

# ANORA

## **Q2 24 Results presentation**

with CEO Jacek Pastuszka and CFO Stein Eriksen

**20 August 2024**

# Today's agenda and speakers

- 1 Business review
- 2 Financial review
- 3 Summary
- 4 Q&A



**Jacek Pastuszka**

CEO



**Stein Eriksen**

CFO

# Business review



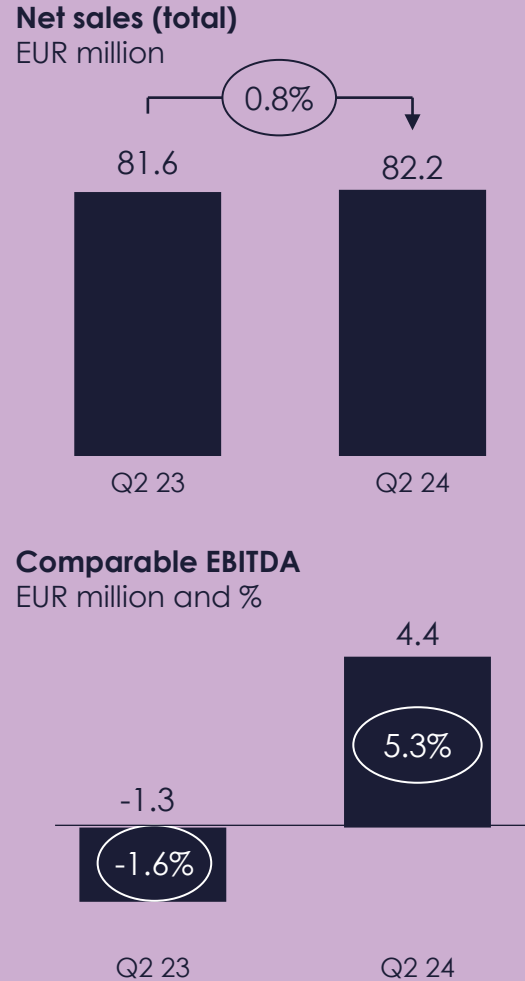
# Q2 results: Comparable EBITDA improved in Q2 due to higher gross margin

<p>Net sales</p> <p><b>177.1</b> (182.7)</p> <p>EUR million</p>	<p>Gross margin, %</p> <p><b>42.3</b> (38.8)</p> <p>% of net sales</p>	<p>Comparable EBITDA margin, %</p> <p><b>8.6</b> (7.1)</p>	<p>Comparable EBITDA</p> <p><b>15.2</b> (13.0)</p> <p>EUR million</p>
<p>Decline solely due to Industrial net sales</p> <p>The combined Wine and Spirits segment beverage sales slightly up</p>	<p>Results visible from the recent price increases and mix management</p>	<p>Implemented cost cuts, price increases and improvement in Wine and Spirits marginality</p>	<p>Guidance for comparable EBITDA: EUR 75–85 million for 2024</p>

# Wine

## Q2 highlights

- **Net sales** increased by 0.8% to EUR 82.2 million.
- Anora launched a wide range of 8% ABV wines in June, after the legislative change in Finland's Alcohol Act.
- The launch of 8% ABV wines started well in Finnish grocery retailers resulting into market leadership in June.
- **Comparable EBITDA** increased to EUR 4.4 (-1.3) million, or 5.3% (-1.6%) of net sales, due to price increases, improved gross margins and lower operating expenses.



## New wine launches & tender wins

 **8% wines in grocery stores in Finland**

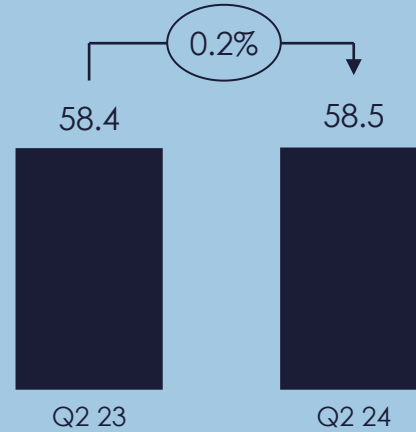


# Spirits

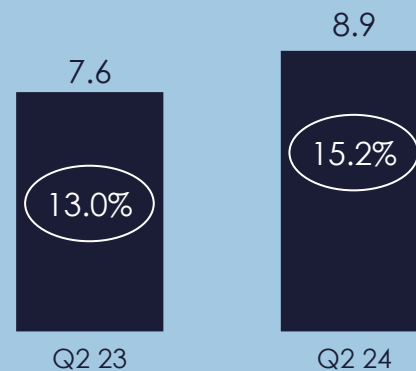
## Q2 highlights

- **Net sales** amounted to EUR 58.5 million.
- Sweden and Norway delivered net sales growth, whereas the net sales declined especially in Finland, Baltics and Global Travel Retail.
- Koskenkorva net sales grew from the previous year and represented over 16% of the total Spirits sales.
- **Comparable EBITDA** improved mainly due to the price increases and additional cost control.

**Net sales (total)**  
EUR million



**Comparable EBITDA**  
EUR million and %



### Sweden

Two new 4.5% ready-to-drink Koskenkorva Hard Seltzers –Raspberry Pomegranate and Mango Orange

Koskenkorva Passionfruit 21% and Koskenkorva Strawberry 21%



### Finland

Koskenkorva Strawberry Blackcurrant 30% and Koskenkorva Salmiakki Apple 30%



### Norway

Koskenkorva Spirit Drink 21% Passionfruit & Mango

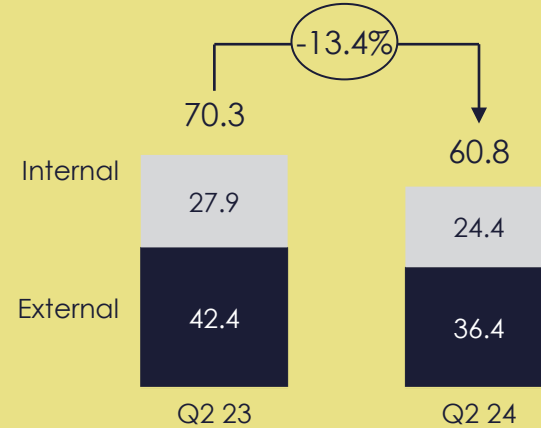
# Industrial



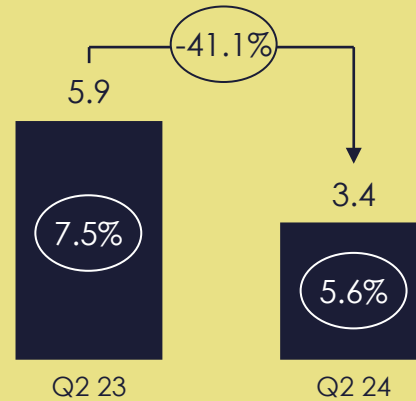
## Q2 highlights

- **External net sales** decreased by 14.2%.
- The Industrial segment net sales was negatively impacted by lower contract manufacturing volumes combined with lower side product sales prices.
- **Comparable EBITDA** was EUR 3.4 million, or 5.6% of net sales.
- The performance of the Industrial segment was negatively impacted by lower volume combined with price erosion.

**Net sales (total)**  
EUR million



**Comparable EBITDA**  
EUR million and % of net sales



# Changes in Anora Group's Executive Management Team:

## The Head of Anora's Industrial segment to change

Anora Group's Senior Vice President, Industrial, Risto Gaggl steps down from his position. He will continue in his current role with Anora until the end of 2024. Anora has appointed Hannu Vähämurto as his successor as of 1 January 2025.

### Hannu Vähämurto

- Born 1972
- Master of Science (M. Sc.), Lappeenranta University of Technology, Department of Industrial Engineering and Management
- With Anora and its predecessor (Altia Oyj) since 2011 in various roles, most recently as Director, Industrial Products since September 2023.
- Prior to joining Anora, he gained extensive experience from various manufacturing and supply chain management positions at Tellabs Oy.





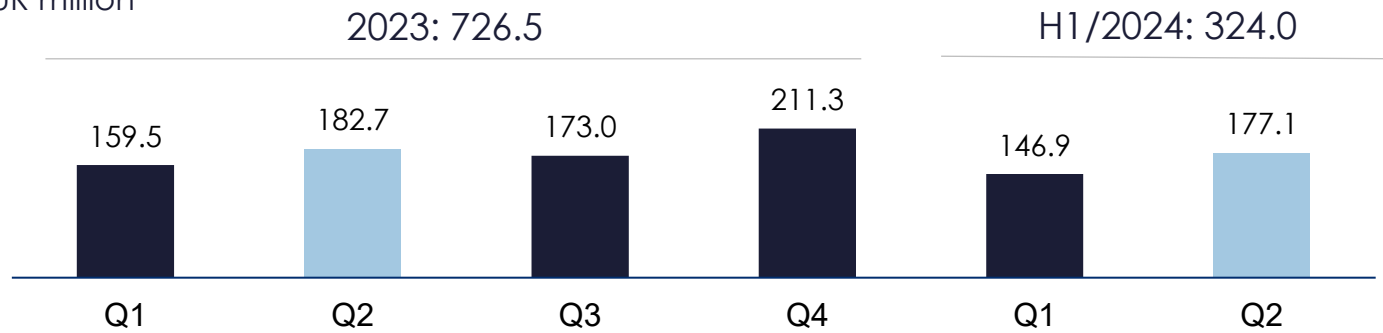
# Financial review



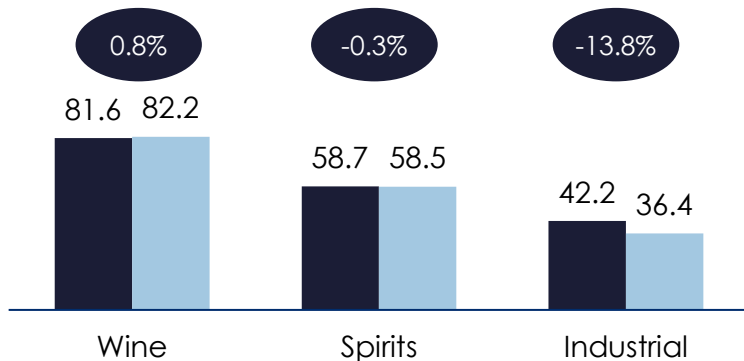
# Net sales development

Q2 2024 net sales decreased by 3.1%

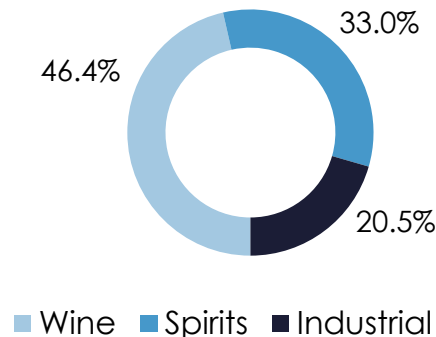
**Group net sales**  
EUR million



**Net sales (external) by segment**  
EUR million



**Net sales (external) by segment Q2 2024**  
%

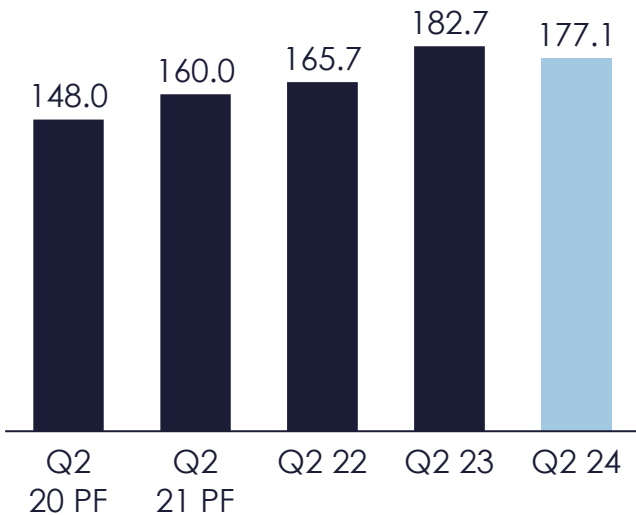


- Q2/24 net sales: 177.1 (182.7) MEUR, down by 3.1%.
- Net sales declined solely due to a decrease in Industrial segment net sales, as the combined Wine and Spirits segment beverage sales were slightly up.
- In the Wine segment, Anora launched a wide range of products for grocery stores in Finland in June as the legislative amendment to Finland’s Alcohol Act came into effect.
- Anora also acquired the market leading Danish glögg brand Blomberg from Orkla Denmark in May.
- In Spirits, Sweden and Norway delivered net sales growth, whereas the net sales declined especially in Finland, Baltics and Global Travel Retail.
- In the Industrial segment, net sales were negatively impacted by lower sales prices due to the lower price of barley combined with reduced production volumes.

# In Q2 2024, net sales decreased by 3.1%

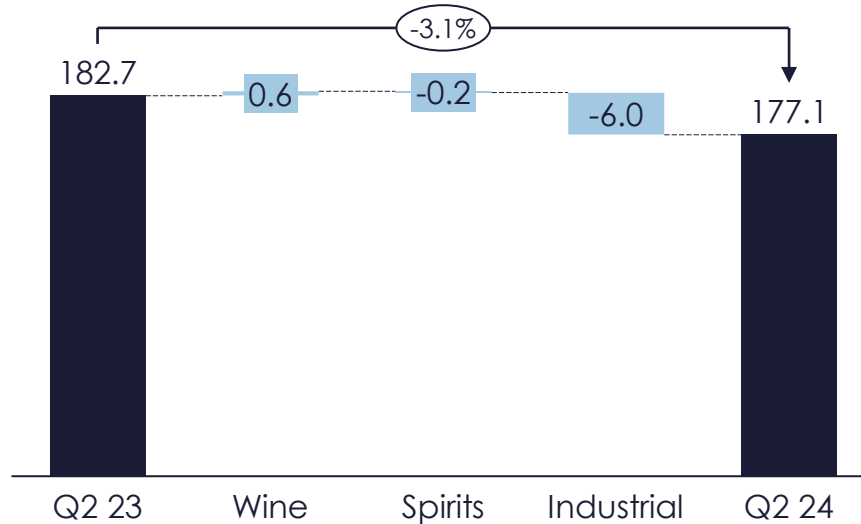
Net sales declined solely due to a decrease Industrial segment net sales

Net sales (external), EUR million



PF = Pro forma

Net sales (external), EUR million and change per segment

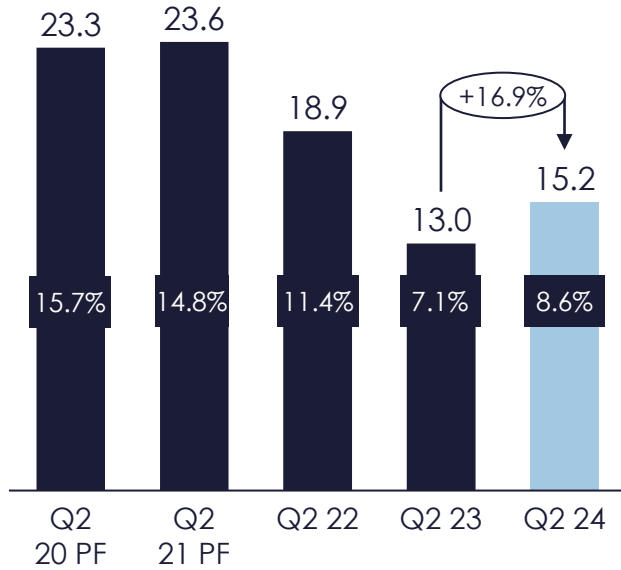


- The launch of Anora’s 8% ABV wines started well in Finnish grocery retailers resulting into market leadership in June.
- In Spirits, Sweden and Norway delivered net sales growth, whereas the net sales declined especially in Finland, Baltics and Global Travel Retail.
- In the Industrial segment, net sales were negatively impacted by lower sales prices due to the lower price of barley combined with reduced production volumes.
- The divestment of Larsen was completed on 29 September 2023.

# Q2 Group comparable EBITDA was up by 16.9% from last year

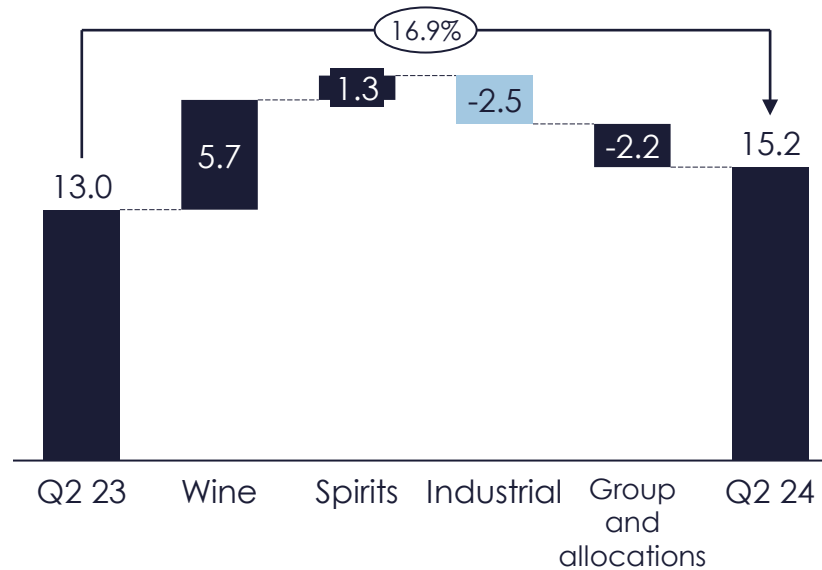
Comparable EBITDA improved in Q2 due to higher gross margin

Comparable EBITDA, EURm and % of net sales



PF stands for pro forma.

Comparable EBITDA, EURm and change per segment



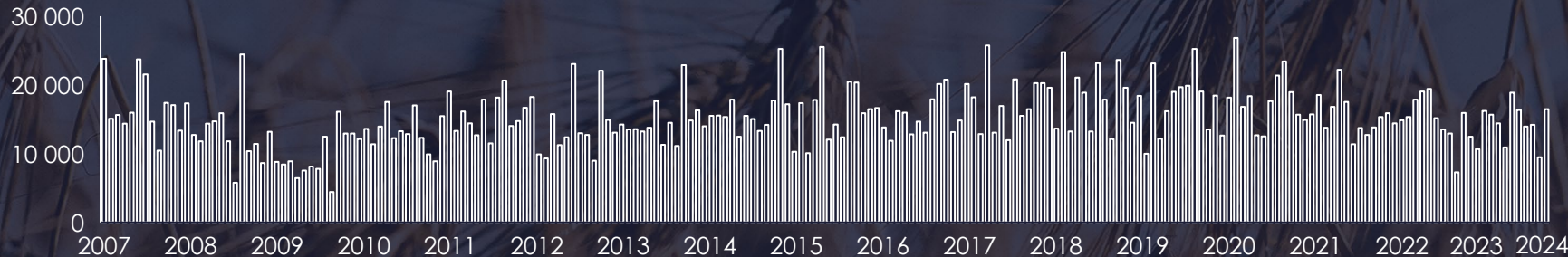
- Results were visible from the cost cuts and price increases made last year, supported by lower raw material prices and more stabilised currencies.
- Both Wine and Spirits segments delivered notable EBITDA growth and significant margin enhancements.
- The performance of the Industrial segment was negatively impacted by lower volume combined with price erosion.

# Barley sourcing

**Barley price development**  
EUR/tn\*



**Anora's monthly sourcing volumes**  
tn



Anora used  
**42.6** (38.7)  
million kg  
of grain in Q2 2024

**Key principles for barley sourcing:**

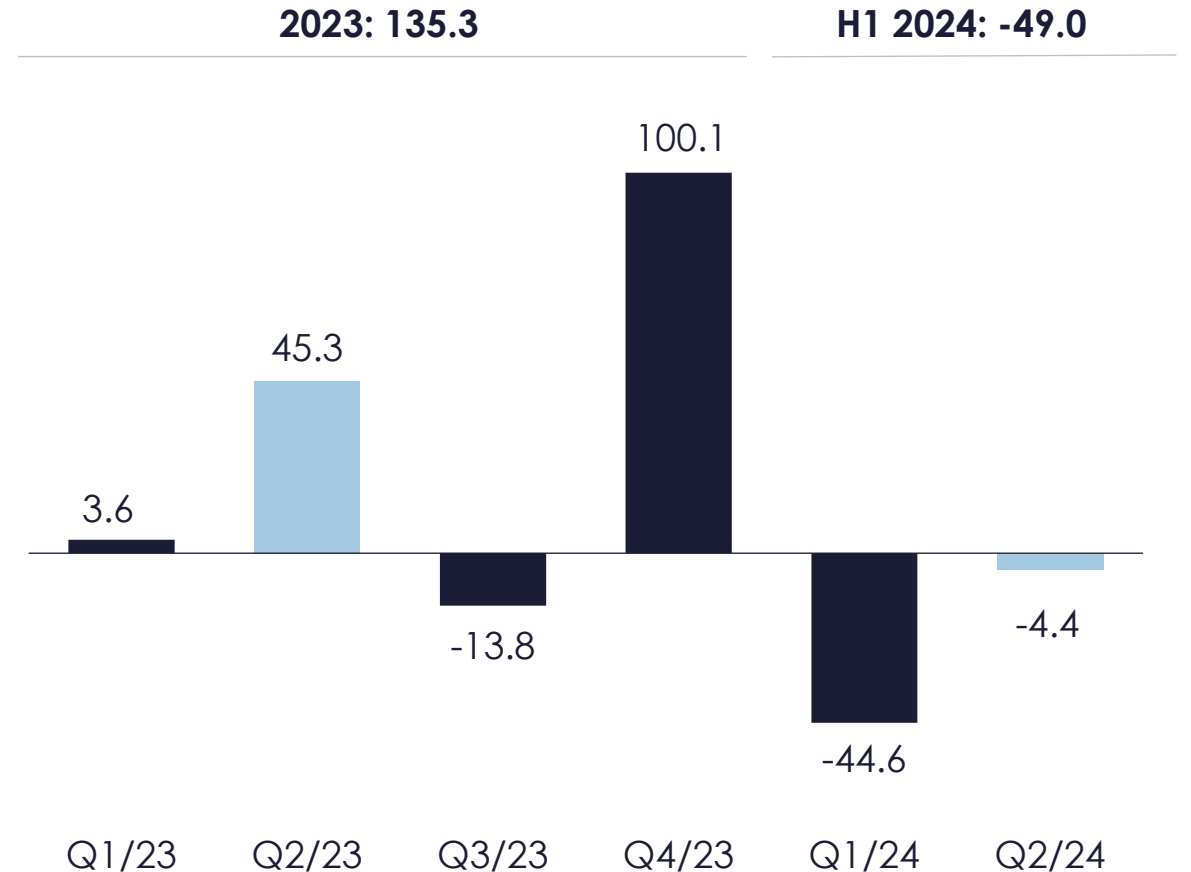
- Purchased at spot prices; no hedging tools available for barley
- In Q2 average monthly sourcing volume 13,389 tn
- About 1 month inventory; volumes and purchase prices are fixed a couple of months ahead
- New harvest in Aug–Sept

# Cash flow development

Cash flow decreased from the previous year

- The net cash flow from operations totalled EUR -49.0 (49.0) million in H1 2024.
- Explained by the seasonal increase in working capital of EUR -56.1 (52.5) million.
- The receivables sold amounted to EUR 155.1 (125.9) million at the end of the reporting period.
- Capex H1 2024: EUR 6.8 (5.6) million, representing 2.1 (1.6) percent of net sales
- Capex was allocated mainly to replacement investments and to improve work safety and energy efficiency.

**Net cash flow from operations**  
EUR million

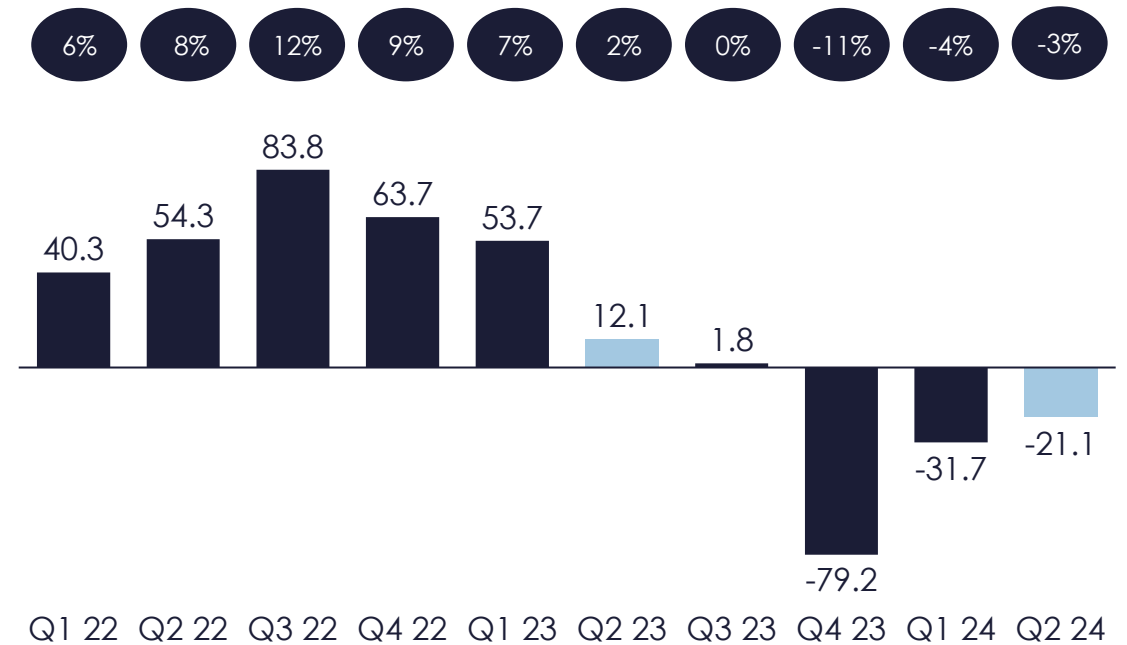


# Net working capital

Net working capital was at a level of  $-3\%$  of net sales at the end of June (LTM)

- The Group’s net working capital improved to EUR  $-21.1$  ( $12.1$ ) million at the end of June.
- Further progress in reducing inventories to EUR  $166.3$  ( $214.9$ ) million, which in addition to the impact of the Larsen divestiture resulted in working capital being lower than last year.
- Trade and other receivables decreased to EUR  $111.9$  ( $114.0$ ) million. The receivables sold amounted to EUR  $155.1$  ( $125.9$ ) million at the end of June.
- Trade and other payables decreased to EUR  $297.3$  ( $316.8$ ) million.

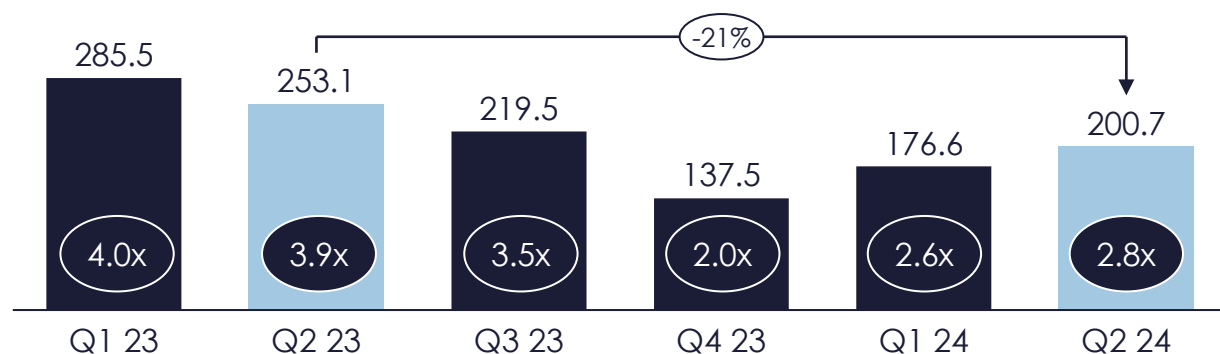
Net working capital, EUR million and % of net sales, (LTM)



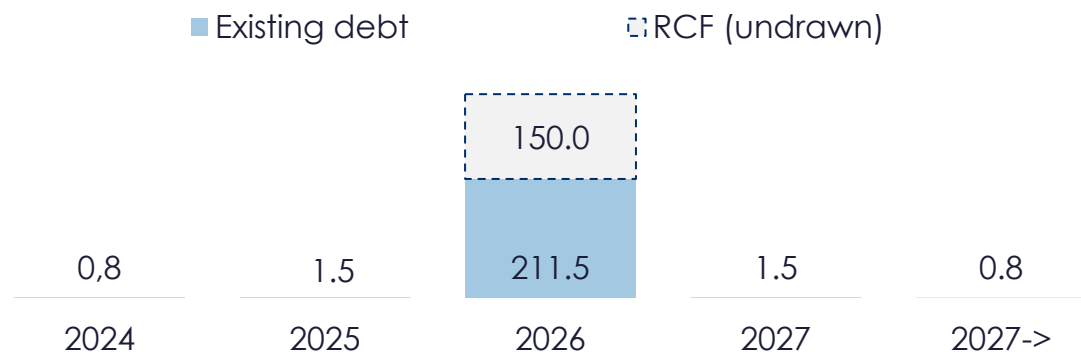
# Leverage

Anora's efforts to reduce leverage progressed well

## Net debt incl. lease liabilities, MEUR and Net Debt / Comparable EBITDA (LTM)



## Debt maturity structure excl. lease liabilities on 30 Jun 2024, EURm



- Net debt decreased to EUR 200.7 (253.1) million at the end of Q2, primarily due to the sale of Larsen business
- Net debt/comparable EBITDA: 2.8x (3.9x).
- Interest-bearing debt incl. lease liabilities decreased to EUR 341.8 (397.6) million, excl. lease liabilities: EUR 215.6 (270.6) million
- The receivables sold amounted to EUR 155.1 (125.9) million at the end of June.
- Anora's liquidity position is strong.
  - Cash and cash equivalents of EUR 141.1m (144.5m)
  - Revolving credit facility of EUR 150.0m maturing in December 2026, none in use at the end of June.
- Gearing was 51.5% (57.9%) and the equity ratio 36.4% (36.2%) at the end of the reporting period.



# Our long-term financial targets for 2030

Long-term financial targets for 2030		Actual Q2 2024	Actual 2023	Actual 2022
<b>Net sales growth</b> including M&A, majority being organic	<b>3–5%</b>	-3.1%	3.4%	5.7%
<b>Comparable EBITDA margin</b> Through focus on margin accretive business and scale benefits on indirect costs	<b>16%</b>	8.6%	9.4%	10.8%
<b>Net IB debt / comparable EBITDA (LTM)</b> Debt levels may occasionally exceed in connection with M&As	<b>&lt;2.5x</b>	2.8x	2.0x	4.0x
<b>Dividend pay-out ratio</b> % of result for the period	<b>50–70%</b>	n.a.	-38.1%	83.1%

Anora aims to maintain a stable or increasing dividend. AGM decided to pay a dividend of EUR 0.22 per share for 2023. The dividend was paid on 26 April 2024.

# Summary of Q2 2024

Comparable EBITDA improved in Q2 due to higher gross margin.

Net sales declined by 3.1% to EUR 177.1m, solely due to a decrease in Industrial net sales.

Our efforts to reduce our net debt leverage progressed well.

# Outlook 2024

## Market outlook 2024

In 2024, the volumes in our key markets are expected to be slightly lower than in 2023 due to challenging economic conditions.

## Guidance 2024

In 2024, Anora's comparable EBITDA is expected to be EUR 75-85 million (2023: EUR 68.2 million).

**ANORA**



# Q&A



# Our next scheduled event

- 7 November 2024 | Q3 report for 1-9/2024

# ANORA

Thank you!

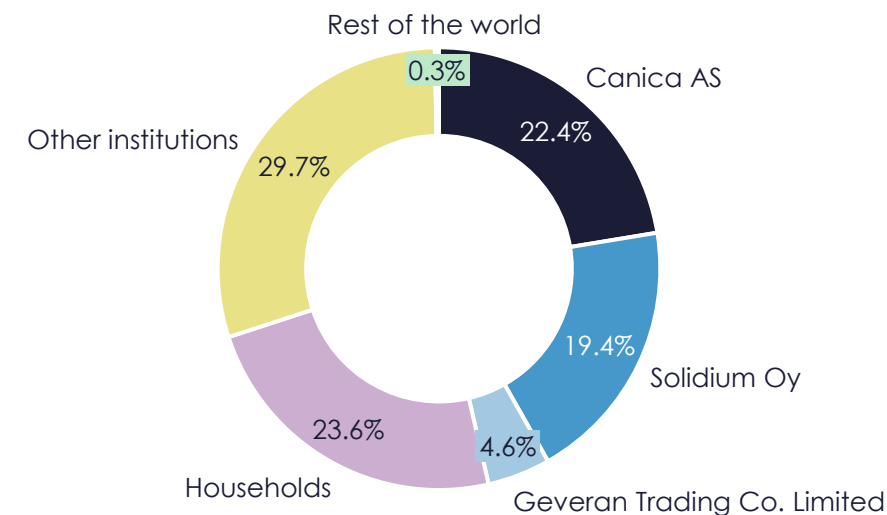
# Appendix

# Anora's top 10 shareholders 28 June 2024

Shareholder	Shares	% of shares
Solidium Oy	13,097,481	19.4
Varma Mutual Pension Insurance Company	2,031,240	3.0
Ilmarinen Mutual Pension Insurance Company	1,290,000	1.9
WestStar Oy	1,199,705	1.8
Elo Mutual Pension Insurance Company	728,602	1.1
Veritas Pension Insurance Company Ltd.	460,000	0.7
Savolainen Heikki Antero	367,571	0.5
OP Life Assurance Company Ltd	268,182	0.4
Eriksson Trygve	200,000	0.3
Rantalainen-Yhtiöt Oy	190,000	0.3
<b>10 biggest owners in total</b>	<b>19,832,781</b>	<b>29.4</b>
Nominee-registered shares	27,604,221	40.9
<b>Total</b>	<b>67,553,624</b>	<b>100.0</b>

Source: Euroclear Finland

ILLUSTRATION OF ANORA'S OWNERSHIP



The chart provides an illustration of Anora's ownership structure including the largest shareholders based on information provided to the company. In the Euroclear Finland data, the shareholdings of Canica AS and Geveran Trading Co. Limited are included in the nominee-registered shares.

# Q2/H1/FY income statement

EUR million	Q2 24	Q2 23	H1 24	H1 23	2023
<b>Net sales</b>	<b>177.1</b>	<b>182.7</b>	<b>324.0</b>	<b>342.2</b>	<b>726.5</b>
Other operating income	1.8	1.9	4.1	4.0	20.3
Materials and services	-104.1	-113.6	-189.7	-210.7	-441.4
Employee benefit expenses	-26.7	-26.5	-53.0	-52.0	-103.8
Other operating expenses	-33.2	-34.6	-62.7	-66.9	-134.1
Depreciation, amortisation and impairment	-6.5	-8.3	-13.5	-16.8	-98.8
<b>Operating result</b>	<b>8.4</b>	<b>1.6</b>	<b>9.2</b>	<b>-0.1</b>	<b>-31.3</b>
Finance income	0.9	7.7	5.6	11.9	24.6
Finance expenses	-6.5	-13.7	-15.8	-23.2	-47.4
Share of profit in associates and joint ventures and income from interest in joint operations	-0.3	-0.3	0.4	0.8	0.2
<b>Result before taxes</b>	<b>2.5</b>	<b>-4.7</b>	<b>-0.5</b>	<b>-10.6</b>	<b>-53.9</b>
Income tax expense	-0.7	0.6	0.1	0.9	13.9
<b>Result for the period</b>	<b>1.8</b>	<b>-4.2</b>	<b>-0.4</b>	<b>-9.7</b>	<b>-39.9</b>
Earnings per shares, basic	0.03	-0.06	-0.01	-0.14	-0.59



# Q2 balance sheet

EUR million	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	301.6	299.9	304.3
Other intangible assets	202.6	208.4	206.3
Property, plant and equipment	62.3	74.6	62.7
Right-of-use assets	63.0	118.9	67.9
Investments in associates and joint ventures and interests in joint operations	11.8	20.3	12.3
Financial assets at fair value through other comprehensive income	0.7	0.7	0.7
Other receivables	0.2	0.0	0.0
Deferred tax assets	0.0	0.6	0.0
<b>Total non-current assets</b>	<b>642.1</b>	<b>723.4</b>	<b>654.1</b>
<b>Current assets</b>			
Inventories	166.3	214.9	144.2
Trade and other receivables	111.9	114.0	110.1
Derivatives receivables	1.1	2.4	0.8
Current tax assets	8.7	10.6	6.1
Cash and cash equivalents	141.1	144.5	212.7
Assets held for sale	-	-	7.6
<b>Total current assets</b>	<b>429.1</b>	<b>486.4</b>	<b>481.6</b>
<b>Total assets</b>	<b>1,071.2</b>	<b>1,209.8</b>	<b>1,135.7</b>

EUR million	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	61.5	61.5	61.5
Invested unrestricted equity fund	336.8	336.8	336.8
Legal reserve	0.0	0.5	0.0
Hedge reserve	-0.8	0.5	-1.5
Translation differences	-47.5	-55.9	-44.0
Retained earnings	39.2	93.7	54.5
<b>Equity attributable to owners of the parent</b>	<b>389.1</b>	<b>437.0</b>	<b>407.3</b>
<b>Non-controlling interests</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>
<b>Total equity</b>	<b>389.7</b>	<b>437.5</b>	<b>407.8</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	35.9	52.6	36.5
Borrowings	214.1	215.4	214.8
Non-current liabilities at fair value through profit or loss	0.1	0.5	0.1
Lease liabilities	113.2	115.5	120.7
Other liabilities	0.0	0.0	0.0
Employee benefit obligations	2.4	2.4	2.4
<b>Total non-current liabilities</b>	<b>365.7</b>	<b>386.4</b>	<b>374.5</b>
<b>Current liabilities</b>			
Borrowings	1.5	55.2	1.5
Current liabilities at fair value through profit or loss	0.4	-	0.6
Lease liabilities	13.0	11.5	13.3
Provisions	2.0	-	3.9
Trade and other payables	297.3	316.8	329.6
Derivatives liabilities	0.8	0.1	2.2
Current tax liabilities	0.6	2.3	2.2
<b>Total current liabilities</b>	<b>315.7</b>	<b>385.9</b>	<b>353.4</b>
<b>Total liabilities</b>	<b>681.4</b>	<b>772.3</b>	<b>727.9</b>
<b>Total equity and liabilities</b>	<b>1,071.2</b>	<b>1,209.8</b>	<b>1,135.7</b>

# Anora's Executive Management Team

## Jacek Pastuszka

CEO



Joined Anora in Oct. 2023 after a long career at Carlsberg, most recently as Executive Vice President of Western Europe and a member of the Group's Executive Committee. Prior to Carlsberg, various positions in AIG American International Group, Danone and Procter & Gamble.

## Stein Eriksen

CFO



Previously, Stein was the CFO XXL, the largest sports retailer in the Nordic countries. He has also acted as the Interim CEO of XXL. Prior to that, he has had a long career at Orkla, most recently as CFO at Orkla Care and SVP Finance at Orkla ASA.

## Janne Halttunen

SVP, Wine



International career in the beverage and tobacco business; joined Altia in 2009, leading Altia's wine business in several roles

## Kirsi Puntila

SVP, International



Long career with global brands at Pernod-Ricard; joined Altia in 2014 and has led core spirit brands and innovation across all markets.

## Risto Gaggl

SVP, Industrial\*



Previously, Risto worked as Chief Supply Chain Officer at Fiskars Group for over 10 years. Before Fiskars, he held several international positions at Elcoteq, the latest of which was Vice President, Business Excellence.

## Mikkel Pilemand

CGO



Long career in consumer goods business, the recent position prior to Anora being Chief Commercial Officer at nemlig.com. Joined Anora 1 May 2023.

## Johanna Sundén

Chief People and Communications Officer



Held several senior HR positions in international companies such as Orkla Health, the Wilhelmsen Group and Lindorff. Experience from M&As, company integrations, leadership development, talent management and organisational change.

## Thomas Heinonen

Group General Counsel



Thomas has been with Anora and its predecessor (Altia Oyj) as Group General Counsel since 2012.

*\* Hannu Vähämurto appointed as successor as of 1 Jan. 2025.*

# Anora's Board of Directors

**Michael Holm Johansen**  
Chairperson



Shareholdings: 80,000

Chair of the Human Resources Committee

**Jyrki Mäki-Kala**  
Vice Chairperson



Shareholdings: 13,600

Chair of the Audit Committee

**Kirsten Ægidius**  
Member



Shareholdings: 6,100

Member of the Human Resources Committee

**Christer Kjos**  
Member



Shareholdings: -

Member of the Audit Committee

**Florence Rollet**  
Member



Shareholdings: 4,620

Member of the Human Resources Committee

**Annareetta Lumme-Timonen**  
Member



Shareholdings: 4,600

Member of the Audit Committee

**Torsten Steenholt**  
Member



Shareholdings: 20,000

Member of the Audit Committee

**Jussi Mikkola**  
Member



Shareholdings: 100

Employee-elected Board member

# ANORA

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