.1	0.0	0.4	0.0	0.1	0.0	0.2
Total	203.9	69.7	69.0	65.2	318.5	133.2	57.4	51.5	76.4

Other information

Key indicators

	Q1-Q3 2023	Q1-Q4 2022	Q1-Q3 2022
Equity per share (EUR)	17.85	17.65	18.58
ROE, % (12m roll.)	9.6%	15.7%	16.6%
ROI, % (12m roll.)	8.8%	11.4%	11.9%
Net debt	1,331.8	1,470.8	1,483.4
Net debt to equity (gearing)	0.68	0.77	0.73
Personnel	17,968	18,927	19,162
Profit before taxes (EUR million, 12m roll.)	245.4	352.1	365.7
Depreciation of tangible assets (EUR million)	138.8	190.4	143.4
Amortization of other intangible assets (EUR million)	15.9	19.3	13.8
Impairments (EUR million)	25.9	-	-

Contingent liabilities

EUR million	Sep 30, 2023	Dec 31, 2022	Sep 30, 2022
Capital expenditure commitments	101.3	115.9	100.5

Financial instruments measured at fair value

EUR million	Sep 30, 2023	Dec 31, 2022	Sep 30, 2022
Derivatives - assets			
Currency forwards, transaction risk hedges	2.6	2.7	4.4
Currency forwards, translation risk hedges	-	11.3	1.4
Currency forwards, for financing purposes	9.1	9.9	20.7
Interest rate swaps	8.1	7.0	7.9
Commodity hedges	0.1	-	-
Other investments	2.9	2.4	1.9
Derivatives - liabilities			
Currency forwards, transaction risk hedges	1.3	2.4	2.1
Currency forwards, translation risk hedges	5.8	1.1	5.5
Currency forwards, for financing purposes	7.4	7.3	23.9
Interest rate swaps	0.2	6.2	0.1
Commodity hedges	0.0	-	-

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	Sep 30, 2023		Dec 31, 2022		Sep 30, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	1,234.0	1,211.4	1,403.9	1,360.7	1,434.3	1,380.2
Current	454.2	454.2	392.2	392.0	443.4	421.5
Total	1,688.2	1,665.6	1,796.0	1,752.6	1,877.8	1,801.7

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-Q3 2023	Q1-Q3 2022
AUD 1 =	0.6173	0.6643
GBP 1 =	1.1480	1.1811
INR 1 =	0.0112	0.0121
THB 1 =	0.0268	0.0272
USD 1 =	0.9229	0.9382
ZAR 1 =	0.0503	0.0590

Statement of financial position, month end:

	Sep 30, 2023	Sep 30, 2022
AUD 1 =	0.6067	0.6675
GBP 1 =	1.1583	1.1175
INR 1 =	0.0114	0.0126
THB 1 =	0.0259	0.0271
USD 1 =	0.9489	1.0303
ZAR 1 =	0.0496	0.0573

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, amortization and impairment

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 + amortization + impairment - 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

Net debt to adjusted EBITDA =

$\frac{\text{Interest-bearing net debt}}{\text{Adjusted EBITDA}}$

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.