

ANORA

Q3 23 Results presentation

CEO Jacek Pastuszka
CFO Sigmund Toth

9 November 2023

Today's agenda and speakers

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



CEO Jacek Pastuszka



CFO Sigmund Toth

Jacek Pastuszka appointed as Anora's new CEO

- Jacek Pastuszka was appointed as Anora's new CEO on 25 October 2023.
- Track record of driving profitable growth and contributing to strategic turn-around initiatives in blue chip multi-national food and beverage companies throughout his career at Carlsberg Breweries, Danone and P&G.
- Jacek joins Anora after a long career at Carlsberg Breweries, most recently as Executive Vice President of Western Europe and a member of Group Executive Committee. Also held other regional leadership roles at Carlsberg, such as Executive Vice President of Eastern Europe, CEO of Ringnes in Norway and CEO of Carlsberg Polska.



In Q3, price increases and cost cuts partly offset the decline in comparable EBITDA

Net sales, EUR million	Other operating income, EUR million	Comparable EBITDA, EUR million	EBITDA, EUR million
173.0 (181.9)	14.3 (3.5)	20.2 (23.4)	28.9 (21.8)
<p>Price increases and cost cuts partly offset the decline in comparable EBITDA</p>		<p>Guidance for comparable EBITDA: EUR 70–78 million for 2023.</p>	
<p>Sales decline mainly due to weaker currencies and lost partners in Wine</p>		<p>Savings programme, profitability improvement, and price increases to bring results in Q4.</p>	



Wine

Q3 Highlights

- **Net sales** decreased to EUR 78.1 million, due to weak currency exchange rates for the SEK and NOK and previously lost partners in Sweden.
- Anora own wines performed well in the local currencies in all markets, while Partner business struggled and lost shares.
- **Comparable EBITDA** decline due to lower gross profit, half of which was driven by higher input costs mainly due to weaker currencies, and the rest due to lost partners with higher profitability and lower gross margin in Globus Wine.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



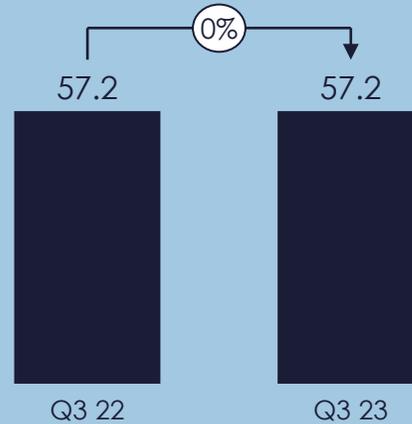
New own and partner wines and tender wins



Q3 Highlights

- **Net sales** remained at the previous year’s level at EUR 57.2 million.
- Relative share of international sales increased to 35.1%. Koskenkorva sales continued growing but slower than in the very strong first half.
- **EBITDA** improved mainly due to the price increases and additional cost control.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND % of NET SALES



Successful product launches

Sweden – Kron Vodka Rhubarb

Finland – Leijona Capri Lemonello, Leijona Namu and Koskenkorva Winterapple as well as new no and low - alcohol products in groceries

Norway – Koskenkorva Climate Action, Dirty Opland Aquavit

Global Travel Retail – **Koskenkorva Climate Action** was named as the “**Best Spirits Product**” (in under €40 category) at the prestigious TR Business Awards 2023 in Cannes during the TFWA Global Travel Retail exhibition, while **Skagerrak** and **Valhalla Herb Liqueur Shot** received “**Highly Recommended**” honours in the same category.



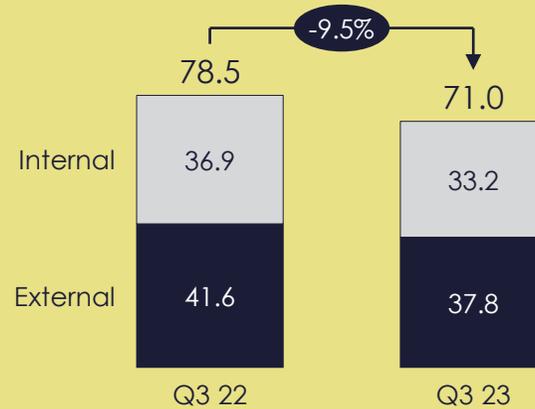


Industrial

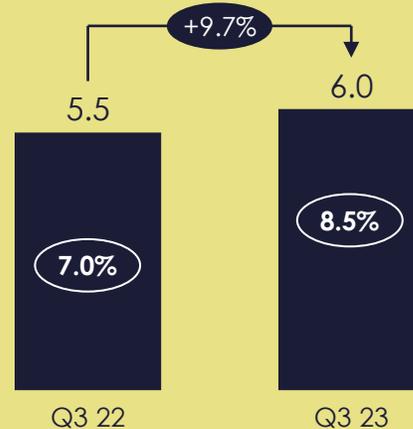
Q3 Highlights

- **External net sales** decreased by 9.2%.
- In industrial products, net sales were negatively impacted by the decreased starch sales volumes and lower demand from pulp and paper industry. Feed volumes were down from Q3 2022, whereas ethanol volumes remained flat.
- Industrial services' net sales decreased due to lower volume.
- In Vectura, net sales were flat in local currency, but negatively impacted by the NOK currency exchange rate.
- **EBITDA** improved due to successful pricing strategy in Industrial products and Vectura and lower barley price.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND % OF NET SALES



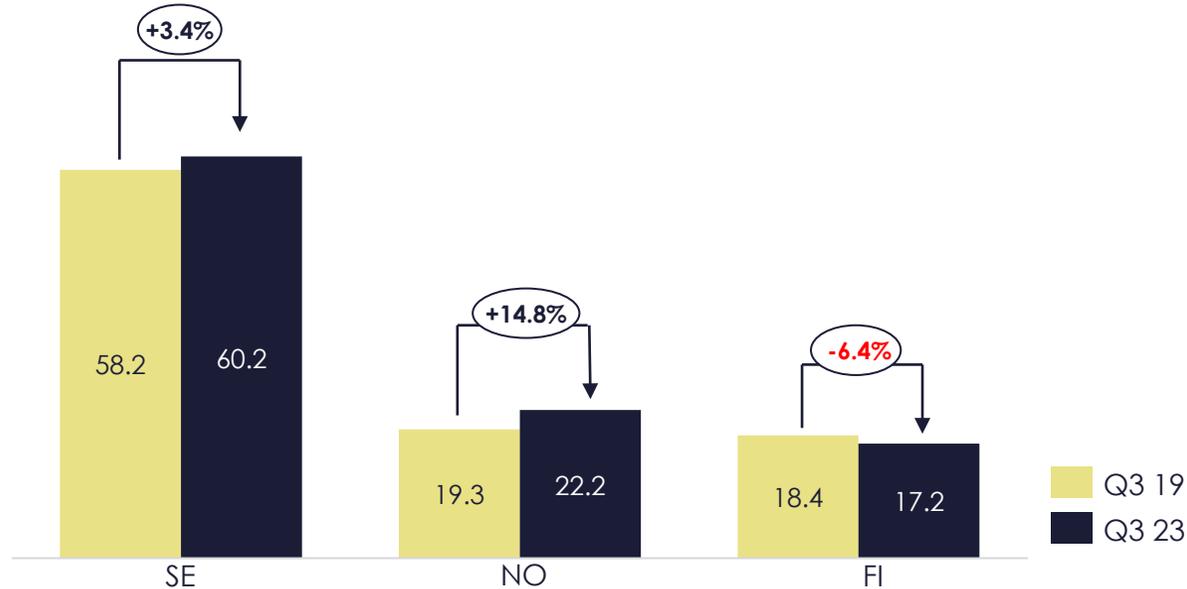
Financial review



Market development

Sales in monopolies continued to decline slightly when returning to pre-pandemic levels

- Overall sales volume in the Nordics declined by 2.7% in Q3, with spirits decreasing by 3.6% and wine by 2.6% compared to the previous year.
- Compared to pre-pandemic levels, Norway and Sweden experienced growth in Q3 from Q3 2019, with increases of 14.8% and 3.4%, respectively, while Finland declined in volume by 6.4%.



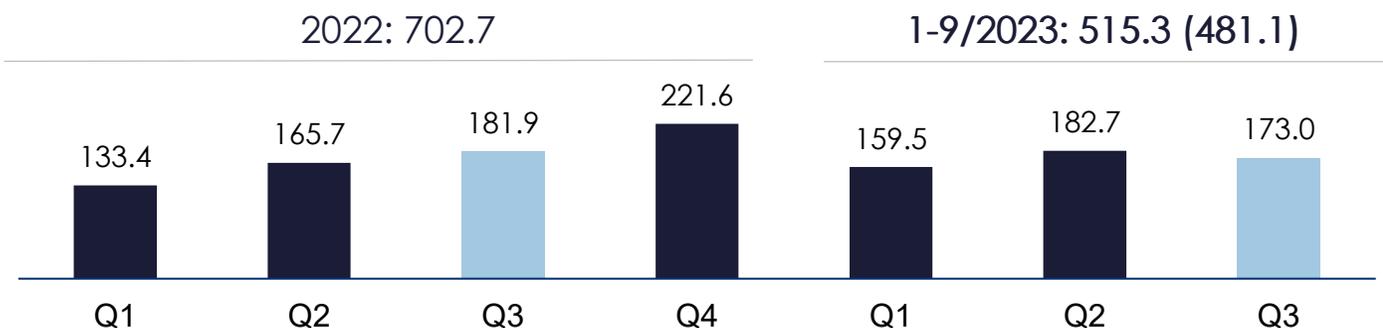
DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDICS

	Q3 23	Q3 22	Q1-Q3 23	Q1-Q3 22	2022
Nordics, total sales volumes*	-2.7	-6.8	-2.2	-9.5	-8.4
Spirits	-3.6	-7.0	-4.0	-7.8	-7.3
Wine	-2.6	-6.8	-1.9	-9.8	-8.6
Finland, total sales volumes	-3.4	-8.1	-3.9	-10.4	-9.9
Spirits	-4.0	-5.2	-3.9	-6.4	-6.6
Wine	-3.2	-9.3	-3.8	-11.9	-11.1
Sweden, total sales volumes	-2.5	-1.9	-1.4	-3.8	-3.6
Spirits	-2.2	-3.1	-2.5	-4.7	-4.6
Wine	-2.5	-1.7	-1.3	-3.7	-3.4
Norway, total sales volumes	-1.4	-20.3	-2.1	-20.2	-18.1
Spirits	-3.6	-19.7	-5.3	-16.0	-15.4
Wine	-1.1	-20.4	-1.6	-20.8	-18.5
Denmark, total sales volumes	-3.8	-3.4	-2.8	-10.6	-8.4
Spirits	-5.5	-2.6	-5.3	-6.4	-4.6
Wine	-3.5	-3.5	-2.5	-11.1	-9.1

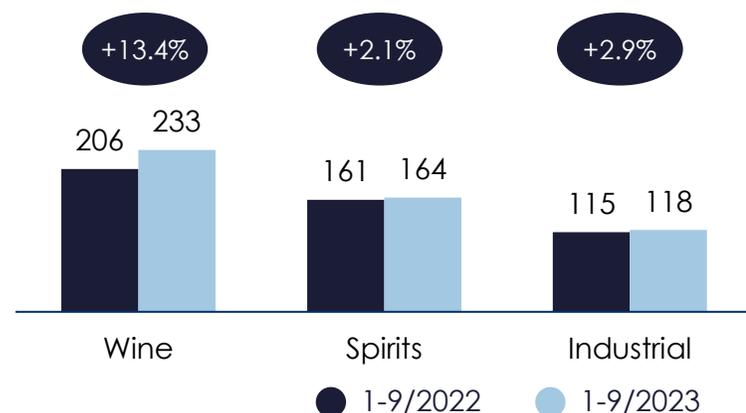
Net sales development

YTD net sales increased by 7.1%

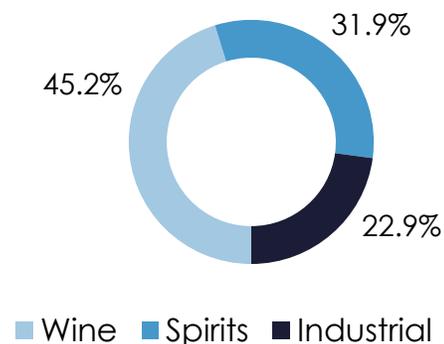
Group net sales, EUR million



Net sales (external) by segment 1-9/2023, EURm



Net sales (external) by segment 1-9/2023, %

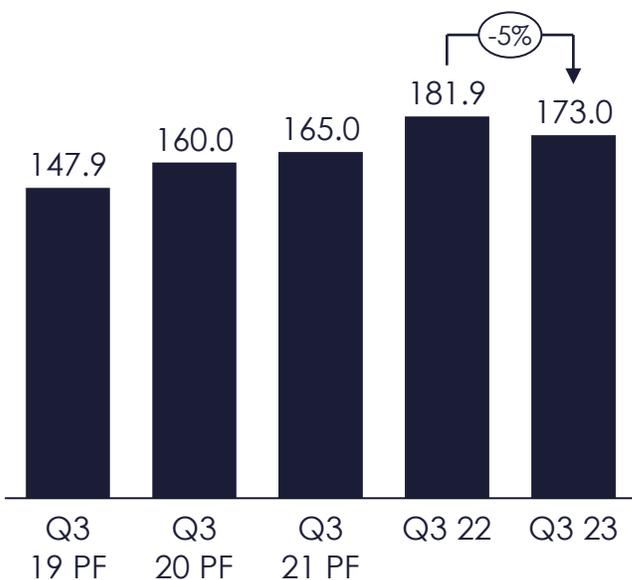


- Q3/23 net sales: 173.0 (181.9) MEUR, down by 4.9%
- 1-9/23 net sales: 515.3 (481.1) MEUR, up by 7.1%
- Net sales increased in all segments in 1-9/23
 - Spirits net sales was supported by International expansion.
 - Wine growth driven by Globus Wine acquisition in Denmark as of Q3 2022, while the Wine segment net sales in the monopoly countries declined.
 - The acquisition of Globus Wine is included in figures as of Q3 2022.

In Q3 2023, net sales decreased by 4.9%

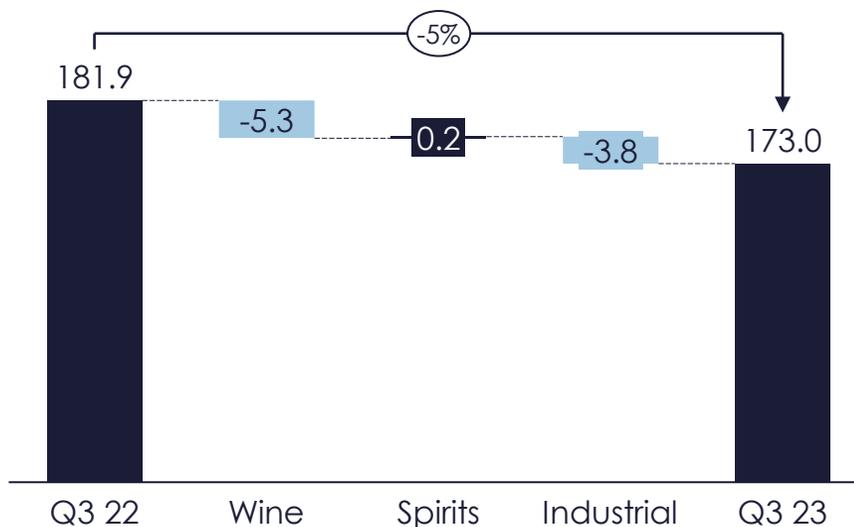
Price increases were initiated as of September

Net sales (external), EUR million



PF = Pro forma

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



- Net sales declined mainly due to weaker currencies and lost partners in Wine, partly offset by price increases in September.
- The divestment of Larsen was completed on 29 September 2023. Its figures are included in 1-9/2023 consolidated income statement.
 - The one-off capital gain from the Larsen divestment amounted to EUR 12.2 million and it is reported under Q3 other operating income, which amounted to EUR 14.3 million.
 - The divestment is expected to have annual negative impacts of approx. EUR 6m on net sales and EUR 2m on comparable EBITDA.

Comparable EBITDA declined, partly offset by price increases and cost cuts

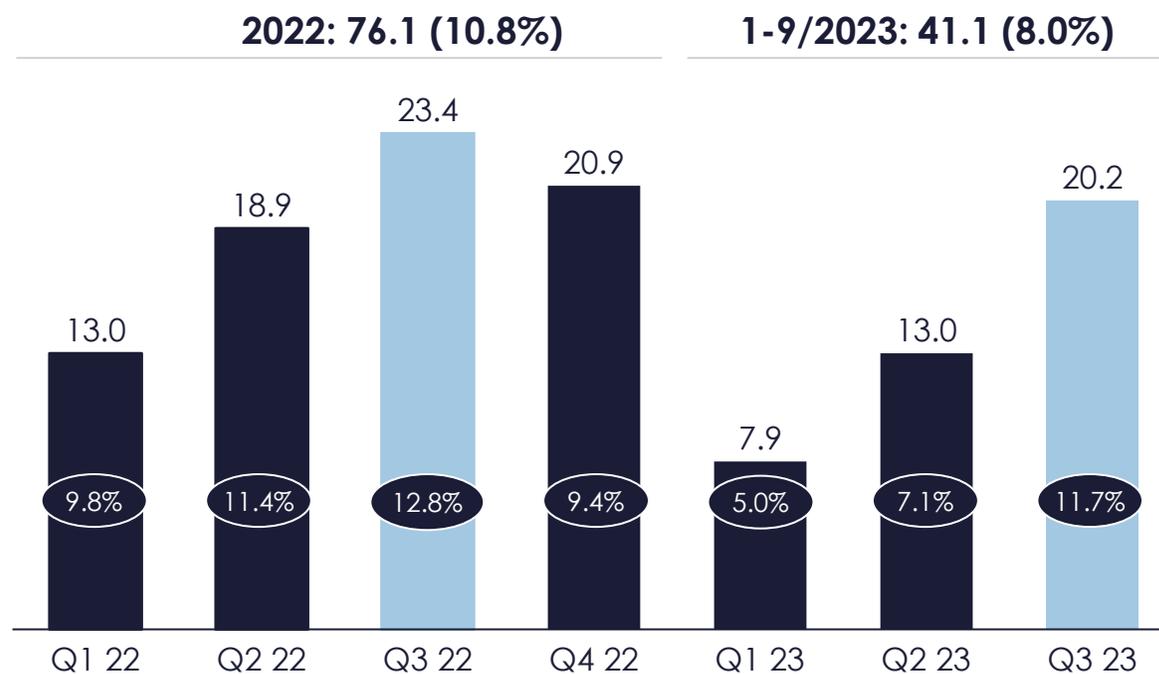
Q3/2023

- Comparable EBITDA declined to EUR 20.2 (23.4) million, or 11.7% (12.8%) of net sales, down by 13.5%
- EBITDA was EUR 28.9 (21.8) million, or 15.4% (12.0%) of net sales, up by 32.4%
- The comparable EBITDA was burdened mainly by the unfavourable currency exchange rates, and high input costs.
- Price increases were implemented as of September, the full impact of which will be seen over the next quarters.

1-9/2023

- Comparable EBITDA was EUR 41.1 (55.3) million, or 8.0% (11.5%) of net sales, down by 25.5%
- EBITDA was 45.6 (49.0) million, down by 7.0%

Comparable EBITDA, EUR million and % of net sales

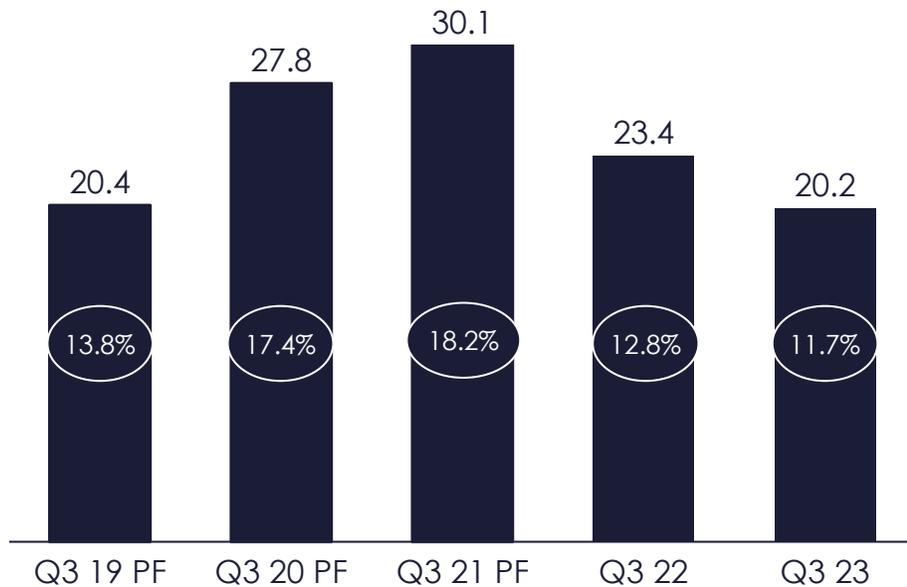


Comparable EBITDA = EBITDA excluding items affecting comparability

Group comparable EBITDA weakened during Q3 due to weaker currencies and poor performance in the Wine segment

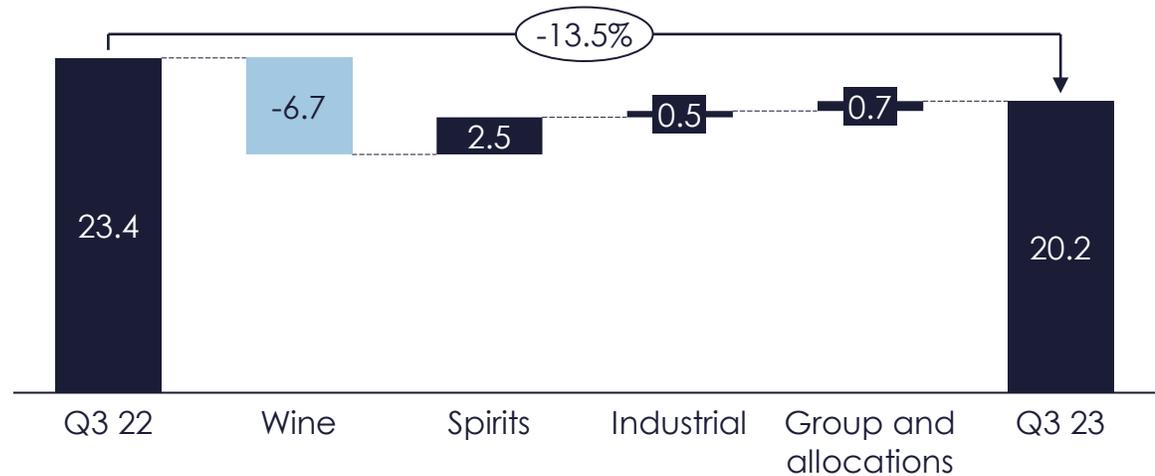
Spirits and Industrial increased their comparable EBITDA due to price increases, margin management and lower barley price

Comparable EBITDA, EUR million and % of net sales



PF = Pro forma

Comparable EBITDA, EUR million and change per segment



Barley sourcing

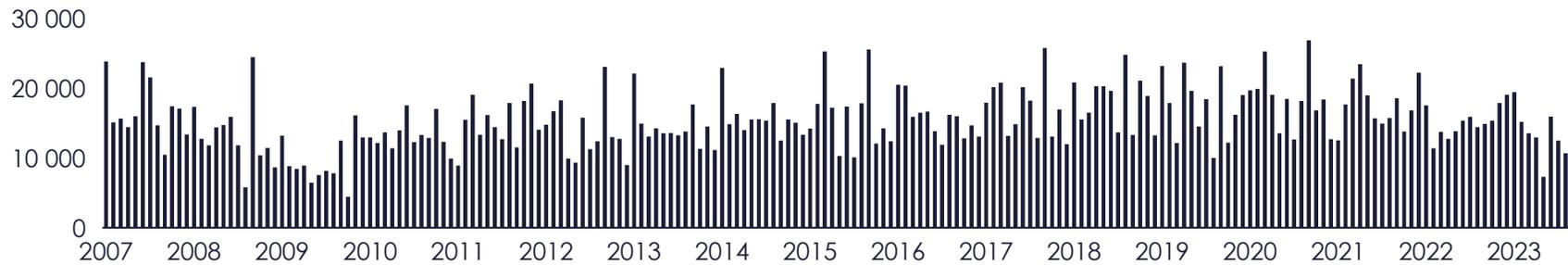
In Q3 23
Anora used
43.5 (45.2)
million kilos
of grain

Barley price development (EUR/tn)*



215
e/tn*

ANORA'S MONTHLY SOURCING VOLUMES (TN)



Key principles for barley sourcing:

- Purchased at spot prices; no hedging tools available for barley
- In Q3 average monthly sourcing volume 13,100 tn
- About 1 month inventory; volumes and purchase prices are fixed a couple of months ahead
- New harvest in August-September



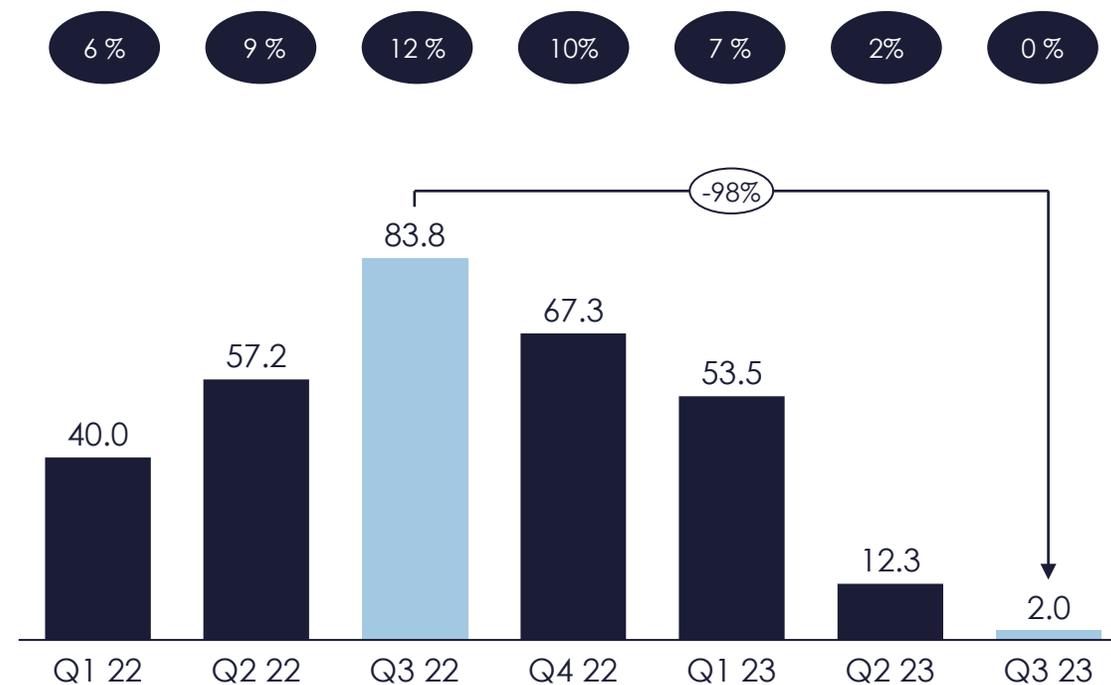
* Average feed barley market price excl. premiums (Source: Luke)

Net working capital

Net working capital was at a level of 0 % of net sales at the end of September (LTM)

- The Group’s net working capital improved to EUR 2.0 (84.0) million at the end of September.
- Inventories decreased to EUR 184.8 (204.4) million. Inventory levels still too high, expected to be lower by end of the year.
 - The effect of Larsen divestment was EUR 31.4 million.
- Trade and other receivables decreased to EUR 101.5 (184.2) million due to the extension of sales of receivables program.
 - Sales of receivables programme was extended during 2023. The receivables sold amounted to EUR 97.2 (35.2) million at the end of September.
- Trade and other payables decreased to EUR 284.7 (294.0) million.

Net working capital, 2 EUR million and % of net sales, (LTM)

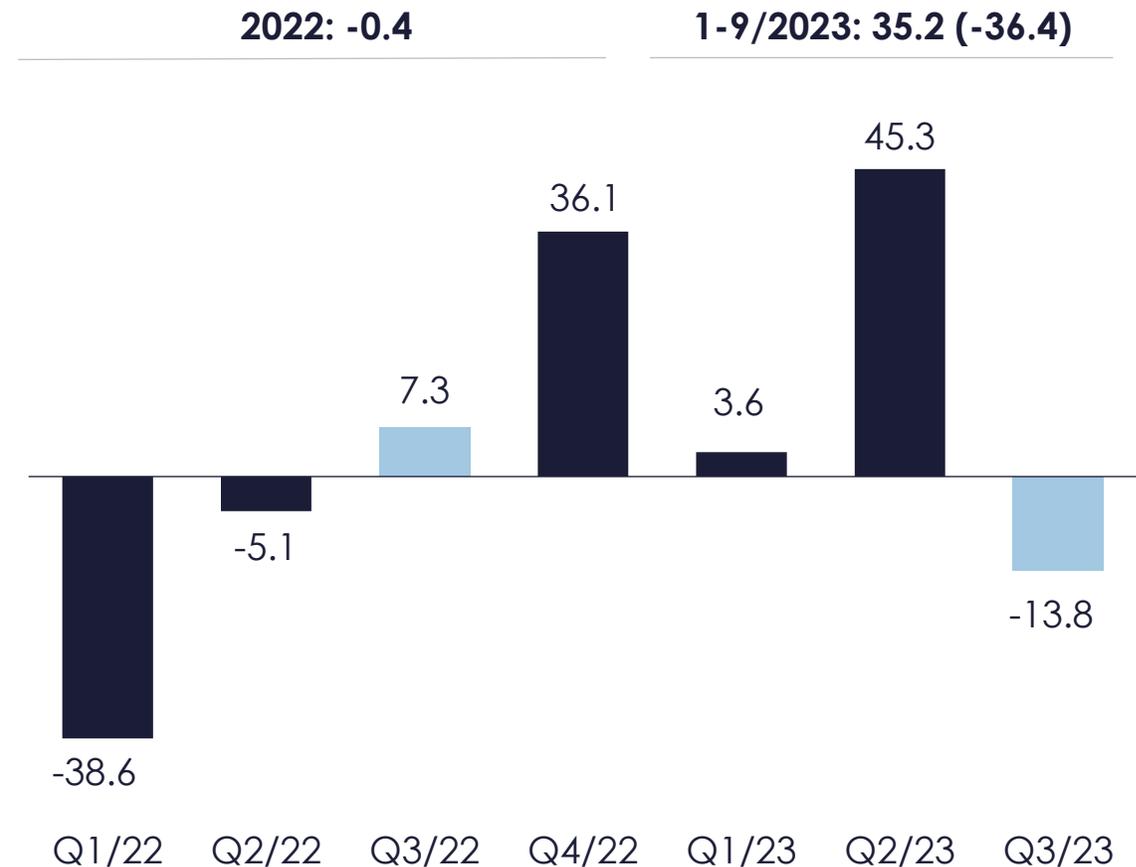


Cash flow

Operating cash flow improved in 1-9/2023

- Net cash flow from operations improved to EUR 35.2(-36.4) million in 1-9/2023
- Overall cash flow developed positively due to the Larsen divestment and continued sales of receivables
 - The receivables sold amounted to EUR 97.2 (35.2) million at the end of September.
- Capex 1-9/2023: EUR 9.3 (6.5) million, representing 1.8% (1.4%) of revenue
 - Capex was allocated mainly to replacement investments and to improve work safety and energy efficiency.

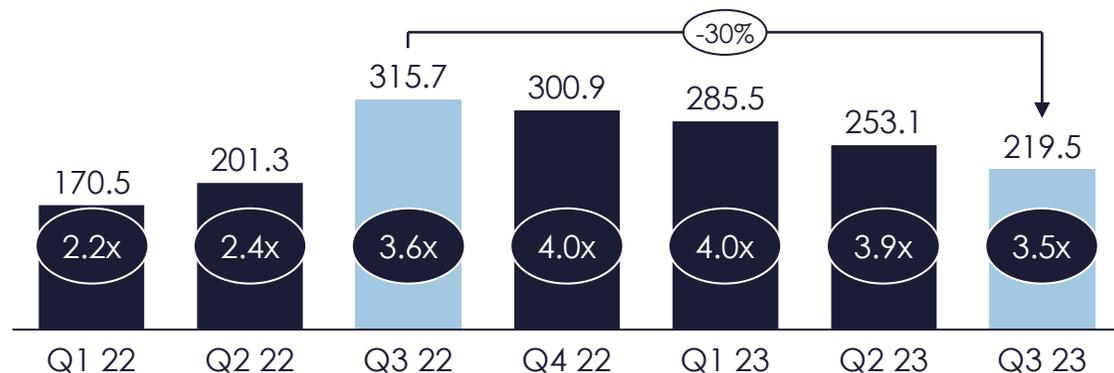
Net cash flow from operations, EUR million



Leverage

Net debt impacted by Larsen divestment, M&A and dividend payment

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



Debt maturity structure excl. lease liabilities on 30 Sep 2023, EURm



- Interest-bearing net debt incl. lease liabilities decreased to EUR 219.5 (315.7) million, excl. lease liabilities: EUR 91.2 (179.8) million, due to the divestment of Larsen.
- The agreed sales price was EUR 58.5m paid at closing on 29 Sep 2023, and subject to post-closing adjustments.
- Cash and cash equivalents of EUR 166.8 (76.8) million and net debt/comparable EBITDA: 3.5x (3.6x).
- The outstanding amount of commercial papers was EUR 42 million at the end of September 2023.
- Anora’s liquidity position is strong. The Group has a revolving credit facility of EUR 150.0 (60.0) million maturing on December 2025, of which none was in use at the end of Q3.
- Gearing was 48.0% and equity ratio 38.5% as per 30 Sep 2023.

Our long-term financial targets for 2030

Long-term financial targets for 2030

		Actual 9/2023 (LTM)	Actual 2022
Annual net sales growth including M&A, majority being organic	3–5%	4.9%	5.7%
Comparable EBITDA margin Through focus on margin accretive business and scale benefits on indirect costs	16%	8.4%	10.8%
Net IB debt / comparable EBITDA (LTM) Debt levels may occasionally exceed in connection with M&As	<2.5x	3.5x	4.0x
Dividend pay-out ratio % of result for the period	50–70%		83.1%

Anora aims to maintain a stable or increasing dividend.
 AGM decided to pay a dividend of EUR 0.22 per share for 2022 in two installments.

Summary of Q3 2023

Sales decline mainly due to lost partners in Wine and weaker currencies, partly offset by price increases in September

Price increases and cost cuts partly offset the decline in comparable EBITDA

Net debt and cash flow developed positively due to the Larsen divestment and continued sales of receivables

Anora plans to develop its operating model to better meet its strategic goals and improve profitability

The goal of the planned changes is to strengthen the commercial focus on growth categories, reduce complexity, and find further synergies in line with Anora's 2030 strategy.

- Anora will be launching change negotiations in all of its business segments, Wine, Spirits and Industrial; altogether, approximately 650 employees are within the scope
- Planned changes estimated to generate approx. EUR 3–4 million in savings and result in redundancies of approx. 40 employees
- The plans would include the commercial operations in Anora's Wine and Spirits segments in the Nordic countries and Anora Industrial's operations in Finland. The changes are additional to the previously announced profitability improvement plans currently underway in the Centre of Excellence strategy.
- Change negotiations will begin in November and are estimated to be concluded by the end of the year. The goal would be to have the new organisations in place during January 2024.



Outlook 2023

In 2023, Anora's comparable EBITDA is expected to be EUR 70–78 million.

(Guidance updated on 15 August)

- 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

Our next scheduled event
14 February 2024 | Q4/FY Financial Statement Release

ANORA

THANK YOU!

Appendix

Q3 income statement

EUR million	Q3 23	Q3 22	Q1-Q3 23	Q1-Q3 22	2022
Net sales	173.0	181.9	515.3	481.1	702.7
Other operating income	14.3	3.5	18.4	8.6	10.9
Materials and services	-104.3	-108.7	-315.0	-279.5	-414.3
Employee benefit expenses	-24.0	-22.9	-76.0	-69.3	-93.8
Other operating expenses	-30.2	-31.9	-97.0	-91.9	-137.6
Depreciation, amortisation and impairment	-8.4	-9.0	-25.2	-24.6	-33.2
Operating result	20.5	12.8	20.4	24.5	34.7
Finance income	6.0	1.1	17.9	3.5	5.6
Finance expenses	-11.8	-4.1	-35.0	-11.0	-17.5
Share of profit in associates and joint ventures and income from interest in joint operations	-0.2	-0.4	0.6	0.5	0.6
Result before taxes	14.5	9.5	3.8	17.5	23.4
Income tax expense	-0.4	-1.6	0.5	-3.1	-5.3
Result for the period	14.0	7.9	4.3	14.4	18.1
Earnings per shares, basic	0.21	0.12	0.06	0.21	0.26

Q3 balance sheet

EUR million	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	300.9	304.8	310.5
Other intangible assets	208.7	227.5	226.1
Property, plant and equipment	71.2	77.2	76.7
Right-of-use assets	119.6	128.2	136.8
Investments in associates and joint ventures and interests in joint operations	20.1	20.9	20.7
Financial assets at fair value through other comprehensive income	0.7	0.7	0.7
Other receivables	0.0	0.0	0.0
Deferred tax assets	0.6	0.6	0.6
Total non-current assets	721.8	760.0	772.1
Current assets			
Inventories	184.8	204.4	186.2
Trade and other receivables	101.5	184.2	247.7
Current tax assets	11.3	5.4	3.9
Cash and cash equivalents	166.8	76.8	91.4
Total current assets	464.3	470.8	529.2
Total assets	1186.2	1230.8	1,301.3

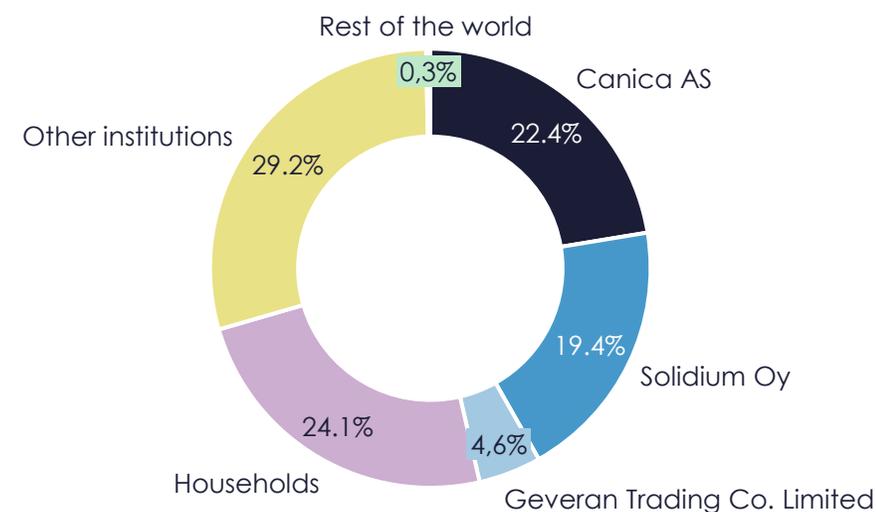
EUR million	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	61.5	61.5	61.5
Invested unrestricted equity fund	336.8	336.8	336.8
Legal reserve	0.0	0.5	0.5
Hedge reserve	-0.6	8.6	4.2
Translation differences	-47.9	-34.8	-33.0
Retained earnings	106.8	106.6	110.7
Equity attributable to owners of the parent	456.5	479.1	480.5
Non-controlling interests	0.6	0.7	0.9
Total equity	457.1	479.8	481.4
Non-current liabilities			
Deferred tax liabilities	52.6	58.0	57.3
Borrowings	214.7	130.3	216.0
Non-current liabilities at fair value through profit or loss	0.5	0.7	0.6
Lease liabilities	116.7	124.3	132.4
Other liabilities	0.0	0.0	0.0
Employee benefit obligations	2.4	2.8	2.7
Total non-current liabilities	386.8	316.1	409.1
Current liabilities			
Borrowings	43.4	126.4	31.5
Lease liabilities	11.6	11.6	12.4
Trade and other payables	284.7	294.0	364.6
Current tax liabilities	2.6	2.8	2.3
Total current liabilities	342.2	434.8	410.9
Total liabilities	729.0	750.9	819.9
Total equity and liabilities	1186.2	1230.8	1301.3

Anora's top 10 shareholders 30 September 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.	383,569	0.6
Savolainen Heikki Antero	328,966	0.5
OP Life Assurance Company Ltd	270,392	0.4
Rantalainen-Yhtiöt Oy	180,000	0.3
Eriksson Trygve	180,000	0.3
10 biggest owners in total	19,602,353	29.0
Nominee-registered shares	27,339,694	40.5
Total	67,553,624	100.0

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

Jacek Pastuszka

CEO



Joined Anora in October 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.

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

More information: www.anora.com

investor.relations@anora.com

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