

# Solid progress

Results 2016

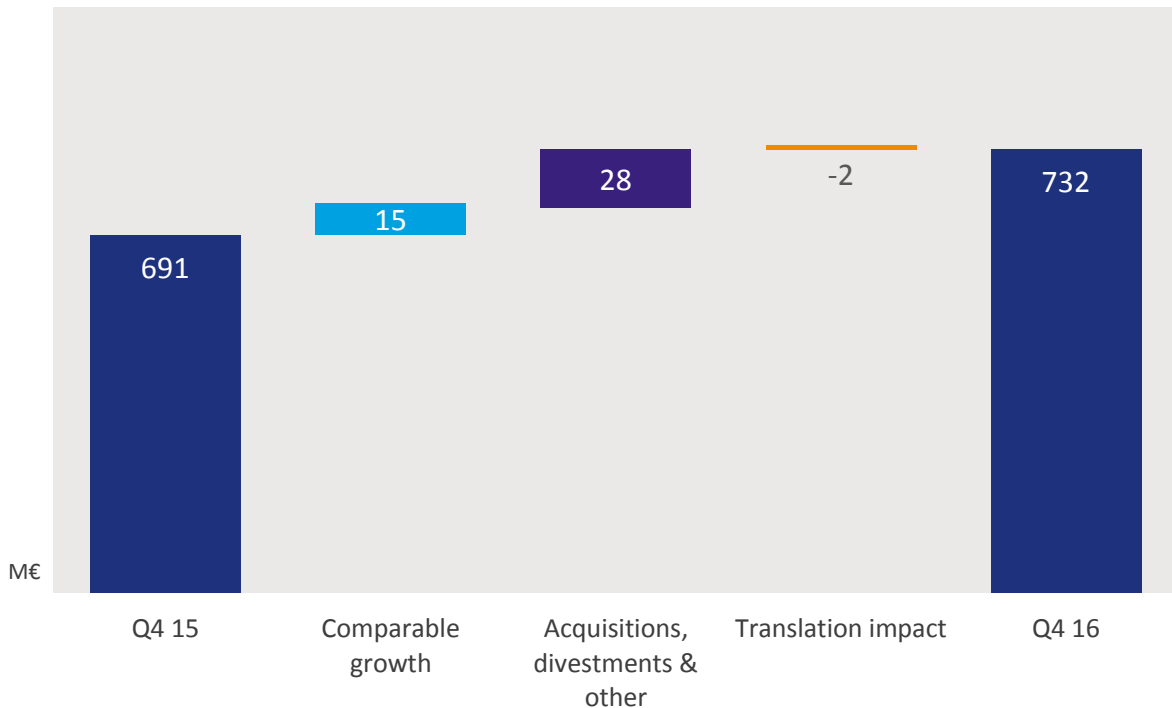
CEO Jukka Moisio

CFO Thomas Geust

**Huhtamaki**



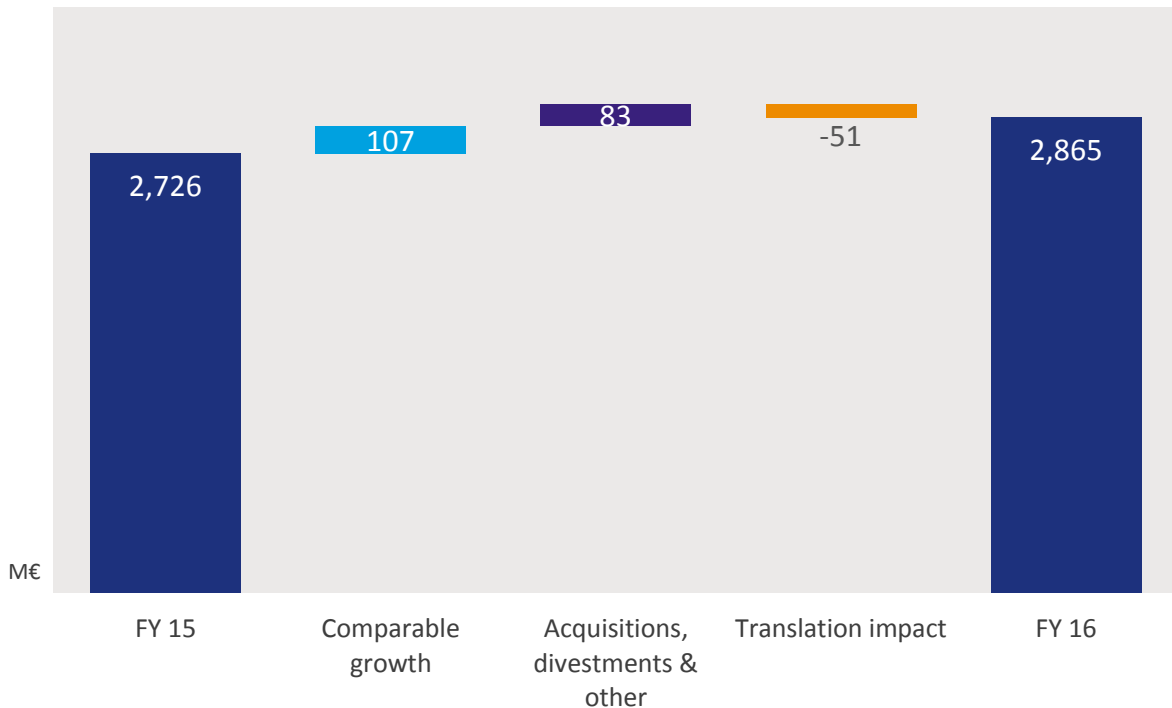
# All-in-all 6% topline growth in Q4 16...



## Net sales growth split in Q4 16

- 3% comparable growth
- 5% in emerging markets
- 4% from acquisitions
- No material impact from currency translation

... and 5% in FY 2016



### Net sales growth split in FY 16

- 4% comparable growth
- 7% in emerging markets
- 3% from acquisitions
- Negative 2% from currency translation

# Comparable growth varied between segments

|                    | Q4 16 | Q3 16 | Q2 16 | Q1 16 | 2016 | Long-term ambitions |
|--------------------|-------|-------|-------|-------|------|---------------------|
| Foodservice EAO    | 3%    | 5%    | 7%    | 7%    | 5%   | 5-7%                |
| North America      | 5%    | 2%    | 8%    | 10%   | 6%   | 2-5%                |
| Flexible Packaging | -3%   | -3%   | 2%    | 1%    | -1%  | 6-8%                |
| Molded Fiber       | 6%    | 6%    | 5%    | 4%    | 5%   | 5-7%                |
| Group              | 3%    | 2%    | 6%    | 6%    | 4%   | 5+%                 |

- Strong growth in the North America and Molded Fiber segments continued
- Foodservice EAO grew well against strong Q4 15
- Challenges in the Flexible Packaging segment's key markets continued

# Solid progress across the board

| M€                            | Q4 16        | Q4 15 | Change |
|-------------------------------|--------------|-------|--------|
| Net sales                     | <b>731.5</b> | 690.5 | 6%     |
| Adjusted EBITDA <sup>1</sup>  | <b>95.2</b>  | 82.4  | 16%    |
| Margin                        | <b>13.0%</b> | 11.9% |        |
| Adjusted EBIT <sup>1</sup>    | <b>65.4</b>  | 55.7  | 17%    |
| Margin                        | <b>8.9%</b>  | 8.1%  |        |
| Adjusted EPS <sup>1</sup> , € | <b>0.44</b>  | 0.38  | 16%    |
| ROI <sup>1</sup>              |              |       |        |
| ROE <sup>1</sup>              |              |       |        |
| Capital expenditure           | <b>103.9</b> | 50.5  | 106%   |
| Free cash flow                | <b>21.7</b>  | 53.0  | -59%   |

| FY 2016        | FY 2015 | Change |
|----------------|---------|--------|
| <b>2,865.0</b> | 2,726.4 | 5%     |
| <b>381.8</b>   | 342.0   | 12%    |
| <b>13.3%</b>   | 12.5%   |        |
| <b>267.9</b>   | 237.5   | 13%    |
| <b>9.4%</b>    | 8.7%    |        |
| <b>1.83</b>    | 1.65    | 11%    |
| <b>14.7%</b>   | 14.7%   |        |
| <b>17.7%</b>   | 18.1%   |        |
| <b>199.1</b>   | 146.9   | 36%    |
| <b>100.3</b>   | 91.2    | 10%    |

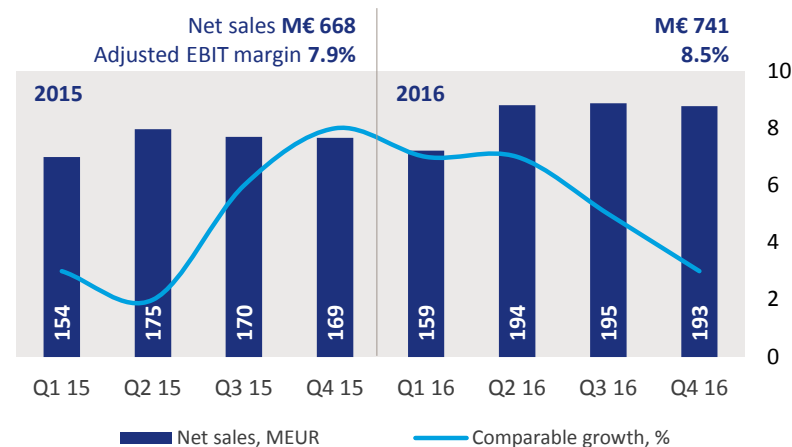
## Q4 16 Highlights

- Earnings improvement driven by solid development in the Foodservice EAO and Molded Fiber segments
- Higher capex and lower cash flow due to the investment in new facility in Arizona, the U.S.

# Business segment review

# Foodservice Europe-Asia-Oceania: Significant earnings improvement

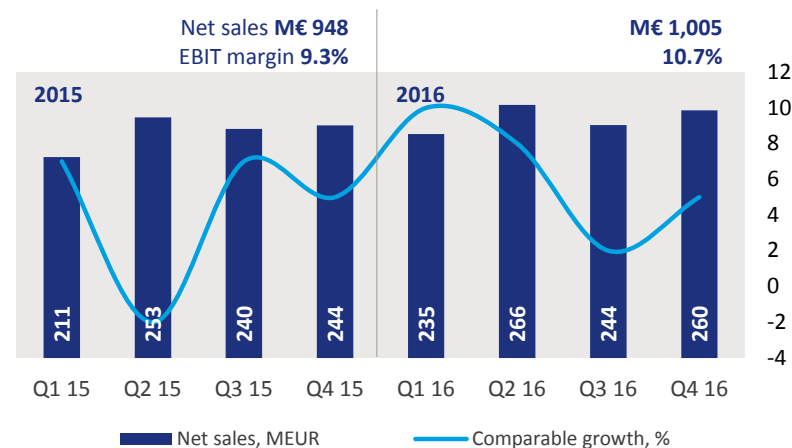
- Good growth against strong Q4 15 driven by coffee and QSR especially in Eastern Europe
- Moderate growth continued in China
- Strong earnings improvement supported by
  - Healthy volume growth
  - Successful actions to improve competitiveness in certain units in China and New Zealand
  - Positive contribution from the acquired units, especially Huhtamaki Delta
- Investments in future growth especially in China



| Key figures, M€            | Q4 16 | Q4 15 | Change |
|----------------------------|-------|-------|--------|
| Adjusted EBIT <sup>1</sup> | 15.3  | 10.3  | 49%    |
| Margin                     | 7.9%  | 6.1%  |        |
| RONA <sup>1</sup>          | 13.7% | 14.2% |        |
| Capital expenditure        | 19.6  | 10.2  | 92%    |
| Operating cash flow        | 7.7   | 11.8  | -35%   |

# North America: Good holiday season sales

- Good growth driven by retail, especially private label tableware
- Sales of frozen dessert packaging declined
- Earnings improved
  - Operational efficiency and continuous improvement actions
  - Volume growth
- Investment in new West Coast facility started during the quarter and burdened operating cash flow

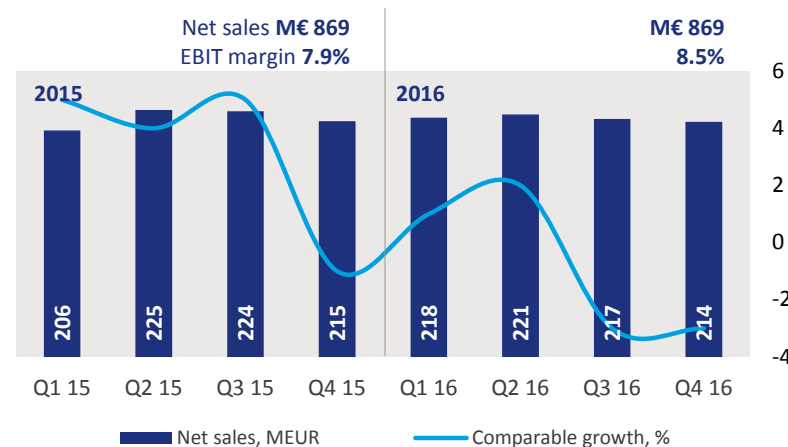


| Key figures, M€     | Q4 16 | Q4 15 | Change |
|---------------------|-------|-------|--------|
| EBIT                | 25.1  | 23.2  | 8%     |
| Margin              | 9.7%  | 9.5%  |        |
| RONA                | 16.3% | 14.1% |        |
| Capital expenditure | 62.1  | 12.0  | 418%   |
| Operating cash flow | -13.0 | 33.0  | -139%  |



# Flexible Packaging: Net sales decline, solid earnings

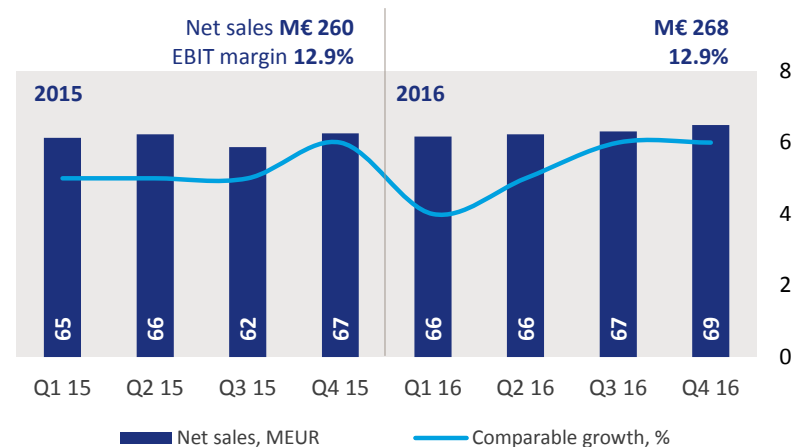
- Net sales declined as a result of
  - Soft local sales in India after the demonetization action executed by the government in early November
  - Declining export sales to Africa in uncertain currency conditions
- Net sales grew in Southeast Asia and Oceania
- Earnings remained solid with good cost containment and margin management
- Strong cash flow driven by good working capital management



| Key figures, M€     | Q4 16 | Q4 15 | Change |
|---------------------|-------|-------|--------|
| EBIT                | 17.6  | 18.3  | -4%    |
| Margin              | 8.2%  | 8.5%  |        |
| RONA                | 11.6% | 12.3% |        |
| Capital expenditure | 11.0  | 9.5   | 16%    |
| Operating cash flow | 36.2  | 18.7  | 94%    |

# Molded Fiber: Net sales and earnings growth

- Strong volume growth in Europe with good utilization of recently added capacity in the UK, Russia and Czech Republic
- New business and added capacity fully onboard in Africa
- Net sales declined in South America as a result of challenging economic environment in Brazil
- Earnings grew as a result of net sales growth and good operational efficiency
  - Earnings include benefit from pension plan change



| Key figures, M€     | Q4 16 | Q4 15 | Change |
|---------------------|-------|-------|--------|
| EBIT                | 9.9   | 8.0   | 24%    |
| Margin              | 14.3% | 12.0% |        |
| RONA                | 16.4% | 17.7% |        |
| Capital expenditure | 10.7  | 18.4  | -42%   |
| Operating cash flow | 5.1   | -5.3  | 196%   |

# Financial review

# Good progress in profitability

| M€                            | Q4 16        | Q4 15 | Change |
|-------------------------------|--------------|-------|--------|
| Net sales                     | <b>731.5</b> | 690.5 | 6%     |
| Adjusted EBITDA <sup>1</sup>  | <b>95.2</b>  | 82.4  | 16%    |
| Margin                        | <b>13.0%</b> | 11.9% |        |
| Adjusted EBIT <sup>1</sup>    | <b>65.4</b>  | 55.7  | 17%    |
| Margin                        | <b>8.9%</b>  | 8.1%  |        |
| EBIT                          | <b>63.9</b>  | 55.7  | 15%    |
| Net financial items           | <b>-7.0</b>  | -7.1  | -1%    |
| Profit before taxes           | <b>56.9</b>  | 48.6  | 17%    |
| Income tax expense            | <b>-12.9</b> | -8.4  | 54%    |
| Profit for the period         | <b>44.0</b>  | 40.2  | 9%     |
| Adjusted EPS <sup>1</sup> , € | <b>0.44</b>  | 0.38  | 16%    |

|                              | FY 2016        | FY 2015 | Change |
|------------------------------|----------------|---------|--------|
| Net sales                    | <b>2,865.0</b> | 2,726.4 | 5%     |
| Adjusted EBITDA <sup>1</sup> | <b>381.8</b>   | 342.0   | 12%    |
| Margin                       | <b>13.3%</b>   | 12.5%   |        |
| Adjusted EBIT <sup>1</sup>   | <b>267.9</b>   | 237.5   | 13%    |
| Margin                       | <b>9.4%</b>    | 8.7%    |        |
| EBIT                         | <b>266.2</b>   | 214.9   | 24%    |
| Net financial items          | <b>-26.9</b>   | -34.2   | -21%   |
| Profit before taxes          | <b>239.3</b>   | 180.7   | 32%    |
| Income tax expense           | <b>-47.8</b>   | -29.3   | 63%    |
| Profit for the period        | <b>191.5</b>   | 151.4   | 26%    |
| Adjusted EPS <sup>1</sup>    | <b>1.83</b>    | 1.65    | 11%    |

## Q4 16 Highlights

- Earnings improvement continued
- IACs related to restructuring in China and New Zealand; positive impact on FS EAO profitability in H2 16
- Financial costs well-balanced
- Improved profitability led to higher tax rate of 20%

# Negative impact from foreign currency translation moderated during the year

|     | Average rate 2015 | Closing rates |       |       |       |       | Average rate 2016 |
|-----|-------------------|---------------|-------|-------|-------|-------|-------------------|
|     |                   | Q4 15         | Q1 16 | Q2 16 | Q3 16 | Q4 16 |                   |
| USD | 1.11              | 1.09          | 1.14  | 1.11  | 1.12  | 1.05  | 1.11              |
| INR | 71.15             | 72.02         | 75.43 | 74.96 | 75.03 | 71.09 | 74.37             |
| GBP | 0.73              | 0.73          | 0.79  | 0.83  | 0.86  | 0.85  | 0.82              |
| CNY | 6.97              | 7.06          | 7.35  | 7.38  | 7.48  | 7.27  | 7.35              |
| AUD | 1.48              | 1.49          | 1.48  | 1.49  | 1.46  | 1.45  | 1.49              |
| THB | 37.99             | 39.25         | 40.02 | 39.01 | 38.88 | 37.57 | 39.05             |
| RUB | 68.00             | 80.67         | 76.31 | 71.52 | 70.88 | 63.26 | 74.26             |
| BRL | 3.69              | 4.31          | 4.12  | 3.59  | 3.63  | 3.41  | 3.86              |
| NZD | 1.59              | 1.59          | 1.64  | 1.56  | 1.55  | 1.50  | 1.59              |
| ZAR | 14.15             | 16.95         | 16.79 | 16.45 | 15.47 | 14.29 | 16.29             |

## Foreign currency translation impact

### Q4 16:

M€ -2 on net sales

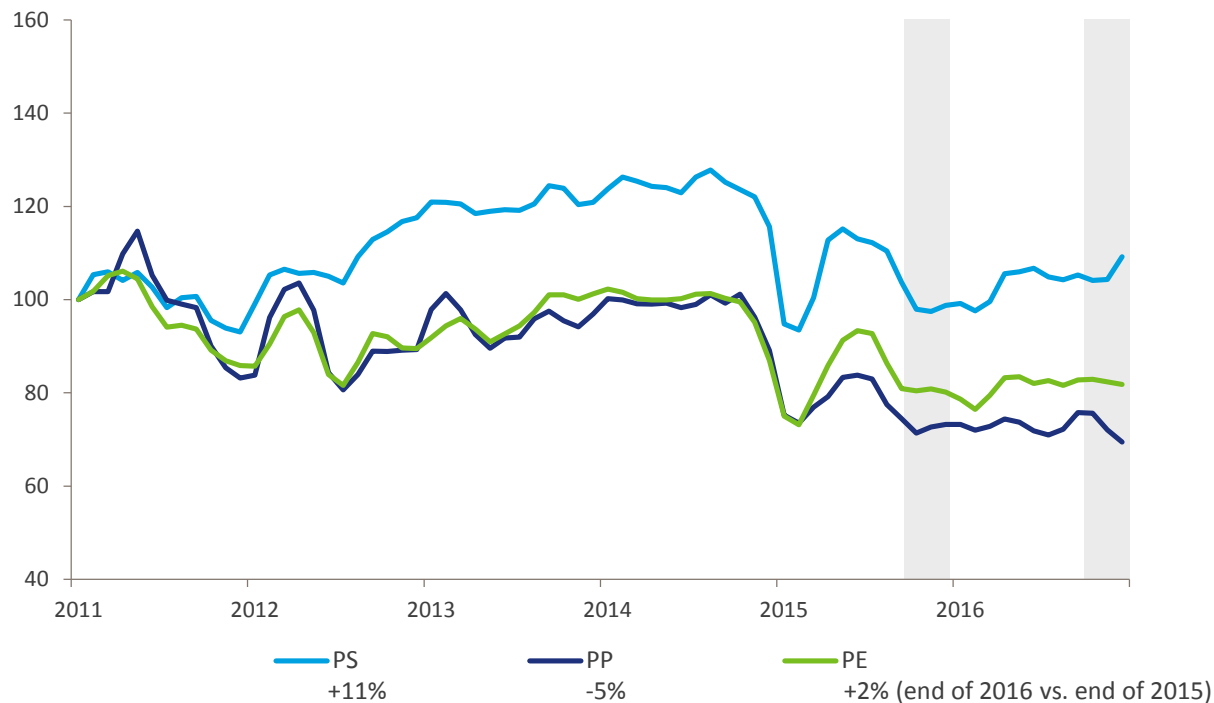
No impact on EBIT

### FY 2016:

M€ -51 on net sales

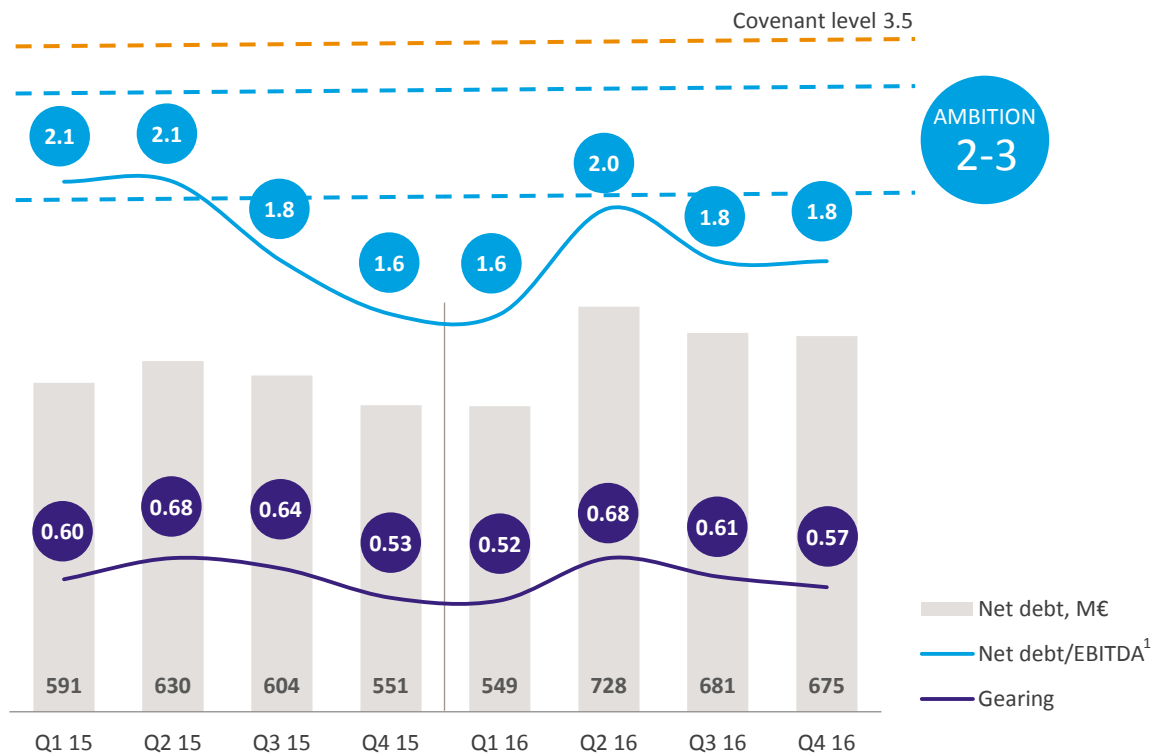
M€ -5 on EBIT

# Prices for main raw materials relatively stable



- Prices for main raw materials (plastics, paperboard and recycled paper) were relatively stable throughout the year

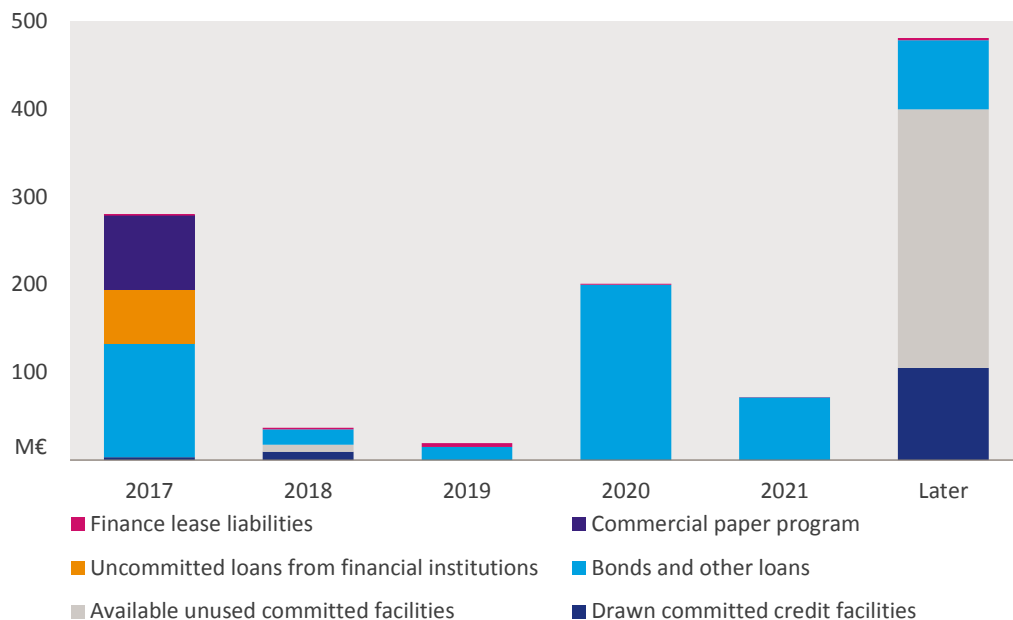
# Stable solidity allows growth investments



- Net debt/EBITDA stable at 1.8
- At the end of 2016
  - Cash and cash equivalents M€ 106
  - Unused committed credit facilities available M€ 303
- Funds available for acquisitions approx. M€ 400-500

# Debt maturity structure unchanged

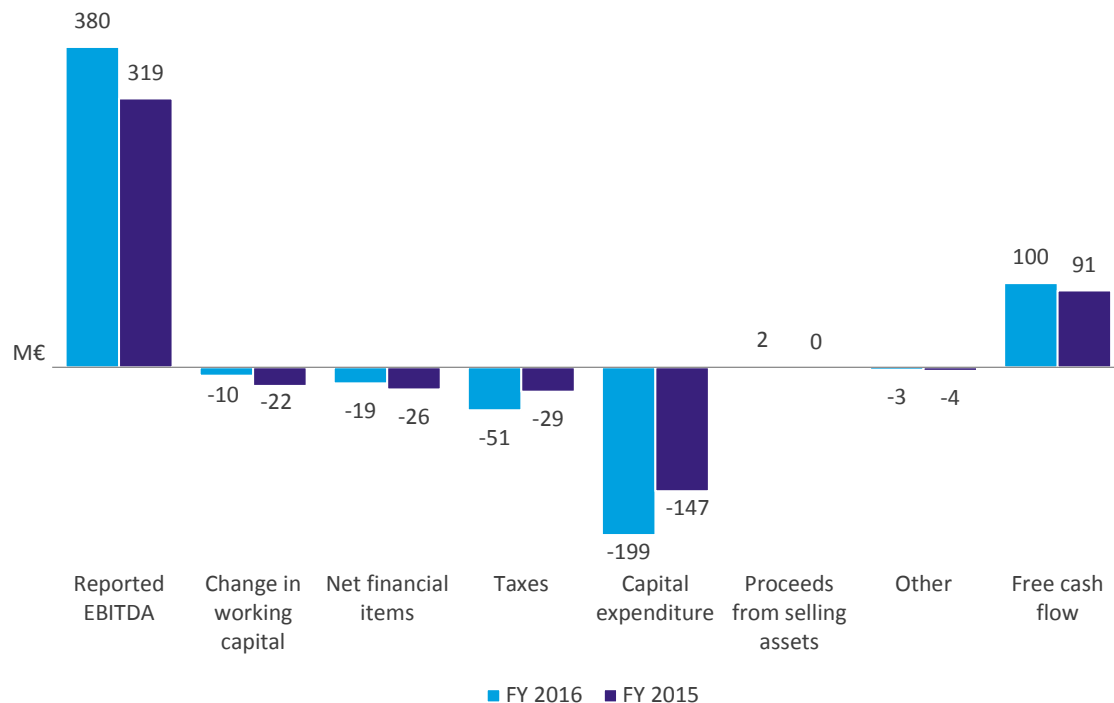
## Debt maturity structure December 31, 2016



- Maturity of M€ 400 syndicated revolving credit facility was extended to 2022 in December
- Average maturity remained at 3.9 years, end of 2015 level



# Free cash flow hit the earlier ambition level



- Free cash flow improved driven by good profitability development
- Taxes higher vs. PY
- Growth investments drove capex significantly above PY level due to higher Q4 spend

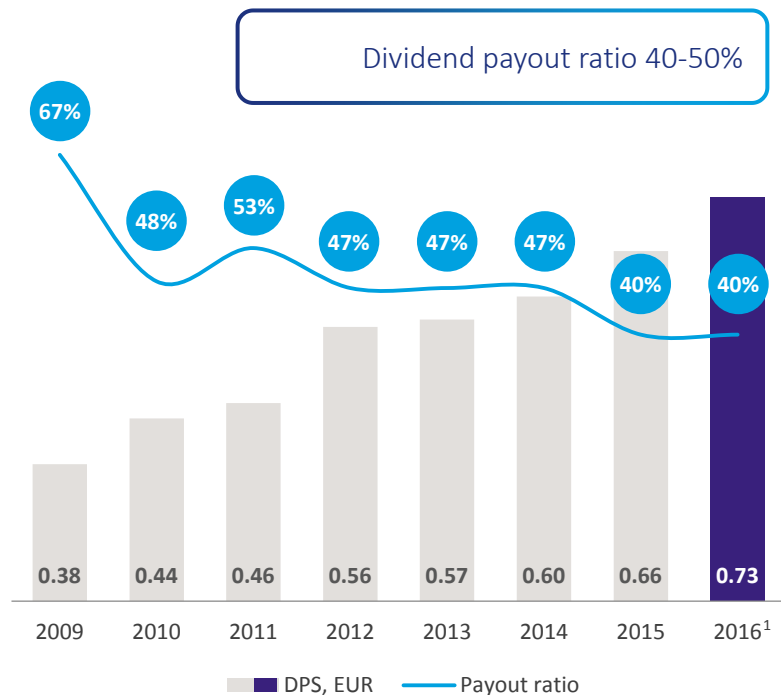
# Stable financial position

| M€                                | Dec 2016 | Dec 2015 |
|-----------------------------------|----------|----------|
| Total assets                      | 2,875    | 2,515    |
| Operating working capital         | 515      | 459      |
| Net debt                          | 675      | 551      |
| Equity & non-controlling interest | 1,182    | 1,036    |
| Gearing                           | 0.57     | 0.53     |
| ROI <sup>1</sup>                  | 14.7%    | 14.7%    |
| ROE <sup>1</sup>                  | 17.7%    | 18.1%    |

- Higher equity
- Net debt increased due to acquisitions
- ROI and ROE remained at good level



# The Board of Directors aims at predictable and growing dividends



- The Board proposes a € 0.73 dividend per share
- Adjusted EPS € 1.83
- Free cash flow before dividends M€ 100 for FY 2016
- Based on Board proposal, 11% increase in dividend
  - Payout ratio 40%
  - Dividend yield<sup>2</sup> 2.1%
- Dividend +92% since 2009
- Dividend CAGR for 2009-2016 is approx. 10%

# Solid progress in 2016 towards our long-term ambitions

|                       | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|-----------------------|---------|---------|---------|---------|
| Organic growth        | 3%      | 3%      | 6%      | 4%      |
| EBITDA margin         | 10.9%   | 11.2%   | 11.6%   | 12.5%   |
| EBIT margin           | 7.0%    | 7.4%    | 7.8%    | 8.7%    |
| ROI                   | 12.6%   | 12.1%   | 12.6%   | 14.7%   |
| ROE                   | 15.8%   | 15.8%   | 16.1%   | 18.1%   |
| Capex/EBITDA          | 37%     | 50%     | 49%     | 43%     |
| Net debt/EBITDA       | 1.6     | 1.6     | 1.0     | 1.6     |
| Free cash flow, MEUR  | 103     | 56      | 65      | 91      |
| Dividend payout ratio | 47%     | 47%     | 47%     | 40%     |

|  | FY 2016          | Long-term ambition |
|--|------------------|--------------------|
|  | 4%               | 5+%                |
|  | 13.3%            | 14+%               |
|  | 9.4%             | 10+%               |
|  | 14.7%            | 15+%               |
|  | 17.7%            | 18%                |
|  | 52%              | 40%                |
|  | 1.8              | 2-3                |
|  | 100              | 150                |
|  | 40% <sup>1</sup> | 40-50%             |

- Continued good progress in 2016 meeting our previous mid-term ambitions
- More work required to realize future opportunities

Looking forward

# Outlook 2017

The Group's trading conditions are expected to remain relatively stable during 2017. 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 2016 with the majority of the investments directed to business expansion.

# Financial calendar 2017

Week 8

**Annual Accounts 2016  
& Directors' Report**

April 27

**Q1 17 Interim Report  
AGM**

July 21

**Half-yearly Report  
2017**

October 26

**Q3 17 Interim Report**



Helping great  
products reach more  
people, more easily



# 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 can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

# Appendices

# We're the global specialist in packaging for food and drink

Net sales

€2.9bn

Comparable growth

4%



EBIT margin

9.4%

ROI

14.7%



Our ambition

The preferred global  
food packaging brand

Employees

17,000



Manufacturing sites

74

Operations in  
34 countries



Our purpose

Helping great products  
reach more people,  
more easily.

# We're well positioned to deliver on our ambitions

Who we are:

Who we serve:

What we offer:

Main materials we use:

#1

**FOODSERVICE**  
packaging company  
operating globally



Paperboard

#1

**MOLDED FIBER**  
company globally



Recycled fibers

#1

**FLEXIBLE PACKAGING**  
company in emerging  
markets



Plastic & other  
materials

# Our three business areas are organized into four reporting segments

## Foodservice packaging



### Foodservice Europe-Asia-Oceania and North America

- 39 plants on 5 continents
- 8,700 employees
- €1.7bn net sales

## Flexible packaging



### Flexible Packaging

- 24 plants on 3 continents
- 6,600 employees
- €870mn net sales

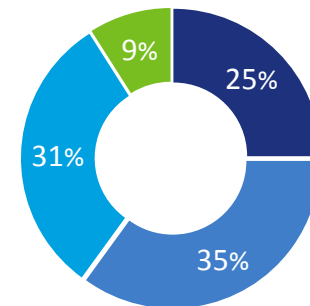
## Molded fiber packaging



### Molded Fiber

- 11 plants on 4 continents
- 1,700 employees
- €270mn net sales

## Share of net sales per segment in 2016



- Foodservice Europe-Asia-Oceania
- North America
- Flexible Packaging
- Molded Fiber

# Foodservice E-A-O: Geared for profitable growth

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

## Our products



Net sales by geography



## Our competitive advantages

- Unique footprint
- Wide product range
- High standards to operate applied in all locations
- Renewed innovations roadmap
- Sourcing ability
- Solid operating efficiency and up-to-date manufacturing capacity

| M€                  | Long-term ambition | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  |
|---------------------|--------------------|-------|-------|-------|-------|-------|-------|
| Net sales           |                    | 741.0 | 667.5 | 620.4 | 629.1 | 626.8 | 524.1 |
| Comparable growth   | 5-7%               | 5%    | 4%    | 4%    | 2%    | -1%   | 0%    |
| EBIT                |                    | 63.2  | 52.4  | 57.4  | 46.9  | 38.1  | 20.0  |
| Margin              | 9-11%              | 8.5%  | 7.9%  | 9.3%  | 7.5%  | 6.1%  | 3.8%  |
| RONA                | 15+%               | 13.7% | 14.2% | 17.6% | 13.9% | 11.6% | 7.8%  |
| Capex               |                    | 46.9  | 39.6  | 33.6  | 16.8  | 21.1  | 20.9  |
| Operating cash flow |                    | 38.0  | 35.4  | 41.9  | 55.9  | 39.7  | 10.7  |

## Our customers



## Market position



globally operating foodservice packaging company

## Key competitors

Seda, HK Cups, International Paper and local players



## Focus areas

- Footprint expansion
- Product portfolio expansion, especially folded carton and bags & wraps
- Execution of the renewed innovation roadmap with emphasis on sustainability and aim for enhanced differentiation
- Sourcing collaboration across segments

**Huhtamaki**

# North America: Continue on the growth path

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

## Our products



Net sales by market channel



## Our competitive advantages

- Leading shaped paperboard converter
- 21st century new capacity
- Capability for customer promotions
- Molded fiber competence and scale, Chinnet® brand
- Uniquely global in foodservice packaging
- Ice-cream systems offering

| M€                  | Long-term ambition | 2016    | 2015  | 2014  | 2013  | 2012  | 2011  |
|---------------------|--------------------|---------|-------|-------|-------|-------|-------|
| Net sales           |                    | 1,005.1 | 947.7 | 769.3 | 725.3 | 704.3 | 532.3 |
| Comparable growth   | 2-5%               | 6%      | 4%    | 6%    | 5%    | 5%    | -4%   |
| EBIT                |                    | 107.6   | 88.2  | 38.4  | 38.4  | 53.0  | 43.5  |
| Margin              | 9-10%              | 10.7%   | 9.3%  | 5.0%  | 5.3%  | 7.5%  | 8.2%  |
| RONA                | 11-14%             | 16.3%   | 14.1% | 7.2%  | 8.0%  | 11.7% | 11.2% |
| Capex               |                    | 97.9    | 40.9  | 36.7  | 66.7  | 31.5  | 24.0  |
| Operating cash flow |                    | 40.4    | 61.1  | 18.7  | -15.0 | 28.7  | 43.5  |

## Our customers



## Market position



## Key competitors

International Paper, Dart/Solo, Reynolds/Pactiv, AJM, Koch/Georgia Pacific, Aspen, Rock Tenn, Gen Pak



## Focus areas

- Replicate Batavia success in Goodyear, AZ
- Build culture to attract best employees and best customers
- Leverage our capacity in foodservice paperboard packaging and retail store brands

# Flexible Packaging: Strengthening our position

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, Asia and South America.

## Our products



Sales by geography



## Our competitive advantages

- Unmatched footprint in emerging markets
- Good reputation among blue-chip customers
- Global R&D knowhow to speed up innovations & commercialization
- Wide product offering
- Strong teams & resource pool in India

## Our customers



## Market position

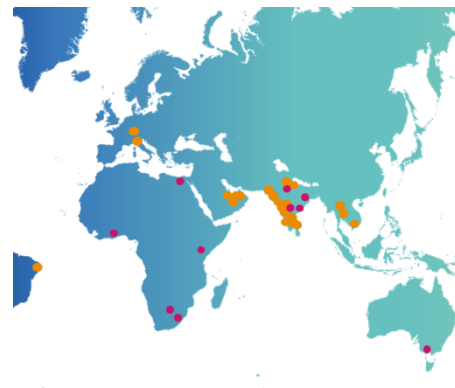


flexible packaging company in emerging markets

## Key competitors

Amcor, Constantia, Bemis, Dai Nippon, regional and local players

| M€                  | Long-term ambition | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  |
|---------------------|--------------------|-------|-------|-------|-------|-------|-------|
| Net sales           |                    | 868.6 | 868.9 | 618.0 | 585.8 | 573.3 | 578.3 |
| Comparable growth   | 6-8%               | -1%   | 3%    | 7%    | 4%    | 2%    | 4%    |
| EBIT                |                    | 73.8  | 68.8  | 45.5  | 44.0  | 44.6  | 38.3  |
| Margin              | 9-11%              | 8.5%  | 7.9%  | 7.4%  | 7.5%  | 7.8%  | 6.6%  |
| RONA                | 15+%               | 11.6% | 12.3% | 13.6% | 13.3% | 13.8% | 9.3%  |
| Capex               |                    | 25.7  | 31.6  | 24.7  | 15.6  | 19.8  | 18.6  |
| Operating cash flow |                    | 87.9  | 63.5  | 27.8  | 34.8  | 41.4  | 39.7  |



## Focus areas

- Harvest full benefits of the recent growth initiatives
- Seize the momentum with global key accounts
- Offer best-in-market innovation capability
- Build capacity for organic growth and seek for potential acquisition targets

**Huhtamaki**



# Molded Fiber: Focus on profitable growth to enhance our positions

Recycled molded fiber is used to make fresh product packaging, such as egg and fruit packaging. The segment has production in Europe, Oceania, Africa and South America.

## Our products



Sales by geography



■ Europe  
■ ROW

## Our competitive advantages

- Full control throughout the value chain from raw material sourcing to NPD
- Centralized R&D
- Sustainability knowhow
- Local service backed by global knowledge
- Strong teams and continuous knowledge sharing

## Our customers



Gebr. Van Beek Group



## Market position



in molded fiber globally

## Key competitors

Hartmann, Pactiv, local players, plastics manufacturers

| M€                  | Long-term ambition | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  |
|---------------------|--------------------|-------|-------|-------|-------|-------|-------|
| Net sales           |                    | 267.8 | 260.3 | 247.0 | 236.3 | 237.3 | 244.0 |
| Comparable growth   | 5-7%               | 5%    | 5%    | 9%    | 6%    | 4%    | 3%    |
| EBIT                |                    | 34.6  | 33.5  | 35.0  | 29.6  | 26.4  | 20.9  |
| Margin              | 13-15%             | 12.9% | 12.9% | 14.2% | 12.5% | 11.1% | 8.6%  |
| RONA                | 18+%               | 16.4% | 17.7% | 20.4% | 18.2% | 16.1% | 12.0% |
| Capex               |                    | 27.6  | 34.1  | 27.3  | 18.9  | 14.8  | 11.2  |
| Operating cash flow |                    | 16.7  | 9.9   | 17.5  | 21.0  | 25.6  | 18.5  |



## Focus areas

- Continued investments in new capacity
- Expansion of product portfolio
- Active interest in potential acquisitions
- Innovations and sustainability
- Continuous improvement: operational efficiency, cost mgmt
- Knowledge sharing

**Huhtamaki**

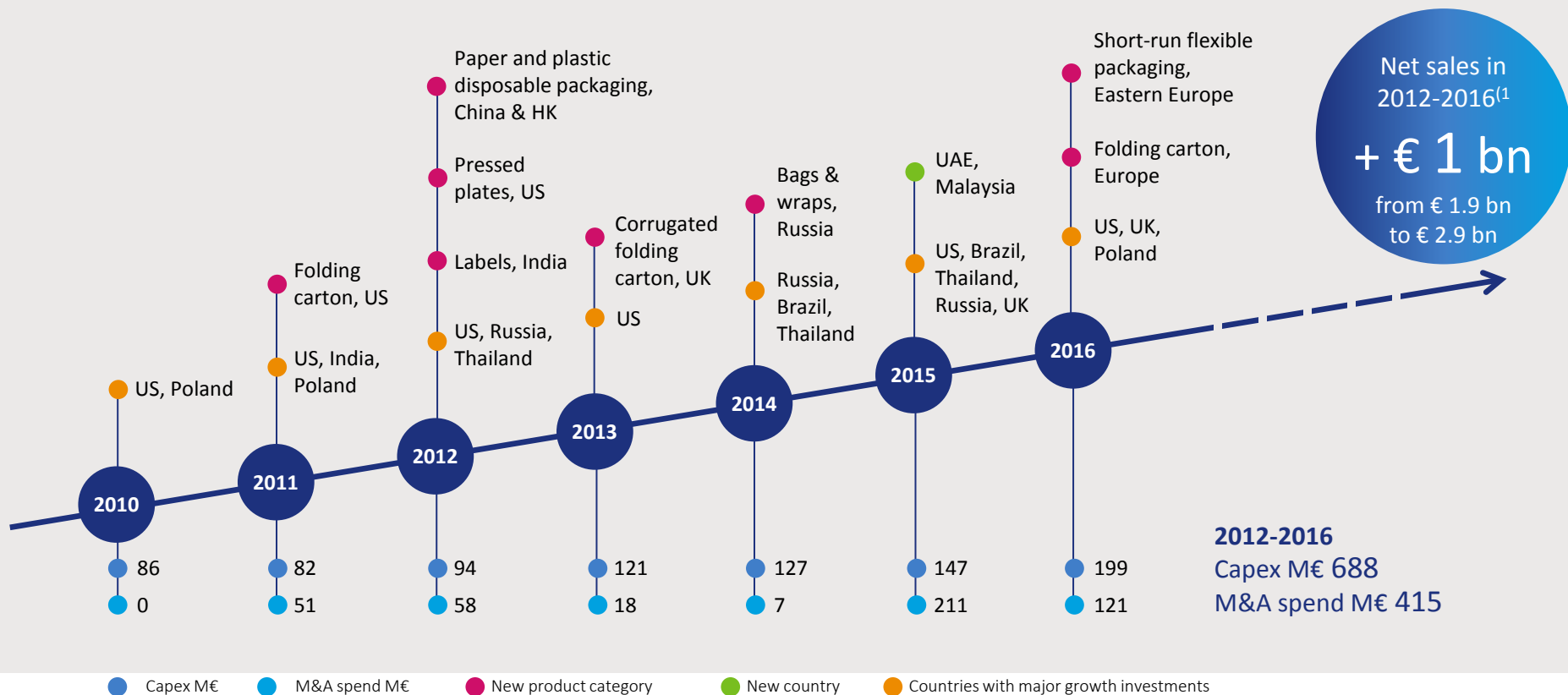
# Group financials 2009-2016

|                                   |    | 2016                | 2015  | 2014 <sup>(1)</sup> | 2013 <sup>(1)</sup> | 2012 <sup>(2)</sup> | 2011  | 2010  | 2009  |
|-----------------------------------|----|---------------------|-------|---------------------|---------------------|---------------------|-------|-------|-------|
| Net sales                         | M€ | 2,865               | 2,726 | 2,236               | 2,161               | 2,321               | 2,043 | 1,952 | 1,832 |
| Comparable growth <sup>(3)</sup>  | %  | 4                   | 4     | 6                   | 3                   | 3                   | 5     | 3     | -5    |
| Adjusted EBITDA <sup>(4)</sup>    | M€ | 382                 | 342   | 259                 | 242                 | 254                 | 208   | 214   | 193   |
| Margin <sup>(4)</sup>             | %  | 13.3                | 12.5  | 11.6                | 11.2                | 10.9                | 10.2  | 11.0  | 10.5  |
| Adjusted EBIT <sup>(4)</sup>      | M€ | 268                 | 238   | 175                 | 160                 | 164                 | 128   | 134   | 112   |
| Margin <sup>(4)</sup>             | %  | 9.4                 | 8.7   | 7.8                 | 7.4                 | 7.0                 | 6.2   | 6.9   | 6.1   |
| Adjusted EPS <sup>(4)</sup>       | €  | 1.83                | 1.65  | 1.24                | 1.17                | 1.19                | 0.87  | 0.92  | 0.57  |
| ROI <sup>(4)</sup>                | %  | 14.7                | 14.7  | 12.6                | 12.1                | 12.6                | 9.8   | 12.0  | 9.6   |
| ROE <sup>(4)</sup>                | %  | 17.7                | 18.1  | 16.1                | 15.8                | 15.8                | 11.0  | 14.5  | 10.1  |
| Capex                             | M€ | 199                 | 147   | 127                 | 121                 | 94                  | 82    | 86    | 53    |
| Free cash flow                    | M€ | 100                 | 91    | 65                  | 56                  | 103                 | 65    | 113   | 208   |
| Gearing                           |    | 0.57                | 0.53  | 0.32                | 0.50                | 0.50                | 0.49  | 0.32  | 0.50  |
| Net debt to EBITDA <sup>(4)</sup> |    | 1.8                 | 1.6   | 1.0                 | 1.6                 | 1.6                 | 1.9   | 1.2   | 1.7   |
| Dividend per share                | €  | 0.73 <sup>(5)</sup> | 0.66  | 0.60                | 0.57                | 0.56                | 0.46  | 0.44  | 0.38  |

# Comparable growth by business segment in 2015-2016

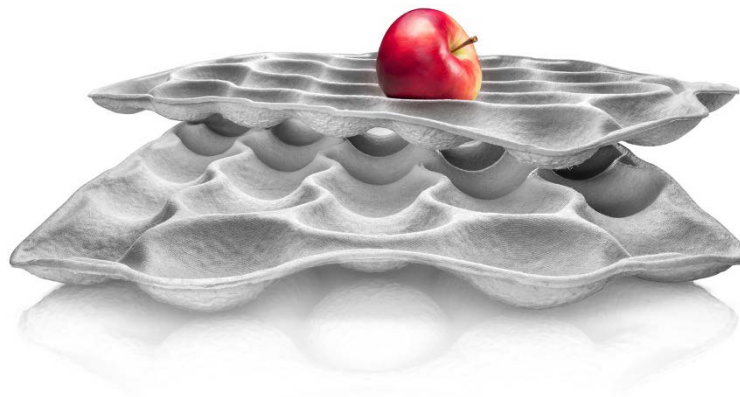
|                    | Q4 16 | Q3 16 | Q2 16 | Q1 16 | Q4 15 | Q3 15 | Q2 15 | Q1 15 | FY 16 | FY 15 | FY 14 | Long-term ambition |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------------|
| Foodservice E-A-O  | 3%    | 5%    | 7%    | 7%    | 8%    | 6%    | 2%    | 3%    | 5%    | 4%    | 4%    | 5-7%               |
| North America      | 5%    | 2%    | 8%    | 10%   | 5%    | 7%    | -2%   | 7%    | 6%    | 4%    | 6%    | 2-5%               |
| Flexible Packaging | -3%   | -3%   | 2%    | 1%    | -1%   | 5%    | 4%    | 5%    | -1%   | 3%    | 7%    | 6-8%               |
| Molded Fiber       | 6%    | 6%    | 5%    | 4%    | 6%    | 5%    | 5%    | 5%    | 5%    | 5%    | 9%    | 5-7%               |
| Group total        | 3%    | 2%    | 6%    | 6%    | 4%    | 6%    | 1%    | 5%    | 4%    | 4%    | 6%    | 5+%                |

# We have made major investments in growth in 2010-2016



# 13 acquisitions completed since 2011

- Paris Packaging, Inc., US, September 2011 (North America)
- Ample Industries, Inc., US, November 2011 (North America)
- Josco (Holdings) Limited, China, April 2012 (Foodservice E-A-O)
- Winterfield, LLC, US, August 2012 (North America)
- Webtech Labels Private Limited, India, November 2012 (Flexible Packaging)
- BCP Fluted Packaging Ltd., UK, November 2013 (Foodservice E-A-O)
- Interpac Packaging Ltd., New Zealand, August 2014 (Foodservice E-A-O)
- Positive Packaging, India, January 2015 (Flexible Packaging)
- Butterworth Paper Cups, Malaysia, March 2015 (Foodservice E-A-O)
- Pure-Stat Technologies, Inc., US, July 2015 (North America)
- FIOMO a.s., Czech Republic, January 2016 (Flexible Packaging)
- Delta Print and Packaging Ltd., UK, May 2016 (Foodservice E-A-O)
- Val Pack Solutions Private Limited, India, July 2016 (Foodservice E-A-O)



In total approx. MEUR 585 of annual net sales acquired for MEUR 466\*

More details per acquisition are available on our website [www.huhtamaki.com/investors/financial-information/acquisitions-and-divestments](http://www.huhtamaki.com/investors/financial-information/acquisitions-and-divestments)

# Growing into the preferred global food packaging brand

## – continuing on our strategic path

### Grow

AMBITION

10+%

- Organic and innovative growth 5+%
- Acquisitive growth 5+%

### Build more

- Continue organic investments
- Continue disciplined acquisitions

### Achieve our ambition

The preferred global food packaging brand

### Raise EBIT margin

AMBITION

10+%

- Topline growth
- Operating efficiency

### Strengthen collaboration

- Focus on food
- Engaged and high performing teams

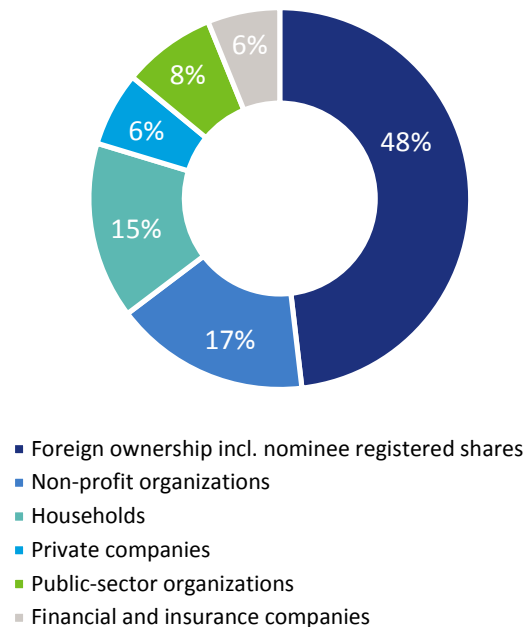
### Live our purpose every day

Helping great products reach more people, more easily.

# Ownership

- 26,407 registered shareholders at the end of December 2016
- 52% of shares in domestic ownership
- 17% of shares controlled by non-profit organizations
  - Finnish Cultural Foundation a major owner since 1943, current ownership 11%
- Number of outstanding shares 107,760,385 including 3,903,846 of the Company's own shares

Shareholder distribution by sector  
December 31, 2016



# Definitions for performance measures

## Performance measures according to IFRS

Earnings per share (EPS) from profit for the period from continuing operations =

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

Earnings per share (EPS) from profit for the period from discontinued operations =

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

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

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

Diluted earnings per share (EPS) from profit for the period from continuing operations =

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

Diluted earnings per share (EPS) from profit for the period from discontinued operations =

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

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

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 =

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)



# Disclaimer

Information presented herein contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or Huhtamäki Oyj's or its affiliates' ("Huhtamäki") future financial performance, including, but not limited to, strategic plans, potential growth, expected capital expenditure, ability to generate cash flows, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause Huhtamäki's actual results, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties include, but are not limited to: (1) general economic conditions such as movements in currency rates, volatile raw material and energy prices and political uncertainties; (2) industry conditions such as demand for Huhtamäki's products, pricing pressures and competitive situation; and (3) Huhtamäki's own operating and other conditions such as the success of manufacturing activities and the achievement of efficiencies therein as well as the success of pending and future acquisitions and restructurings and product innovations. Future results may vary from the results expressed in, or implied by, forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information currently available to the management and Huhtamäki assumes no obligation to update or revise any forward-looking statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

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**Huhtamaki**