

ANORA

Q1 23 Results presentation

CEO Pekka Tennilä
CFO Sigmund Toth

11 May 2023

Today's agenda and speakers

- Business review
- Financial review
- Q&A
- Closing remarks

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CEO Pekka Tennilä

CFO Sigmund Toth

In Q1 23, sales increased, but EBITDA declined due to lower gross margins and higher operating expenses

Net sales, EUR million	Net sales excl. Globus Wine EUR million	Comparable EBITDA, EUR million
159.5 (133.4)	136.5 (133.4)	7.9 (13.0)
Sales growth in all segments in constant currencies	Timing of Easter had a small positive impact on sales compared to Q1 22	
Profitability declined due to higher input costs and unfavourable currency rates	Price increases and savings program started, with limited impact during Q1	



Market development

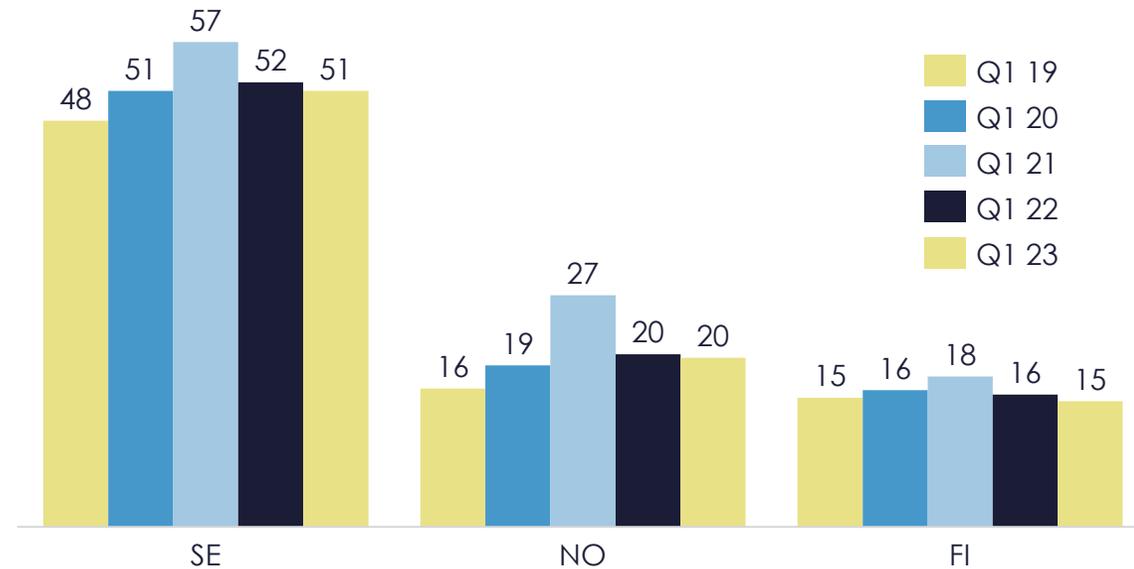
Sales in monopolies still declining, despite of the timing of Easter

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC

% change compared to previous year	Q1 23	Q1 22	2022
Nordics, total sales volumes*	-2,5	-13,7	-8,4
Spirits	-3,9	-10,5	-7,3
Wine	-2,3	-14,2	-8,6
Finland, total sales volumes	-5,1	-12,1	-9,9
Spirits	-3,6	-8,2	-6,6
Wine	-5,8	-13,6	-11,1
Sweden, total sales volumes	-1,8	-8,6	-3,6
Spirits	-3,0	-8,2	-4,6
Wine	-1,6	-8,7	-3,4
Norway, total sales volumes	-2,1	-25,5	-18,1
Spirits	-5,5	-17,8	-15,4
Wine	-1,5	-26,6	-18,5
Denmark, total sales volumes	-2,8	-17,5	-8,4
Spirits	-4,4	-14,8	-4,6
Wine	-2,6	-17,8	-9,1

Source: Systembolaget, Vinmonopolet, Alko and Nielsen IQ. In chart: millions of litres.

NORDIC MONOPOLY SALES VOLUMES OF WINE AND SPIRITS TOGETHER

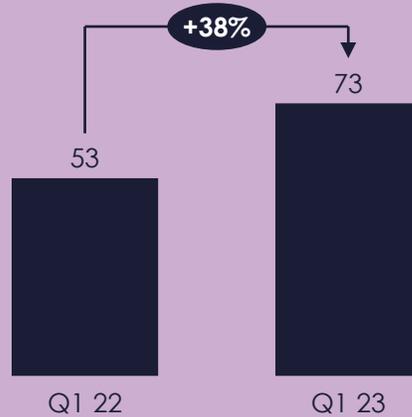


Wine

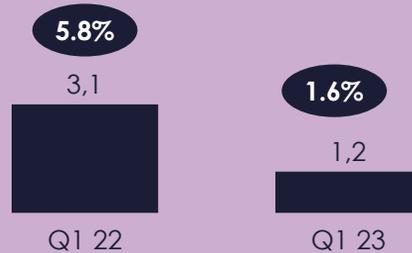
Q1 Highlights

- **Net sales increased** to EUR 73.3 (53.2) million due to Globus Wine.
- Net sales without Globus Wine grew slightly in local currencies.
- The timing of Easter had a small positive impact on sales.
- Own wines grew sales while partner wines declined.
- Market share grew in Norway, flat in Sweden, declined in Finland. Globus Wine increased market share in Denmark.
- **EBITDA** weakened due to higher input costs, weak NOK and SEK, and partner losses.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



Product launches in Q1 and April



Tender wins

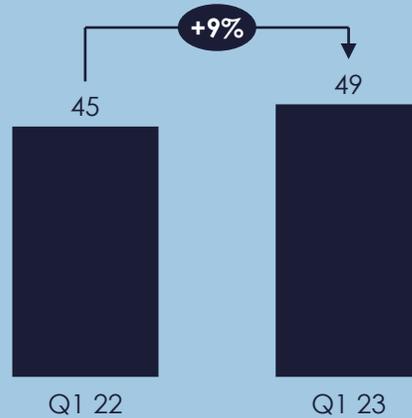


Spirits

Q1 Highlights

- **Net sales** grew to EUR 48.9 (44.9) million
- Sales growth driven by international markets (Baltics and Exports), and timing of Easter.
- Market share increased in all monopoly markets.
- Strong growth in local currencies diluted by the currency exchange rates.
- **EBITDA** weakened due to higher input costs and operating expenses, and weak currency exchange rates.

NET SALES, MEUR



COMP. EBITDA, MEUR AND % of NET SALES



Product launches and tender wins

Sweden – Explorer Red Berries, Xanté Passionfruit, Barracuda Gran Reserva and Koskenkorva Apple

Finland – Goalong Single Malt, Loch Lomond Single Malt, Barracuda Pineapple, Leijona Mansikka-Raparperi-Lime Cocktail, Greenalls Gin, Southern Comfort Black, and Aalborg Jubileum Aquavit 50 CL PET

Norway – Explorer Juniper and Busker whiskey



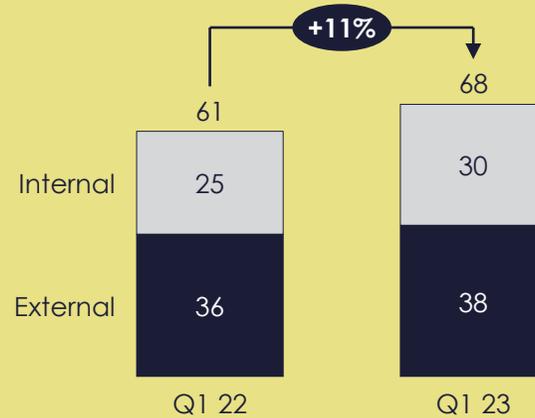


Industrial

Q1 Highlights

- **External net sales** grew by 6%.
- Net sales in industrial services and industrial products increased due to increased input costs passed on through higher prices.
- In Vectura, net sales increased in the local currency, but were negatively impacted by the NOK currency exchange rate.
- **EBITDA** weakened due to inventory revaluation and higher costs of other operating expenses.

NET SALES, MEUR



COMP. EBITDA, MEUR AND % OF NET SALES



Sustainability highlights in Q1



Planet

- Anora moved to 100% renewable energy in Finland
- Improvements in ESG-rankings (Systainalytics and S&P Global)



People

- Lost time injury frequency LTIF 7.5 (4.4)
- Anora started to conduct a human rights assessment and commitment to its value chain



Product

- New no- and low-alcohol products launched

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Financial review



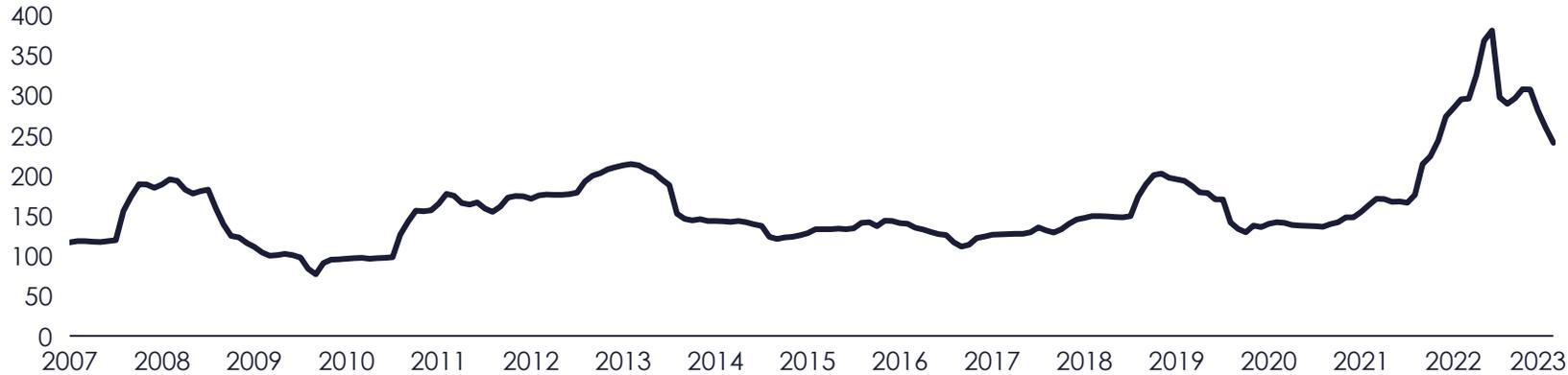
Barley sourcing

Average barley price decreased by 11% from Q1 22 to Q1 23

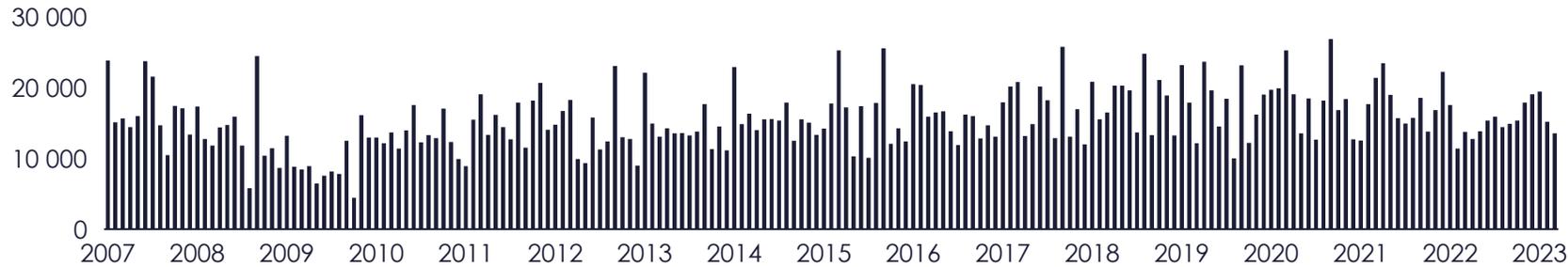
Historically, over a 5-year period, the average barley market price has been about 160 €/tn

In Q1 23 Anora used **45.5 (46.9)** million kilos of grain

BARLEY PRICE DEVELOPMENT (EUR/TN)*



ANORA'S MONTHLY SOURCING VOLUMES (TN)



Key principles for barley sourcing:

- Purchased at spot prices; no hedging tools available for barley
- In Q1 average monthly sourcing volume 16 000 tn
- About 1 month inventory; volumes and purchase prices are fixed a couple of months

ahead

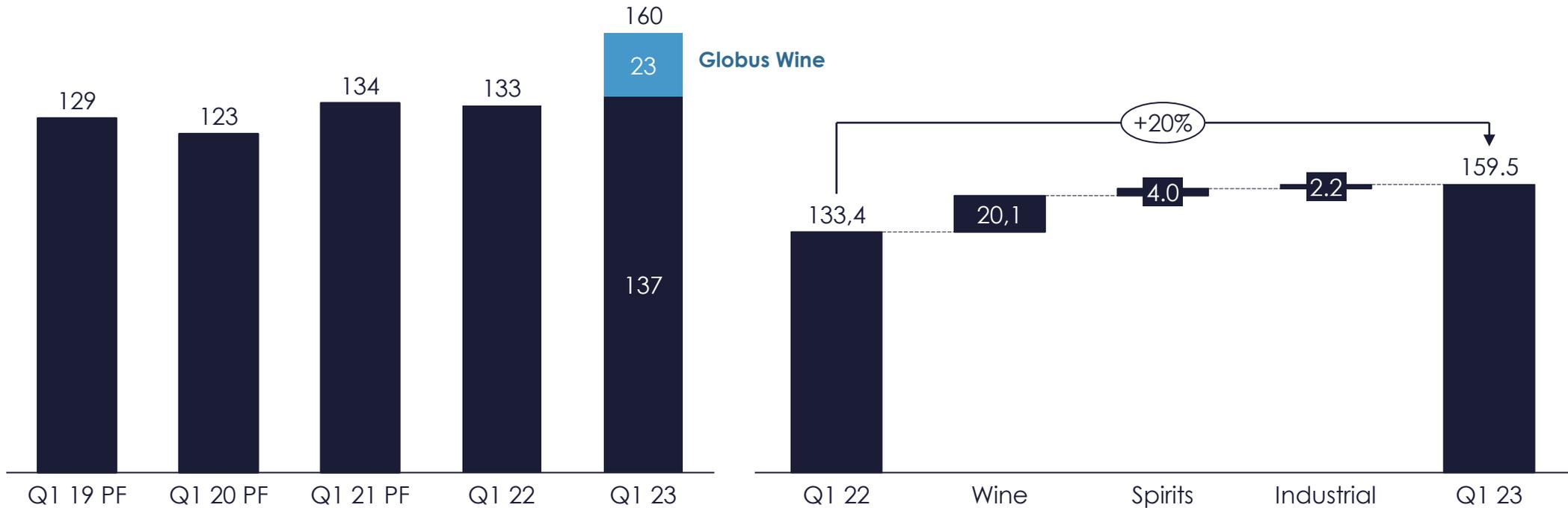
- In 2023, due to Anora's purchasing agreements, the lower price of barley will not have a significant impact on production costs before the second half of 2023.
- Harvest in August-September

*Average feed barley market price excl. premiums (Source: Luke)

Net sales increased due to Globus Wine

Sales increased due to Globus Wine (acquired in July 2022) supported by increased sales in Spirits and Industrial, and the timing of Easter.

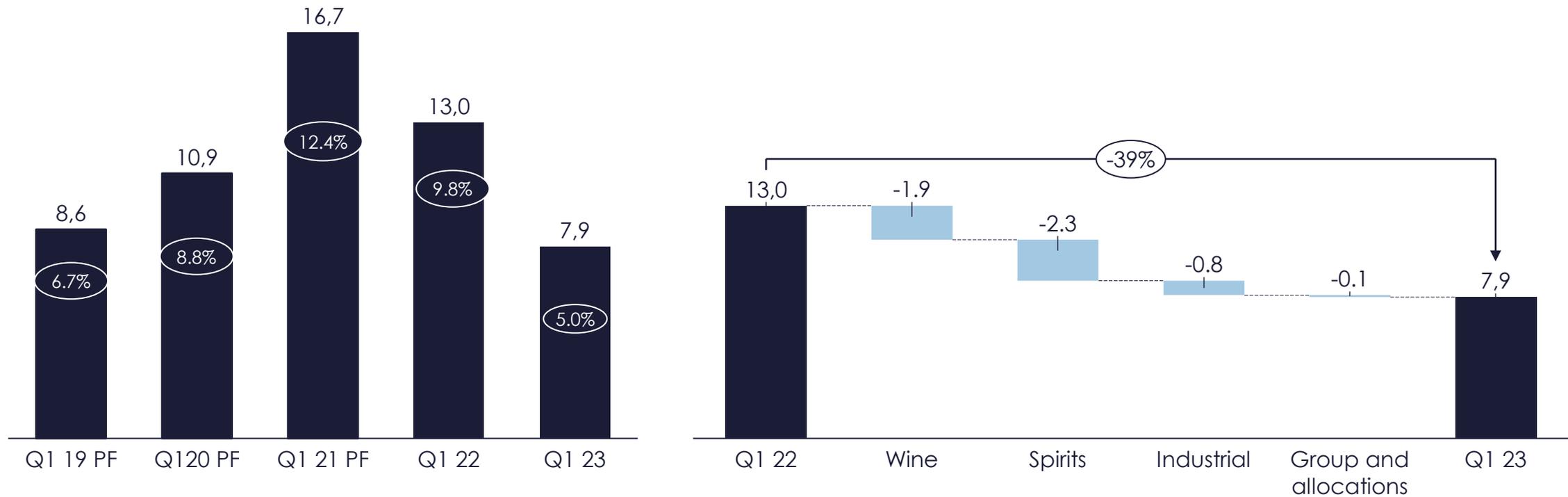
NET SALES (EXTERNAL), MEUR



Profitability weakened during Q1

Price increases only partly offset the high input costs.

COMPARABLE EBITDA, MEUR AND % OF NET SALES



Balance sheet key figures

	Q1 23	Q1 22	2022
Net debt / comparable EBITDA (rolling 12m)	4.0	2.2	4.0
Borrowings, EUR million	265.7	156.3	247.5
Net debt, EUR million	285.5	170.5	300.9
Equity ratio, %	37.8	44.6	37.0
Gearing, %	62.2	33.0	62.5
Capital expenditure, EUR million	-2.2	-2.9	-10.7
Total assets, EUR million	1 213.2	1 160.4	1 301.3
Net cash flow from operations, EUR million	3.6	-38.6	-0.4

- The increase in net debt was mainly due to the acquisition of Globus Wine which was financed with debt.
- The cash flow from operations was impacted by the change in working capital due to the extended sales of the receivables program.
- The receivables sold amounted to EUR 92.8 (41.7) million at the end of the reporting period.
- Inventory levels still too high, expected to be lower by end of the year.

Outlook 2023

**Guidance remains unchanged:
Comparable EBITDA expected to be
EUR 80-90 million**

- In 2023, the volumes in the monopolies are expected to be significantly lower than during the COVID-19 restrictions.
- Input costs are expected to remain at a high level





Q&A

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Closing remarks

Sales and market share growth across most categories and markets

Profitability declined; price increases and savings not fully visible in Q1

Mikkel Pilemand appointed as CGO and member of the EMT from 1 May

Appendix

Q1 2023 income statement

EUR million	Q1 23	Q1 23	2022
Net sales	159.5	133.4	702.7
Other operating income	2.2	2.4	10.9
Materials and services	-97.1	-75.5	-414.3
Employee benefit expenses	-25.5	-23.4	-93.8
Other operating expenses	-32.3	-25.1	-137.6
Depreciation, amortisation and impairment	-8.6	-7.8	-33.2
Operating result	-1.7	4.1	34.7
Finance income	4.2	0.9	5.6
Finance expenses	-9.5	-3.3	-17.5
Share of profit in associates and joint ventures and income from interest in joint operations	1.1	0.9	0.6
Result before taxes	-5.9	2.7	23.4
Income tax expense	0.3	-0.6	-5.3
Result for the period	-5.6	2.1	18.1
Earnings per shares, basic and diluted	-0.08	0.03	0.26

Q1 balance sheet

EUR million	31 March 2023	31 March 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	305.0	281.5	310.5
Other intangible assets	213.8	198.5	226.1
Property, plant and equipment	74.9	71.8	76.7
Right-of-use assets	123.2	125.6	136.8
Investments in associates and joint ventures and interests in joint operations	20.8	16.3	20.7
Financial assets at fair value through other comprehensive income	0.7	0.7	0.7
Other receivables	0.0	0.1	0.0
Deferred tax assets	0.6	1.5	0.6
Total non-current assets	739.0	695.8	772.1
Current assets			
Inventories	214.7	151.4	186.2
Trade and other receivables	140.7	191.6	247.7
Current tax assets	7.3	2.9	3.9
Cash and cash equivalents	111.4	118.7	91.4
Total current assets	474.1	464.6	529.2
Total assets	1 213.2	1 160.4	1 301.3

EUR million	31 Mar 2023	31 Mar 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	61.5	61.5	61.5
Invested unrestricted equity fund	336.8	336.8	336.8
Legal reserve	0.5	0.4	0.5
Hedge reserve	0.9	2.3	4.2
Translation differences	-46.9	-8.4	-33.0
Retained earnings	105.4	123.7	110.7
Equity attributable to owners of the parent	458.2	516.2	480.5
Non-controlling interests	0.7	0.9	0.9
Total equity	458.9	517.1	481.4
Non-current liabilities			
Deferred tax liabilities	53.8	48.6	57.3
Borrowings	215.3	134.8	216.0
Non-current liabilities at fair value through profit or loss	0.6	1.3	0.6
Lease liabilities	119.4	121.2	132.4
Other liabilities	0.0	0.0	0.0
Employee benefit obligations	2.5	3.1	2.7
Total non-current liabilities	391.5	309.0	409.1
Current liabilities			
Borrowings	50.4	21.5	31.5
Lease liabilities	11.9	11.7	12.4
Trade and other payables	299.2	300.1	364.6
Current tax liabilities	1.3	0.9	2.3
Total current liabilities	362.7	334.3	410.9
Total liabilities	754.3	643.3	819.9
Total equity and liabilities	1 213.2	1 160.4	1 301.3

Anora's Executive Management Team 1 May 2023

Pekka Tennilä

CEO



Previously served as Chief Executive Officer, Baltics at Carlsberg Group and in other managerial positions at Carlsberg Group; joined Altia in 2014

Janne Halttunen

SVP, Wine



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

Hannu Tuominen

SVP, Industrial



Previously served as Production Director and Division Director at Vaisala Corporation and in several managerial positions at Fiskars Oyj; has led Altia's supply chain since 2008

Kirsi Lehtola

CHRO



Strong HR expertise from global paper and pulp business; joined Altia in 2016

Sigmund Toth

CFO



Previously worked at McKinsey & Company and held several positions in Finance & Accounting at Procter & Gamble; joined Arcus in 2015

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

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

Anora's Board of Directors

Michael Holm Johansen

Chairperson



Shareholdings: 80,000

Chair of the Human Resources Committee

Jyrki Mäki-Kala

Vice Chairperson



Shareholdings: 3,517

Chair of the Audit Committee

Kirsten Ægidius

Member



Shareholdings: 2,440

Member of the Human Resources Committee

Christer Kjos

Member



Shareholdings: -

Member of the Audit Committee

Florence Rollet

Member



Shareholdings: -

Member of the Human Resources Committee

Annareetta Lumme-Timonen

Member



Shareholdings: -

Member of the Audit Committee

Torsten Steenholt

Member



Shareholdings: 20,000

Member of the Audit Committee

Arne Larsen

Member



Shareholdings: -

Employee-elected Board member

Jussi Mikkola

Member



Shareholdings: 100

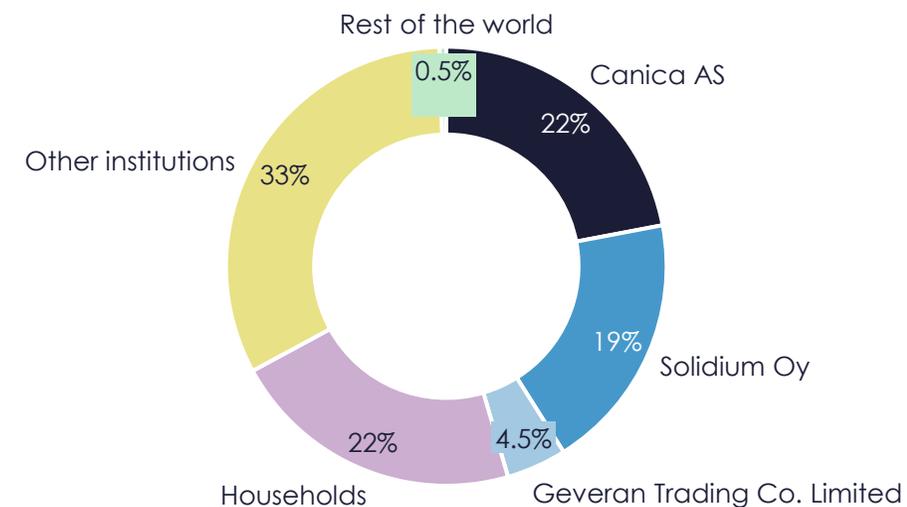
Employee-elected Board member

Anora's top 10 shareholders 31 March 2023

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	641 000	0.9
Veritas Pension Insurance Company Ltd.	460 000	0.7
Savolainen Heikki Antero	271 816	0.4
OP Life Insurance Company Limited	223 877	0.3
Mutual Fund Local Tapiola Consumer	195 772	0.3
Itikka Osuuskunta	178 745	0.3
Total	19 589 636	29.4
<i>Nominee-registered shares</i>	29 174 119	43.2

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.

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More information: www.anora.com

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