

Huhtamäki Oyj Interim Report Q1 2020

January 1–March 31, 2020

Huhtamäki



Solid net sales growth and profitability in an increasingly uncertain environment

Q1 2020 in brief

- Net sales increased 5% to EUR 845 million (EUR 802 million)
- Adjusted EBIT was EUR 74 million (EUR 68 million); reported EBIT was EUR 83 million (EUR 68 million)
- Adjusted EPS was EUR 0.46 (EUR 0.44); reported EPS was EUR 0.53 (EUR 0.44)
- Comparable net sales growth was 3% at Group level and -3% in emerging markets
- Currency movements had a positive impact of EUR 10 million on the Group's net sales and EUR 1 million on EBIT

Key figures

| EUR million | Q1 2020 | Q1 2019 | Change | 2019 |
|------------------------------|---------|---------|--------|---------|
| Net sales | 844.6 | 802.1 | 5% | 3,399.0 |
| Comparable net sales growth | 3% | 5% | | 6% |
| Adjusted EBITDA ¹ | 117.0 | 107.0 | 9% | 456.3 |
| Margin ¹ | 13.9% | 13.3% | | 13.4% |
| EBITDA | 130.1 | 106.8 | 22% | 448.8 |
| Adjusted EBIT ² | 73.6 | 67.8 | 9% | 293.1 |
| Margin ² | 8.7% | 8.5% | | 8.6% |
| EBIT | 82.6 | 67.7 | 22% | 285.5 |
| Adjusted EPS ³ | 0.46 | 0.44 | 5% | 1.88 |
| EPS, EUR | 0.53 | 0.44 | 21% | 1.82 |
| Adjusted ROI ² | 12.1% | 11.5% | | 12.3% |
| Adjusted ROE ³ | 15.0% | 14.6% | | 15.2% |
| ROI | 12.1% | 10.4% | | 11.9% |
| ROE | 15.1% | 13.0% | | 14.8% |
| Capital expenditure | 39.4 | 39.7 | -1% | 203.9 |
| Free cash flow | -24.5 | -18.3 | | 225.8 |

¹ Excluding IAC of EUR 13.1 million in Q1 2020 (EUR -0.1 million) and EUR -7.6 million in 2019.

² Excluding IAC of EUR 8.9 million in Q1 2020 (EUR -0.1 million) and EUR -7.6 million in 2019.

³ Excluding IAC of EUR 6.9 million in Q1 2020 (EUR -0.1 million) and EUR -5.9 million in 2019.

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2019. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) as well as net debt to EBITDA presented in this report are calculated on a 12-month rolling basis.

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

Charles Héaulmé, President and CEO

“During the first quarter of 2020, our net sales increased by 5% with a comparable sales growth of 3% and improved profitability. This represents solid performance in a quarter that was marked by contrast – while good demand for food packaging continued, the outbreak of COVID-19 quickly transformed the overall business context. The lockdown in China and consequent drop in demand was followed in March by further impact in the rest of the world as the COVID-19 crisis proceeded to spread globally. This change was visible in our Foodservice segment, while demand in our other segments increased.

The safety and health of our employees and stakeholders remain our number one focus and priority during the COVID-19 pandemic. We are following the guidelines from governments and international and local health authorities and have taken actions to safeguard the continuity of our business. We have also taken all relevant measures to secure our cash position and reprioritize our costs and investments.

Despite serious turbulence in parts of our business, I am confident that together with our customers and other stakeholders we will successfully navigate through this crisis and come out of it even stronger than before. We have a diversified portfolio and a healthy balance sheet, and we are carrying on in our planned investments and efficiency activities, which are vital to our future success.

To maintain our growth trajectory and anticipate key transformative trends, we have renewed our long-term strategy for 2030. We will continue on our path as a growth company, and will further focus on competitiveness, talent, and sustainability. We are taking a leading role in addressing the global challenges of circularity and climate change within the food packaging industry. We will embed sustainability in everything we do – and for this reason, we have set high ambitions for the future.

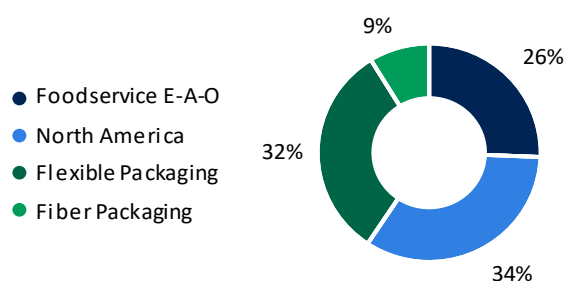
I would like to extend a “Thank you!” to all Huhtamaki employees for demonstrating their commitment to our values during these unforeseen and unprecedented times. I am impressed by the agility of our organization to adapt and collaborate so well under these new work conditions. This has enabled us, for example, to use machines made idle by the crisis and launch, in record time, a new product line of certified Personal Protective Equipment (PPE) devoted to healthcare workers. I am convinced that the spirit and the engagement will help us get through this challenging period.”

Financial review Q1 2020

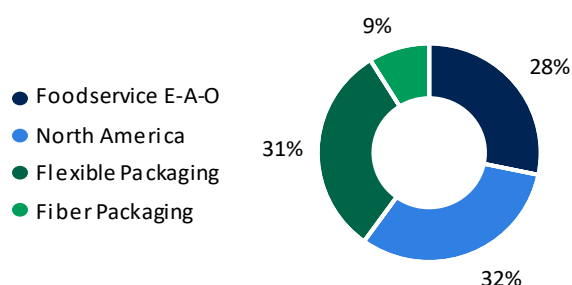
Net sales by business segment

| EUR million | Q1 2020 | Q1 2019 | Change |
|---------------------------------|--------------|--------------|-----------|
| Foodservice Europe-Asia-Oceania | 217.6 | 227.9 | -5% |
| North America | 286.2 | 255.7 | 12% |
| Flexible Packaging | 271.0 | 251.8 | 8% |
| Fiber Packaging | 74.5 | 71.5 | 4% |
| Elimination of internal sales | -4.6 | -4.9 | |
| Group | 844.6 | 802.1 | 5% |

Net sales by segment, Q1 2020



Net sales by segment, Q1 2019



Comparable net sales growth by business segment

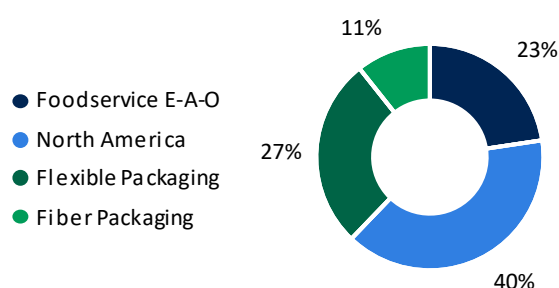
| | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| Foodservice Europe-Asia-Oceania | -4% | 4% | 4% | 3% | 4% |
| North America | 9% | 6% | 14% | 13% | 5% |
| Flexible Packaging | 2% | 3% | 4% | 1% | 5% |
| Fiber Packaging | 9% | 8% | 7% | 7% | 4% |
| Group | 3% | 5% | 7% | 6% | 5% |

The Group's comparable net sales growth was moderate during the quarter. Growth was strong in the North America and Fiber Packaging segments and moderate in the Flexible Packaging segment. Net sales declined in the Foodservice Europe-Asia-Oceania segment due to the impact of COVID-19. The Group's comparable net sales growth was 3% and growth in emerging markets was -3%. The Group's net sales increased 5% to EUR 845 million (EUR 802 million). Foreign currency translation impact on the Group's net sales was EUR 10 million (EUR 19 million) compared to 2019 exchange rates. The majority of the positive impact came from the US Dollar.

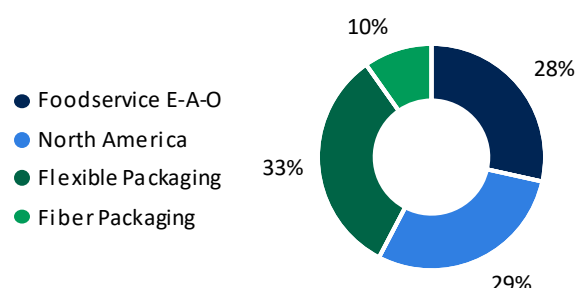
Adjusted EBIT by business segment

| EUR million | Q1 2020 | Q1 2019 | Change | Items affecting comparability | |
|---------------------------------|-------------|-------------|-----------|-------------------------------|-------------|
| | | | | Q1 2020 | Q1 2019 |
| Foodservice Europe-Asia-Oceania | 17.5 | 20.1 | -13% | -1.6 | - |
| North America | 30.4 | 20.6 | 48% | -3.4 | - |
| Flexible Packaging | 20.9 | 23.0 | -9% | -4.7 | - |
| Fiber Packaging | 8.2 | 6.9 | 20% | -0.7 | - |
| Other activities | -3.4 | -2.7 | | 19.3 | -0.1 |
| Group | 73.6 | 67.8 | 9% | 8.9 | -0.1 |

Adjusted EBIT by segment, Q1 2020



Adjusted EBIT by segment, Q1 2019



Adjusted EBIT margin by business segment

| | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Foodservice Europe-Asia-Oceania | 8.0% | 8.5% | 9.4% | 9.1% | 8.8% |
| North America | 10.6% | 10.9% | 8.8% | 10.6% | 8.0% |
| Flexible Packaging | 7.7% | 7.4% | 7.9% | 8.1% | 9.1% |
| Fiber Packaging | 11.0% | 9.8% | 10.4% | 9.8% | 9.6% |
| Group | 8.7% | 8.5% | 8.5% | 9.0% | 8.5% |

The Group's adjusted EBIT grew and profitability was solid. Earnings growth was driven by a more favorable raw material environment and higher capacity utilization apart from the Foodservice Europe-Asia-Oceania segment. Earnings grew significantly in the North America segment as a result of higher sales volumes and following price increases implemented during previous quarters. The Group's adjusted EBIT was EUR 74 million (EUR 68 million) and reported EBIT EUR 83 million (EUR 68 million). Foreign currency translation impact on the Group's earnings was EUR 1 million (EUR 1 million).

Adjusted EBIT excludes EUR 8.9 million (EUR -0.1 million) of items affecting comparability (IAC).

Adjusted EBIT and IAC

| EUR million | Q1 2020 | Q1 2019 |
|---|-------------|-------------|
| Adjusted EBIT | 73.6 | 67.8 |
| Acquisition related costs | -0.2 | -0.1 |
| Restructuring costs including write-downs of related assets | -11.1 | - |
| One-time gain from acquisition of Laminor | 20.2 | - |
| EBIT | 82.6 | 67.7 |

Net financial expenses were EUR 9 million (EUR 8 million). Tax expense was EUR 16 million (EUR 12 million). The corresponding tax rate was 23% (21%). Profit for the quarter was EUR 57 million (EUR 47 million). Adjusted earnings per share (EPS) were EUR 0.46 (EUR 0.44) and reported EPS EUR 0.53 (EUR 0.44). Adjusted EPS is calculated based on adjusted profit for the period, which excludes EUR 8.9 million (EUR -0.1 million) of IAC.

Adjusted EPS and IAC

| EUR million | Q1 2020 | Q1 2019 |
|--|-------------|-------------|
| Adjusted profit for the period attributable to equity holders of the parent company | 47.9 | 45.5 |
| IAC excluded from adjusted EBIT | 8.9 | -0.1 |
| Taxes related to IAC | -2.0 | 0.0 |
| Profit for the period attributable to equity holders of the parent company | 54.9 | 45.4 |

Statement of financial position and cash flow

The Group's net debt remained unchanged and at the end of March, net debt was EUR 980 million (EUR 980 million). The level of net debt corresponds to a gearing ratio of 0.68 (0.73). Net debt to adjusted EBITDA ratio (excluding IAC) was 2.1 (2.4). Average maturity of external committed credit facilities and loans was 3.2 years (3.5 years).

Cash and cash equivalents were EUR 313 million (EUR 100 million) at the end of March and the Group had EUR 175 million (EUR 302 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 3,824 million (EUR 3,417 million).

Capital expenditure was EUR 39 million (EUR 40 million). The largest investments for business expansion were made in the UK, Spain and the U.S. The Group's free cash flow was EUR -25 million (EUR -18 million).

Acquisitions and divestments

On September 30, 2019, Huhtamaki announced that it has agreed to acquire the assets and operations of Mohan Mutha Polytech Private Limited (MMPPL), a privately-owned flexible packaging manufacturer located in Sri City, Andhra Pradesh, India. The acquisition allows Huhtamaki to speed up its growth in India by improving its capability to serve the customers in South India. MMPPL has approximately 160 employees and its net sales in 2018 were approximately EUR 9 million. The debt-free purchase price was approximately EUR 10 million. The acquisition was completed on January 10, 2020 and the business has since been reported as part of the Flexible Packaging business segment.

On December 23, 2019, Huhtamaki announced that it has agreed to acquire full ownership of its joint venture company Laminor S.A. in Brazil. Laminor is specialized in high-quality tube laminates, particularly for oral care applications, and was set up in 2002 as a 50/50 joint venture together with Bemis Company, which is now part of Amcor. The acquisition enables Huhtamaki to expand its tube laminate business, an important part of the Group's

flexible packaging offering. Laminor has approximately 130 employees and its net sales in 2018 were approximately EUR 25 million. The additional shares were acquired at a price of approximately EUR 30 million and the acquisition was completed on March 31, 2020. The business has been consolidated as a subsidiary in the Group's financial reporting and it has been reported as part of the Flexible Packaging business segment as of April 1, 2020. As a result of the transaction a gain from the difference between remeasured interest according to the purchase price and previously held equity interest of approximately EUR 20 million was recognized in the income statement as item affecting comparability in Q1/2020 financial results.

Significant events during the reporting period

On March 23, 2020, Huhtamaki announced that it has renewed its long-term 2030 strategy in order to maintain its growth trajectory and meet future transformative trends. Going forward, Huhtamaki will focus on growth, competitiveness, talent and sustainability. The company's ambition is to become the first choice in sustainable food packaging. Following the strategy renewal, Huhtamaki outlined its long-term financial ambitions and introduced new 2030 sustainability ambitions. The strategy emphasizes strong core values: Care, Dare, Deliver. In line with its renewed strategy, the company has decided to integrate its Foodservice Europe-Asia-Oceania and Fiber Packaging business segments. The segments will continue to be reported separately, at least for the remainder of the financial year 2020. Eric Le Lay will continue as President for the combined Fiber and Foodservice EAO (Europe-Asia-Oceania) segment. This change will become effective as of June 1, 2020.

On March 26, 2020, Huhtamaki announced that it has decided to withdraw its outlook for 2020 (published on February 13, 2020) due to the unprecedented and accelerated situation caused by the COVID-19 and its impact on the Group's trading conditions. Huhtamaki will provide a new outlook when impacts of the changing business environment on its trading conditions in 2020 can be assessed in a reliable manner. On the same date Huhtamaki also announced that the Board of Directors changes its proposal for use of the profit shown on the balance sheet and proposes that no dividend payment would be decided by the Annual General Meeting. Instead, the Board of Directors proposes to the Annual General Meeting that the Annual General Meeting would authorize the Board of Directors to decide at a later stage and in its discretion on a dividend payment in one or several installments of a total maximum of EUR 0.89 per share. The authorization would be valid until the Annual General Meeting 2021, however, no longer than until June 30, 2021. The Company will publish the possible decisions on dividend payment separately, and simultaneously confirm the dividend record and payment dates.

Business review by segment

Foodservice Europe-Asia-Oceania

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

| EUR million | Q1 2020 | Q1 2019 | Change | 2019 |
|--|---------|---------|--------|-------|
| Net sales | 217.6 | 227.9 | -5% | 956.7 |
| Comparable net sales growth | -4% | 4% | | 4% |
| Adjusted EBIT ¹ | 17.5 | 20.1 | -13% | 85.7 |
| Margin ¹ | 8.0% | 8.8% | | 9.0% |
| Adjusted RONA ¹ | 10.9% | 11.3% | | 11.5% |
| Capital expenditure | 16.0 | 13.6 | 18% | 74.7 |
| Operating cash flow ¹ | 11.1 | 7.7 | 43% | 66.8 |
| <i>Items affecting comparability (IAC)</i> | -1.6 | - | | -0.5 |

¹ Excluding IAC.

Q1 2020

The outbreak of COVID-19 had a strong negative impact on demand for foodservice packaging as the necessary restrictions and regulations imposed by governments in order to contain the spread of the virus led to decline in quick service restaurant visits and overall movement of consumers. Compared to Q1 2019, prices of paperboard increased, and prices of plastic resins decreased, though with variation between markets and types of resin.

Net sales in the Foodservice Europe-Asia-Oceania segment decreased notably. Comparable net sales growth was -4%. Net sales decreased in Europe and especially in Asia-Oceania. In Asia sales were negatively affected throughout the quarter by the COVID-19 outbreak, that started to escalate in China in January. In Europe, the good sales growth in the two first months of the quarter was not sufficient to cover the halt in business in March caused by COVID-19. In total, the COVID-19 impact on the segment's net sales decline in Q1 2020 is estimated to be approximately 10 percentage points.

There was no significant foreign currency impact on the segment's reported net sales.

The segment's adjusted EBIT decreased as a result of lower utilization of assets due to lower demand.

There was no significant foreign currency impact on the segment's reported earnings.

North America

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

| EUR million | Q1 2020 | Q1 2019 | Change | 2019 |
|--|---------|---------|--------|---------|
| Net sales | 286.2 | 255.7 | 12% | 1,152.7 |
| Comparable net sales growth | 9% | 5% | | 9% |
| Adjusted EBIT ¹ | 30.4 | 20.6 | 48% | 111.4 |
| Margin ¹ | 10.6% | 8.0% | | 9.7% |
| Adjusted RONA ¹ | 14.0% | 9.4% | | 13.0% |
| Capital expenditure | 11.9 | 14.6 | -19% | 54.6 |
| Operating cash flow ¹ | 7.3 | 2.9 | >100% | 125.0 |
| <i>Items affecting comparability (IAC)</i> | -3.4 | - | | -3.1 |

¹ Excluding IAC.

Q1 2020

Demand for foodservice packaging decreased significantly towards the end of the quarter, following the outbreak of COVID-19. Demand for retail tableware was very strong, particularly in March, as a result of the consumption spike related to COVID-19 and the timing of Easter. Demand for ice cream packaging was flat. The labor market was tight during most of the quarter and distribution costs remained in line with the prior year. Raw material prices were generally stable with some decrease in prices of fiber.

Net sales growth was strong in the North America segment. Comparable net sales growth was 9%. Growth was strongest within foodservice packaging, despite the slowdown of the category in March, and in retail tableware products. Net sales growth was driven primarily by volume, enabled by investments during the previous years.

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

The segment's adjusted EBIT increased significantly, and profitability was strong. Earnings improved as a result of sales volumes growth, price increases implemented during previous quarters, and other operational improvements.

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

Flexible Packaging

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

| EUR million | Q1 2020 | Q1 2019 | Change | 2019 |
|-------------------------------------|---------|---------|--------|---------|
| Net sales | 271.0 | 251.8 | 8% | 1,016.4 |
| Comparable net sales growth | 2% | 5% | | 3% |
| Adjusted EBIT ¹ | 20.9 | 23.0 | -9% | 82.6 |
| Margin ¹ | 7.7% | 9.1% | | 8.1% |
| Adjusted RONA ¹ | 10.5% | 10.5% | | 11.1% |
| Capital expenditure | 7.9 | 8.7 | -10% | 44.4 |
| Operating cash flow ¹ | 1.7 | -0.7 | | 88.8 |
| Items affecting comparability (IAC) | -4.7 | - | | -0.7 |

¹ Excluding IAC.

Q1 2020

Demand for flexible packaging was good across most markets. The tight competitive situation in Southeast Asia continued. Raw material prices decreased compared to Q1 2019.

Net sales growth in the Flexible Packaging segment was moderate. Comparable net sales growth was 2%. Growth was strongest in Middle East and Africa, and Europe, supported by good volume development and the new unit in Egypt, inaugurated in April 2019. Net sales growth was moderated by India, where the government following COVID-19 imposed a very strict lockdown and mobility regulations which impacted the supply chain. In total, the negative COVID-19 impact on the segment's net sales in Q1 2020 is estimated to be approximately 2 percentage points. The units acquired in South Africa (Everest Flexibles, as of December 1, 2019) and India (Mohan Mutha Polytech, as of January 10, 2020) supported net sales growth.

The impact of currency movements on the segment's reported net sales was EUR 3 million.

The segment's adjusted EBIT decreased driven by the production and logistics interruptions in India as a result of the state-imposed lock-down and restrictions related to COVID-19.

There was no significant foreign currency impact on the segment's reported earnings.

Fiber Packaging

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

| EUR million | Q1 2020 | Q1 2019 | Change | 2019 |
|--|---------|---------|--------|-------|
| Net sales | 74.5 | 71.5 | 4% | 293.4 |
| Comparable net sales growth | 9% | 4% | | 6% |
| Adjusted EBIT ¹ | 8.2 | 6.9 | 20% | 29.0 |
| Margin ¹ | 11.0% | 9.6% | | 9.9% |
| Adjusted RONA ¹ | 13.1% | 13.5% | | 12.6% |
| Capital expenditure | 3.4 | 2.6 | 32% | 29.5 |
| Operating cash flow ¹ | -0.1 | 4.6 | | 22.4 |
| <i>Items affecting comparability (IAC)</i> | -0.7 | - | | -1.2 |

¹ Excluding IAC.

Q1 2020

Demand for fiber-based packaging continued strong across markets. Demand for egg cartons was solid in most markets while demand for cup carriers decreased following the outbreak of COVID-19. Prices of recycled fiber were lower than in the comparison period.

Net sales growth in the Fiber Packaging segment was strong. Comparable net sales growth was 9%. Net sales increased especially in Eastern Europe and South Africa. Net sales growth was driven primarily by volume.

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

The segment's adjusted EBIT increased driven by net sales growth. Earnings growth was supported by successful pricing activities and favorable raw material prices. The development and commercialization costs of the Fresh ready meal tray had a negative impact on the segment's earnings growth.

There was no significant foreign currency impact on the segment's reported earnings.

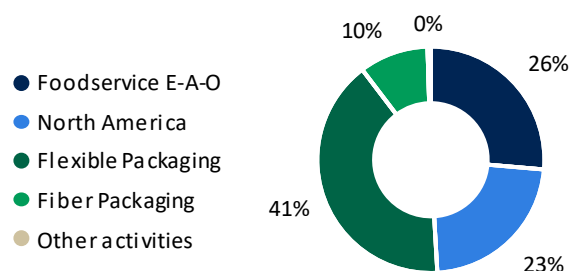
Personnel

Number of personnel

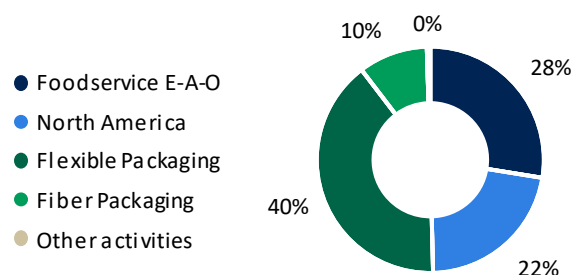
| | March 31, 2020 | March 31, 2019 | Change |
|---------------------------------|----------------|----------------|-----------|
| Foodservice Europe-Asia-Oceania | 4,974 | 4,881 | 2% |
| North America | 4,285 | 3,907 | 10% |
| Flexible Packaging | 7,786 | 7,090 | 10% |
| Fiber Packaging | 1,859 | 1,748 | 6% |
| Other activities ¹ | 90 | 88 | 2% |
| Group | 18,994 | 17,714 | 7% |

¹ Including global functions in Finland

Personnel by segment on March 31, 2020



Personnel by segment on March 31, 2019



At the end of March 2020, the Group had a total of 18,994 (17,714) employees. The number of employees was 7% higher than in the comparison period.

Changes in management

Marina Madanat (40), M.Sc. (Economics and Business Administration), B.Sc. (Electrical Engineering), was appointed Executive Vice President, Strategy and Business Development as of January 1, 2020.

Antti Valtokari (44), M.Sc. (Computer Science), was appointed Executive Vice President, IT and Process Performance as of January 1, 2020.

Leena Lie (51), Executive Vice President, Marketing and Communications, and a member of the Global Executive Team decided to leave Huhtamaki to pursue other career opportunities on January 16, 2020.

Arup Basu (52), PhD (Technology), was appointed President, Flexible Packaging and a member of Global Executive Team as of February 1, 2020. Olli Koponen, (61), President, Flexible Packaging, stepped down from the Global Executive Team and was appointed as Senior Vice President, Total Productive Manufacturing until his retirement.

Thomasine Kamerling (47), M.A., Modern History from Cambridge University (UK), was appointed as Executive Vice President, Sustainability and Communications and a member of Global Executive Team as of March 1, 2020.

Share capital, shareholders and trading of shares

Share capital and number of shares

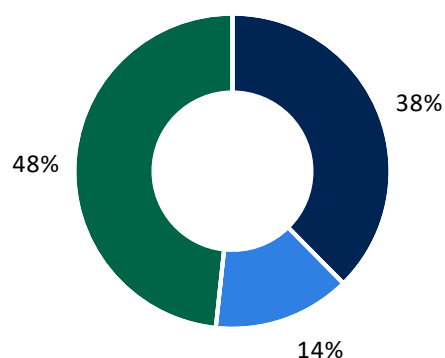
| | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Registered share capital (EUR million) | 366 | 366 |
| Total number of shares | 107,760,385 | 107,760,385 |
| Shares owned by the Company | 3,410,709 | 3,425,709 |
| % of total number of shares | 3.2% | 3.2% |
| Number of outstanding shares ¹ | 104,349,676 | 104,334,676 |
| Average number of outstanding shares ^{1,2} | 104,349,676 | 104,334,676 |

¹ Excluding shares owned by the Company

² Average number of outstanding shares used in EPS calculations

Shareholder structure as at March 31, 2020

- Finnish institutions, companies and organizations
- Households
- Foreign and nominee-registered shareholders



There were 33,180 (31,693) registered shareholders at the end of March 2020. Foreign ownership including nominee registered shares accounted for 48% (45%).

Trading of shares

| Trading of Huhtamaki shares on Nasdaq Helsinki | January 1 – March 31, 2020 | January 1 – March 31, 2019 |
|---|----------------------------|----------------------------|
| Number of shares traded, million | 20.2 | 17.5 |
| Closing price on final day of trading, EUR | 29.18 | 33.17 |
| Volume-weighted average price, EUR | 35.72 | 30.41 |
| High, EUR | 44.78 | 33.86 |
| Low, EUR | 23.48 | 26.81 |
| Market capitalization (at end of period), EUR million | 3,144 | 3,574 |

During January–March, the Company's shares were quoted on Nasdaq Helsinki Ltd on the Nordic Large Cap list under the Industrials sector. It was a component of the Nasdaq Helsinki 25 Index.

At the end of March 2020, the Company's market capitalization was EUR 3,144 million (EUR 3,574 million). With a closing price of EUR 29.18 (EUR 33.17) at the end of reporting period, the share price decreased approximately 12% during the beginning of the year. During the reporting period the volume weighted average price for the Company's shares was 35.72 (EUR 30.41). The highest price paid was EUR 44.78 (EUR 33.86) and the lowest was EUR 23.48 (EUR 26.81).

During the reporting period, the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 722 million (EUR 532 million). The trading volume of approximately 20 million (17 million) shares equaled an average daily turnover of 320,106 (277,197) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 1,875 million (EUR 1,385 million). During the reporting period, 61% (63%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, fragmentation.fidessa.com)

Short-term risks and uncertainties

The COVID-19 pandemic is a significant short-term risk creating disturbance in the Group's trading conditions and its operating environment, as well as in demand for the Group's products. 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.

Annual General Meeting 2020

The Annual General Meeting of Shareholders will be held on Wednesday, April 29, 2020 at 11.00 (EET) at Messukeskus Helsinki, Expo and Convention Centre, Messuaukio 1, Helsinki, Finland.

Financial reporting in 2020

In 2020, Huhtamäki will publish financial information as follows:

| | |
|--|------------|
| Half-yearly Report, January 1–June 30, 2020 | July 23 |
| Interim Report, January 1–September 30, 2020 | October 22 |

Espoo, April 28, 2020

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) – unaudited

| <i>EUR million</i> | Q1 2020 | Q1 2019 | Q1-Q4 2019 |
|--|--------------|--------------|----------------|
| Net sales | 844.6 | 802.1 | 3,399.0 |
| Cost of goods sold | -703.4 | -666.5 | -2,816.2 |
| Gross profit | 141.2 | 135.6 | 582.8 |
| Other operating income | 21.7 | 2.1 | 7.4 |
| Sales and marketing | -20.7 | -20.4 | -85.2 |
| Research and development | -5.3 | -5.4 | -22.0 |
| Administration costs | -52.1 | -41.8 | -179.7 |
| Other operating expenses | -2.7 | -3.1 | -19.8 |
| Share of profit of equity-accounted investments | 0.4 | 0.6 | 2.0 |
| | -58.7 | -67.9 | -297.3 |
| Earnings before interest and taxes | 82.6 | 67.7 | 285.5 |
| Financial income | 1.4 | 1.4 | 8.4 |
| Financial expenses | -10.7 | -9.3 | -37.1 |
| Profit before taxes | 73.3 | 59.7 | 256.7 |
| Income tax expense | -16.5 | -12.4 | -57.8 |
| Profit for the period | 56.8 | 47.3 | 199.0 |
| Attributable to: | | | |
| Equity holders of the parent company | 54.9 | 45.4 | 190.1 |
| Non-controlling interest | 2.0 | 1.9 | 8.9 |
| EUR | | | |
| EPS attributable to equity holders of the parent company | 0.53 | 0.44 | 1.82 |
| Diluted EPS attributable to equity holders of the parent company | 0.53 | 0.44 | 1.82 |

Group statement of comprehensive income (IFRS) – unaudited

| <i>EUR million</i> | Q1 2020 | Q1 2019 | Q1-Q4 2019 |
|--|--------------|-------------|--------------|
| Profit for the period | 56.8 | 47.3 | 199.0 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements on defined benefit plans | - | - | -11.3 |
| Taxes related to items that will not be reclassified | 0.0 | 0.0 | 8.3 |
| Total | 0.0 | 0.0 | -3.1 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Translation differences | -42.5 | 36.4 | 47.5 |
| Equity hedges | -2.6 | -6.1 | -9.1 |
| Cash flow hedges | 2.5 | -2.4 | -5.0 |
| Taxes related to items that may be reclassified | 0.1 | 0.3 | 0.6 |
| Total | -42.5 | 28.2 | 34.0 |
| Other comprehensive income, net of tax | -42.6 | 28.2 | 31.0 |
| Total comprehensive income | 14.3 | 75.5 | 229.9 |
| Attributable to: | | | |
| Equity holders of the parent company | 12.2 | 73.5 | 221.2 |
| Non-controlling interest | 2.0 | 2.0 | 8.7 |

Group statement of financial position (IFRS) – unaudited

| <i>EUR million</i> | Mar 31, 2020 | Dec 31, 2019 | Mar 31, 2019 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 772.2 | 735.7 | 708.6 |
| Other intangible assets | 32.8 | 35.2 | 40.3 |
| Tangible assets | 1,372.4 | 1,398.1 | 1,285.0 |
| Equity-accounted investments | 0.0 | 4.9 | 5.5 |
| Other investments | 2.3 | 2.4 | 2.5 |
| Interest-bearing receivables | 3.9 | 4.2 | 2.9 |
| Deferred tax assets | 49.0 | 50.9 | 46.2 |
| Employee benefit assets | 55.6 | 55.4 | 49.7 |
| Other non-current assets | 2.9 | 3.1 | 3.9 |
| | 2,291.0 | 2,290.1 | 2,144.8 |
| Current assets | | | |
| Inventory | 538.3 | 497.8 | 542.2 |
| Interest-bearing receivables | 11.8 | 12.9 | 9.7 |
| Current tax assets | 19.9 | 14.6 | 15.2 |
| Trade and other current receivables | 649.8 | 595.9 | 605.5 |
| Cash and cash equivalents | 313.2 | 199.4 | 99.9 |
| | 1,533.0 | 1,320.6 | 1,272.4 |
| Total assets | 3,824.0 | 3,610.6 | 3,417.2 |
| EQUITY AND LIABILITIES | | | |
| Share capital | 366.4 | 366.4 | 366.4 |
| Premium fund | 115.0 | 115.0 | 115.0 |
| Treasury shares | -31.3 | -31.3 | -31.5 |
| Translation differences | -110.9 | -65.8 | -73.9 |
| Fair value and other reserves | -100.8 | -103.4 | -98.3 |
| Retained earnings | 1,122.1 | 1,067.1 | 1,009.8 |
| Total equity attributable to equity holders of the parent company | 1,360.4 | 1,348.0 | 1,287.5 |
| Non-controlling interest | 84.0 | 89.1 | 57.1 |
| Total equity | 1,444.5 | 1,437.1 | 1,344.6 |
| Non-current liabilities | | | |
| Interest-bearing liabilities | 941.3 | 879.7 | 743.3 |
| Deferred tax liabilities | 100.0 | 97.7 | 90.3 |
| Employee benefit liabilities | 222.8 | 225.2 | 208.2 |
| Provisions | 13.4 | 13.2 | 14.9 |
| Other non-current liabilities | 10.3 | 7.0 | 5.2 |
| | 1,287.8 | 1,222.9 | 1,061.9 |
| Current liabilities | | | |
| Interest-bearing liabilities | | | |
| Current portion of long term loans | 164.3 | 92.7 | 26.9 |
| Short-term loans | 203.1 | 148.0 | 322.5 |
| Provisions | 9.3 | 8.4 | 15.5 |
| Current tax liabilities | 59.9 | 50.5 | 49.0 |
| Trade and other current liabilities | 655.2 | 651.0 | 596.8 |
| | 1,091.7 | 950.7 | 1,010.6 |
| Total liabilities | 2,379.6 | 2,173.6 | 2,072.6 |
| Total equity and liabilities | 3,824.0 | 3,610.6 | 3,417.2 |
| Net debt | 979.8 | 904.0 | 980.2 |
| Net debt to equity (gearing) | 0.68 | 0.63 | 0.73 |

Group statement of changes in equity (IFRS) – unaudited

Attributable to equity holders of the parent company

| <i>EUR million</i> | Share capital | Share issue premium | Treasury shares | Translation differences | Fair value and other reserves | Retained earnings | Total | Non-controlling interest | Total equity |
|---|---------------|---------------------|-----------------|-------------------------|-------------------------------|-------------------|----------------|--------------------------|----------------|
| Balance on Jan 1, 2019 | 366.4 | 115.0 | -31.5 | -104.2 | -96.1 | 965.5 | 1,215.1 | 52.2 | 1,267.3 |
| Share-based payments | | | | | | 0.2 | 0.2 | | 0.2 |
| Total comprehensive income for the year | | | | 30.3 | -2.2 | 45.4 | 73.5 | 2.0 | 75.5 |
| Acquisition of non-controlling interest | | | | | | -1.3 | -1.3 | 0.2 | -1.1 |
| Other changes | | | | | | -0.1 | -0.1 | 2.7 | 2.7 |
| Balance on Mar 31, 2019 | 366.4 | 115.0 | -31.5 | -73.9 | -98.3 | 1,009.8 | 1,287.5 | 57.1 | 1,344.6 |
| Balance on Jan 1, 2020 | 366.4 | 115.0 | -31.3 | -65.8 | -103.4 | 1,067.1 | 1,348.0 | 89.1 | 1,437.1 |
| Share-based payments | | | | | | -0.3 | -0.3 | | -0.3 |
| Total comprehensive income for the year | | | | -45.1 | 2.5 | 54.9 | 12.2 | 2.0 | 14.3 |
| Other changes | | | | | | 0.5 | 0.5 | -7.1 | -6.6 |
| Balance on Mar 31, 2020 | 366.4 | 115.0 | -31.3 | -110.9 | -100.8 | 1,122.1 | 1,360.4 | 84.0 | 1,444.5 |

Group statement of cash flows (IFRS) – unaudited

| <i>EUR million</i> | Q1 2020 | Q1 2019 | Q1-Q4 2019 |
|--|----------------|----------------|-------------------|
| Profit for the period* | 56.8 | 47.3 | 199.0 |
| Adjustments* | 51.9 | 55.7 | 239.3 |
| Depreciation and amortization* | 47.5 | 39.1 | 163.2 |
| Share of profit of equity-accounted investments* | -0.4 | -0.6 | -0.1 |
| Gain/loss from disposal of assets* | -0.1 | -1.0 | -0.6 |
| Financial expense/-income* | 9.2 | 8.0 | 28.8 |
| Income tax expense* | 16.5 | 12.4 | 57.8 |
| Other adjustments, operational* | -20.8 | -2.2 | -9.8 |
| Change in inventory* | -52.2 | -33.8 | 19.1 |
| Change in non-interest bearing receivables* | -54.0 | -59.3 | -40.2 |
| Change in non-interest bearing payables* | 26.4 | 25.0 | 66.4 |
| Dividends received* | - | - | 0.0 |
| Interest received* | 0.8 | 0.9 | 3.8 |
| Interest paid* | -5.9 | -6.5 | -22.6 |
| Other financial expense and income* | 0.2 | -0.1 | 0.8 |
| Taxes paid* | -9.6 | -9.5 | -39.3 |
| Net cash flows from operating activities | 14.4 | 19.6 | 426.4 |
| Capital expenditure* | -39.4 | -39.7 | -203.9 |
| Proceeds from selling tangible assets* | 0.5 | 1.9 | 3.3 |
| Acquired subsidiaries and assets | -37.3 | - | -32.5 |
| Proceeds from long-term deposits | 0.3 | 0.1 | 0.5 |
| Payment of long-term deposits | - | -0.4 | -2.0 |
| Proceeds from short-term deposits | 1.0 | 0.1 | 1.0 |
| Payment of short-term deposits | 0.9 | -1.0 | -4.8 |
| Net cash flows from investing activities | -74.0 | -39.0 | -238.5 |
| Proceeds from long-term borrowings | 147.2 | 117.9 | 477.1 |
| Repayment of long-term borrowings | -8.4 | -116.3 | -299.2 |
| Change in short-term loans | 43.4 | 19.2 | -180.3 |
| Acquisition of non-controlling interest | - | -1.1 | -1.4 |
| Dividends paid | - | - | -87.6 |
| Net cash flows from financing activities | 182.3 | 19.7 | -91.4 |
| Change in liquid assets | 113.7 | 4.9 | 104.4 |
| Cash flow based | 122.7 | 0.3 | 96.5 |
| Translation difference | -8.9 | 4.6 | 7.9 |
| Liquid assets period start | 199.4 | 95.0 | 95.0 |
| Liquid assets period end | 313.2 | 99.9 | 199.4 |
| Free cash flow (including figures marked with *) | -24.5 | -18.3 | 225.8 |

Notes to the Interim Report

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the accounting policy changes listed below, the same accounting policies have been applied in the interim report as in the annual financial statements for 2019. The following new and amended standards and interpretations have been adopted with effect from January 1, 2020:

- **Revised IAS 1 Presentation of Financial Statements** and **revised IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors**. The amendments clarify the definition of material and how it should be applied. The amendments had no impact on the interim financial statements.
- **Revised IFRS 3 Business Combinations**. The amendments clarify the definition of a business and help to determine whether an acquisition made is of a business or a group of assets. The amendments had no impact on the interim financial statements.
- **Revised IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement** and **IFRS 7 Financial Instruments: Disclosures** (Interest Rate Benchmark Reform). The amendments modify specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the interbank offered rate (IBOR) reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should be continued to be recorded in the income statement. The Group's risk exposures that are directly affected by the reform are fair value hedge accounting of long term fixed rate debt for changes in fair value attributable to changes in EURIBOR and cash flow hedge accounting for long term floating rate debt for fair value changes attributable to changes in USD LIBOR. For the fair value hedge accounting relationships, the fair value of the hedged item and hedging instruments are calculated with an identical interest rate and therefore no ineffectiveness is expected. For the cash flow hedge accounting relationships, some minor ineffectiveness may occur. The Group will continue to monitor the effects of the IBOR reform and its potential uncertainty on hedge accounting.
- **Revised Conceptual Framework for Financial Reporting**. The amendments include revised definitions for an asset and a liability, new guidance on measurement and derecognition, presentation and disclosure. The amendments had no impact on the interim financial statements.

Segments

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

Net sales

| <i>EUR million</i> | Q1 2020 | Q1-Q4 2019 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------------|--------------|----------------|--------------|--------------|--------------|--------------|
| Foodservice Europe-Asia-Oceania | 216.4 | 952.8 | 244.2 | 241.6 | 240.4 | 226.5 |
| Intersegment net sales | 1.2 | 3.9 | 1.1 | 0.8 | 0.6 | 1.4 |
| North America | 284.8 | 1,145.3 | 302.0 | 284.6 | 304.9 | 253.8 |
| Intersegment net sales | 1.4 | 7.4 | 1.7 | 2.3 | 1.6 | 1.8 |
| Flexible Packaging | 269.9 | 1,011.5 | 253.4 | 259.0 | 248.0 | 251.1 |
| Intersegment net sales | 1.1 | 4.9 | 1.7 | 1.7 | 0.7 | 0.7 |
| Fiber Packaging | 73.5 | 289.4 | 75.1 | 69.6 | 74.1 | 70.6 |
| Intersegment net sales | 1.0 | 4.0 | 1.1 | -1.4 | 3.5 | 0.9 |
| Elimination of intersegment net sales | -4.6 | -20.2 | -5.5 | -3.4 | -6.4 | -4.9 |
| Total | 844.6 | 3,399.0 | 874.6 | 854.9 | 867.3 | 802.1 |

EBIT

| <i>EUR million</i> | Q1 2020 | Q1-Q4 2019 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|--|-------------|--------------|-------------|-------------|-------------|-------------|
| Foodservice Europe-Asia-Oceania ¹ | 15.8 | 85.1 | 20.7 | 22.5 | 21.8 | 20.1 |
| North America ¹ | 27.1 | 108.3 | 33.0 | 22.3 | 32.4 | 20.6 |
| Flexible Packaging ¹ | 16.3 | 82.0 | 18.3 | 20.5 | 20.1 | 23.0 |
| Fiber Packaging ¹ | 7.5 | 27.8 | 7.2 | 6.1 | 7.6 | 6.9 |
| Other activities ¹ | 15.9 | -17.7 | -6.9 | -3.8 | -4.2 | -2.8 |
| Total¹ | 82.6 | 285.5 | 72.3 | 67.7 | 77.8 | 67.7 |

¹ Q1 2020 includes items affecting comparability EUR 8.9 million (Foodservice E-A-O EUR -1.6 million, North America EUR -3.4 million, Flexible Packaging EUR -4.7 million, Fiber Packaging EUR -0.7 million and Other activities EUR 19.3 million).

EBITDA

| <i>EUR million</i> | Q1 2020 | Q1-Q4 2019 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Foodservice Europe-Asia-Oceania ¹ | 31.0 | 135.9 | 34.1 | 35.1 | 34.2 | 32.5 |
| North America ¹ | 40.7 | 158.7 | 46.0 | 35.2 | 44.9 | 32.5 |
| Flexible Packaging ¹ | 28.8 | 120.6 | 28.5 | 30.5 | 29.6 | 32.0 |
| Fiber Packaging ¹ | 13.2 | 47.5 | 12.4 | 10.9 | 12.5 | 11.7 |
| Other activities ¹ | 16.4 | -13.9 | -6.0 | -2.9 | -3.1 | -1.9 |
| Total¹ | 130.1 | 448.8 | 115.0 | 108.8 | 118.1 | 106.8 |

¹ Q1 2020 includes items affecting comparability EUR 13.1 million (Foodservice E-A-O EUR -0.3 million, North America EUR -3.4 million, Flexible Packaging EUR -2.3 million, Fiber Packaging EUR -0.2 million and Other activities EUR 19.3 million).

Depreciation and amortization

| <i>EUR million</i> | Q1 2020 | Q1-Q4 2019 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------|-------------|--------------|-------------|-------------|-------------|-------------|
| Foodservice Europe-Asia-Oceania | 15.2 | 50.7 | 13.4 | 12.5 | 12.4 | 12.4 |
| North America | 13.6 | 50.4 | 13.0 | 12.9 | 12.5 | 12.0 |
| Flexible Packaging | 12.6 | 38.6 | 10.2 | 10.0 | 9.5 | 9.0 |
| Fiber Packaging | 5.6 | 19.7 | 5.2 | 4.8 | 4.9 | 4.9 |
| Other activities | 0.6 | 3.8 | 0.9 | 0.9 | 1.0 | 0.9 |
| Total | 47.5 | 163.2 | 42.6 | 41.2 | 40.3 | 39.1 |

Segments (continued)

Net assets allocated to the segments¹

| <i>EUR million</i> | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------|---------|---------|---------|---------|---------|
| Foodservice Europe-Asia-Oceania | 775.2 | 799.8 | 747.7 | 738.2 | 745.3 |
| North America | 878.6 | 836.0 | 865.4 | 861.4 | 878.8 |
| Flexible Packaging | 828.8 | 769.0 | 754.9 | 746.0 | 742.8 |
| Fiber Packaging | 234.7 | 236.6 | 231.5 | 232.5 | 229.2 |

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

Capital expenditure

| <i>EUR million</i> | Q1 2020 | Q1-Q4 2019 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------|-------------|--------------|-------------|-------------|-------------|-------------|
| Foodservice Europe-Asia-Oceania | 16.0 | 74.7 | 26.1 | 19.8 | 15.3 | 13.6 |
| North America | 11.9 | 54.6 | 15.9 | 14.6 | 9.4 | 14.6 |
| Flexible Packaging | 7.9 | 44.4 | 15.2 | 9.9 | 10.6 | 8.7 |
| Fiber Packaging | 3.4 | 29.5 | 13.7 | 10.1 | 3.2 | 2.6 |
| Other activities | 0.1 | 0.6 | 0.1 | 0.2 | 0.1 | 0.2 |
| Total | 39.4 | 203.9 | 71.0 | 54.6 | 38.6 | 39.7 |

RONA (12m roll.)

| <i>EUR million</i> | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------|---------|---------|---------|---------|---------|
| Foodservice Europe-Asia-Oceania | 10.6% | 11.4% | 9.7% | 9.4% | 9.4% |
| North America | 13.3% | 12.7% | 9.9% | 9.1% | 8.1% |
| Flexible Packaging | 9.8% | 11.0% | 9.9% | 9.4% | 9.1% |
| Fiber Packaging | 12.2% | 12.1% | 12.2% | 12.8% | 12.5% |

Operating cash flow

| <i>EUR million</i> | Q1 2020 | Q1-Q4 2019 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|---------------------------------|---------|------------|---------|---------|---------|---------|
| Foodservice Europe-Asia-Oceania | 11.1 | 66.8 | 22.3 | 21.1 | 15.6 | 7.7 |
| North America | 7.3 | 125.0 | 44.4 | 43.5 | 34.2 | 2.9 |
| Flexible Packaging | 1.7 | 88.8 | 49.3 | 23.6 | 16.5 | -0.7 |
| Fiber Packaging | -0.1 | 22.4 | 7.8 | 1.1 | 8.9 | 4.6 |

Business combinations

On December 18, 2019 Huhtamaki completed the acquisition of the majority of the business of Everest Flexibles (Pty) Limited ("Everest"), a privately-owned flexible packaging manufacturer in South Africa. The values of assets, liabilities and goodwill did not change from values reported in the annual financial statements for 2019.

On January 10, Huhtamaki completed the acquisition of the assets and operations of Mohan Mutha Polytech Private Limited (MMPPL), a privately-owned flexible packaging manufacturer located in Sri City, Andhra Pradesh, India. The consideration in cash amounted to EUR 9.4 million. The business has been reported as part of the Flexible Packaging business segment as of January 10, 2020. The goodwill from the acquired business is expected to be non-deductible for income tax purposes.

On March 31, 2020 Huhtamaki completed the acquisition of full ownership of its joint venture company Laminor S.A. in Brazil. Laminor is specialized in high-quality tube laminates, particularly for oral care applications, and was set up in 2002 as a 50/50 joint venture together with Bemis Company, which is now part of Amcor. Due to the full ownership in Laminor the Group has control in the company and the previous joint venture has been consolidated as a subsidiary in the Flexible Packaging business segment as of April 1, 2020. The goodwill from the acquired business is expected to be non-deductible for income tax purposes. The consideration in cash for the additional shares amounted to EUR 28.1 million. As a result of the transaction, a gain of EUR 20.2 million from the difference between remeasured interest according to the purchase price and previously held equity interest is recognized in the income statement.

The costs relating to advice etc. services EUR 0.1 million are included in the Group income statement in account Other operating expenses.

The draft values of acquired assets and liabilities at time of acquisitions were as follows:

EUR million

| | |
|-------------------------------|-------------|
| Intangible assets | 0.0 |
| Tangible assets | 11.1 |
| Inventories | 3.5 |
| Trade and other receivables | 6.7 |
| Other short-terms investments | 1.5 |
| Cash and cash equivalents | 0.2 |
| Total assets | 23.0 |
| Deferred tax liabilities | -0.1 |
| Other non-current liabilities | -2.2 |
| Trade and other payables | -4.4 |
| Total liabilities | -6.7 |
| Net assets total | 16.3 |
| Goodwill | 46.0 |
| Remeasurements | 24.8 |
| Consideration | 37.5 |

Analysis of cash flows of acquisitions

EUR million

| | |
|---|--------------|
| Purchase consideration, cash payment | -37.5 |
| Cash and cash equivalents in acquired companies | 0.2 |
| Transaction costs of the acquisitions | -0.1 |
| Net cash flow on acquisitions | -37.4 |

The net sales of the acquired businesses included in the Group income statement since acquisition date was EUR 1.3 million and result for the period was EUR -0.3 million. The net sales and the result for the period of the acquired business would not have had material effect in the Group income statement, if the acquired business had been consolidated from January 1, 2020.

Other information

Key indicators

| | Q1 2020 | Q1-Q4 2019 | Q1 2019 |
|---|---------|------------|---------|
| Equity per share (EUR) | 13.04 | 12.92 | 12.34 |
| ROE, % (12m roll.) | 15.1 | 14.8 | 13.0 |
| ROI, % (12m roll.) | 12.1 | 11.9 | 10.4 |
| Personnel | 18,994 | 18,598 | 17,714 |
| Profit before taxes (EUR million, 12m roll.) | 270.3 | 256.7 | 201.1 |
| Depreciation of tangible assets (EUR million) | 45.5 | 154.2 | 36.8 |
| Amortization of other intangible assets (EUR million) | 2.0 | 9.0 | 2.4 |

Contingent liabilities

| EUR million | Mar 31, 2020 | Dec 31, 2019 | Mar 31, 2019 |
|---------------------------------|--------------|--------------|--------------|
| Capital expenditure commitments | 57.3 | 45.7 | 61.7 |

Financial instruments measured at fair value

| EUR million | Mar 31, 2020 | Dec 31, 2019 | Mar 31, 2019 |
|--|--------------|--------------|--------------|
| Derivatives - assets | | | |
| Currency forwards, transaction risk hedges | 11.5 | 0.8 | 1.5 |
| Currency forwards, translation risk hedges | 2.3 | 0.3 | - |
| Currency forwards, for financing purposes | 7.1 | 1.0 | 0.8 |
| Currency options, transaction risk hedges | 0.0 | 0.0 | 0.0 |
| Interest rate swaps | 1.0 | 1.0 | 2.5 |
| Other investments | 2.3 | 2.4 | 2.5 |
| Derivatives - liabilities | | | |
| Currency forwards, transaction risk hedges | 1.7 | 3.2 | 1.9 |
| Currency forwards, translation risk hedges | 0.8 | 3.4 | 3.1 |
| Currency forwards, for financing purposes | 7.3 | 9.0 | 10.4 |
| Currency options, transaction risk hedges | 0.1 | 0.0 | 0.0 |
| Interest rate swaps | 4.0 | 2.0 | 0.5 |
| Cross currency swaps | 0.4 | 0.9 | 0.4 |

The fair values of the financial instruments measured at fair value have been indirectly derived from market prices. Only fair values of electricity forwards are based on quoted prices in active markets. Other investments include quoted and unquoted shares. Quoted shares are measured at fair value. For unquoted shares the fair value cannot be measured reliably, as a result of which the investments are carried at cost.

Interest-bearing liabilities

| EUR million | Mar 31, 2020 | | Dec 31, 2019 | | Mar 31, 2019 | |
|--------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| Non-current | 941.3 | 946.3 | 879.7 | 882.3 | 743.3 | 742.4 |
| Current | 367.4 | 367.4 | 240.7 | 240.7 | 349.4 | 349.4 |
| Total | 1,308.7 | 1,313.8 | 1,120.4 | 1,123.0 | 1,092.7 | 1,091.9 |

Other information (continued)

Exchange rates

Income statement, average:

| | Q1 2020 | Q1 2019 |
|---------|---------|---------|
| AUD 1 = | 0.5970 | 0.6270 |
| GBP 1 = | 1.1614 | 1.1456 |
| INR 1 = | 0.0125 | 0.0125 |
| RUB 1 = | 0.0136 | 0.0133 |
| THB 1 = | 0.0290 | 0.0278 |
| USD 1 = | 0.9069 | 0.8803 |

Statement of financial position, month end:

| | Mar 31, 2020 | Mar 31, 2019 |
|---------|--------------|--------------|
| AUD 1 = | 0.5549 | 0.6309 |
| GBP 1 = | 1.1249 | 1.1688 |
| INR 1 = | 0.0120 | 0.0129 |
| RUB 1 = | 0.0113 | 0.0137 |
| THB 1 = | 0.0277 | 0.0280 |
| USD 1 = | 0.9063 | 0.8914 |

Definitions for performance measures

Performance measures according to IFRS

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

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

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

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 =

Adjusted 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)

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.