

# ANORA

## 2022 Results presentation

CEO Pekka Tennilä  
CFO Sigmund Toth

28 February 2023

# Today's agenda and speakers

Q4 and Full year 2022 Results presentation

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

**ANORA**



CEO Pekka Tennilä

CFO Sigmund Toth

# Business review

**ANORA**



# Net sales grew mainly due to Globus Wine

Net sales, EUR million	Net sales excl. Globus Wine	Comparable EBITDA, EUR million
<b>Q4 221.6</b> (205.6)	<b>Q4 200.0</b>	<b>Q4 20.9</b> (31.4)
<b>FY 702.7</b> (478.2*)	<b>FY 658.5</b>	<b>FY 76.1</b> (71.7)
Growth also from Industrial segment and international spirits sales, in addition to Globus Wine		Sales in monopoly markets, both for wine and spirits, declined
Profitability declined due to lower volumes and higher input costs		Increasing input costs not fully compensated by price increases

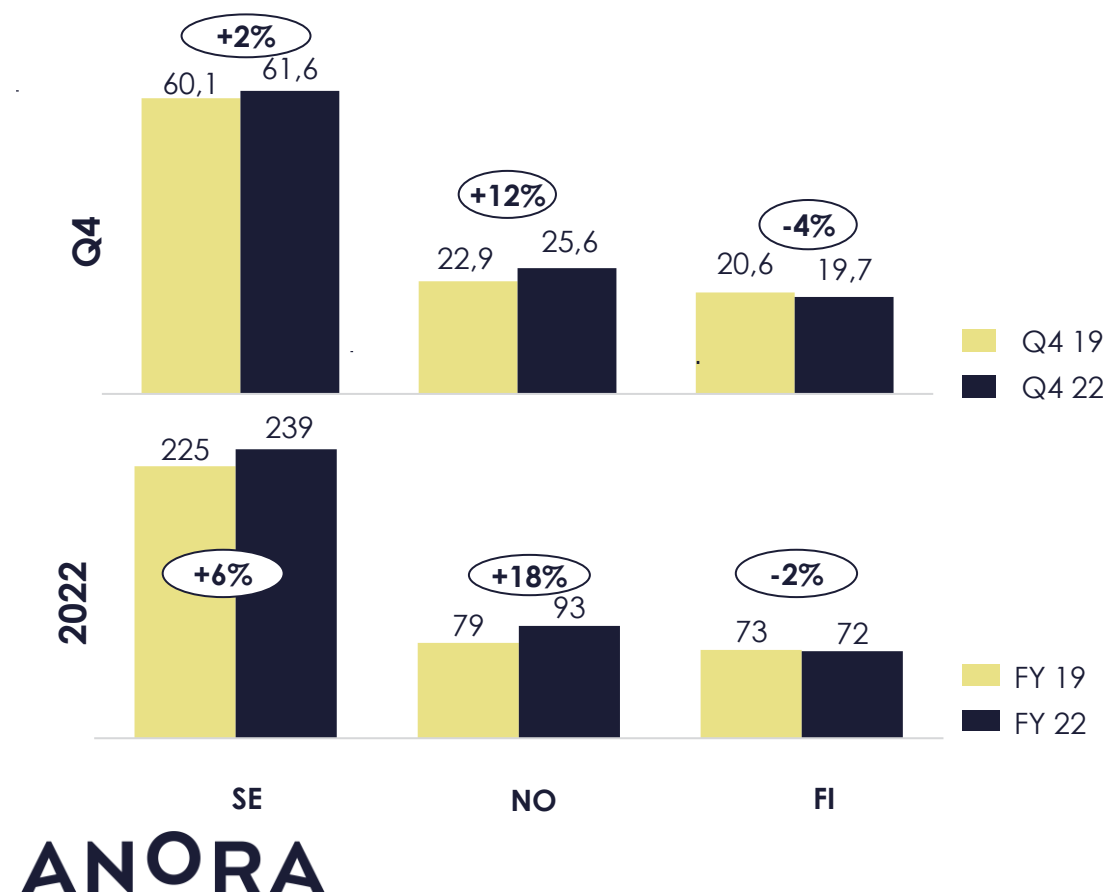
**ANORA**

\*Reported net sales. Pro forma 2021 net sales EUR 665.0 million



# Market development – monopoly sales continued to decline

The decline in monopoly sales volumes due to the normalizing of the channel mix with consumption returning to the on-trade, travel retail and border trade as Covid-19 restrictions have been lifted. Volumes near the pre pandemic level of 2019.



## DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDICS

	Q4 22	Q4 21	2022	2021
<b>Nordics, total sales volumes*</b>	<b>-5,7</b>	<b>-7,7</b>	<b>-8,4</b>	<b>-0,6</b>
Spirits	-6,2	-3,3	-7,3	3,4
Wine	-5,6	-8,4	-8,6	-1,3
<b>Finland, total sales volumes</b>	<b>-8,3</b>	<b>-9,3</b>	<b>-9,9</b>	<b>-4,3</b>
Spirits	-7,0	-6,0	-6,6	-2,8
Wine	-8,8	-10,4	-11,1	-4,9
<b>Sweden, total sales volumes</b>	<b>-3,0</b>	<b>-3,7</b>	<b>-3,6</b>	<b>0,1</b>
Spirits	-4,6	0,2	-4,6	6,1
Wine	-2,7	-4,2	-3,4	-0,6
<b>Norway, total sales volumes</b>	<b>-12,1</b>	<b>-12,7</b>	<b>-18,1</b>	<b>2,2</b>
Spirits	-13,9	-6,1	-15,4	6,6
Wine	-11,8	-13,8	-18,5	1,5
<b>Denmark, total sales volumes</b>	<b>-3,0</b>	<b>-9,5</b>	<b>-8,4</b>	<b>-2,1</b>
Spirits	0,3	-1,7	-4,6	4,7
Wine	-3,6	-10,9	-9,1	-3,1

\*Wine and spirits volumes. Source: Systembolaget, Vinmonopolet, Alko and Nielsen IQ  
Does not include on-trade.

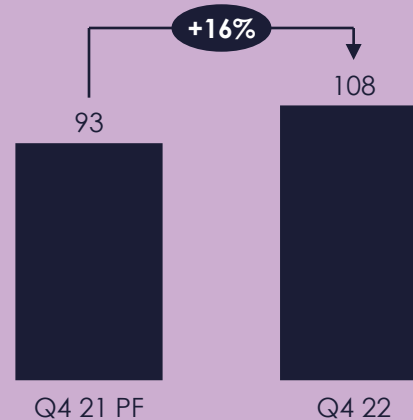




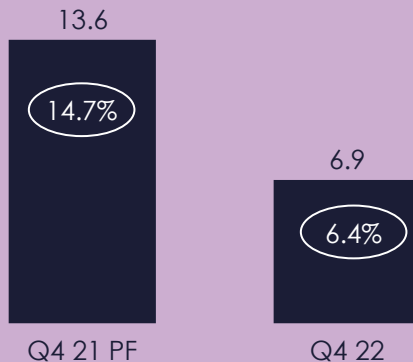
## Q4 Highlights

- **Net sales** increased by 15.9% to EUR 107.9 (93.1)
- Net sales excluding Globus was EUR 82.6 million.
- General wine sales declined in all four Nordic markets. The biggest decline was seen in monopoly channels.
- Own wine started to gain market share, while sales were negatively impacted in partner wines by changes in partner portfolio.
- **Profitability** impacted by lower sales and high input costs, and a EUR 3,2 million Globus Wine inventory correction.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



## Events and product launches in Q4

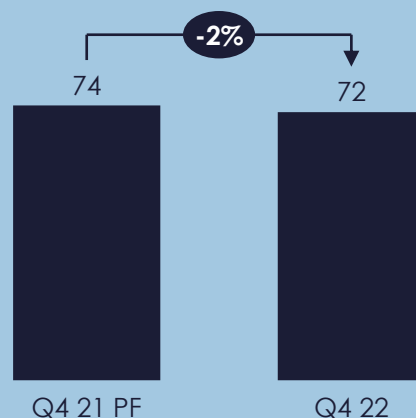
- Good performance of **Blossa 22** with Blossa Rosé and Blossa Äppelglögg
- **Il Capolavoro** of Globus Wine in Sweden
- A new Italian brand **ILO** in a bottle and in 2L *bag-in-box* in Finland.
- **Chill Out** increasing sales in all markets
- **Viñatigo** Listan Negro, Organic wine from Tenerife, Canary Islands, and Christmas gift red wines in Norway
- Tender-wins e.g.: Fleur de Vignoble Blanc the sparkling wine and Chill Out Shiraz Cabernet Australia in a sustainable tetra package in Finland



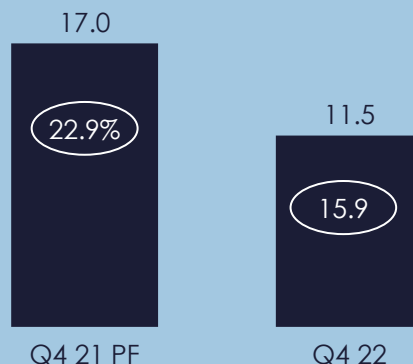
## Q4 Highlights

- **Net sales** EUR 72.2 (74.0) million
- Growth in international sales, e.g. Baltics, while sales declined in the monopolies.
- Market share gains in the monopolies.
- **Profitability** declined due to reduced gross profit (higher input costs) with higher marketing costs, and a negative evolution of sales channel mix. Price increases have only partly offset the high input costs.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



## Product launches in Q4

- **In Sweden and Norway**, seasonal aquavits, e.g., Aalborg Julekvavit 2022, O.P. Anderson Julaquavit, Prima Julsnaps, Herrgårds Julakvavit, and seasonal cognac of Larsen Drakkar Noël.



- **In Finland**, Jaloviina 90th anniversary celebration, and new Koskenkorva listings such as Koskenkorva Creme Caramel

**JALoviina®** **KOSKENKORVA®**

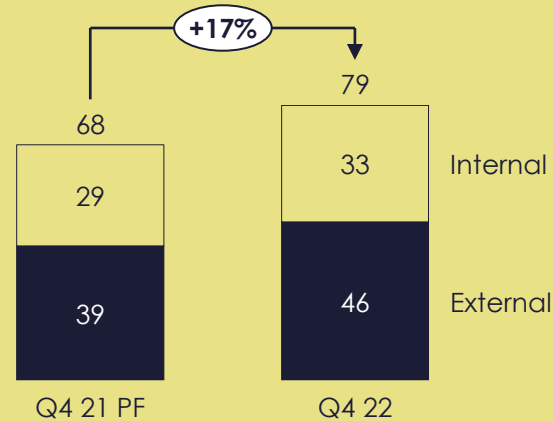


# Industrial

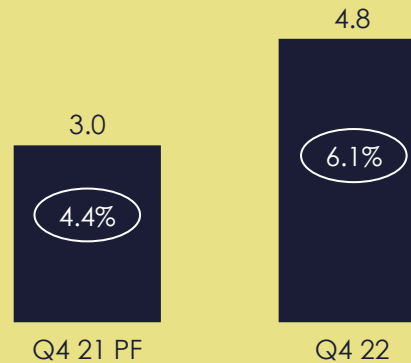
## Q4 Highlights

- **External net sales** grew by 17.4% to EUR 45.5 (38.7) million.
- Growth was driven by higher sales prices in industrial products and contract manufacturing and following the increase in the cost of barley.
- **Profitability** increased as higher sales prices compensated the higher input costs, and due to lower personnel costs. In addition, in Q4 2021 EBITDA was impacted negatively by a quality related cost accrual.

NET SALES, TOTAL, MEUR



COMP. EBITDA, TOTAL, MEUR AND MARGIN %



PF stands for pro forma. Margin calculated as % of net sales (total).



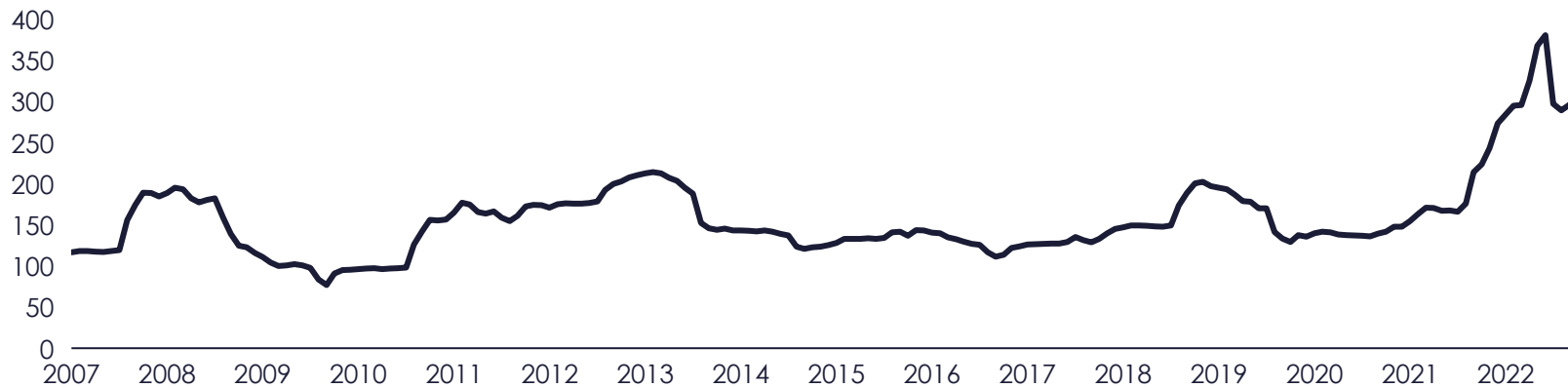


# Financial review



# Barley sourcing

BARLEY PRICE DEVELOPMENT (EUR/TN)\*

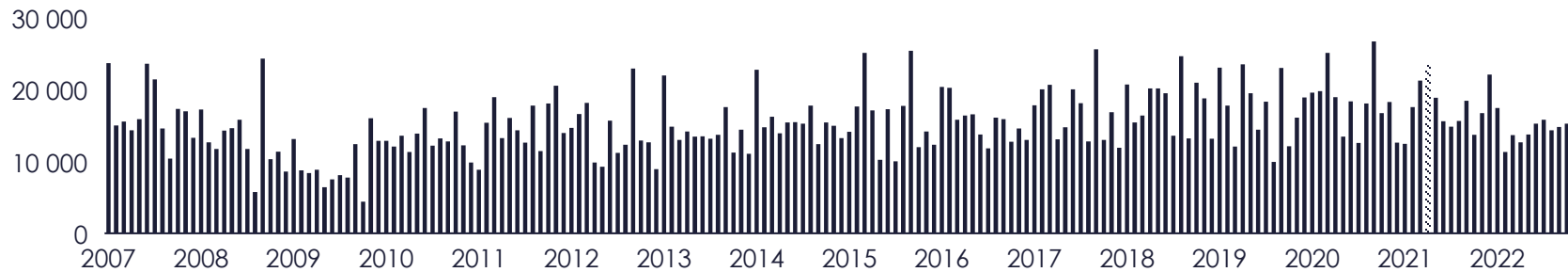


Average barley price increased by 15% from Q4 21 to Q4 22

Historically, over a 5-year period, the average barley market price has been about 218 €/tn

Q4 22:  
**47.9 (49.8)**  
million kilos  
of grain

ANORA'S MONTHLY SOURCING VOLUMES (TN)



## Key principles for barley sourcing:

- Purchased at spot prices; no hedging tools available for barley
- Average monthly sourcing volume 17000-18000 tn
- About 1 month inventory; volumes and purchase prices are fixed a couple of months ahead
- New harvest in August-September

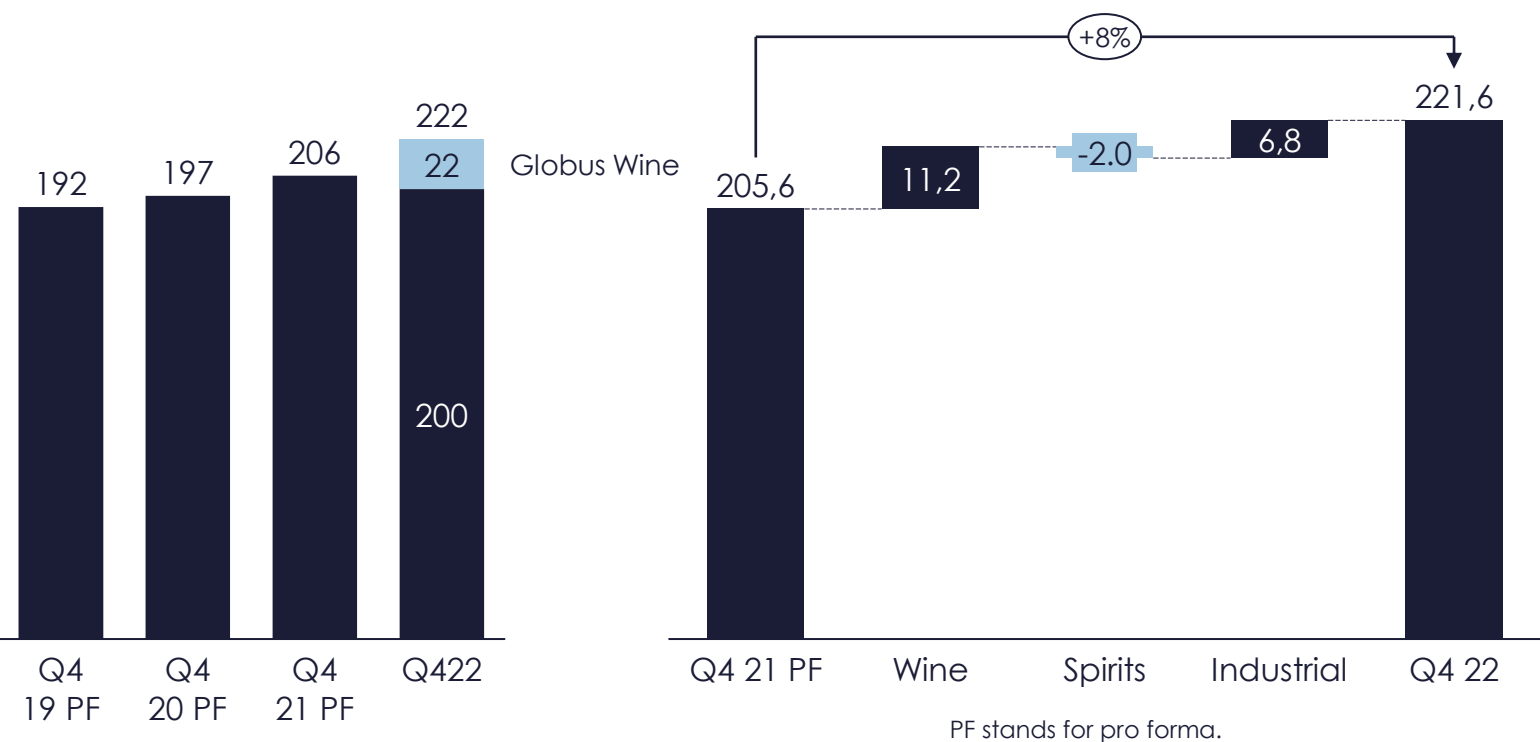
**ANORA**

\*Average feed barley market price excl. premiums for 2007-2022 (Source: Luke)

\*\* Anora quote for barley (December 2022, [www.anoraindustrial.com](http://www.anoraindustrial.com))

# Q4 net sales growth driven by Globus Wine and Industrial

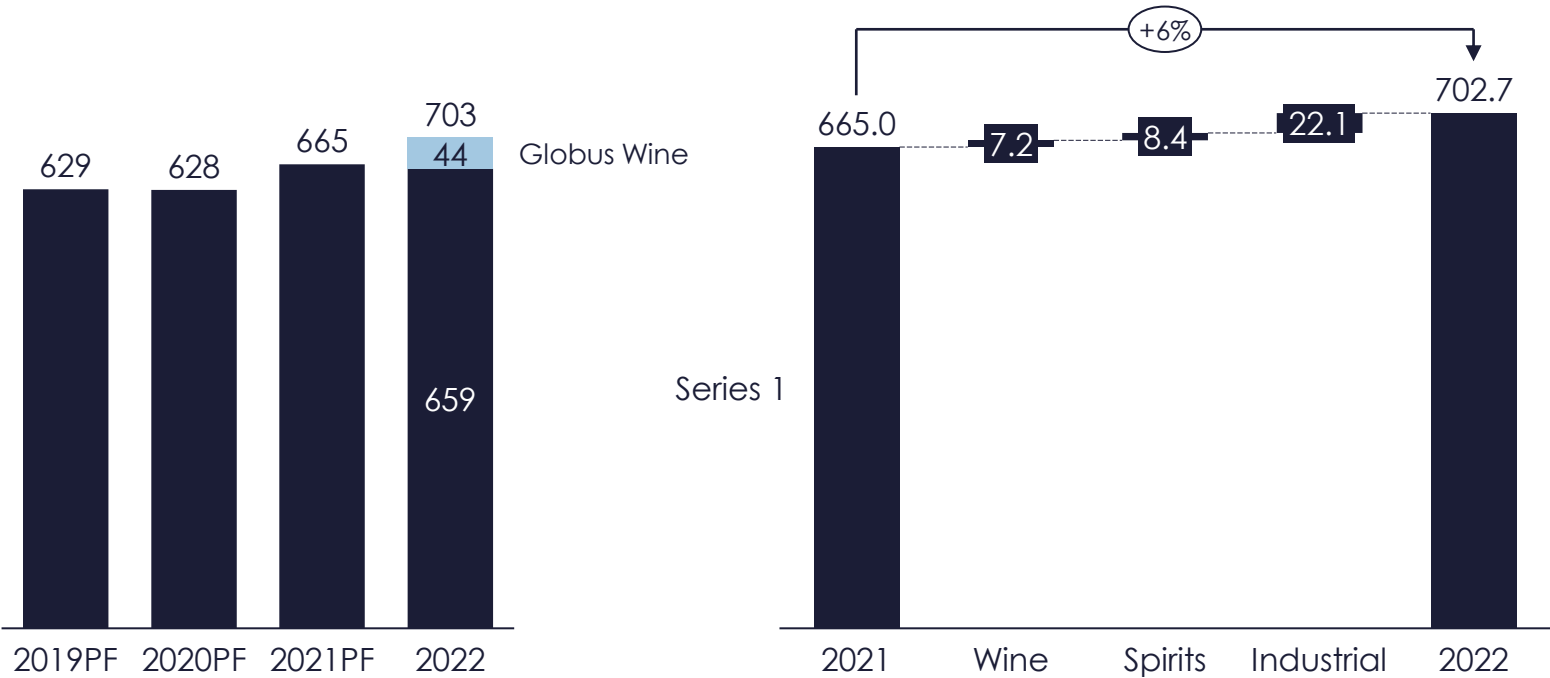
## NET SALES (EXTERNAL), MEUR



- Net sales growth driven by the acquisition of Globus Wine, Denmark. Excluding Globus Wine, net sales EUR 200 million.
- Wine net sales in the monopoly countries declined.
- Spirits net sales near the previous year's level supported by International.
- Higher sales prices supported Industrial net sales development.

# FY 2022 net sales growth driven mainly by Globus Wine

## NET SALES (EXTERNAL), MEUR



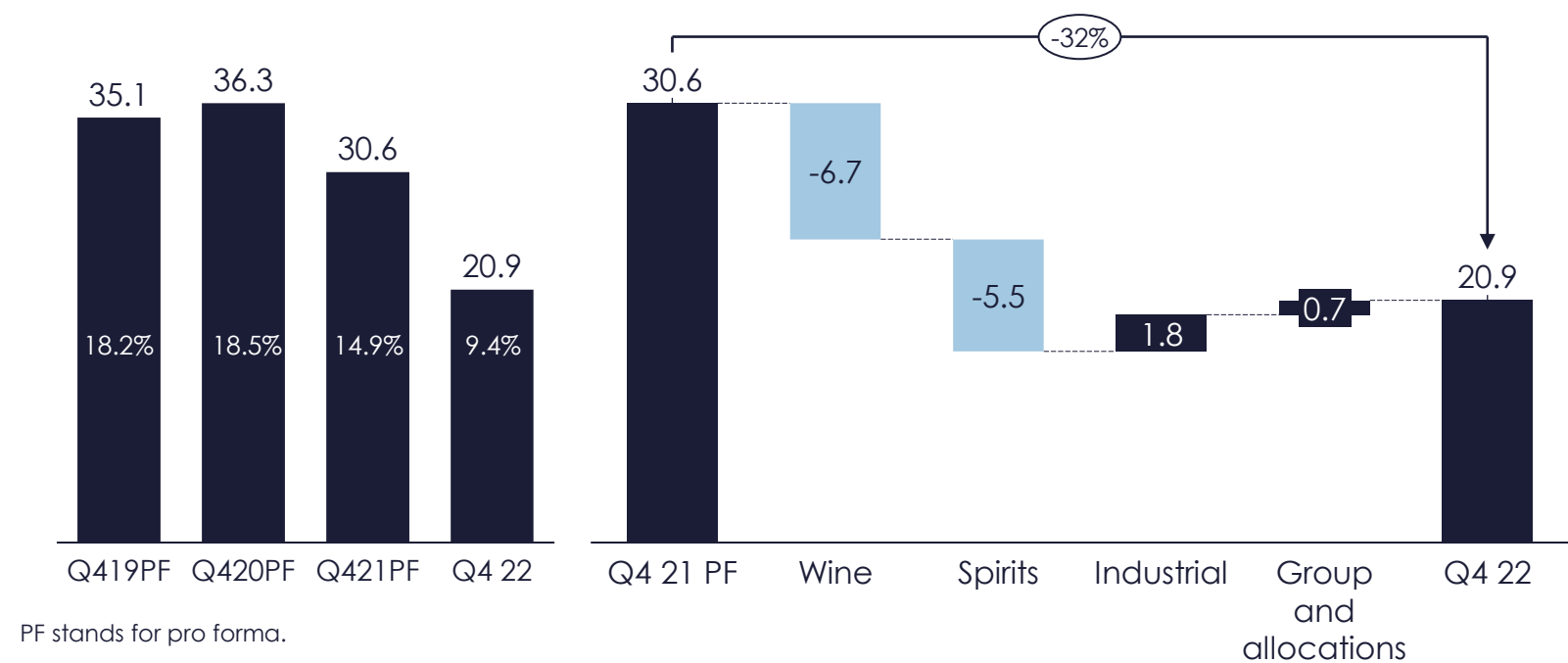
PF stands for pro forma.

- Net sales growth mainly driven by the acquisition of Globus Wine. Net sales without Globus Wine was EUR 658.5 million.
- Wine net sales in the monopoly countries declined.
- Spirits net sales increased due to international the previous year's level supported by International.
- Higher sales prices supported Industrial net sales development.



# Q4 decline in profitability due to normalisation after Covid-19, high input costs and a correction to inventory values of Clobus Wine

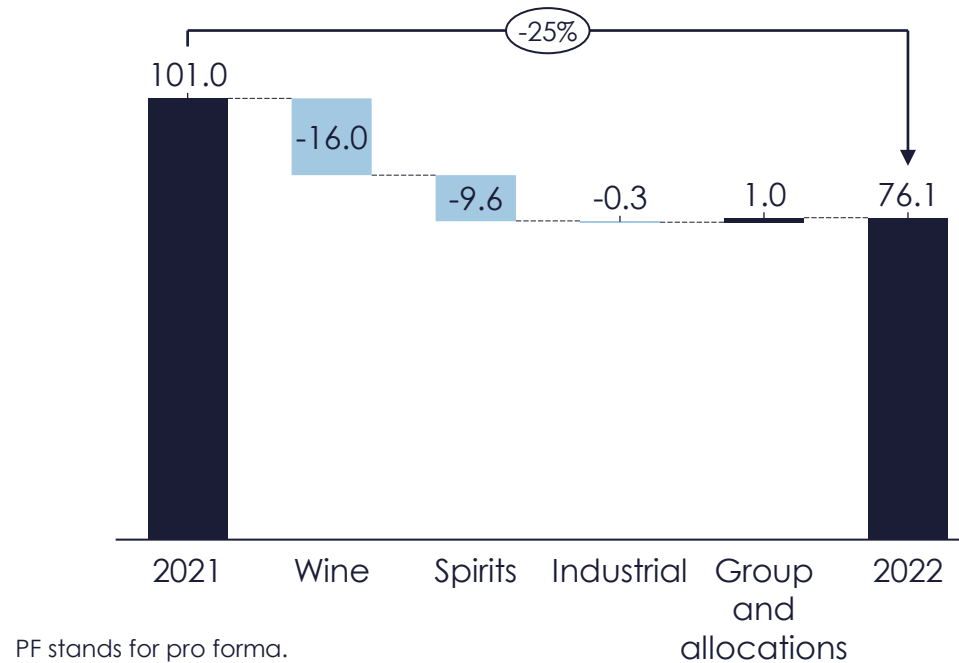
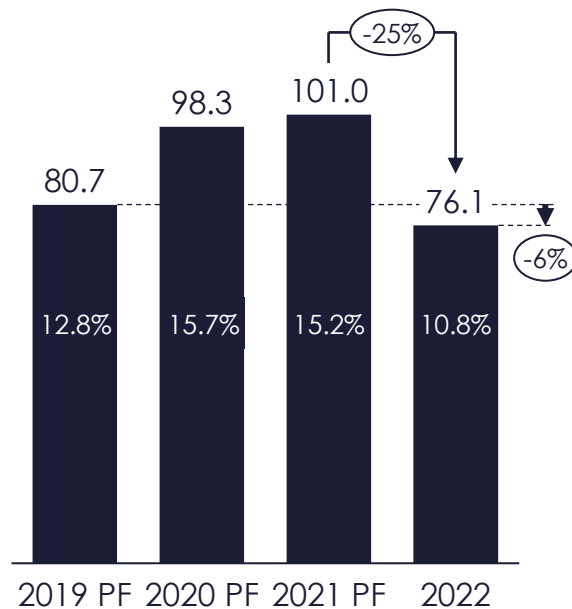
## COMPARABLE EBITDA, EUR MILLION, Q4



- Comparable EBITDA Q4 2022 9.4 (14.9) %
- The decline in profitability was related to the normalisation after Covid-19 and high input costs.
- An exceptional EUR 3.2 million correction to Globus Wine inventory values due to an accounting error. (No impact on inventory volumes.)
- The implemented price increased in the monopolies have only partly offset the increase in input costs.

# FY 2022 decline in profitability due to normalisation after Covid-19, high input costs and a correction to inventory values of Clobus Wine

## COMPARABLE EBITDA, EUR MILLION, FULL YEAR



- FY Comparable EBITDA 10.8 (15.2) %.
- The decline in profitability was related to the normalisation after Covid-19, lower gross margin and investments in brand marketing.
- An exceptional EUR 3.2 million correction to Globus Wine inventory values due to an accounting error.
- The implemented price increases in the monopolies have only part offset the high input costs.

# Balance sheet key figures

	2022	2021
Net debt / comparable EBITDA (rolling 12 months)	4.0	1.8
Borrowings, EUR million	247.5	162.6
Net debt, EUR million	300.9	126.0
Equity ratio, %	37.0	41.2
Gearing, %	62.5	24.8
Capital expenditure, EUR million	10.7	5.4
Total assets, EUR million	1301.3	1 233.3
Net cash flow from operations, EUR million	-0.4	50.8

- The **increase in net debt** was due to the acquisition of Globus Wine which was financed with debt.
- **Cash and cash equivalents** amounted to EUR 91.4 (168.9) million, while the interest-bearing debt including lease liabilities amounted to EUR 392.3 (295.0) million. The increase in interest-bearing debt was related to funding of the Globus Wine acquisition (EUR 85 million) and increase in IFRS 16 lease liabilities from Globus Wine.
- **The reported net debt** to comparable EBITDA was 4.0 (1.8) times. If including Globus Wine rolling 12-month figures, net debt/comparable EBITDA (rolling 12 months) would have been approx. 3.7 for Q1-Q4/22.
- **Cash flow from operations** was negatively impacted by the lower EBITDA and an increase in working capital, primarily due to a higher inventory level.

# Outlook 2023

- **Comparable EBITDA expected to be between EUR 80-90 million.**
- **Volumes in the monopolies are expected to be significantly lower than during COVID-19 restrictions.**
- **Input costs are expected to remain at a high level.**

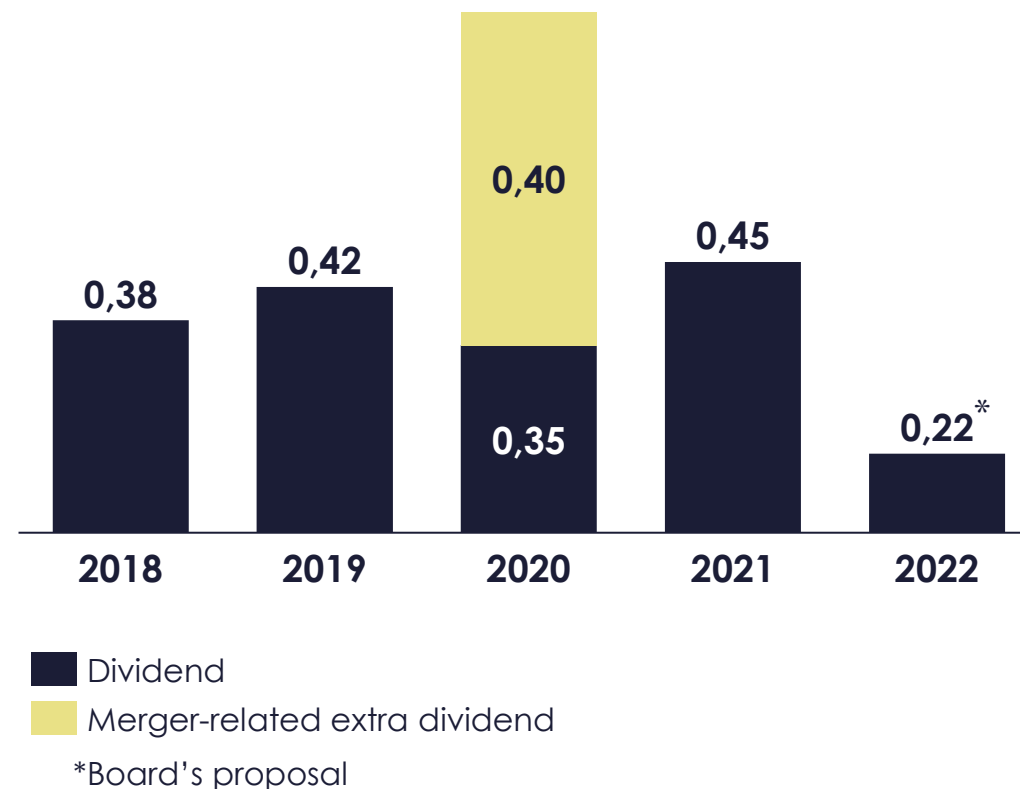




# Dividend proposal by Anora's Board of Directors

- Anora's Board of Directors proposes to the Annual General Meeting that a **dividend of EUR 0.22 per share** be paid for the financial year 2022. The dividend is proposed to be paid in two installments.
- In its proposal the Board aims to maintain a stable or increasing dividend with a dividend payout ratio of 50–70% of the result for the period, as stated in the long-term financial targets.
- **Payout ratio** of 83% and **effective dividend yield** of 3.0%
- Annual General Meeting on 19 April 2023.

ANORA



# ESG events in Q4

## Launch of the new Sustainability Roadmap: Regenerate the future

### New Roadmap with ambitious targets:

- Carbon-neutral Koskenkorva Distillery during 2026 and all own production by 2030 – without compensations
- Support regenerative farming and increase amount of regeneratively farmed barley to 30% of own grain-based spirits products



**ANORA**



In Q4, Anora officially committed to set science-based targets.



Anora joined the United Nations Global Compact as part of our commitment to being a responsible company.



O.P. Andersson 70cl was transferred to a new light-weight glass bottle that saves up to 74 800 kg glass every year.



A man and a woman are sitting at an outdoor table, smiling and holding glasses of red wine. The man is in the foreground, wearing glasses and a denim jacket. The woman is behind him, also smiling. They are surrounded by lush greenery, string lights, and colorful bunting flags, creating a warm and festive atmosphere.

**Q&A**

**ANORA**



# Summary

Net sales growth in Q4 on a declining market due to acquisitions

Profitability declined in Q4 due to declining markets, high input costs and inventory write-off

In Q4 we officially committed to science-based targets in our new Sustainability roadmap



# Closing remarks

ANORA

# Appendix

# Income statement

EUR million	Q4 22	Q4 21	2022	2021
<b>Net sales</b>	<b>221.6</b>	<b>205.6</b>	<b>702.7</b>	<b>478.2</b>
Other operating income	2.3	5.9	10.9	10.5
Materials and services	-134.8	-114.2	-414.3	-266.1
Employee benefit expenses	-24.5	-28.0	-93.8	-69.6
Other operating expenses	-45.8	-38.0	-137.6	-90.2
Depreciation, amortisation and impairment	-8.7	-7.8	-33.2	-20.5
<b>Operating result</b>	<b>10.2</b>	<b>23.5</b>	<b>34.7</b>	<b>42.4</b>
Finance income	2.1	0.8	5.6	1.2
Finance expenses	-6.5	-3.6	-17.5	-6.7
Share of profit in associates and joint ventures and income from interest in joint operations	0.0	0.4	0.6	1.7
<b>Result before taxes</b>	<b>5.9</b>	<b>21.1</b>	<b>23.4</b>	<b>38.6</b>
Income tax expense	-2.2	-3.9	-5.3	-7.4
<b>Result for the period</b>	<b>3.7</b>	<b>17.2</b>	<b>18.1</b>	<b>31.2</b>
Earnings per shares, basic and diluted	<b>0.05</b>	<b>0.25</b>	<b>0.26</b>	<b>0.67</b>

# Balance sheet

EUR million	32 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	310.5	277.8
Other intangible assets	226.1	196.7
Property, plant and equipment	76.7	71.3
Right-of-use assets	136.8	125.7
Investments in associates and joint ventures and interests in joint operations	20.7	16.3
Financial assets at fair value through other comprehensive income	0.7	0.7
Other receivables	0.0	0.1
Deferred tax assets	0.6	1.8
<b>Total non-current assets</b>	<b>772.1</b>	<b>690.3</b>
<b>Current assets</b>		
Inventories	186.2	139.7
Contract assets	0.2	0.2
Trade and other receivables	247.5	232.8
Current tax assets	3.9	1.3
Cash and cash equivalents	91.4	168.9
<b>Total current assets</b>	<b>529.2</b>	<b>543.0</b>
<b>Total assets</b>	<b>1301.3</b>	<b>1 233.3</b>

EUR million	31 Dec 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	61.5	61.5
Invested unrestricted equity fund	336.8	336.8
Legal reserve	0.5	0.4
Hedge reserve	4.2	1.7
Translation differences	-33.0	-15.0
Retained earnings	110.7	121.6
<b>Equity attributable to owners of the parent</b>	<b>480.5</b>	<b>507.0</b>
<b>Non-controlling interests</b>	<b>0.9</b>	<b>0.9</b>
<b>Total equity</b>	<b>481.4</b>	<b>507.9</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	57.3	48.4
Borrowings	216.0	136.1
Non-current liabilities at fair value through profit or loss	0.6	1.3
Lease liabilities	132.4	120.8
Other liabilities	0.0	0.0
Employee benefit obligations	2.7	3.0
<b>Total non-current liabilities</b>	<b>409.1</b>	<b>309.6</b>
<b>Current liabilities</b>		
Borrowings	31.5	26.5
Lease liabilities	12.4	11.6
Trade and other payables	364.1	374.4
Contract liabilities	0.5	0.4
Current tax liabilities	2.3	2.8
<b>Total current liabilities</b>	<b>410.9</b>	<b>415.7</b>
<b>Total liabilities</b>	<b>819.9</b>	<b>725.4</b>
<b>Total equity and liabilities</b>	<b>1301.3</b>	<b>1 233.3</b>



# ANORA

More information at [anora.com/en/investors](https://anora.com/en/investors)



in



ANORA