Solid profitability in a gradually improved market

Interim Report Q3 2024

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Huhtamaki

Q3 2024: Solid profitability in a gradually improved market

Market trends

- Market conditions improved, with differences between geographies and categories
- Improvement in on-the-shelf categories (particularly egg packaging), while on-the-go categories remained subdued
- Market environment still impacted by the inflation pressure, the war in the Middle East and the Red Sea crisis

Financial performance

- Comparable sales flat, slight volume growth, pricing pressure
- Adj. EBIT +2%, margin remained at 10.0%; driven by cost saving actions
- Higher EBITDA and decreased capex supporting cash flow

Program to improve efficiency proceeding well

- Costs savings significantly above linear program trajectory

Efficiency program contributes to profitability improvement

Footprint optimization
Structural cost reduction

Material efficiency
Waste reduction

Labor productivity
Direct and indirect labor

Sourcing
Direct and indirect spend

Program targets MEUR 100 savings in 2024-26

Efficiency program leading to savings of appr. EUR 100 million over the next three years

- Program expected to cost appr. EUR 80 million
- Significant actions initiated in the second half of 2023 in the context of lower demand in the market and further initiatives executed, such as:
  - Procurement: acceleration program to cover all input costs (materials and services)
  - Continuous improvement: roll-out of Operations program focusing on material waste reduction
  - Labor productivity: Reduction of workforce (including own and contracted)
  - Flexible Packaging: footprint optimization including consolidation and closure of selected production sites
  - Foodservice EAO: footprint optimization including consolidation and closure of selected sites

Savings program delivers as expected

By the end of Q3 2024, the program has generated savings significantly above the linear savings trajectory. This contributed materially to the Group's profit, compensating for inflation and adverse currency impacts

Program related costs accounted for EUR 18 million year to date, including positive impact from divestment of real estate in China

- **Sourcing:** the most significant contributor of the program. On track in creating savings across all materials with focus on paper & paperboard
- **Material efficiency:** improvement projects are identified across segments, to reduce production waste and improve the ecological footprint. Successful projects are copied to other sites
- **Labor Productivity:** optimization levers like workforce planning and offshoring push labor efficiency and reduce cost
- **Footprint optimization:** Closed two Foodservice EAO sites in China and one in Malaysia. Consolidated three Flexible Packaging sites in the United Arab Emirates into two

01 Business performance

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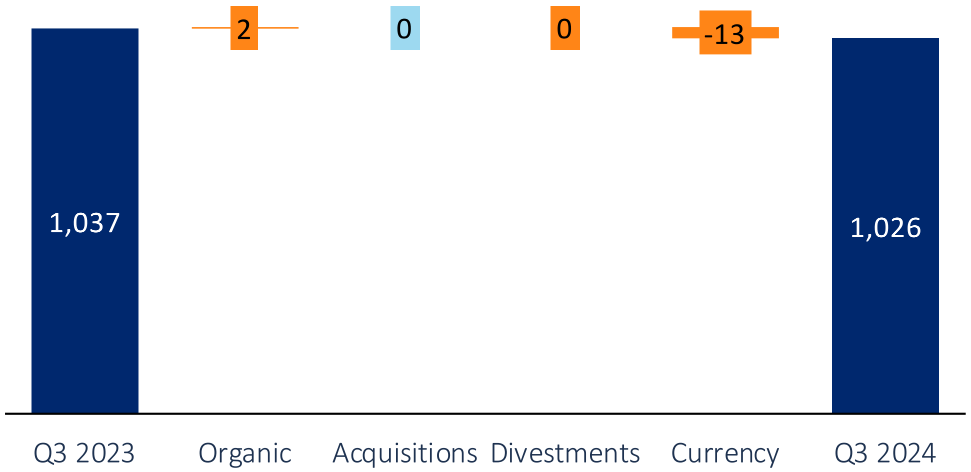
Q3 2024: Comparable net sales supported by volume growth

Development of net sales in Q3 2024
(EUR million)



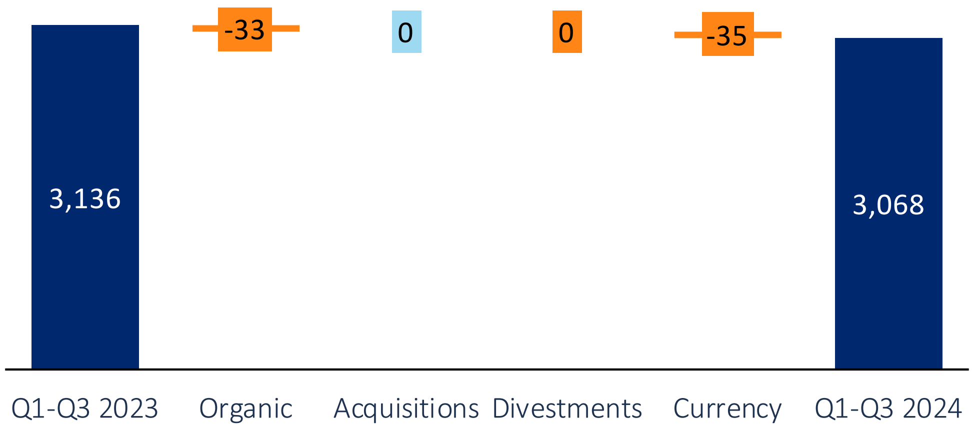
Net sales decreased 1% in Q3 2024

- Flat comparable net sales growth (-4% in emerging markets). Slight growth in volumes, pricing down
- 0% from acquisitions and divestments
- -1% 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.

Q1-Q3 2024: Pricing weighing on comparable net sales development

Development of net sales in Q1-Q3 2024
(EUR million)



Net sales decreased 2% in Q1-Q3 2024

- Comparable net sales growth -1% (-3 % in emerging markets). Volumes close to the previous year's level, pricing impact slightly negative
- 0% from acquisitions and divestments
- -1% 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.

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Comparable net sales trend improving

Comparable net sales growth	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q1-Q3 23	Q1-Q3 24	Long-term ambitions
Foodservice E-A-O	-3%	-5%	-5%	-6%	-7%	4%	-6%	4-5%
North America	1%	4%	-3%	-2%	3%	1%	-0%	5-6%
Flexible Packaging	-11%	-9%	-1%	2%	-0%	-9%	0%	6-7%
Fiber Packaging	4%	2%	1%	3%	8%	9%	4%	3-4%
Group	**-4%**	**-3%**	**-2%**	**-1%**	**-0%**	**-1%**	**-1%**	5-6%

Q3 commentary:
- Foodservice packaging demand remained soft
- In North America, demand improved, with the exception of ice cream packaging
- Demand for flexible packaging improved, but with significant variations by market
- Demand for fiber-based egg packaging improved, but remained stable for food-on-the-go products

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

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Adjusted EBIT growth continued

MEUR	Q3 24	Q3 23	Change	Q1-Q3 24	Q1-Q3 23	Change
Net sales	1,026.2	1,037.2	-1%	3,067.6	3,136.0	-2%
Adjusted EBIT[1]	102.4	100.3	2%	306.7	285.1	8%
Margin	*10.0%*	*9.7%*		*10.0%*	*9.1%*	
Adjusted EPS, EUR[2]	0.63	0.57	9%	1.80	1.64	10%
Capital expenditure	49.4	69.7	-29%	134.1	203.9	-34%

Q3 commentary:

- Adj. EBIT increased and margin improved, supported by lower raw material and energy costs and the company's actions to improve profitability. Lower sales prices and the increase in labor costs had a negative impact on profitability
- Increased adjusted EPS, driven by higher adjusted EBIT and lower financing costs
- Capex decreased as the timing of some projects has been adapted to the prevailing market conditions

1) Excluding IAC of EUR -7.3 million in Q3 2024 (EUR -7.5 million) and EUR -29.4 million in Q1-Q3 2024 (EUR -50.2 million).
2) Excluding IAC of EUR -6.4 million in Q3 2024 (EUR -15.7 million) and EUR -28.0 million in Q1-Q3 2024 (EUR -51.9 million).

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02 Business segment review

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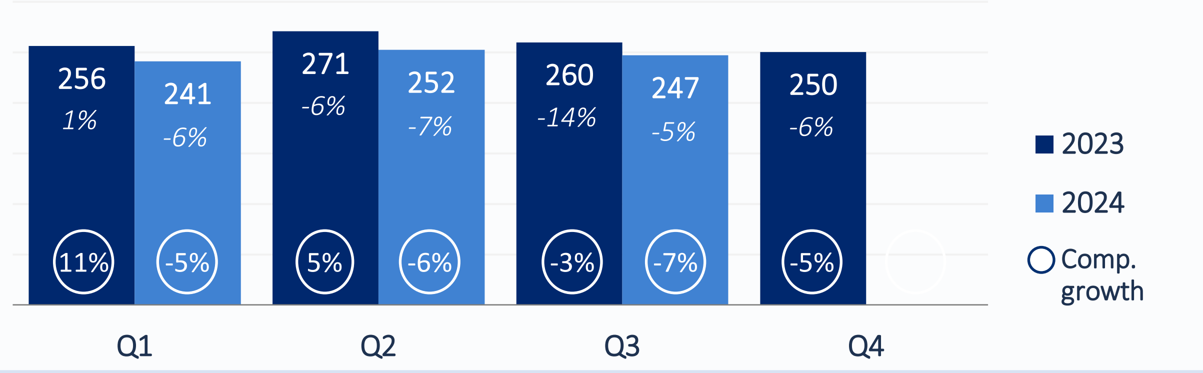
Foodservice E-A-O: Consumption remained soft, affected by high consumer prices

Key figures, MEUR	Q3 24	Q3 23	Change
Net sales	246.9	259.9	-5%
Comparable growth	-7%	-3%	
Adjusted EBIT[1]	21.1	26.7	-21%
Margin	8.5%	10.3%	
Capital expenditure	17.0	4.5	>100%
Operating cash flow[1]	19.8	52.4	-62%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	Q1-Q3 24	Q1-Q3 23	Change
Net sales	740.4	787.0	-6%
Comparable growth	-6%	4%	
Adjusted EBIT[1]	66.4	73.0	-9%
Margin	9.0%	9.3%	
Adjusted RONA	10.4%	10.2%	
Capital expenditure	35.3	42.2	-16%
Operating cash flow[1]	77.1	105.4	-27%

- The demand remained soft, affected by the high inflation on food products, particularly for quick service restaurants and high-end coffee chains
- Net sales weighed on by both sales volumes and pricing. The war in the Middle East still caused boycotts of certain large brands. Net sales decreased in most markets, particularly in Middle-East and Africa
- Paperboard prices decreased compared to Q3 2023, whereas pulp and resin prices increased
- Adjusted EBIT decreased due to lower sales volumes, whereas actions to improve profitability had a positive impact

1) Excluding IAC of EUR -0.8 million in Q3 2024 (EUR -0.1 million) and EUR -12.2 million in Q1-Q3 2024 (EUR -2.1 million).

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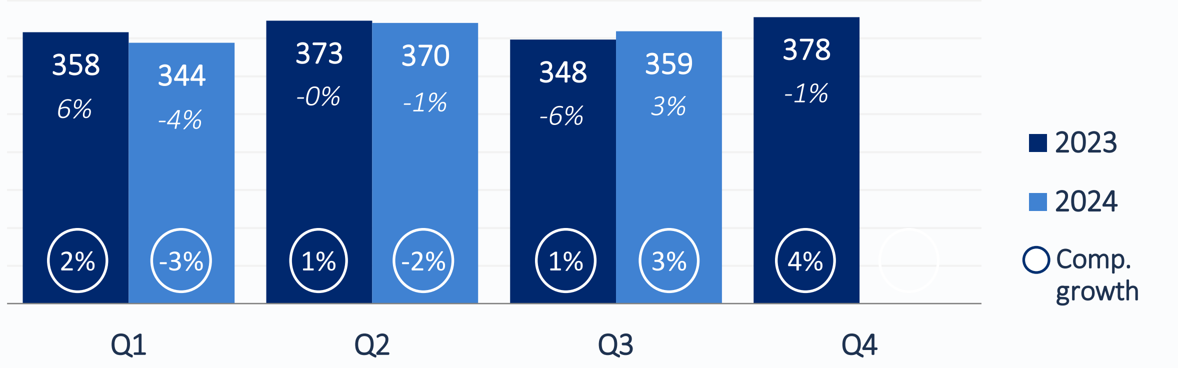
North America: Profitable growth continued

Key figures, MEUR	Q3 24	Q3 23	Change
Net sales	359.3	348.4	3%
Comparable growth	3%	1%	
Adjusted EBIT[1]	49.7	45.9	8%
Margin	13.8%	13.2%	
Capital expenditure	21.2	28.0	-24%
Operating cash flow[1]	47.0	48.1	-2%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	Q1-Q3 24	Q1-Q3 23	Change
Net sales	1,073.6	1,079.8	-1%
Comparable growth	-0%	1%	
Adjusted EBIT[1]	150.5	133.8	12%
Margin	14.0%	12.4%	
Adjusted RONA	20.0%	17.7%	
Capital expenditure	52.9	77.7	-32%
Operating cash flow[1]	166.6	86.7	92%

- Demand improved from the previous year's level, with the exception of ice cream packaging
- Net sales increased with the support from higher sales volumes, whereas pricing continued to be a headwind. Net sales increased in Foodservice and Retail but decreased in Consumer Goods, due to lower demand for ice-cream packaging
- Prices of most raw materials decreased except for pulp and resins
- Adjusted EBIT increased, supported by actions to improve profitability

1) Excluding IAC of EUR -2.5 million in Q3 2024 (EUR 0.0 million) and EUR -6.0 million in Q1-Q3 2024 (EUR 0.0 million).

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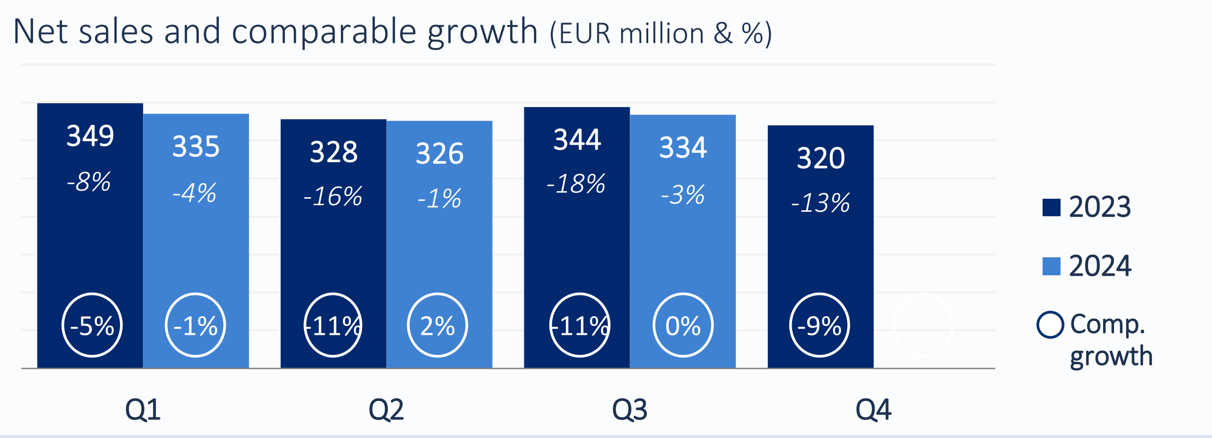
Flexible Packaging: Continued margin improvement

Key figures, MEUR	Q3 24	Q3 23	Change
Net sales	333.9	344.2	-3%
Comparable growth	-0%	-11%	
Adjusted EBIT[1]	24.3	24.7	-2%
Margin	7.3%	7.2%	
Capital expenditure	12.7	24.7	-48%
Operating cash flow[1]	5.5	31.5	-82%



Key figures, MEUR	Q1-Q3 24	Q1-Q3 23	Change
Net sales	995.0	1,021.2	-3%
Comparable growth	0%	-9%	
Adjusted EBIT[1]	66.8	62.0	8%
Margin	6.7%	6.1%	
Adjusted RONA	7.1%	5.5%	
Capital expenditure	37.6	63.5	-41%
Operating cash flow[1]	27.7	57.0	-52%

- Overall demand improved, but with significant variations by market
- Net sales decreased, mainly in Europe, partly due to the closure of the factory in Prague. Pricing and sales volumes were at the previous years' level, but the impact of currencies was negative
- Prices of most raw materials decreased
- Adjusted EBIT decreased but margin improved. Negative impact from higher labor and transportation costs whereas raw material prices decreased and actions to improve profitability impacted positively

1) Excluding IAC of EUR -3.8 million in Q3 2024 (EUR -3.0 million) and EUR -9.1 million in Q1-Q3 2024 (EUR -42.3 million).

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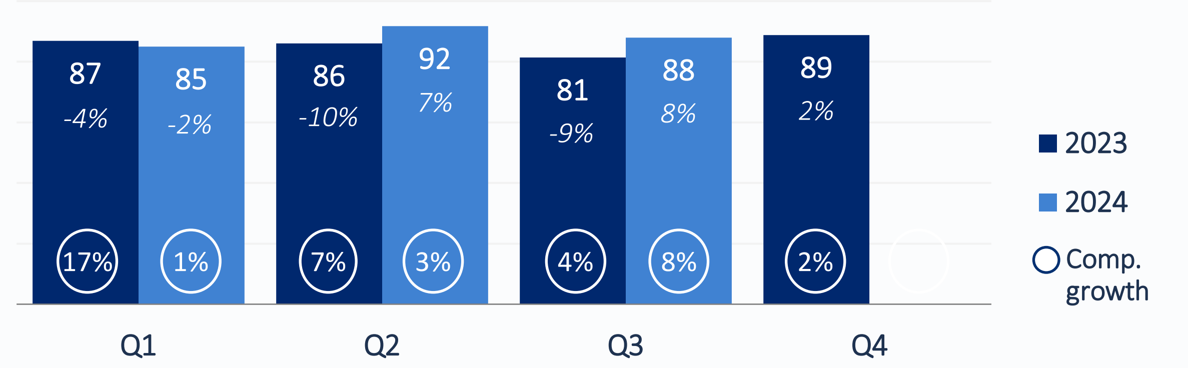
Fiber Packaging: Sales supported by volumes growth

Key figures, MEUR	Q3 24	Q3 23	Change
Net sales	87.9	81.4	8%
Comparable growth	8%	4%	
Adjusted EBIT[1]	8.1	10.2	-20%
Margin	9.2%	12.5%	
Capital expenditure	-1.5	12.5	<-100%
Operating cash flow[1]	13.6	9.2	47%

Net sales and comparable growth (EUR million & %)



Key figures, MEUR	Q1-Q3 24	Q1-Q3 23	Change
Net sales	264.7	254.3	4%
Comparable growth	4%	9%	
Adjusted EBIT[1]	28.5	30.0	-5%
Margin	10.8%	11.8%	
Adjusted RONA	13.0%	14.8%	
Capital expenditure	7.8	20.3	-62%
Operating cash flow[1]	25.1	22.4	12%

- Overall demand for fiber-based egg packaging improved, but remained stable for food-on-the-go products
- Net sales driven by increased sales volumes and higher prices. Net sales increased in all main markets, but particularly in Europe
- Prices of recycled fiber increased significantly compared to Q3 2023
- Adjusted EBIT decreased, mainly due to higher raw material costs. Pricing actions were taken but did not contribute materially in the quarter

1) Excluding IAC of EUR -0.2 million in Q3 2024 (EUR -4.4 million) and EUR -1.7 million in Q1-Q3 2024 (EUR -5.5 million).

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03 Financial review

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Improved margins driving earnings

MEUR	Q3 24	Q3 23	Change	Q1-Q3 24	Q1-Q3 23	Change
Net sales	1,026.2	1,037.2	-1%	3,067.6	3,136.0	-2%
Adjusted EBITDA[1]	153.1	149.0	3%	458.5	430.6	6%
Margin [1]	*14.9%*	*14.4%*		*14.9%*	*13.7%*	
Adjusted EBIT[2]	102.4	100.3	2%	306.7	285.1	8%
Margin [2]	*10.0%*	*9.7%*		*10.0%*	*9.1%*	
EBIT	95.1	92.8	2%	277.3	234.9	18%
Adjusted Net financial items[3]	-14.9	-18.2	18%	-52.2	-52.0	-0%
Adjusted profit before taxes	87.4	82.2	6%	254.5	233.1	9%
Adjusted income tax expense[4]	-19.9	-19.5	-2%	-59.8	-55.0	-9%
Adjusted profit for the period[5]	67.6	62.6	8%	194.7	178.1	9%
Adjusted EPS, EUR[6]	0.63	0.57	9%	1.80	1.64	10%

Q3 commentary:

- Reported sales decreased 1%, flat in comparable terms
- Despite low growth, EBIT increased driven by actions to improve cost efficiency
- Net financial items decreased due to lower net debt
- Taxes decreased due to the unusually high deferred tax charge related to functional currency remeasurements in Turkey in the comparison period

1) Excluding IAC of EUR -4.8 million in Q3 2024 (EUR -3.5 million) and EUR -14.3 million in Q1-Q3 2024 (EUR -15.1 million).
2) Excluding IAC of EUR -7.3 million in Q3 2024 (EUR -7.5 million) and EUR -29.4 million in Q1-Q3 2024 (EUR -50.2 million).
3) Excluding IAC of EUR -0.2 million in Q3 2024 (EUR 1.2 million) and EUR -0.3 million in Q1-Q3 2024 (EUR 0.8 million).
4) Excluding IAC of EUR 0.9 million in Q3 2024 (EUR -9.4 million) and EUR 2.3 million in Q1-Q3 2024 (EUR -2.5 million).
5) Excluding IAC of EUR -6.6 million in Q3 2024 (EUR -15.7 million) and EUR -27.5 million in Q1-Q3 2024 (EUR -51.9 million).

Minor negative currency impact

	Average rate Q1-Q3 23	Average rate Q1-Q3 24	Change in average rate	Closing rates Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Change in closing rate (YoY)
USD	1.08	1.09	0 %	1.05	1.11	1.08	1.07	1.12	-6%
INR	89.24	90.66	-2 %	87.64	92.45	90.13	89.24	93.38	-7%
GBP	0.87	0.85	2 %	0.86	0.87	0.86	0.85	0.83	3%
CNY	7.62	7.82	-3 %	7.70	7.89	7.82	7.77	7.82	-2%
AUD	1.62	1.64	-1 %	1.65	1.62	1.66	1.61	1.62	2%
THB	37.38	38.83	-4 %	38.66	38.00	39.38	39.39	36.14	7%
BRL	5.43	5.69	-5 %	5.31	5.37	5.40	5.89	6.07	-14%
NZD	1.75	1.78	-2 %	1.77	1.75	1.80	1.75	1.76	0%
ZAR	19.87	20.09	-1 %	20.17	20.60	20.47	19.66	19.11	5%
TRY	24.04	35.10	-46 %	28.90	32.75	34.90	35.17	38.13	-32%
EGP	33.15	47.69	-44 %	32.60	34.20	51.13	51.41	53.99	-66%

Foreign currency translation impact

Q3 2024
(EUR million)

Net sales	EBIT
-13	-1

Q1-Q3 2024
(EUR million)

Net sales	EBIT
-35	-4

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

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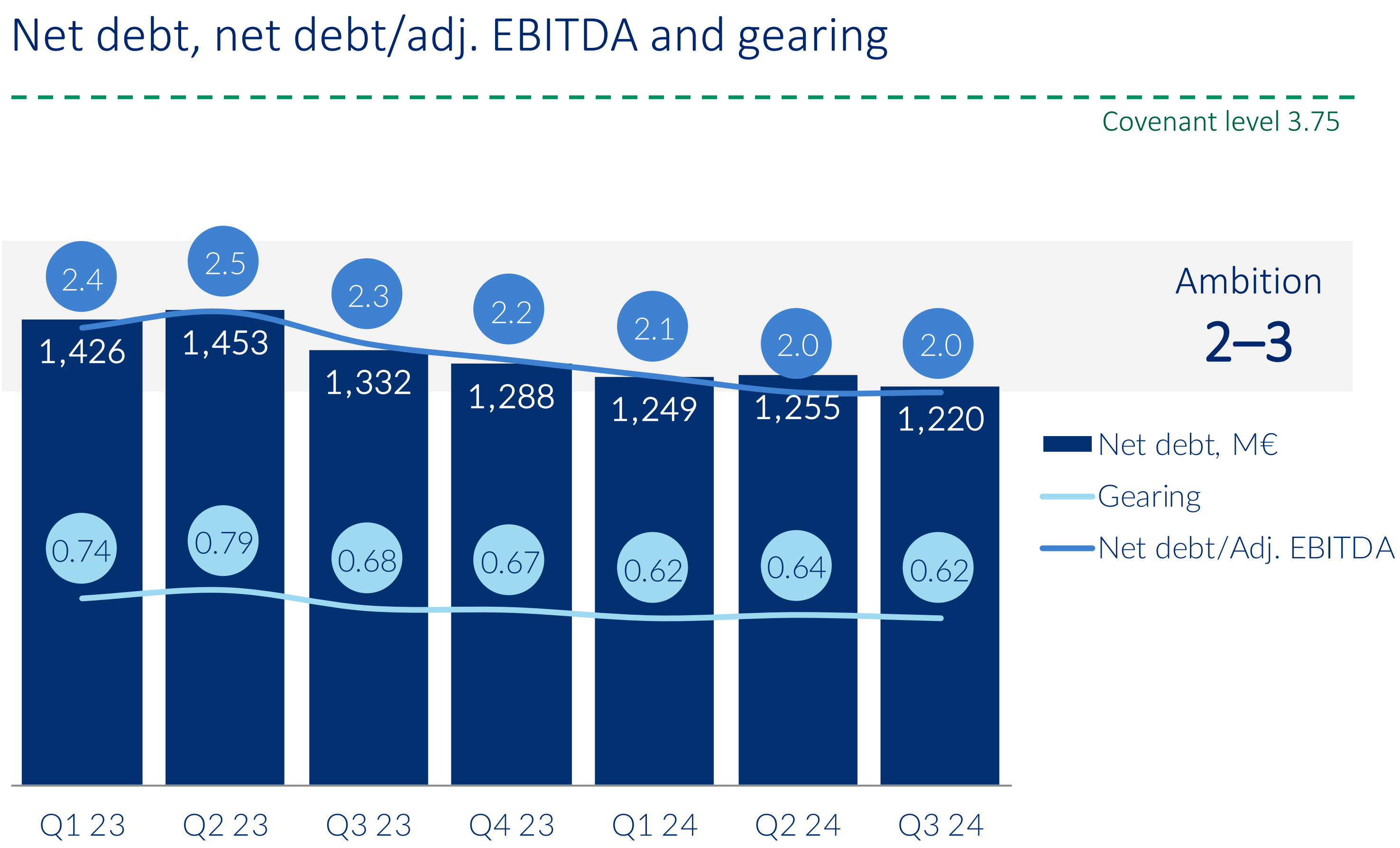
Net debt to adjusted EBITDA stable at 2.0



- Net debt/Adj. EBITDA at **2.0**
- At the end of Q3 2024:
  - Cash and cash equivalents EUR 408 million
  - Unused committed credit facilities available EUR 355 million
- Net debt EUR 1,220 million

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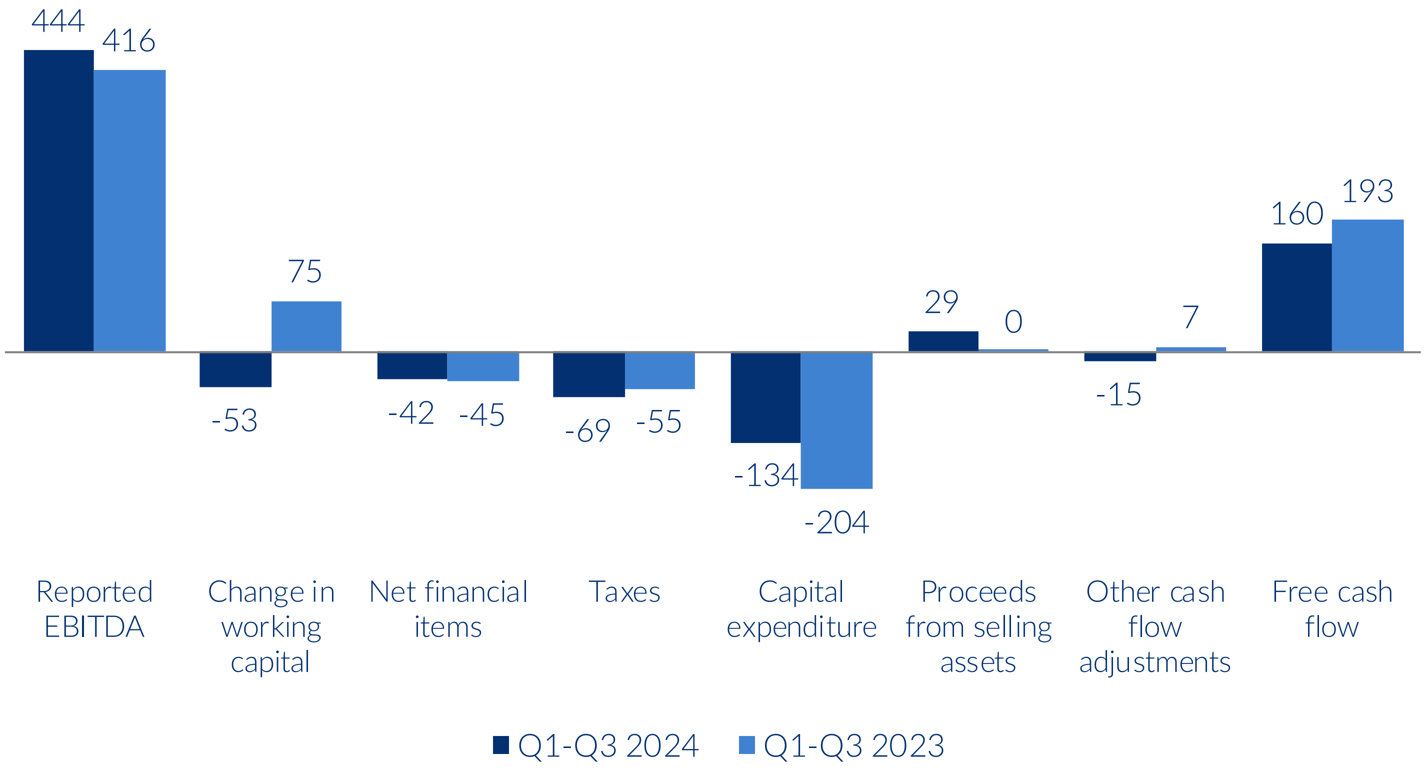
Loan maturities

- Average maturity 2.3 years at the end of Q3 2024 (2.4 at the end of Q3 2023)
- EUR 125 million term loan was extended in September 2024 with a further year to May 2026
- EUR 100 million bond was repaid in October 2024 with existing cash

EBITDA and capex development supporting cash flow

Free cash flow bridge
(EUR million)



Cash flow driven by:

- Higher reported EBITDA
- Negative impact from change in working capital
- Lower capex

Strong comparison period figures in 2023 due to change in working capital, driven by raw material prices

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Financial position improved

MEUR	Sep 2024	Sep 2023
Total assets	4,824	4,829
Working capital	589	644
Net debt	1,220	1,332
Equity & non-controlling interest	1,952	1,945
Gearing	0.62	0.68
Adjusted ROI[1]	12.0%	10.6%
Adjusted ROE[1]	13.7%	12.9%

- Working capital down yoy, but increased vs year-end 2023 due to higher inventories
- Net debt and gearing decreased
- Adjusted ROI improved

1) Excluding IAC.

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Progress towards long-term financial ambitions

	2017	2018	2019	2020	2021	2022	2023	Q1-Q3 24	Long-term ambition
Comparable net sales growth	3%	5%	6%	-2%	7%	15%	-2%	-1%	5-6%
Adjusted EBIT margin	9.0%	8.1%	8.6%	9.1%	8.8%	8.8%	9.4%	10.0%	10-12%
Adj. ROI	13.6%	11.6%	12.3%	11.7%	11.3%	11.0%	11.2%	12.0%	13-15%
Net debt/Adj. EBITDA	1.8	2.3	2.0	1.8	3.1	2.5	2.2	2.0	2-3
Dividend payout ratio	42 %	50 %	47 %	47 %	45 %	40 %	45 %		40-50%

FY 2018 figures restated for IFRS 16 impact.

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04 Looking forward

Outlook for 2024 and short-term risks and uncertainties

Outlook for 2024 (unchanged)

The Group's trading conditions are expected to improve compared to 2023. Volatility in the operating environment is expected to continue, while Huhtamaki's diversified product portfolio provides resilience.

The company's initiatives, which include the ongoing savings and efficiency program are expected to support the company's performance. The Group's good financial position enables addressing profitable growth opportunities.

Short-term risks and uncertainties

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

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Financial reporting in 2025

February 14, 2025

Results 2024

Week commencing March 10, 2025

Annual Report 2024

April 24, 2025

Q1 Interim Report

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Thank you.

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