



Huhtamäki Oyj Interim Report Q1 2023

January 1 – March 31, 2023

Huhtamäki

Stable development in a challenging market

Q1 2023 in brief

- Net sales stable at EUR 1,047 million (EUR 1,050 million)
- Adjusted EBIT was EUR 92 million (EUR 98 million); reported EBIT was EUR 87 million (EUR 94 million)
- Adjusted EPS was EUR 0.51 (EUR 0.63); reported EPS was EUR 0.47 (EUR 0.63)
- Comparable net sales growth was 2% at Group level and 0% in emerging markets
- The impact of currency movements was EUR -0 million on the Group's net sales and EUR 1 million on EBIT

Key figures

EUR million	Q1 2023	Q1 2022	Change	2022
Net sales	1,047.1	1,049.7	-0%	4,479.0
Comparable net sales growth	2%	19%		15%
Adjusted EBITDA ¹	140.5	146.6	-4%	596.9
Margin ¹	13.4%	14.0%		13.3%
EBITDA	138.1	144.6	-5%	614.9
Adjusted EBIT ²	92.1	97.5	-6%	395.1
Margin ²	8.8%	9.3%		8.8%
EBIT	87.4	93.5	-7%	405.3
Adjusted EPS, EUR ³	0.51	0.63	-19%	2.49
EPS, EUR	0.47	0.63	-25%	2.65
Adjusted ROI ²	10.7%	11.2%		11.0%
Adjusted ROE ³	13.7%	15.4%		14.9%
ROI	11.0%	10.8%		11.4%
ROE	14.3%	14.6%		15.7%
Capital expenditure	65.2	76.4	-15%	318.5
Free Cash Flow	42.6	-45.7	>100%	11.1
¹ Excluding IAC of	-2.4	-2.0		18.0
² Excluding IAC of	-4.7	-4.0		10.2
³ Excluding IAC of	-3.9	0.3		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.

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

Charles Héaulmé, President and CEO

“The first quarter of 2023 developed in line with the trend seen in the latter part of 2022, with continued inflation affecting consumption across categories and geographies. Order levels were also impacted by destocking in the value chain and the return of normal seasonality, which has impacted the timing of demand.

Our business performance in the first quarter remained consistent with previous quarters, delivering solid revenue and profit. Despite continued pressure on volumes, our comparable net sales increased by 2% compared to Q1 2022, driven by the Fiber Packaging and Foodservice Europe-Asia-Oceania segments, which performed well. The North America segment faced a return to normal seasonality and delivered strong profit growth. The Flexible Packaging segment continued to face a decrease in demand, particularly impacted by inflation in emerging markets. The Group’s adjusted EBIT at EUR 92 million, decreased against prior year, due to lower sales and the divestment of operations in Russia. Free cash flow improved significantly, reaching EUR 43 million, driven by an improvement in working capital. In line with our 2030 strategy, we have continued to invest for growth and innovation. As the market environment is challenging, we are focused on protecting our profitability and ensuring cash flow. Therefore, we have accelerated the implementation of operational efficiency measures.

In March, we published our updated 2030 growth strategy and long-term financial ambitions at our Capital Markets Day. The global packaging industry is undergoing a substantial transformation, as a result of changing consumer expectations. This is driving a greater focus on sustainable alternatives and innovative functionalities. This will require technology driven innovations and with our portfolio and technology base, provides significant profitable growth opportunities for us. To capitalize on this momentum, our strategy focuses on four areas: scaling up our profitable core businesses, developing our blueloop™ sustainable innovation platform in partnership with customers, driving world-class operational performance across our global footprint and investing in strategic capabilities to successfully drive our global transformation journey.

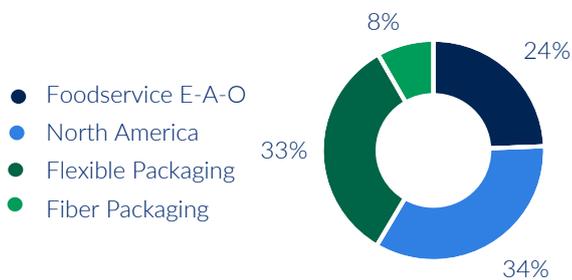
I want to thank our people for their passionate commitment to deliver on our growth strategy and reach our 2030 North Star to be the first choice in sustainable packaging solutions. Our focus on technology-driven innovation and ability to operate at scale differentiates and positions us well to leverage the growth opportunities in packaging for food and everyday necessities everywhere.”

Financial review Q1 2023

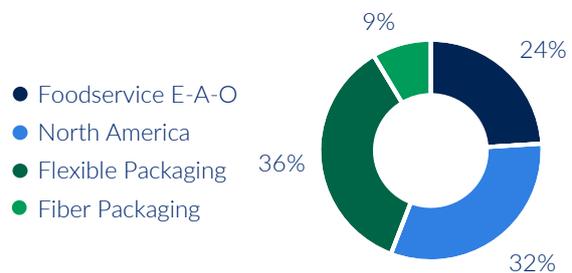
Net sales by business segment

EUR million	Q1 2023	Q1 2022	Change
Foodservice Europe-Asia-Oceania	256.2	254.7	1%
North America	358.1	337.5	6%
Flexible Packaging	349.1	377.7	-8%
Fiber Packaging	86.9	90.9	-4%
Elimination of internal sales	-3.1	-11.1	
Group	1,047.1	1,049.7	-0%

Net sales by segment, Q1 2023



Net sales by segment, Q1 2022



Comparable net sales growth by business segment

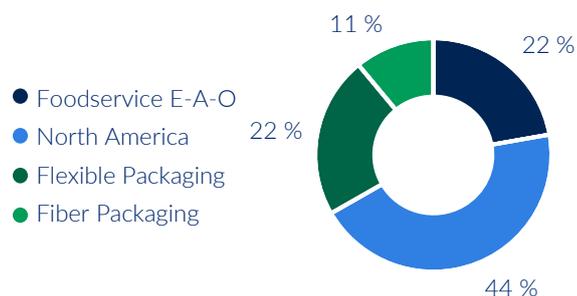
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	11%	15%	22%	18%	18%
North America	2%	10%	10%	14%	24%
Flexible Packaging	-5%	1%	20%	19%	18%
Fiber Packaging	17%	17%	19%	16%	8%
Group	2%	9%	17%	17%	19%

The Group's net sales were stable at EUR 1,047 million (EUR 1,050 million) during the quarter, weighed on by a decrease in sales volumes. Additionally, the return of a normal seasonality within the year impacted timing of demand. Comparable net sales growth was 2%. Comparable growth was strongest in the Fiber Packaging and Foodservice Europe-Asia-Oceania -segments. Comparable sales growth in emerging markets was 0%. Foreign currency translation impact on the Group's net sales was EUR -0 million (EUR 35 million) compared to 2022 exchange rates.

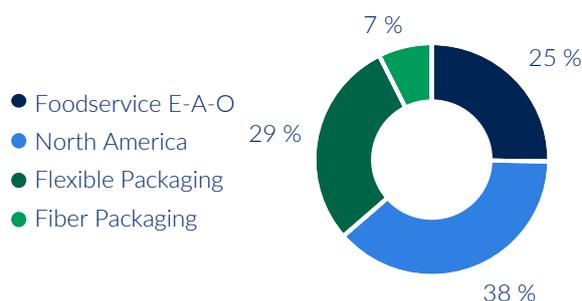
Adjusted EBIT by business segment

EUR million	Q1 2023	Q1 2022	Change	Items affecting comparability	
				Q1 2023	Q1 2022
Foodservice Europe-Asia-Oceania	21.2	25.6	-17%	-1.5	-0.0
North America	42.5	38.8	9%	-	-0.0
Flexible Packaging	21.4	29.4	-27%	-2.8	-2.8
Fiber Packaging	10.5	7.5	40%	-0.3	-0.0
Other activities	-3.5	-3.8		-0.1	-1.1
Group	92.1	97.5	-6%	-4.7	-4.0

Adjusted EBIT by segment, Q1 2023



Adjusted EBIT by segment, Q1 2022



Adjusted EBIT margin by business segment

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	8.3%	9.1%	10.2%	8.7%	10.0%
North America	11.9%	12.8%	11.2%	11.2%	11.5%
Flexible Packaging	6.1%	4.2%	6.2%	6.9%	7.8%
Fiber Packaging	12.1%	12.7%	9.6%	13.4%	8.2%
Group	8.8%	8.5%	8.6%	9.0%	9.3%

The Group's adjusted EBIT decreased to EUR 92 million (EUR 98 million) and reported EBIT was EUR 87 million (EUR 94 million). Adjusted EBIT decreased mainly due to lower sales volumes and the divestment of operations in Russia. The Group's adjusted EBIT margin decreased and was 8.8% (9.3%). Foreign currency translation impact on the Group's earnings was EUR 1 million (EUR 3 million).

Adjusted EBIT excludes EUR -4.7 million (EUR -4.0 million) of items affecting comparability (IAC), including costs of implementing operational efficiency measures.

Adjusted EBIT and IAC

EUR million	Q1 2023	Q1 2022
Adjusted EBIT	92.1	97.5
Acquisition related costs	-0.1	-0.6
Restructuring gains and losses, including writedowns of related assets	-2.3	-1.4
PPA amortization	-2.2	-1.9
Settlement and legal fees of disputes	-0.1	-0.1
EBIT	87.4	93.5

Net financial expenses were EUR 19 million (EUR 3 million). The increase was due to higher interest rates and other financing costs. Tax expense was EUR 16 million (EUR 22 million). The corresponding tax rate was 24% (24%). Profit for the first quarter was EUR 52 million (EUR 69 million). Adjusted earnings per share (EPS) was EUR 0.51 (EUR 0.63) and reported EPS EUR 0.47 (EUR 0.63). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR -3.9 million (EUR 0.3 million) of IAC.

Adjusted profit and IAC

EUR million	Q1 2023	Q1 2022
Adjusted profit for the period attributable to equity holders of the parent company	53.4	65.7
IAC in EBIT	-4.7	-4.0
IAC in Financial items	-0.4	4.4
Taxes relating to IAC	1.2	-0.1
Profit for the period attributable to equity holders of the parent company	49.5	66.0

Statement of financial position and cash flow

The Group's net debt decreased and was EUR 1,426 million (EUR 1,572 million) at the end of March. The level of net debt corresponds to a gearing ratio of 0.74 (0.92). Net debt to adjusted EBITDA ratio (excluding IAC) was 2.4 (3.0). Average maturity of external committed credit facilities and loans was 2.8 years (2.6 years).

Cash and cash equivalents were EUR 264 million (EUR 215 million) at the end of March and the Group had EUR 354 million (EUR 382 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 4,787 million (EUR 4,810 million).

Capital expenditure was EUR 65 million (EUR 76 million). The decrease was due to timing of projects and the largest investments for business expansion were directed to increase capacity of fiber products. The Group's free cash flow was EUR 43 million (EUR -46 million). It was mainly supported by an improvement in working capital.

Sustainability

As part of the updated 2030 strategy, Huhtamaki is focusing on embedding sustainability in everything it does. In the first quarter, the company received a gold medal from EcoVadis on its sustainability performance – for the third year running. The score places the company in the top 4% of over 100,000 rated companies across the globe. It underlines Huhtamaki's commitment towards its ambitious 2030 sustainability goals and the continuous progress it is making on this journey. EcoVadis is the world's largest and most trusted business sustainability index.

From 2023 onwards, the company added two new KPIs to its Global Sustainability and Safety Index (GSSI) on the environmental side. One is water reduction target for all business segments, the other is solvent reduction target for Flexible Packaging segment. The GSSI is included as a factor in short-term incentive plans.

The North America segment announced its sponsorship of a sports stadium. In a recently announced five-year deal, Huhtamaki will be the official "sustainable packaging provider" at Children's Mercy Park stadium, home of the US Major League Soccer (MLS) team, Sporting Kansas City. The aim is to further reduce stadium's environmental footprint with the goal of zero waste by 2027.

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

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

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

Other significant events during the reporting period

Capital Markets Day

Huhtamaki held its Capital Markets Day in Espoo, Finland on March 28, 2023. At the event, the company presented its updated 2030 strategy and long-term financial ambitions. Huhtamaki's updated 2030 strategy focuses on four areas: scaling up its profitable core businesses, developing its blueloop™ sustainable innovation in partnership with customers, driving world-class operational performance across its global footprint and investing in strategic capabilities to drive its transformation journey.

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

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

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.

Significant events after the reporting period

There were no significant events after the reporting period.

Business review by segment

Foodservice Europe-Asia-Oceania

Foodservice paper and plastic disposable tableware, such as cups, is supplied to foodservice operators, fast food restaurants and coffee shops. The segment has production in Europe, South Africa, Middle East, Asia and Oceania.

EUR million	Q1 2023	Q1 2022	Change	2022
Net sales	256.2	254.7	1%	1,110.7
Comparable net sales growth	11%	18%		18%
Adjusted EBIT ¹	21.2	25.6	-17%	105.7
Margin ¹	8.3%	10.0%		9.5%
Adjusted RONA ¹	10.4%	9.7%		10.9%
Capital expenditure	24.3	38.1	-36%	118.9
Operating cash flow ¹	22.2	-11.1	>100%	28.3
Items affecting comparability (IAC)	-1.5	-0.0		16.0

¹ Excluding IAC.

Q1 2023

The demand for foodservice packaging softened slightly during the quarter. Prices of most input costs continued to increase compared to Q1 2022.

Net sales in the Foodservice Europe-Asia-Oceania segment increased and comparable net sales growth was 11%. Sales increased driven by Europe, but was weighed on by developments in Asia, particularly China. Pricing and mix supported net sales, whereas lower sales volumes had a negative impact. The business in Russia was divested in September 2022.

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

The segment's adjusted EBIT decreased mainly due to lower sales volumes and consequent impact on production efficiency in certain markets.

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

North America

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

EUR million	Q1 2023	Q1 2022	Change	2022
Net sales	358.1	337.5	6%	1,468.3
Comparable net sales growth	2%	24%		14%
Adjusted EBIT ¹	42.5	38.8	9%	171.6
Margin ¹	11.9%	11.5%		11.7%
Adjusted RONA ¹	17.6%	17.7%		17.9%
Capital expenditure	20.2	16.2	24%	99.8
Operating cash flow ¹	17.8	-21.1	>100%	45.6
Items affecting comparability (IAC)	-	-0.0		-5.6

¹ Excluding IAC.

Q1 2023

Overall, there were significant variations in demand across categories. In particular, demand in foodservice was solid whereas consumer goods continued to suffer from lower ice-cream consumption. Cost inflation continued to be significant, affecting particularly raw material and labor. The return of a normal seasonality within the year impacted timing of demand.

Net sales in the North America segment increased mainly driven by foodservice packaging, while seasonality impacted sales in the other product categories. Comparable net sales growth was 2%, driven by pricing, whereas there was softness in volumes.

The impact of currency movements on the segment's reported net sales was EUR 16 million.

The segment's adjusted EBIT improved, supported by net sales growth and increased operational efficiency, while lower sales volumes and an unfavorable sales mix and had a negative impact. The impact on profitability from increased costs for raw materials, labor, distribution and energy was offset by pricing actions.

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

Flexible Packaging

Flexible packaging is used for a wide range of consumer products including food, pet food, hygiene and health care products. The segment serves global markets from production units in Europe, Middle East and Africa, Asia and South America.

EUR million	Q1 2023	Q1 2022	Change	2022
Net sales	349.1	377.7	-8%	1,558.2
Comparable net sales growth	-5%	18%		14%
Adjusted EBIT ¹	21.4	29.4	-27%	98.1
Margin ¹	6.1%	7.8%		6.3%
Adjusted RONA ¹	6.2%	7.7%		6.9%
Capital expenditure	16.2	14.4	13%	68.2
Operating cash flow ¹	20.2	-17.3	>100%	51.5
Items affecting comparability (IAC)	-2.8	-2.8		-15.9

¹ Excluding IAC.

Q1 2023

Overall demand for flexible packaging declined mainly due to inflationary pressure on consumption. Raw material prices continued to decrease compared to the fourth quarter of 2022 and were overall in line with the prices in Q1 2022. Most other input costs continued to increase.

Net sales in the Flexible Packaging segment decreased and comparable net sales growth was -5%. Net sales was impacted by a decrease in sales volumes, partly due to destocking in the value chain. Net sales decreased mainly in emerging markets but increased in South-East Asia and Oceania.

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

The segment's adjusted EBIT decreased, impacted by a decrease in sales volumes and a negative sales mix.

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

Fiber Packaging

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

EUR million	Q1 2023	Q1 2022	Change	2022
Net sales	86.9	90.9	-4%	363.0
Comparable net sales growth	17%	8%		15%
Adjusted EBIT ¹	10.5	7.5	40%	40.0
Margin ¹	12.1%	8.2%		11.0%
Adjusted RONA ¹	15.5%	13.0%		14.4%
Capital expenditure	4.5	7.4	-40%	31.2
Operating cash flow ¹	-4.5	20.6	<-100%	20.9
Items affecting comparability (IAC)	-0.3	-0.0		18.1

¹ Excluding IAC.

Q1 2023

Overall demand for fiber-based egg packaging and food-on-the-go products softened during the quarter. For egg packaging, there was a negative impact on supply of egg due to avian flu and the impact of inflation on feedstock. The prices of recycled fiber were lower than in Q1 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 17%. Net sales increased driven by pricing and mix, whereas sales volumes decreased.

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

The segment's adjusted EBIT increased, supported by pricing actions.

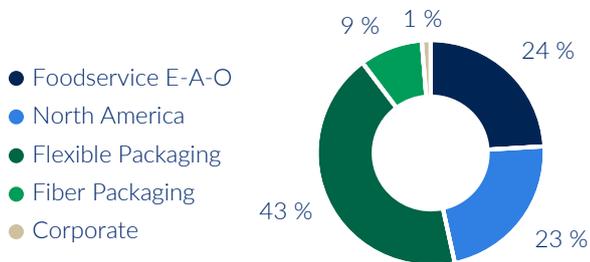
The impact of currency movements on the segment's reported earnings was EUR -0 million.

Personnel

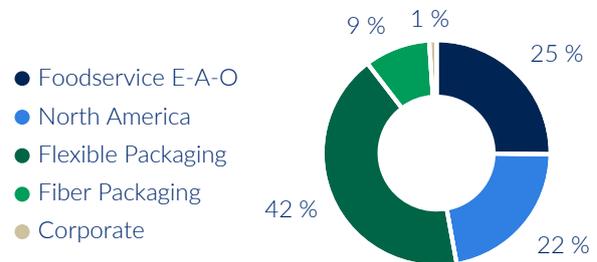
Number of personnel

	March 31, 2023	March 31, 2022	Change
Foodservice Europe-Asia-Oceania	4,443	4,983	-11%
North America	4,162	4,358	-4%
Flexible Packaging	7,973	8,409	-5%
Fiber Packaging	1,658	1,849	-10%
Corporate	231	206	12%
Group	18,468	19,805	-7%

Personnel by segment on March 31, 2023



Personnel by segment on March 31, 2022



At the end of March 2023, the Group had a total of 18,468 (19,805) employees. The number of employees was 7% lower than in the comparison period.

Changes in management

There were no changes in management.

Share capital, shareholders and trading of shares

Share capital and number of shares

	March 31, 2023	March 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 ¹	104,538,181	104,364,676
Average number of shares ^{1,2}	104,372,387	104,364,676

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at March 31, 2023



The number of registered shareholders at the end of March 2023 was 53,051 (48,335). Foreign ownership including nominee registered shares accounted for 43% (46%).

Trading of shares

Trading of Huhtamaki shares on Nasdaq Helsinki	Q1 2023	Q1 2022
Number of shares traded, million	14.0	19.0
Closing price on final day of trading, EUR	34.20	31.58
Volume-weighted average price, EUR	33.50	32.85
High, EUR	36.46	39.40
Low, EUR	31.24	26.41
Market capitalization (at end of period), EUR million	3,685	3,403

During the reporting period, Huhtamaki Oyj's (Company) shares were quoted on Nasdaq Helsinki Ltd on the Nordic Large Cap list under the Industrials sector. It was a component of the Nasdaq Helsinki 25 Index.

At the end of March 2023, the Company's market capitalization was EUR 3,685 million (EUR 3,403 million). With a closing price of EUR 34.20 (EUR 31.58) at the end of the reporting period, the share price increased approximately 7% from the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was EUR 33.50 (EUR 32.85). The highest price paid was EUR 36.46 (EUR 39.40) and the lowest was EUR 31.24 (EUR 26.41).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 468 million (EUR 617 million). The trading volume of approximately 14 million (19 million) shares equaled an average daily turnover of 218,459 (298,344) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 1,922 million (EUR 1,895 million). During the reporting period, 76% (69%) of all trading took place outside Nasdaq Helsinki Ltd (source: Refinitiv Eikon).

Short-term risks and uncertainties

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

Outlook for 2023 (unchanged)

The Group's trading conditions are expected to remain relatively stable, despite the continued volatility in the operating environment. Huhtamäki's diversified product portfolio provides resilience and the Group's good financial position enables addressing profitable long-term growth opportunities.

Annual General Meeting 2023

The Annual General Meeting of Shareholders (AGM) will be held on Thursday, April 27, 2023 at 11:00 (EEST) at Scandic Marina Congress Center, Katajanokanlaituri 6, Helsinki, Finland.

Financial reporting in 2023

In 2023, Huhtamäki will publish financial information as follows:

Half-yearly Report, January 1 - June 30, 2023	July 20
Interim Report, January 1 - September 30, 2023	October 20

Espoo, April 26, 2023

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) - unaudited

<i>EUR million</i>	Q1 2023	Q1 2022	Q1-Q4 2022
Net sales	1,047.1	1,049.7	4,479.0
Cost of goods sold	-862.1	-868.7	-3,746.6
Gross profit	185.1	181.0	732.4
Other operating income	4.1	3.3	74.8
Sales and marketing	-24.1	-23.7	-99.6
Research and development	-8.7	-7.6	-30.6
Administration expenses	-67.8	-58.6	-254.9
Other operating expenses	-1.2	-0.8	-16.8
Earnings before interest and taxes	87.4	93.5	405.3
Financial income	2.9	5.8	11.0
Financial expenses	-22.0	-8.7	-64.2
Profit before taxes	68.4	90.6	352.1
Income tax expense	-16.1	-22.1	-66.7
Profit for the period	52.3	68.5	285.4
Attributable to:			
Equity holders of the parent company	49.5	66.0	276.2
Non-controlling interest	2.8	2.5	9.2
EUR			
EPS attributable to equity holders of the parent company	0.47	0.63	2.65
Diluted EPS attributable to equity holders of the parent company	0.47	0.63	2.64

Group statement of comprehensive income (IFRS) - unaudited

<i>EUR million</i>	Q1 2023	Q1 2022	Q1-Q4 2022
Profit for the period	52.3	68.5	285.4
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements on defined benefit plans	-0.1	0.0	44.1
Income taxes related to items that will not be reclassified	0.1	-0.1	-16.3
Total	-0.0	-0.0	27.8
Items that may be reclassified subsequently to profit or loss			
Translation differences	-46.8	42.6	108.7
Equity hedges	3.2	-3.9	-14.7
Cash flow hedges	-0.9	10.2	17.4
Income taxes related to items that may be reclassified	0.1	-1.9	-3.4
Total	-44.6	47.0	108.0
Other comprehensive income, net of tax	-44.6	47.0	135.8
Total comprehensive income	7.7	115.5	421.2
Attributable to:			
Equity holders of the parent company	6.2	112.2	413.6
Non-controlling interest	1.5	3.3	7.5

Group statement of financial position (IFRS) - unaudited

<i>EUR million</i>	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022
ASSETS			
Non-current assets			
Goodwill	1,021.6	1,035.0	1,019.4
Other intangible assets	122.2	117.9	121.6
Tangible assets	1,716.5	1,735.8	1,705.8
Other investments	2.2	2.4	2.8
Interest-bearing receivables	0.6	0.9	1.8
Deferred tax assets	44.3	48.4	55.2
Employee benefit assets	56.4	57.8	68.3
Other non-current assets	8.0	9.4	16.5
	2,971.9	3,007.7	2,991.4
Current assets			
Inventory	772.5	755.4	776.9
Interest-bearing receivables	34.9	14.9	6.7
Current tax assets	23.7	20.1	16.2
Trade and other current receivables	716.0	709.4	803.9
Cash and cash equivalents	264.1	309.4	215.1
Assets held for sale	4.3	4.3	-
	1,815.4	1,813.6	1,818.9
Total assets	4,787.3	4,821.3	4,810.3
EQUITY AND LIABILITIES			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-29.6	-31.2	-31.2
Translation differences	-49.3	-7.1	-64.6
Fair value and other reserves	-31.4	-30.4	-64.0
Retained earnings	1,477.8	1,429.4	1,314.1
Total equity attributable to equity holders of the parent company	1,848.9	1,842.2	1,635.7
Non-controlling interest	78.1	80.0	80.7
Total equity	1,927.0	1,922.2	1,716.3
Non-current liabilities			
Interest-bearing liabilities	1,402.7	1,403.9	1,283.3
Deferred tax liabilities	132.2	133.3	136.7
Employee benefit liabilities	135.3	136.7	196.8
Provisions	13.2	13.3	13.6
Other non-current liabilities	5.0	4.3	7.3
	1,688.4	1,691.4	1,637.6
Current liabilities			
Interest-bearing liabilities			
Current portion of long term loans	102.3	168.9	151.4
Short-term loans	220.9	223.2	360.5
Provisions	8.8	9.8	4.7
Current tax liabilities	73.1	70.8	59.7
Trade and other current liabilities	766.8	734.9	879.9
	1,171.9	1,207.7	1,456.3
Total liabilities	2,860.3	2,899.1	3,093.9
Total equity and liabilities	4,787.3	4,821.3	4,810.3

Group statement of changes in equity (IFRS) - unaudited

Attributable to equity holders of the parent company

<i>EUR million</i>	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance on January 1, 2022	366.4	115.0	-31.2	-102.4	-72.4	1,245.3	1,520.7	76.5	1,597.2
Share-based payments			-			4.5	4.5		4.5
Total comprehensive income for the year				37.9	8.3	66.0	112.2	3.3	115.4
Acquisition of non-controlling interest						-2.0	-2.0	-0.3	-2.3
Other Changes						0.2	0.2	1.2	1.5
Balance on Mar 31, 2022	366.4	115.0	-31.2	-64.6	-64.0	1,314.1	1,635.7	80.7	1,716.3
Balance on January 1, 2023	366.4	115.0	-31.2	-7.1	-30.4	1,429.4	1,842.2	80.0	1,922.2
Share-based payments			1.6			-3.8	-2.2		-2.2
Total comprehensive income for the year				-42.3	-1.0	49.5	6.2	1.5	7.7
Acquisition of non-controlling interest						2.2	2.2	-2.2	-
Other Changes						0.5	0.5	-1.2	-0.7
Balance on Mar 31, 2023	366.4	115.0	-29.6	-49.3	-31.4	1,477.8	1,848.9	78.1	1,927.0

Group statement of cash flows (IFRS) - unaudited

<i>EUR million</i>	Q1 2023	Q1 2022	Q1-Q4 2022
Profit for the period*	52.3	68.5	285.4
Adjustments*	90.5	80.7	291.8
Depreciation and amortization*	50.7	51.1	209.7
Gain/loss from disposal of assets*	1.3	-0.1	1.2
Financial expense/-income*	19.1	2.9	53.2
Income tax expense*	16.1	22.1	66.7
Other adjustments*	3.4	4.7	-38.9
Change in inventory*	-25.3	-102.6	-98.0
Change in non-interest bearing receivables*	-29.6	-48.4	20.6
Change in non-interest bearing payables*	38.3	47.3	-83.6
Dividends received*	-	-	0.2
Interest received*	2.2	4.6	20.6
Interest paid*	-6.2	-9.6	-36.0
Other financial expense and income*	-4.6	0.1	-8.2
Taxes paid*	-12.0	-11.0	-71.3
Net cash flows from operating activities	105.5	29.7	321.4
Capital expenditure*	-65.2	-76.4	-318.5
Proceeds from selling tangible assets*	2.3	0.9	8.2
Disposed subsidiaries and business operations	-	-	149.2
Acquired subsidiaries and assets	-	-	-2.2
Change in other investments	0.1	-	0.5
Proceeds from long-term deposits	0.3	0.3	1.3
Payment of long-term deposits	-	-0.0	-
Proceeds from short-term deposits	36.6	0.7	62.6
Payment of short-term deposits	-56.6	-4.8	-75.7
Net cash flows from investing activities	-82.5	-79.3	-174.6
Proceeds from long-term borrowings	6.0	10.9	917.5
Repayment of long-term borrowings	-13.2	-4.2	-623.8
Change in short-term loans	-38.7	77.6	-214.9
Acquisition of non-controlling interest	-18.2	-2.3	-2.3
Dividends paid	0.0	0.0	-98.1
Net cash flows from financing activities	-64.2	82.1	-21.6
Change in cash and cash equivalents	-45.4	36.5	130.8
Cash flow based	-41.2	32.4	125.2
Translation difference	-4.2	4.1	5.6
Cash and cash equivalents period start	309.4	178.7	178.7
Cash and cash equivalents period end	264.1	215.1	309.4
Free cash flow (including figures marked with *)	42.6	-45.7	11.1

Notes to the Interim Report

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the accounting policy changes listed below, the same accounting policies have been applied in the Interim Report as in the annual financial statements for 2022. The following new and amended standards and interpretations have been adopted with effect from January 1, 2023. The amendments had no material impact on the interim financial statements:

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

Segments

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

Net sales

<i>EUR million</i>	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	255.5	1,107.3	266.3	299.5	288.1	253.4
Intersegment net sales	0.7	3.4	0.4	1.0	0.7	1.3
North America	356.9	1,464.1	383.2	371.8	373.2	335.9
Intersegment net sales	1.2	4.2	0.4	0.6	1.6	1.6
Flexible Packaging	348.1	1,551.4	366.7	417.8	391.0	376.0
Intersegment net sales	1.0	6.7	2.4	2.9	-0.2	1.7
Fiber Packaging	86.6	356.2	87.4	89.4	95.0	84.4
Intersegment net sales	0.3	6.8	-0.0	-0.1	0.4	6.5
Elimination of intersegment net sales	-3.1	-21.1	-3.2	-4.4	-2.5	-11.1
Total	1,047.1	4,479.0	1,103.6	1,178.4	1,147.3	1,049.7

EBIT

<i>EUR million</i>	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	19.7	121.7	19.3	55.1	21.8	25.5
North America	42.5	165.9	43.4	41.8	41.9	38.8
Flexible Packaging	18.6	82.2	9.5	21.5	24.7	26.6
Fiber Packaging	10.2	58.0	12.8	25.3	12.5	7.5
Other activities	-3.5	-22.7	-7.0	-6.5	-4.3	-4.9
Total	87.4	405.3	78.1	137.1	96.5	93.5

IAC in EBIT

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

EBITDA

<i>EUR million</i>	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	34.2	182.3	33.8	71.0	37.1	40.4
North America	57.0	224.3	58.7	57.0	56.3	52.3
Flexible Packaging	34.4	146.8	26.1	37.7	40.6	42.4
Fiber Packaging	15.3	81.3	17.9	31.2	18.6	13.5
Other activities	-2.8	-19.8	-6.1	-6.3	-3.4	-4.0
Total	138.1	614.9	130.5	190.6	149.2	144.6

IAC in EBITDA

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

Depreciation and amortization

<i>EUR million</i>	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	14.5	60.6	14.5	15.9	15.3	14.8
North America	14.5	58.4	15.3	15.2	14.3	13.6
Flexible Packaging	15.9	64.6	16.6	16.2	16.0	15.8
Fiber Packaging	5.1	23.3	5.1	6.0	6.1	6.0
Other activities	0.7	2.9	0.9	0.2	1.0	0.9
Total	50.7	209.7	52.5	53.4	52.7	51.1

Net assets allocated to the segments¹

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

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

Capital expenditure

<i>EUR million</i>	Q1 2023	Q1-Q4 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Foodservice Europe-Asia-Oceania	24.3	118.9	41.2	19.9	19.6	38.1
North America	20.2	99.8	49.5	17.8	16.2	16.2
Flexible Packaging	16.2	68.2	32.9	13.9	7.0	14.4
Fiber Packaging	4.5	31.2	9.5	5.5	8.7	7.4
Other activities	0.0	0.4	0.0	0.1	0.0	0.2
Total	65.2	318.5	133.2	57.4	51.5	76.4

Business Combinations

On February 20, 2023 Huhtamaki acquired full ownership of Huhtamaki Tailored Packaging Pty Ltd (HTP), the Australian foodservice packaging distribution and wholesale group. Huhtamaki acquired a majority stake in the business in 2018 and held approximately 76% of the company prior to the 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.

Other information

Key indicators

	Q1 2023	Q1-Q4 2022	Q1 2022
Equity per share (EUR)	17.69	17.65	15.67
ROE, % (12m roll.)	14.3%	15.7%	14.6%
ROI, % (12m roll.)	11.0%	11.4%	10.8%
Net debt	1,426.3	1,470.8	1,571.6
Net debt to equity (gearing)	0.74	0.77	0.92
Personnel	18,468	18,927	19,805
Profit before taxes (EUR million, 12m roll.)	329.8	352.1	290.4
Depreciation of tangible assets (EUR million)	45.3	190.4	46.3
Amortization of other intangible assets (EUR million)	5.3	19.3	4.7

Contingent liabilities

<i>EUR million</i>	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022
Capital expenditure commitments	106.7	115.9	88.0

Financial instruments measured at fair value

<i>EUR million</i>	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022
Derivatives - assets			
Currency forwards, transaction risk hedges	2.8	2.7	2.4
Currency forwards, translation risk hedges	0.7	11.3	-
Currency forwards, for financing purposes	10.4	9.9	4.1
Interest rate swaps	5.5	7.0	10.2
Commodity hedges	0.1	-	-
Other investments	2.3	2.4	2.8
Derivatives - liabilities			
Currency forwards, transaction risk hedges	1.9	2.4	2.4
Currency forwards, translation risk hedges	-	1.1	7.4
Currency forwards, for financing purposes	3.1	7.3	14.6
Interest rate swaps	-	6.2	2.9
Cross currency swaps	-	-	0.3

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>	Mar 31, 2023		Dec 31, 2022		Mar 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	1,402.7	1,360.1	1,403.9	1,360.7	1,283.3	1,251.3
Current	323.1	323.1	392.2	392.0	512.0	512.0
Total	1,725.8	1,683.2	1,796.0	1,752.6	1,795.3	1,763.3

Exchange rates

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

Income statement, average:

	Q1 2023	Q1 2022
AUD 1 =	0.6377	0.6440
GBP 1 =	1.1321	1.1957
INR 1 =	0.0113	0.0118
THB 1 =	0.0275	0.0270
USD 1 =	0.9320	0.8906
ZAR 1 =	0.0525	0.0584

Statement of financial position, month end:

	Mar 31, 2023	Mar 31, 2022
AUD 1 =	0.6149	0.6753
GBP 1 =	1.1342	1.1826
INR 1 =	0.0112	0.0119
THB 1 =	0.0268	0.0269
USD 1 =	0.9186	0.8988
ZAR 1 =	0.0509	0.0620

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 and amortization

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 and amortization - 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

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.