



Huhtamäki Oyj Half-yearly Report 2021

January 1 - June 30, 2021

Huhtamäki

Strong comparable net sales growth with improved profitability

Q2 2021 in brief

- Net sales increased 10% to EUR 877 million (EUR 797 million)
- Adjusted EBIT was EUR 80 million (EUR 70 million); reported EBIT was EUR 75 million (EUR 70 million)
- Adjusted EPS was EUR 0.53 (EUR 0.44); reported EPS was EUR 0.50 (EUR 0.44)
- Comparable net sales growth was 14% at Group level and 20% in emerging markets
- The impact of currency movements was EUR -35 million on the Group's net sales and EUR -4 million on EBIT

H1 2021 in brief

- Net sales increased 2% to EUR 1,679 million (EUR 1,642 million)
- Adjusted EBIT was EUR 157 million (EUR 144 million); reported EBIT was EUR 147 million (EUR 153 million)
- Adjusted EPS was EUR 1.02 (EUR 0.90) reported EPS was EUR 0.95 (EUR 0.97)
- Comparable net sales growth was 6% at Group level and 13% in emerging markets
- The impact of currency movements was EUR -81 million on the Group's net sales and EUR -8 million on EBIT

Key figures

EUR million	Q2 2021	Q2 2020	Change	H1 2021	H1 2020	Change
Net sales	877.1	797.1	10%	1,679.0	1,641.7	2%
Comparable net sales growth	14%	-8%		6%	-3%	
Adjusted EBITDA ¹	121.1	112.1	8%	238.8	229.1	4%
Margin ¹	13.8%	14.1%		14.2%	14.0%	
EBITDA	114.3	113.0	1%	229.1	243.1	-6%
Adjusted EBIT ²	79.9	70.1	14%	156.8	143.7	9%
Margin ²	9.1%	8.8%		9.3%	8.8%	
EBIT	75.0	70.2	7%	146.6	152.7	-4%
Adjusted EPS ³	0.53	0.44	21%	1.02	0.90	13%
EPS, EUR	0.50	0.44	12%	0.95	0.97	-2%
Adjusted ROI ²				12.3%	11.6%	
Adjusted ROE ³				15.6%	14.2%	
ROI				10.1%	11.6%	
ROE				12.7%	14.3%	
Capital expenditure	51.8	40.3	29%	84.9	79.7	7%
Free Cash Flow	29.9	70.4	-58%	37.5	45.9	-18%
¹ Excluding IAC of	-6.8	0.9		-9.7	14.0	
² Excluding IAC of	-4.9	0.1		-10.3	9.0	
³ Excluding IAC of	-3.8	0.1		-7.9	7.0	

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

"We are pleased to deliver further net sales growth, beyond pre-COVID pandemic levels, and improved profitability while continuing to face a very challenging cost environment. Overall demand has supported growth. The global progress of vaccinations and removal of social mobility restrictions has benefited food on-the-go which has continued to gradually recover. However, the global food packaging market remains volatile with significant challenges in many countries still heavily impacted by the pandemic. This volatility is also evident in the supply chain with significant inflation in the prices of raw materials, especially polymers and recycled fiber.

Altogether our second quarter results were strong although with mixed performance across the different regions and businesses. Net sales increased 10%, amounting to EUR 877 million, reflecting the improved demand for foodservice packaging. Comparable net sales growth was 14%. This strong growth should be contextualized versus a depressed comparable period in 2020. Net sales for the first half of 2021 increased 2%, and 6% in comparable terms. The adjusted EBIT margin improved 0.3 p.p. to 9.1% in the second quarter and reached 9.3% in the first half of 2021. This was supported by a continued focus on operational efficiency and pricing actions to mitigate input cost inflation.

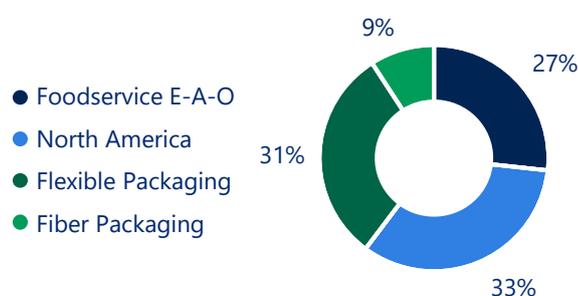
Huhtamaki's robust performance supports investments for long-term sustainable growth. We continue to leverage our strong balance sheet to execute on our growth strategy. In May, we announced an investment in a new fiber packaging factory in South Africa. Our most recent acquisition, the asset purchase of the Chinese Jiangsu Hihio-Art Packaging, was completed in June. These strategic initiatives, together with investments announced in new manufacturing facilities in both Malaysia and Russia, strengthen our global manufacturing footprint and provide us with great opportunities to better serve both existing and new customers. We have also recently launched new products which further help plastic substitution in targeted markets. Our sustained innovation, our continued focus on operational efficiencies, with the support of our resilient business model, strong balance sheet and skilled employee base give me confidence that we face a bright perspective in terms of sustainable profitable growth."

Financial review Q2 2021

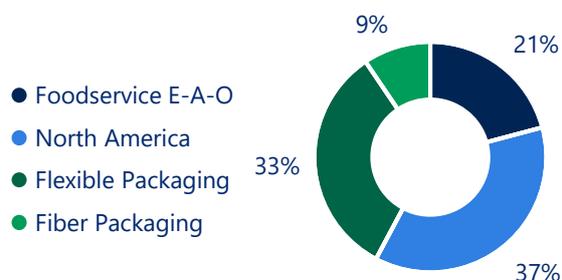
Net sales by business segment

EUR million	Q2 2021	Q2 2020	Change
Foodservice Europe-Asia-Oceania	235.8	167.2	41%
North America	295.2	296.1	-0%
Flexible Packaging	270.7	263.1	3%
Fiber Packaging	80.4	75.7	6%
Elimination of internal sales	-5.0	-5.1	
Group	877.1	797.1	10%

Net sales by segment, Q2 2021



Net sales by segment, Q2 2020



Comparable net sales growth by business segment

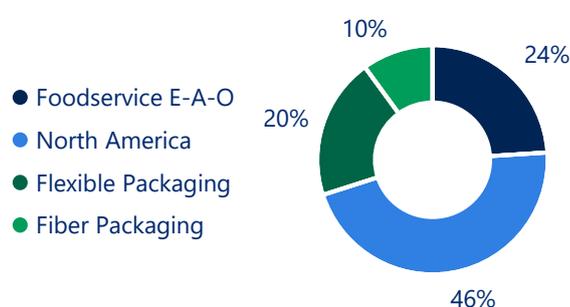
	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	40%	-2%	-7%	-1%	-28%
North America	9%	-2%	-2%	4%	-5%
Flexible Packaging	6%	0%	0%	1%	2%
Fiber Packaging	1%	4%	8%	7%	10%
Group	14%	-0%	-2%	2%	-8%

The Group's net sales increased 10% to EUR 877 million (EUR 797 million) during the quarter. Comparable net sales growth was 14%. Net sales growth was supported by improved demand for foodservice packaging, following the lifting of restrictions imposed due to COVID-19. Growth in retail tableware in North America continued to be strong while the solid demand for food on-the-shelf products continued. Comparable sales growth in emerging markets was 20%. Foreign currency translation impact on the Group's net sales was EUR -35 million (EUR -8 million) compared to 2020 exchange rates.

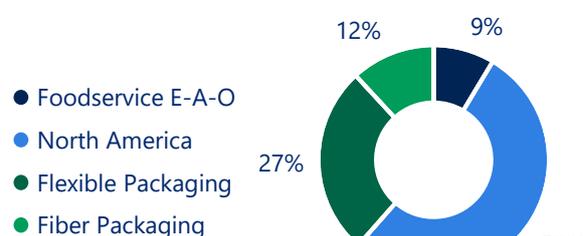
Adjusted EBIT by business segment

EUR million	Q2 2021	Q2 2020	Change	Items affecting comparability	
				Q2 2021	Q2 2020
Foodservice Europe-Asia-Oceania	19.9	6.2	>100%	-1.4	-0.5
North America	38.2	37.9	1%	-0.6	-0.0
Flexible Packaging	16.6	19.1	-13%	-1.6	-0.3
Fiber Packaging	8.3	8.5	-2%	-0.5	-0.8
Other activities	-3.1	-1.6		-0.7	1.7
Group	79.9	70.1	14%	-4.9	0.1

Adjusted EBIT by segment, Q2 2021



Adjusted EBIT by segment, Q2 2020



Adjusted EBIT margin by business segment

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Foodservice Europe-Asia-Oceania	8.4%	8.5%	7.3%	9.4%	3.7%
North America	13.0%	12.2%	11.8%	12.7%	12.8%
Flexible Packaging	6.1%	8.1%	7.2%	8.5%	7.3%
Fiber Packaging	10.3%	12.1%	14.8%	11.1%	11.2%
Group	9.1%	9.6%	9.0%	10.1%	8.8%

The Group's adjusted EBIT increased to EUR 80 million (EUR 70 million) and reported EBIT was EUR 75 million (EUR 70 million). Adjusted EBIT improved following improved operational efficiency and pricing actions. Increased input costs partly offset the improvement in earnings. Earnings increased especially in the Foodservice Europe-Asia-Oceania segment. The Group's adjusted EBIT margin improved and was 9.1% (8.8%). Foreign currency translation impact on the Group's earnings was EUR -4 million (EUR 0 million).

Adjusted EBIT excludes EUR -4.9 million (EUR 0.1 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q2 2021	Q2 2020
Adjusted EBIT	79.9	70.1
Acquisitions	-1.3	-0.3
Restructuring costs including write-downs of related assets	-2.7	-1.3
Settlement and legal fees of disputes	-0.4	-
Property damage incidents	-0.6	-
One-time gain from acquisition of Laminor	-	1.7
EBIT	75.0	70.2

Net financial expenses were EUR 6 million (EUR 8 million). Tax expense was EUR 16 million (EUR 14 million). Profit for the second quarter was EUR 53 million (EUR 48 million). Adjusted earnings per share (EPS) was EUR 0.53 (EUR 0.44) and reported EPS EUR 0.50 (EUR 0.44). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -3.8 million (EUR 0.1 million) of IAC.

Adjusted profit and IAC

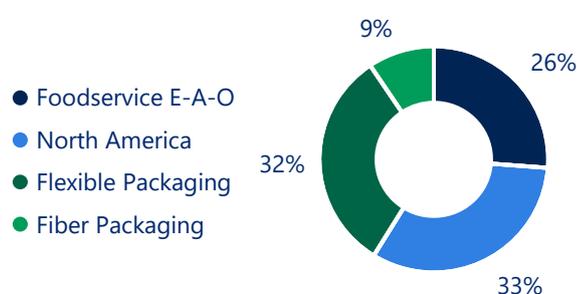
EUR million	Q2 2021	Q2 2020
Adjusted profit for the period attributable to equity holders of the parent company	55.5	46.0
IAC in EBIT	-4.9	0.1
Taxes relating to IAC	1.2	-0.0
Profit for the period attributable to equity holders of the parent company	51.7	46.1

Financial review H1 2021

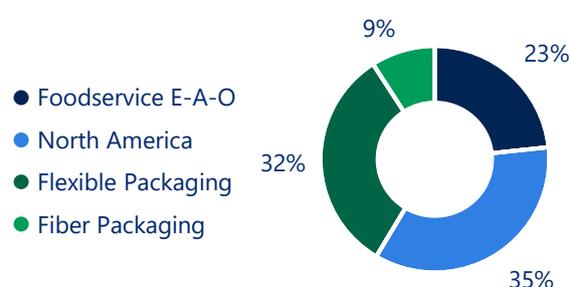
Net sales by business segment

EUR million	H1 2021	H1 2020	Change
Foodservice Europe-Asia-Oceania	443.2	384.8	15%
North America	551.2	582.3	-5%
Flexible Packaging	537.8	534.0	1%
Fiber Packaging	158.9	150.2	6%
Elimination of internal sales	-12.1	-9.7	
Group	1,679.0	1,641.7	2%

Net sales by segment, H1 2021



Net sales by segment, H1 2020



Comparable net sales growth by business segment

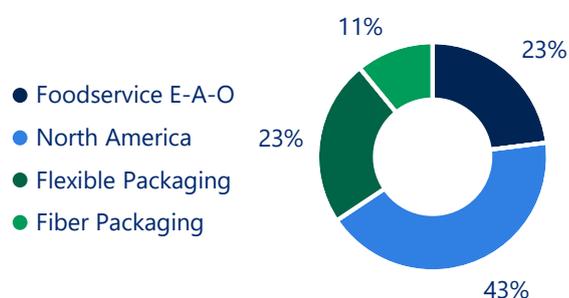
	H1 2021	H1 2020	H1 2019
Foodservice Europe-Asia-Oceania	17%	-17%	4%
North America	4%	1%	9%
Flexible Packaging	3%	2%	3%
Fiber Packaging	3%	10%	5%
Group	6%	-3%	5%

The Group's net sales increased 2% to EUR 1,679 million (EUR 1,642 million) during the review period. Comparable net sales growth was 6%. Net sales increased especially in the Foodservice Europe-Asia-Oceania segment, driven by continued recovery in demand for foodservice products. Sales of retail tableware and fiber products continued to grow throughout the period. Comparable sales growth in emerging markets was 13%. Foreign currency translation impact on the Group's net sales was EUR -81 million (EUR 2 million) compared to 2020 exchange rates.

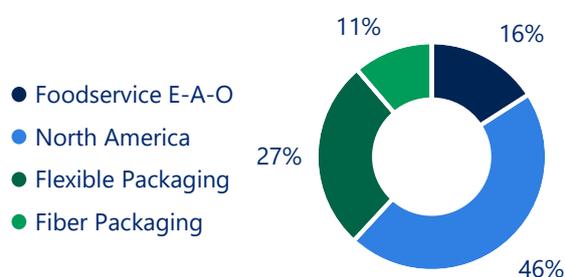
Adjusted EBIT by business segment

EUR million	H1 2021	H1 2020	Change	Items affecting comparability	
				H1 2021	H1 2020
Foodservice Europe-Asia-Oceania	37.5	23.6	59%	-5.6	-2.1
North America	69.4	68.4	2%	-0.6	-3.4
Flexible Packaging	38.3	40.1	-4%	-2.8	-4.9
Fiber Packaging	17.8	16.7	6%	-0.5	-1.5
Other activities	-6.2	-5.1		-0.7	21.0
Group	156.8	143.7	9%	-10.3	9.0

Adjusted EBIT by segment, H1 2021



Adjusted EBIT by segment, H1 2020



Adjusted EBIT margin by business segment

	H1 2021	H1 2020	H1 2019
Foodservice Europe-Asia-Oceania	8.5%	6.1%	9.0%
North America	12.6%	11.7%	9.4%
Flexible Packaging	7.1%	7.5%	8.6%
Fiber Packaging	11.2%	11.1%	9.7%
Group Total	9.3%	8.8%	8.8%

The Group's adjusted EBIT increased to EUR 157 million (EUR 144 million) and reported EBIT was EUR 147 million (EUR 153 million). Adjusted EBIT improved following continued focus on operational efficiency and pricing actions and was partly offset by higher input costs. The increase in earnings was mainly supported by the Foodservice Europe-Asia-Oceania segment. The Group's adjusted EBIT margin improved and was 9.3% (8.8%). Foreign currency translation impact on the Group's earnings was EUR -8 million (EUR 1 million).

Adjusted EBIT excludes EUR -10.3 million (EUR 9.0 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	H1 2021	H1 2020
Adjusted EBIT	156.8	143.7
Acquisitions	-1.6	-0.4
Restructuring costs including write-downs of related assets	-7.7	-12.4
Settlement and legal fees of disputes	-0.4	-
Property damage incidents	-0.6	-
One-time gain from acquisition of Laminor	-	21.9
EBIT	146.6	152.7

Net financial expenses were EUR 14 million (EUR 18 million). Tax expense was EUR 31 million (EUR 30 million). The corresponding tax rate was 23% (23%). Profit for the period was EUR 101 million (EUR 105 million). Adjusted earnings per share (EPS) were EUR 1.02 (EUR 0.90) and reported EPS EUR 0.95 (EUR 0.97). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -7.9 million (EUR 7.0 million) of IAC.

Adjusted profit and IAC

EUR million	H1 2021	H1 2020
Adjusted profit for the period attributable to equity holders of the parent company	106.5	93.9
IAC in EBIT	-10.3	9.0
Taxes relating to IAC	2.4	-2.0
Profit for the period attributable to equity holders of the parent company	98.7	100.9

Statement of financial position and cash flow

The Group's net debt increased and was EUR 933 million (EUR 908 million) at the end of June. The level of net debt corresponds to a gearing ratio of 0.66 (0.62). Net debt to adjusted EBITDA ratio (excluding IAC) was 1.9 (2.0). Average maturity of external committed credit facilities and loans was 3.1 years (3.1 years).

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

Cash and cash equivalents were EUR 213 million (EUR 234 million) at the end of June and the Group had EUR 324 million (EUR 303 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 3,775 million (EUR 3,672 million).

Capital expenditure was EUR 85 million (EUR 80 million). The largest investments for business expansion were made in North America and Malaysia. The Group's free cash flow was EUR 37 million (EUR 46 million).

Development in sustainability

At Huhtamaki, we are committed to protecting food, people and the planet. Our innovative products protect on-the-go and on-the-shelf food and beverages, ensuring hygiene and safety, and help prevent food waste. We aim to

minimize the negative impacts of our operations and products on the environment while maximizing the positive impacts on our stakeholders, consumers and society.

As part of our 2030 Strategy we are focusing on embedding sustainability in everything we do. During the first half of 2021, Huhtamaki has continued its work on operational sustainability roadmaps to reach the 2030 sustainability ambitions. The site-specific roadmaps aim to identify tangible areas of improvement and the initiatives include for example actions to increase the use of renewable energy and to improve waste and water management processes. In April 2021, Huhtamaki renewed its global Environmental policy and has during the quarter continued to develop its human rights policies and processes.

Huhtamaki has developed a global sustainability dashboard with a selection of key performance indicators. These environmental key performance indicators reflect Huhtamaki's entire ESG agenda and may be revised from time to time. Read more about how we deliver on our sustainability ambition on www.huhtamaki.com.

Impact of COVID-19

As a global leader in food on-the-go and food on-the-shelf packaging, Huhtamaki is an integral part of the supply chain making food safe, 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. From the peak of the COVID-19 crisis in the second quarter of 2020, the demand for food on-the-go products has gradually recovered. The recovery continued during the first half of 2021. 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.

Acquisitions and divestments

On April 21, 2021 Huhtamaki announced its agreement to acquire the assets of Jiangsu Hihio-Art Packaging Co. Ltd., a leading manufacturer of paper bags, wraps and folding carton packaging in China. With this acquisition, Huhtamaki continues to strengthen its position as the leading foodservice packaging provider in Asia and expands its product portfolio in China allowing it to better serve its existing and new customers in this exciting growth market. Jiangsu Hihio-Art Packaging employs approximately 200 people in its manufacturing unit in Xuzhou city, Jiangsu. In 2020 the annual net sales of the privately owned business were approximately EUR 20 million. The debt free purchase price was EUR 31 million. The acquisition was completed on June 11, 2021 and since then the business has been reported as part of the Foodservice Europe-Asia-Oceania 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	Q2 2021	Q2 2020	Change	H1 2021	H1 2020	Change	2020
Net sales	235.8	167.2	41%	443.2	384.8	15%	829.1
Comparable net sales growth	40%	-28%		17%	-17%		-10%
Adjusted EBIT ¹	19.9	6.2	>100%	37.5	23.6	59%	60.9
Margin ¹	8.4%	3.7%		8.5%	6.1%		7.3%
Adjusted RONA ¹				9.3%	8.7%		7.7%
Capital expenditure	15.4	18.5	-17%	25.2	34.5	-27%	78.7
Operating cash flow ¹	12.5	-7.0	>100%	33.9	4.1	>100%	41.6
Items affecting comparability (IAC)	-1.4	-0.5		-5.6	-2.1		-30.0

¹ Excluding IAC.

Q2 2021

The demand for foodservice packaging improved gradually during the quarter. The market recovery continued in the second quarter followed by the easing of restrictions related to the pandemic, with some variation between markets and product categories. Compared to Q2 2020, polymer prices increased, while paperboard prices remained stable.

Net sales in the Foodservice Europe-Asia-Oceania segment increased, with growth of products related to food delivery continuing to be strong. Comparable net sales growth was 40%. Net sales increased in all main markets and was especially strong in Middle East and Africa.

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

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

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

H1 2021

Throughout the first half of 2021, demand for foodservice packaging was negatively impacted by the COVID-19 pandemic. Demand improved gradually towards the end of the reporting period as restrictions started to be lifted. Compared to the previous year, polymer prices increased, whereas prices of paperboard remained stable.

Net sales in the Foodservice Europe-Asia-Oceania segment increased. Comparable net sales growth was 17%. Net sales increased in all main markets and was especially strong in Middle East and Africa.

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

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

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

North America

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

EUR million	Q2 2021	Q2 2020	Change	H1 2021	H1 2020	Change	2020
Net sales	295.2	296.1	-0%	551.2	582.3	-5%	1,138.9
Comparable net sales growth	9%	-5%		4%	1%		1%
Adjusted EBIT ¹	38.2	37.9	1%	69.4	68.4	2%	136.6
Margin ¹	13.0%	12.8%		12.6%	11.7%		12.0%
Adjusted RONA ¹				17.4%	14.9%		16.8%
Capital expenditure	12.8	9.9	29%	22.4	21.8	3%	71.7
Operating cash flow ¹	34.1	71.9	-53%	47.1	79.2	-41%	150.1
<i>Items affecting comparability (IAC)</i>	<i>-0.6</i>	<i>-0.0</i>		<i>-0.6</i>	<i>-3.4</i>		<i>-6.5</i>

¹ Excluding IAC.

Q2 2021

Demand for retail tableware was strong during the quarter with the combination of promising vaccination rates and summer gatherings. Demand for foodservice school lunch trays has not yet returned and ice cream packaging sales were weaker than prior year. The labor market remained tight. Raw material prices and distribution costs were higher compared to Q2 2020.

Net sales growth was flat in the North America segment, following negative currency impact. Comparable net sales growth was 9%. Growth was strongest in foodservice packaging and retail tableware.

The impact of currency movements on the segment's reported net sales was EUR -28 million.

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

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

H1 2021

Demand for foodservice packaging remained below normal levels throughout the period, though showing signs of gradual recovery towards the end of the reporting period. Demand for retail tableware was strong throughout the period, partially supported by consumption shifts related to COVID-19. Raw material prices and distribution costs were higher compared to H1 2020.

Net sales in the North America segment decreased, following negative currency impact. Comparable net sales growth was 4%. Growth was strongest in retail tableware.

The impact of currency movements on the segment's reported net sales was EUR -52 million.

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

The impact of currency movements on the segment's reported earnings was EUR -7 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	Q2 2021	Q2 2020	Change	H1 2021	H1 2020	Change	2020
Net sales	270.7	263.1	3%	537.8	534.0	1%	1,050.8
Comparable net sales growth	6%	2%		3%	2%		1%
Adjusted EBIT ¹	16.6	19.1	-13%	38.3	40.1	-4%	80.7
Margin ¹	6.1%	7.3%		7.1%	7.5%		7.7%
Adjusted RONA ¹				9.8%	10.1%		10.1%
Capital expenditure	11.5	7.5	53%	19.7	15.5	27%	35.9
Operating cash flow ¹	11.8	7.4	60%	26.7	9.1	>100%	83.8
<i>Items affecting comparability (IAC)</i>	-1.6	-0.3		-2.8	-4.9		-6.2

¹ Excluding IAC.

Q2 2021

Overall demand for flexible packaging was good with some variation between product categories and markets. The competitive situation in Southeast Asia remained tight. Raw material prices increased compared to Q2 2020.

Net sales in the Flexible Packaging segment increased and comparable net sales growth was 6%. Net sales increased in most markets, especially in Middle East and Africa.

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

The segment's adjusted EBIT decreased due to higher raw material prices, partially offset by improved operational efficiency and pricing actions. Earnings improved especially in Middle East and Africa.

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

H1 2021

Demand for flexible packaging varied between product categories and markets during the first half of the year. The competitive situation in Southeast Asia remained tight. Raw material prices increased compared to the previous year.

Net sales increased in the Flexible Packaging segment. Comparable net sales growth was 3%. Growth was driven by Southeast Asia and Oceania.

The impact of currency movements on the segment's reported net sales was EUR -21 million.

The segment's adjusted EBIT decreased due to higher raw material prices, partially offset by improved operational efficiency and pricing actions. Earnings growth was highest in Southeast Asia and Oceania.

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	Q2 2021	Q2 2020	Change	H1 2021	H1 2020	Change	2020
Net sales	80.4	75.7	6%	158.9	150.2	6%	307.8
Comparable net sales growth	1%	10%		3%	10%		9%
Adjusted EBIT ¹	8.3	8.5	-2%	17.8	16.7	6%	37.4
Margin ¹	10.3%	11.2%		11.2%	11.1%		12.2%
Adjusted RONA ¹				15.7%	13.4%		15.8%
Capital expenditure	11.6	4.3	>100%	16.9	7.7	>100%	36.7
Operating cash flow ¹	2.4	7.5	-68%	5.0	7.4	-32%	18.9
<i>Items affecting comparability (IAC)</i>	-0.5	-0.8		-0.5	-1.5		-5.2

¹ Excluding IAC.

Q2 2021

Demand for fiber-based packaging was solid, with some variation across markets. Underlying market growth was boosted by the pandemic-driven in-house consumption trend. Prices of recycled fiber increased compared to Q2 2020.

Net sales in the Fiber Packaging segment increased. Comparable net sales growth was 1%. Net sales growth was strongest in Russia and France.

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

The segment's adjusted EBIT decreased, mainly due to higher raw material prices and was partially offset by pricing actions and operational efficiencies.

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

H1 2021

Demand for fiber-based packaging was solid throughout the period, driven by the strong in-house consumption trend. Strong demand for egg packaging continued throughout the reporting period. Prices of recycled fiber increased compared to the previous year.

Net sales in the Fiber Packaging segment increased. Comparable net sales growth was 3%. Net sales growth was driven by the increased demand due to COVID-19 pandemic.

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

The segment's adjusted EBIT increased due to continued operational efficiency and pricing actions and was partially offset by higher raw material prices.

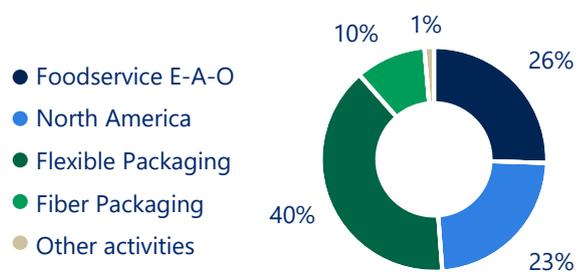
The impact of currency movements on the segment's reported earnings was EUR -0 million.

Personnel

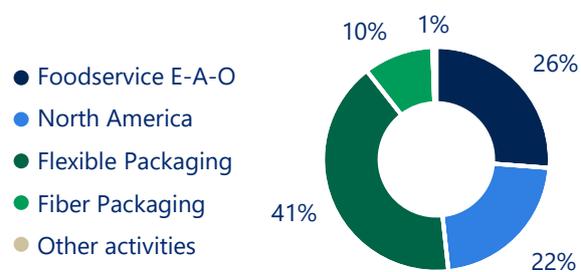
Number of personnel

	June 30, 2021	June 30, 2020	Change
Foodservice Europe-Asia-Oceania	4,644	4,932	-6%
North America	4,242	4,152	2%
Flexible Packaging	7,230	7,746	-7%
Fiber Packaging	1,836	1,876	-2%
Other activities	248	106	>100%
Group	18,200	18,812	-3%

Personnel by segment on June 30, 2021



Personnel by segment on June 30, 2020



At the end of June 2021, the Group had a total of 18,200 (18,812) employees. The number of employees was 3% 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.

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

Share capital, shareholders and trading of shares

Share capital and number of shares

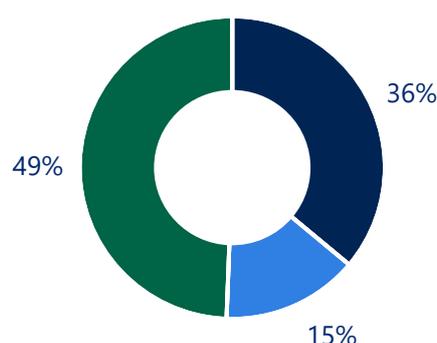
	June 30, 2021	June 30, 2020
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,395,709	3,410,709
% of total number of shares	3.2%	3.2%
Number of outstanding shares ¹	104,364,676	104,349,676
Average number of shares ^{1,2}	104,355,477	104,349,676

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at June 30, 2021

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



The number of registered shareholders at the end of June 2021 was 41,864 (35,484). Foreign ownership including nominee registered shares accounted for 49% (48%).

Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	H1 2021	H1 2020
Number of shares traded, million	29.0	35.0
Closing price on final day of trading, EUR	39.95	35.04
Volume-weighted average price, EUR	39.69	34.74
High, EUR	43.76	44.78
Low, EUR	37.20	23.48
Market capitalization (at end of period), EUR million	4,305	3,776

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 June 2021, the Company's market capitalization was EUR 4,305 million (EUR 3,776 million). With a closing price of EUR 39.95 (EUR 35.04) at the end of the reporting period, the share price decreased approximately 5% from the beginning of the year. During the reporting period the volume weighted average price for the Company's

shares was EUR 39.69 (EUR 34.74). 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 1,134 million (EUR 1,183 million). The trading volume of approximately 29 million (35 million) shares equaled an average daily turnover of 232,463 (287,617) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 3,261 million (EUR 3,170 million). During the reporting period, 66% (63%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, fragmentation.fidessa.com)

Resolutions of the Annual General Meeting 2021

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

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

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

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

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

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

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

Short-term risks and uncertainties

The COVID-19 pandemic may create further disturbances in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Volatile raw material, distribution 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. Further, natural disasters and social unrest may have negative effects on the Group's operating environment.

Outlook for 2021 (unchanged)

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.

Financial reporting in 2021

In 2021, Huhtamaki will publish financial information as follows:

Interim Report, January 1 – September 30, 2021	October 21
--	------------

Espoo, July 21, 2021

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) - unaudited

<i>EUR million</i>	H1 2021	H1 2020	Q2 2021	Q2 2020	Q1-Q4 2020
Net sales	1,679.0	1,641.7	877.1	797.1	3,301.8
Cost of goods sold	-1,391.7	-1,363.0	-727.0	-659.6	-2,748.6
Gross profit	287.3	278.7	150.0	137.5	553.3
Other operating income	7.8	29.4	4.7	7.7	42.8
Sales and marketing	-38.5	-40.2	-19.2	-19.4	-81.4
Research and development	-12.8	-10.3	-6.4	-5.1	-20.7
Administration expenses	-88.9	-99.5	-49.3	-47.4	-199.6
Other operating expenses	-8.3	-5.7	-4.9	-3.0	-29.4
Share of profit of equity-accounted investments	-	0.4	-	-0.0	0.4
	-140.7	-126.0	-75.1	-67.2	-288.0
Earnings before interest and taxes	146.6	152.7	75.0	70.2	265.3
Financial income	2.3	2.8	1.0	1.4	10.2
Financial expenses	-16.6	-20.4	-6.9	-9.7	-38.4
Profit before taxes	132.3	135.1	69.1	61.8	237.1
Income tax expense	-31.0	-30.4	-16.2	-13.9	-53.3
Profit for the period	101.3	104.7	52.9	47.9	183.7
Attributable to:					
Equity holders of the parent company	98.7	100.9	51.7	46.1	176.8
Non-controlling interest	2.7	3.8	1.2	1.8	6.9
EUR					
EPS attributable to equity holders of the parent company	0.95	0.97	0.50	0.44	1.69
Diluted EPS attributable to equity holders of the parent company	0.95	0.97	0.50	0.44	1.69

Group statement of comprehensive income (IFRS) - unaudited

<i>EUR million</i>	H1 2021	H1 2020	Q2 2021	Q2 2020	Q1-Q4 2020
Profit for the period	101.3	104.7	52.9	47.9	183.7
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	0.3	-0.1	-0.0	-0.1	-1.4
Income taxes related to items that will not be reclassified	-0.1	0.0	0.0	0.0	2.0
Total	0.2	-0.1	0.0	-0.1	0.7
Items that may be reclassified subsequently to profit or loss					
Translation differences	50.0	-59.7	-1.9	-17.3	-153.6
Equity hedges	-7.6	2.1	2.2	4.7	17.2
Cash flow hedges	2.4	-0.7	1.7	-3.1	-2.3
Income taxes related to items that may be reclassified	-0.6	0.6	-0.3	0.5	0.7
Total	44.3	-57.7	1.8	-15.2	-138.1
Other comprehensive income, net of tax	44.5	-57.8	1.8	-15.3	-137.4
Total comprehensive income	145.8	46.9	54.7	32.6	46.3
Attributable to:					
Equity holders of the parent company	142.7	43.1	53.4	30.8	39.9
Non-controlling interest	3.1	3.8	1.3	1.7	6.4

Group statement of financial position (IFRS) - unaudited

<i>EUR million</i>	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
ASSETS			
Non-current assets			
Goodwill	762.7	732.4	762.5
Other intangible assets	35.6	37.4	30.8
Tangible assets	1,434.8	1,365.3	1,362.3
Other investments	2.2	2.3	2.4
Interest-bearing receivables	1.9	3.3	3.6
Deferred tax assets	64.1	61.3	47.8
Employee benefit assets	57.9	57.4	53.9
Other non-current assets	3.9	3.4	3.3
	2,363.2	2,262.8	2,266.6
Current assets			
Inventory	545.4	473.4	532.8
Interest-bearing receivables	3.8	7.4	11.3
Current tax assets	17.7	16.3	16.8
Trade and other current receivables	632.3	520.5	610.7
Cash and cash equivalents	212.6	315.5	234.3
	1,411.7	1,333.0	1,405.9
Total assets	3,774.9	3,595.8	3,672.5
EQUITY AND LIABILITIES			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-31.2	-31.3	-31.3
Translation differences	-160.0	-202.3	-123.5
Fair value and other reserves	-102.1	-103.8	-103.5
Retained earnings	1,142.0	1,140.1	1,167.6
Total equity attributable to equity holders of the parent company	1,330.1	1,284.1	1,390.6
Non-controlling interest	84.0	80.4	84.0
Total equity	1,414.1	1,364.5	1,474.7
Non-current liabilities			
Interest-bearing liabilities	858.6	941.4	810.0
Deferred tax liabilities	108.6	99.1	96.4
Employee benefit liabilities	229.6	228.5	221.0
Provisions	14.2	12.1	12.1
Other non-current liabilities	10.9	12.6	12.8
	1,222.0	1,293.6	1,152.2
Current liabilities			
Interest-bearing liabilities			
Current portion of long term loans	108.0	95.4	95.5
Short-term loans	184.6	156.2	251.7
Provisions	9.9	22.1	9.2
Current tax liabilities	67.7	66.6	69.2
Trade and other current liabilities	768.6	597.4	620.0
	1,138.7	937.7	1,045.6
Total liabilities	2,360.8	2,231.3	2,197.8
Total equity and liabilities	3,774.9	3,595.8	3,672.5
Net debt	932.9	866.8	907.9
Net debt to equity (gearing)	0.66	0.64	0.62

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						0.6	0.6		0.6
Total comprehensive income for the year				-57.7	-0.1	100.9	43.1	3.8	46.9
Other Changes						-1.0	-1.0	-8.8	-9.9
Balance on Jun 30, 2020	366.4	115.0	-31.3	-123.5	-103.5	1,167.6	1,390.6	84.0	1,474.7
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
Dividends paid						-96.0	-96.0		-96.0
Share-based payments			0.1			0.7	0.9		0.9
Total comprehensive income for the year				42.4	1.6	98.7	142.7	3.1	145.8
Acquisition of non-controlling interest						-2.0	-2.0	-0.9	-2.9
Other Changes						0.5	0.5	1.4	1.9
Balance on Jun 30, 2021	366.4	115.0	-31.2	-160.0	-102.1	1,142.0	1,330.1	84.0	1,414.1

Group statement of cash flows (IFRS) - unaudited

EUR million	H1 2021	H1 2020	Q2 2021	Q2 2020	Q1-Q4 2020
Profit for the period*	101.3	104.7	52.9	47.9	183.7
Adjustments*	120.3	117.0	65.6	65.2	271.3
Depreciation and amortization*	82.5	90.4	39.3	42.8	199.2
Share of profit of equity-accounted investments*	-	-0.4	-	0.0	-0.4
Gain/loss from disposal of assets*	2.0	-0.1	1.9	0.0	0.5
Financial expense/-income*	14.3	17.6	5.9	8.4	28.2
Income tax expense*	31.0	30.4	16.2	13.9	53.3
Other adjustments, operational*	-9.4	-20.8	2.2	-0.0	-9.6
Change in inventory*	-57.6	-47.8	-13.3	4.5	-4.7
Change in non-interest bearing receivables*	-99.3	-20.3	-40.2	33.7	50.9
Change in non-interest bearing payables*	93.1	-7.8	42.2	-34.2	-6.6
Dividends received*	0.0	0.0	0.0	0.0	0.0
Interest received*	1.2	1.6	0.7	0.8	2.6
Interest paid*	-10.3	-11.5	-4.9	-5.7	-23.4
Other financial expense and income*	-0.4	0.0	0.0	-0.1	-0.4
Taxes paid*	-26.8	-11.2	-21.9	-1.6	-44.9
Net cash flows from operating activities	121.5	124.8	81.2	110.4	428.6
Capital expenditure*	-84.9	-79.7	-51.8	-40.3	-223.5
Proceeds from selling tangible assets*	0.9	0.8	0.5	0.3	1.9
Acquired subsidiaries and assets	-21.6	-37.4	-21.6	-0.1	-39.0
Proceeds from long-term deposits	1.7	0.6	0.1	0.3	0.9
Payment of long-term deposits	-0.3	-0.0	-0.3	-0.0	-0.2
Proceeds from short-term deposits	4.3	5.9	2.1	4.9	34.2
Payment of short-term deposits	-0.7	-4.0	-0.6	-4.9	-28.7
Net cash flows from investing activities	-100.6	-113.9	-71.6	-39.9	-254.3
Proceeds from long-term borrowings	121.6	151.8	13.4	4.6	345.2
Repayment of long-term borrowings	-136.8	-138.4	-13.8	-130.0	-199.4
Change in short-term loans	-62.8	20.5	-17.7	-22.9	-94.8
Acquisition of non-controlling interest	-2.8	-	-0.6	-	-
Dividends paid	-48.0	-	-48.0	-	-92.9
Net cash flows from financing activities	-128.8	34.0	-66.7	-148.3	-41.8
Change in liquid assets	-102.9	34.9	-59.0	-78.9	116.0
Cash flow based	-107.9	44.9	-57.1	-77.8	132.5
Translation difference	5.1	-10.0	-1.8	-1.1	-16.5
Liquid assets period start	315.5	199.4	271.6	313.2	199.4
Liquid assets period end	212.6	234.3	212.6	234.3	315.5
Free cash flow (including figures marked with *)	37.5	45.9	29.9	70.4	207.1

Notes to the Half-yearly Report

The Half-yearly 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 Half-yearly 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 Half-yearly Report.

Description of the impact of COVID-19 on the business can be found in the chapter 'Impact of COVID-19' in the Half-yearly 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>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	441.9	235.2	206.7	825.9	212.7	230.3	166.4	216.4
Intersegment net sales	1.3	0.6	0.6	3.2	0.8	0.5	0.8	1.2
North America	549.1	293.9	255.2	1,134.2	273.0	281.8	294.6	284.8
Intersegment net sales	2.1	1.3	0.8	4.7	1.0	0.8	1.5	1.4
Flexible Packaging	534.8	269.3	265.5	1,046.5	250.4	264.5	261.7	269.9
Intersegment net sales	3.1	1.4	1.6	4.3	0.3	1.5	1.4	1.1
Fiber Packaging	153.2	78.8	74.5	295.2	76.6	70.7	74.4	73.5
Intersegment net sales	5.7	1.6	4.1	12.6	8.7	1.5	1.4	1.0
Elimination of intersegment net sales	-12.1	-5.0	-7.1	-24.8	-10.8	-4.3	-5.1	-4.6
Total	1,679.0	877.1	801.9	3,301.8	812.8	847.3	797.1	844.6

EBIT

<i>EUR million</i>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	31.9	18.5	13.4	30.9	5.0	4.4	5.7	15.8
North America	68.8	37.6	31.2	130.1	32.3	32.8	37.9	27.1
Flexible Packaging	35.6	14.9	20.6	74.5	17.4	21.9	18.9	16.3
Fiber Packaging	17.2	7.8	9.5	32.2	9.2	7.8	7.7	7.5
Other activities	-6.9	-3.8	-3.1	-2.4	-16.0	-2.3	0.0	15.9
Total	146.6	75.0	71.6	265.3	47.9	64.7	70.2	82.6

IAC in EBIT

<i>EUR million</i>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	-5.6	-1.4	-4.2	-30.0	-10.5	-17.3	-0.5	-1.6
North America	-0.6	-0.6	-	-6.5	0.1	-3.2	-0.0	-3.4
Flexible Packaging	-2.8	-1.6	-1.1	-6.2	-0.5	-0.7	-0.3	-4.7
Fiber Packaging	-0.5	-0.5	0.0	-5.2	-3.5	-0.2	-0.8	-0.7
Other activities	-0.7	-0.7	-0.0	11.0	-10.5	0.6	1.7	19.3
Total	-10.3	-4.9	-5.3	-36.8	-24.9	-20.9	0.1	8.9

EBITDA

<i>EUR million</i>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	60.8	31.7	29.1	104.9	26.4	28.0	19.5	31.0
North America	93.5	50.1	43.4	185.4	44.5	48.8	51.5	40.7
Flexible Packaging	53.0	22.6	30.3	116.5	27.4	32.3	28.0	28.8
Fiber Packaging	27.5	13.1	14.4	57.7	18.5	12.7	13.3	13.2
Other activities	-5.7	-3.2	-2.5	0.1	-15.4	-1.7	0.7	16.4
Total	229.1	114.3	114.8	464.5	101.4	120.1	113.0	130.1

IAC in EBITDA

<i>EUR million</i>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	-3.3	-1.4	-1.9	-11.3	-3.1	-7.4	-0.5	-0.3
North America	-0.6	-0.6	-	-3.3	0.0	0.1	-0.0	-3.4
Flexible Packaging	-4.4	-3.5	-1.0	-3.3	-0.5	-0.2	-0.3	-2.3
Fiber Packaging	-0.6	-0.5	-0.1	-1.7	-1.3	-0.1	-0.1	-0.2
Other activities	-0.7	-0.7	-0.0	11.0	-10.5	0.6	1.7	19.3
Total	-9.7	-6.8	-3.0	-8.6	-15.4	-7.1	0.9	13.1

Depreciation and amortization

<i>EUR million</i>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	28.9	13.2	15.7	74.0	21.4	23.6	13.8	15.2
North America	24.7	12.5	12.2	55.3	12.2	16.0	13.6	13.6
Flexible Packaging	17.4	7.7	9.7	42.0	9.9	10.3	9.1	12.6
Fiber Packaging	10.3	5.4	4.9	25.5	9.3	4.9	5.6	5.6
Other activities	1.2	0.6	0.6	2.5	0.6	0.7	0.7	0.6
Total	82.5	39.3	43.1	199.2	53.5	55.4	42.8	47.5

Net assets allocated to the segments¹

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

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

Capital expenditure

<i>EUR million</i>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	25.2	15.4	9.8	78.7	31.6	12.6	18.5	16.0
North America	22.4	12.8	9.6	71.7	35.9	13.9	9.9	11.9
Flexible Packaging	19.7	11.5	8.1	35.9	12.9	7.5	7.5	7.9
Fiber Packaging	16.9	11.6	5.2	36.7	22.5	6.5	4.3	3.4
Other activities	0.8	0.5	0.3	0.4	0.2	0.0	0.1	0.1
Total	84.9	51.8	33.0	223.5	103.2	40.6	40.3	39.4

RONA (12m roll.)

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	5.1%	3.6%	3.9%	6.0%	8.4%	10.6%
North America	16.9%	16.6%	16.0%	15.6%	14.1%	13.3%
Flexible Packaging	9.3%	9.8%	9.3%	9.5%	9.4%	9.8%
Fiber Packaging	13.9%	14.2%	13.6%	12.9%	12.2%	12.2%

Operating cash flow

<i>EUR million</i>	H1 2021	Q2 2021	Q1 2021	Q1-Q4 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Foodservice Europe-Asia-Oceania	33.9	12.5	21.4	41.6	11.7	25.9	-7.0	11.1
North America	47.1	34.1	13.0	150.1	22.1	48.8	71.9	7.3
Flexible Packaging	26.7	11.8	14.8	83.8	45.4	29.3	7.4	1.7
Fiber Packaging	5.0	2.4	2.6	18.9	8.5	3.0	7.5	-0.1

Business combinations

Jiangsu Hihio-Art Packaging

On June 11, 2021 Huhtamaki completed the acquisition of Jiangsu Hihio-Art Packaging Co. Ltd.'s business operations. Jiangsu Hihio-Art Packaging is a privately owned manufacturer of paper bags, wraps and folding carton packaging in China. The acquisition strengthens Huhtamaki's position as the leading foodservice packaging provider in Asia and expands its product portfolio allowing it to better serve both existing and new customers in China. The debt free purchase price was EUR 31 million including a contingent consideration. The acquired business is incorporated into and reports as part of the Foodservice Europe-Asia-Oceania reporting segment as of June 11, 2021. The goodwill from the acquired business is expected to be non-deductible for income tax purposes. The costs relating to advice etc. services EUR 0.2 million are included in the Group income statement in Administration expenses.

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

EUR million

Tangible assets	13.3
Inventory	3.3
Total assets	16.6
Net assets total	16.6
Goodwill	14.1
Consideration	30.7
Consideration, paid in cash	21.6
Consideration, payable	3.1
Consideration, contingent	6.1

Analysis of cash flows of acquisition

EUR million

Purchase consideration, cash payment	-21.6
Transaction costs of the acquisition	-0.2
Net cash flow on acquisition	-21.8

The net sales of the acquired business included in the Group income statement since acquisition date were EUR 0.5 million and result for the period was EUR 0.0 million. The net sales and the result for the period of the acquired business would not have had material effect in the Group income statement, if the acquired business had been consolidated from January 1, 2021.

Other information

Key indicators

	H1 2021	Q1-Q4 2020	H1 2020
Equity per share (EUR)	12.74	12.31	13.33
ROE, % (12m roll.)	12.7	12.9	14.3
ROI, % (12m roll.)	10.1	10.3	11.6
Personnel	18,200	18,227	18,812
Profit before taxes (EUR million, 12m roll.)	234.2	237.1	262.1
Depreciation of tangible assets (EUR million)	77.8	185.4	86.2
Amortization of other intangible assets (EUR million)	4.6	13.8	4.1

Contingent liabilities

<i>EUR million</i>	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Capital expenditure commitments	66.9	45.2	49.6

Financial instruments measured at fair value

<i>EUR million</i>	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Derivatives - assets			
Currency forwards, transaction risk hedges	1.4	1.8	3.5
Currency forwards, translation risk hedges	0.8	4.5	2.8
Currency forwards, for financing purposes	5.7	6.4	5.3
Currency options, transaction risk hedges	0.1	0.2	0.0
Interest rate swaps	0.5	0.8	0.7
Other investments	2.2	2.3	2.4
Derivatives - liabilities			
Currency forwards, transaction risk hedges	1.3	5.2	2.5
Currency forwards, translation risk hedges	1.8	0.3	0.2
Currency forwards, for financing purposes	8.8	3.8	1.2
Currency options, transaction risk hedges	0.0	0.4	0.0
Interest rate swaps	2.7	3.3	4.2
Cross currency swaps	1.6	2.1	1.2

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

<i>EUR million</i>	Jun 30, 2021		Dec 31, 2020		Jun 30, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	858.6	840.6	941.4	925.0	810.0	817.3
Current	292.6	292.6	251.6	251.6	347.2	347.2
Total	1,151.2	1,133.2	1,193.0	1,176.6	1,157.2	1,164.6

Exchange rates

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

Income statement, average:

	H1 2021	H1 2020
AUD 1 =	0.6399	0.5961
GBP 1 =	1.1511	1.1445
INR 1 =	0.0113	0.0123
RUB 1 =	0.0112	0.0131
THB 1 =	0.0269	0.0287
USD 1 =	0.8292	0.9079

Statement of financial position, month end:

	Jun 30, 2021	Jun 30, 2020
AUD 1 =	0.6325	0.6095
GBP 1 =	1.1635	1.0924
INR 1 =	0.0113	0.0117
RUB 1 =	0.0116	0.0127
THB 1 =	0.0262	0.0287
USD 1 =	0.8412	0.8862

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.