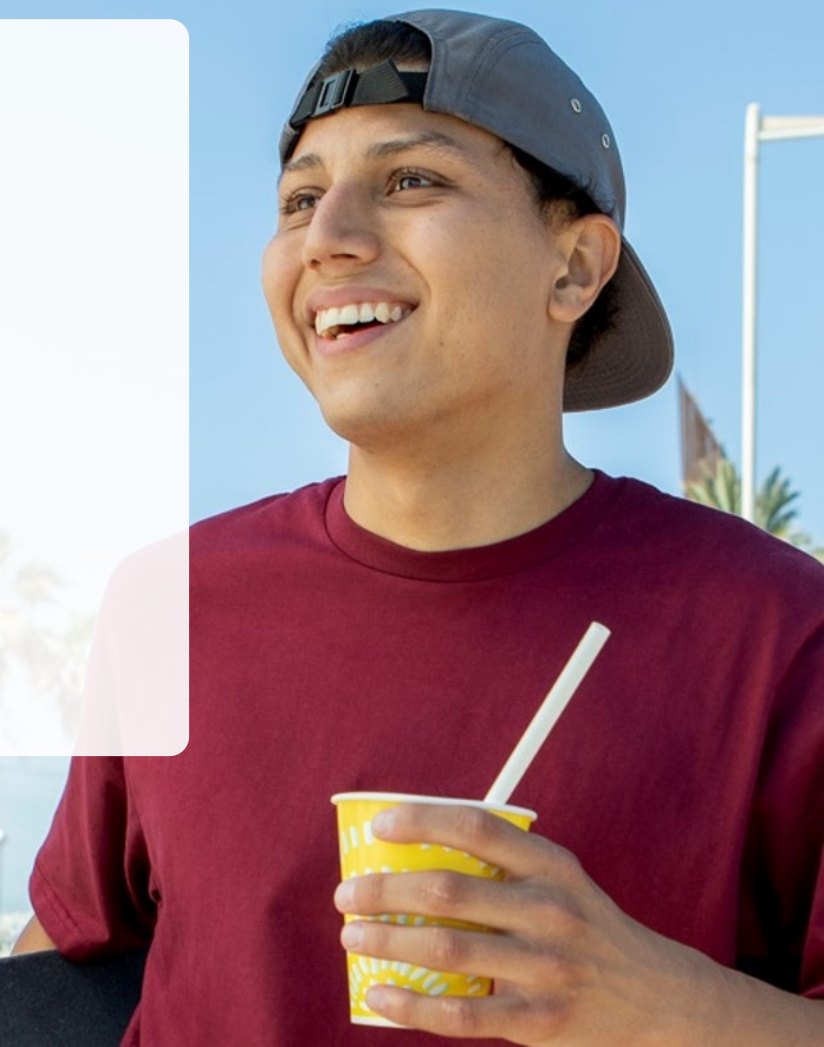


# Becoming the first choice in food packaging

Roadshow presentation February-March 2020

**Huhtamaki**



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

Net sales  
**€ 3.4bn**



Comparable growth  
**6%**

Adjusted  
EBIT margin\*  
**8.6%**



Adjusted ROI\*  
**12.3%**

Our vision

The first choice in  
food packaging

Employees  
**18,600**



Manufacturing sites  
**81**



Operations in  
**35** countries

Our purpose

Helping great products  
reach more people,  
more easily

# Our business is consumer food and drink packaging

Food-on-the-go

Pre-packed food



Convenience

Short shelf life

Food safety

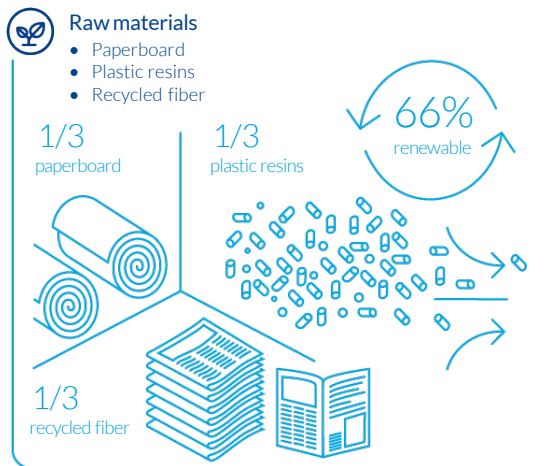
Long shelf life

Food waste prevention

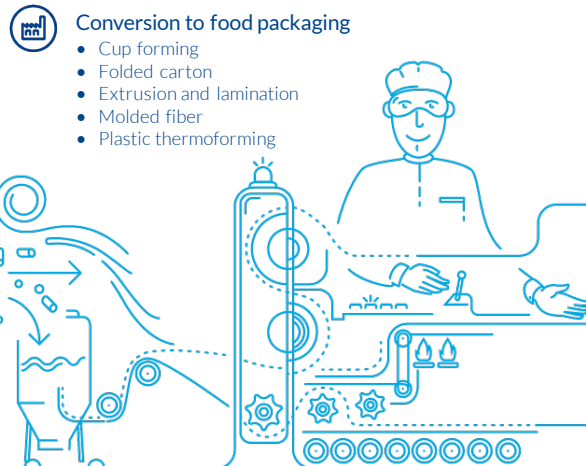
Our packaging protects food and drink products, delivering them to consumers safely and in good condition, helping to reduce waste.

# Our operating model

## Inputs



## Our activities



## Outputs



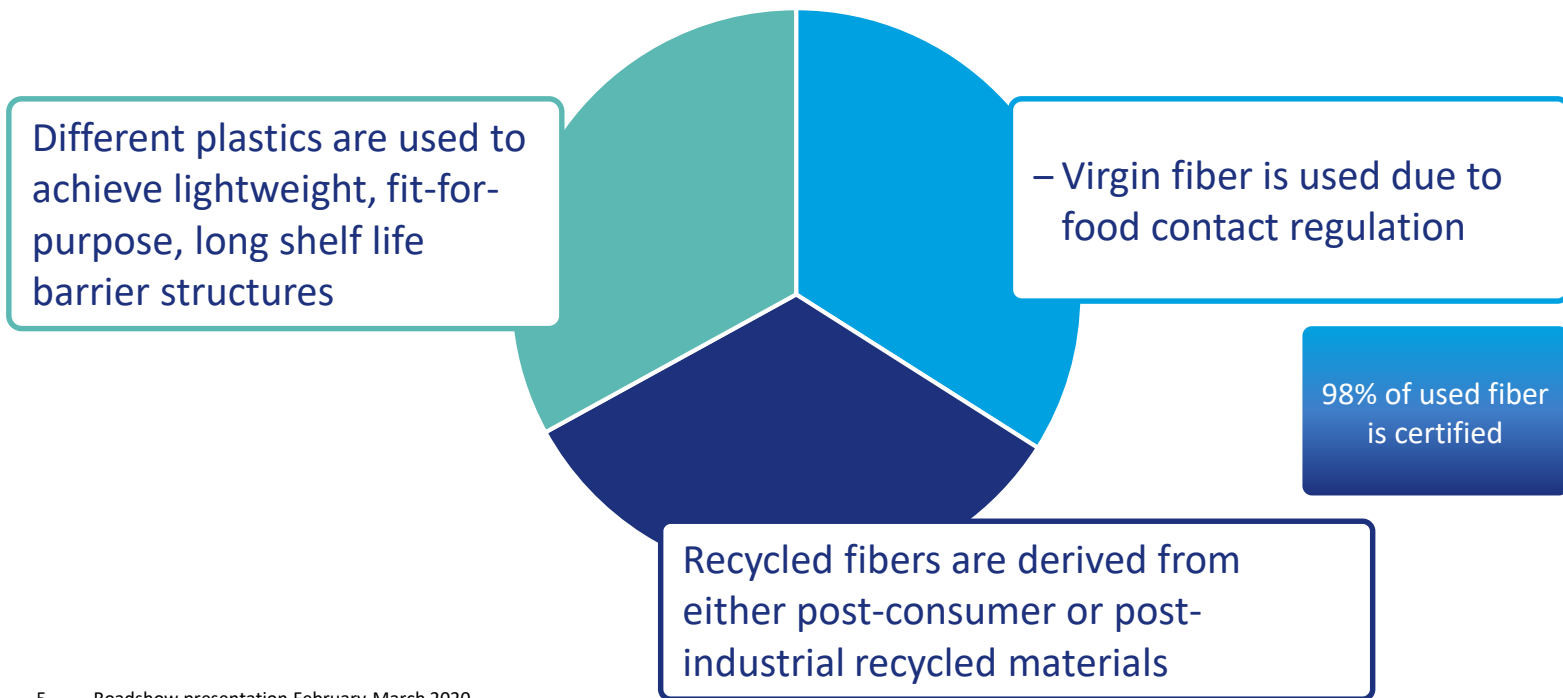
- Global operations**
  - 81 manufacturing units, 35 countries
- Personnel**
  - 18,600 employees
- Social capital**
- Intellectual property**
- Financial resources**
  - Equity M€ 1,437 • Net debt M€ 904

- Resource efficiency**
- Innovations**
- Leadership and management**
- Organic growth and acquisitions**

- Emissions and waste**
- Intellectual**
- New manufacturing assets**
- Economic value**
  - Profit M€ 199

# We use different materials for different purposes, aiming for optimal packaging

## 2/3 of raw material we use is renewable



# Our three business areas are organized into four reporting segments

## Foodservice packaging



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

- 40 plants on 5 continents
- 9,100 employees
- €2.1bn net sales

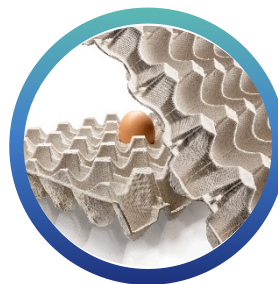
## Flexible packaging



### Flexible Packaging

- 30 plants on 3 continents
- 7,500 employees
- €1bn net sales

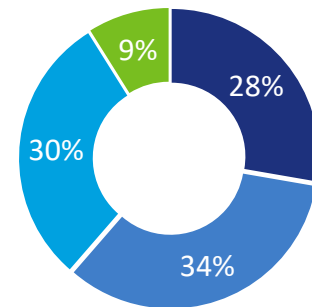
## Fiber packaging



### Fiber Packaging

- 11 plants on 4 continents
- 1,800 employees
- €293mn net sales

## Share of net sales per segment in 2019



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



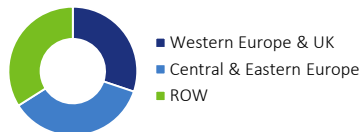
# Foodservice E-A-O: Geared for profitable growth

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 and leadership position
- Wide product range and scale to serve and innovate globally
- Impeccable quality and service for our customers
- Renewed innovation on sustainability challenges

MEUR	Long-term ambition	2019	2018*	2017	2016	2015	2014	2013
Net sales		956.7	881.7	807.5	741.0	667.5	620.4	629.1
Comparable net sales growth	5-7%	4%	4%	4%	5%	4%	4%	2%
Adjusted EBIT		85.7	77.1	70.1	63.2	52.4	57.4	46.9
Margin	9-11%	9.0%	8.7%	8.7%	8.5%	7.9%	9.3%	7.5%
Adjusted RONA	15+%	11.5%	11.9%	13.0%	13.7%	14.2%	17.6%	13.9%
Capex		74.7	57.8	53.4	46.9	39.6	33.6	16.8
Operating cash flow		66.8	53.9	57.1	38.0	35.4	41.9	55.9

## Our customers



## Market position



## Key competitors

Seda, Detpak, HK Cup, Graphic Packaging, Dart/Solo and local players



## Focus areas

- Footprint expansion and optimization
- Product portfolio expansion
- Lead in innovation and sustainability
- Drive automation and layout optimization across our factories
- Pursue M&A to expand product range, geographical presence or access to channels

**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

- Molded fiber competence/scale
- Chinnet brand
- 21st century new cup capacity
- Ice-cream systems
- Capability for customer promotions

## Our customers



## Market position



## Key competitors

Graphic Packaging, Dart/Solo, Reynolds/Pactiv, Koch/Georgia Pacific, Novolex, Berry Plastics, Westrock, Sabert, Gen Pak, AJM, and Aspen

MEUR	Long-term ambition	2019	2018*	2017	2016	2015	2014	2013
Net sales		1,152.7	1,002.7	1,000.4	1,005.1	947.7	769.3	725.3
Comparable net sales growth	2-5%	9%	5%	2%	6%	4%	6%	5%
Adjusted EBIT		111.4	73.0	104.1	107.6	88.2	38.4	38.4
Margin	9-10%	9.7%	7.3%	10.4%	10.7%	9.3%	5.0%	5.3%
Adjusted RONA	11-14%	13.0%	9.2%	14.2%	16.3%	14.1%	7.2%	8.0%
Capex		54.6	62.9	97.9	97.9	40.9	36.7	66.7
Operating cash flow		125.0	19.8	31.7	40.4	61.1	18.7	-15.0



## Focus areas

- Safety
- Leading Molded Fiber – Chinnet brand
- Build out paperboard in Goodyear and Batavia
- 21st century work environment
- Build culture to attract best employees and best customers
- Positioning; positive market disruptor and alignment with brand forward customers

**Huhtamaki**



# Flexible Packaging: Strengthening our position in sustainability

Flexible packaging is used for a wide range of pre-packed consumer products including food, beverages, 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.

## Our products



Sales by geography



■ Europe  
■ Asia  
■ MEA

## 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

MEUR	Long-term ambition	2019	2018*	2017	2016	2015	2014	2013
Net sales		1,016.4	952.3	912.7	868.6	868.9	618.0	585.8
Comparable net sales growth	6-8%	3%	7%	4%	-1%	3%	7%	4%
Adjusted EBIT		82.6	67.8	69.7	73.8	68.8	45.5	44.0
Margin	9-11%	8.1%	7.1%	7.6%	8.5%	7.9%	7.4%	7.5%
Adjusted RONA	15+%	11.1%	10.0%	10.8%	11.6%	12.3%	13.6%	13.3%
Capex		44.4	49.7	41.1	25.7	31.6	24.7	15.6
Operating cash flow		88.8	42.2	36.6	87.9	63.5	27.8	34.8

## Our customers



## Market position



flexible packaging company in emerging markets

## Key competitors

Amcor, Constantia, Sealed Air, Dai Nippon, regional and local players



## Focus areas

- Harvest full benefits of scale and our recent growth initiatives
- Continue expanding in emerging markets
- Ensure cost competitiveness and continue improvements in operational efficiency
- Develop and innovate sustainable solutions fit for the circular economy
- Build on strength in consumer convenience solutions and agility in on-demand packaging.

**Huhtamaki**

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

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.

## 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

MEUR	Long-term ambition	2019	2018*	2017	2016	2015	2014	2013
Net sales		293.4	283.0	285.1	267.8	260.3	247.0	236.3
Comparable net sales growth	5-7%	6%	4%	5%	5%	5%	9%	6%
Adjusted EBIT		29.0	31.2	28.2	34.6	33.5	35.0	29.6
Margin	13-15%	9.9%	11.0%	9.9%	12.9%	12.9%	14.2%	12.5%
Adjusted RONA	18+%	12.6%	14.2%	12.8%	16.4%	17.7%	20.4%	18.2%
Capex		29.5	23.4	22.0	27.6	34.1	27.3	18.9
Operating cash flow		22.4	25.1	20.7	16.7	9.9	17.5	21.0

## Our customers



## Market position



in fiber packaging globally

## Key competitors

Hartmann, Pactiv, local players, plastics manufacturers



## 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**

# Becoming the first choice in food packaging – next steps

# Megatrends support food packaging growth...

Food packaging offers stable  
growth opportunities  
over the cycle

Food contact  
requirements create  
a higher entry barrier

Innovations create more  
sustainable and easy-to-use  
packaging

---

## Megatrends create opportunities for us



More people



Growing middle class



More urban



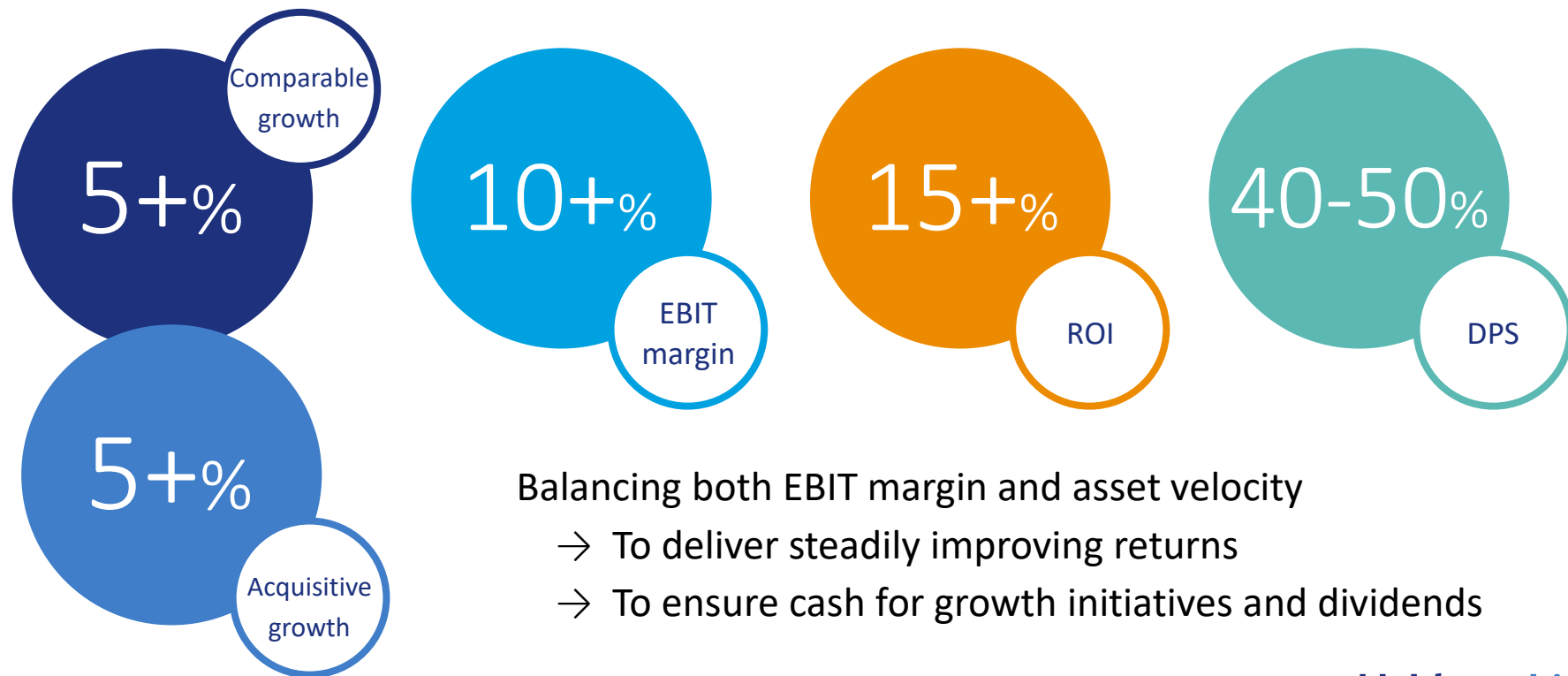
More sustainable

## ... and our positions offer good opportunities



# Growth and operational efficiency drive profitability improvement

## – Summary of our long-term ambitions



# How we support our customers' growth

**We invest to expand our network and to improve our capabilities**

- Follow global customers
- Serve local customers

**We're a safe pair of hands throughout our network**

- Global standards locally
- Constant quality & reliable delivery

**We offer a wide product range to make our customers' lives easier**

- Food packaging experience and planned product range expansion

**We take innovation into next level**

- Game-changing
- Incremental
- Sustainability enhancing

Enhanced collaboration across competent and experienced teams that we continuously develop

---

Developing & building our manufacturing capability is in our DNA



# Achieve our vision: The first choice in food packaging

## Grow

AMBITION

10+%

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

## Build more

- Continue organic investments
- Continue disciplined acquisitions

## Sustainability

- Ensure food safety
- Reduce food waste
- Fit-for-purpose material choices and converting

## Raise EBIT margin

AMBITION

10+%

- Topline growth
- Operating efficiency

## Strengthen collaboration

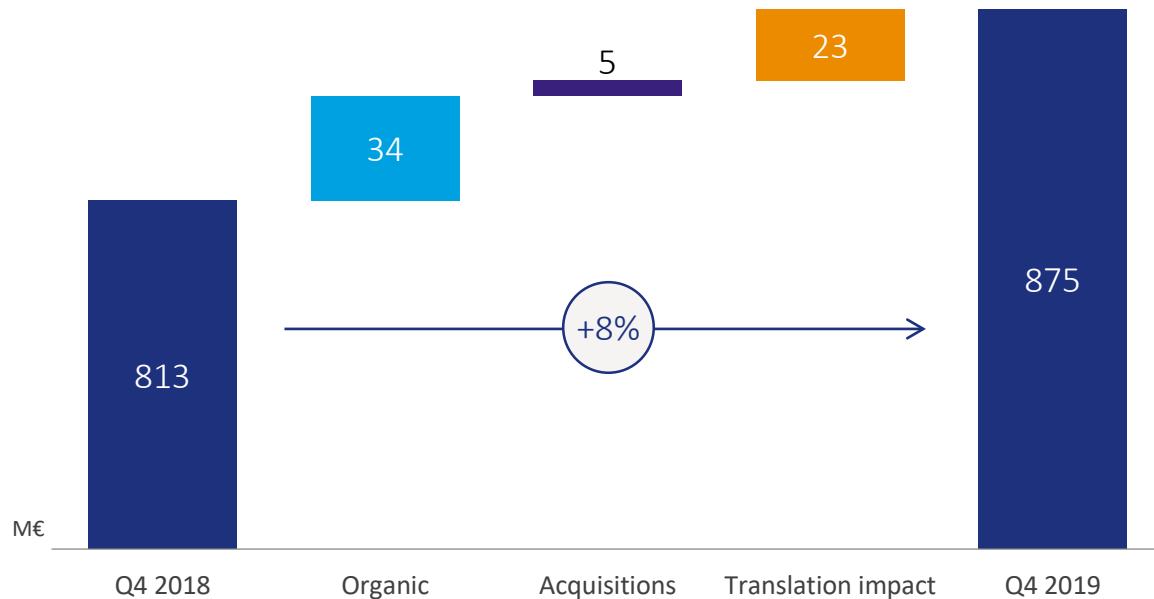
- Focus on food
- Engaged and high performing teams

## Live our purpose every day

Helping great products reach more people, more easily.

Q4 2019: Strong net sales growth  
and profitability improvement

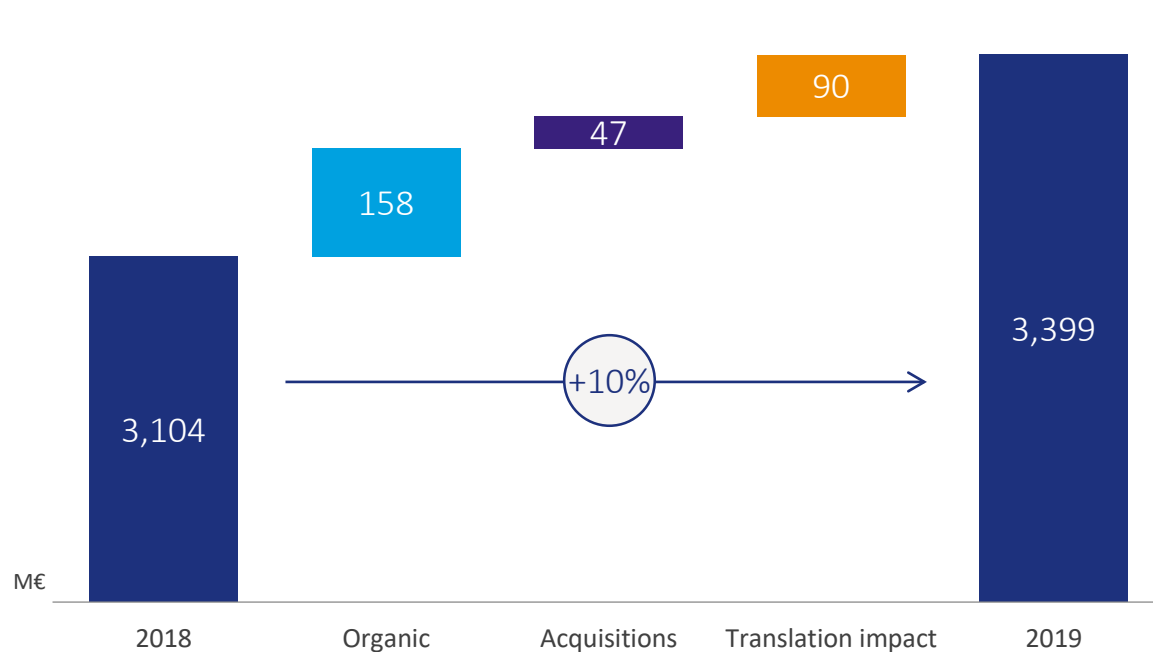
# Solid comparable growth in Q4 19



## 8% net sales growth in Q4 19

- 5% comparable net sales growth (6% in emerging markets)
- 1% from acquisitions
- 3% positive currency impact

# Comparable growth in line with our long-term ambition in FY 2019



## 10% net sales growth in 2019

- 6% comparable net sales growth (7% in emerging markets)
- 2% from acquisitions
- 3% positive currency impact

# All segments contributing to comparable net sales growth

	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	2018	2019	Long-term ambitions
Foodservice E-A-O	3%	4%	3%	4%	4%	4%	4%	5-7%
North America	11%	5%	13%	14%	6%	5%	9%	2-5%
Flexible Packaging	4%	5%	1%	4%	3%	7%	3%	6-8%
Fiber Packaging	5%	4%	7%	7%	8%	4%	6%	5-7%
Group	6%	5%	6%	7%	5%	5%	6%	5+%

- 6% comparable growth on group level in 2019
- Stable growth throughout the year in Foodservice Europe-Asia-Oceania
- Strong sales growth in North America continued in Q4 despite strong comparisons
- Moderate growth in Flexible Packaging
- Strong growth in Fiber Packaging, accelerating in the 2<sup>nd</sup> half of the year

# Earnings increase outperforming sales growth

MEUR	Q4 19	Q4 18	Change	2019	2018	Change
Net sales	874.6	812.8	8%	3,399.0	3,103.6	10%
Adjusted EBIT <sup>1</sup>	74.7	62.4	20%	293.1	251.0	17%
Margin	8.5%	7.7%		8.6%	8.1%	
Adjusted EPS, EUR <sup>2</sup>	0.48	0.45	8%	1.88	1.69	11%
Capital expenditure	71.0	70.4	1%	203.9	196.9	4%

## Q4 19 Highlights

- Earnings growth driven by pricing actions, operational improvement in all businesses and more favorable raw material environment
- EPS translation burdened mainly by increased tax rate
- Capex supporting continued capacity investments and innovation of sustainable products

# Business segment review

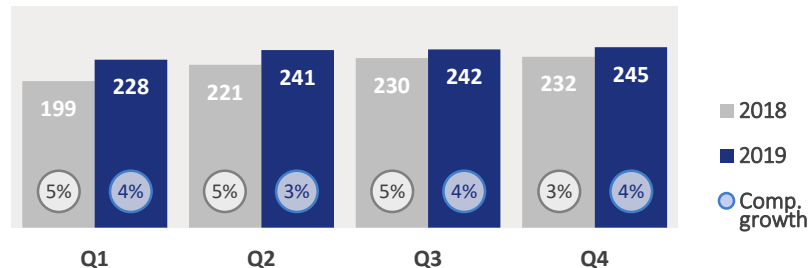


# Foodservice Europe-Asia-Oceania: Solid net sales growth and improved profitability

Key figures, MEUR	Q4 19	Q4 18	Change
Net sales	245.3	231.6	6%
Comparable net sales growth	4%	3%	
Adjusted EBIT <sup>1</sup>	20.9	18.0	16%
Margin <sup>1</sup>	8.5%	7.8%	
Capital expenditure	26.1	19.9	31%
Operating cash flow <sup>1</sup>	22.3	18.9	18%

Key figures, MEUR	2019	2018	Change
Net sales	956.7	881.7	8%
Comparable net sales growth	4%	4%	
Adjusted EBIT <sup>1</sup>	85.7	77.1	11%
Margin <sup>1</sup>	9.0%	8.7%	
Adjusted RONA (12m roll.) <sup>1</sup>	11.5%	11.9%	
Capital expenditure	74.7	57.8	29%
Operating cash flow <sup>1</sup>	66.8	53.9	24%

Net sales (MEUR) and comparable growth (%)



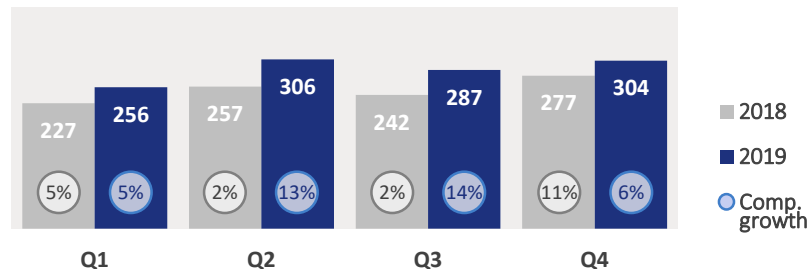
- Solid net sales growth in Q4 with strongest growth in Middle East and Africa, and Europe
- Earnings growth from improved operational efficiency and pricing actions
- Sustainability driven preference of fiber-based packaging continues to take traction

# North America: Continued strong growth and earnings improvement

Key figures, MEUR	Q4 19	Q4 18	Change
Net sales	303.6	276.6	10%
Comparable net sales growth	6%	11%	
Adjusted EBIT <sup>1</sup>	33.1	19.4	71%
Margin <sup>1</sup>	10.9%	7.0%	
Capital expenditure	15.9	20.3	-22%
Operating cash flow <sup>1</sup>	44.4	21.6	>100%

Key figures, MEUR	2019	2018	Change
Net sales	1,152.7	1,002.7	15%
Comparable net sales growth	9%	5%	
Adjusted EBIT <sup>1</sup>	111.4	73.0	53%
Margin <sup>1</sup>	9.7%	7.3%	
Adjusted RONA (12m roll.) <sup>1</sup>	13.0%	9.2%	
Capital expenditure	54.6	62.9	-13%
Operating cash flow <sup>1</sup>	125.0	19.8	>100%

Net sales (MEUR) and comparable growth (%)



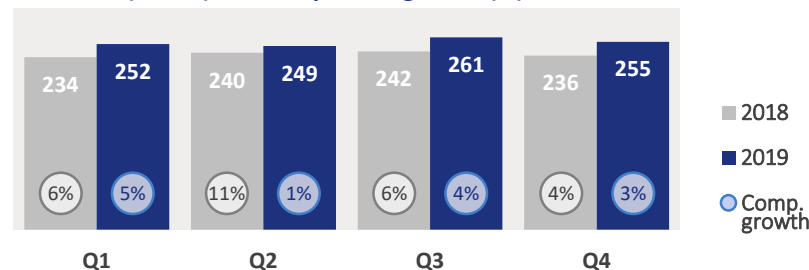
- Net sales growth driven by volume and price, with strongest growth in retail tableware products
- Significant earnings growth and profitability improvement driven by pricing, higher sales volumes, somewhat lower distribution costs and good operational efficiency
- Ramp-up of new capacity in Goodyear has supported volume growth throughout the year

# Flexible Packaging: Moderate net sales growth and improvement in earnings

Key figures, MEUR	Q4 19	Q4 18	Change
Net sales	255.1	235.5	8%
Comparable net sales growth	3%	4%	
Adjusted EBIT <sup>1</sup>	18.8	16.9	11%
Margin <sup>1</sup>	7.4%	7.2%	
Capital expenditure	15.2	16.0	-5%
Operating cash flow <sup>1</sup>	49.3	17.4	>100%

Key figures, MEUR	2019	2018	Change
Net sales	1,016.4	952.3	7%
Comparable net sales growth	3%	7%	
Adjusted EBIT <sup>1</sup>	82.6	67.8	22%
Margin <sup>1</sup>	8.1%	7.1%	
Adjusted RONA (12m roll.) <sup>1</sup>	11.1%	10.0%	
Capital expenditure	44.4	49.7	-11%
Operating cash flow <sup>1</sup>	88.8	42.2	>100%

Net sales (MEUR) and comparable growth (%)



- Growth driven by emerging markets and moderated by Europe
- Significant improvement in earnings driven mainly by improved operational efficiency and lower raw material prices
- In 2019, net sales exceeded EUR 1 bn for the first time

# Acquisition for full ownership in joint venture company in Brazil

Announced on December 23, 2019

## Laminor S.A.

Brazil

- Huhtamaki acquires full ownership of joint venture company Laminor S.A. in Brazil
- Laminor is specialized in high-quality tube laminates, particularly for oral care applications
- Joint venture (50/50) was set up in 2002 with Bemis Company, which is now part of Amcor
- The acquisition enables Huhtamaki to expand its tube laminate business
- Laminor will be consolidated as a subsidiary in the Group's financial reporting and reported as part of the Flexible Packaging segment
- 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.

### Key figures

#### Net sales

Approximately EUR 25 million

#### Employees

Approximately 130

#### Value of additional shares

EUR 30 million

## Recent completed acquisitions

Announced on September 27, 2019

### Everest Flexibles

South Africa

Net sales  
~40  
EUR million

Completed on  
December 18, 2019



Joint venture  
70%

Announced on September 30, 2019

### Mohan Mutha Polytech

India

Net sales  
~9  
EUR million

Completed on  
January 10, 2019

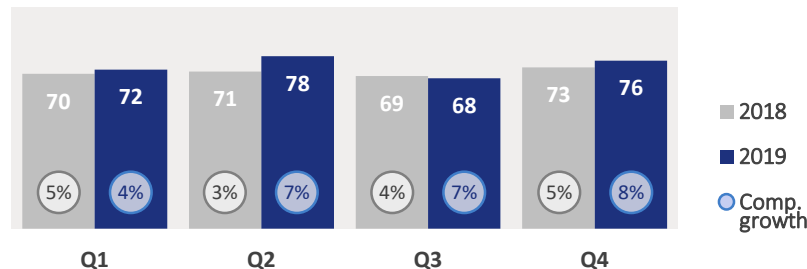


# Fiber Packaging: Strong net sales growth

Key figures, MEUR	Q4 19	Q4 18	Change
Net sales	76.1	72.9	4%
Comparable net sales growth	8%	5%	
Adjusted EBIT <sup>1</sup>	7.5	8.7	-14%
Margin <sup>1</sup>	9.8%	12.0%	
Capital expenditure	13.7	13.6	1%
Operating cash flow <sup>1</sup>	7.8	4.2	86%

Key figures, MEUR	2019	2018	Change
Net sales	293.4	283.0	4%
Comparable net sales growth	6%	4%	
Adjusted EBIT <sup>1</sup>	29.0	31.2	-7%
Margin <sup>1</sup>	9.9%	11.0%	
Adjusted RONA (12m roll.) <sup>1</sup>	12.6%	14.2%	
Capital expenditure	29.5	23.4	26%
Operating cash flow <sup>1</sup>	22.4	25.1	-11%

Net sales (MEUR) and comparable growth (%)



- Net sales increased in Eastern Europe and South Africa
- Profitability was moderate as the improved operational performance across units did not fully offset the development and commercialization costs of the Fresh ready meal tray
- Commercial progress with Fresh during the year continued development and deployment of capacity

# Q4 2019

## Financial review

# Increased net sales feeding through to EPS

MEUR	Q4 19	Q4 18	Change	2019	2018	Change
Net sales	874.6	812.8	8%	3,399.0	3,103.6	10%
Adjusted EBITDA <sup>1</sup>	117.3	101.9	15%	456.3	398.7	14%
Margin <sup>1</sup>	13.4%	12.5%		13.4%	12.8%	
Adjusted EBIT <sup>2</sup>	74.7	62.4	20%	293.1	251.0	17%
Margin <sup>2</sup>	8.5%	7.7%		8.6%	8.1%	
EBIT	72.3	27.5	>100%	285.5	225.5	27%
Net financial items	-6.2	-7.8		-28.8	-31.2	
Adjusted profit before taxes	68.5	54.6	26%	264.3	219.8	20%
Adjusted income tax expense <sup>3</sup>	-15.4	-7.5		-59.5	-42.3	
Adjusted profit for the period <sup>4</sup>	53.1	47.1	13%	204.8	177.5	15%
Adjusted EPS, EUR <sup>4</sup>	0.48	0.45	8%	1.88	1.69	11%

## Highlights

- Solid growth and positive currency translation
- Net sales growth, operational improvement and some support from raw materials translated into improved profitability
- Net financial items decreased while income tax expense increased
  - Higher reported tax in 2019 with adjusted tax rate 23% (19% in 2018)
- Adjusted profit for the period increased, leading to higher EPS

<sup>1</sup>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).

<sup>2</sup>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)

<sup>3</sup>Excluding IAC of EUR 0.5 million in Q4 2019 (EUR 6.6 million) and EUR 1.7 million in 2019 (EUR 4.9 million).

<sup>4</sup>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).



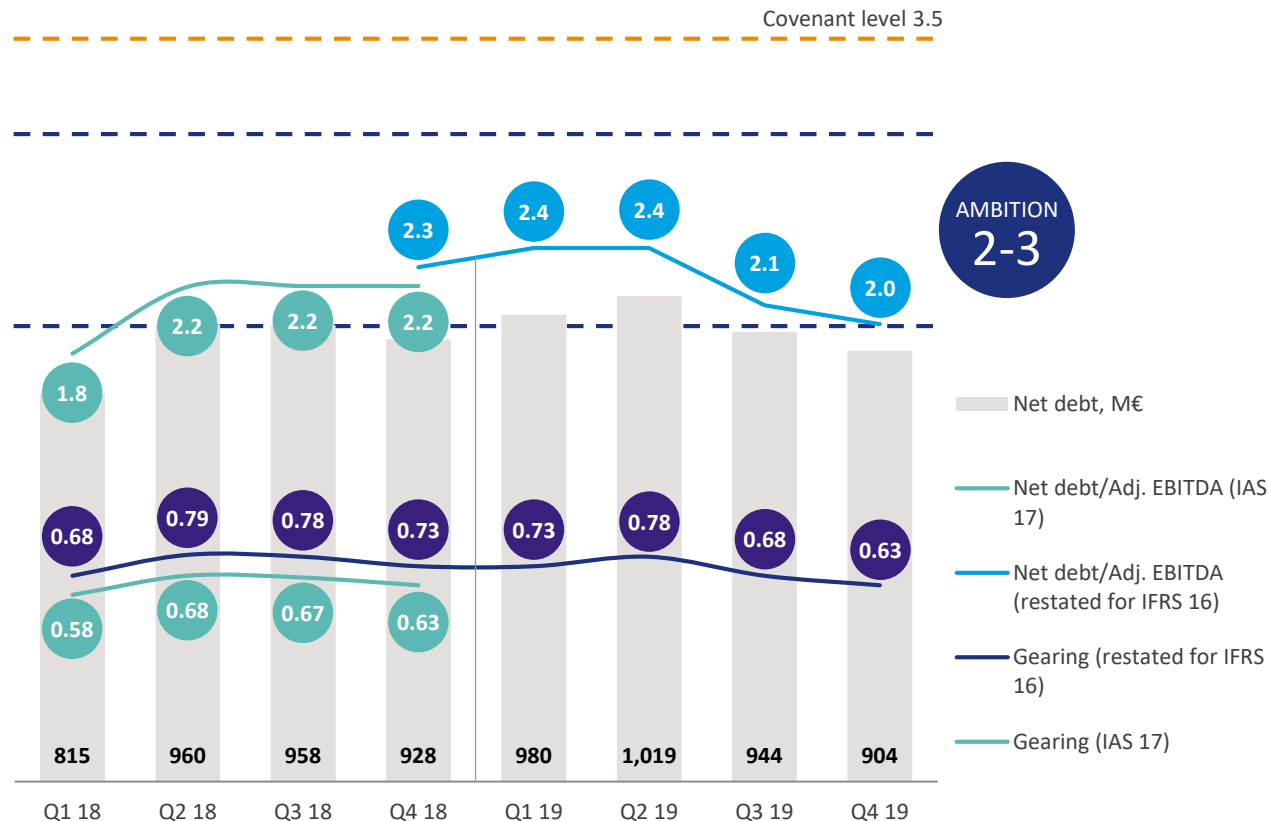
# Continuing positive currency impact, mostly from USD

		Closing rates					Average rate 2019	Change in average rate (%)
		Q4 18	Q1 19	Q2 19	Q3 19	Q4 19		
USD	1.18	1.15	1.12	1.14	1.09	1.12	1.12	5%
INR	80.72	80.23	77.78	78.57	77.07	79.81	78.85	2%
GBP	0.88	0.90	0.86	0.89	0.89	0.85	0.88	1%
CNY	7.81	7.88	7.56	7.82	7.79	7.82	7.73	1%
AUD	1.58	1.62	1.58	1.63	1.62	1.60	1.61	-2%
THB	38.17	37.32	35.75	35.00	33.51	33.47	34.78	9%
RUB	74.00	79.54	73.14	71.61	70.37	69.28	72.50	2%
BRL	4.31	4.44	4.46	4.39	4.55	4.51	4.41	-2%
NZD	1.71	1.71	1.65	1.70	1.74	1.66	1.70	0%
ZAR	15.61	16.45	16.49	16.09	16.48	15.74	16.18	-4%

## Foreign currency translation impact (EUR million)

	Q4 2019	2019
Net sales	+23	+90
EBIT	+2	+8

# Net debt decreased mainly due to improved working capital

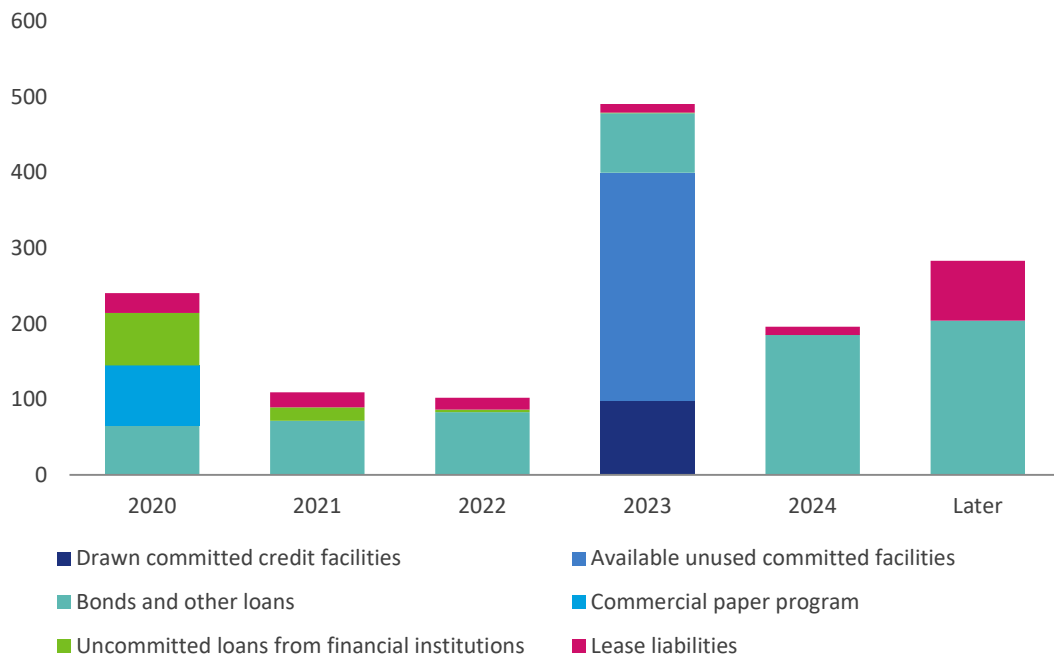


- Net debt/Adj. EBITDA at 2.0
- At the end of Q4 19
  - Cash and cash equivalents EUR 199 million
  - Unused committed credit facilities available EUR 302 million
- Net debt EUR 904 million and lease liabilities EUR 163 million

# Loan maturities

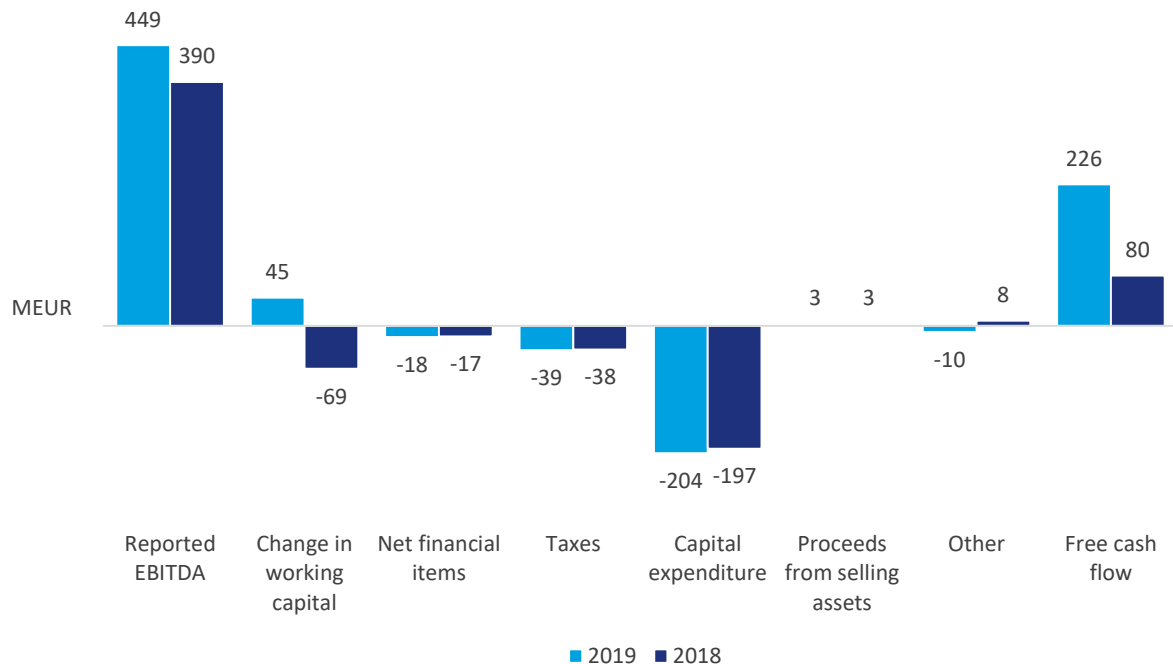
## Debt maturity structure December 31, 2019

(EUR million)



- In 2019, Huhtamaki issued a seven-year senior unsecured bond of EUR 175 million
- Average maturity 3.4 years at the end of Q4 2019 (3.7 at the end of Q4 2018)
- Unused committed credit facilities of EUR 302 million maturing in 2023

# Strong free cash flow improvement



## Cash flow driven by:

- Higher EBITDA following net sales growth, pricing actions and efficiency improvement measures
  - Partly offset by one-time gain in 2018
- Improvement in net working capital in Q4 19
- **Free cash flow improved significantly**

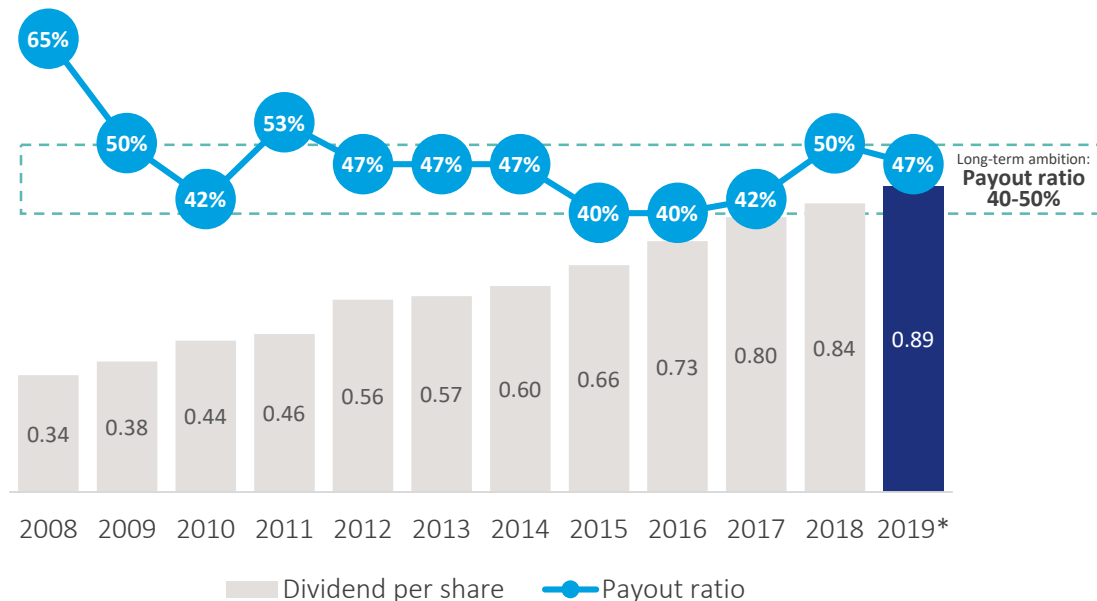
# Stable financial position

MEUR	Dec 2018	Dec 2019
Total assets	3,240	3,611
Operating working capital	598	585
Net debt	928	904
Equity & non-controlling interest	1,267	1,437
Gearing	0.73	0.63
Adjusted ROI <sup>1</sup>	11.6%	12.3%
Adjusted ROE <sup>1</sup>	14.5%	15.2%

- Higher assets and net debt decrease following growth
- Gearing improved

# The Board of Directors aims at predictable and growing dividends

Dividend per share (EUR) and payout ratio (% of adjusted EPS)



	2019*	2018	Change
Adjusted EPS	1.88	1.69	11%
Dividend	0.89	0.84	6%
Payout ratio	47%	50%	
Share price on Dec 31	41.38	27.07	
Dividend yield	2.1%	3.1%	

- 11<sup>th</sup> year of growing dividends\*
- Dividend has increased 162% since 2008\*
- CAGR +9% during last 10 years\*

# Progress towards long-term ambitions

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 <sup>1</sup>	FY 2019	Long-term ambition
Organic growth	6%	4%	4%	3%	5+%	6%	5+%
Adjusted EBITDA margin	11.6%	12.5%	13.3%	13.0%	12.8%	13.4%	14+%
Adjusted EBIT margin	7.8%	8.7%	9.4%	9.0%	8.1%	8.6%	10+%
Adjusted ROI	12.6%	14.7%	14.7%	13.6%	11.6%	12.3%	15+%
Adjusted ROE	16.1%	18.1%	17.7%	17.0%	14.5%	15.2%	18%
Capex/Adj. EBITDA	49%	43%	52%	55%	49%	45%	40%
Net debt/Adj. EBITDA	1.0	1.6	1.8	1.8	2.3	2.0	2-3
Free cash flow, MEUR	65	91	100	56	80	226	150
Dividend payout ratio	47%	40%	40%	42%	50%	47% <sup>2</sup>	40-50%



# On sustainability of food packaging

# Major themes affecting the future of food packaging

8.5bn  
people by 2030

38  
megacities

Climate change

Littering & waste

Resource scarcity



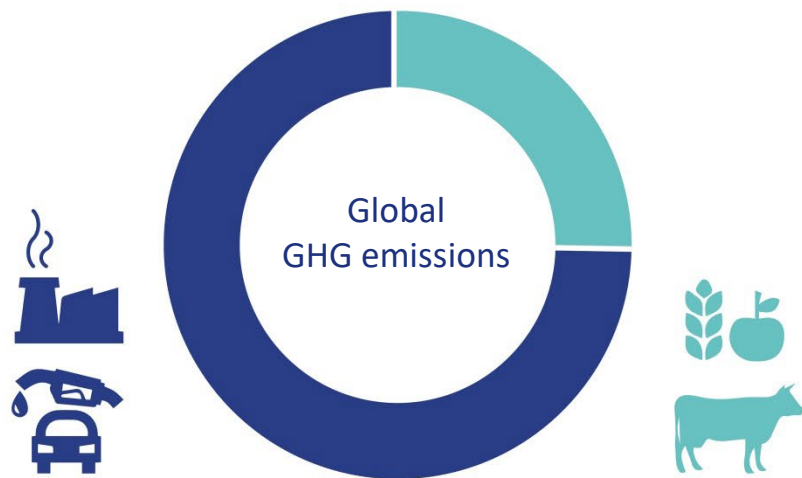
# Packaging enables our way of life

Thanks to packaging,  
people can safely  
consume food that is  
produced elsewhere,  
even on-the-go

Different materials  
are needed for  
different purposes –  
our aim is optimal  
packaging, designed  
for recycling

Packaging reduces  
the overall  
greenhouse gas  
emissions by reducing  
food waste

# Food is a major contributor to climate change

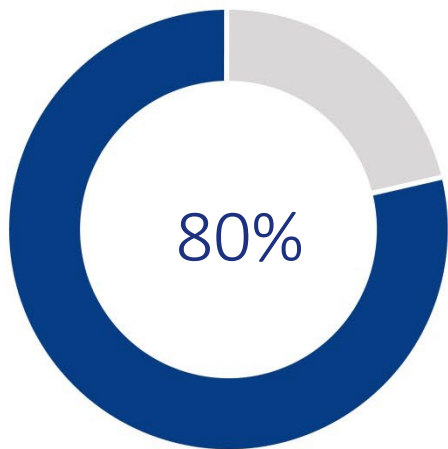


approx. 25%  
of global GHG emissions come from  
food systems

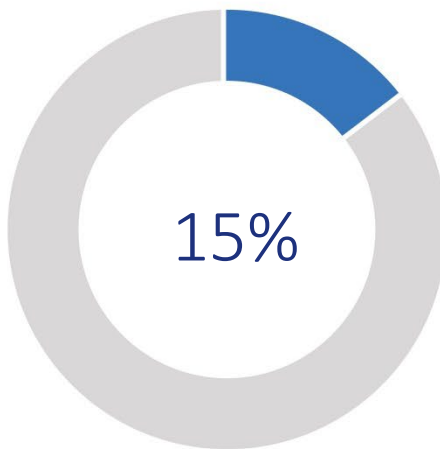


8%  
of global GHG emissions come from  
wasted or lost food

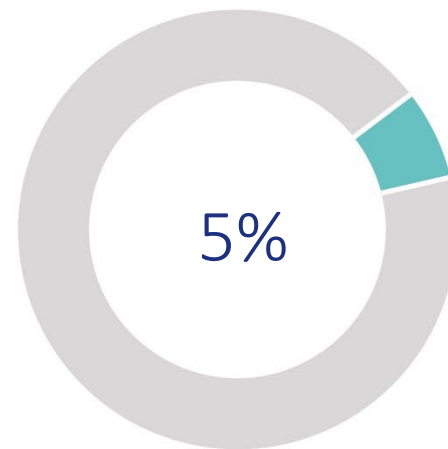
## Packaging accounts for approx. 5% of food's CO<sub>2</sub> footprint



Food production

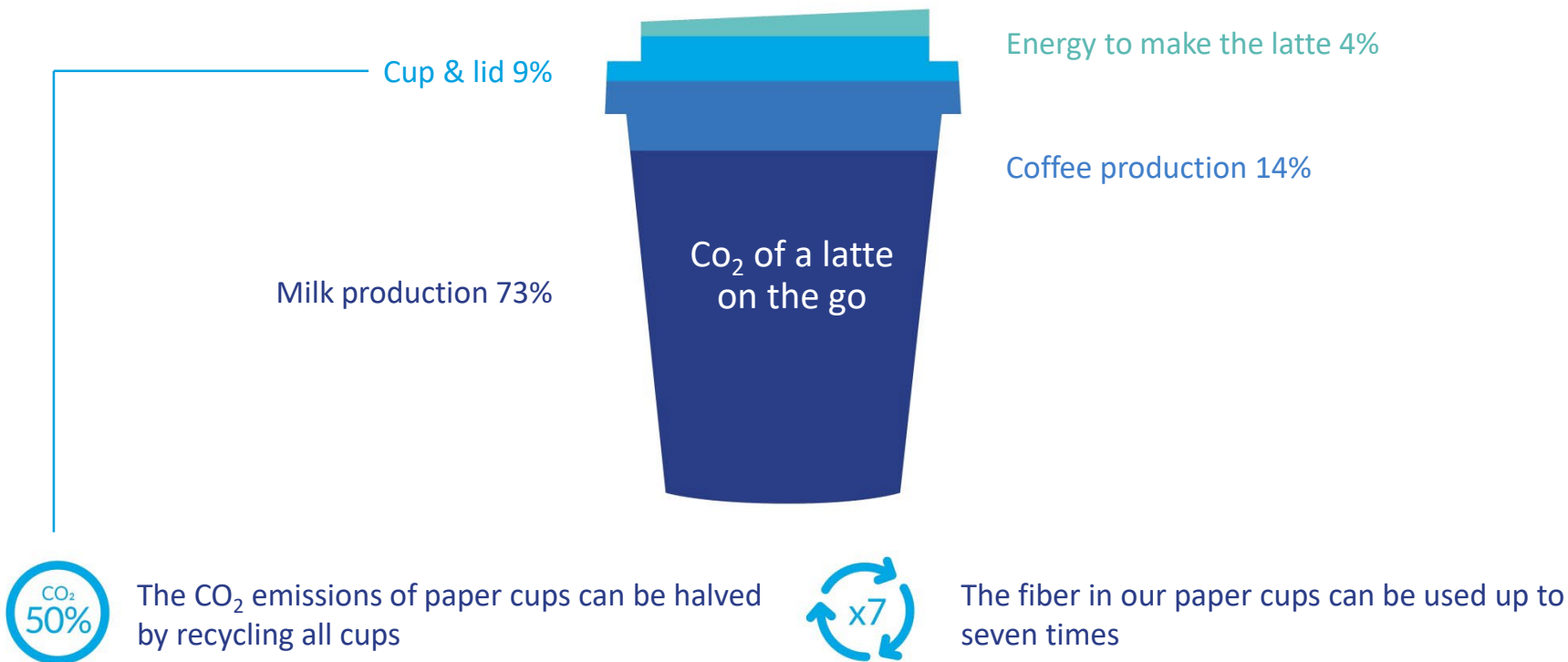


Transport and distribution



Packaging

# Only a small share of CO<sub>2</sub> emissions of a latte on the go come from the cup, and these can be halved by increasing recycling

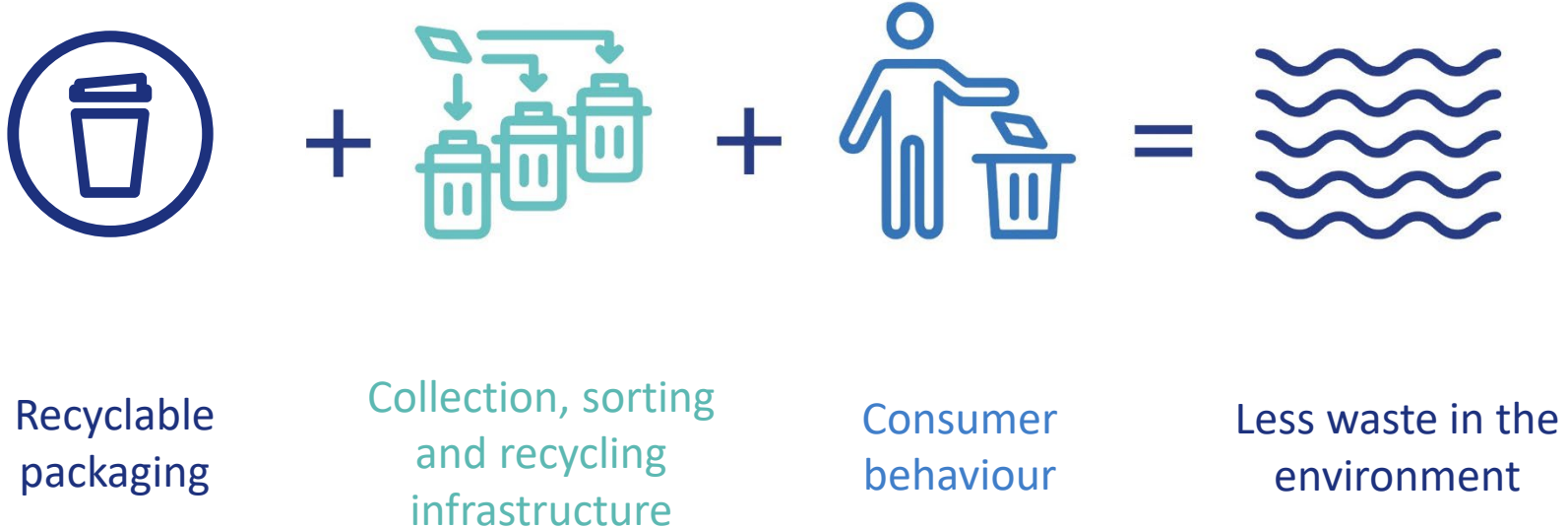




# 100% renewable FutureSmart product line further reduces CO<sub>2</sub> emissions

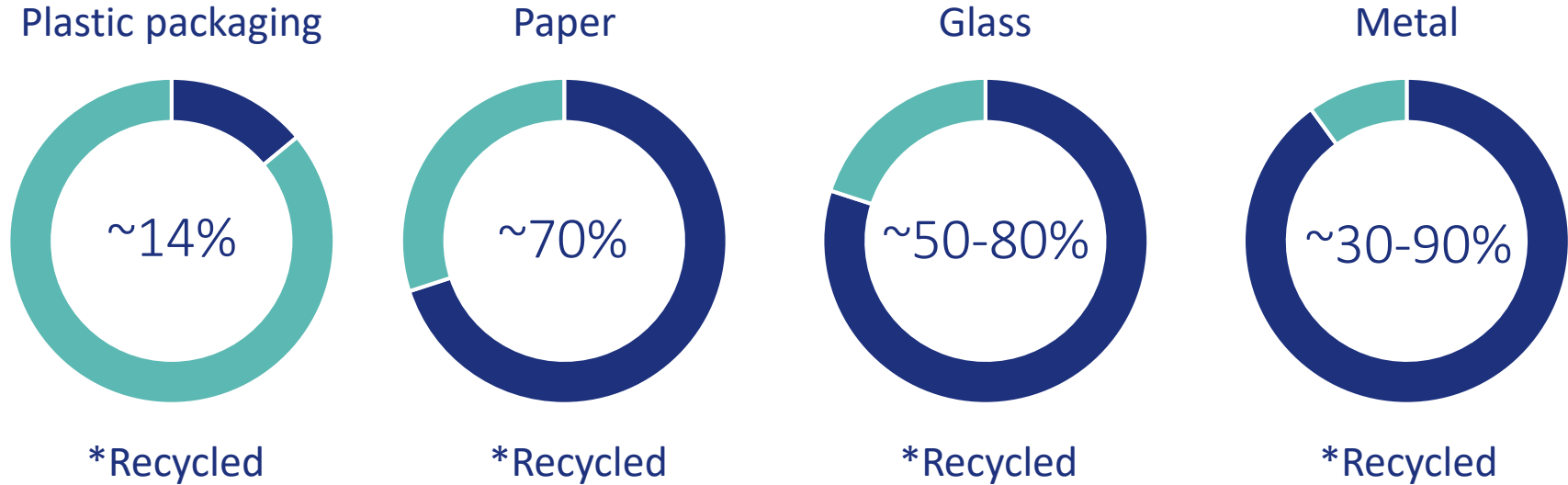


In addition to recyclable packaging, consumer awareness and an efficient collection, sorting and recycling infrastructure are required to solve littering and waste challenges





# Recycling rates vary – significant potential to utilize valuable materials



# Huhtamaki Fresh ready meal tray – a recyclable alternative to black plastic, made of renewable raw materials

Micro-wave  
and oven safe

Cooler to  
touch than  
plastic

Natural look

Renewable raw  
materials





# Huhtamaki paper straws

- an eco-friendly solution for enjoying cold drinks

High-quality  
alternative to  
plastic straws

Recyclable

Made from  
100%  
PEFC certified  
paper

# Huhtamaki blue**loop** – flexible packaging designed for recycling

- Mono-material structures
- Minimum 90% standard materials like PE, PP, or PET
- Available already for several end applications ranging from candy and chocolates to dry foods and personal care products



Looking forward

# Outlook 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.

---

## 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.



# Financial calendar 2020

March 24, 2020

**Capital Markets Day**  
Helsinki, Finland

More information at:  
[huhtamaki.com/investors/investor-calendar-and-services/cmd2020/](https://huhtamaki.com/investors/investor-calendar-and-services/cmd2020/)

Week 10

**Annual Accounts 2019**

April 29

**Q1 2019 Interim Report**  
**Annual General Meeting**

July 23

**Half-yearly Report 2020**

October 22

**Q3 2020 Interim Report**

Helping great products  
reach more people,  
more easily



# Appendices

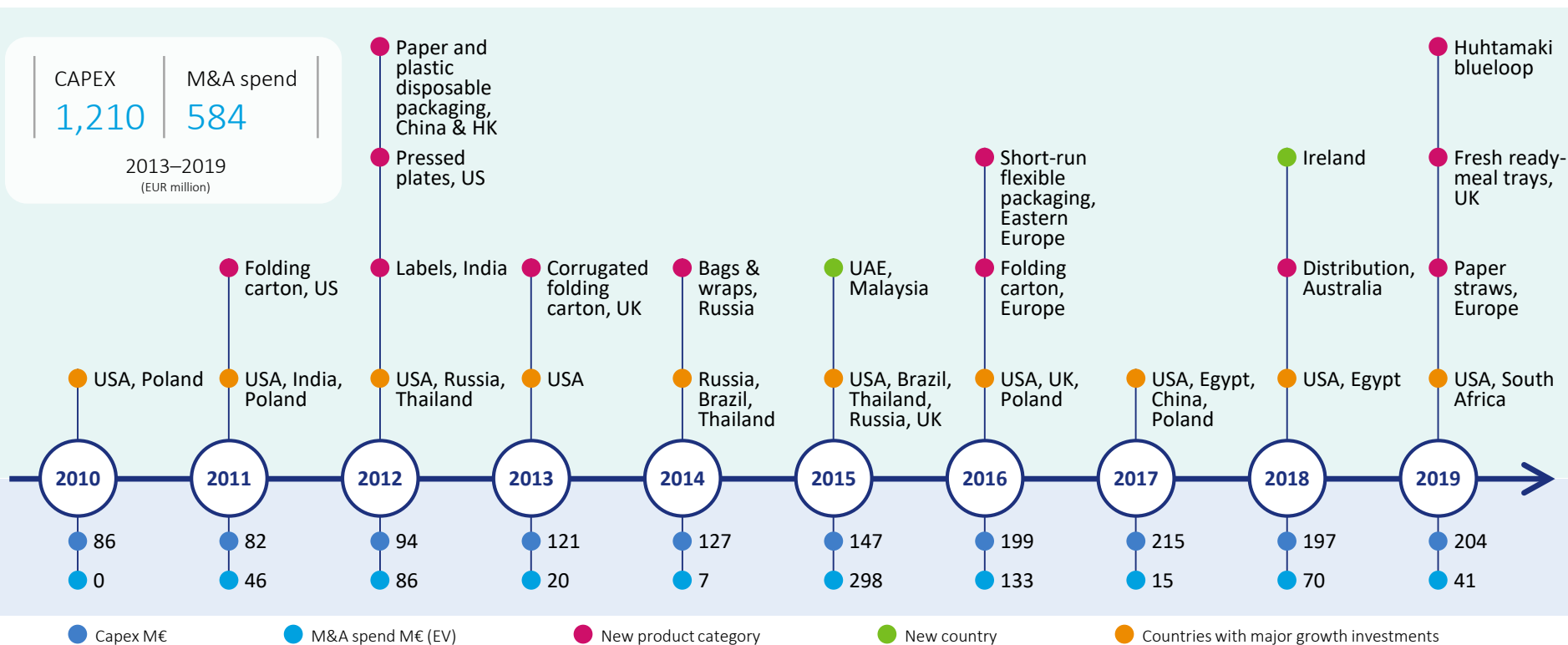
# Group financials 2010-2019

		2019	2018 <sup>(2)</sup>	2017	2016	2015	2014 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012 <sup>(2)</sup>	2011	2010
Net sales	MEUR	<b>3,399</b>	3,104	2,989	2,865	2,726	2,236	2,161	2,321	2,043	1,952
<i>Comparable net sales growth<sup>(3)</sup></i>	%	<b>6</b>	5	3	4	4	6	3	3	5	3
Adjusted EBITDA <sup>(4)</sup>	MEUR	<b>456</b>	399	390	382	342	259	242	254	208	214
<i>Margin<sup>(4)</sup></i>	%	<b>13.4</b>	12.8	13.0	13.3	12.5	11.6	11.2	10.9	10.2	11.0
Adjusted EBIT <sup>(4)</sup>	MEUR	<b>293</b>	251	268	268	238	175	160	164	128	134
<i>Margin<sup>(4)</sup></i>	%	<b>8.6</b>	8.1	9.0	9.4	8.7	7.8	7.4	7.0	6.2	6.9
Adjusted EPS <sup>(4)</sup>	EUR	<b>1.88</b>	1.69	1.90	1.83	1.65	1.24	1.17	1.19	0.87	0.92
Adjusted ROI <sup>(4)</sup>	%	<b>12.3</b>	11.6	13.6	14.7	14.7	12.6	12.1	12.6	9.8	12.0
Adjusted ROE <sup>(4)</sup>	%	<b>15.2</b>	14.5	17.0	17.7	18.1	16.1	15.8	15.8	11.0	14.5
Capex	MEUR	<b>203.9</b>	197	215	199	147	127	121	94	82	86
Free cash flow	MEUR	<b>225.8</b>	80	56	100	91	65	56	103	65	113
Gearing		<b>0.63</b>	0.73	0.58	0.57	0.53	0.32	0.50	0.50	0.49	0.32
Net debt to EBITDA <sup>(4)</sup>		<b>2.0</b>	2.3	1.8	1.8	1.6	1.0	1.6	1.6	1.9	1.2
Dividend per share	EUR	<b>0.89<sup>(5)</sup></b>	0.84	0.80	0.73	0.66	0.60	0.57	0.56	0.46	0.44

# Quarterly comparable net sales growth by business segment

	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	FY 19	FY 18	FY 17	Long-term ambition
Foodservice E-A-O	4%	4%	3%	4%	3%	5%	5%	5%	6%	4%	2%	3%	4%	4%	4%	5-7%
North America	6%	14%	13%	5%	11%	2%	2%	5%	2%	2%	1%	2%	9%	5%	2%	2-5%
Flexible Packaging	3%	4%	1%	5%	4%	6%	11%	6%	9%	7%	-2%	3%	3%	7%	4%	6-8%
Fiber Packaging	8%	7%	7%	4%	5%	4%	3%	5%	4%	5%	8%	4%	6%	4%	5%	5-7%
Group total	5%	7%	6%	5%	6%	4%	6%	5%	5%	4%	1%	3%	6%	5%	3%	5+%

# Solid track record of growth investments



# 19 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)
- International Paper foodservice packaging units, China, September 2017 (Foodservice E-A-O)
- Tailored Packaging Pty Ltd., Australia, April 2018 (Foodservice E-A-O)
- Cup Print Unlimited Company, May 2018 (Foodservice E-A-O)
- Ajanta Packaging, India, June 2018 (Flexible Packaging)
- Everest Flexibles Pty Ltd, South Africa, December 2019 (Flexible Packaging)
- Mohan Mutha Polytech Private Limited, India, January 2020 (Flexible Packaging)



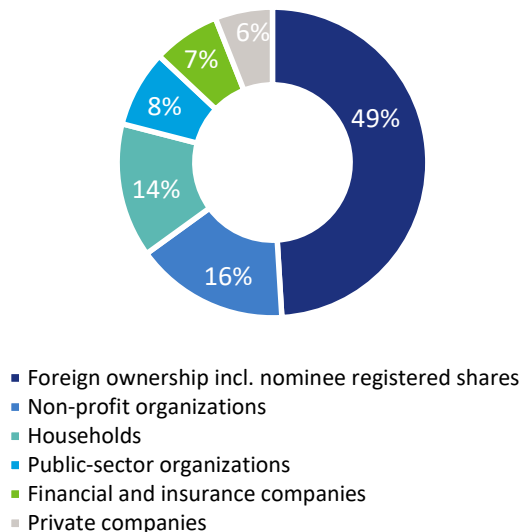
More details per acquisition are available on our website  
[www.huhtamaki.com/en/investors/huhtamaki-as-an-investment/acquisitions-and-divestments/](https://www.huhtamaki.com/en/investors/huhtamaki-as-an-investment/acquisitions-and-divestments/)

In total approx. MEUR 720 of annual net sales acquired for approx. MEUR 713<sup>1)</sup>

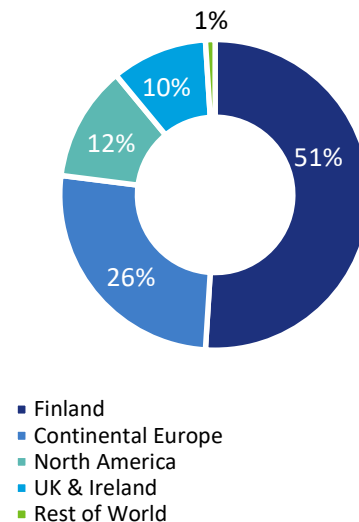
# Ownership

- 31,354 registered shareholders at the end of February 2020
- 51% of shares in domestic ownership
- 16% 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 3,410,709 of the Company's own shares

Shareholder distribution by sector  
February 29, 2020



Approximate shareholder distribution  
by geography



As in May 2019.

# Largest shareholders on February 29, 2020

(based on data from Euroclear Finland Ltd.)

	Shareholder	Number of shares	% of total shares
1.	Finnish Cultural Foundation	12,010,653	11.15%
2.	Huhtamäki Oyj	3,410,709	3.17%
3.	Varma Mutual Pension Insurance Company	3,283,809	3.05%
4.	Ilmarinen Mutual Pension Insurance Company	2,625,000	2.44%
5.	The Local Government Pensions Institution	1,091,596	1.01%
6.	Society of Swedish Literature in Finland	988,500	0.92%
7.	ODIN Norden	976,401	0.91%
8.	Nordea Nordic Fund	976,309	0.91%
9.	Mandatum Life Insurance Company Ltd.	737,293	0.68%
10.	The State Pension Fund	695,951	0.65%
	<b>Total of 10 largest shareholders</b>	<b>26,796,221</b>	<b>24.89%</b>
	<b>Other shareholders</b>	<b>80,964,164</b>	<b>75.11%</b>
	<b>Total</b>	<b>107,760,385</b>	<b>100.00%</b>

# 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.



# 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.

For further information, please contact us:

[www.huhtamaki.com](http://www.huhtamaki.com) » Investors  
[ir@huhtamaki.com](mailto:ir@huhtamaki.com)

**Huhtamaki**