



# Huhtamäki Oyj Results 2023

January 1 - December 31, 2023

**Huhtamäki**

Huhtamäki Oyj's Results January 1–December 31, 2023

## Strong cash flow and margin improvement

### Q4 2023 in brief

- Net sales decreased 6% to EUR 1,033 million (EUR 1,104 million)
- Adjusted EBIT was EUR 108 million (EUR 93 million); reported EBIT was EUR 146 million (EUR 78 million)
- Adjusted EPS was EUR 0.68 (EUR 0.65); reported EPS was EUR 0.83 (EUR 0.54)
- Comparable net sales growth at Group level was -3% and -5% in emerging markets
- The impact of currency movements on the Group's net sales was EUR -44 million and EUR -5 million on EBIT

### Q1-Q4 2023 in brief

- Net sales decreased 7% to EUR 4,169 million (EUR 4,479 million)
- Adjusted EBIT was EUR 393 million (EUR 395 million); reported EBIT was EUR 381 million (EUR 405 million)
- Adjusted EPS was EUR 2.32 (EUR 2.49); reported EPS was EUR 1.97 (EUR 2.65)
- Comparable net sales growth at Group level was -2% and -4% in emerging markets
- The impact of currency movements on the Group's net sales was EUR -153 million and EUR -15 million on EBIT
- Capital expenditure was EUR 319 million (EUR 318 million)
- Free cash flow was EUR 321 million (EUR 11 million)
- The Board of Directors proposes a dividend of EUR 1.05 (1.00) per share

### Key figures

EUR million	Q4 2023	Q4 2022	Change	2023	2022	Change
Net sales	1,032.9	1,103.6	-6%	4,168.9	4,479.0	-7%
Comparable net sales growth	-3%	9%		-2%	15%	
Adjusted EBITDA <sup>1</sup>	159.5	143.3	11%	590.1	596.9	-1%
Margin <sup>1</sup>	15.4%	13.0%		14.2%	13.3%	
EBITDA	205.7	130.5	58%	621.2	614.9	1%
Adjusted EBIT <sup>2</sup>	107.5	93.3	15%	392.6	395.1	-1%
Margin <sup>2</sup>	10.4%	8.5%		9.4%	8.8%	
EBIT	146.0	78.1	87%	380.9	405.3	-6%
Adjusted EPS, EUR <sup>3</sup>	0.68	0.65	5%	2.32	2.49	-7%
EPS, EUR	0.83	0.54	55%	1.97	2.65	-25%
Adjusted ROI <sup>2</sup>				11.2%	11.0%	
Adjusted ROE <sup>3</sup>				13.2%	14.9%	
ROI				10.9%	11.4%	
ROE				11.8%	15.7%	
Capital expenditure	114.8	133.2	-14%	318.7	318.5	0%
Free Cash Flow	128.4	71.3	80%	321.4	11.1	>100%
<sup>1</sup> Excluding IAC of	46.2	-12.7		31.1	18.0	
<sup>2</sup> Excluding IAC of	38.5	-15.3		-11.7	10.2	
<sup>3</sup> Excluding IAC of	16.0	-11.6		-35.9	16.0	

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2022. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) as well as net debt to EBITDA presented in this report are calculated on a 12-month rolling basis.

IAC includes, but is not limited to, material restructuring costs and acquisition related costs (gains and losses on business combinations, professional and legal fees, material purchase price accounting adjustments for inventory, material purchase price amortization of intangible assets and changes in contingent considerations) as well as material impairment losses and reversals, gains and losses relating to sale of intangible and tangible assets, implementation costs concerning large projects with SaaS cloud computing technology, fines and penalties imposed by authorities and extraordinary taxes.

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

## President and CEO's review

We are pleased with the many achievements during the year and energized by the plans going forward. In line with the previous years, we have proven our ability to deliver results in a volatile market environment, thanks to our diverse portfolio and the agility of our organization. Our investments for growth started to yield benefits, and we have made progress towards our profitability ambition by driving initiatives to improve our competitiveness.

We launched our updated 2030 growth strategy in 2023, which translated in higher financial ambitions. We focus on three priorities: scaling up our profitable core businesses; developing and deploying proprietary innovative sustainable packaging solutions; and driving world-class competitiveness. Our long-term financial ambition is to deliver 5-6% annual net sales growth, reaching a 10-12% adjusted EBIT margin with an adjusted return on investment of 13-15%. To best drive the execution of our strategy, we continue investing in talent and strategic capabilities.

In 2023, we delivered a solid performance despite the lower consumption across categories and geographies, driven by the impact of inflation. Destocking in the value chain had a negative impact on sales volumes during the first half of 2023, particularly in export markets in the Flexible Packaging segment. During the second half of the year, consumer demand started to slightly improve.

Our performance was strong in the latter part of the year, with a significant increase in adjusted EBIT in the fourth quarter of 2023. This was achieved despite a 3% decrease in comparable net sales, due to lower sales volumes. Cash flow remained strong, supported by a release of working capital. At the same time, we have continued to invest for growth and innovation, in line with our strategy.

Our full year 2023 comparable net sales decreased by 2% and adjusted EBIT by 1%. Our adjusted EBIT margin was strong at 9.4% despite lower sales volumes, the divestment of our operations in Russia in September 2022 and currency translation. Free cash flow reached EUR 321 million, mainly from a decrease in working capital. This represents a significant improvement compared to last year. With the improvement in cash flow, we were able to decrease our net debt and thereby improve our net debt to adjusted EBITDA ratio from 2.5 to 2.2.

In 2023, we brought new capacity to commercial production, including among others tableware in North America, and egg packaging in North America and South Africa. We also announced the expansion of our North America Foodservice capacity in Paris, Texas, to capture the growing demand for folding carton packaging. We also increased our capacity for fiber lids in Europe. Additionally, we launched the production of Nespresso's home compostable paper-based coffee capsules. These projects illustrate our strategy to scale up our profitable core businesses and innovate for sustainable packaging solutions.

We took several steps during 2023 towards optimizing our manufacturing footprint and strongly improving productivity globally. These include consolidation of manufacturing capacity in Europe and India to larger units. In November we announced a program to accelerate the implementation of our strategy to materially support our profitability ambitions. All cost levers will be addressed including potential restructuring to a more optimal manufacturing footprint, reducing input costs at an accelerated pace, and improving productivity globally. The efficiency improvements are expected to lead to savings of approximately EUR 100 million over the next three years.

Innovation continues to be high on our agenda, as we seek to both improve our sustainability performance and deliver new solutions to our customers. Our goal is to design all our products to be recyclable, compostable, or reusable. In

2023, we made a significant leap towards this target, as we launched new sustainable solutions in mono-material flexible packaging, which are designed for recycling. We also continued to deploy fiber and paper-based solutions, converting Foodservice and FMCG applications to more sustainable alternatives. We are currently rolling out these solutions globally.

The execution of our strategy proceeded well in 2023. With the actions taken, we are well placed to capitalize on the opportunities in the transforming packaging market. With demand returning to growth in the foreseeable future, and with the support from our capacity expansions, innovation and improving operational performance, I believe we are well prepared to deliver on our financial ambitions.

I would like to thank our customers and suppliers for their trust and collaboration throughout the year. Importantly I would like to thank our entire team for their great work and continued commitment to deliver value to all our stakeholders.

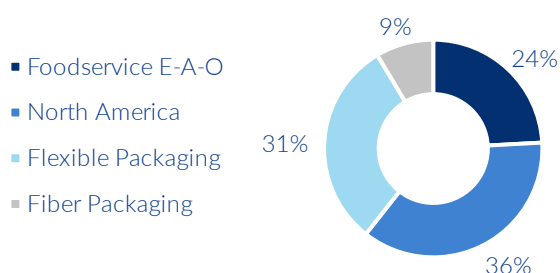
Charles Héaulmé  
President and CEO

## Financial review Q4 2023

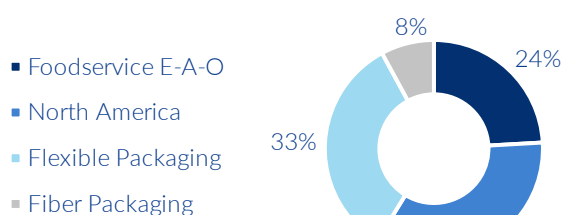
### Net sales by business segment

EUR million	Q4 2023	Q4 2022	Change
Foodservice Europe-Asia-Oceania	250.2	266.7	-6%
North America	378.1	383.6	-1%
Flexible Packaging	319.8	369.1	-13%
Fiber Packaging	88.8	87.4	2%
Elimination of internal sales	-4.1	-3.2	
<b>Group</b>	<b>1,032.9</b>	<b>1,103.6</b>	<b>-6%</b>

### Net sales by segment, Q4 2023



### Net sales by segment, Q4 2022



### Comparable net sales growth by business segment

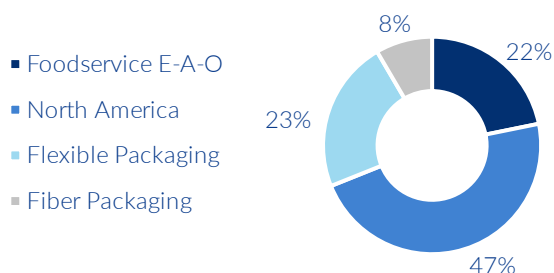
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Foodservice Europe-Asia-Oceania	-5%	-3%	5%	11%	15%
North America	4%	1%	1%	2%	10%
Flexible Packaging	-9%	-11%	-11%	-5%	1%
Fiber Packaging	2%	4%	7%	17%	17%
<b>Group</b>	<b>-3%</b>	<b>-4%</b>	<b>-2%</b>	<b>2%</b>	<b>9%</b>

The Group's net sales decreased 6% to EUR 1,033 million (EUR 1,104 million) during the quarter and comparable net sales growth was -3%. Demand continued to be muted by the impact of inflation, but showed signs of improvement in certain categories and geographies, particularly in North America. Net sales were weighed on by a decrease in sales volumes and changes in currencies, whereas pricing had a positive impact. Comparable sales growth in emerging markets was -5%. Foreign currency translation impact on the Group's net sales was EUR -44 million (EUR 46 million) compared to 2022 exchange rates.

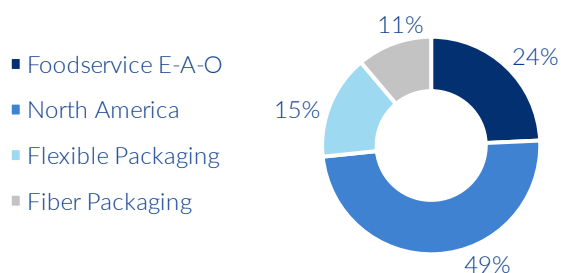
### Adjusted EBIT by business segment

EUR million	Q4 2023	Q4 2022	Change	Items affecting comparability	
				Q4 2023	Q4 2022
Foodservice Europe-Asia-Oceania	25.0	24.2	3%	-7.8	-4.9
North America	54.1	49.0	10%	-	-5.6
Flexible Packaging	26.0	15.5	68%	48.2	-6.0
Fiber Packaging	9.7	11.1	-13%	-0.7	1.7
Other activities	-7.2	-6.5		-1.1	-0.4
<b>Group</b>	<b>107.5</b>	<b>93.3</b>	<b>15%</b>	<b>38.5</b>	<b>-15.3</b>

## Adjusted EBIT by segment, Q4 2023



## Adjusted EBIT by segment, Q4 2022



## Adjusted EBIT margin by business segment

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Foodservice Europe-Asia-Oceania	10.0%	10.3%	9.2%	8.3%	9.1%
North America	14.3%	13.2%	12.2%	11.9%	12.8%
Flexible Packaging	8.1%	7.2%	4.9%	6.1%	4.2%
Fiber Packaging	10.9%	12.5%	10.8%	12.1%	12.7%
<b>Group</b>	<b>10.4%</b>	<b>9.7%</b>	<b>8.8%</b>	<b>8.8%</b>	<b>8.5%</b>

The Group's adjusted EBIT increased to EUR 108 million (EUR 93 million) and reported EBIT was EUR 146 million (EUR 78 million) in the quarter. Adjusted EBIT increased supported by lower raw material costs and the company's actions to improve profitability, whereas a decrease in sales volumes had a negative impact. The Group's adjusted EBIT margin increased and was 10.4% (8.5%). Foreign currency translation impact on the Group's earnings was EUR -5 million (EUR 5 million).

Adjusted EBIT excludes EUR 38.5 million (EUR -15.3 million) of items affecting comparability (IAC). The main changes in IAC's relate to the divestments of real estate in Thane, India and Prague, Czech Republic, as a result of the manufacturing footprint optimization actions.

## Adjusted EBIT and IAC

EUR million	Q4 2023	Q4 2022
<b>Adjusted EBIT</b>	<b>107.5</b>	<b>93.3</b>
Acquisition related costs	-0.1	-1.5
Restructuring gains and losses, including writedowns of related assets	28.0	-7.5
PPA amortization	-2.2	-3.1
Settlement and legal fees of disputes	0.0	-1.5
Prague site closure-related costs	13.5	-
Property damage incidents	-0.1	-0.1
Implementation costs concerning large projects with SaaS cloud computing technology	-0.6	-
Divestment of subsidiaries	-	7.0
Environmental case	-	-8.4
<b>EBIT</b>	<b>146.0</b>	<b>78.1</b>

Net financial expenses were EUR 18 million (EUR 16 million) in the quarter. Tax expense was EUR 29 million (EUR 3 million). Tax expense in the comparison period was lower due to a one-off fixed asset revaluation in Turkey, decreasing deferred tax liability. Profit for the quarter was EUR 99 million (EUR 59 million). Adjusted earnings per share (EPS) was EUR 0.68 (EUR 0.65) and reported EPS EUR 0.83 (EUR 0.54). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR 16.0 million (EUR -11.6 million) of IAC.

## Adjusted profit and IAC

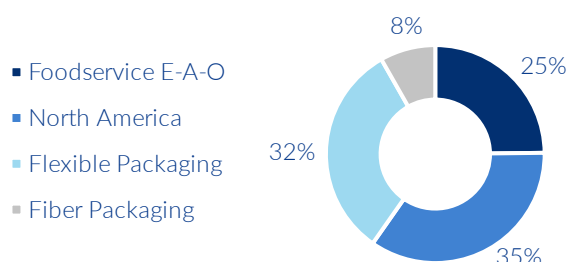
EUR million	Q4 2023	Q4 2022
Adjusted profit for the period attributable to equity holders of the parent company	71.2	68.0
IAC in EBIT	38.5	-15.3
IAC in Financial items	-0.9	0.2
IAC Tax	-13.0	3.4
IAC attributable to non-controlling interest	-8.6	-
Profit for the period attributable to equity holders of the parent company	87.2	56.3

## Financial review 2023

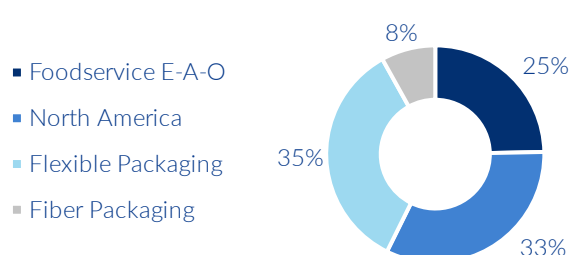
### Net sales by business segment

EUR million	2023	2022	Change
Foodservice Europe-Asia-Oceania	1,037.2	1,110.7	-7%
North America	1,457.9	1,468.3	-1%
Flexible Packaging	1,341.0	1,558.2	-14%
Fiber Packaging	343.1	363.0	-5%
Elimination of internal sales	-10.3	-21.1	
Group	4,168.9	4,479.0	-7%

### Net sales by segment, 2023



### Net sales by segment, 2022



### Comparable net sales growth by business segment

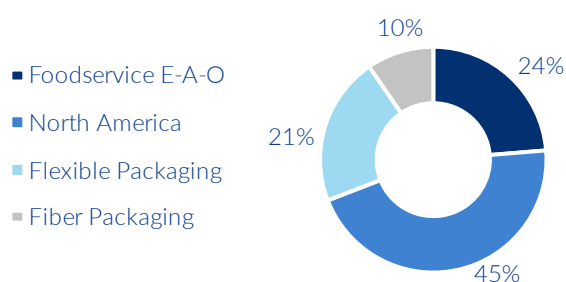
	2023	2022	2021
Foodservice Europe-Asia-Oceania	2%	18%	11%
North America	2%	14%	6%
Flexible Packaging	-9%	14%	7%
Fiber Packaging	7%	15%	2%
Group	-2%	15%	7%

The Group's net sales decreased 7% to EUR 4,169 million (EUR 4,479 million) during the reporting period, and comparable net sales growth was -2%. Overall, demand was muted by the impact of inflation. Net sales were weighed on by a decrease in sales volumes and changes in currencies, whereas pricing had a positive impact. The divestment of the operations in Russia in 2022 had a negative impact. Comparable sales growth in emerging markets was -4%. Foreign currency translation impact on the Group's net sales was EUR -153 million (EUR 234 million) compared to 2022 exchange rates.

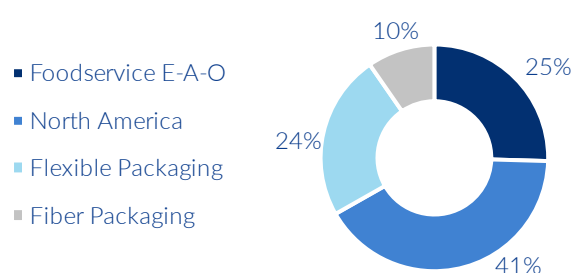
## Adjusted EBIT by business segment

EUR million	2023	2022	Change	Items affecting comparability	
				2023	2022
Foodservice Europe-Asia-Oceania	98.0	105.7	-7%	-9.9	16.0
North America	187.9	171.6	9%	-0.0	-5.6
Flexible Packaging	88.0	98.1	-10%	5.8	-15.9
Fiber Packaging	39.6	40.0	-1%	-6.2	18.1
Other activities	-20.9	-20.3		-1.4	-2.4
<b>Group</b>	<b>392.6</b>	<b>395.1</b>	<b>-1%</b>	<b>-11.7</b>	<b>10.2</b>

### Adjusted EBIT by segment, 2023



### Adjusted EBIT by segment, 2022



## Adjusted EBIT margin by business segment

	2023	2022	2021
Foodservice Europe-Asia-Oceania	9.4%	9.5%	8.3%
North America	12.9%	11.7%	12.0%
Flexible Packaging	6.6%	6.3%	6.8%
Fiber Packaging	11.6%	11.0%	10.9%
<b>Group Total</b>	<b>9.4%</b>	<b>8.8%</b>	<b>8.8%</b>

The Group's adjusted EBIT decreased to EUR 393 million (EUR 395 million) and reported EBIT was EUR 381 million (EUR 405 million). Adjusted EBIT decreased only by 1% despite the lower sales volumes, divestment of operations in Russia and the negative foreign currency impact. It was supported by lower raw material costs and the company's actions to improve profitability. The Group's adjusted EBIT margin increased and was 9.4% (8.8%). Foreign currency translation impact on the Group's earnings was EUR -15 million (EUR 22 million).

Adjusted EBIT excludes EUR -11.7 million (EUR 10.2 million) of items affecting comparability (IAC). The main changes in IACs relate to the sale of real estate in Thane, India and the planned closure of the Flexible Packaging production facility in Prague, Czech Republic.



## Adjusted EBIT and IAC

EUR million	2023	2022
<b>Adjusted EBIT</b>	392.6	395.1
Acquisition related costs	-0.5	-2.2
Restructuring gains and losses, including writedowns of related assets	17.3	-9.9
PPA amortization	-8.9	-8.2
Settlement and legal fees of disputes	-0.2	-4.5
Prague site closure-related costs	-18.8	-
Property damage incidents	-0.1	-1.1
Implementation costs concerning large projects with SaaS cloud computing technology	-0.6	-
Divestment of subsidiaries	-	44.5
Environmental case	-	-8.4
<b>EBIT</b>	<b>380.9</b>	<b>405.3</b>

Net financial expenses were EUR 69 million (EUR 53 million). The increase was due to higher interest rates and other financing costs. Tax expense was EUR 87 million (EUR 67 million). The effective tax rate was 28% (19%). The increase was due to an impact from the business in Turkey, which has the US dollar as a functional currency. As taxes are calculated in the significantly devalued Turkish lira, the current tax charge as well as deferred tax liabilities increased significantly. The functional currency remeasurements related impact to deferred tax liabilities (mainly Turkey) are a non-cash item and are treated as IAC. Additionally, the tax rate was impacted by a non-deductible goodwill impairment related to the planned closure of the Flexible Packaging site in Prague, Czech Republic. Profit for the period was EUR 225 million (EUR 285 million). Adjusted earnings per share (EPS) were EUR 2.32 (EUR 2.49) and reported EPS EUR 1.97 (EUR 2.65). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -35.9 million (EUR 16.0 million) of IAC.

## Adjusted profit and IAC

EUR million	2023	2022
<b>Adjusted profit for the period attributable to equity holders of the parent company</b>	242.3	260.2
IAC in EBIT	-11.7	10.2
IAC in Financial items	-0.1	0.0
IAC Tax	-15.5	5.8
IAC attributable to non-controlling interest	-8.6	-
<b>Profit for the period attributable to equity holders of the parent company</b>	<b>206.3</b>	<b>276.2</b>

## Statement of financial position and cash flow

The Group's net debt decreased and was EUR 1,288 million (EUR 1,471 million) at the end of December. The level of net debt corresponds to a gearing ratio of 0.67 (0.77). Net debt to adjusted EBITDA ratio (excluding IAC) was 2.2 (2.5). Average maturity of external committed credit facilities and loans was 2.9 years (3.2 years).

On May 22, 2023, Huhtamäki Oyj signed a EUR 125 million bilateral term loan facility agreement with a maturity of two years. The term loan will be used for refinancing and general corporate purposes of the Group. The facility has a one-year extension option at the discretion of the Lender, and the interest margin is tied to three sustainability indicators; absolute scope 1 and 2 greenhouse gas emissions amount, share of non-hazardous waste recycled and Ecovadis Rating. On November 16, 2023, the company issued a EUR 300 million, 5-year senior unsecured bond bearing an interest rate of 5.125 per cent per annum. The net proceeds from the issue of the bond were used for the partial repurchase of its existing notes due 2024 and for refinancing and other general corporate purposes of the Group.

Capital expenditure was EUR 319 million (EUR 318 million). The largest investments for business expansion were directed to increase capacity of fiber products in Europe and North America. The Group's free cash flow was EUR 321 million (EUR 11 million), driven by an improvement in working capital.

Cash and cash equivalents were EUR 348 million (EUR 309 million) at the end of December and the Group had EUR 355 million (EUR 353 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 4,665 million (EUR 4,821 million).

## Sustainability

Huhtamaki made overall good progress during Q4 and 2023 on its sustainability performance, as the company improved on its key performance indicators in all areas except safety. The Global Sustainability and Safety index (GSSI) continued to improve on the trajectory towards the 2030 targets. Absolute GHG emissions decreased due to a higher share of renewable electricity across the enterprise as well as lower production volumes compared to 2022. Safety remains a top priority for the company and the highlight in 2023 was the introduction of the TPM-methodology's safety pillar in all factories globally. This methodology represents a long-term journey in building a zero-accident safety culture.

The fiber packaging plant in Cairo, Egypt achieved zero landfill target in November, a significant milestone given the limited recycling infrastructure in the region. This achievement will enable Huhtamaki to continue to make progress towards its sustainability goals.

Huhtamaki recently updated its Group Human Rights Policy. The policy aims to promote a comprehensive and global understanding of the company's human rights commitments by outlining the key principles that all employees, suppliers, and business partners are expected to adhere to. The policy also sets out the company's human rights due diligence process, as well as the roles and responsibilities for implementing the policy. This policy applies to all of Huhtamaki's operations, including parties working on behalf of the company, such as agents and consultants.

Huhtamaki maintained its A score from MSCI for the second year in a row. The annual MSCI ESG Rating evaluates companies on environmental, social, and governance factors.

## Three-year program to accelerate strategy implementation and to bring MEUR 100 cost savings

On November 30, 2023, Huhtamaki announced that the company is accelerating the strategy implementation by starting a program which is expected to materially support the profitability with efficiency improvements leading to savings of approximately EUR 100 million over the next three years. All cost levers will be addressed including potential restructuring to a more optimal manufacturing footprint, reducing input costs at an accelerated pace, and improving productivity globally.

The costs of the program are expected to be approximately EUR 80 million, which upon materialization will be treated as items affecting comparability.

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

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

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

## Other significant events during the reporting period

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

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

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

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

## Capital Markets Day

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

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

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

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

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

On June 8, 2023, Huhtamaki announced the decision to consolidate the production footprint of its Flexible Packaging segment in Europe and will be closing its Flexible Packaging production facility in Prague, Czech Republic. All production and supporting activities at the facility was scaled down during the second half of the year, with the closure of the operations completed by March 31, 2024. Production was gradually transferred to Huhtamaki's other manufacturing sites.

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

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

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

## Huhtamaki completes a sale of real estate in Thane, India

On November 10, 2023, Huhtamaki announced that its subsidiary in India had consolidated five manufacturing sites into larger local units. Following the reorganization, the company sold its real estate in Thane, India, from where a

manufacturing facility and offices have been transferred. The real estate was sold to Phoenix Group, a large real estate developer, for EUR 47 million. Huhtamaki booked a gain of EUR 44 million in the fourth quarter of 2023 and it was treated as an item affecting comparability.

## Huhtamaki announced issuance of new notes and tender offer for its outstanding notes maturing in October 2024

On November 13, 2023, Huhtamaki announced its intention to issue new notes and announced a tender offer for its outstanding notes maturing in October 2024. The results for the tender offer for the EUR 150 million 1.625 per cent senior unsecured notes were published on November 21, 2023. As a result of the offer, Huhtamaki purchased a total of EUR 50 million in aggregate nominal amount of the notes.

On November 16, 2023, the company issued a EUR 300 million, 5-year senior unsecured bond bearing an interest at the rate of 5.125 per cent per annum. The bond offering was allocated to approximately 150 investors. The bond was listed on Nasdaq Helsinki Ltd. Huhtamaki uses the net proceeds from the issue of the bond for the partial repurchase of its existing notes due 2024 and for refinancing and other general corporate purposes of the Group.

## Significant events after the reporting period

There were no significant events after the reporting period.

## Business review by segment

### Foodservice Europe-Asia-Oceania

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

EUR million	Q4 2023	Q4 2022	Change	2023	2022	Change
Net sales	250.2	266.7	-6%	1,037.2	1,110.7	-7%
Comparable net sales growth	-5%	15%		2%	18%	
Adjusted EBIT <sup>1</sup>	25.0	24.2	3%	98.0	105.7	-7%
Margin <sup>1</sup>	10.0%	9.1%		9.4%	9.5%	
Adjusted RONA <sup>1</sup>				10.4%	10.9%	
Capital expenditure	21.7	41.2	-47%	64.0	118.9	-46%
Operating cash flow <sup>1</sup>	25.3	29.5	-14%	130.6	28.3	>100%
Items affecting comparability (IAC)	-7.8	-4.9		-9.9	16.0	

<sup>1</sup> Excluding IAC.

#### Q4 2023

The demand for foodservice packaging remained soft during the quarter with variations between customer and product categories. With the exception of paperboard, most raw material prices decreased compared to the fourth quarter of 2022.

Net sales in the Foodservice Europe-Asia-Oceania segment decreased. Comparable net sales growth was -5%, as pricing did not make up for lower sales volumes. Net sales remained unchanged in Europe but decreased in the Middle East and Africa as well as Asia-Oceania, including China.

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

The segment's adjusted EBIT increased supported by lower costs and improved pricing and mix, whereas a decrease in sales volumes had a negative impact.

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

#### Q1-Q4 2023

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

Net sales in the Foodservice Europe-Asia-Oceania segment decreased. Comparable net sales growth was 2%. Pricing and mix supported net sales, whereas lower sales volumes had a negative impact. Net sales increased in Middle East and Africa, but decreased in Europe and Asia-Oceania, including China. The business in Russia was divested in September 2022.

The impact of currency movements on the segment's reported net sales was EUR -32 million.

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

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

## North America

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

EUR million	Q4 2023	Q4 2022	Change	2023	2022	Change
Net sales	378.1	383.6	-1%	1,457.9	1,468.3	-1%
Comparable net sales growth	4%	10%		2%	14%	
Adjusted EBIT <sup>1</sup>	54.1	49.0	10%	187.9	171.6	9%
Margin <sup>1</sup>	14.3%	12.8%		12.9%	11.7%	
Adjusted RONA <sup>1</sup>				18.4%	17.9%	
Capital expenditure	43.7	49.5	-12%	121.4	99.8	22%
Operating cash flow <sup>1</sup>	35.5	13.1	>100%	122.2	45.6	>100%
Items affecting comparability (IAC)	-	-5.6		-0.0	-5.6	

<sup>1</sup> Excluding IAC.

### Q4 2023

Demand started to show signs of improvement. Demand improved in Retail and Foodservice, and remained unchanged in Consumer Goods. Prices of most raw materials decreased compared to the fourth quarter of 2022.

Net sales in the North America segment decreased slightly due to the currency impact. Comparable net sales growth was 4%, driven by increased sales volumes, partly supported by strong seasonal demand. Comparable net sales increased in all key product categories.

The impact of currency movements on the segment's reported net sales was EUR -20 million.

The segment's adjusted EBIT increased, supported by temporary gains from lower costs, growth in sales volumes and increased operational efficiency.

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

### Q1-Q4 2023

Overall, there were significant variations in demand across categories. In particular, demand in Foodservice was solid whereas it was softer in Consumer Goods and Retail. With the exception of paperboard, prices in many raw material categories decreased compared to 2022.

Net sales in the North America segment decreased slightly from the previous year's level. Comparable net sales growth was 2%, driven by pricing, whereas lower sales volumes and changes in currencies had a negative impact. Comparable net sales was driven by Foodservice, remained at the previous years' level in Retail, but decreased in Consumer Goods.

The impact of currency movements on the segment's reported net sales was EUR -37 million.

The segment's adjusted EBIT increased, supported by increased operational efficiency and lower costs, compensating for lower sales volumes.

The impact of currency movements on the segment's reported earnings was EUR -5 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	Q4 2023	Q4 2022	Change	2023	2022	Change
Net sales	319.8	369.1	-13%	1,341.0	1,558.2	-14%
Comparable net sales growth	-9%	1%		-9%	14%	
Adjusted EBIT <sup>1</sup>	26.0	15.5	68%	88.0	98.1	-10%
Margin <sup>1</sup>	8.1%	4.2%		6.6%	6.3%	
Adjusted RONA <sup>1</sup>				6.5%	6.9%	
Capital expenditure	40.3	32.9	22%	103.7	68.2	52%
Operating cash flow <sup>1</sup>	46.9	62.9	-25%	103.9	51.5	>100%
Items affecting comparability (IAC)	48.2	-6.0		5.8	-15.9	

<sup>1</sup> Excluding IAC.

### Q4 2023

Overall demand for flexible packaging continued to be soft, due to inflationary pressure on consumption. Most raw material prices decreased compared to the fourth quarter of 2022.

Net sales in the Flexible Packaging segment decreased and comparable net sales growth was -9%. Net sales were impacted by a decrease in sales volumes and lower pricing. Net sales decreased particularly in India and Europe due to lower exports, but remained at the previous year's level in South-East Asia and Oceania.

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

The segment's adjusted EBIT increased, supported by lower costs, whereas a decrease in sales volumes and lower pricing had a negative impact. Additionally, the comparison period results were negatively impacted by a one-off inventory adjustment. In the items affecting comparability, the main change relates to the sale of real estate in Thane, India and Prague, Czech Republic.

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

### Q1-Q4 2023

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

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

The impact of currency movements on the segment's reported net sales was EUR -73 million.

The segment's adjusted EBIT decreased, impacted by a decrease in sales volumes and a negative sales mix. The segment clearly improved its performance during the second half of the year compared to the first half, driven by actions to improve competitiveness and lower raw material prices. In the items affecting comparability, the main change relates to the sale of real estate in Thane, India and the planned closure of the production facility in Prague, Czech Republic.

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

## Fiber Packaging

Recycled and other natural fibers are used to make fresh product packaging, such as egg, fruit, food and drink packaging. The segment has production units in Europe, Oceania, Africa and South America.

EUR million	Q4 2023	Q4 2022	Change	2023	2022	Change
Net sales	88.8	87.4	2%	343.1	363.0	-5%
Comparable net sales growth	2%	17%		7%	15%	
Adjusted EBIT <sup>1</sup>	9.7	11.1	-13%	39.6	40.0	-1%
Margin <sup>1</sup>	10.9%	12.7%		11.6%	11.0%	
Adjusted RONA <sup>1</sup>				13.7%	14.4%	
Capital expenditure	9.0	9.5	-6%	29.3	31.2	-6%
Operating cash flow <sup>1</sup>	9.4	-11.6	>100%	31.8	20.9	52%
Items affecting comparability (IAC)	-0.7	1.7		-6.2	18.1	

<sup>1</sup> Excluding IAC.

### Q4 2023

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

Net sales in the Fiber Packaging segment increased and the comparable net sales growth was 2%. Net sales increased in Europe but decreased in most other markets. This was driven by pricing and mix, while sales volumes remained at the previous year's level.

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

The segment's adjusted EBIT decreased due to a weaker operational performance.

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

### Q1-Q4 2023

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

Net sales in the Fiber Packaging segment decreased due to the divestment of the business in Russia in September 2022. Comparable net sales growth was 7%. Comparable net sales increased in most markets, driven by pricing and mix, whereas sales volumes decreased.

The impact of currency movements on the segment's reported net sales was EUR -12 million.

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

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

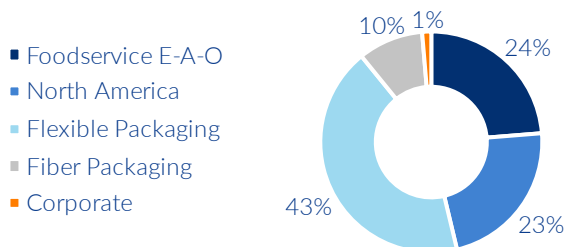


## Personnel

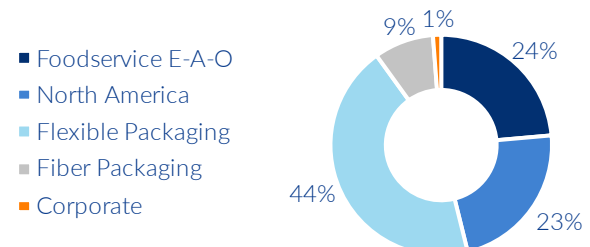
### Number of personnel

	December 31, 2023	December 31, 2022	Change
Foodservice Europe-Asia-Oceania	4,248	4,465	-5%
North America	4,040	4,268	-5%
Flexible Packaging	7,681	8,316	-8%
Fiber Packaging	1,703	1,651	3%
Corporate	238	227	5%
<b>Group</b>	<b>17,910</b>	<b>18,927</b>	<b>-5%</b>

### Personnel by segment on December 31, 2023



### Personnel by segment on December 31, 2022



At the end of December 2023, the Group had a total of 17,910 (18,927) employees. The number of employees was 5% lower than in the comparison period, driven by efficiency improvements to improve competitiveness.

## Changes in management

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

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

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

## Share capital, shareholders and trading of shares

### Share capital and number of shares

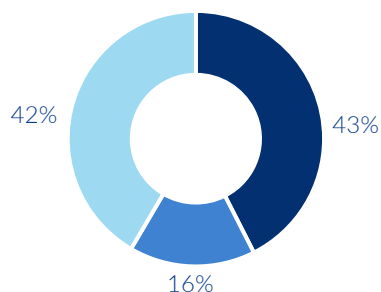
	December 31, 2023	December 31, 2022
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,222,204	3,395,709
% of total number of shares	3.0%	3.2%
Number of outstanding shares <sup>1</sup>	104,538,181	104,364,676
Average number of shares <sup>1,2</sup>	104,497,300	104,364,676

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

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

### Shareholder structure as at December 31, 2023

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



The number of registered shareholders at the end of December 2023 was 53,834 (50,150). Foreign ownership including nominee registered shares accounted for 42% (44%).

### Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	2023	2022
Number of shares traded, million	43.4	61.7
Closing price on final day of trading, EUR	36.73	32.00
Volume-weighted average price, EUR	32.64	34.30
High, EUR	37.20	39.94
Low, EUR	28.45	26.41
Market capitalization (at end of period), EUR million	3,840	3,340

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 December 2023, the Company's market capitalization was EUR 3,840 million (EUR 3,340 million). With a closing price of EUR 36.73 (EUR 32.00) at the end of the reporting period, the share price increased 15% from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 32.64 (EUR 34.30). The highest price paid was EUR 37.20 (EUR 39.94) and the lowest was EUR 28.45 (EUR 26.41).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,418 million (EUR 2,117 million). The trading volume of approximately 43 million (62 million) shares equaled an average daily turnover of 173,069 (243,923) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 6,345 million (EUR 7,665 million). During the reporting period, 78% (72%) of all trading took place outside Nasdaq Helsinki Ltd. (source: Refinitiv Eikon).

## Resolutions of the Annual General Meeting 2023

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

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

The number of members of the Board of Directors was confirmed to be nine (9). Mr. Pekka Ala-Pietilä, Ms. Mercedes Alonso, Mr. Doug Baillie, Mr. William R. Barker, Ms. Anja Korhonen, Ms. Kerttu Tuomas and Mr. Ralf K. Wunderlich were re-elected and, as new members, Ms. Pauline Lindwall and Mr. Pekka Vauramo were elected as members of the Board of Directors for a term ending at the end of the next Annual General Meeting. The Annual General Meeting re-elected Mr. Pekka Ala-Pietilä as the Chair of the Board and Ms. Kerttu Tuomas as the Vice-Chair of the Board.

The Annual General Meeting resolved that the annual remuneration to the members of the Board of Directors will be paid as follows: to the Chair of the Board EUR 170,000, to the Vice-Chair EUR 80,000 and to the other members EUR 65,000 each. In addition, the Annual General Meeting resolved that the annual remuneration to the Chair and members of the Board Committees will be paid as follows: to the Chair of the Audit Committee EUR 16,000 and to the other members of the Audit Committee EUR 5,500 as well as to the Chair of the Human Resources Committee EUR 5,500 and to the other members of the Human Resources Committee EUR 2,750. In addition, the Annual General Meeting resolved that EUR 1,500 will be paid for each Board and Committee meeting attended. Traveling expenses of the Board members will be compensated in accordance with the Company policy.

KPMG Oy Ab, a firm of authorized public accountants, was re-elected as Auditor of the Company for the financial year January 1 – December 31, 2023. Mr. Henrik Holmbom, APA, will continue to act as the Auditor with principal responsibility.

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase of an aggregate maximum of 10,776,038 of the Company's own shares. Own shares may be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The authorization covers also directed repurchases of the Company's own shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2024.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of new shares to be issued may not exceed 10,000,000 shares which corresponds to approximately 9.3 percent of the current shares of the Company, and the aggregate number of own treasury shares to be transferred may not exceed 4,000,000 shares which corresponds to approximately 3.7 percent of the current shares of the Company. The authorization covers also directed issuances of shares. The authorization remains in force until the end of the next Annual General Meeting, however, no later than June 30, 2024.

## Short-term risks and uncertainties

Decline in consumer demand, inflation in key cost items (including raw materials, labor, distribution and energy), availability of raw materials and movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. Economic and financial market conditions, as well as a potential geopolitical escalation and natural disasters can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

## Outlook for 2024

The Group's trading conditions are expected to improve compared to 2023. Volatility in the operating environment is expected to continue, while Huhtamaki's diversified product portfolio provides resilience. The company's initiatives, which include the ongoing savings and efficiency program are expected to support the company's performance. The Group's good financial position enables addressing profitable growth opportunities.

## Dividend proposal

On December 31, 2023 Huhtamäki Oyj's distributable funds were EUR 836 million (EUR 908 million). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 1.05 (EUR 1.00) per share be paid.

## Annual General Meeting 2024

The Annual General Meeting of Shareholders (AGM) will be held on Thursday, April 25, 2024 at 11:00 (EEST) at Scandic Marina Congress Center, Katajanokanlaituri 6, Helsinki, Finland.

## Financial reporting in 2024

In 2024, Huhtamaki will publish financial information as follows:

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

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

Espoo, February 7, 2024

Huhtamäki Oyj  
Board of Directors

## Group income statement (IFRS)

<i>EUR million</i>	Q1-Q4 2023	Q1-Q4 2022	Q4 2023	Q4 2022
<b>Net sales</b>	<b>4,168.9</b>	<b>4,479.0</b>	<b>1,032.9</b>	<b>1,103.6</b>
Cost of goods sold	-3,415.0	-3,746.6	-829.3	-934.6
<b>Gross profit</b>	<b>753.9</b>	<b>732.4</b>	<b>203.6</b>	<b>169.0</b>
Other operating income	84.2	74.8	66.5	17.9
Sales and marketing	-101.6	-99.6	-25.5	-24.3
Research and development	-36.0	-30.6	-10.7	-7.6
Administration expenses	-295.3	-254.9	-84.4	-69.8
Other operating expenses	-24.3	-16.8	-3.4	-7.0
<b>Earnings before interest and taxes</b>	<b>380.9</b>	<b>405.3</b>	<b>146.0</b>	<b>78.1</b>
Financial income	13.9	11.0	4.1	2.9
Financial expenses	-82.9	-64.2	-21.9	-19.1
<b>Profit before taxes</b>	<b>312.0</b>	<b>352.1</b>	<b>128.3</b>	<b>61.8</b>
Income tax expense	-86.7	-66.7	-29.3	-2.8
<b>Profit for the period</b>	<b>225.2</b>	<b>285.4</b>	<b>99.0</b>	<b>58.9</b>
<b>Attributable to:</b>				
Equity holders of the parent company	206.3	276.2	87.2	56.3
Non-controlling interest	18.9	9.2	11.8	2.6
<b>EUR</b>				
EPS attributable to equity holders of the parent company	1.97	2.65	0.83	0.54
Diluted EPS attributable to equity holders of the parent company	1.97	2.64	0.83	0.54

## Group statement of comprehensive income (IFRS)

<i>EUR million</i>	Q1-Q4 2023	Q1-Q4 2022	Q4 2023	Q4 2022
Profit for the period	225.2	285.4	99.0	58.9
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements on defined benefit plans	-18.2	44.1	-18.1	44.1
Income taxes related to items that will not be reclassified	5.0	-16.3	4.9	-16.3
<b>Total</b>	<b>-13.1</b>	<b>27.8</b>	<b>-13.1</b>	<b>27.8</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences	-105.1	108.7	-110.2	-197.8
Equity hedges	4.5	-14.7	10.4	18.8
Cash flow hedges	-5.6	17.4	-5.3	-3.8
Income taxes related to items that may be reclassified	1.2	-3.4	1.2	-1.5
<b>Total</b>	<b>-105.0</b>	<b>108.0</b>	<b>-104.0</b>	<b>-184.2</b>
<b>Other comprehensive income, net of tax</b>	<b>-118.1</b>	<b>135.8</b>	<b>-117.1</b>	<b>-156.4</b>
<b>Total comprehensive income</b>	<b>107.0</b>	<b>421.2</b>	<b>-18.0</b>	<b>-97.5</b>
<b>Attributable to:</b>				
Equity holders of the parent company	93.7	413.6	-25.8	-96.0
Non-controlling interest	13.3	7.5	7.7	-1.5

## Group statement of financial position (IFRS)

<i>EUR million</i>	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	994.6	1,035.0
Other intangible assets	104.0	117.9
Tangible assets	1,794.9	1,735.8
Other investments	2.3	2.4
Interest-bearing receivables	2.4	0.9
Deferred tax assets	52.1	48.4
Employee benefit assets	53.3	57.8
Other non-current assets	11.0	9.4
	<b>3,014.3</b>	<b>3,007.7</b>
<b>Current assets</b>		
Inventory	620.9	755.4
Interest-bearing receivables	15.2	14.9
Current tax assets	24.6	20.1
Trade and other current receivables	636.5	709.4
Cash and cash equivalents	348.2	309.4
Assets held for sale	5.2	4.3
	<b>1,650.5</b>	<b>1,813.6</b>
<b>Total assets</b>	<b>4,664.9</b>	<b>4,821.3</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	366.4	366.4
Premium fund	115.0	115.0
Treasury shares	-29.6	-31.2
Translation differences	-102.1	-7.1
Fair value and other reserves	-48.1	-30.4
Retained earnings	1,536.7	1,429.4
<b>Total equity attributable to equity holders of the parent company</b>	<b>1,838.3</b>	<b>1,842.2</b>
Non-controlling interest	86.6	80.0
<b>Total equity</b>	<b>1,924.9</b>	<b>1,922.2</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	1,403.0	1,403.9
Deferred tax liabilities	137.0	133.3
Employee benefit liabilities	145.9	136.7
Provisions	13.4	13.3
Other non-current liabilities	7.9	4.3
	<b>1,707.2</b>	<b>1,691.4</b>
<b>Current liabilities</b>		
Interest-bearing liabilities		
Current portion of long term loans	167.3	168.9
Short-term loans	83.7	223.2
Provisions	10.5	9.8
Current tax liabilities	67.7	70.8
Trade and other current liabilities	703.5	734.9
	<b>1,032.7</b>	<b>1,207.7</b>
<b>Total liabilities</b>	<b>2,739.9</b>	<b>2,899.1</b>
<b>Total equity and liabilities</b>	<b>4,664.9</b>	<b>4,821.3</b>

## Group statement of changes in equity (IFRS)

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
<b>Balance on January 1, 2022</b>	366.4	115.0	-31.2	-102.4	-72.4	1,245.3	1,520.7	76.5	1,597.2
Dividends	-	-	-	-	-	-98.1	-98.1	-	-98.1
Share-based payments	-	-	-	-	-	13.8	13.8	-	13.8
Total comprehensive income for the year	-	-	-	95.4	42.0	276.2	413.6	7.5	421.2
Acquisition of non-controlling interest	-	-	-	-	-	-2.0	-2.0	-0.3	-2.3
Other Changes	-	-	-	-	-	-5.7	-5.7	-3.7	-9.4
<b>Balance on Dec 31, 2022</b>	366.4	115.0	-31.2	-7.1	-30.4	1,429.4	1,842.2	80.0	1,922.2
Dividends	-	-	-	-	-	-104.5	-104.5	-	-104.5
Share-based payments	-	-	1.6	-	-	7.2	8.8	-	8.8
Total comprehensive income for the year	-	-	-	-95.0	-17.7	206.3	93.7	13.3	107.0
Acquisition of non-controlling interest	-	-	-	-	-	2.2	2.2	-2.2	-
Other Changes	-	-	-	-	-	-4.0	-4.0	-4.6	-8.6
<b>Balance on Dec 31, 2023</b>	366.4	115.0	-29.6	-102.1	-48.1	1,536.7	1,838.3	86.6	1,924.9



## Group statement of cash flows (IFRS)

<i>EUR million</i>	Q1-Q4 2023	Q1-Q4 2022	Q4 2023	Q4 2022
<b>Profit for the period*</b>	225.2	285.4	99.0	58.9
Adjustments*	352.1	291.8	55.8	67.5
Depreciation, amortization and impairments*	240.3	209.7	59.7	52.4
Gain/loss from disposal of assets*	-50.8	1.2	-51.7	1.5
Financial expense/-income*	69.0	53.2	17.7	16.3
Income tax expense*	86.7	66.7	29.3	2.8
Other adjustments*	6.9	-38.9	0.8	-5.6
Change in inventory*	114.4	-98.0	52.4	96.5
Change in non-interest bearing receivables*	41.0	20.6	48.7	116.3
Change in non-interest bearing payables*	-11.1	-83.6	-31.4	-114.6
Dividends received*	0.0	0.2	0.0	0.0
Interest received*	7.9	20.6	1.5	2.3
Interest paid*	-58.8	-36.0	-14.1	0.0
Other financial expense and income*	-8.8	-8.2	-1.7	-1.4
Taxes paid*	-83.8	-71.3	-28.6	-23.1
<b>Net cash flows from operating activities</b>	<b>578.2</b>	<b>321.4</b>	<b>181.6</b>	<b>202.4</b>
Capital expenditure*	-318.7	-318.5	-114.8	-133.2
Proceeds from selling tangible assets*	61.9	8.2	61.5	2.1
Disposed subsidiaries and business operations	-	149.2	-	-
Acquired subsidiaries and assets	-1.9	-2.2	-	-2.2
Change in other investments	0.1	0.5	0.6	-0.5
Proceeds from long-term deposits	1.4	1.3	0.2	0.4
Payment of long-term deposits	-2.9	-	-2.7	-
Proceeds from short-term deposits	183.5	62.6	12.5	60.3
Payment of short-term deposits	-183.5	-75.7	-4.4	-6.8
<b>Net cash flows from investing activities</b>	<b>-260.3</b>	<b>-174.6</b>	<b>-47.0</b>	<b>-79.9</b>
Proceeds from long-term borrowings	443.5	917.5	313.4	44.7
Repayment of long-term borrowings	-16.6	-623.8	-1.3	-68.2
Change in short-term loans	-572.3	-214.9	-368.6	-49.7
Acquisition of non-controlling interest	-18.2	-2.3	-	-
Dividends paid	-104.5	-98.1	-52.3	-49.1
<b>Net cash flows from financing activities</b>	<b>-268.2</b>	<b>-21.6</b>	<b>-108.9</b>	<b>-122.3</b>
<b>Change in cash and cash equivalents</b>	<b>38.8</b>	<b>130.8</b>	<b>15.4</b>	<b>-14.3</b>
Cash flow based	49.7	125.2	25.8	0.3
Translation difference	-11.0	5.6	-10.3	-14.7
Cash and cash equivalents period start	309.4	178.7	332.8	323.8
Cash and cash equivalents period end	348.2	309.4	348.2	309.4
Free cash flow (including figures marked with *)	321.4	11.1	128.4	71.3

## Notes to the Results Report

The figures in this Results Report are based on the audited figures of the 2023 financial statements. The Results 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 Results Report as in the annual financial statements for 2022. The following new and amended standards and interpretations have been adopted with effect from January 1, 2023. The amendments had no material impact on the interim financial statements:

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

## Segments

Segment information is presented according to the IFRS standards. Items below EBIT – financial items and taxes – are not allocated to the segments. Reportable segments' net sales and EBIT form Group's total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

### Net sales

<i>EUR million</i>	Q1-Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	1,033.7	248.3	262.2	267.6	255.5	1,107.3	266.3	299.5	288.1	253.4
Intersegment net sales	3.5	1.9	-2.3	3.3	0.7	3.4	0.4	1.0	0.7	1.3
North America	1,456.4	377.7	350.0	371.8	356.9	1,464.1	383.2	371.8	373.2	335.9
Intersegment net sales	1.5	0.4	-1.6	1.5	1.2	4.2	0.4	0.6	1.6	1.6
Flexible Packaging	1,337.7	318.5	344.3	326.8	348.1	1,551.4	366.7	417.8	391.0	376.0
Intersegment net sales	3.2	1.3	-0.1	1.1	1.0	6.7	2.4	2.9	-0.2	1.7
Fiber Packaging	341.1	88.4	80.7	85.5	86.6	356.2	87.4	89.4	95.0	84.4
Intersegment net sales	2.0	0.4	0.7	0.6	0.3	6.8	-0.0	-0.1	0.4	6.5
Elimination of intersegment net sales	-10.3	-4.1	3.4	-6.5	-3.1	-21.1	-3.2	-4.4	-2.5	-11.1
<b>Total</b>	<b>4,168.9</b>	<b>1,032.9</b>	<b>1,037.2</b>	<b>1,051.7</b>	<b>1,047.1</b>	<b>4,479.0</b>	<b>1,103.6</b>	<b>1,178.4</b>	<b>1,147.3</b>	<b>1,049.7</b>

### EBIT

<i>EUR million</i>	Q1-Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	88.0	17.2	26.7	24.5	19.7	121.7	19.3	55.1	21.8	25.5
North America	187.9	54.1	45.9	45.4	42.5	165.9	43.4	41.8	41.9	38.8
Flexible Packaging	93.9	74.2	21.7	-20.6	18.6	82.2	9.5	21.5	24.7	26.6
Fiber Packaging	33.4	8.9	5.8	8.5	10.2	58.0	12.8	25.3	12.5	7.5
Other activities	-22.3	-8.4	-7.2	-3.1	-3.5	-22.7	-7.0	-6.5	-4.3	-4.9
<b>Total</b>	<b>380.9</b>	<b>146.0</b>	<b>92.8</b>	<b>54.7</b>	<b>87.4</b>	<b>405.3</b>	<b>78.1</b>	<b>137.1</b>	<b>96.5</b>	<b>93.5</b>

### IAC in EBIT

<i>EUR million</i>	Q1-Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	-9.9	-7.8	-0.1	-0.5	-1.5	16.0	-4.9	24.4	-3.5	-0.0
North America	-0.0	-	-	-0.0	-	-5.6	-5.6	-	-	-0.0
Flexible Packaging	5.8	48.2	-3.0	-36.5	-2.8	-15.9	-6.0	-4.8	-2.3	-2.8
Fiber Packaging	-6.2	-0.7	-4.4	-0.8	-0.3	18.1	1.7	16.7	-0.3	-0.0
Other activities	-1.4	-1.1	-0.1	-0.1	-0.1	-2.4	-0.4	-0.7	-0.1	-1.1
<b>Total</b>	<b>-11.7</b>	<b>38.5</b>	<b>-7.5</b>	<b>-38.0</b>	<b>-4.7</b>	<b>10.2</b>	<b>-15.3</b>	<b>35.6</b>	<b>-6.2</b>	<b>-4.0</b>

### EBITDA

<i>EUR million</i>	Q1-Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	157.8	42.2	41.7	39.8	34.2	182.3	33.8	71.0	37.1	40.4
North America	248.3	71.2	60.5	59.5	57.0	224.3	58.7	57.0	56.3	52.3
Flexible Packaging	179.0	86.0	36.9	21.6	34.4	146.8	26.1	37.7	40.6	42.4
Fiber Packaging	55.8	14.1	12.7	13.8	15.3	81.3	17.9	31.2	18.6	13.5
Other activities	-19.7	-7.8	-6.4	-2.6	-2.8	-19.8	-6.1	-6.3	-3.4	-4.0
<b>Total</b>	<b>621.2</b>	<b>205.7</b>	<b>145.4</b>	<b>132.1</b>	<b>138.1</b>	<b>614.9</b>	<b>130.5</b>	<b>190.6</b>	<b>149.2</b>	<b>144.6</b>

### IAC in EBITDA

<i>EUR million</i>	Q1-Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	-1.0	1.1	-0.1	-0.5	-1.5	16.0	-4.9	24.4	-3.5	-0.0
North America	-0.0	-	-	-0.0	-	-5.6	-5.6	-	-	-0.0
Flexible Packaging	37.8	46.9	-0.9	-7.6	-0.6	-8.1	-3.5	-3.1	-0.6	-0.8
Fiber Packaging	-4.3	-0.7	-2.5	-0.8	-0.3	18.2	1.8	16.7	-0.3	-0.0
Other activities	-1.4	-1.1	-0.1	-0.1	-0.1	-2.4	-0.4	-0.7	-0.1	-1.1
<b>Total</b>	<b>31.1</b>	<b>46.2</b>	<b>-3.5</b>	<b>-9.1</b>	<b>-2.4</b>	<b>18.0</b>	<b>-12.7</b>	<b>37.3</b>	<b>-4.6</b>	<b>-2.0</b>

## Depreciation, amortization, and impairments

<i>EUR million</i>	Q1-Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	69.8	25.0	15.1	15.3	14.5	60.6	14.5	15.9	15.3	14.8
North America	60.4	17.1	14.6	14.2	14.5	58.4	15.3	15.2	14.3	13.6
Flexible Packaging	85.1	11.8	15.2	42.2	15.9	64.6	16.6	16.2	16.0	15.8
Fiber Packaging	22.4	5.2	6.9	5.2	5.1	23.3	5.1	6.0	6.1	6.0
Other activities	2.6	0.6	0.8	0.5	0.7	2.9	0.9	0.2	1.0	0.9
<b>Total</b>	<b>240.3</b>	<b>59.7</b>	<b>52.6</b>	<b>77.4</b>	<b>50.7</b>	<b>209.7</b>	<b>52.5</b>	<b>53.4</b>	<b>52.7</b>	<b>51.1</b>

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

<i>EUR million</i>	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	907.4	917.4	951.5	955.1	965.4	967.1	1,011.2	972.3
North America	1,013.9	1,046.5	1,012.4	1,026.8	1,013.2	1,058.8	972.9	918.9
Flexible Packaging	1,294.0	1,361.7	1,348.0	1,374.7	1,407.1	1,573.5	1,473.1	1,418.8
Fiber Packaging	305.0	292.3	282.3	268.0	294.4	254.4	305.7	264.9

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

## Capital expenditure

<i>EUR million</i>	Q1-Q4 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	64.0	21.7	4.5	13.4	24.3	118.9	41.2	19.9	19.6	38.1
North America	121.4	43.7	28.0	29.5	20.2	99.8	49.5	17.8	16.2	16.2
Flexible Packaging	103.7	40.3	24.7	22.6	16.2	68.2	32.9	13.9	7.0	14.4
Fiber Packaging	29.3	9.0	12.5	3.4	4.5	31.2	9.5	5.5	8.7	7.4
Other activities	0.2	0.1	0.1	0.1	0.0	0.4	0.0	0.1	0.0	0.2
<b>Total</b>	<b>318.7</b>	<b>114.8</b>	<b>69.7</b>	<b>69.0</b>	<b>65.2</b>	<b>318.5</b>	<b>133.2</b>	<b>57.4</b>	<b>51.5</b>	<b>76.4</b>

## Other information

### Key indicators

	Q1-Q4 2023	Q1-Q4 2022
Equity per share (EUR)	17.59	17.65
ROE, % (12m roll.)	11.8%	15.7%
ROI, % (12m roll.)	10.9%	11.4%
Net debt	1,288.3	1,470.8
Net debt to equity (gearing)	0.67	0.77
Personnel	17,910	18,927
Profit before taxes (EUR million, 12m roll.)	312.0	352.1
Depreciation of tangible assets (EUR million)	198.0	190.4
Amortization of other intangible assets (EUR million)	20.6	19.3
Impairments (EUR million)	21.7	-

### Contingent liabilities

<i>EUR million</i>	Dec 31, 2023	Dec 31, 2022
Capital expenditure commitments	61.6	115.9
Lease commitments	67.1	-

### Financial instruments measured at fair value

<i>EUR million</i>	Dec 31, 2023	Dec 31, 2022
Derivatives - assets		
Currency forwards, transaction risk hedges	1.4	2.7
Currency forwards, translation risk hedges	2.8	11.3
Currency forwards, for financing purposes	4.6	9.9
Interest rate swaps	9.0	7.0
Commodity hedges	0.3	
Other investments	2.3	2.4
Derivatives - liabilities		
Currency forwards, transaction risk hedges	2.9	2.4
Currency forwards, translation risk hedges	-	1.1
Currency forwards, for financing purposes	6.3	7.3
Interest rate swaps	4.0	6.2
Commodity hedges	0.0	-

The fair values of the financial instruments measured at fair value have been indirectly derived from market prices. Other investments include quoted and unquoted shares. Quoted shares are measured at fair value. For unquoted shares the fair value cannot be measured reliably, as a result of which the investments are carried at cost.

### Interest-bearing liabilities

<i>EUR million</i>	Dec 31, 2023		Dec 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	1,403.0	1,421.7	1,403.9	1,360.7
Current	251.0	248.7	392.2	392.2
<b>Total</b>	<b>1,654.0</b>	<b>1,670.4</b>	<b>1,796.0</b>	<b>1,752.8</b>

### Exchange rates

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

## Income statement, average:

	Q1-Q4 2023	Q1-Q4 2022
AUD	1.6282	1.5173
GBP	0.8700	0.8525
INR	89.3132	82.7009
THB	37.6253	36.8638
USD	1.0815	1.0541
ZAR	19.9453	17.2075

## Statement of financial position, month end:

	Dec 31, 2023	Dec 31, 2022
AUD	1.6246	1.5859
GBP	0.8706	0.8855
INR	92.4490	88.2295
THB	37.9990	36.8770
USD	1.1114	1.0649
ZAR	20.6003	18.1967

## Definitions for performance measures

### Performance measures according to IFRS

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

$\frac{\text{Profit for the period} - \text{non-controlling interest}}{\text{Average number of shares outstanding}}$

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

$\frac{\text{Diluted profit for the period} - \text{non-controlling interest}}{\text{Average fully diluted number of shares outstanding}}$

### Alternative performance measures

EBITDA =

EBIT + depreciation, amortization and impairment

Net debt to equity (gearing) =

$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$

Return on net assets (RONA) =

$\frac{100 \times \text{Earnings before interest and taxes (12m roll.)}}{\text{Net assets (12m roll.)}}$

Operating cash flow =

Adjusted EBIT + depreciation + amortization + impairment - capital expenditure + disposals +/- change in inventories, trade receivables and trade payables

Shareholders' equity per share =

$\frac{\text{Total equity attributable to equity holders of the parent company}}{\text{Issue-adjusted number of shares at period end}}$

Return on equity (ROE) =

$\frac{100 \times \text{Profit for the period (12m roll.)}}{\text{Total equity (average)}}$

Return on investment (ROI) =

$\frac{100 \times (\text{Profit before taxes} + \text{interest expenses} + \text{net other financial expenses}) (12m roll.)}{\text{Statement of financial position total} - \text{interest-free liabilities (average)}}$

Comparable net sales growth =

Net sales growth excluding foreign currency changes, acquisitions and divestments

Net debt to adjusted EBITDA =

$\frac{\text{Interest-bearing net debt}}{\text{Adjusted EBITDA (12m roll.)}}$

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.