

ANORA

Q2 23 Results presentation

CEO Pekka Tennilä
CFO Sigmund Toth

25 August 2023

Today's agenda and speakers

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

ANORA



CEO Pekka Tennilä

CFO Sigmund Toth

In Q2, Growth in sales through Globus Wine, decline in profitability due to currency impact and increased input costs

<p>Net sales, EUR million</p> <p>182.7 (165.7)</p>	<p>Net sales excl. Globus Wine EUR million</p> <p>158.5</p>	<p>Comparable EBITDA, EUR million</p> <p>13.0 (18.9)</p>
<p>Profitability declined due to currency impact of EUR 5 million, and higher input costs.</p>	<p>Guidance for comparable EBITDA lowered to EUR 70–78 million for 2023.</p>	
<p>Sales growth due to Globus Wine. Sales without Globus increased by 1.3% in local currencies.</p>	<p>Savings program, profitability improvement in Globus Wine, and price increases to bring results in H2.</p>	



Market development

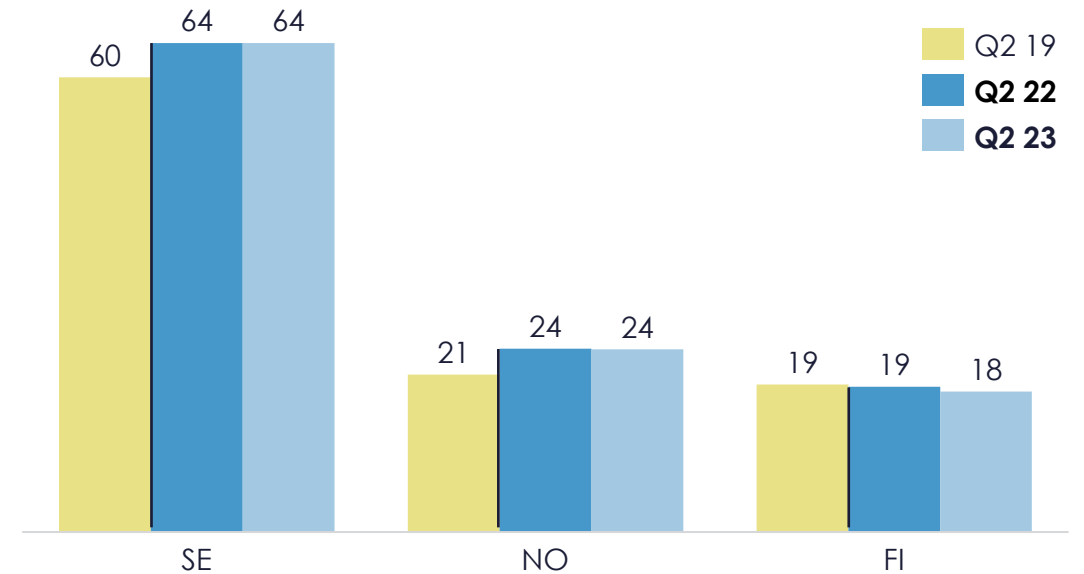
Sales in monopolies in slight decline

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC

% change compared to previous year	Q2 2023	Q2 2022	H1 23	H1 22	2022
Nordics, total sales volumes	-1.5	-7.5	-1.9	-10.8	-8.4
Spirits	-4.4	-5.3	-4.2	-8.1	-7.3
Wine	-1.0	-7.8	-1.6	-11.2	-8.6
Finland, total sales volumes	-3.2	-11.3	-4.1	-11.6	-9.9
Spirits	-4.1	-6.3	-3.9	-7.1	-6.6
Wine	-2.9	-12.9	-4.2	-13.2	-11.1
Sweden, total sales volumes	-0.1	-1.4	-0.8	-4.8	-3.6
Spirits	-1.9	-3.2	-2.4	-5.5	-4.6
Wine	0.1	-1.2	-0.7	-4.7	-3.4
Norway, total sales volumes	-2.7	-15.1	-2.4	-20.1	-18.1
Spirits	-6.8	-10.5	-6.2	-14.0	-15.4
Wine	-2.1	-15.8	-1.8	-21.0	-18.5
Denmark, total sales volumes	-2.3	-10.7	-2.5	-14.0	-8.4
Spirits	-7.1	-2.4	-5.9	-8.3	-4.6
Wine	-1.5	-11.9	-2.0	-14.8	-9.1

Source: Systembolaget, Vinmonopolet, Alko and Nielsen IQ. Does not include on-trade.
In chart: millions of litres.

NORDIC MONOPOLY SALES VOLUMES OF WINE AND SPIRITS TOGETHER

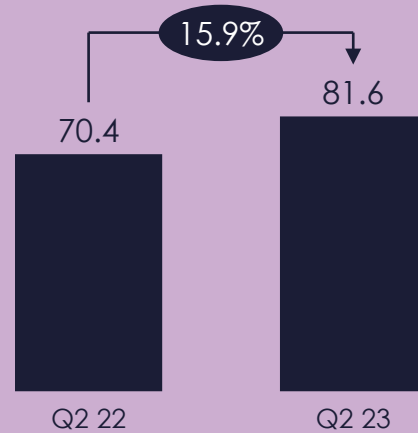


Wine

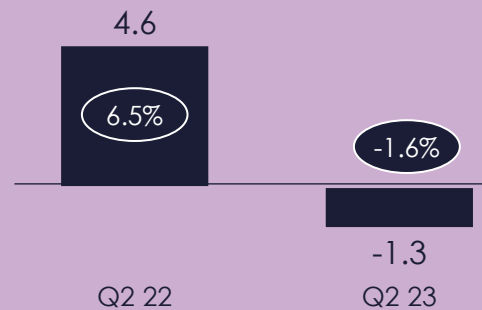
Q2 Highlights

- **Net sales** increased to EUR 81.6 million due to Globus Wine.
- Net sales without Globus Wine decreased.
- Own wines grew sales while partner wines declined.
- Market share grew in Norway and Denmark, declined in Sweden and Finland.
- **EBITDA** weakened due to weak NOK and SEK, previous partner losses, and higher input costs.
- Lower than expected profitability of Globus Wine.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



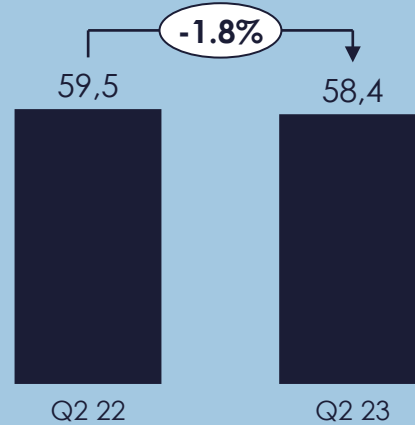
New own and partner wines in Q2



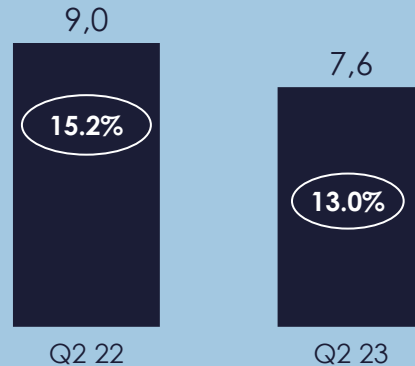
Q2 Highlights

- **Net sales** decreased to EUR 58.4 million
- Sales decrease mainly due to currency rates and the timing of Easter. Monopoly sales flat in local currencies, international sales increased, Koskenkorva leading the way.
- Market share increased in Norway, decreased slightly in Finland and Sweden.
- **EBITDA** weakened due to weak currency rates and higher input costs.

NET SALES, MEUR



COMP. EBITDA, MEUR AND % of NET SALES



Successful product launches and tender wins

Sweden – Koskenkorva Organic and 7 Botanicals

Finland – Barracuda Pineapples and new no and low - alcohol products in groceries, a new Koskenkorva shop-in-shop at Helsinki-Vantaa airport

Norway – Komiteens Sommeraquavit and Classic Cocktail Raspberry Mojito 1.5 l BIB

In Global Travel Retail – Hernö Travelers Exclusive Gin



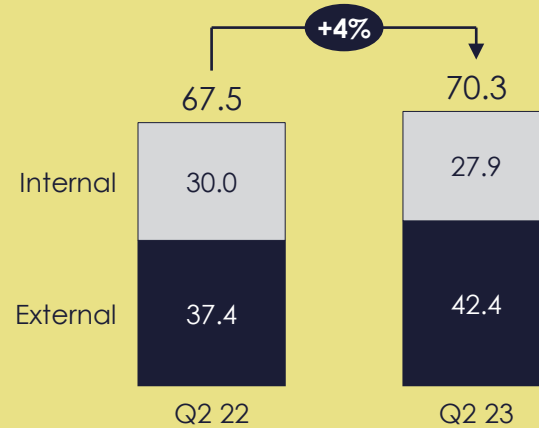


Industrial

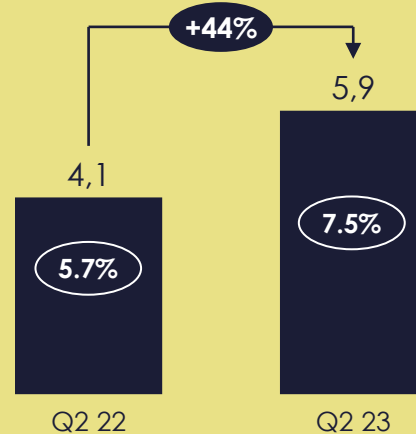
Q2 Highlights

- **External net sales** grew by 13%.
- Net sales in industrial services increased due to higher volume and sales prices.
- Net sales of industrial products decreased due to low demand of starch from pulp and paper industry.
- In Vectura, net sales increased in local currency, but were negatively impacted by the NOK exchange rate.
- **EBITDA** improved due to pricing and stabilising material prices.

NET SALES, MEUR



COMP. EBITDA, MEUR AND % OF NET SALES



Sustainability highlights in Q2



Planet

- The process water circulation heat pump at Koskenkorva Distillery taken into full use to reduce CO₂ emissions



People

- Lost time injury frequency LTIF 4.1 (7.8)
- A shared human rights due diligence approach, and human rights reporting against Norwegian Transparency Act



Product

- Use of recycled material increasing
- Other climate smart packages introduced, such as lighter weight glass bottles and Leijona cocktail in a pouch

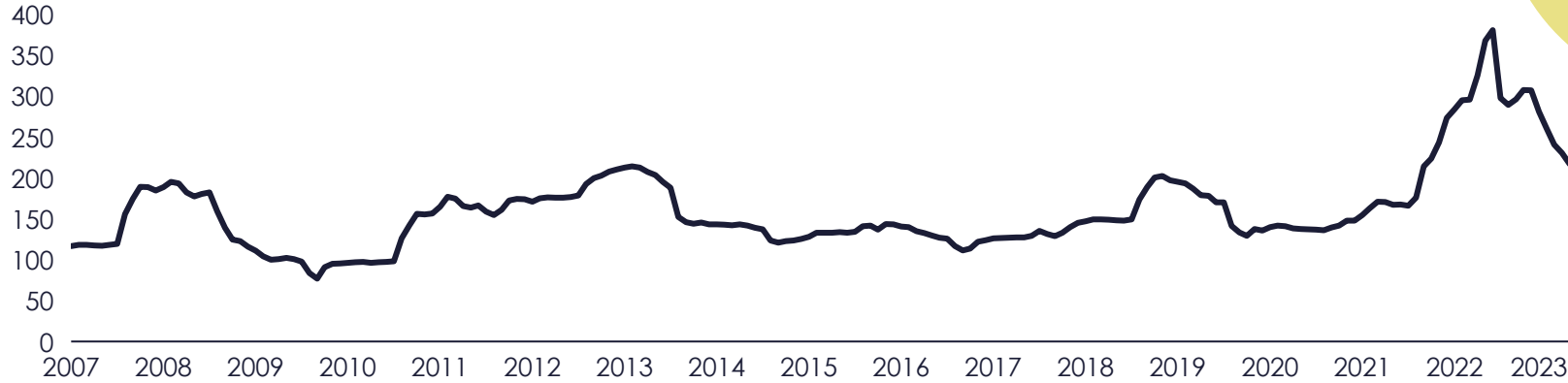


Financial review



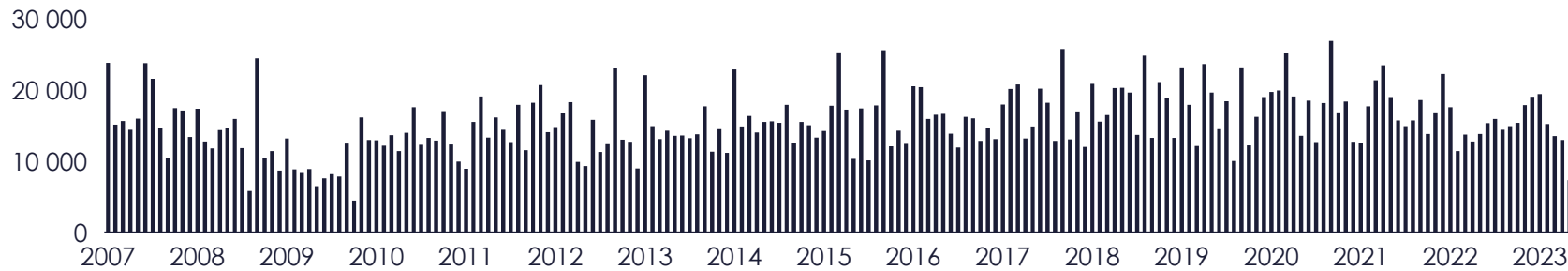
Barley sourcing

BARLEY PRICE DEVELOPMENT (EUR/TN)*



In Q2 23
Anora used
38.7 (44.3)
million kilos
of grain

ANORA'S MONTHLY SOURCING VOLUMES (TN)



Key principles for barley sourcing:

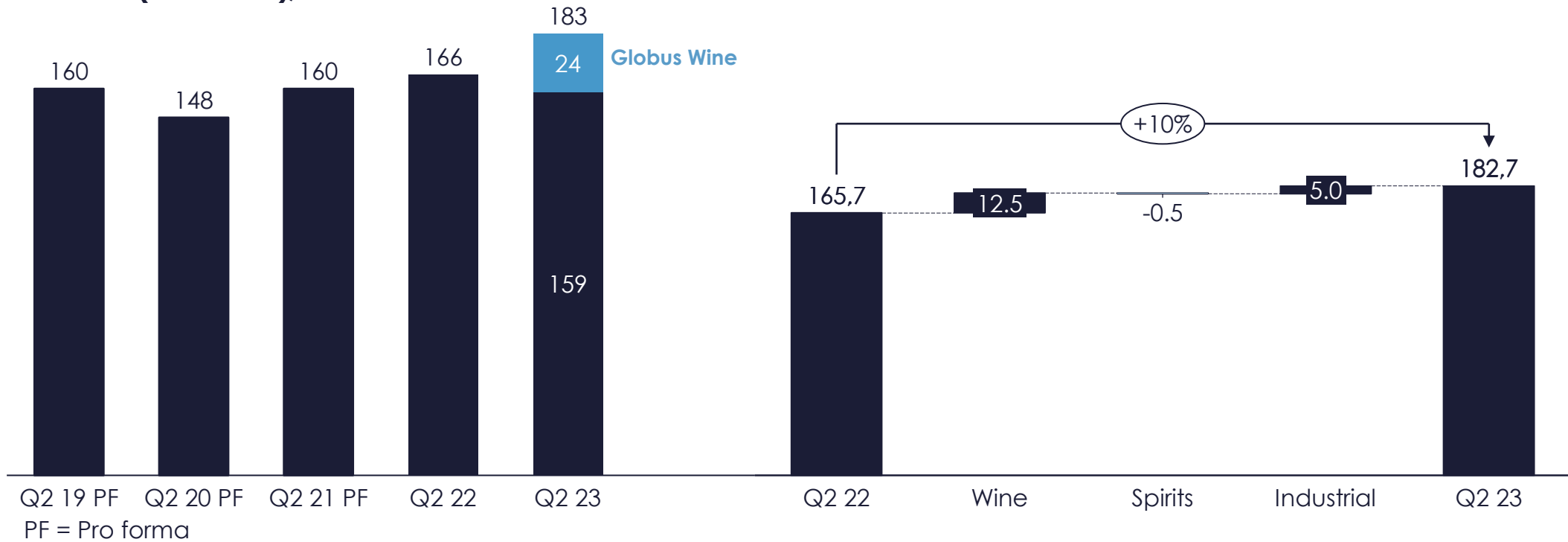
- Purchased at spot prices; no hedging tools available for barley
- In Q2 average monthly sourcing volume 12 000 tn
- About 1 month inventory; volumes and purchase prices are fixed a couple of months ahead
- In 2023, due to Anora's purchasing agreements, the lower price of barley will not have a significant impact on production costs before the second half of 2023.
- Harvest in August-September

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

In Q2, net sales increased due to Globus Wine

In local currencies net sales without Globus Wine increased by 1.3%

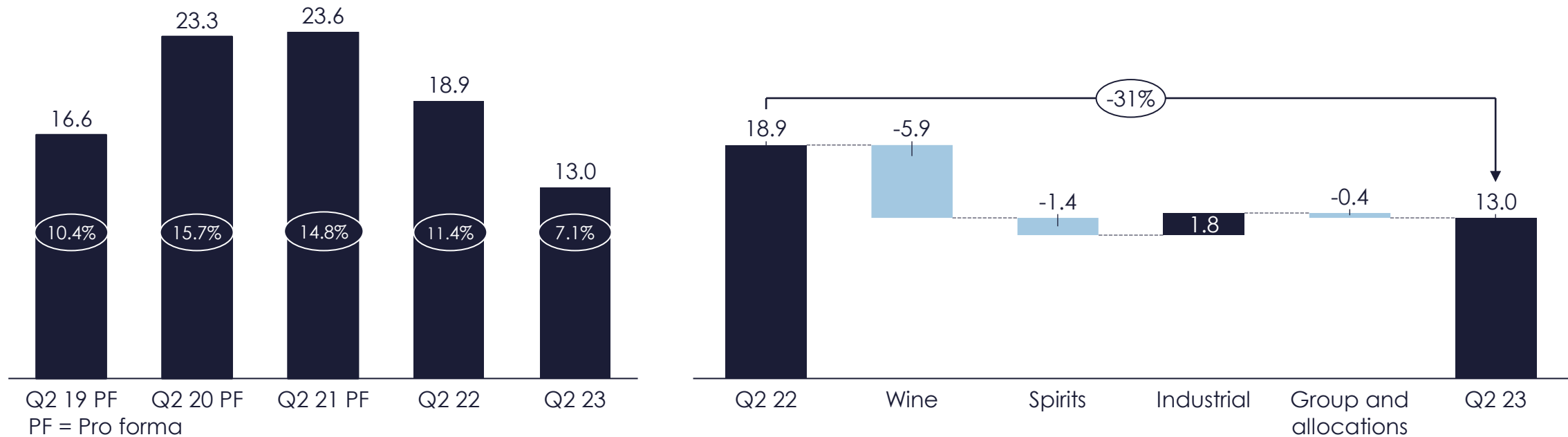
Q2 NET SALES (EXTERNAL), MEUR



Profitability weakened during Q2

Price increases only partly offset the impact of currency rates and high input costs. Profitability of Globus Wine lower than expected.

COMPARABLE EBITDA, MEUR AND % OF NET SALES



Balance sheet key figures

	H1 23	H1 22	2022
Net debt / comparable EBITDA (rolling 12m)	3.9	2.4	4.0
Borrowings, EUR million	270.6	251.5	247.5
Net debt, EUR million	253.1	201.3	300.9
Equity ratio, %	36.2	39.4	37.0
Gearing, %	57.9	42.2	62.5
Capital expenditure, EUR million	-5.6	-5.5	10.7
Total assets, EUR million	1 209.8	1 211.4	1 301.3
Net cash flow from operations, EUR million	49.0	-43.7	-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, and currency exchange rates.
- The receivables sold amounted to EUR 125.9 (50.0) million at the end of the reporting period.
- Inventory levels still too high, expected to be lower by end of the year.

Events after the period

Appointment in the Executive Management Team

Risto Gaggl has been appointed as Senior Vice President, Industrial and member of Anora's Executive Management Team as of 1 January 2024. Hannu Tuominen, current Senior Vice President, Industrial, will retire at the end of 2023. Risto Gaggl will join Anora on 1 October 2023.

Risto Gaggl

- Born 1968
- Master's degree in production technology, Helsinki University of Technology
- Over 25 years of international experience in managing and optimising business operations in different positions mainly at Fiskars Group and in Elcoteq Group.



Outlook 2023

**Guidance updated on 15 August:
Comparable EBITDA expected to be EUR
70-78 million.** Previous guidance: 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

ANORA

Closing remarks

**Q2 EBITDA
impacted by
currency exchange rates**

**Revised guidance:
comparable EBITDA
70-78 MEUR**

**Risto Gaggl
appointed as new
SVP Industrial**

Appendix

Q2 2023 income statement

EUR million	Q2 23	Q2 22	H1 23	H1 22	2022
Net sales	182.7	165.7	342.2	299.2	702.7
Other operating income	1.9	2.8	4.0	5.2	10.9
Materials and services	-113.6	-95.3	-210.7	-170.8	-414.3
Employee benefit expenses	-26.5	-23.0	-52.0	-46.4	-93.8
Other operating expenses	-34.6	-34.9	-66.9	-59.9	-137.6
Depreciation, amortisation and impairment	-8.3	-7.8	-16.8	-15.6	-33.2
Operating result	1.6	7.5	-0.1	11.7	34.7
Finance income	7.7	1.5	11.9	2.4	5.6
Finance expenses	-13.7	-3.7	-23.2	-7.0	-17.5
Share of profit in associates and joint ventures and income from interest in joint operations	-0.3	0.0	0.8	0.9	0.6
Result before taxes	-4.7	5.4	-10.6	8.0	23.4
Income tax expense	0.6	-1.0	0.9	-1.6	-5.3
Result for the period	-4.2	4.4	-9.7	6.5	18.1
Earnings per shares, basic and diluted	-0.06	0.06	-0.14	0.09	0.26

H1 balance sheet

EUR million	30 June 2023	30 June 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	299.9	270.9	310.5
Other intangible assets	208.4	188.2	226.1
Property, plant and equipment	74.6	70.4	76.7
Right-of-use assets	118.9	115.3	136.8
Investments in associates and joint ventures and interests in joint operations	20.3	16.3	20.7
Financial assets at fair value through other comprehensive income	0.7	0.7	0.7
Other receivables	0.0	-	0.0
Deferred tax assets	0.6	0.9	0.6
Total non-current assets	723.4	662.7	772.1
Current assets			
Inventories	214.9	169.0	186.2
Trade and other receivables	116.5	202.6	247.7
Current tax assets	10.6	4.2	3.9
Cash and cash equivalents	144.5	172.8	91.4
Total current assets	486.4	548.7	529.2
Total assets	1209.8	1211.4	1 301.3

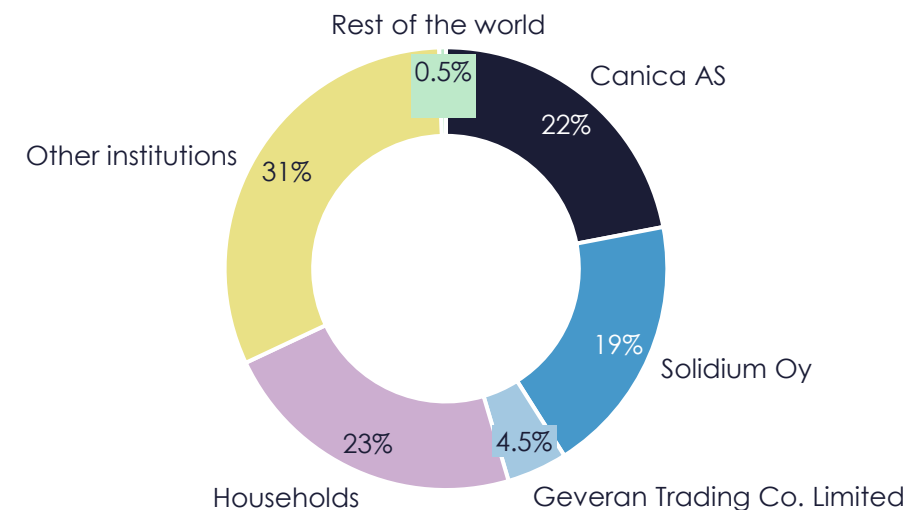
EUR million	30 June 2023	30 June 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	61.5	61.5	61.5
Invested unrestricted equity fund	336.8	336.8	336.8
Legal reserve	0.5	0.5	0.5
Hedge reserve	0.5	7.1	4.2
Translation differences	-55.9	-27.9	-33.0
Retained earnings	93.7	98.2	110.7
Equity attributable to owners of the parent	437.0	476.1	480.5
Non-controlling interests	0.6	0.7	0.9
Total equity	458.9	476.8	481.4
Non-current liabilities			
Deferred tax liabilities	52.6	47.8	57.3
Borrowings	215.4	217.0	216.0
Non-current liabilities at fair value through profit or loss	0.5	0.9	0.6
Lease liabilities	115.5	111.5	132.4
Other liabilities	0.0	0.0	0.0
Employee benefit obligations	2.4	2.9	2.7
Total non-current liabilities	386.4	380.2	409.1
Current liabilities			
Borrowings	55.2	34.5	31.5
Lease liabilities	11.5	11.1	12.4
Trade and other payables	316.8	308.2	364.6
Current tax liabilities	2.3	0.6	2.3
Total current liabilities	385.9	354.4	410.9
Total liabilities	772.3	734.6	819.9
Total equity and liabilities	1 209.8	1 211.4	1 301.3

Anora's top 10 shareholders 30 June 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.	390 502	0.6
Savolainen Heikki Antero	305 466	0.5
OP Life Insurance Company Limited	249 464	0.4
Itikka Osuuskunta	178 745	0.3
Mutual Fund Local Tapiola Consumer	176 772	0.3
10 biggest owners in total	19 559 375	29.0
Nominee-registered shares	39 427 011	41.6
Total	67 553 624	100

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.

Anora's Executive Management Team

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

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More information: www.anora.com

investor.relations@anora.com

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