

ANORA

Q4 21 Results presentation

CEO Pekka Tennilä

CFO Sigmund Toth

10 March 2022

Today's agenda and speakers

Anora overview

Business Review

- Market development
- Stand-alone review: Altia
- Stand-alone review: Arcus

Financial Review

Closing remarks and Q&A



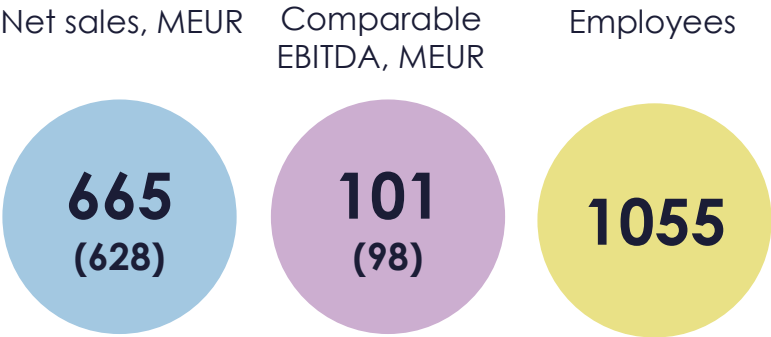
CEO Pekka Tennilä



CFO Sigmund Toth

The leading wine and spirits brand house in the Nordic region and an industry forerunner in sustainability

Key figures 2021 (pro forma)



The leading player in the Nordic region



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By joining our forces we are stronger and have better growth opportunities

1.
Market leader
in the profitable
and stable
Nordic wine
and spirits

2.
Global industry
forerunner
in sustainability

3.
Step-change
in scale drives
productivity

4.
Capacity to
grow in and
outside the
Nordics

Strong full-year 2021, Q4 impacted by lower sales in monopolies and increasing costs

- COVID-19 restrictions in on-trade and travelling continued to impact market environment
- Strong results for 2021 – supported by the extraordinary high sales volumes in monopolies
- Pro forma net sales grew by 6%, comparable EBITDA by 3%
- In Q4, wine and spirits markets going back to normal and historically sharp increase in input costs, especially barley
- Merger integration progressed according to plan and on schedule
- Board's dividend proposal EUR 0.45 per share for the financial year 2021 – Annual General Meeting on 11 May 2022

	<u>Pro forma</u>		<u>Reported</u>	
	Q4	2021	Q4	2021
Net sales, MEUR	205.6 (196.5)	665.0 (627.7)	205.6 (106.5)	478.2 (342.4)
Comparable EBITDA, MEUR	30.6 (36.3)	101.0 (98.3)	31.4 (19.0)	71.7 (52.4)

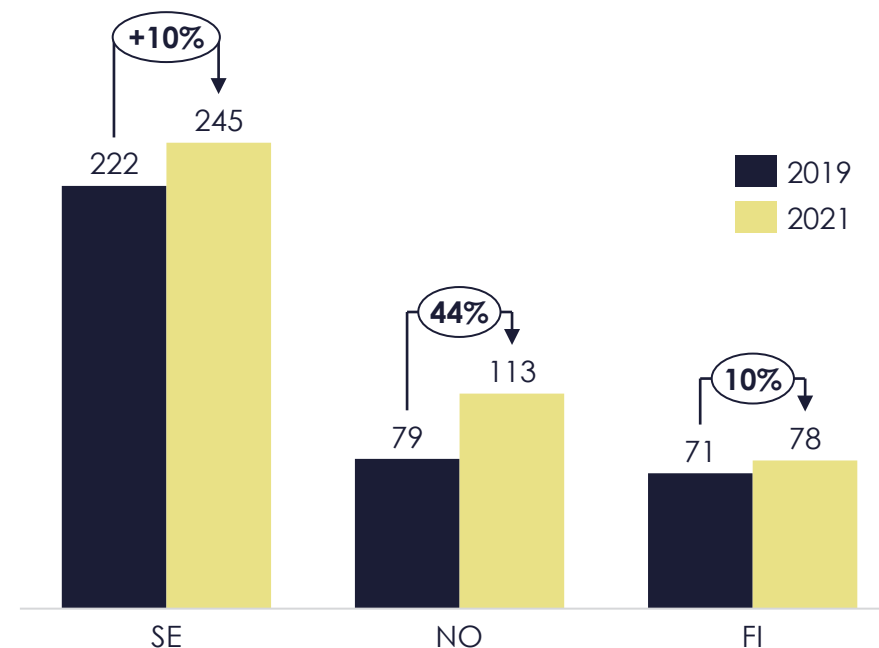
Market development

Monopoly volumes are expected to return to pre-pandemic levels

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC MONOPOLIES

	Q4 21	Q4 20	2021	2020
Nordics, total sales volumes*	-7.3	+18.6	-0.2	17.1
Spirits	-3.7	+21.6	+3.0	18.5
Wine	-7.9	+18.1	-0.8	16.9
Finland, total sales volumes	-9.3	+14.8	-4.3	13.7
Spirits	-6.0	+13.2	-2.8	10.4
Wine	-10.4	+15.4	-4.9	15.0
Sweden, total sales volumes	-3.8	+9.7	+0.1	10.0
Spirits	+0.2	+19.5	+6.1	18.8
Wine	-4.3	+8.6	-0.6	9.2
Norway, total sales volumes	-12.6	+45.7	+2.2	40.4
Spirits	-6.1	+37.9	+6.7	32.1
Wine	-13.9	+47.2	+1.5	41.8

During the pandemic, the monopoly volumes* have been extraordinarily strong, and the 2021 volumes remained well above the 2019 levels, despite the lower volumes in the second half.



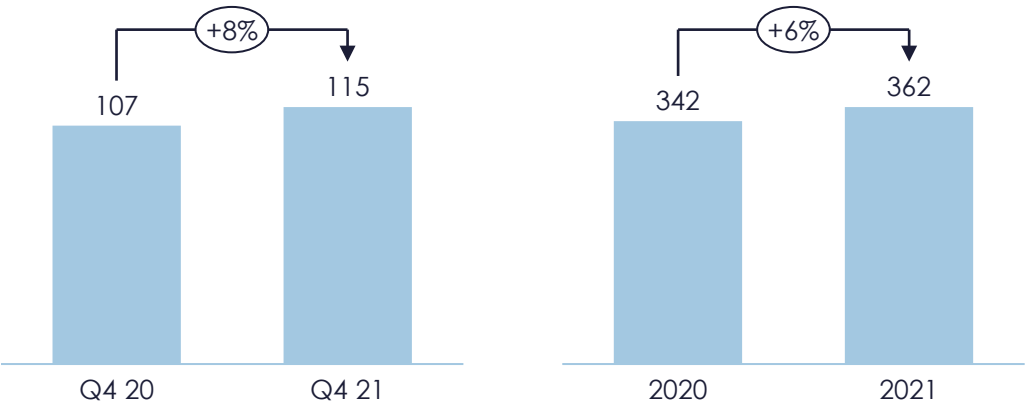
Former Altia

Highlights

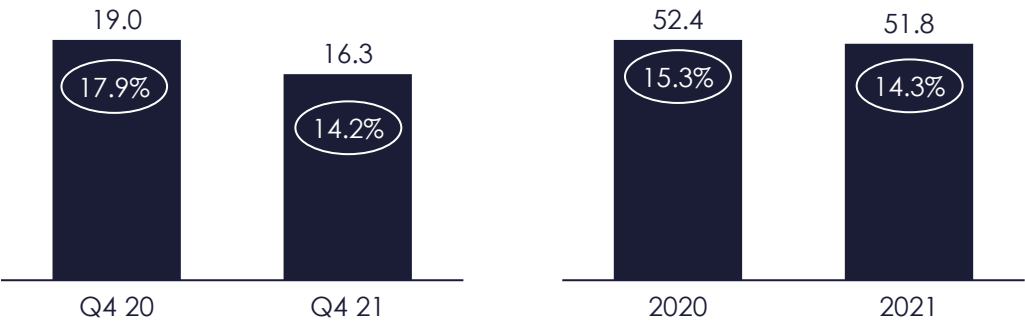
- Q4 **net sales** growth 7.9% to EUR 114.9 (106.5) million, growth in constant currencies 6.8%
- 2021 net sales growth 5.8% to 362.3 (342.4) million, growth in constant currencies 4.4%

- In Q4, **comparable EBITDA** was EUR 16.3 (19.0) million, 14.2% (17.9%) of net sales
- 2021 comparable EBITDA amounted to EUR 51.8 (52.4) million, 14.3% (15.3%)

Net sales, MEUR



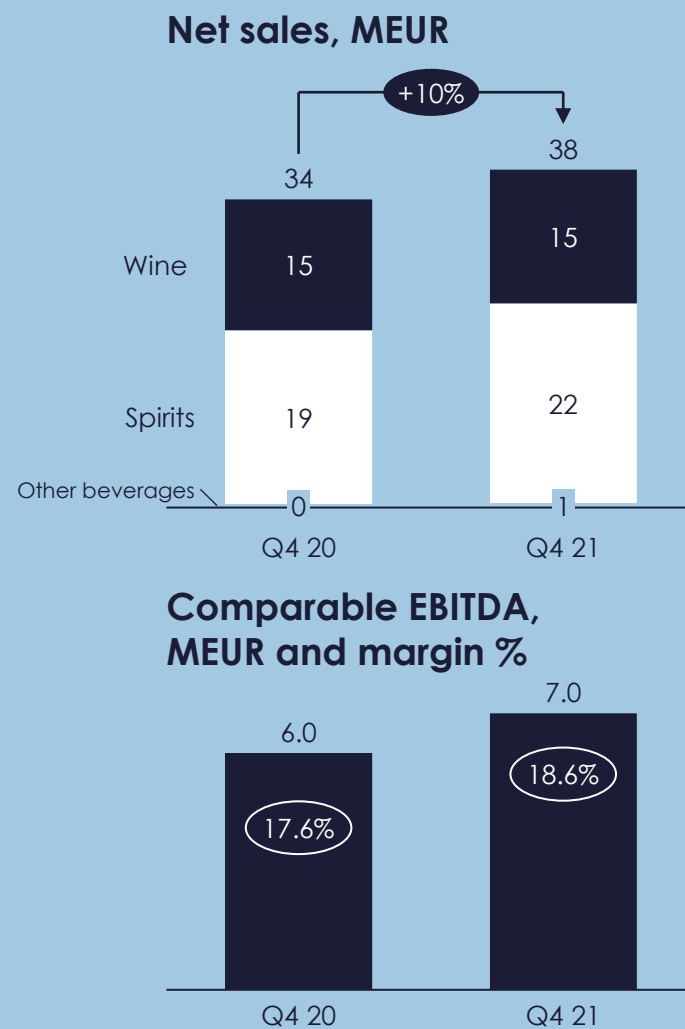
Comparable EBITDA, MEUR and margin %



Altia: Finland & Exports

Q4 Highlights

- **Net sales** grew by 9.8% to EUR 37.7 (34.4) million
- Key growth drivers were the good recovery of travel retail, exports and on-trade, and the positive sales development in the Baltics
- Sales to the monopoly declined mainly due to the overall lower market volumes and the weaker development of own wine brands
- **Profitability** improvement driven by the increased volumes in travel retail and exports



Product launches in Q4



Altia: Scandinavia

Q4 Highlights

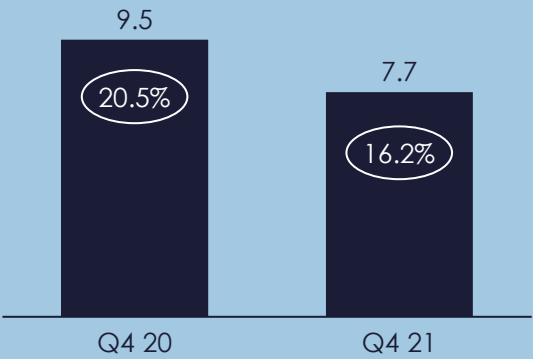
- **Reported net sales** grew by 1.7% to EUR 47.2 (46.4) million
- In constant currencies net sales -0.8%
- Merger-related divestment of brands impacted spirits sales
- In Sweden, strong Blossa season, new partners and novelties, strong recovery of on-trade
- In Norway, recovery of on-trade and higher spirits sales.
- **Profitability** declined mainly due to brand divestments and increased marketing spend due to a higher activity level

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Net sales, MEUR



Comparable EBITDA, MEUR and margin %



Product launches in Q4

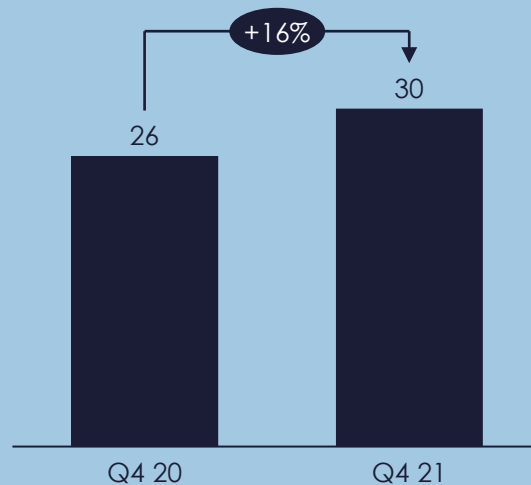


Altia Industrial

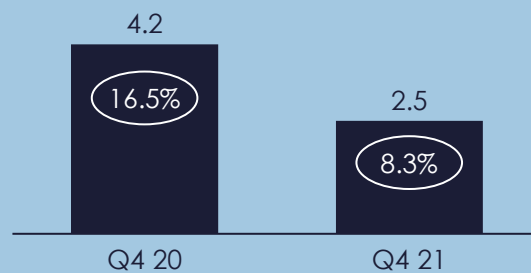
Q4 Highlights

- **Net sales** grew by 16.4% to EUR 29.9 (25.7) million
- Higher contract manufacturing volumes
- Pricing due to the increased cost of barley
- **Profitability** declined due to record-high cost of barley, higher cost of imported ethanol, and higher operating expenses in logistics

Net sales, MEUR



Comparable EBITDA, MEUR and margin %



Production and key projects

- To mitigate the impact of the record-high cost of barley, the Koskenkorva Distillery's running speed was lowered in Q4
- Barley consumption in Q4 49.8 (53.8) million kilos, YTD 208.5 (214.1) million kilos

Financial Statements Bulletin 2021 | 10 March 2022

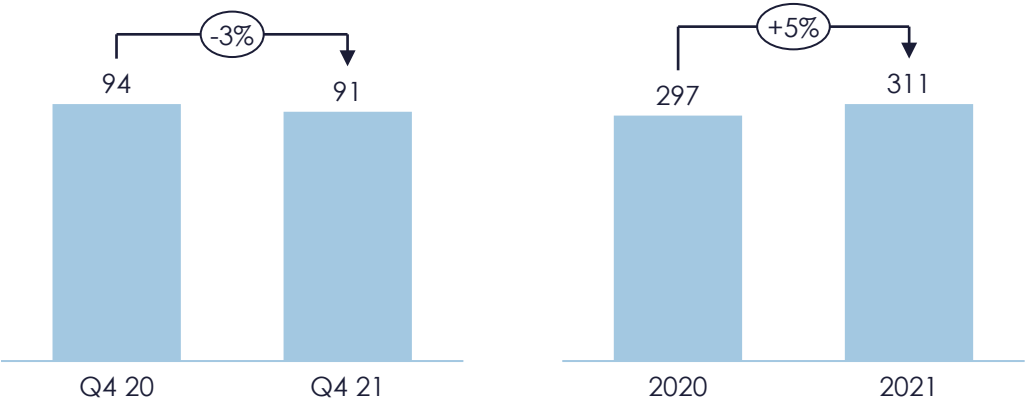
Former Arcus

Highlights

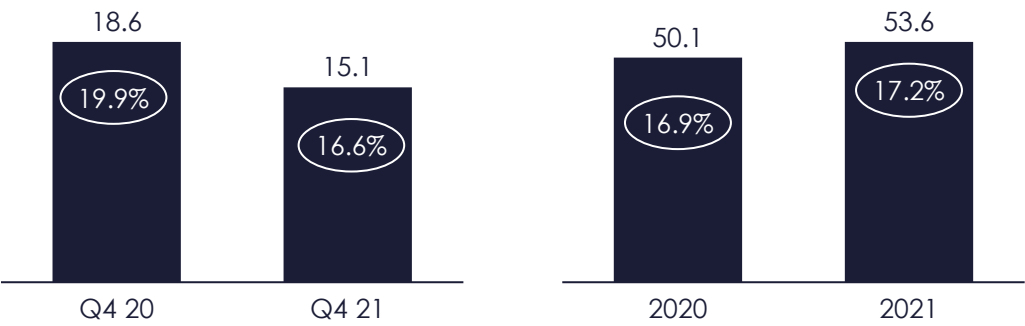
- Q4 reported **net sales** declined 3.0% to EUR 90.7 (93.5) million
- In constant currencies net sales declined 5.9%
- 2021 reported net sales growth 4.7% to EUR 311.1 (297.1) million, in constant currencies 0.6%

- In Q4, **comparable EBITDA** was EUR 15.1 (18.6) million, 16.6% (19.9%) of net sales
- 2021 comparable EBITDA amounted to EUR 53.6 (50.1) million, 17.2% (16.9%)

Net sales, MEUR



Comparable EBITDA, MEUR and margin %

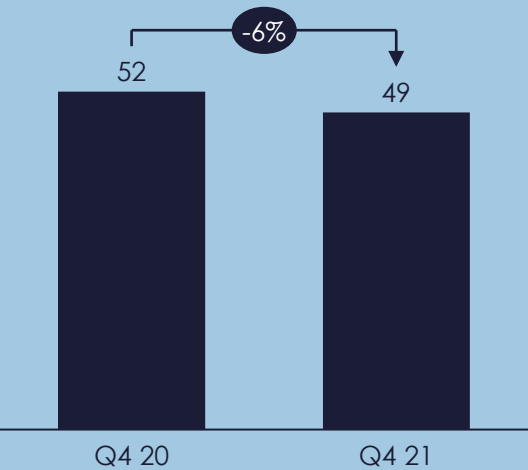


Arcus: Wine

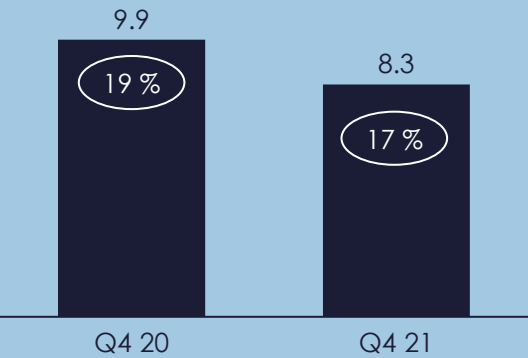
Q4 Highlights

- **Reported net sales** declined by 6.0% to EUR 49.0 (52.2) million
- Net sales in constant currencies -8.5%
- Lower market volumes in all three monopolies after COVID-19, weaker demand for bag-in-boxes
- In Norway, despite good performance of own brands, net sales declined, Sweden at last year's level, Finland impacted by partner changes
- **Profitability** declined mainly due to lower sales volumes, a product mix with less bag-in-boxes and higher marketing spend

Net sales, MEUR



Comparable EBITDA, MEUR and margin %



Product launches in Q4



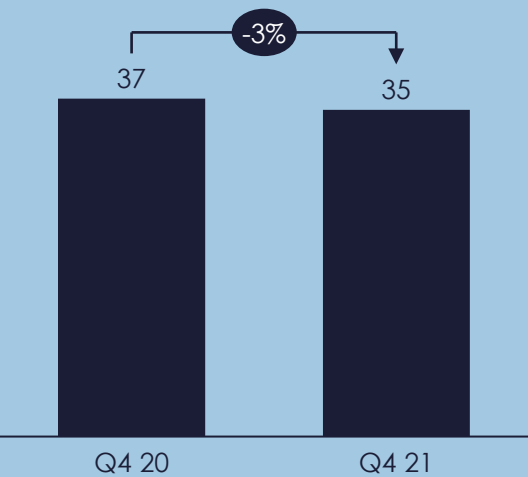
Note: Figures on pages 12-14 are based on the stand-alone performance of Arcus. This information is provided temporarily only.

Arcus: Spirits

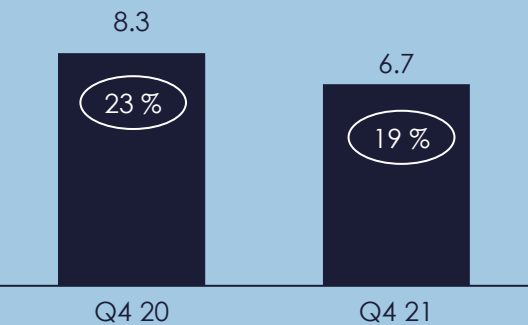
Q4 Highlights

- **Reported net sales** declined by 3.3% to EUR 35.3 (36.5) million
- Net sales in constant currencies -6.4%
- Calculated on external spirits sales, net sales in constant currencies 6.0%*
- Key drivers were lower market volumes in the monopoly markets and the merger-related divestment of brands
- **Profitability** declined due to lower sales volumes driven by market development, partner portfolio changes and brand divestment

Net sales, MEUR



Comparable EBITDA, MEUR and margin %



Product launches in Q4



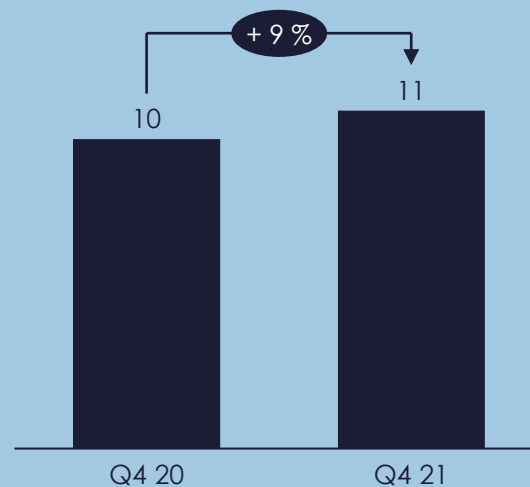
*) External net sales excludes internal sales between segments i.e. wine bottling
Note: Figures on pages 12-14 are based on the stand-alone performance of Arcus. This information is provided temporarily only.

Arcus: Logistics

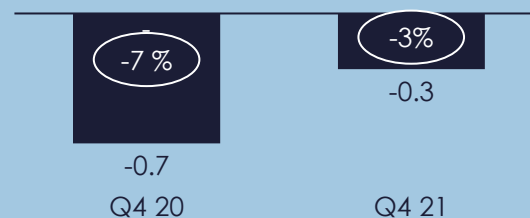
Q4 Highlights

- Distributed **volume** 17.0 million litres, down 10.9% due to markets normalising
- **Reported net sales** grew by 8.5% to EUR 10.7 (9.8) million
- Net sales in constant currencies 1.8%
- Price adjustments and channel mix have contributed positively to net sales and offset the volume decline
- Decline in **comparable EBITDA** related to need for increased staffing and external warehousing

Net sales, MEUR



Comparable EBITDA, MEUR and margin %



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Note: Figures on pages 14-17 are based on the stand-alone performance of Arcus. This information is provided temporarily only.

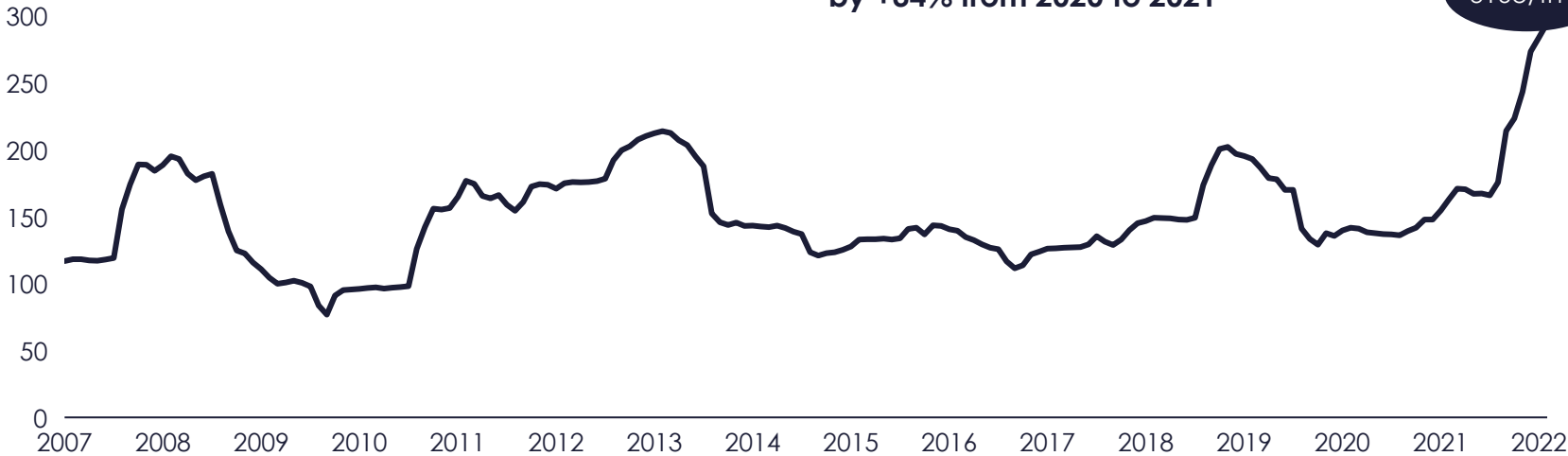


Financial review

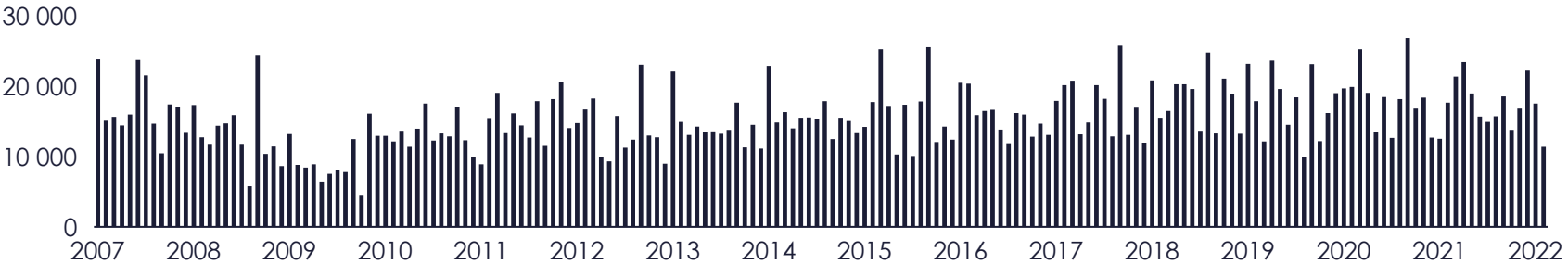


Barley sourcing

Barley price development (EUR/tn)*



Anora's monthly sourcing volumes (tn)



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*Average feed barley market price excl. premiums for 2007-Jan 2022 (source: Luke)
** Anora quote for barley (8 March 2022)

In 2021, Anora used 208.5 (214.1) million kilos of Finnish grain

- 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

Key figures

	Q4 21	Q4 20	2021	2020
Net sales, EUR million	205.6	106.5	478.2	342.4
Comparable EBITDA, EUR million	31.4	19.0	71.7	52.4
% of net sales	15.3	17.9	15.0	15.3
EBITDA, EUR million	31.3	13.5	62.9	40.3
Operating result, EUR million	23.5	9.3	42.4	22.9
Result for the period, EUR million	17.2	7.3	31.2	17.8
Earnings per share, basic, EUR	0.25	0.20	0.67	0.49

- Arcus has been consolidated to Anora as of 1 September 2021, full-year figures include Anora for four months (Sep-Dec)
- Positive impact on net sales of EUR 90.7 million in Q4; EUR 115.8 million YTD
- Positive impact on comparable EBITDA of EUR 15.1 million in Q4; EUR 19.8 million YTD
- Items affecting comparability (IAC) totalled EUR -0.1 million in Q4; EUR -8.8 million YTD

Balance sheet key figures

	2021	2020
Reported net debt / comparable EBITDA	1.8*	-0.1
Borrowings, EUR million	162.6	116.1
Net debt, EUR million	126.0	-3.9
Equity ratio, %	41.2	34.3
Gearing, %	24.8	-2.5
Capital expenditure, EUR million	-5.4	-7.0
Total assets, EUR million	1 233.3	455.6
Net cash flow from operations, EUR million	50.8	56.1

- Arcus has been consolidated to Anora as of 1 Sep 2021
- Full-year key figures based on cash flow statement include Arcus cash flow numbers for four months
- Key figures based on balance sheet include Arcus balance sheet as at 31 December 2021. Balance sheet at Q4 reflects actual balance sheet
- Increase in net debt due to the Altia and Arcus merger as the balance sheet of former Arcus included significant lease liabilities due to IFRS 16 standard relating mainly to Gjelleråsen plant and bank debt.

*Net debt / comparable EBITDA, if calculated using pro forma figures, would have been 1.2 for 2021.

Pro forma key figures

	Q4 21	Q4 20	2021	2020	2019
Net sales, EUR million	205.6	196.5	665.0	627.7	629.0
Comparable EBITDA, EUR million	30.6	36.3	101.0	98.3	80.7
% of net sales	14.9	18.5	15.2	15.7	12.8
EBITDA, EUR million	32.3	35.6	95.2	96.3	48.1*
Operating result, EUR million	24.5	27.7	64.0	64.4	14.5*
Result for the period, EUR million	18.0	20.2	43.1	47.6	0.5*
Earnings per share, basic, EUR	0.26	0.30	0.63	0.70	0.01*

*The merger adjustments in 2019 include one-time impacts from merger related management remuneration and transaction costs of EUR 26.3 million.

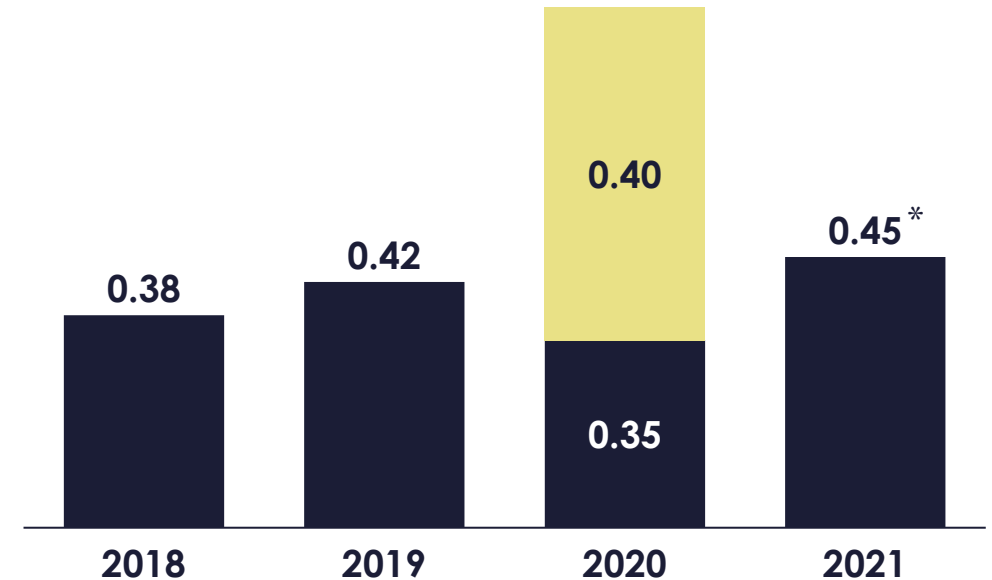
Note: Pro forma information is not necessarily indicative of what Anora's historical financial performance actually would have been had the merger been completed as of the date indicated and does not purport to project the operating results of Anora as of any future date.

- Presents an illustrative and hypothetical situation as if merger completed on 1 Jan 2019
- Assets acquired and liabilities assumed recognised at provisional fair values
- Altia's accounting principles applied
 - Arcus reclassified and translated to EUR
- Key merger adjustments:
 - Net sales and expenses adjusted by remedies
 - Merger-related costs have been recorded
 - Inventory step-up recorded as expense in 2019
- **Read more** in Pro forma stock exchange release published on 18 Nov 2021

Dividend proposal by Anora's Board of Directors

- Anora's Board of Directors proposes to the Annual General Meeting that a **dividend of EUR 0.45 per share** be paid for the financial year 2021.
- In its proposal the Board has **considered former Altia's dividend policy** to pay 60% or more of the result for the period as a dividend to the shareholders. Anora's financial targets including a dividend policy will be set in connection with the on-going strategy process.
- **Payout ratio** of 68% and **effective dividend yield** of 4.1%
- Annual General Meeting on 11 May 2022

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■ Dividend

■ Merger-related extra dividend

*Board's proposal

Outlook 2022

- **Comparable EBITDA expected to be between EUR 75-85 million**
- Corresponds to the **pre-pandemic level**
- Takes into account the **annual impact of EUR 4.6 million** of the divestment of Anora brands due to the merger
- **Volumes in the monopolies are expected to be significantly lower** than in 2020 and 2021 as the lifting of COVID-19 restrictions result in higher on-trade, border trade and duty-free sales
- **Input costs are expected to remain at a high level**



Closing remarks and Q&A



Integration work and synergy capture progressing as planned

Integration plan and synergies after closing of merger

- Integration programme structured and initiatives assigned across 10 integration workstreams
- Run rate EUR 8-10 million EBITDA net synergies maintained by workstreams
- 80% realised within 2 years
- Post-closing integration costs estimated to be EUR 7-9 million in 2021-2022
- Merger-related divestment of brands completed on 1 Oct 2021 – annual impact of EUR 4.6 million on EBITDA

Current update and progress

- Focus on people processes, negotiations completed by year-end – today we work according to new operating model
- Wines: build and expand on the entrepreneurial model
- Spirits: innovation, product development and marketing and sales organisations to support growth of independent commercial units in monopoly markets
- Industrial: insourcing of third party logistics operations started, expected to complete in phases during 2022
- Run-rate of already realised cost synergies at EUR 5.1 million



Forerunner in sustainability: a selection of achievements in 2021

Striving for carbon neutral production

- **Nearly 100% recycling and recovery rate achieved** at Koskenkorva, Rajamäki and Gjelleråsen plants

Supporting a responsible drinking culture

- **16%** of former Altia's product portfolio was **low- and non-alcoholic** drinks
- Through recipe changes **5% less sugar** at Rajamäki

Leading in eco-friendly packaging

- **32%** of entire Anora's beverage packaging was made from **PET plastic**
- At Gjelleråsen the final **approval for PET bottle formats** was received for the Nordic-wide recycling deposit system

Promoting an inclusive and safe workplace

- LTIF* for former Altia was 5 (7)
- **Number of accidents at former Altia 6 (8) and 8 (9) for former Arcus**
- No injuries at Gjelleråsen
- Koskenkorva Distillery granted The Year Award in Starch Europe's Safety Program.

*LTIF= Lost time incidence frequency



Anora's new sustainability targets will be set during 2022.

Q&A



Say Yes
To Less
SUGAR

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Summary

**Q4 impacted by
lower monopoly
sales and
increasing costs**

**Strong full-year
results – Board's
dividend proposal
EUR 0.45 per share**

**2022 expected
comparable EBITDA
EUR 75-85 million:
lower monopoly
volumes, increasing
input costs and
significant
uncertainties**

Thank you!

Our next events:

Week 16	Annual Report
11 May	Annual General Meeting
19 May	Q1 Interim Report



More information: www.anora.com/investors
Investor Relations: tua.stenius-ornhjelm@anora.com

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Appendix

Strong value creation for shareholders from significant synergies

Synergy sources	
Cost	Sourcing and manufacturing
	Logistics and warehousing
	SG&A
	Other OPEX
Revenues	Expansion in core Nordic markets
	Acceleration in non-core and new markets

Potential run-rate EBITDA net synergies

EUR ~8-10m

About 80% realised within 2 years

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Q4 income statement

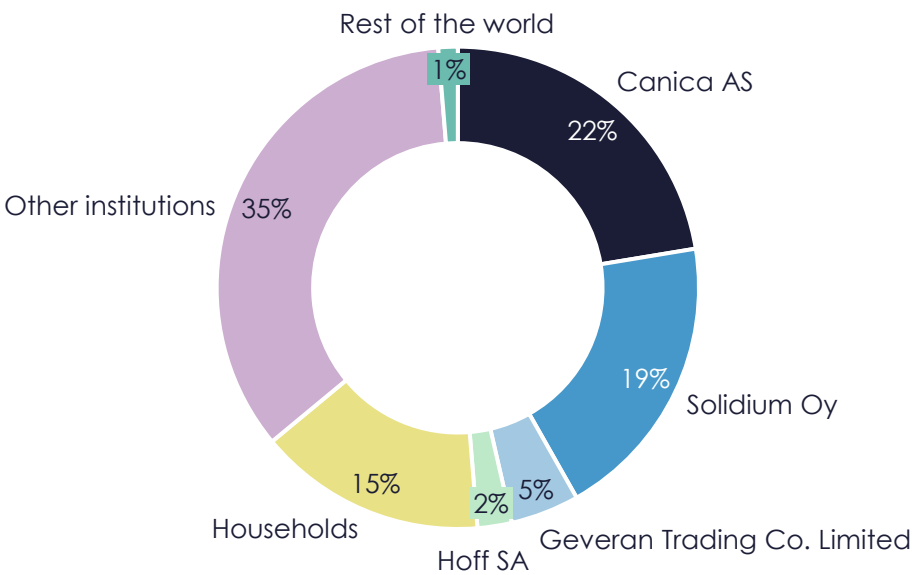
EUR million	Q3 21	Q3 20	2021	2020
Net sales	205.6	106.5	478.2	342.4
Other operating income	5.9	1.8	10.5	6.2
Materials and services	-114.2	-59.8	-266.1	-192.5
Employee benefit expenses	-28.0	-13.4	-69.6	-49.1
Other operating expenses	-38.0	-21.5	-90.2	-66.6
Depreciation, amortisation and impairment	-7.8	-4.3	-20.5	-17.4
Operating result	23.5	9.3	42.4	22.9
Finance income	0.8	0.0	1.2	0.2
Finance expenses	-3.6	-1.1	-6.7	-3.1
Share of profit in associates and joint ventures and income from interest in joint operations	0.4	0.1	1.7	1.2
Result before taxes	21.1	8.2	38.6	21.3
Income tax expense	-3.9	-0.9	-7.4	-3.5
Result for the period	17.2	7.3	31.2	17.8
Earnings per shares, basic and diluted	0.25	0.20	0.67	0.49

Q4 pro forma income statement

EUR million	Q3 21	Q3 20	2021	2020
Net sales	205.6	196.5	665.0	627.7
Other operating income	5.9	1.8	10.7	6.5
Materials and services	-113.6	-108.2	-367.0	-350.9
Employee benefit expenses	-27.6	-24.9	-95.7	-89.9
Other operating expenses	-38.0	-29.7	-117.8	-97.0
Depreciation, amortisation and impairment	-7.8	-8.0	-31.2	-32.0
Operating result	24.5	27.7	64.0	64.4
Finance income	0.8	0.9	4.3	10.9
Finance expenses	-3.6	-4.1	-15.2	-17.5
Share of profit in associates and joint ventures and income from interest in joint operations	0.4	0.5	1.6	1.5
Result before taxes	22.1	24.9	54.7	59.2
Income tax expense	-4.1	-4.7	-11.6	-11.7
Result for the period	18.0	20.2	43.1	47.6
Earnings per shares, basic ¹	0.26	0.30	0.63	0.70

Anora's top 10 shareholders

Shareholder	Shares	Ownership in percent
Solidium Oy	13 097 481	19.4
Ilmarinen Mutual Pension Insurance Company	1 613 300	2.4
Varma Mutual Pension Insurance Company	1 300 000	1.9
WestStar Oy	1 099 705	1.6
Elo Mutual Pension Insurance Company	680 000	1.0
Veritas Pension Insurance Company Ltd.	456 653	0.7
Danske Invest Finnish Equity Fund	306 443	0.5
Säästöpankki Pienyhtiöt	255 370	0.4
Savolainen Heikki Antero	247 113	0.4
Tapiola Trendi Investment fund	215 772	0.3
Total	19 271 837	28.5
<i>Nominee-registered shares</i>	<i>34 382 098</i>	<i>50.9</i>



Anora Group Plc is listed at Nasdaq Helsinki (ANORA)

Board of Directors reflects diversity and relevant experience



Michael Holm Johansen
Chairman



Sanna Suvanto-Harsaae
Vice Chairman



Kirsten Ægidius



Ingeborg Flønes



Sinikka Mustakari



Jyrki Mäki-Kala



Nils Selte



Torsten Steenholt

Executive Management Team at Anora Group

Pekka Tennilä

CEO



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

Sigmund Toth

CFO



Previously worked at McKinsey & Company and held several positions in Finance & Accounting at Procter & Gamble

Janne Halttunen

SVP, Wine



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

Henrik Bodekær Thomsen

SVP, Spirits



Long career in the international beverage business with Carlsberg; joined Arcus in 2018

Kirsi Puntila

SVP, International



Previously worked with global brands at Pernod-Ricard; joined Altia in 2014 and has lead core spirit brands and innovation across all markets

Kirsi Lehtola

CHRO



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

Hannu Tuominen

SVP, Industrial



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

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