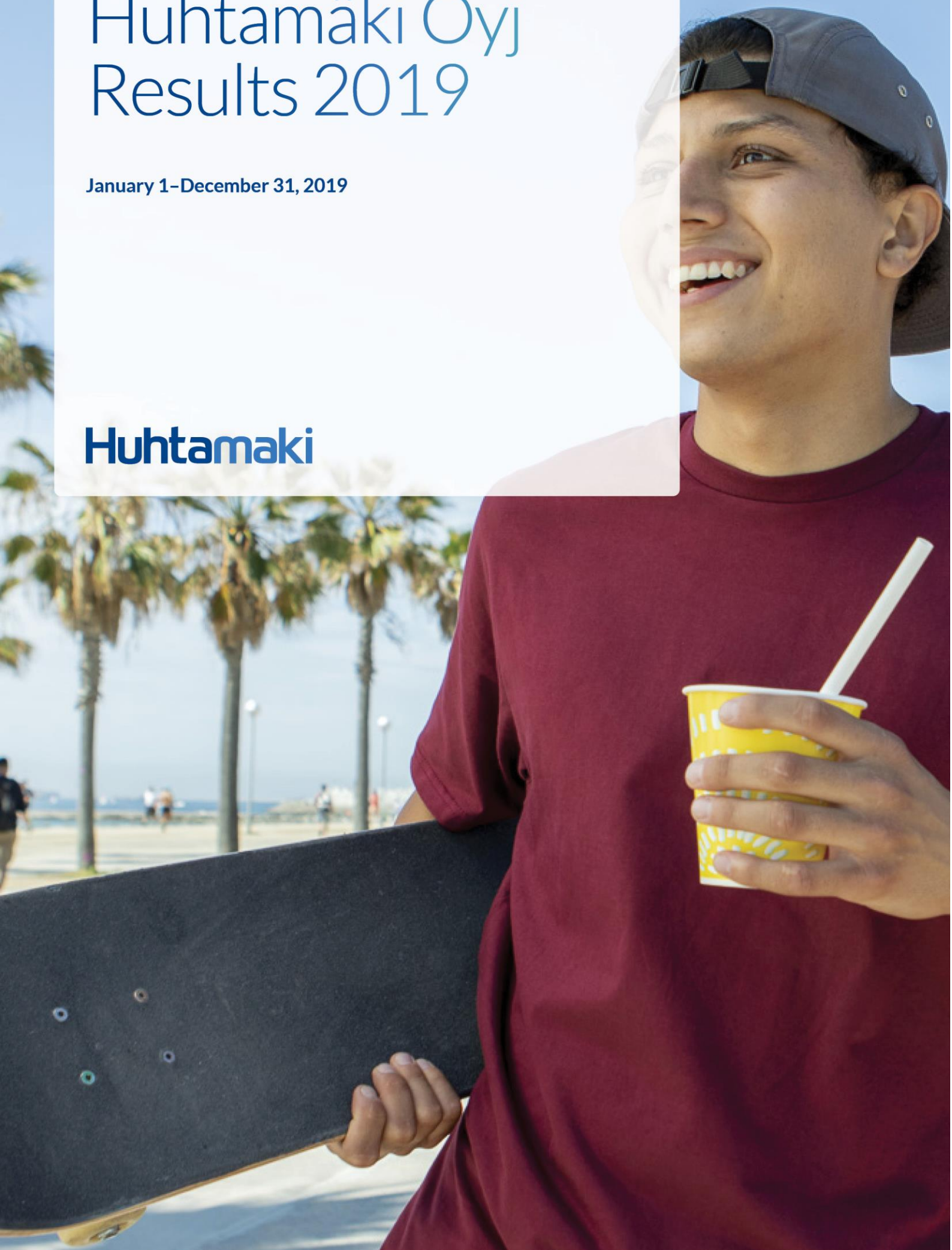


Huhtamäki Oyj Results 2019

January 1-December 31, 2019

Huhtamäki



Strong net sales growth and profitability improvement in 2019

Q4 2019 in brief

- Net sales increased 8 percent to EUR 875 million (EUR 813 million)
- Adjusted EBIT was EUR 75 million (EUR 62 million); reported EBIT was EUR 72 million (EUR 27 million)
- Adjusted EPS was EUR 0.48 (EUR 0.45); reported EPS was EUR 0.46 (EUR 0.17)
- Comparable net sales growth was 5 percent at Group level and 6 percent in emerging markets
- Currency movements had a positive impact of EUR 23 million on the Group's net sales and EUR 2 million on EBIT

FY 2019 in brief

- Net sales increased 10 percent to EUR 3,399 million (EUR 3,104 million)
- Adjusted EBIT was EUR 293 million (EUR 251 million); reported EBIT was EUR 286 million (EUR 226 million)
- Adjusted EPS was EUR 1.88 (EUR 1.69); reported EPS was EUR 1.82 (EUR 1.49)
- Comparable net sales growth was 6 percent at Group level and 7 percent in emerging markets
- Currency movements had a positive impact of EUR 90 million on the Group's net sales and EUR 8 million on EBIT
- Capital expenditure was EUR 204 million (EUR 197 million)
- Free cash flow was EUR 226 million (EUR 80 million)
- The Board of Directors proposes a dividend of EUR 0.89 (0.84) per share

Key figures

EUR million	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales	874.6	812.8	8%	3,399.0	3,103.6	10%
Comparable net sales growth	5%	6%		6%	5%	
Adjusted EBITDA ¹	117.3	101.9	15%	456.3	398.7	14%
Margin ¹	13.4%	12.5%		13.4%	12.8%	
EBITDA	115.0	82.0	40%	448.8	390.3	15%
Adjusted EBIT ²	74.7	62.4	20%	293.1	251.0	17%
Margin ²	8.5%	7.7%		8.6%	8.1%	
EBIT	72.3	27.5	>100%	285.5	225.5	27%
Adjusted EPS ³	0.48	0.45	8%	1.88	1.69	11%
EPS, EUR	0.46	0.17	>100%	1.82	1.49	22%
Adjusted ROI ²				12.3%	11.6%	
Adjusted ROE ³				15.2%	14.5%	
ROI				11.9%	10.4%	
ROE				14.8%	12.8%	
Capital expenditure	71.0	70.4	1%	203.9	196.9	4%
Free cash flow	108.7	41.0	>100%	225.8	79.6	>100%

¹ Excluding IAC of EUR -2.3 million in Q4 2019 (EUR -19.9 million) and EUR -7.6 million in 2019 (EUR -8.4 million).

² Excluding IAC of EUR -2.3 million in Q4 2019 (EUR -34.9 million) and EUR -7.6 million in 2019 (EUR -25.5 million).

³ Excluding IAC of EUR -1.8 million in Q4 2019 (EUR -28.2 million) and EUR -5.9 million in 2019 (EUR -20.6 million).

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2018. 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.

IFRS 16 Leases standard has been adopted as of January 1, 2019 using full retrospective transition method. The financial information for 2018 has been restated except for key figures ROI, ROE, RONA and net debt to EBITDA for periods Q1 2018, Q2 2018 and Q3 2018. For more information see the notes.

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 maintained our growth trend during the last quarter of the year in an economic environment challenged by the trade war between the USA and China, the announced Brexit and the amplified concerns around sustainability of the planet. Despite the uncertainty in the global economy, demand for foodservice and pre-packed food packaging was good in 2019. Our net sales reached EUR 3.4 billion for the year 2019, increasing by 10 percent with the comparable growth at 6 percent. All our business segments contributed, especially North America. Net sales increased as a result of positive volume development and pricing management. Currencies movements had a positive impact on net sales during the year.

Our profitability improved in the last quarter as well as during the full year, particularly driven by pricing and operational improvement in all businesses. Our adjusted EBIT margin increased to 8.5 percent in the fourth quarter and to 8.6 percent in 2019.

Good progress on many fronts continued during 2019. The ramp-up of Goodyear, our new plant in Arizona, United States, progressed well. In April, our new, state-of-the-art flexible packaging unit in Egypt was inaugurated and in October, our newest fiber packaging line was launched in Russia. In addition to investments in new units and packaging lines, we also announced three acquisitions during 2019: Everest Flexibles in South Africa, Mohan Mutha Polytech in India, and full ownership of our joint venture company Laminor in Brazil. All three acquisitions support our growth in developing markets.

In 2019, critical society matters have amplified particularly around sustainability, digitalization of the value chain and consumption shifts. Their implication on our industry are key variables considered in our ongoing strategy development. To address the demand for more sustainable packaging solutions, we continued in 2019 to invest into both fiber-based alternatives and recyclable packaging. Good examples are our investments into paper straws, fiber trays and recyclable mono-material flexible packaging under our blueloop™ concept.

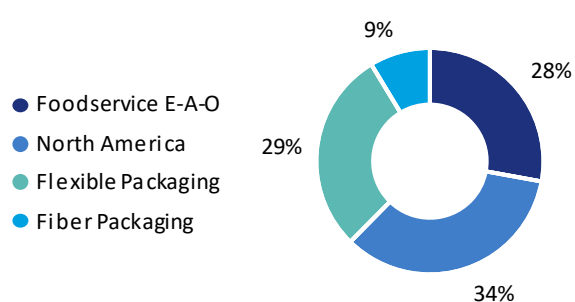
Following our investments into both existing and new units, in new products and innovations, as well as the announced acquisitions, our balance sheet is healthy. With a net debt/EBITDA ratio of 2.0, we are well placed to invest in future growth. We continue our strategy of looking for both organic and acquired growth."

Financial review Q4 2019

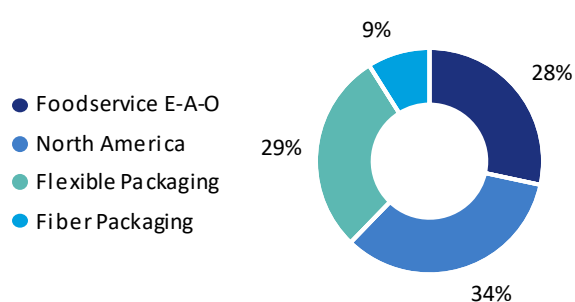
Net sales by business segment

EUR million	Q4 2019	Q4 2018	Change
Foodservice Europe-Asia-Oceania	245.3	231.6	6%
North America	303.6	276.6	10%
Flexible Packaging	255.1	235.5	8%
Fiber Packaging	76.1	72.9	4%
Elimination of internal sales	-5.5	-3.8	
Group	874.6	812.8	8%

Net sales by segment, Q4 2019



Net sales by segment, Q4 2018



Comparable net sales growth by business segment

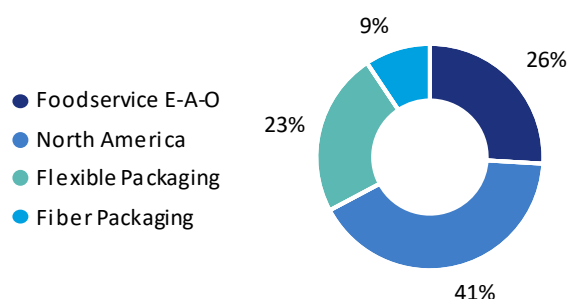
	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Foodservice Europe-Asia-Oceania	4%	4%	3%	4%	3%
North America	6%	14%	13%	5%	11%
Flexible Packaging	3%	4%	1%	5%	4%
Fiber Packaging	8%	7%	7%	4%	5%
Group	5%	7%	6%	5%	6%

The Group's net sales growth was strong during the quarter, especially in the North America segment. Comparable net sales growth was solid at 5 percent, supported by all segments. Growth in emerging markets was 6 percent. The Group's net sales increased 8 percent to EUR 875 million (EUR 813 million). Foreign currency translation impact on the Group's net sales was EUR 23 million (EUR -3 million) compared to 2018 exchange rates. The majority of the positive impact came from the US Dollar.

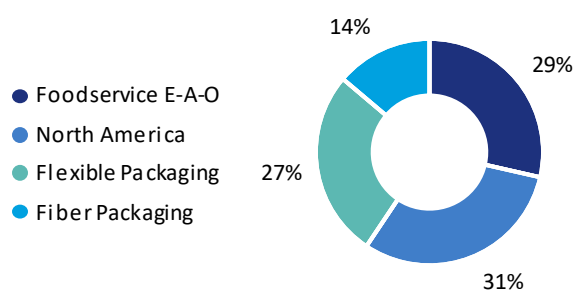
Adjusted EBIT by business segment

EUR million	Q4 2019	Q4 2018	Change	Items affecting comparability	
				Q4 2019	Q4 2018
Foodservice Europe-Asia-Oceania	20.9	18.0	16%	-0.2	-12.0
North America	33.1	19.4	71%	-0.1	-10.7
Flexible Packaging	18.8	16.9	11%	-0.6	-8.2
Fiber Packaging	7.5	8.7	-14%	-0.2	-1.5
Other activities	-5.6	-0.6		-1.2	-2.5
Group	74.7	62.4	20%	-2.3	-34.9

Adjusted EBIT by segment, Q4 2019



Adjusted EBIT by segment, Q4 2018



Adjusted EBIT margin by business segment

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Foodservice Europe-Asia-Oceania	8.5%	9.4%	9.1%	8.8%	7.8%
North America	10.9%	8.8%	10.6%	8.0%	7.0%
Flexible Packaging	7.4%	7.9%	8.1%	9.1%	7.2%
Fiber Packaging	9.8%	10.4%	9.8%	9.6%	12.0%
Group	8.5%	8.5%	9.0%	8.5%	7.7%

The Group's adjusted EBIT improved significantly and profitability was solid. Earnings growth was driven by pricing and operational improvement. Earnings improved significantly in the North America segment as a result of the pricing actions taken in the second half of 2018, higher sales volumes, and somewhat more favorable distribution environment. The Group's adjusted EBIT was EUR 75 million (EUR 62 million) and reported EBIT EUR 72 million (EUR 27 million). Foreign currency translation impact on the Group's earnings was EUR 2 million (EUR -1 million).

Adjusted EBIT excludes EUR -2.3 million (EUR -34.9 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	Q4 2019	Q4 2018
Adjusted EBIT	74.7	62.4
Losses from property damage incidents	-0.3	-
Acquisition related costs	-1.0	-1.9
Restructuring costs including write-downs of related assets	-	-33.0
Environmental provision	-1.0	-
EBIT	72.3	27.5

Net financial expenses were EUR 6 million (EUR 8 million). Tax expense was EUR 15 million (EUR 1 million). Profit for the quarter was EUR 51 million (EUR 19 million). Adjusted earnings per share (EPS) were EUR 0.48 (EUR 0.45) and reported EPS EUR 0.46 (EUR 0.17). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -1.8 million (EUR -28.2 million) of IAC.

Adjusted EPS and IAC

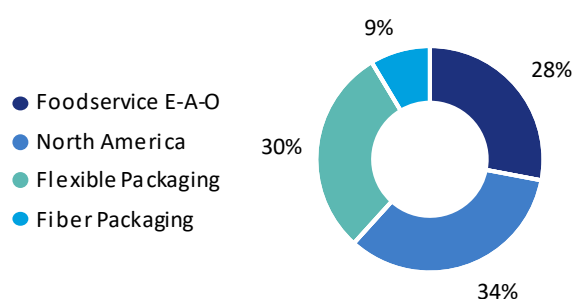
EUR million	Q4 2019	Q4 2018
Adjusted profit for the period attributable to equity holders of the parent company	50.0	46.4
IAC excluded from adjusted EBIT	-2.3	-34.9
Taxes related to IAC	0.5	6.6
Profit for the period attributable to equity holders of the parent company	48.2	18.2

Financial review 2019

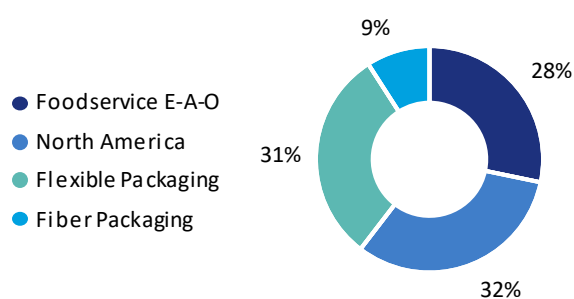
Net sales by business segment

EUR million	2019	2018	Change
Foodservice Europe-Asia-Oceania	956.7	881.7	8%
North America	1,152.7	1,002.7	15%
Flexible Packaging	1,016.4	952.3	7%
Fiber Packaging	293.4	283.0	4%
Elimination of internal sales	-20.2	-16.1	
Group	3,399.0	3,103.6	10%

Net sales by segment, 2019



Net sales by segment, 2018



Comparable net sales growth by business segment

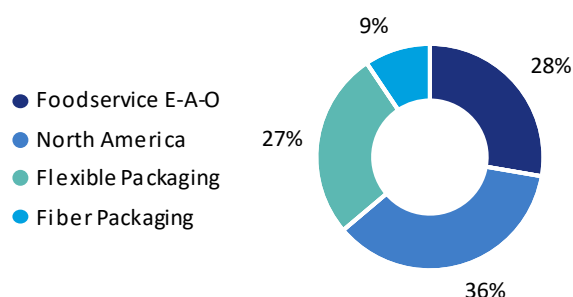
	2019	2018	2017
Foodservice Europe-Asia-Oceania	4%	4%	4%
North America	9%	5%	2%
Flexible Packaging	3%	7%	4%
Fiber Packaging	6%	4%	5%
Group	6%	5%	3%

The Group's net sales growth was strong during the reporting period, with all business segments contributing. Net sales increased 10 percent to EUR 3,399 million (EUR 3,104 million). Growth was strongest in the North America segment. Comparable net sales growth was strong at 6 percent, led by the North America segment. Growth in emerging markets was 7 percent. Foreign currency translation impact on the Group's net sales was EUR 90 million (EUR -120 million) compared to 2018 exchange rates. The majority of the positive impact came from the US Dollar.

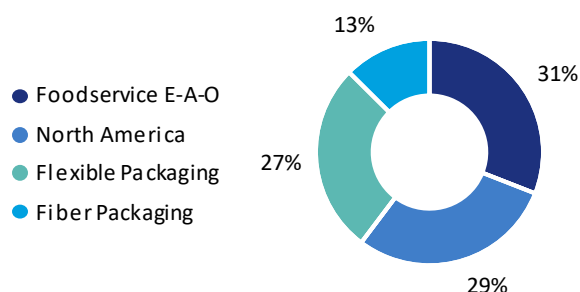
Adjusted EBIT by business segment

EUR million	2019	2018	Change	Items affecting comparability	
				2019	2018
Foodservice Europe-Asia-Oceania	85.7	77.1	11%	-0.5	-13.3
North America	111.4	73.0	53%	-3.1	-10.7
Flexible Packaging	82.6	67.8	22%	-0.7	-9.7
Fiber Packaging	29.0	31.2	-7%	-1.2	-2.1
Other activities	-15.6	1.9		-2.0	10.3
Group	293.1	251.0	17%	-7.6	-25.5

Adjusted EBIT by segment, 2019



Adjusted EBIT by segment, 2018



Adjusted EBIT margin by business segment

	2019	2018	2017
Foodservice Europe-Asia-Oceania	9.0%	8.7%	8.7%
North America	9.7%	7.3%	10.4%
Flexible Packaging	8.1%	7.1%	7.6%
Fiber Packaging	9.9%	11.0%	9.9%
Group	8.6%	8.1%	9.0%

Figures for 2017 have not been restated for IFRS 16 impact.

The Group's adjusted EBIT improved significantly, and profitability was solid. Earnings improved significantly in the North America and Flexible Packaging segments. Earnings declined in the Fiber Packaging segment due to development and commercialization costs of the Fresh ready meal tray. The Group's adjusted EBIT was EUR 293 million (EUR 251 million) and reported EBIT EUR 286 million (EUR 226 million). Foreign currency translation impact on the Group's earnings was EUR 8 million (EUR -10 million).

Adjusted EBIT excludes EUR -7.6 million (EUR -25.5 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

EUR million	2019	2018
Adjusted EBIT	293.1	251.0
Losses from property damage incidents	-4.3	-
Acquisition related costs	-2.2	-3.4
Restructuring costs including write-downs of related assets	-	-36.2
Gains relating to sale of trademark portfolio	-	14.2
Environmental provision	-1.0	-
EBIT	285.5	225.5

Net financial expenses were EUR 29 million (EUR 31 million). Tax expense was EUR 58 million (EUR 37 million). The corresponding tax rate was 23 percent (19%). Profit for the period was EUR 199 million (EUR 157 million). Adjusted earnings per share (EPS) were EUR 1.88 (EUR 1.69) and reported EPS EUR 1.82 (EUR 1.49). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -5.9 million (EUR -20.6 million) of IAC.

Adjusted EPS and IAC

EUR million	2019	2018
Adjusted profit for the period attributable to equity holders of the parent company	196.0	176.0
IAC excluded from adjusted EBIT	-7.6	-25.5
Taxes related to IAC	1.7	4.9
Profit for the period attributable to equity holders of the parent company	190.1	155.4

Statement of financial position and cash flow

The Group's net debt decreased, primarily due to improved working capital. At the end of December, net debt was EUR 904 million (EUR 928 million). The level of net debt corresponds to a gearing ratio of 0.63 (0.73). Net debt to EBITDA ratio (excluding IAC) was 2.0 (2.3). Average maturity of external committed credit facilities and loans was 3.4 years (3.7 years).

Cash and cash equivalents were EUR 199 million (EUR 95 million) at the end of December and the Group had EUR 302 million (EUR 304 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 3,611 million (EUR 3,240 million).

Capital expenditure was EUR 204 million (EUR 197 million). The largest investments for business expansion were made in the U.S., Russia, and the UK. The Group's free cash flow was EUR 226 million (EUR 80 million).

Acquisitions and divestments

On September 27, 2019, Huhtamaki announced that it has entered into an agreement to acquire the majority of Everest Flexibles (Pty) Limited ("Everest"), a privately-owned flexible packaging manufacturer in South Africa. With the acquisition Huhtamaki expands its flexible packaging manufacturing footprint into South Africa, thereby further strengthening its emerging market position. The product range and customer portfolio of Everest are complementary to those of Huhtamaki. The annual net sales of the acquired business are approximately EUR 40 million and it employs altogether approximately 460 people. The business was acquired for an enterprise value of EUR 58 million. The acquisition of the majority of the business was completed on December 18, 2019 and the business has been reported as part of the Flexible Packaging business segment as of December 1, 2019.

On September 30, 2019, Huhtamaki announced that it has agreed to acquire the assets and operations of Mohan Mutha Polytech Private Limited (MMPPL), a privately-owned flexible packaging manufacturer located in Sri City, Andhra Pradesh, India. The acquisition allows Huhtamaki to speed up its growth in India by improving its capability to serve the customers in South India. MMPPL has approximately 160 employees and its net sales in 2018 were approximately EUR 9 million. The debt-free purchase price was approximately EUR 10 million. The acquisition was completed on January 10, 2020 and the business has since been reported as part of the Flexible Packaging business segment.

On December 23, 2019, Huhtamaki announced that it has agreed to acquire full ownership of its joint venture company Laminor S.A. in Brazil. Laminor is specialized in high-quality tube laminates, particularly for oral care applications, and was set up in 2002 as a 50/50 joint venture together with Bemis Company, which is now part of Amcor. The acquisition enables Huhtamaki to expand its tube laminate business, an important part of the Group's flexible packaging offering. Laminor has approximately 130 employees and its net sales in 2018 were approximately EUR 25 million. Following the acquisition, Laminor will be consolidated as a subsidiary in the Group's financial reporting and reported as part of the Flexible Packaging business segment. The additional shares are acquired at a price of approximately EUR 30 million. The transaction is subject to the approval of competition authorities in Brazil and it is expected to be closed during the first quarter in 2020.

Significant events during the reporting period

On March 7, 2019 the European Commission announced that it has opened an investigation into Luxembourg tax practices, in particular Huhtamaki tax rulings from the years 2009, 2012 and 2013. The investigation is not targeted at Huhtamaki and Huhtamaki has not been approached by the European Commission.

On July 11, 2019 the General Court of the European Union announced that it has dismissed Huhtamaki's appeal against the European Commission's decision on anticompetitive behavior. In June 2015 the European Commission announced that it had found certain of Huhtamaki's former operations to have been involved in anticompetitive practices during years 2000-2006 and imposed a EUR 15.6 million fine on Huhtamaki. The fine and legal costs of EUR 2.7 million were recognized as a non-recurring expense in the Group's Q2 2015 result and the payment of fine was made during Q3 2015.

Significant events after the reporting period

On January 10, 2020 Huhtamaki announced that it has completed the acquisition of the assets and operations of Mohan Mutha Polytech Private Limited (MMPPL), a privately-owned flexible packaging manufacturer located in Sri City, Andhra Pradesh, India. MMPPL has approximately 160 employees and its net sales in 2018 were approximately EUR 9 million. The debt-free purchase price was approximately EUR 10 million. The business has been reported as part of the Flexible Packaging business segment as of January 10, 2020.

On January 16, 2020 Huhtamaki announced that Leena Lie, Executive Vice President, Marketing and Communications, and a member of the Global Executive Team decided to leave Huhtamaki to pursue other career opportunities. Teija Sarajärvi, Executive Vice President, Human Resources and Safety, will have an interim role as Executive Vice President, Marketing and Communications in addition to her current role, until a successor for the position has been appointed.

On January 24, 2020 Huhtamaki announced that Arup Basu, (52), PhD (Technology), has been appointed President, Flexible Packaging and a member of Global Executive Team as of February 1, 2020. Arup Basu has been the Managing Director for Huhtamaki's Flexible Packaging business in India since 2017. Olli Koponen, (61), who has had several leadership positions at Huhtamaki during the past 30 years and has headed the Flexible Packaging segment since 2015, will step down from the Global Executive Team and is appointed as Senior Vice President, Total Productive Manufacturing until his retirement.

On February 7, 2020 Huhtamaki announced that Thomasine Kamerling, (47), M.A., Modern History from Cambridge University (UK), has been appointed as Executive Vice President, Sustainability and Communications and a member of Global Executive Team as of March 1, 2020.

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	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales	245.3	231.6	6%	956.7	881.7	8%
Comparable net sales growth	4%	3%		4%	4%	
Adjusted EBIT ¹	20.9	18.0	16%	85.7	77.1	11%
Margin ¹	8.5%	7.8%		9.0%	8.7%	
Adjusted RONA ¹				11.5%	11.9%	
Capital expenditure	26.1	19.9	31%	74.7	57.8	29%
Operating cash flow ¹	22.3	18.9	18%	66.8	53.9	24%
Items affecting comparability (IAC)	-0.2	-12.0		-0.5	-13.3	

¹ Excluding IAC.

Q4 2019

Demand for foodservice packaging was relatively stable during the quarter. Demand was solid in Europe, while the trade war between the US and China continued to increase the low-cost competition in different markets. Preference for fiber-based packaging over plastics continued. Compared to Q4 2018, prices of paperboard increased and prices of plastic resins decreased, though with variation between markets.

Net sales growth in the Foodservice Europe-Asia-Oceania segment was solid. Comparable net sales growth was 4 percent. Growth was strongest in Middle East and Africa, and Europe.

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

The segment's adjusted EBIT increased due to improved operational efficiency and as a result of pricing actions. Profitability was supported by lower polymer prices and offset by higher paperboard prices.

There was no significant foreign currency impact on the segment's reported earnings.

2019

Demand for foodservice packaging was relatively stable during the period, especially in Europe. The intensified trade war between the US and China increased the low-cost competition in different markets during the period. Increased demand for sustainable packaging supported demand for paperboard products. Raw material prices were relatively stable, with paperboard prices increasing and plastic resin prices decreasing towards the latter part of the period.

Net sales growth in the Foodservice Europe-Asia-Oceania segment was solid, driven by contribution from the businesses acquired during Q2 2018. Comparable net sales growth was 4 percent, with strongest growth in Middle East and Africa. Tailored Packaging in Australia has been reported as part of the Foodservice Europe-Asia-Oceania segment as of May 1, 2018 and CupPrint in Ireland as of June 1, 2018.

The impact of currency movements on the segment's reported net sales was EUR 7 million.

The segment's adjusted EBIT increased as a result of net sales growth, earlier implemented price increases, and improved operational efficiency. The businesses acquired during Q2 2018 also had a positive contribution to the segment's earnings.

There was no significant foreign currency impact on the segment's reported earnings.

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	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales	303.6	276.6	10%	1,152.7	1,002.7	15%
Comparable net sales growth	6%	11%		9%	5%	
Adjusted EBIT ¹	33.1	19.4	71%	111.4	73.0	53%
Margin ¹	10.9%	7.0%		9.7%	7.3%	
Adjusted RONA ¹				13.0%	9.2%	
Capital expenditure	15.9	20.3	-22%	54.6	62.9	-13%
Operating cash flow ¹	44.4	21.6	>100%	125.0	19.8	>100%
Items affecting comparability (IAC)	-0.1	-10.7		-3.1	-10.7	

¹ Excluding IAC.

Q4 2019

Demand for retail tableware remained solid, while demand for foodservice packaging continued to be moderate. Demand for ice cream packaging was flat. The labor market continued to be tight while distribution costs were lower than in Q4 2018. Raw material prices were generally stable with some decrease in prices of fiber.

Net sales growth was strong in the North America segment. Growth was supported by all businesses and was strongest within retail tableware products. Net sales growth was driven by good volume development and pricing actions. Comparable net sales growth was 6 percent during Q4 2019.

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

The segment's adjusted EBIT increased significantly and profitability was strong. Earnings improved as a result of the pricing actions, higher sales volumes, and somewhat lower distribution costs. Earnings growth was further supported by good operational efficiency.

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

2019

Demand for private label tableware was strong throughout the period while demand for foodservice and ice cream packaging was moderate. The labor market remained tight during the year and distribution costs decreased compared to the high levels in the second half of 2018. Raw material prices eased slightly during the period.

Net sales growth in the North America segment was significant, with comparable net sales growth at 9 percent. Net sales increased due to good volume development and pricing actions. Growth in net sales was supported by all businesses and it was strongest within retail tableware products.

The impact of currency movements on the segment's reported net sales was EUR 61 million.

The segment's adjusted EBIT increased significantly, and profitability was strong. Earnings improved as a result of pricing actions, higher sales volumes, and a moderation in distribution costs. Earnings growth was further supported by good operational efficiency.

The impact of currency movements on the segment's reported earnings was EUR 6 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 2019	Q4 2018	Change	2019	2018	Change
Net sales	255.1	235.5	8%	1,016.4	952.3	7%
Comparable net sales growth	3%	4%		3%	7%	
Adjusted EBIT ¹	18.8	16.9	11%	82.6	67.8	22%
Margin ¹	7.4%	7.2%		8.1%	7.1%	
Adjusted RONA ¹				11.1%	10.0%	
Capital expenditure	15.2	16.0	-5%	44.4	49.7	-11%
Operating cash flow ¹	49.3	17.4	>100%	88.8	42.2	>100%
Items affecting comparability (IAC)	-0.6	-8.2		-0.7	-9.7	

¹ Excluding IAC.

Q4 2019

Demand for flexible packaging was good across most markets, except in Europe. The tight competitive situation in Southeast Asia continued. Raw material prices decreased compared to Q4 2018.

Net sales growth in the Flexible Packaging segment was moderate. Comparable net sales growth was 3 percent. Growth was driven by emerging markets and moderated by Europe. The new unit in Egypt, inaugurated in April 2019, contributed positively to the segment's net sales growth.

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

The segment's adjusted EBIT improved significantly and the segment's profitability was moderate. Earnings growth was driven mainly by improved operational efficiency and supported by lower raw material prices. Earnings growth was highest in Southeast Asia and India.

There was no significant foreign currency impact on the segment's reported earnings.

2019

Demand for flexible packaging was good across most markets, except in Europe. The competitive situation was tight especially in Southeast Asia. Pressures related to environmental sustainability of flexible packaging intensified. Raw material prices decreased during the reporting period.

Net sales growth in the Flexible Packaging segment was moderate. Comparable net sales growth was 3 percent. Net sales increased in India, Southeast Asia, and Middle East and Africa, but decreased in Europe. The decrease in Europe was primarily due to soft demand for packaging in the food & beverage category. In 2019, the segment's net sales exceeded EUR 1 billion for the first time.

During the second quarter of 2019, the Flexible Packaging segment launched Huhtamaki blueloop: an umbrella concept for recyclable flexible packaging. Commercial deliveries of recyclable laminates for shampoo began during the second quarter of the year and solutions for other product groups were commercialized during the latter part of the year.

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

The segment's adjusted EBIT improved significantly, and the segment's profitability was solid. The segment's earnings growth was supported by positive development in India.

The impact of currency movements on the segment's reported earnings was EUR 2 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	Q4 2019	Q4 2018	Change	2019	2018	Change
Net sales	76.1	72.9	4%	293.4	283.0	4%
Comparable net sales growth	8%	5%		6%	4%	
Adjusted EBIT ¹	7.5	8.7	-14%	29.0	31.2	-7%
Margin ¹	9.8%	12.0%		9.9%	11.0%	
Adjusted RONA ¹				12.6%	14.2%	
Capital expenditure	13.7	13.6	1%	29.5	23.4	26%
Operating cash flow ¹	7.8	4.2	86%	22.4	25.1	-11%
<i>Items affecting comparability (IAC)</i>	-0.2	-1.5		-1.2	-2.1	

¹ Excluding IAC.

Q4 2019

Demand for fiber-based packaging continued strong across markets. Demand for egg cartons was solid in most markets. Prices of recycled fiber were lower than in the comparison period while energy prices increased.

Net sales growth in the Fiber Packaging segment was solid across most markets. Comparable net sales growth was 8 percent. Net sales increased in Eastern Europe and South Africa. In Russia, the start-up of a new fiber packaging line supported growth, while in Australia growth benefitted from an additional production line installed during late 2018.

There was no significant foreign currency impact on the segment's reported net sales.

The segment's adjusted EBIT declined as the improved operational performance across units was not sufficient to fully cover the development and commercialization costs of the Fresh ready meal tray.

There was no significant foreign currency impact on the segment's reported earnings.

2019

Demand for fiber-based packaging was solid across most markets. Demand was strong especially in Russia, while in Brazil the economic conditions had a negative impact on demand. Prices of recycled fiber declined while energy prices have remained at a high level.

Net sales growth in the Fiber Packaging segment was solid with comparable growth at 6 percent. Growth was strongest in Central Europe, Oceania and Russia.

There was no significant foreign currency impact on the segment's reported net sales.

The segment's adjusted EBIT declined as the improved operational performance across units was not sufficient to fully cover the development and commercialization costs of the Fresh ready meal tray.

There was no significant foreign currency impact on the segment's reported earnings.

Personnel

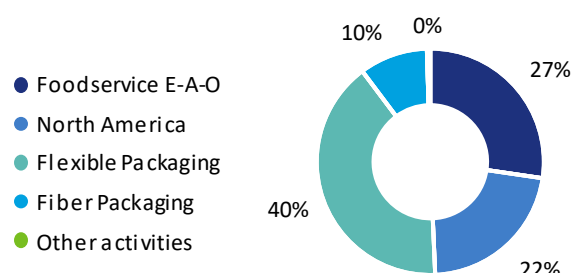
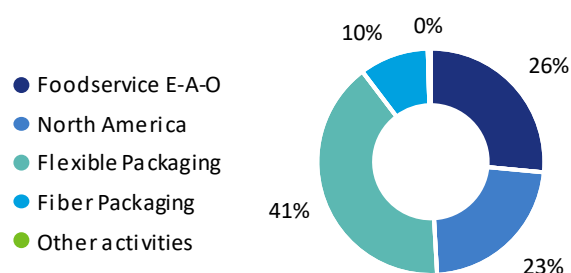
Number of personnel

	December 31, 2019	December 31, 2018	Change
Foodservice Europe-Asia-Oceania	4,927	4,826	2%
North America	4,209	3,884	8%
Flexible Packaging	7,544	7,147	6%
Fiber Packaging	1,835	1,720	7%
Other activities ¹	83	86	-3%
Group	18,598	17,663	5%

¹ Including global functions in Finland

Personnel by segment on December 31, 2019

Personnel by segment on December 31, 2018



The number of employees increased 5 percent during the review period. At the end of December 2019, the Group had a total of 18,598 (17,663) employees.

Changes in management

Charles Héaulmé (52) started as President and CEO, and Chairman of the Global Executive Team, on April 26, 2019.

Michael Orye (46), Executive Vice President, Fiber Packaging and a member of the Global Executive Team decided to leave Huhtamaki on July 22, 2019. Eric Le Lay, Executive Vice President, Foodservice Europe-Asia-Oceania, and a member of the Global Executive Team, assumed the leadership of Fiber Packaging in addition to his previous role.

Marina Madanat (40), M.Sc. (Economics and Business Administration), B.Sc. (Electrical Engineering), was appointed Executive Vice President, Strategy and Business Development as of January 1, 2020.

Antti Valtokari (44), M.Sc. (Computer Science), was appointed Executive Vice President, IT and Process Performance as of January 1, 2020.

Share capital, shareholders and trading of shares

Share capital and number of shares

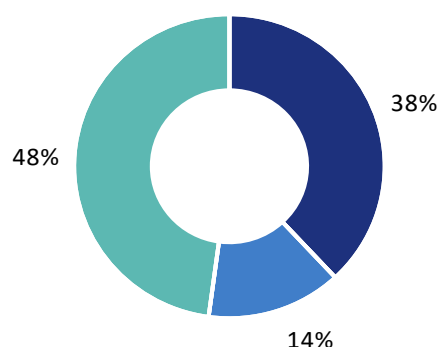
	As at December 31, 2019	As at December 31, 2018
Registered share capital (EUR million)	366	366
Total number of shares	107,760,385	107,760,385
Shares owned by the Company	3,410,709	3,425,709
% of total number of shares	3.2%	3.2%
Number of outstanding shares ¹	104,349,676	104,334,676
Average number of outstanding shares ^{1,2}	104,344,950	104,281,454

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at December 31, 2019

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



There were 31,056 (31,755) registered shareholders at the end of December 2019. Foreign ownership including nominee registered shares accounted for 48 percent (43%).

Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	January 1 – December 31, 2019	January 1 – December 31, 2018
Number of shares traded, million	55.0	75.2
Closing price on final day of trading, EUR	41.38	27.07
Volume-weighted average price, EUR	34.74	31.03
High, EUR	42.73	36.89
Low, EUR	26.81	22.96
Market capitalization (at end of period), EUR million	4,459	2,917

During 2019, 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 2019, the Company's market capitalization was EUR 4,459 million (EUR 2,917 million). With a closing price of EUR 41.38 (EUR 27.07) the share price increased approximately 53 percent from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 34.74 (EUR 31.03). The highest price paid was EUR 42.73 (EUR 36.89) and the lowest was EUR 26.81 (EUR 22.96).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,905 million (EUR 2,332 million). The trading volume of approximately 55 million (75 million) shares equaled an average daily turnover of 219,838 (300,838) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 5,036 million (EUR 6,242 million). During the reporting period, 64 percent (63%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, fragmentation.fidessa.com)

Resolutions of the Annual General Meeting 2019

Huhtamäki Oyj's Annual General Meeting of Shareholders was held in Helsinki on April 25, 2019. The meeting adopted the Annual Accounts including the Consolidated Annual Accounts for 2018, 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 its Committees. As proposed by the Board of Directors, dividend for 2018 was set at EUR 0.84 per share compared to EUR 0.80 paid for the previous year.

The number of members of the Board of Directors was confirmed to be 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 Board of Directors 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 confirmed that the annual remuneration to the members of the Board of Directors will remain unchanged and thus be paid as follows: to the Chairman EUR 120,000, to the Vice-Chairman EUR 68,000 and to other members EUR 57,000. In addition, the Annual General Meeting confirmed that the meeting fees will be paid for each meeting attended as follows: EUR 1,500 for all meetings, except EUR 3,000 to the Chairman for the Audit Committee meetings, EUR 1,750 to the Chairman for the Human Resources Committee meetings and EUR 1,750 to the Chairman for the Nomination Committee meetings. Traveling expenses are compensated in accordance with the Company policy.

Ernst & Young Oy, a firm of authorized public accountants, was elected as Auditor of the Company for the financial year January 1 - December 31, 2019. Mr. Mikko Järventausta, APA, has been the Auditor with principal responsibility.

The Board of Directors was authorized to resolve on the repurchase of an aggregate maximum of 10,776,038 of the Company's own shares. The authorization covers also directed repurchases of the Company's own shares. Additionally, the Board of Directors was authorized 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. Both authorizations remain in force until the end of the next Annual General Meeting, however, no longer than until June 30, 2020.

The Board of Directors was authorized in connection with the Company's 100 years anniversary to grant donations up to an aggregate maximum amount of three (3) million euros for charitable or corresponding purposes. The Board of Directors resolves on the recipients and other terms and conditions of the donations and the authorization remains in force until December 31, 2020.

Short-term risks and uncertainties

Volatile raw material and energy prices as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. General political, economic and financial market conditions, and serious virus outbreaks can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

Outlook for 2020

The Group's trading conditions are expected to remain relatively stable during 2020. The good financial position and ability to generate a positive cash flow will enable the Group to address profitable growth opportunities. Capital expenditure is expected to be approximately at the same level as in 2019 with the majority of the investments directed to business expansion.

Dividend proposal

On December 31, 2019 Huhtamäki Oyj's distributable funds were EUR 630 million (EUR 654 million). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.89 (EUR 0.84) per share be paid.

Annual General Meeting 2020

The Annual General Meeting of Shareholders will be held on Wednesday, April 29, 2020 at 11.00 (EET) at Messukeskus Helsinki, Expo and Convention Centre, Messuaukio 1, Helsinki, Finland.

Financial reporting in 2020

In 2020, Huhtamaki will publish financial information as follows:

Interim Report, January 1–March 31, 2020	April 29
Half-yearly Report, January 1–June 30, 2020	July 23
Interim Report, January 1–September 30, 2020	October 22

Annual Accounts 2019 will be published on week 10.

Espoo, February 12, 2020

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) – unaudited

<i>EUR million</i>	Q1-Q4 2019	Q1-Q4 2018 ¹	Q4 2019	Q4 2018 ¹
Net sales	3,399.0	3,103.6	874.6	812.8
Cost of goods sold	-2,816.2	-2,630.8	-721.8	-708.0
Gross profit	582.8	472.8	152.9	104.7
Other operating income	7.4	28.5	1.7	2.8
Sales and marketing	-85.2	-74.8	-21.3	-19.3
Research and development	-22.0	-20.2	-4.8	-4.7
Administration costs	-179.7	-170.4	-50.3	-51.8
Other operating expenses	-19.8	-12.2	-6.4	-4.4
Share of profit of equity-accounted investments	2.0	1.8	0.6	0.2
	-297.3	-247.3	-80.5	-77.3
Earnings before interest and taxes	285.5	225.5	72.3	27.5
Financial income	8.4	4.4	3.6	1.3
Financial expenses	-37.1	-35.6	-9.8	-9.1
Profit before taxes	256.7	194.4	66.2	19.7
Income tax expense	-57.8	-37.5	-14.9	-0.8
Profit for the period	199.0	156.9	51.3	18.9
Attributable to:				
Equity holders of the parent company	190.1	155.4	48.2	18.2
Non-controlling interest	8.9	1.5	3.1	0.7
EUR				
EPS attributable to equity holders of the parent company	1.82	1.49	0.46	0.17
Diluted EPS attributable to equity holders of the parent company	1.82	1.49	0.46	0.17

¹ Restated

Group statement of comprehensive income (IFRS) – unaudited

<i>EUR million</i>	Q1-Q4 2019	Q1-Q4 2018 ¹	Q4 2019	Q4 2018 ¹
Profit for the period	199.0	156.9	51.3	18.9
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements on defined benefit plans	-11.3	4.5	-11.3	5.1
Taxes related to items that will not be reclassified	8.3	-1.1	8.3	-1.3
Total	-3.1	3.4	-3.0	3.9
Items that may be reclassified subsequently to profit or loss				
Translation differences	47.5	10.6	-18.1	27.9
Equity hedges	-9.1	-10.1	3.1	-4.7
Cash flow hedges	-5.0	2.2	-0.7	-0.4
Taxes related to items that may be reclassified	0.6	-0.3	0.0	0.3
Total	34.0	2.4	-15.7	23.1
Other comprehensive income, net of tax	31.0	5.7	-18.7	26.9
Total comprehensive income	229.9	162.6	32.6	45.8
Attributable to:				
Equity holders of the parent company	221.2	161.2	29.6	45.0
Non-controlling interest	8.7	1.5	3.0	0.8

¹ Restated

Group statement of financial position (IFRS) – unaudited

<i>EUR million</i>	Dec 31, 2019	Dec 31, 2018¹
ASSETS		
Non-current assets		
Goodwill	735.7	698.1
Other intangible assets	35.2	40.5
Tangible assets	1,398.1	1,233.4
Equity-accounted investments	4.9	4.9
Other investments	2.4	2.5
Interest-bearing receivables	4.2	2.6
Deferred tax assets	50.9	47.8
Employee benefit assets	55.4	49.1
Other non-current assets	3.1	4.6
	2,290.1	2,083.6
Current assets		
Inventory	497.8	497.7
Interest-bearing receivables	12.9	10.4
Current tax assets	14.6	15.1
Trade and other current receivables	595.9	538.2
Cash and cash equivalents	199.4	95.0
	1,320.6	1,156.5
Total assets	3,610.6	3,240.0
EQUITY AND LIABILITIES		
Share capital	366.4	366.4
Premium fund	115.0	115.0
Treasury shares	-31.3	-31.5
Translation differences	-65.8	-104.2
Fair value and other reserves	-103.4	-96.1
Retained earnings	1,067.1	965.5
Total equity attributable to equity holders of the parent company	1,348.0	1,215.1
Non-controlling interest	89.1	52.2
Total equity	1,437.1	1,267.3
Non-current liabilities		
Interest-bearing liabilities	879.7	729.2
Deferred tax liabilities	97.7	91.1
Employee benefit liabilities	225.2	205.1
Provisions	13.2	14.4
Other non-current liabilities	7.0	4.8
	1,222.9	1,044.6
Current liabilities		
Interest-bearing liabilities		
Current portion of long term loans	92.7	40.4
Short-term loans	148.0	266.6
Provisions	8.4	17.2
Current tax liabilities	50.5	45.9
Trade and other current liabilities	651.0	558.0
	950.7	928.1
Total liabilities	2,173.6	1,972.7
Total equity and liabilities	3,610.6	3,240.0
Net debt	904.0	928.2
Net debt to equity (gearing)	0.63	0.73

¹ Restated

Group statement of changes in equity (IFRS) – unaudited

Attributable to equity holders of the parent company

	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
EUR million									
Balance on Dec 31, 2017	366.4	115.0	-33.5	-104.8	-101.3	917.0	1,158.8	49.4	1,208.2
Change in accounting policy (IFRIC 23) ¹						-13.4	-13.4		-13.4
Change in accounting policy (IFRS 16) ²						-5.0	-5.0	-0.2	-5.2
Balance on Jan 1, 2018	366.4	115.0	-33.5	-104.8	-101.3	898.6	1,140.4	49.2	1,189.6
Dividends paid						-83.5	-83.5		-83.5
Share-based payments			2.0			-2.2	-0.2		-0.2
Total comprehensive income for the year				0.5	5.3	155.4	161.2	1.5	162.6
Acquisition of non-controlling interest						-3.4	-3.4	0.0	-3.4
Other changes						0.6	0.6	1.6	2.2
Balance on Dec 31, 2018	366.4	115.0	-31.5	-104.2	-96.1	965.5	1,215.1	52.2	1,267.3
Balance on Jan 1, 2019	366.4	115.0	-31.5	-104.2	-96.1	965.5	1,215.1	52.2	1,267.3
Dividends paid						-87.6	-87.6		-87.6
Share-based payments			0.1			0.9	1.0		1.0
Total comprehensive income for the year				38.4	-7.3	190.1	221.2	8.7	229.9
Acquisition of non-controlling interest						-6.2	-6.2	26.3	20.2
Other changes						4.5	4.5	1.8	6.3
Balance on Dec 31, 2019	366.4	115.0	-31.3	-65.8	-103.4	1,067.1	1,348.0	89.1	1,437.1

¹ The Group has adopted IFRIC 23 Uncertainty over Income Tax Treatments using a modified retrospective approach. An adjustment related to tax liabilities has been done to the opening balance of retained earnings at the date of initial application.

² The Group has adopted IFRS 16 Leases using a full retrospective approach. An adjustment related to tangible assets and interest bearing liabilities has been done to the opening balances of retained earnings and non-controlling interest at the date of initial application.

Group statement of cash flows (IFRS) – unaudited

<i>EUR million</i>	Q1-Q4 2019	Q1-Q4 2018¹	Q4 2019	Q4 2018¹
Profit for the period*	199.0	156.9	51.3	18.9
Adjustments*	239.3	240.4	61.0	75.0
Depreciation and amortization*	163.2	164.7	42.6	54.5
Share of profit of equity-accounted investments*	-0.1	0.4	1.3	-0.2
Gain/loss from disposal of assets*	-0.6	-1.7	0.5	-0.2
Financial expense/-income*	28.8	31.2	6.2	7.8
Income tax expense*	57.8	37.5	14.9	0.8
Other adjustments, operational*	-9.8	8.4	-4.5	12.3
Change in inventory*	19.1	-37.6	37.4	25.9
Change in non-interest bearing receivables*	-40.2	-25.9	10.3	9.2
Change in non-interest bearing payables*	66.4	-5.5	33.3	0.8
Dividends received*	0.0	0.1	0.0	0.0
Interest received*	3.8	2.0	1.1	0.4
Interest paid*	-22.6	-18.7	-5.9	-5.6
Other financial expense and income*	0.8	-0.2	0.8	-0.4
Taxes paid*	-39.3	-37.8	-10.3	-13.6
Net cash flows from operating activities	426.4	273.7	179.0	110.6
Capital expenditure*	-203.9	-196.9	-71.0	-70.4
Proceeds from selling tangible assets*	3.3	2.8	0.6	0.8
Acquired subsidiaries and assets	-32.5	-55.1	-32.5	-0.2
Proceeds from long-term deposits	0.5	0.8	0.2	0.2
Payment of long-term deposits	-2.0	-0.4	-0.8	-0.2
Proceeds from short-term deposits	1.0	4.9	0.6	0.0
Payment of short-term deposits	-4.8	-8.5	-0.9	-1.6
Net cash flows from investing activities	-238.5	-252.4	-103.7	-71.3
Proceeds from long-term borrowings	477.1	202.0	246.8	2.2
Repayment of long-term borrowings	-299.2	-221.7	-70.2	-10.5
Change in short-term loans	-180.3	64.5	-178.3	-14.7
Acquisition of non-controlling interest	-1.4	-4.1	-	-1.7
Dividends paid	-87.6	-83.5	-	-
Net cash flows from financing activities	-91.4	-42.7	-1.7	-24.7
Change in liquid assets	104.4	-21.0	71.8	16.0
Cash flow based	96.5	-21.3	73.6	14.5
Translation difference	7.9	0.3	-1.8	1.5
Liquid assets period start	95.0	116.0	127.6	79.0
Liquid assets period end	199.4	95.0	199.4	95.0
Free cash flow (including figures marked with *)	225.8	79.6	108.7	41.0

¹ Restated

Notes to the Results Report

This 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 2018. The following new and amended standards and interpretations have been adopted with effect from January 1, 2019:

- **IFRS 16 Leases.** The new standard (effective for 2019 annual period with early adoption permitted) replaces IAS 17 Leases -standard. The standard introduces new requirements for accounting for lease agreements. It introduces a single lessee accounting model that requires a lessee to recognize most leases as assets and liabilities in the statement of financial position.

The Group has examined the impacts of the new standard, analyzing especially the identification of a lease and the measurement of a lease liability. The new standard impacts primarily the accounting for the Group's IAS 17 operating leases. On December 31, 2018, the operating lease commitments were EUR 100 million. These were reported as the nominal value of the future minimum payments of non-cancellable leases and therefore do not directly correspond to the present value of lease liabilities according to IFRS 16.

The Group has adopted the standard as of January 1, 2019 using the full retrospective transition method. The Group uses the exemptions provided by the standard not to book short-term leases (lease term of 12 months or less) and leases for which the underlying asset is of low value to the statement of financial position. The leases that the Group recognizes in the statement of financial position include forklifts, vehicles, other machinery and equipment, premises and land. The new standard impacts the consolidated financial statements and key figures such as earnings per share (EPS), net debt, gearing, return on net assets (RONA) and free cash flow.

The Group has restated the quarterly financial information for 2018. Restated tables were published March 27, 2019. The main impacts of the implementation are:

Group income statement for Q1-Q4 2018

- EUR 1.3 million decrease to the profit for the period
- EUR 2.6 million increase to EBIT and adjusted EBIT
- EUR 25.1 million increase to EBITDA and adjusted EBITDA

Group statement of financial position for January 1, 2018

- EUR 97.6 million increase to tangible assets
- EUR 5.2 million decrease to the total equity, which represent the cumulative impact on the profit for the period for previous reporting periods
- EUR 88.2 million increase to non-current interest-bearing liabilities and EUR 15.7 million increase to current interest-bearing liabilities

Group statement of financial position for December 31, 2018

- EUR 111.4 million increase to tangible assets
- EUR 100.7 million increase to non-current interest-bearing liabilities and EUR 18.9 million increase to current interest-bearing liabilities
- EUR 20.8 million increase to net cash flows from operating activities and 20.8 million decrease to net cash flows from financing activities

Summary of new accounting policies: Right-of-use (ROU) assets are recognized at the commencement date of the lease. ROU assets comprising mainly of land, building, machinery and equipment are measured at cost less accumulated depreciation and impairment losses. The costs include the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less lease incentives received, any direct costs and an estimate of dismantling costs. The carrying amount is further adjusted for any remeasurement of the lease liability. Depreciation is expensed to the income statement on a straight-line basis over the lease term. The lease term includes the non-cancellable period of lease together with any extension or termination options that are reasonable certain to be exercised. ROU assets are presented as tangible assets in the statement of financial position. Lease liabilities are recognized at the commencement date of the lease. Lease liabilities are measured at the present value of future lease payments using an effective interest method. The carrying amount is reduced to reflect the lease payments made and the interest expense is allocated over the lease term. A lease liability is remeasured, when there is a lease modification or reassessment. Lease liabilities are presented as current and non-current interest-bearing liabilities in the statement of financial position.

- **Revised IAS 19 Employee benefits.** The amendments clarify how a plan amendment, curtailment or settlement impact the current service cost, the net interest and the requirements regarding the asset ceiling. The amendments had no impact on the interim financial statements.

- **Revised IAS 28 Investments in Associates and Joint Ventures.** The amendments clarify that IFRS 9 Financial Instruments is applied to the accounting for long-term interests in an associate or joint venture to which the equity method is not applied. The amendments had no impact on the interim financial statements.

- **Revised IFRS 9 Financial Instruments.** The amendments allow the measurement of particular prepayable financial assets at amortized cost or at fair value through other comprehensive income if specified conditions are met. The amendments had no impact on the interim financial statements.

- **Annual improvements (2015-2017).** Annual improvements include smaller amendments to four standards. The improvements had no impact on the interim financial statements.

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 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q1-Q4 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania	952.8	244.2	241.6	240.4	226.5	876.2	230.2	228.6	220.1	197.2
Intersegment net sales	3.9	1.1	0.8	0.6	1.4	5.6	1.3	1.3	1.3	1.6
North America	1,145.3	302.0	284.6	304.9	253.8	995.7	275.1	240.4	255.1	225.1
Intersegment net sales	7.4	1.7	2.3	1.6	1.8	7.1	1.5	1.9	2.0	1.7
Flexible Packaging	1,011.5	253.4	259.0	248.0	251.1	951.8	235.3	242.4	240.2	234.0
Intersegment net sales	4.9	1.7	1.7	0.7	0.7	0.5	0.2	0.0	0.2	0.0
Fiber Packaging	289.4	75.1	69.6	74.1	70.6	280.0	72.1	68.4	70.5	69.0
Intersegment net sales	4.0	1.1	-1.4	3.5	0.9	3.1	0.8	0.8	0.7	0.8
Elimination of intersegment net sales	-20.2	-5.5	-3.4	-6.4	-4.9	-16.1	-3.8	-4.0	-4.2	-4.1
Total	3,399.0	874.6	854.9	867.3	802.1	3,103.6	812.8	779.8	785.9	725.2

EBIT

<i>EUR million</i>	Q1-Q4 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q1-Q4 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania ¹	85.1	20.7	22.5	21.8	20.1	63.9	6.0	19.1	19.3	19.5
North America ¹	108.3	33.0	22.3	32.4	20.6	62.3	8.7	14.7	22.6	16.3
Flexible Packaging ¹	82.0	18.3	20.5	20.1	23.0	58.1	8.7	15.2	16.6	17.6
Fiber Packaging ¹	27.8	7.2	6.1	7.6	6.9	29.1	7.2	7.1	6.8	8.0
Other activities ¹	-17.7	-6.9	-3.8	-4.2	-2.8	12.2	-3.1	1.1	15.0	-0.8
Total¹	285.5	72.3	67.7	77.8	67.7	225.5	27.5	57.1	80.3	60.6

¹ Q1-Q4 2019 includes items affecting comparability EUR -7.6 million (Foodservice E-A-O EUR -0.5 million, North America EUR -3.1 million, Flexible Packaging EUR -0.7 million, Fiber Packaging EUR -1.2 million and Other activities EUR -2.0 million). Q1-Q4 2018 includes items affecting comparability EUR -25.5 million (Foodservice E-A-O EUR -13.3 million, North America EUR -10.7 million, Flexible Packaging EUR -9.7 million, Fiber Packaging EUR -2.1 million and Other activities EUR 10.3 million).

EBITDA

<i>EUR million</i>	Q1-Q4 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q1-Q4 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania ¹	135.9	34.1	35.1	34.2	32.5	114.7	21.5	31.0	31.7	30.4
North America ¹	158.7	46.0	35.2	44.9	32.5	117.8	31.5	25.9	33.6	26.8
Flexible Packaging ¹	120.6	28.5	30.5	29.6	32.0	93.9	18.8	23.6	25.8	25.7
Fiber Packaging ¹	47.5	12.4	10.9	12.5	11.7	47.9	12.2	11.5	11.5	12.7
Other activities ¹	-13.9	-6.0	-2.9	-3.1	-1.9	16.0	-2.0	2.1	15.9	0.0
Total¹	448.8	115.0	108.8	118.1	106.8	390.3	82.0	94.1	118.6	95.6

¹ Q1-Q4 2019 includes items affecting comparability EUR -7.6 million (Foodservice E-A-O EUR -0.5 million, North America EUR -3.1 million, Flexible Packaging EUR -0.7 million, Fiber Packaging EUR -1.2 million and Other activities EUR -2.0 million). Q1-Q4 2018 includes items affecting comparability EUR -8.4 million (Foodservice E-A-O EUR -9.4 million, Flexible Packaging EUR -7.6 million, Fiber Packaging EUR -1.6 million and Other activities EUR 10.3 million).

Depreciation and amortization

<i>EUR million</i>	Q1-Q4 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q1-Q4 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania	50.7	13.4	12.5	12.4	12.4	50.9	15.5	12.0	12.4	11.0
North America	50.4	13.0	12.9	12.5	12.0	55.4	22.8	11.2	11.0	10.5
Flexible Packaging	38.6	10.2	10.0	9.5	9.0	35.8	10.1	8.4	9.2	8.1
Fiber Packaging	19.7	5.2	4.8	4.9	4.9	18.8	5.0	4.4	4.7	4.6
Other activities	3.8	0.9	0.9	1.0	0.9	3.8	1.1	0.9	0.9	0.9
Total	163.2	42.6	41.2	40.3	39.1	164.7	54.5	37.0	38.2	35.0

Segments (continued)

Net assets allocated to the segments¹

<i>EUR million</i>	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania	799.8	747.7	738.2	745.3	707.5	691.4	691.4	593.7
North America	836.0	865.4	861.4	878.8	825.6	823.7	816.4	771.2
Flexible Packaging	769.0	754.9	746.0	742.8	704.7	689.7	688.4	654.8
Fiber Packaging	236.6	231.5	232.5	229.2	221.6	220.9	218.9	224.6

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

Capital expenditure

<i>EUR million</i>	Q1-Q4 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q1-Q4 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania	74.7	26.1	19.8	15.3	13.6	57.8	19.9	14.1	14.0	9.8
North America	54.6	15.9	14.6	9.4	14.6	62.9	20.3	12.6	15.1	14.9
Flexible Packaging	44.4	15.2	9.9	10.6	8.7	49.7	16.0	13.5	14.6	5.7
Fiber Packaging	29.5	13.7	10.1	3.2	2.6	23.4	13.6	4.7	2.9	2.2
Other activities	0.6	0.1	0.2	0.1	0.2	3.2	0.6	0.7	1.0	0.8
Total	203.9	71.0	54.6	38.6	39.7	196.9	70.4	45.6	47.7	33.3

RONA (12m roll.)¹

<i>EUR million</i>	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania	11.4%	9.7%	9.4%	9.4%	9.9%	12.3%	12.7%	13.0%
North America	12.7%	9.9%	9.1%	8.1%	7.9%	10.8%	11.7%	13.2%
Flexible Packaging	11.0%	9.9%	9.4%	9.1%	8.6%	10.4%	10.9%	10.6%
Fiber Packaging	12.1%	12.2%	12.8%	12.5%	13.2%	12.6%	12.7%	13.2%

¹ Comparative figures for Q3 2018, Q2 2018 and Q1 2018 have not been restated with IFRS 16 Leases impacts.

Operating cash flow

<i>EUR million</i>	Q1-Q4 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q1-Q4 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Foodservice Europe-Asia-Oceania	66.8	22.3	21.1	15.6	7.7	53.9	18.9	13.3	15.6	6.1
North America	125.0	44.4	43.5	34.2	2.9	19.8	21.6	-3.1	27.0	-25.6
Flexible Packaging	88.8	49.3	23.6	16.5	-0.7	42.2	17.4	2.9	11.2	10.6
Fiber Packaging	22.4	7.8	1.1	8.9	4.6	25.1	4.2	2.4	12.5	6.1

Business combinations

On December 18, 2019 Huhtamaki completed the acquisition of the majority of the business of Everest Flexibles (Pty) Limited ("Everest"), a privately-owned flexible packaging manufacturer in South Africa. The annual net sales of the acquired business is approximately EUR 40 million and it employs altogether approximately 460 people.

The consideration of EUR 45.4 million was paid partly in cash and partly in shares, as the sellers of Everest entered into a joint venture also with Huhtamaki's Flexible Packaging, Foodservice and Fiber Packaging operations in South Africa. As a result, the sellers of Everest now own 30% of all Huhtamaki's activities in South Africa.

The business has been consolidated into Flexible Packaging business segment as of December 1, 2019. The goodwill is expected to be non-deductible for income tax purposes. The costs relating to advice etc. services EUR 0.6 million are included in Group income statement in account Other operating expenses. The initial accounting of business combination is ongoing and the presented values of assets, liabilities and goodwill may change when the accounting will be finalized.

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

EUR million

Tangible assets	16.9
Inventories	6.9
Trade and other receivables	11.9
Cash and cash equivalents	0.4
Total assets	36.1
Trade and other payables	-8.6
Total liabilities	-8.6
Net assets total	27.4
Non-controlling interest	-8.2
Goodwill	26.2
Consideration	45.4
Consideration, paid in cash	32.2
Consideration, paid in shares	13.3

Analysis of cash flows of acquisition

EUR million

Purchase consideration, cash payment	-32.2
Cash and cash equivalents in acquired companies	0.4
Transaction costs of the acquisitions	-0.6
Net cash flow on acquisition	-32.3

The net sales of the acquired business included in the Group income statement since acquisition date was EUR 2.6 million and result for the period was EUR 0.1 million. The Group net sales would have been EUR 3,439.6 million and profit for the period EUR 200.3 million, if the acquired business had been consolidated from January 1, 2019.

On January 10, 2020, Huhtamaki completed the acquisition of the assets and operations of Mohan Mutha Polytech Private Limited (MMPPL), a privately-owned flexible packaging manufacturer located in Sri City, Andhra Pradesh, India. MMPPL has approximately 160 employees and its net sales in 2018 were approximately EUR 9 million. The debt-free purchase price was approximately EUR 10 million. The business will be reported as part of the Flexible Packaging business segment as of January 10, 2020. At the time the financial statements are authorized for issue, the initial accounting for the business combination is still incomplete and details are not yet disclosed.

Other information

Key indicators

	Q1-Q4 2019	Q1-Q4 2018
Equity per share (EUR)	12.92	11.65
ROE, % (12m roll.)	14.8	12.8
ROI, % (12m roll.)	11.9	10.4
Personnel	18,598	17,663
Profit before taxes (EUR million, 12m roll.)	256.7	194.4
Depreciation of tangible assets (EUR million)	154.2	155.6
Amortization of other intangible assets (EUR million)	9.0	9.1

Contingent liabilities

EUR million

	Dec 31, 2019	Dec 31, 2018
Capital expenditure commitments	45.7	58.5

Financial instruments measured at fair value

EUR million

	Dec 31, 2019	Dec 31, 2018
Derivatives - assets		
Currency forwards, transaction risk hedges	0.8	2.4
Currency forwards, translation risk hedges	0.3	0.1
Currency forwards, for financing purposes	1.0	0.9
Currency options, transaction risk hedges	0.0	0.0
Interest rate swaps	1.0	3.7
Electricity forwards	-	0.0
Other investments	2.4	2.5
Derivatives - liabilities		
Currency forwards, transaction risk hedges	3.2	0.7
Currency forwards, translation risk hedges	3.4	7.0
Currency forwards, for financing purposes	9.0	2.7
Currency options, transaction risk hedges	0.0	0.1
Interest rate swaps	2.0	0.3
Cross currency swaps	0.9	0.8
Electricity forwards	-	0.0

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

Interest-bearing liabilities

EUR million	Dec 31, 2019		Dec 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	879.7	882.3	729.2	724.8
Current	240.7	240.7	307.0	307.0
Total	1,120.4	1,123.0	1,036.2	1,031.7

Other information (continued)

Exchange rates

Income statement, average:

	Q1-Q4 2019	Q1-Q4 2018
AUD 1 =	0.6209	0.6332
GBP 1 =	1.1397	1.1302
INR 1 =	0.0127	0.0124
RUB 1 =	0.0138	0.0135
THB 1 =	0.0288	0.0262
USD 1 =	0.8931	0.8462

Statement of financial position, month end:

	Dec 31, 2019	Dec 31, 2018
AUD 1 =	0.6253	0.6167
GBP 1 =	1.1736	1.1078
INR 1 =	0.0125	0.0125
RUB 1 =	0.0144	0.0126
THB 1 =	0.0299	0.0268
USD 1 =	0.8937	0.8731

Definitions for performance measures

Performance measures according to IFRS

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

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

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

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.