



Huhtamäki Oyj Interim Report Q1 2021

January 1 - March 31, 2021

Huhtamäki

Improved profitability with a gradual recovery in demand

Q1 2021 in brief

- Net sales decreased 5% to EUR 802 million (EUR 845 million)
- Adjusted EBIT was EUR 77 million (EUR 74 million); reported EBIT was EUR 72 million (EUR 83 million)
- Adjusted EPS was EUR 0.49 (EUR 0.46); reported EPS was EUR 0.45 (EUR 0.53)
- Comparable net sales growth was -0% at Group level and 4% in emerging markets
- The impact of currency movements was EUR -46 million on the Group's net sales and EUR -5 million on EBIT

Key figures

EUR million	Q1 2021	Q1 2020	Change	2020
Net sales	801.9	844.6	-5%	3,301.8
Comparable net sales growth	-0%	3%		-2%
Adjusted EBITDA ¹	117.8	117.0	1%	473.1
Margin ¹	14.7%	13.9%		14.3%
EBITDA	114.8	130.1	-12%	464.5
Adjusted EBIT ²	77.0	73.6	5%	302.1
Margin ²	9.6%	8.7%		9.1%
EBIT	71.6	82.6	-13%	265.3
Adjusted EPS ³	0.49	0.46	7%	1.95
EPS, EUR	0.45	0.53	-14%	1.69
Adjusted ROI ²	11.7%	12.1%		11.7%
Adjusted ROE ³	14.9%	15.0%		14.8%
ROI	9.8%	12.1%		10.3%
ROE	12.3%	15.1%		12.9%
Capital expenditure	33.0	39.4	-16%	223.5
Free Cash Flow	7.6	-24.5	>100%	207.1
¹ Excluding IAC of	-3.0	13.1		-8.6
² Excluding IAC of	-5.3	8.9		-36.8
³ Excluding IAC of	-4.1	6.9		-26.2

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2020. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) as well as net debt to EBITDA presented in this report are calculated on a 12-month rolling basis.

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

“The COVID-19 pandemic continued to affect the global food packaging market and the uncertainty around the pandemic remains visible in most markets. Huhtamaki’s business has remained resilient with solid demand for food on-the-shelf products, however food on-to-go has continued to be burdened by restrictions and lockdowns. The ongoing vaccination roll-out and easing of some of the restrictions has led to visible improvement.

In this context, the first quarter of 2021 was satisfactory for Huhtamaki. Despite the uncertainty in the global economy, demand for foodservice, though still below normal, has continued to gradually recover. Our net sales amounted to EUR 802 million for the quarter, with comparable net sales growth flat versus last year. The adjusted EBIT margin increased by 0.9 p.p. to 9.6% in the first quarter, particularly driven by favorable sales mix and continued focus on operational efficiency. Movement in currencies had a negative impact on net sales during the quarter. Our balance sheet position remained strong supporting our growth strategy.

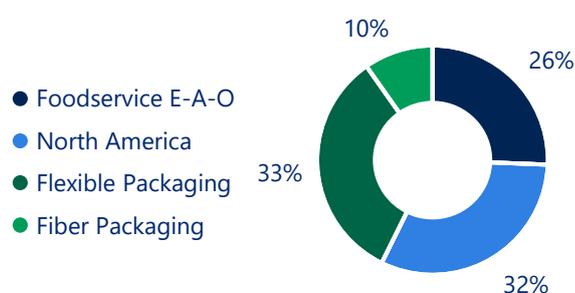
We remain focused on the execution of our 2030 Strategy. Throughout the crisis Huhtamaki has been preparing for the new post-pandemic normal, including the implementation of actions to improve our competitiveness as well as investments for expansion and innovation in sustainable products and solutions. We recently launched our award-winning Future Smart fiber lids, replacing plastic lids. These new fiber lids made of renewable material are recyclable and compostable. We are also accelerating our focus on digitalization as an enabler and connector of our strategic priorities. Digitalization will create value in our internal operations and external value chain – including driving the necessary efficiency in circularity systems.”

Financial review Q1 2021

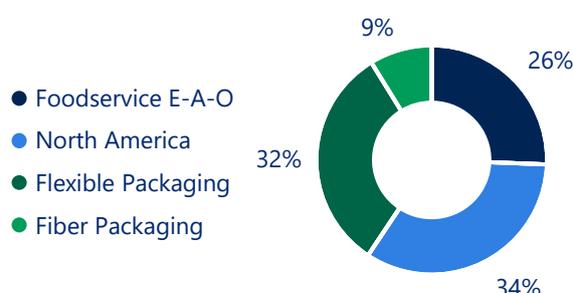
Net sales by business segment

EUR million	Q1 2021	Q1 2020	Change
Foodservice Europe-Asia-Oceania	207.4	217.6	-5%
North America	256.0	286.2	-11%
Flexible Packaging	267.1	271.0	-1%
Fiber Packaging	78.6	74.5	5%
Elimination of internal sales	-7.1	-4.6	
Group	801.9	844.6	-5%

Net sales by segment, Q1 2021



Net sales by segment, Q1 2020



Comparable net sales growth by business segment

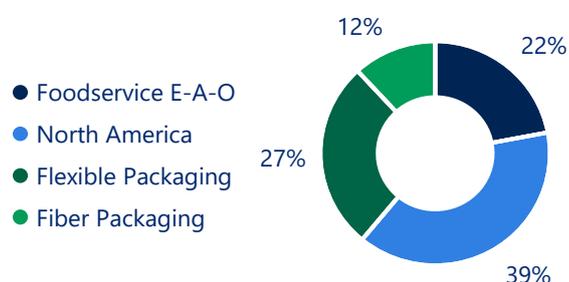
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	-2%	-7%	-1%	-28%	-4%
North America	-2%	-2%	4%	-5%	9%
Flexible Packaging	0%	0%	1%	2%	2%
Fiber Packaging	4%	8%	7%	10%	9%
Group	-0%	-2%	2%	-8%	3%

The Group's net sales decreased 5% to EUR 802 million (EUR 845 million) during the quarter. Comparable net sales growth was -0%. Demand for foodservice products was negatively impacted by the COVID-19 pandemic, whereas demand for food on-the-shelf products continued to be solid. Growth was strongest in the Fiber Packaging segment, following COVID-19 driven boost in the in-house consumption trend. Strong demand continued in retail tableware in North America. Comparable sales growth in emerging markets was 4%. Foreign currency translation impact on the Group's net sales was EUR -46 million (EUR 10 million) compared to 2020 exchange rates.

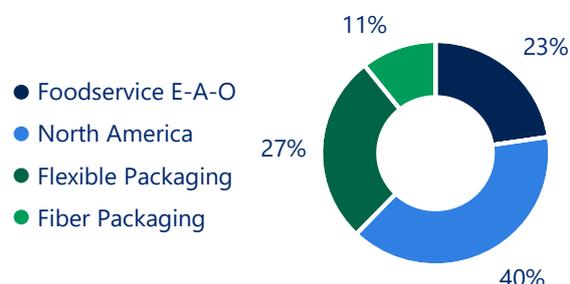
Adjusted EBIT by business segment

EUR million	Q1 2021	Q1 2020	Change	Items affecting comparability	
				Q1 2021	Q1 2020
Foodservice Europe-Asia-Oceania	17.6	17.5	1%	-4.2	-1.6
North America	31.2	30.4	2%	-	-3.4
Flexible Packaging	21.7	20.9	4%	-1.1	-4.7
Fiber Packaging	9.5	8.2	15%	0.0	-0.7
Other activities	-3.0	-3.4		-0.0	19.3
Group	77.0	73.6	5%	-5.3	8.9

Adjusted EBIT by segment, Q1 2021



Adjusted EBIT by segment, Q1 2020



Adjusted EBIT margin by business segment

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	8.5%	7.3%	9.4%	3.7%	8.0%
North America	12.2%	11.8%	12.7%	12.8%	10.6%
Flexible Packaging	8.1%	7.2%	8.5%	7.3%	7.7%
Fiber Packaging	12.1%	14.8%	11.1%	11.2%	11.0%
Group	9.6%	9.0%	10.1%	8.8%	8.7%

The Group's adjusted EBIT increased to EUR 77 million (EUR 74 million) and reported EBIT was EUR 72 million (EUR 83 million). Adjusted EBIT improved following favorable sales mix and continued focus on operational efficiency. The Group's adjusted EBIT margin improved and was 9.6% (8.7%). Foreign currency translation impact on the Group's earnings was EUR -5 million (EUR 1 million).

Adjusted EBIT excludes EUR -5.3 million (EUR 8.9 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q1 2021	Q1 2020
Adjusted EBIT	77.0	73.6
Acquisitions	-0.3	-0.2
Restructuring costs including write-downs of related assets	-5.0	-11.1
Settlement of industrial dispute	-0.0	-
One-time gain from acquisition of Laminor	-	20.2
EBIT	71.6	82.6

Net financial expenses were EUR 8 million (EUR 9 million). Tax expense was EUR 15 million (EUR 16 million). The corresponding tax rate was 23% (23%). Profit for the first quarter was EUR 48 million (EUR 57 million). Adjusted earnings per share (EPS) was EUR 0.49 (EUR 0.46) and reported EPS EUR 0.45 (EUR 0.53). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -4.1 million (EUR 6.9 million) of IAC.

Adjusted profit and IAC

EUR million	Q1 2021	Q1 2020
Adjusted profit for the period attributable to equity holders of the parent company	51.1	47.9
IAC in EBIT	-5.3	8.9
Taxes relating to IAC	1.2	-2.0
Profit for the period attributable to equity holders of the parent company	47.0	54.9

Statement of financial position and cash flow

The Group's net debt decreased and was EUR 898 million (EUR 980 million) at the end of March. The level of net debt corresponds to a gearing ratio of 0.62 (0.68). Net debt to adjusted EBITDA ratio (excluding IAC) was 1.9 (2.1). Average maturity of external committed credit facilities and loans was 3.4 years (3.2 years).

On January 7, 2021, a signing of a EUR 400 million syndicated multicurrency revolving credit facility loan agreement ("RCF") with a maturity of three (3) years was announced. The RCF refinances an existing EUR 400 million credit facility signed in January 2015 and will be used for general corporate purposes of the Group. The RCF has two one-year extension options and the interest margin is tied to three sustainability indicators: share of renewable or recycled material in products, share of non-hazardous waste recycled and EcoVadis rating.

Cash and cash equivalents were EUR 272 million (EUR 313 million) at the end of March and the Group had EUR 323 million (EUR 175 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 3,746 million (EUR 3,824 million).

Capital expenditure was EUR 33 million (EUR 39 million). The largest investments for business expansion were made in the U.S., Malaysia and Germany. The Group's free cash flow was EUR 8 million (EUR -25 million).

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, convenient and available to everyone in the world. 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 in avoiding food waste. Huhtamaki's diversified portfolio of food on-the-go and food on-the-shelf packaging has been providing resilience from the impact of COVID-19.

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. However, this increase in demand has not compensated the decline of in-store restaurant sales. 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. Huhtamaki has a healthy balance sheet and its financial position is strong. 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

On April 21, 2021 Huhtamaki announced its agreement to acquire the assets of Jiangsu Hihio-Art Packaging Co. Ltd., a leading manufacturer of paper bags, wraps and folding carton packaging in China. With this acquisition, Huhtamaki continues to strengthen its position as the leading foodservice packaging provider in Asia and expands its product portfolio in China allowing it to better serve its existing and new customers in this exciting growth market. Jiangsu Hihio-Art Packaging currently employs approximately 200 people in its manufacturing unit in Xuzhou city, Jiangsu. In 2020 the annual net sales of the privately owned business were approximately EUR 20 million. The debt free purchase price is EUR 27 million. The acquisition is expected to be completed by the end of the third quarter 2021, following the fulfillment of certain customary closing conditions, after which the business will be reported as part of the Foodservice Europe-Asia-Oceania reporting segment.

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 2021	Q1 2020	Change	2020
Net sales	207.4	217.6	-5%	829.1
Comparable net sales growth	-2%	-4%		-10%
Adjusted EBIT ¹	17.6	17.5	1%	60.9
Margin ¹	8.5%	8.0%		7.3%
Adjusted RONA ¹	7.7%	10.9%		7.7%
Capital expenditure	9.8	16.0	-39%	78.7
Operating cash flow ¹	21.4	11.1	93%	41.6
<i>Items affecting comparability (IAC)</i>	-4.2	-1.6		-30.0

¹ Excluding IAC.

Q1 2021

The COVID-19 pandemic continued to negatively affect the foodservice packaging business globally. Demand improved gradually during the quarter, but following the restrictions on movement and lockdowns, the overall demand was lower than normal with some variation between markets and product categories. Compared to Q1 2020, prices of paperboard remained broadly unchanged while prices of plastic resins increased.

Net sales in the Foodservice Europe-Asia-Oceania segment decreased and comparable net sales growth was -2%. Net sales decreased in most main markets.

The impact of currency movements on the segment's reported net sales was EUR -6 million.

The segment's adjusted EBIT remained at the previous year's level despite lower sales.

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

North America

The North America segment serves local markets with Chinet® disposable tableware products, foodservice packaging products, as well as ice-cream containers and other consumer goods packaging products. The segment has production in the United States and Mexico.

EUR million	Q1 2021	Q1 2020	Change	2020
Net sales	256.0	286.2	-11%	1,138.9
Comparable net sales growth	-2%	9%		1%
Adjusted EBIT ¹	31.2	30.4	2%	136.6
Margin ¹	12.2%	10.6%		12.0%
Adjusted RONA ¹	17.0%	14.0%		16.8%
Capital expenditure	9.6	11.9	-19%	71.7
Operating cash flow ¹	13.0	7.3	77%	150.1
<i>Items affecting comparability (IAC)</i>	-	-3.4		-6.5

¹ Excluding IAC.

Q1 2021

Demand for foodservice packaging, consumer good packaging and retail tableware continued to be impacted by COVID-19. Demand for retail tableware was strong during the quarter, while demand for foodservice drink cups, school lunch trays and institutional ice cream packaging was weak. The labor market was tight and distribution costs increased during the latter part of the quarter. Raw material prices were higher compared to Q1 2020 and trended up towards the end of the quarter.

Net sales in the North America segment decreased following lower demand for food on-the-go products. Comparable net sales growth was -2%. Growth was strongest in retail tableware while consumer goods and foodservice packaging was negatively impacted by COVID-19.

The impact of currency movements on the segment's reported net sales was EUR -24 million.

The segment's adjusted EBIT increased. Earnings improved as a result of operational performance and favorable sales mix.

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 2021	Q1 2020	Change	2020
Net sales	267.1	271.0	-1%	1,050.8
Comparable net sales growth	0%	2%		1%
Adjusted EBIT ¹	21.7	20.9	4%	80.7
Margin ¹	8.1%	7.7%		7.7%
Adjusted RONA ¹	10.1%	10.5%		10.1%
Capital expenditure	8.1	7.9	3%	35.9
Operating cash flow ¹	14.8	1.7	>100%	83.8
<i>Items affecting comparability (IAC)</i>	-1.1	-4.7		-6.2

¹ Excluding IAC.

Q1 2021

The progress in flexible packaging was slow, particularly linked to varying levels of demand across geographies. The competitive environment remained tight in Southeast Asia. Raw material prices increased compared to Q1 2020.

Net sales in the Flexible Packaging segment decreased and comparable net sales growth was 0%. Net sales growth was strongest in Southeast Asia. Restrictions and lockdowns related to COVID-19 impacted sales negatively in the United Arab Emirates. The acquisition of Laminor S.A (as of April 1, 2020) supported net sales.

The impact of currency movements on the segment's reported net sales was EUR -13 million.

The segment's adjusted EBIT increased. Earnings growth was driven mainly by improved operational efficiency and partially offset by higher raw material prices. Earnings growth was highest in Southeast Asia.

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 2021	Q1 2020	Change	2020
Net sales	78.6	74.5	5%	307.8
Comparable net sales growth	4%	9%		9%
Adjusted EBIT ¹	9.5	8.2	15%	37.4
Margin ¹	12.1%	11.0%		12.2%
Adjusted RONA ¹	16.1%	13.1%		15.8%
Capital expenditure	5.2	3.4	53%	36.7
Operating cash flow ¹	2.6	-0.1	>100%	18.9
<i>Items affecting comparability (IAC)</i>	0.0	-0.7		-5.2

¹ Excluding IAC.

Q1 2021

Demand for fiber-based packaging, especially egg packaging, continued strong across markets. Underlying market growth was boosted by the pandemic-driven in-house consumption trend. Prices of recycled fiber increased compared to Q1 2020.

Net sales in the Fiber Packaging segment increased. Comparable net sales growth was 4%. Net sales increased especially in Eastern Europe. Net sales growth was driven by volume and pricing actions.

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

The segment's adjusted EBIT increased, driven by volume growth and earlier implemented pricing actions.

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

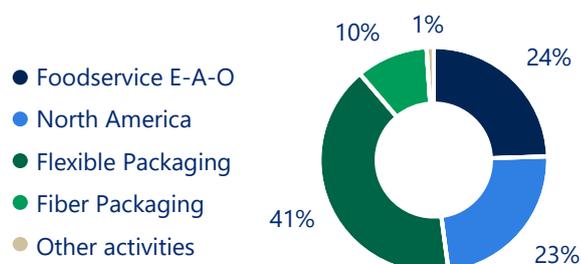
Personnel

Number of personnel

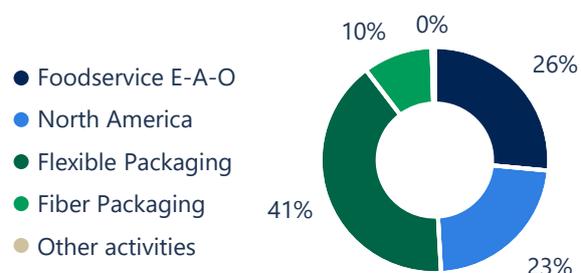
	March 31, 2021	March 31, 2020	Change
Foodservice Europe-Asia-Oceania	4,428	4,974	-11%
North America	4,240	4,285	-1%
Flexible Packaging	7,397	7,786	-5%
Fiber Packaging	1,839	1,859	-1%
Other activities ¹	186	90	>100%
Group	18,090	18,994	-5%

¹ Including global functions in Finland

Personnel by segment on March 31, 2021



Personnel by segment on March 31, 2020



At the end of March 2021, the Group had a total of 18,090 (18,994) employees. The number of employees was 5% lower than in the comparison period.

Changes in management

Ann O'Hara, MBA, BSE (Chemical Engineering), was appointed President, North America business segment and a member of the Global Executive Team as of January 1, 2021. Clay Dunn, President, North America business segment retired at the end of 2020.

Share capital, shareholders and trading of shares

Share capital and number of shares

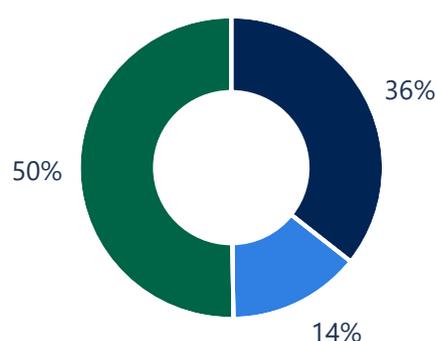
	March 31, 2021	March 31, 2020
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,410,709	3,410,709
% of total number of shares	3.2%	3.2%
Number of outstanding shares ¹	104,349,676	104,349,676
Average number of shares ^{1,2}	104,349,676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

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at March 31, 2021

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



The number of registered shareholders at the end of March 2021 was 40,672 (33,180). Foreign ownership including nominee registered shares accounted for 50% (48%).

Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	Q1 2021	Q1 2020
Number of shares traded, million	12.9	20.2
Closing price on final day of trading, EUR	38.56	29.18
Volume-weighted average price, EUR	40.00	35.72
High, EUR	43.76	44.78
Low, EUR	37.20	23.48
Market capitalization (at end of period), EUR million	4,155	3,144

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 2021, the Company's market capitalization was EUR 4,155 million (EUR 3,144 million). With a closing price of EUR 38.56 (EUR 29.18) at the end of the reporting period, the share price decreased approximately 9% from the beginning of the year. During the reporting period the volume weighted average price for the Company's

shares was EUR 40.00 (EUR 35.72). The highest price paid was EUR 43.76 (EUR 44.78) and the lowest was EUR 37.20 (EUR 23.48).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 516 million (EUR 722 million). The trading volume of approximately 12,9 million (20,2 million) shares equaled an average daily turnover of 208,206 (320,106) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 1,464 million (EUR 1,875 million). During the reporting period, 65% (61%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, fragmentation.fidessa.com)

Short-term risks and uncertainties

The COVID-19 pandemic is a significant short-term risk potentially creating disturbance in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Volatile raw material and energy prices as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. General political, economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

Sustainability

As part of our 2030 Growth Strategy we are focusing on embedding sustainability in everything we do. Developments for the first quarter 2021 included; the start of our global Human Rights Impact assessment and the finalization of our global Environmental policy. In addition, the process to develop regional operational sustainability roadmaps, covering all our operational sites, was kicked-off. Each site is currently working on identifying key initiatives that will roll-up to our global sustainability ambitions. We have also made progress on renewable energy, identifying options that will help us deliver on our 2030 ambition. Finally, an analysis of 83 of the world's biggest publicly traded plastic packaging firms by non-profit think-tank Planet Tracker, ranked Huhtamaki first for reporting against seven criteria, including water, energy and waste.

Outlook for 2021

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

Annual General Meeting 2021

The Annual General Meeting of Shareholders (AGM) will be held on Thursday, April 22, 2021 with exceptional meeting procedures based on the Finnish temporary legislative act to limit the spread of the COVID-19 pandemic (677/2020). 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 the President & CEO will address topical themes of the Company.

Financial reporting in 2021

In 2021, Huhtamäki will publish financial information as follows:

Half-yearly Report, January 1 – June 30, 2021	July 22
Interim Report, January 1 – September 30, 2021	October 21

Espoo, April 21, 2021

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) - unaudited

<i>EUR million</i>	Q1 2021	Q1 2020	Q1-Q4 2020
Net sales	801.9	844.6	3,301.8
Cost of goods sold	-664.6	-703.4	-2,748.6
Gross profit	137.2	141.2	553.3
Other operating income	3.0	21.7	42.8
Sales and marketing	-19.3	-20.7	-81.4
Research and development	-6.4	-5.3	-20.7
Administration expenses	-39.6	-52.1	-199.6
Other operating expenses	-3.4	-2.7	-29.4
Share of profit of equity-accounted investments	-	0.4	0.4
	-65.6	-58.7	-288.0
Earnings before interest and taxes	71.6	82.6	265.3
Financial income	1.3	1.4	10.2
Financial expenses	-9.7	-10.7	-38.4
Profit before taxes	63.2	73.3	237.1
Income tax expense	-14.8	-16.5	-53.3
Profit for the period	48.4	56.8	183.7
Attributable to:			
Equity holders of the parent company	47.0	54.9	176.8
Non-controlling interest	1.5	2.0	6.9
EUR			
EPS attributable to equity holders of the parent company	0.45	0.53	1.69
Diluted EPS attributable to equity holders of the parent company	0.45	0.53	1.69

Group statement of comprehensive income (IFRS) - unaudited

<i>EUR million</i>	Q1 2021	Q1 2020	Q1-Q4 2020
Profit for the period	48.4	56.8	183.7
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements on defined benefit plans	0.3	-	-1.4
Income taxes related to items that will not be reclassified	-0.1	-0.0	2.0
Total	0.2	-0.0	0.7
Items that may be reclassified subsequently to profit or loss			
Translation differences	51.9	-42.5	-153.6
Equity hedges	-9.9	-2.6	17.2
Cash flow hedges	0.8	2.5	-2.3
Income taxes related to items that may be reclassified	-0.3	0.1	0.7
Total	42.5	-42.5	-138.1
Other comprehensive income, net of tax	42.7	-42.6	-137.4
Total comprehensive income	91.1	14.3	46.3
Attributable to:			
Equity holders of the parent company	89.3	12.2	39.9
Non-controlling interest	1.8	2.0	6.4

Group statement of financial position (IFRS) - unaudited

<i>EUR million</i>	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
ASSETS			
Non-current assets			
Goodwill	747.6	732.4	772.2
Other intangible assets	36.5	37.4	32.8
Tangible assets	1,401.1	1,365.3	1,372.4
Other investments	2.3	2.3	2.3
Interest-bearing receivables	1.7	3.3	3.9
Deferred tax assets	62.2	61.3	49.0
Employee benefit assets	59.4	57.4	55.6
Other non-current assets	3.6	3.4	2.9
	2,314.4	2,262.8	2,291.0
Current assets			
Inventory	530.7	473.4	538.3
Interest-bearing receivables	5.2	7.4	11.8
Current tax assets	15.7	16.3	19.9
Trade and other current receivables	608.7	520.5	649.8
Cash and cash equivalents	271.6	315.5	313.2
	1,431.8	1,333.0	1,533.0
Total assets	3,746.2	3,595.8	3,824.0
EQUITY AND LIABILITIES			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-31.3	-31.3	-31.3
Translation differences	-160.3	-202.3	-110.9
Fair value and other reserves	-103.4	-103.8	-100.8
Retained earnings	1,185.8	1,140.1	1,122.1
Total equity attributable to equity holders of the parent company	1,372.2	1,284.1	1,360.4
Non-controlling interest	83.8	80.4	84.0
Total equity	1,455.9	1,364.5	1,444.5
Non-current liabilities			
Interest-bearing liabilities	937.1	941.4	941.3
Deferred tax liabilities	106.0	99.1	100.0
Employee benefit liabilities	231.1	228.5	222.8
Provisions	13.8	12.1	13.4
Other non-current liabilities	10.7	12.6	10.3
	1,298.7	1,293.6	1,287.8
Current liabilities			
Interest-bearing liabilities			
Current portion of long term loans	24.3	95.4	164.3
Short-term loans	214.7	156.2	203.1
Provisions	9.5	22.1	9.3
Current tax liabilities	72.3	66.6	59.9
Trade and other current liabilities	670.6	597.4	655.2
	991.6	937.7	1,091.7
Total liabilities	2,290.3	2,231.3	2,379.6
Total equity and liabilities	3,746.2	3,595.8	3,824.0
Net debt	897.7	866.8	979.8
Net debt to equity (gearing)	0.62	0.64	0.68

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, 2020	366.4	115.0	-31.3	-65.8	-103.4	1,067.1	1,348.0	89.1	1,437.1
Share-based payments						-0.3	-0.3		-0.3
Total comprehensive income for the year				-45.1	2.5	54.9	12.2	2.0	14.3
Other Changes						0.5	0.5	-7.1	-6.6
Balance on March 31, 2020	366.4	115.0	-31.3	-110.9	-100.8	1,122.1	1,360.4	84.0	1,444.5
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	0.4	47.0	89.3	1.8	91.1
Acquisition of non-controlling interest						-1.4	-1.4	-0.8	-2.2
Other Changes						0.9	0.9	2.4	3.3
Balance on March 31, 2021	366.4	115.0	-31.3	-160.3	-103.4	1,185.8	1,372.2	83.8	1,455.9

Group statement of cash flows (IFRS) - unaudited

<i>EUR million</i>	Q1 2021	Q1 2020	Q1-Q4 2020
Profit for the period*	48.4	56.8	183.7
Adjustments*	54.8	51.9	271.3
Depreciation and amortization*	43.1	47.5	199.2
Share of profit of equity-accounted investments*	-	-0.4	-0.4
Gain/loss from disposal of assets*	0.0	-0.1	0.5
Financial expense/-income*	8.4	9.2	28.2
Income tax expense*	14.8	16.5	53.3
Other adjustments, operational*	-11.6	-20.8	-9.6
Change in inventory*	-44.4	-52.2	-4.7
Change in non-interest bearing receivables*	-59.1	-54.0	50.9
Change in non-interest bearing payables*	50.9	26.4	-6.6
Dividends received*	-	-	0.0
Interest received*	0.5	0.8	2.6
Interest paid*	-5.4	-5.9	-23.4
Other financial expense and income*	-0.4	0.2	-0.4
Taxes paid*	-5.0	-9.6	-44.9
Net cash flows from operating activities	40.3	14.4	428.6
Capital expenditure*	-33.0	-39.4	-223.5
Proceeds from selling tangible assets*	0.3	0.5	1.9
Acquired subsidiaries and assets	-	-37.3	-39.0
Proceeds from long-term deposits	1.6	0.3	0.9
Payment of long-term deposits	-0.0	-	-0.2
Proceeds from short-term deposits	2.2	1.0	34.2
Payment of short-term deposits	-0.1	0.9	-28.7
Net cash flows from investing activities	-29.0	-74.0	-254.3
Proceeds from long-term borrowings	108.1	147.2	345.2
Repayment of long-term borrowings	-123.0	-8.4	-199.4
Change in short-term loans	-45.0	43.4	-94.8
Acquisition of non-controlling interest	-2.2	-	-
Dividends paid	-	-	-92.9
Net cash flows from financing activities	-62.1	182.3	-41.8
Change in liquid assets	-43.9	113.7	116.0
Cash flow based	-50.8	122.7	132.5
Translation difference	6.9	-8.9	-16.5
Liquid assets period start	315.5	199.4	199.4
Liquid assets period end	271.6	313.2	315.5
Free cash flow (including figures marked with *)	7.6	-24.5	207.1

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 2020. The following new and amended standards and interpretations have been adopted with effect from January 1, 2021:

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

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

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 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	206.7	825.9	212.7	230.3	166.4	216.4
Intersegment net sales	0.6	3.2	0.8	0.5	0.8	1.2
North America	255.2	1,134.2	273.0	281.8	294.6	284.8
Intersegment net sales	0.8	4.7	1.0	0.8	1.5	1.4
Flexible Packaging	265.5	1,046.5	250.4	264.5	261.7	269.9
Intersegment net sales	1.6	4.3	0.3	1.5	1.4	1.1
Fiber Packaging	74.5	295.2	76.6	70.7	74.4	73.5
Intersegment net sales	4.1	12.6	8.7	1.5	1.4	1.0
Elimination of intersegment net sales	-7.1	-24.8	-10.8	-4.3	-5.1	-4.6
Total	801.9	3,301.8	812.8	847.3	797.1	844.6

EBIT

<i>EUR million</i>	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	13.4	30.9	5.0	4.4	5.7	15.8
North America	31.2	130.1	32.3	32.8	37.9	27.1
Flexible Packaging	20.6	74.5	17.4	21.9	18.9	16.3
Fiber Packaging	9.5	32.2	9.2	7.8	7.7	7.5
Other activities	-3.1	-2.4	-16.0	-2.3	0.0	15.9
Total	71.6	265.3	47.9	64.7	70.2	82.6

IAC in EBIT

<i>EUR million</i>	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	-4.2	-30.0	-10.5	-17.3	-0.5	-1.6
North America	-	-6.5	0.1	-3.2	-0.0	-3.4
Flexible Packaging	-1.1	-6.2	-0.5	-0.7	-0.3	-4.7
Fiber Packaging	0.0	-5.2	-3.5	-0.2	-0.8	-0.7
Other activities	-0.0	11.0	-10.5	0.6	1.7	19.3
Total	-5.3	-36.8	-24.9	-20.9	0.1	8.9

EBITDA

<i>EUR million</i>	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	29.1	104.9	26.4	28.0	19.5	31.0
North America	43.4	185.4	44.5	48.8	51.5	40.7
Flexible Packaging	30.3	116.5	27.4	32.3	28.0	28.8
Fiber Packaging	14.4	57.7	18.5	12.7	13.3	13.2
Other activities	-2.5	0.1	-15.4	-1.7	0.7	16.4
Total	114.8	464.5	101.4	120.1	113.0	130.1

IAC in EBITDA

<i>EUR million</i>	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	-1.9	-11.3	-3.1	-7.4	-0.5	-0.3
North America	-	-3.3	0.0	0.1	-0.0	-3.4
Flexible Packaging	-1.0	-3.3	-0.5	-0.2	-0.3	-2.3
Fiber Packaging	-0.1	-1.7	-1.3	-0.1	-0.1	-0.2
Other activities	-0.0	11.0	-10.5	0.6	1.7	19.3
Total	-3.0	-8.6	-15.4	-7.1	0.9	13.1

Depreciation and amortization

<i>EUR million</i>	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	15.7	74.0	21.4	23.6	13.8	15.2
North America	12.2	55.3	12.2	16.0	13.6	13.6
Flexible Packaging	9.7	42.0	9.9	10.3	9.1	12.6
Fiber Packaging	4.9	25.5	9.3	4.9	5.6	5.6
Other activities	0.6	2.5	0.6	0.7	0.7	0.6
Total	43.1	199.2	53.5	55.4	42.8	47.5

Net assets allocated to the segments¹

<i>EUR million</i>	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	810.2	789.8	788.8	803.8	775.2
North America	801.8	748.3	779.0	826.6	878.6
Flexible Packaging	808.5	783.1	801.0	822.3	828.8
Fiber Packaging	251.1	242.4	236.4	236.7	234.7

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

Capital expenditure

<i>EUR million</i>	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	9.8	78.7	31.6	12.6	18.5	16.0
North America	9.6	71.7	35.9	13.9	9.9	11.9
Flexible Packaging	8.1	35.9	12.9	7.5	7.5	7.9
Fiber Packaging	5.2	36.7	22.5	6.5	4.3	3.4
Other activities	0.3	0.4	0.2	0.0	0.1	0.1
Total	33.0	223.5	103.2	40.6	40.3	39.4

RONA (12m roll.)

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	3.6%	3.9%	6.0%	8.4%	10.6%
North America	16.6%	16.0%	15.6%	14.1%	13.3%
Flexible Packaging	9.8%	9.3%	9.5%	9.4%	9.8%
Fiber Packaging	14.2%	13.6%	12.9%	12.2%	12.2%

Operating cash flow

<i>EUR million</i>	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	21.4	41.6	11.7	25.9	-7.0	11.1
North America	13.0	150.1	22.1	48.8	71.9	7.3
Flexible Packaging	14.8	83.8	45.4	29.3	7.4	1.7
Fiber Packaging	2.6	18.9	8.5	3.0	7.5	-0.1

Other information

Key indicators

	Q1 2021	Q1-Q4 2020	Q1 2020
Equity per share (EUR)	13.15	12.31	13.04
ROE, % (12m roll.)	12.3	12.9	15.1
ROI, % (12m roll.)	9.8	10.3	12.1
Personnel	18,090	18,227	18,994
Profit before taxes (EUR million, 12m roll.)	227.0	237.1	270.3
Depreciation of tangible assets (EUR million)	40.8	185.4	45.5
Amortization of other intangible assets (EUR million)	2.3	13.8	2.0

Contingent liabilities

EUR million	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Capital expenditure commitments	56.4	45.2	57.3

Financial instruments measured at fair value

EUR million	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Derivatives - assets			
Currency forwards, transaction risk hedges	1.7	1.8	11.5
Currency forwards, translation risk hedges	1.0	4.5	2.3
Currency forwards, for financing purposes	6.7	6.4	7.1
Currency options, transaction risk hedges	0.2	0.2	0.0
Interest rate swaps	0.6	0.8	1.0
Other investments	2.3	2.3	2.3
Derivatives - liabilities			
Currency forwards, transaction risk hedges	3.5	5.2	1.7
Currency forwards, translation risk hedges	2.7	0.3	0.8
Currency forwards, for financing purposes	12.5	3.8	7.3
Currency options, transaction risk hedges	0.0	0.4	0.1
Interest rate swaps	2.4	3.3	4.0
Cross currency swaps	1.4	2.1	0.4

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, 2021		Dec 31, 2020		Mar 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	937.1	919.2	941.4	925.0	941.3	946.3
Current	239.1	239.1	251.6	251.6	367.4	367.4
Total	1,176.2	1,158.3	1,193.0	1,176.6	1,308.7	1,313.8

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 2021	Q1 2020
AUD 1 =	0.6406	0.5970
GBP 1 =	1.1425	1.1614
INR 1 =	0.0114	0.0125
RUB 1 =	0.0111	0.0136
THB 1 =	0.0274	0.0290
USD 1 =	0.8290	0.9069

Statement of financial position, month end:

	Mar 31, 2021	Mar 31, 2020
AUD 1 =	0.6486	0.5549
GBP 1 =	1.1713	1.1249
INR 1 =	0.0116	0.0120
RUB 1 =	0.0112	0.0113
THB 1 =	0.0272	0.0277
USD 1 =	0.8517	0.9063

Definitions for performance measures

Performance measures according to IFRS

Earnings per share (EPS) attributable to equity holders of the parent company =

Profit for the period – non-controlling interest
Average number of shares outstanding

Diluted earnings per share (diluted EPS) attributable to equity holders of the parent company =

Diluted profit for the period – non-controlling interest
Average fully diluted number of shares outstanding

Alternative performance measures

EBITDA =

EBIT + depreciation and amortization

Net debt to equity (gearing) =

Interest-bearing net debt
Total equity

Return on net assets (RONA) =

100 x Earnings before interest and taxes (12m roll)
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 =

Total equity attributable to equity holders of the parent company
Issue-adjusted number of shares at period end

Return on equity (ROE) =

100 x Profit for the period (12m roll)
Total equity (average)

Return on investment (ROI) =

100 x (Profit before taxes + interest expenses + net other financial expenses) (12m roll)
Statement of financial position total - 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.