



Strong comparable net sales growth with improved profitability

Half-yearly Report 2021

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Huhtamaki

Strong comparable net sales growth with improved profitability

- Net sales and profitability above pre-pandemic levels
 - The gradual recovery in demand for food on-the-go products has continued
 - Strong demand for retail tableware and fiber packaging continued
 - Significant inflationary cost environment, however well mitigated
- Acquisition of Jiangsu Hihio-Art Packaging completed on June 11, 2021
- We roll out new products supporting plastic substitution, e.g. fiber lids, new egg cartons in key markets



Examples of new products supporting plastic substitution

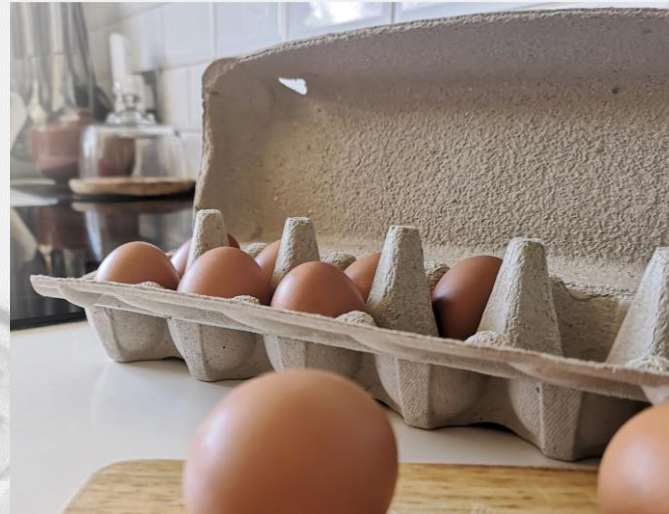
Future Smart Duo fiber lids



Future Smart Duo fiber lids are made from an optimal mixture of wood and bagasse fibers.

- 100% plant-based
- Free of plastic coatings
- Recyclable
- Compostable in industrial facilities

Smilepack



Smilepack, 100% plastic free egg cartons, are Huhtamaki's first product designed especially for the U.S. egg industry, providing a sustainable and functional alternative to traditional polystyrene foam or plastic packaging for eggs.

Futuro



Futuro, the first 100% plastic free egg carton for cooked colored eggs. Futuro is especially relevant to the German market, where hard-boiled eggs or "Bunte Eier" remain a popular snack and an addition to lunch or dinner, with more than 80 million packs sold yearly.

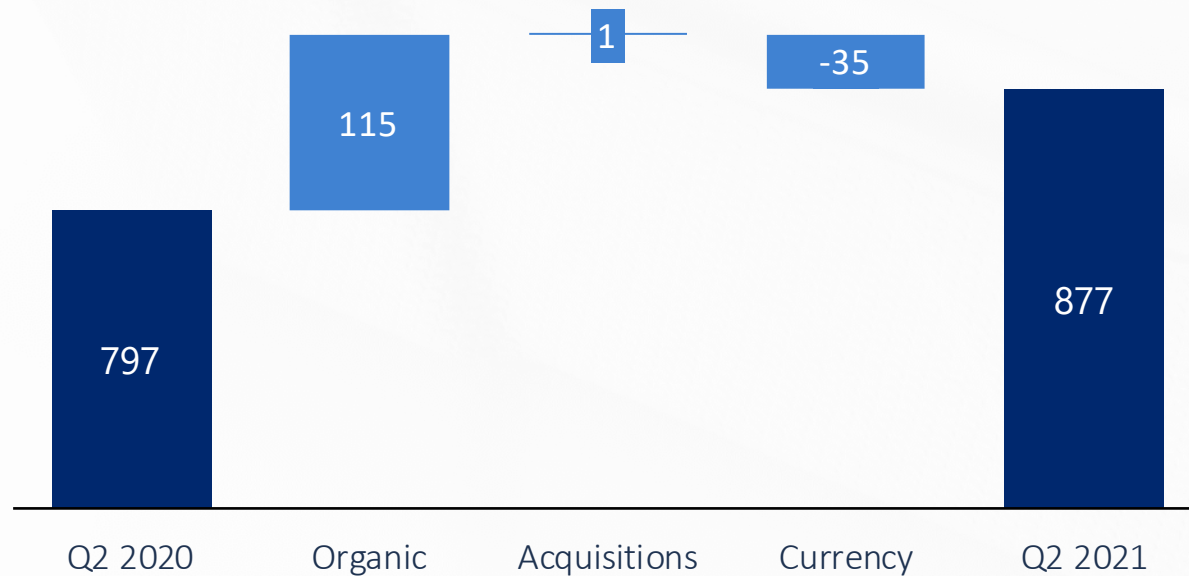
Business performance



Huhtamaki

Q2 2021: Significant growth compared to the COVID-19 pandemic trough

Development of net sales in Q2 2021
(EUR million)



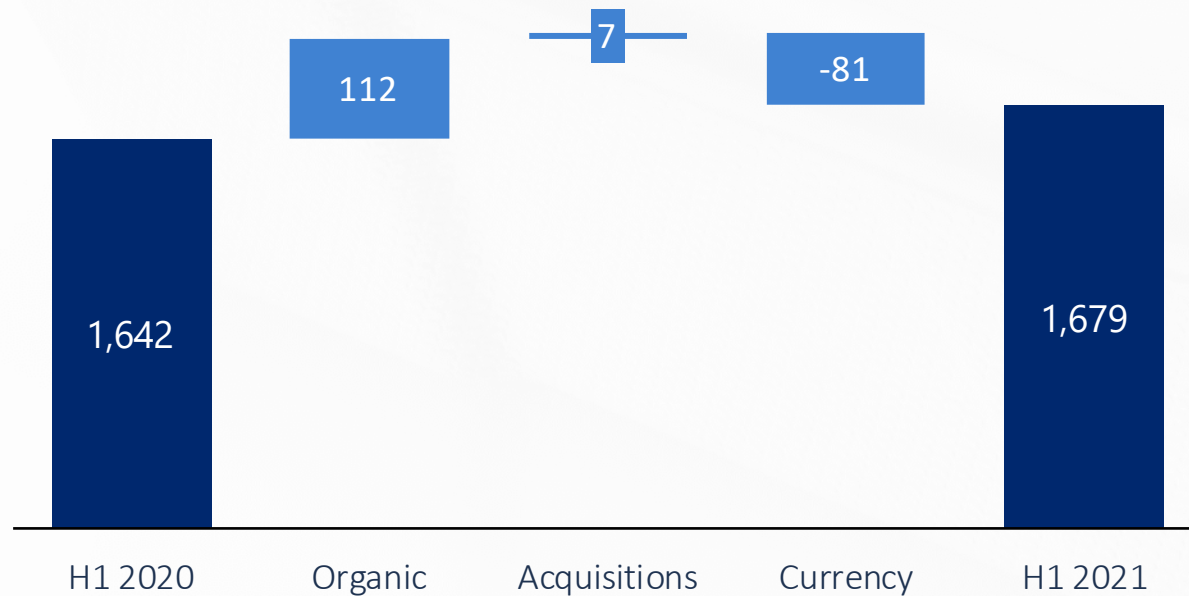
Net sales increased 10% in Q2 2021

- Comparable net sales growth 14% (20% in emerging markets)
- 4% negative currency impact

Comparable net sales growth is growth excluding foreign currency changes, acquisitions, divestments and ancillary businesses. Acquisitions calculated for 12 first months from closing.

H1 2021: Solid sales growth despite significant currency headwind

Development of net sales in H1 2021
(EUR million)



Net sales increased 2% in H1 2021

- Comparable net sales growth 6% (13% in emerging markets)
- 5% negative currency impact

Comparable net sales growth is growth excluding foreign currency changes, acquisitions, divestments and ancillary businesses. Acquisitions calculated for 12 first months from closing.

Continued gradual recovery of demand for food on-the-go

<i>Comparable growth</i>	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	H1 20	H1 21	Long-term ambitions
Foodservice E-A-O	-28%	-1%	-7%	-2%	40%	-17%	17%	5-7%
North America	-5%	4%	-2%	-2%	9%	1%	4%	3-5%
Flexible Packaging	2%	1%	0%	0%	6%	2%	3%	6-8%
Fiber Packaging	10%	7%	8%	4%	1%	10%	3%	3-5%
Group	-8%	2%	-2%	-0%	14%	-3%	6%	5+%

Q2 commentary:

- Demand for foodservice consistently recovering towards pre-pandemic levels – high growth vs. weak Q2 2020
- Retail tableware continued to be strong in North America
- Growth picked up in Flexible Packaging despite continued volatility
- Continued growth in Fiber Packaging building on very strong Q2 2020

Comparable net sales growth is growth excluding foreign currency changes, acquisitions, divestments and ancillary businesses.

Improved adjusted EBIT margin despite inflation of input costs

<i>MEUR</i>	Q2 21	Q2 20	Change	H1 21	H1 20	Change
Net sales	877.1	797.1	10%	1,679.0	1,641.7	2%
Adjusted EBIT ¹	79.9	70.1	14%	156.8	143.7	9%
<i>Margin</i>	9.1%	8.8%		9.3%	8.8%	
Adjusted EPS, EUR ²	0.53	0.44	21%	1.02	0.90	13%
Capital expenditure	51.8	40.3	29%	84.9	79.7	7%

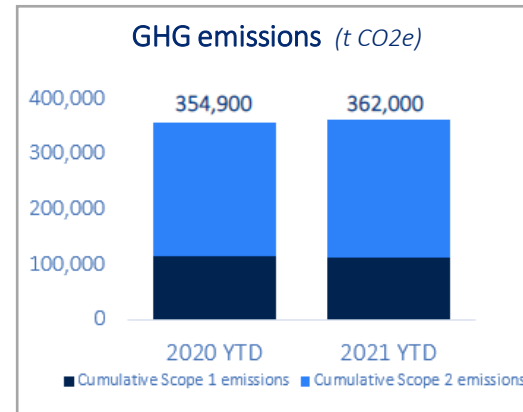
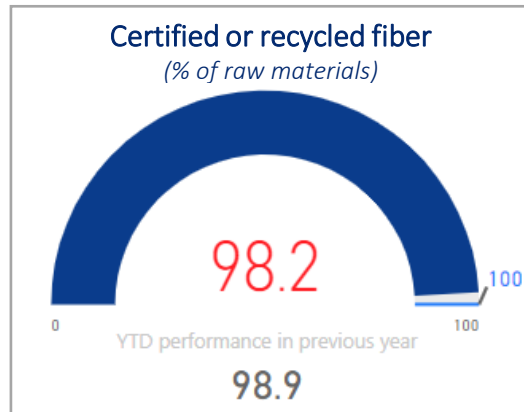
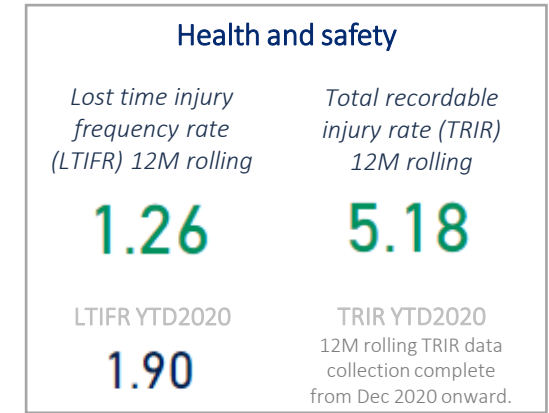
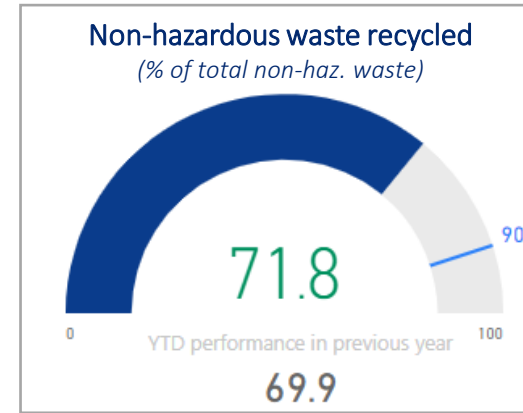
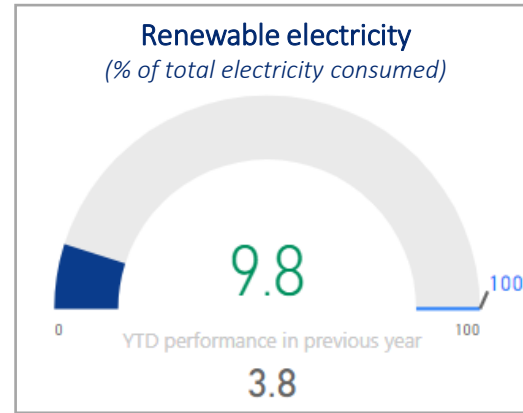
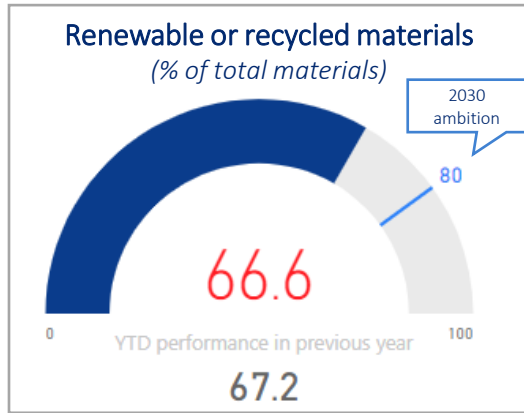
Q2 commentary:

- Growth in net sales also compared to pre-pandemic levels
- Adjusted EBIT improved through operational efficiency and pricing actions to offset input cost headwind
- Increase in adjusted EPS following improvement in earnings
- Increase in capex to accelerate growth and expand portfolio

1) Excluding IAC of EUR -4.9 million in Q2 2021 (EUR 0.1 million) and EUR -10.3 million in H1 2021 (EUR 9.0 million).

2) Excluding IAC of EUR -3.8 million in Q2 2021 (EUR 0.1 million) and EUR -7.9 million in H1 2021 (EUR 7.0 million).

Positive progress in the execution of our sustainability initiatives leads to improvement in our GSI



Blue figures displayed in the charts reflect Huhtamaki Group's 2030 ambitions; GHG = greenhouse gas
Huhtamaki has developed a Global Sustainability Index (GSI) to monitor its progress towards the long-term sustainability ambitions.

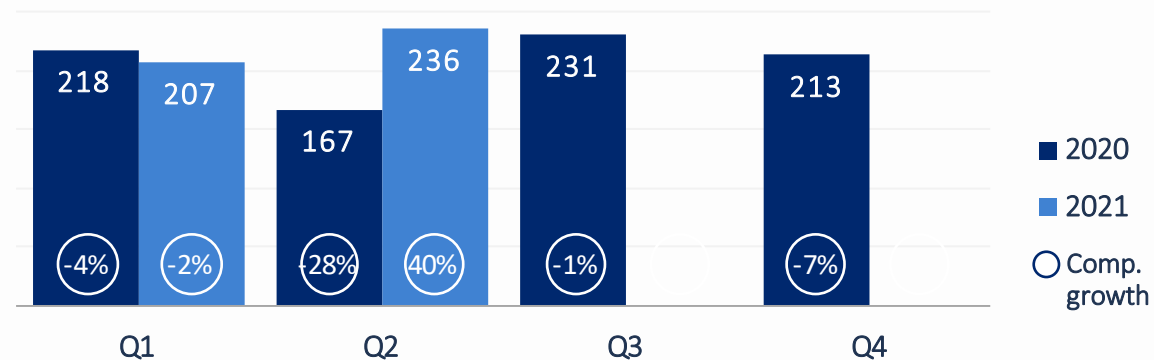
Business segment review



Foodservice EAO: Gradual recovery in demand continued

Key figures, MEUR	Q2 21	Q2 20	Change
Net sales	235.8	167.2	41%
Comparable growth	40%	-28%	
Adjusted EBIT ¹	19.9	6.2	>100%
Margin	8.4%	3.7%	
Capital expenditure	15.4	18.5	-17%
Operating cash flow ¹	12.5	-7.0	>100%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	H1 21	H1 20	Change
Net sales	443.2	384.8	15%
Comparable growth	17%	-17%	
Adjusted EBIT ¹	37.5	23.6	59%
Margin	8.5%	6.1%	
Adjusted RONA	9.3%	8.7%	
Capital expenditure	25.2	34.5	-27%
Operating cash flow ¹	33.9	4.1	>100%

- Gradual demand recovery continued, close to pre-COVID levels – discrepancies between customer channels and markets remain
- Net sales and adjusted EBIT increased from a low base:
 - Improved through pricing actions and continued focus on operational efficiency – partially offset by higher polymer prices
 - Our transformation journey continues, focused on improving our competitiveness, innovation and sustainability
- The acquisition of Jiangsu Hihio-Art Packaging Co. Ltd. was completed on June 11

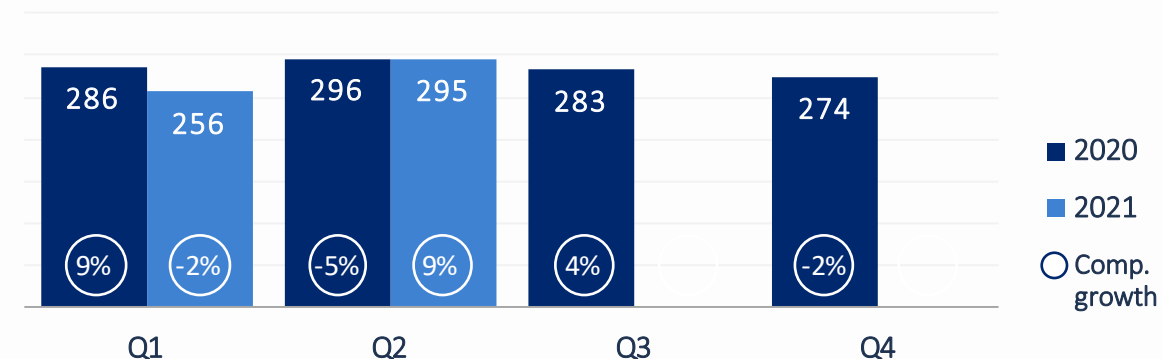
1) Excluding IAC of EUR -1.4 million in Q2 2021 (EUR -0.5 million) and EUR -5.6 million in H1 2021 (EUR -2.1 million).

North America: Recovery in foodservice and growth in retail tableware continued

Key figures, MEUR

	Q2 21	Q2 20	Change
Net sales	295.2	296.1	-0%
Comparable growth	9%	-5%	
Adjusted EBIT ¹	38.2	37.9	1%
Margin	13.0%	12.8%	
Capital expenditure	12.8	9.9	29%
Operating cash flow ¹	34.1	71.9	-53%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR

	H1 21	H1 20	Change
Net sales	551.2	582.3	-5%
Comparable growth	4%	1%	
Adjusted EBIT ¹	69.4	68.4	2%
Margin	12.6%	11.7%	
Adjusted RONA	17.4%	14.9%	
Capital expenditure	22.4	21.8	3%
Operating cash flow ¹	47.1	79.2	-41%

- Gradual recovery in demand for foodservice packaging continued. High demand for retail tableware
- Strong sales growth driven by foodservice packaging and retail tableware – offset by substantial negative currency translation
- Raw material price and distribution cost inflation mitigated by pricing actions
- Adjusted EBIT improved, driven by volume growth and operational efficiencies

1) Excluding IAC of EUR -0.6 million in Q2 2021 (EUR 0.0 million) and EUR -0.6 million in H1 2021 (EUR -3.4 million).

Flexible Packaging: Solid overall demand, headwind from raw material prices

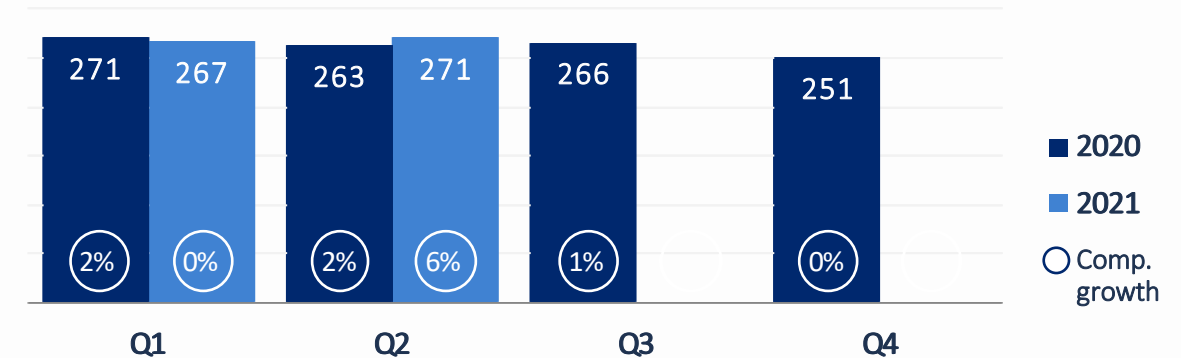
Key figures, MEUR

	Q2 21	Q2 20	Change
Net sales	270.7	263.1	3%
Comparable growth	6%	2%	
Adjusted EBIT ¹	16.6	19.1	-13%
Margin	6.1%	7.3%	
Capital expenditure	11.5	7.5	53%
Operating cash flow ¹	11.8	7.4	60%

Key figures, MEUR

	H1 21	H1 20	Change
Net sales	537.8	534.0	1%
Comparable growth	3%	2%	
Adjusted EBIT ¹	38.3	40.1	-4%
Margin	7.1%	7.5%	
Adjusted RONA	9.8%	10.1%	
Capital expenditure	19.7	15.5	27%
Operating cash flow ¹	26.7	9.1	>100%

Net sales and comparable growth (EUR million & %)



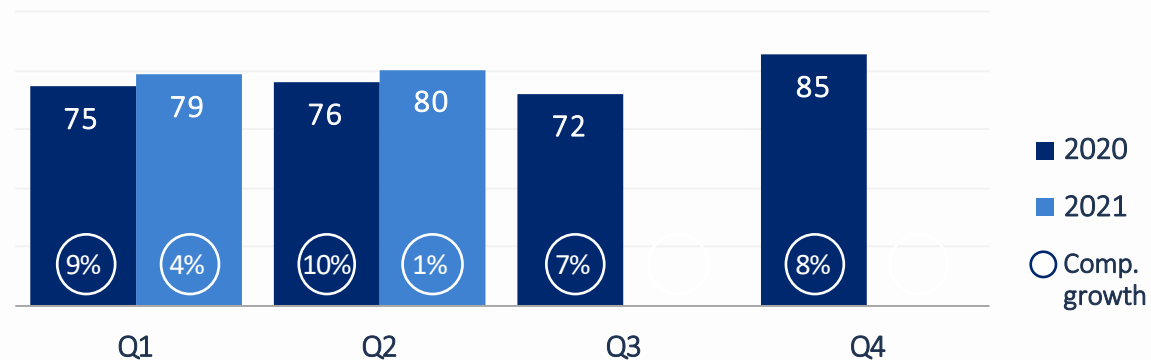
- Overall good demand, though significant variation between product categories and markets
- Sales growth in most markets against a weak Q2 2020
- Earnings impacted negatively by higher raw material prices, partially offset by improved operational efficiency and pricing actions
 - India particularly impacted both through cost inflation and soft demand
- Marco Hilty appointed President, Flexible Packaging as of September 1

1) Excluding IAC of EUR -1.6 million in Q2 2021 (EUR -0.3 million) and EUR -2.8 million in H1 2021 (EUR -4.9 million).

Fiber Packaging: Continued solid performance

Key figures, MEUR	Q2 21	Q2 20	Change
Net sales	80.4	75.7	6%
Comparable growth	1%	10%	
Adjusted EBIT ¹	8.3	8.5	-2%
Margin	10.3%	11.2%	
Capital expenditure	11.6	4.3	>100%
Operating cash flow ¹	2.4	7.5	-68%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	H1 21	H1 20	Change
Net sales	158.9	150.2	6%
Comparable growth	3%	10%	
Adjusted EBIT ¹	17.8	16.7	6%
Margin	11.2%	11.1%	
Adjusted RONA	15.7%	13.4%	
Capital expenditure	16.9	7.7	>100%
Operating cash flow ¹	5.0	7.4	-32%

- Continued solid demand for fiber-based packaging, with variation across markets
- Strong growth especially in Russia and France
- Earnings negatively impacted by higher raw material prices, partially offset by pricing actions and operational efficiencies
- Investment into new manufacturing unit in KwaZulu-Natal in South Africa announced in May – in addition to previously announced capacity expansions e.g. in Egypt and Russia

1) Excluding IAC of EUR -0.5 million in Q2 2021 (EUR -0.8 million) and EUR -0.5 million in H1 2021 (EUR -1.5 million).

Financial review



Higher sales and operational improvements driving improved earnings

MEUR	Q2 21	Q2 20	Change	H1 21	H1 20	Change
Net sales	877.1	797.1	10%	1,679.0	1,641.7	2%
Adjusted EBITDA ¹	121.1	112.1	8%	238.8	229.1	4%
<i>Margin¹</i>	13.8%	14.1%		14.2%	14.0%	
Adjusted EBIT ²	79.9	70.1	14%	156.8	143.7	9%
<i>Margin²</i>	9.1%	8.8%		9.3%	8.8%	
EBIT	75.0	70.2	7%	146.6	152.7	-4%
Net financial items	-5.9	-8.4	30%	-14.3	-17.6	19%
Adjusted profit before taxes	74.0	61.7	20%	142.6	126.1	13%
Adjusted income tax expense ³	-17.3	-13.9	-25%	-33.4	-28.4	-18%
Adjusted profit for the period ⁴	56.7	47.8	18%	109.2	97.7	12%
Adjusted EPS, EUR ⁴	0.53	0.44	21%	1.02	0.90	13%

- Sales growth supported by all segments and partly offset by currency headwind
- Earnings improved following improved operational efficiency and pricing actions
- Lower net financial items
- Tax rate 23%
- Adjusted EPS increased 21% in Q2

1) Excluding IAC of EUR -6.8 million in Q2 2021 (EUR 0.9 million) and EUR -9.7 million in H1 2021 (EUR 14.0 million).

2) Excluding IAC of EUR -4.9 million in Q2 2021 (EUR 0.1 million) and EUR -10.3 million in H1 2021 (EUR 9.0 million).

3) Excluding IAC of EUR 1.2 million in Q2 2021 (EUR -0.0 million) and EUR 2.4 million in H1 2021 (EUR -2.0 million).

4) Excluding IAC of EUR -3.8 million in Q2 2021 (EUR 0.1 million) and EUR -7.9 million in H1 2021 (EUR 7.0 million).

Continued negative currency impact

	Average rate H1 20	Average rate H1 21	Change in average rate	Closing rates					Change in closing rate
				Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	
USD	1.10	1.21	-9%	1.13	1.17	1.23	1.17	1.19	-5%
INR	81.63	88.45	-8%	85.19	86.28	89.88	86.25	88.30	-4%
GBP	0.87	0.87	1%	0.92	0.91	0.90	0.85	0.86	6%
CNY	7.75	7.80	-1%	7.98	7.98	8.01	7.72	7.68	4%
AUD	1.68	1.56	7%	1.64	1.64	1.60	1.54	1.58	4%
THB	34.82	37.13	-7%	34.85	36.99	36.77	36.71	38.17	-10%
RUB	76.61	89.64	-17%	78.92	92.16	91.89	89.16	86.47	-10%
BRL	5.40	6.50	-20%	6.11	6.60	6.36	6.77	5.88	4%
NZD	1.76	1.68	4%	1.75	1.77	1.71	1.68	1.70	3%
ZAR	18.30	17.54	4%	19.43	19.87	18.01	17.54	17.05	12%

Please note: Income statement is valued on average rate, balance sheet on closing rate.

Foreign currency translation impact

Q2 2021
(EUR million)

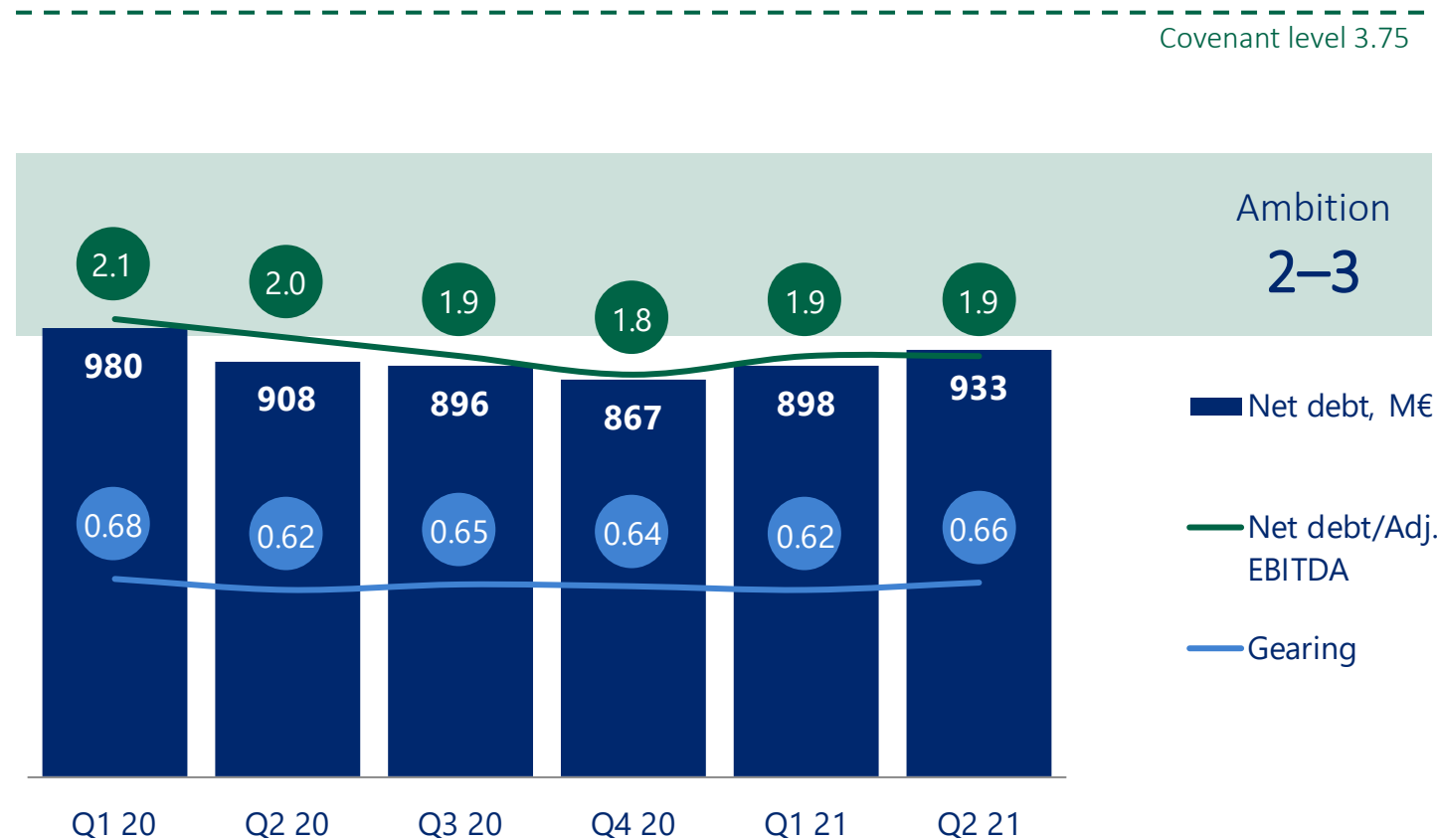
Net sales	EBIT
-35	-4

H1 2021
(EUR million)

Net sales	EBIT
-81	-8

Net debt to adjusted EBITDA decreased compared to Q2/2020

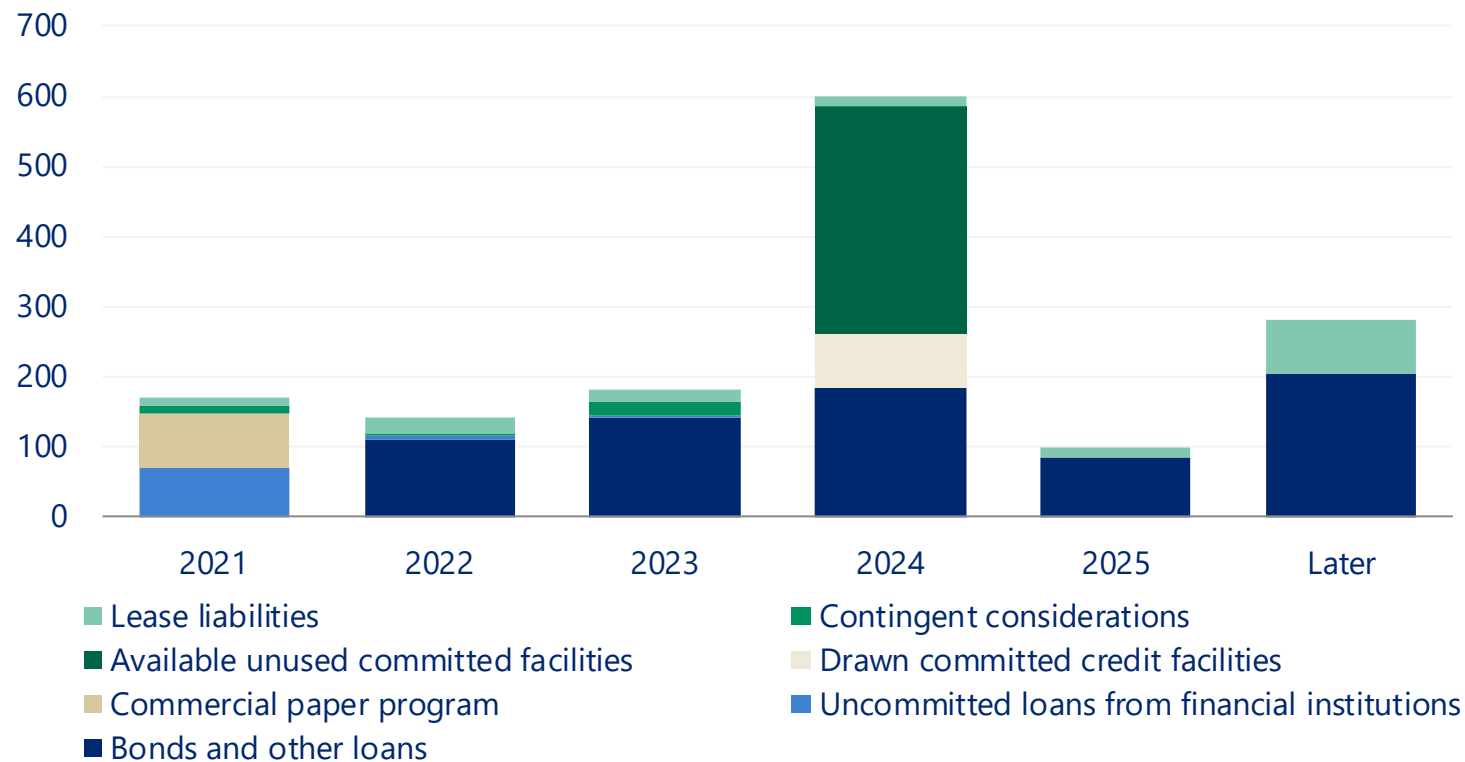
Net debt, net debt/adj. EBITDA and gearing



- Net debt/Adj. EBITDA at **1.9**
- At the end of Q2 2021:
 - Cash and cash equivalents EUR 213 million
 - Unused committed credit facilities available EUR 324 million
- Net debt EUR 933 million and lease liabilities EUR 159 million

Loan maturities

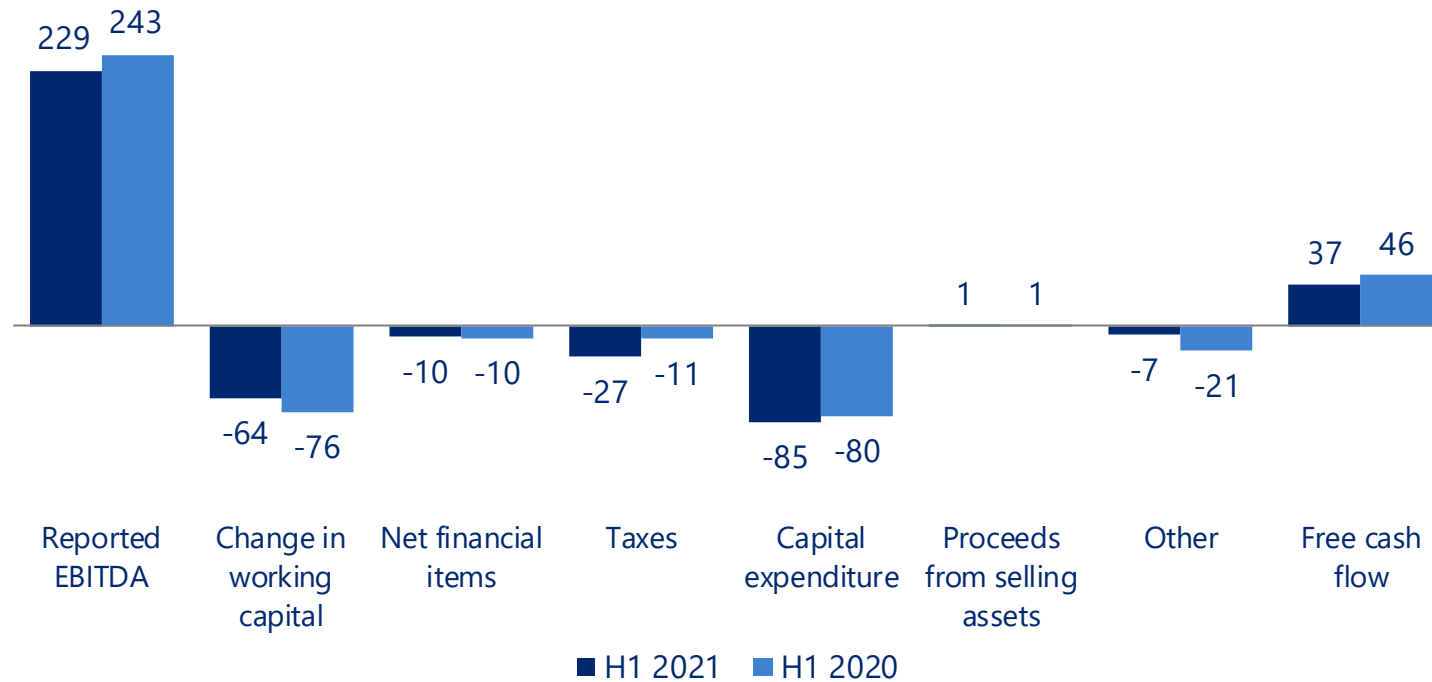
Debt maturity structure June 30, 2021
(EUR million)



- Average maturity 3.1 years at the end of Q2 2021 (3.1 at the end of Q2 2020)
- Unused committed credit facilities of EUR 324 million maturing in 2022

Free cash flow below last year's level

Free cash flow bridge
(EUR million)



Cash flow driven by:

- Higher adjusted EBITDA
 - In comparison period, Laminor gain of ~20 MEUR is recognized as non-cash in 'Other'
- Working capital well managed
- Higher taxes and capex

Stable financial position

<i>MEUR</i>	Jun 2021	Jun 2020
Total assets	3,775	3,672
Operating working capital	580	617
Net debt	933	908
Equity & non-controlling interest	1,414	1,475
Gearing	0.66	0.62
Adjusted ROI ¹	12.3%	11.6%
Adjusted ROE ¹	15.6%	14.2%

- Higher total assets following growth
- Net debt and gearing increased
- Lower equity
 - Negative impact from FX translation differences
 - No dividend in H1/2020, but fully recognized in H1/2021

-> Financial position stable

1) Excluding IAC.

Progress towards long-term financial ambitions

	2014	2015	2016	2017	2018	2019	2020	H1 2021	Long-term ambition
Organic growth	6%	4%	4%	3%	5%	6%	-2%	6%	5+%
Adjusted EBIT margin	7.8%	8.7%	9.4%	9.0%	8.1%	8.6%	9.1%	9.3%	10+%
Net debt/Adj. EBITDA	1.0	1.6	1.8	1.8	2.3	2.0	1.8	1.9	2-3
Dividend payout ratio	47%	40%	40%	42%	50%	47%	47%		40-50%

- In April, the AGM decided on a dividend payment of EUR 0.92 in two instalments:
 - First instalment of EUR 0.46 per share was paid on May 3, 2021
 - Second instalment of EUR 0.46 per share will be paid on October 8, 2021

FY 2018 figures restated for IFRS 16 impact.

Looking forward



Huhtamaki

Outlook 2021

(unchanged)

The Group's trading conditions are expected to improve compared to 2020, however with continued volatility in the operating environment. Huhtamaki's diversified product portfolio provides resilience and the Group's good financial position enables addressing profitable growth opportunities.

Short-term risks and uncertainties

The COVID-19 pandemic may create disturbances in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. Volatile raw material, distribution 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. Further, natural disasters and social unrest may have negative effects on the Group's operating environment.

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Financial calendar 2021

October 21, 2021

Q3 2021 Interim Report

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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