

# ANORA

## Q1 22 Results presentation

CEO Pekka Tennilä  
CFO Sigmund Toth

19 May 2022

# Today's agenda and speakers

- **Anora in brief**
- **Business review**
- **Financial review**
- **Closing remarks**
- **Q&A**

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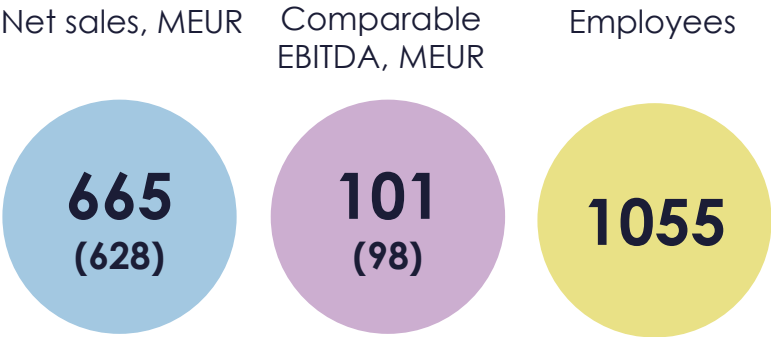


CEO Pekka Tennilä

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



# Business review

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# Solid net sales development in turbulent times

Net sales  
**133.4** (134.2\*)  
EUR million

Comparable EBITDA  
**13.0** (16.7\*)  
EUR million

Normalised markets in monopoly countries

Late timing of Easter sales in Q2

Increase of input costs further accelerated

Price increases across all channels and product categories



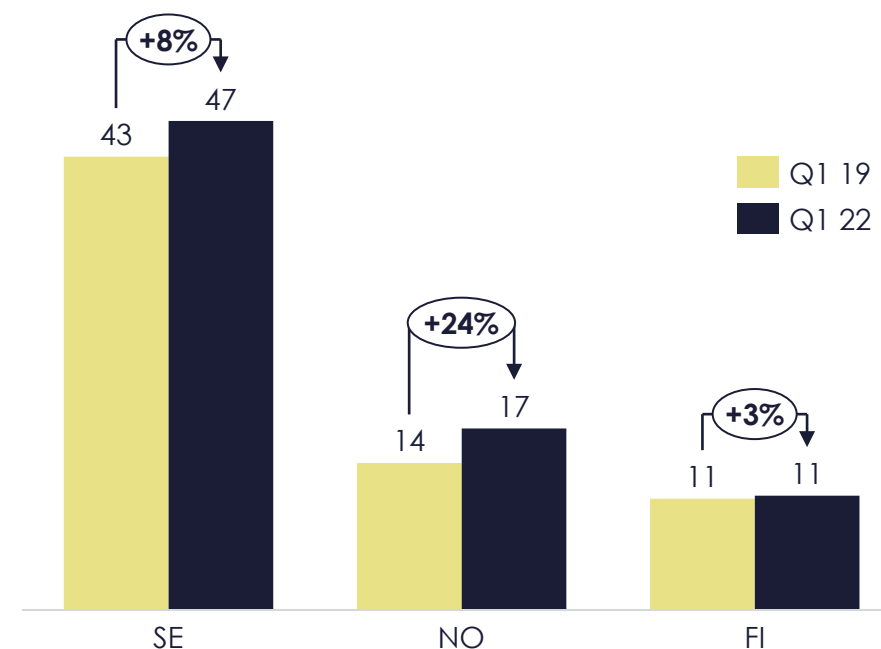
# Market development

Monopoly volumes are expected to return to pre-pandemic levels. Timing of Easter sales in Q2 vs Q1 LY.

## DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC MONOPOLIES

	Q1 22	Q1 21	2021
<b>Nordics, total sales volumes*</b>	<b>-13.7</b>	<b>18.2</b>	<b>-0.2</b>
Spirits	-10.5	20.6	+3.0
Wine	-14.2	17.8	-0.8
<b>Finland, total sales volumes</b>	<b>-12.1</b>	<b>9.9</b>	<b>-4.3</b>
Spirits	-8.2	6.3	-2.8
Wine	-13.6	11.4	-4.9
<b>Sweden, total sales volumes</b>	<b>-8.6</b>	<b>11.5</b>	<b>+0.1</b>
Spirits	-8.2	23.8	+6.1
Wine	-8.7	10.2	-0.6
<b>Norway, total sales volumes</b>	<b>-25.5</b>	<b>43.6</b>	<b>+2.2</b>
Spirits	-17.8	41.8	+6.7
Wine	-26.6	43.9	+1.5

The normalisation of the market and channel mix is visible in the monopoly volumes. The return to pre-pandemic levels has been the fastest in the Finnish monopoly.



# Our new reporting segments



## Wine

*The Wine segment develops, markets and sells partner wines and Anora’s own wine brands to customers in the Nordic monopoly markets.*



## Spirits

*The Spirits segment consists of the business areas Spirits and International. The Spirits business area develops, markets and sells both Anora’s own spirits brands and partner brands to customers in the Nordic monopoly markets. The International business area consists of Anora’s own operations in Estonia, Latvia, Denmark and Germany, as well as global duty free and travel retail, and exports.*

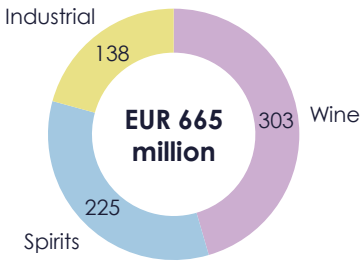


## Industrial

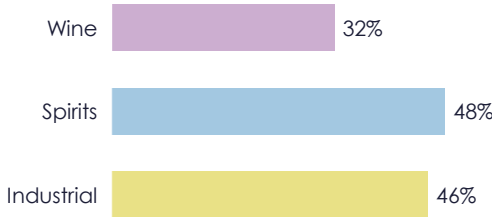
*The Industrial segment comprises Anora’s industrial business – industrial products and contract manufacturing, the logistics company Vectura and supply chain operations.*

### Key figures (pro forma) 2021

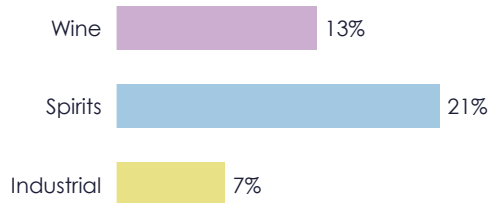
#### NET SALES (EXTERNAL)



#### GROSS MARGIN, %



#### COMPARABLE EBITDA MARGIN, %





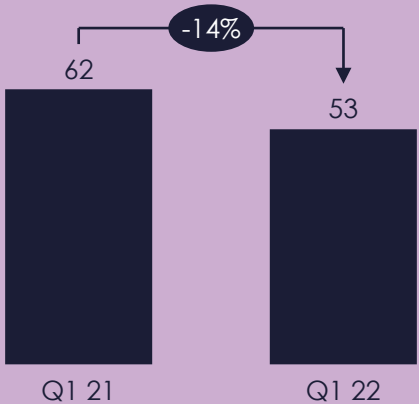
# Wine

## Q1 Highlights

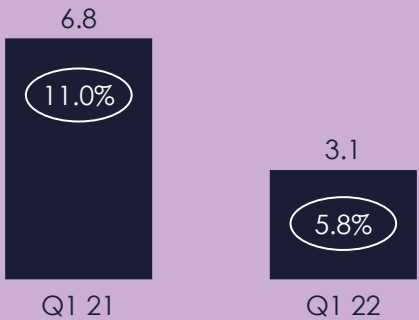
- **Net sales** declined by 14.5% to EUR 53.2 (62.2) million
- Monopoly volumes down from previous year
- Normalisation of channel mix and timing of Easter
- Anora market shares declined, while on-trade recovered in all markets
- **Profitability** impacted by lower sales and higher marketing costs
- Gross margin at last year's level

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NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



Pro forma figures for Q1 21. Margin calculated as % of net sales (total).



## Product launches in Q1



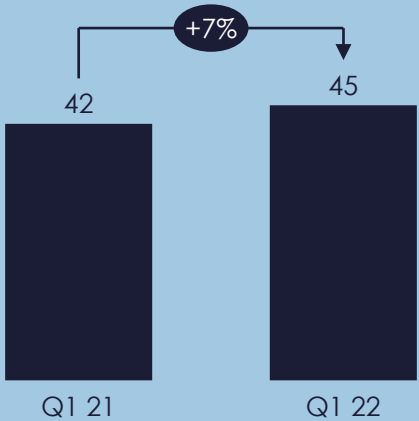
# Spirits



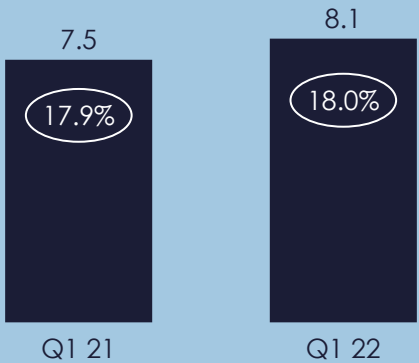
## Q1 Highlights

- **Net sales** grew by 7.1% to EUR 44.9 (41.9) million
- Net sales boosted by International business area
- Normalisation of market and channel mix, and timing of Easter and
- Good market share development and strong recovery of on-trade
- **Profitability** improvement driven by International and lower opex
- Divestment of brands impacts comparability

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



## Product launches in Q1

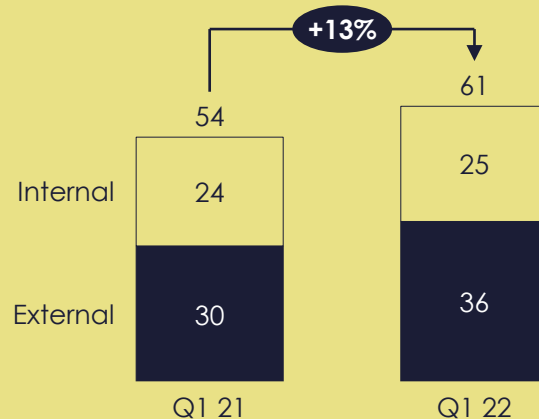


# Industrial

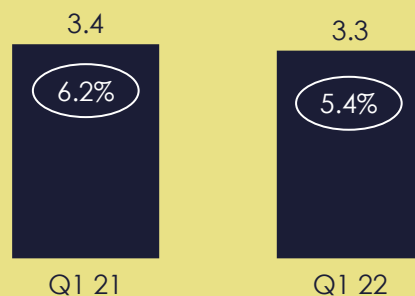
## Q1 Highlights

- **Net sales** grew by 12.4% to EUR 60.8 (54.1) million of which EUR 35.5 (30.1) million was external sales
- Growth was driven by contract manufacturing, starch and feed, and Vectura
- **Profitability** – Contract manufacturing volumes, price increases and proceeds from the sale of CO2 emission rights have mitigated the negative impact of the significantly higher raw material costs

NET SALES, MEUR



COMP. EBITDA, MEUR AND MARGIN %



Pro forma figures for Q1 21. Margin calculated as % of net sales (total).



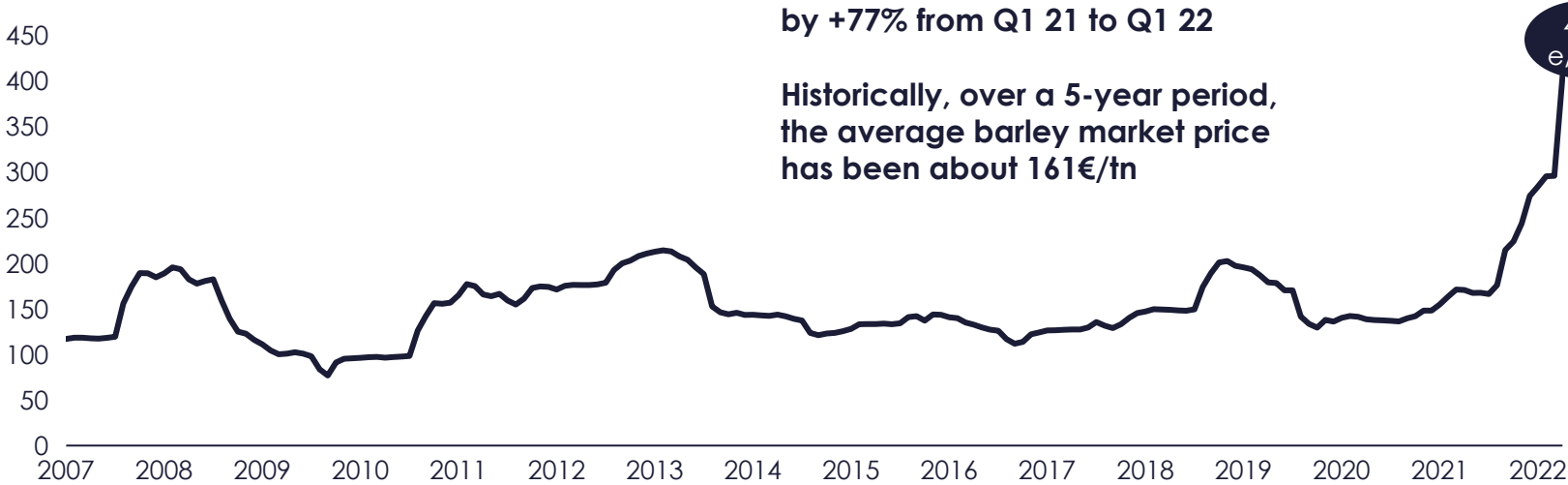


# Financial review

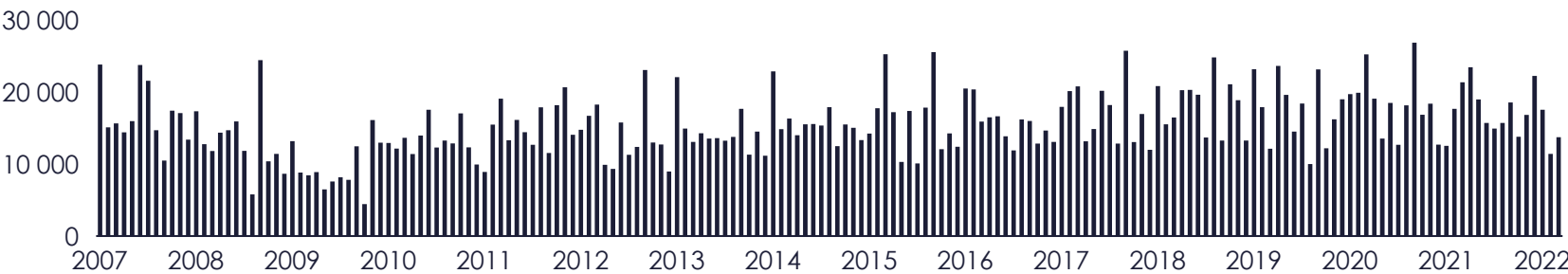


# Barley sourcing

BARLEY PRICE DEVELOPMENT (EUR/TN)\*



ANORA'S MONTHLY SOURCING VOLUMES (TN)



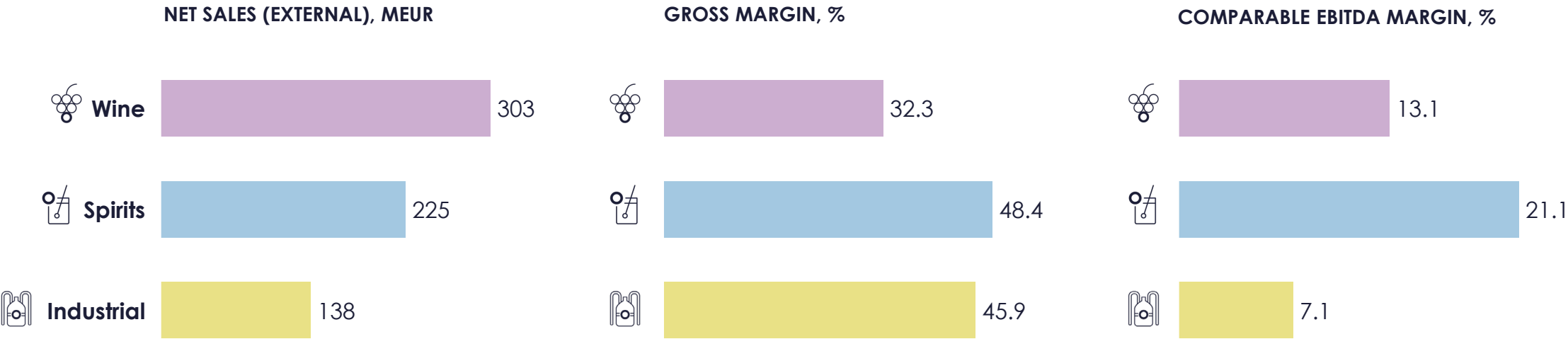
In Q1 22, Anora used 46.9 (52.9) million kilos of Finnish grain

- 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

\*Average feed barley market price excl. premiums for 2007-Mar 2022 (source: Luke)  
\*\* Anora quote for barley (26 April 2022, [www.anoraindustrial.com](http://www.anoraindustrial.com))

# Reporting segments

FY 21 pro forma figures

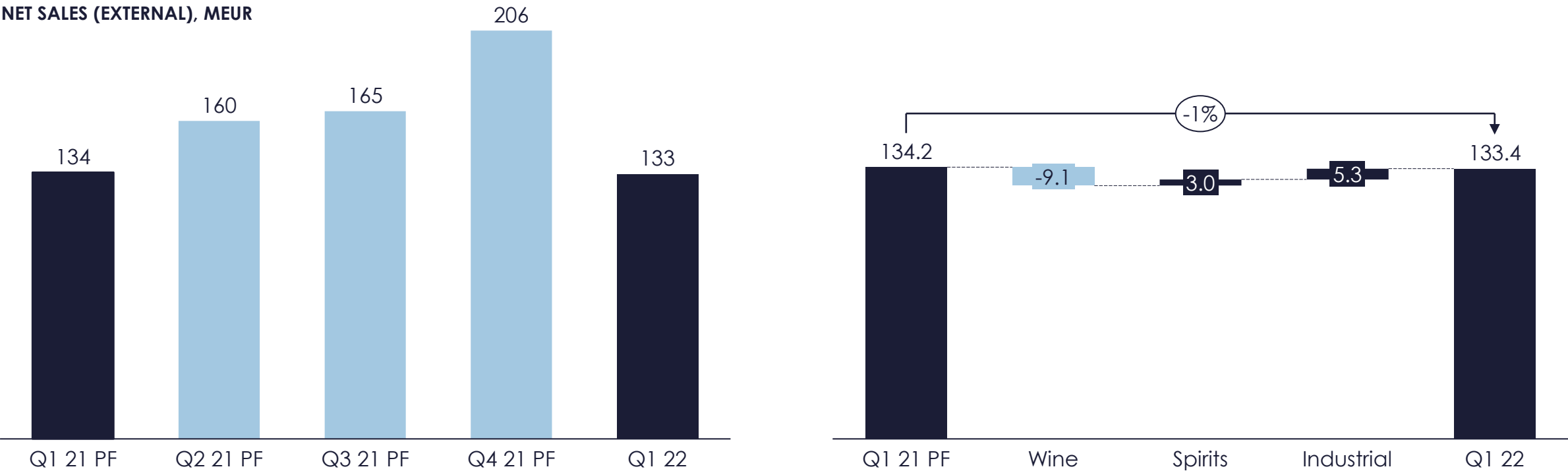




# Solid net sales development in Q1

Normalisation of markets and the late timing of Easter sales impacted beverage sales. Price increase supported industrial sales development.

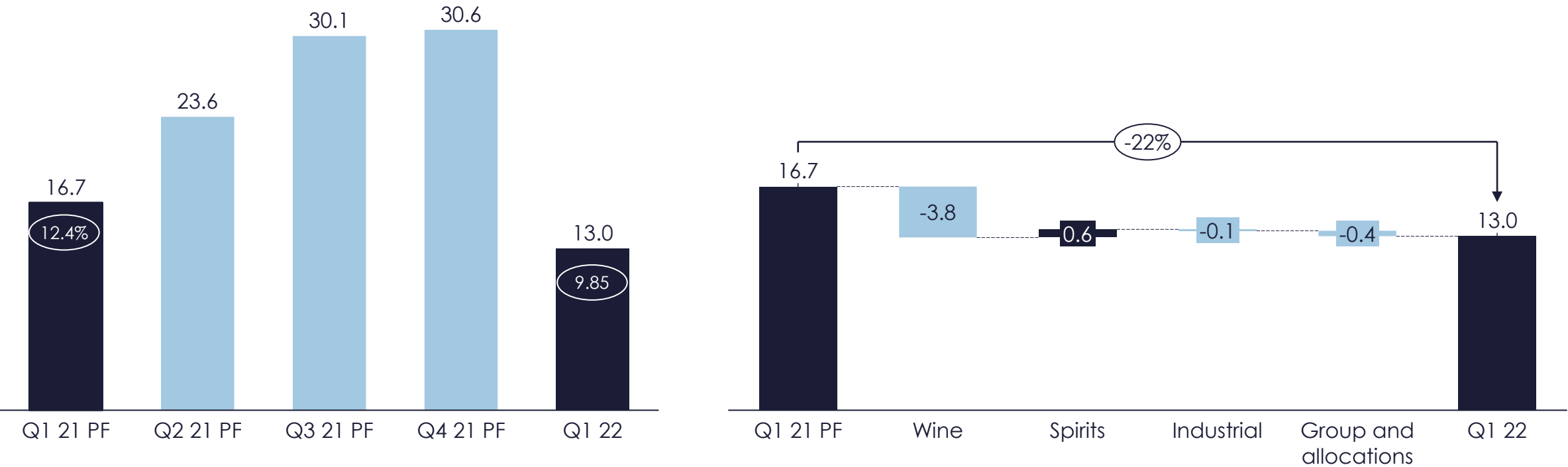
NET SALES (EXTERNAL), MEUR



# Profitability weakened during Q1

Price increases only partly offset the high input costs and lower wine sales. Annual impact of brand divestments EUR 4.6 million.

COMPARABLE EBITDA, MEUR



# Balance sheet key figures

	Q1 22	Q1 21	2021
Net debt / comparable EBITDA (rolling 12m)	2.2*	0.2	1.8
Borrowings, EUR million	156.3	110.4	162.6
Net debt, EUR million	170.5	9.4	126.0
Equity ratio, %	44.6	33.0	41.2
Gearing, %	33.0	6.5	24.8
Capital expenditure, EUR million	-2.9	-0.8	-5.4
Total assets, EUR million	1 160.4	437.0	1 233.3
Net cash flow from operations, EUR million	-38.6	-0.3	50.8

- The increase in net debt was due to the Altia and Arcus merger as the balance sheet of the former Arcus included significant lease liabilities due to IFRS 16 standard relating mainly to Gjelleråsen plant and bank debt.
- Cash flow from operations was impacted by the change in working capital due to **seasonality** and the **late timing of Easter**. In the first quarter, sales are typically lower resulting in lower receivables and excise taxes.
- The receivables sold amounted to EUR 41.7 (62.0) million at the end of the reporting period.

\*Net debt / comparable EBITDA, if calculated using pro forma figures, would have been 1.7.



# Outlook 2022

## Guidance remains unchanged

- **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



# Sustainability events in Q1

## Striving for carbon neutral production

- During the period, the Koskenkorva Distillery heat pump project progressed as planned.
- Reduces steam power generation by 10%.
- The new heat pump system is expected to be taken into use during Q2 22.

## Supporting a responsible drinking culture

- Anora launched a non-alcoholic 'gin' in Finland
- Anora continued to support educative programmes also from beginning of 2022: Drink Responsibly in Norway, Talk about Alcohol in Sweden and Raiteen tuki in Finland.

## Leading in climate-smart packaging

- During Q1 development efforts towards even more sustainable packaging formats were continued and new packaging development launches will be done throughout 2022.

## Promoting an inclusive and safe workplace

- During Q1, Anora's total **sickness absence** was 6.5% and lost time injury frequency **LTIF** 4.4 (both figures for own employees from former Altia and former Arcus' Norwegian operations, LTIF excluding commuting).
- During Q1, Anora Finland operations was granted Vision Zero Forum 2021 award level II, approaching world's forefront of occupational safety.

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

S&P Global





# Integration work and synergy capture progressing as planned

## Integration plan and synergies after closing of merger

- Q1 2022 annualized **net EBITDA synergies were EUR 1.9 million**, including EUR 4.6 million annual impact of merger-related divestments of brands
- Total run rate target of EUR 8-10 million EBITDA net synergies remain
- 80% realized within 2 years
- Post-closing integration costs estimated to be EUR 7-9 million in 2021-2022

## Current update and progress

- The focus on people processes continued throughout Q1 with new organization structures and teams
- Established teams have been engaged to build future Anora culture.
- Organisations merged into one office location in Norway and Finland
- **Wine:** work started to create joint on-trade and digital teams to serve all wine companies across all markets
- **Spirits and International:** portfolio strategy work on-going for combined spirits portfolio
- **Industrial:** two major milestones completed with insourcing logistics in Finland and Norway. Sweden expected to be completed in Q3 2022.





A man and a woman are sitting at an outdoor table, smiling and holding glasses of wine. They are surrounded by lush greenery, string lights, and colorful bunting flags, creating a warm and festive atmosphere. The man is in the foreground, wearing a denim jacket and glasses, while the woman is slightly behind him, wearing a white shirt. The background is filled with trees and more string lights, suggesting a garden or park setting.

**Q&A**

**ANORA**



# Summary

**Q1 22:**  
Solid net sales  
development in  
turbulent times

Normalised channel  
mix in monopoly  
markets – strong  
recovery in on-  
trade

We are in a good  
position to manage  
through these  
challenging times –  
securing raw  
material availability  
top priority

We continue to  
focus on growth,  
invest in our brands  
and build the  
market together  
with our partners  
and customers



# Thank you!

## Our next scheduled events:

1 Sep  
23 Nov

Half-Year Report  
Q3 Interim Report



More information: [www.anora.com/investors](http://www.anora.com/investors)  
Investor Relations: [tua.stenius-ornhjelm@anora.com](mailto: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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# Q1 income statement

EUR million	Q1 22	Q1 21	2021
<b>Net sales</b>	<b>133.4</b>	<b>71.7</b>	<b>478.2</b>
Other operating income	2.4	1.7	10.5
Materials and services	-75.5	-40.5	-266.1
Employee benefit expenses	-23.4	-12.9	-69.6
Other operating expenses	-25.1	-15.4	-90.2
Depreciation, amortisation and impairment	-7.8	-3.9	-20.5
<b>Operating result</b>	<b>4.1</b>	<b>0.7</b>	<b>42.4</b>
Finance income	0.9	0.2	1.2
Finance expenses	-3.3	-1.0	-6.7
Share of profit in associates and joint ventures and income from interest in joint operations	0.9	1.0	1.7
<b>Result before taxes</b>	<b>2.7</b>	<b>0.8</b>	<b>38.6</b>
Income tax expense	-0.6	-0.2	-7.4
<b>Result for the period</b>	<b>2.1</b>	<b>0.7</b>	<b>31.2</b>
Earnings per shares, basic and diluted	0.03	0.02	0.67

# Q1 balance sheet

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>281.5</b>	<b>80.8</b>	<b>277.8</b>
Goodwill	198.5	19.7	196.7
Other intangible assets	71.8	57.6	71.3
Property, plant and equipment	125.6	9.7	125.7
Right-of-use assets	16.3	9.1	16.3
Investments in associates and joint ventures and interests in joint operations	0.7	1.4	0.7
Financial assets at fair value through other comprehensive income	0.1	0.0	0.1
Other receivables	1.5	1.3	1.8
Deferred tax assets	<b>695.8</b>	<b>179.7</b>	<b>690.3</b>
<b>Total non-current assets</b>			
<b>Current assets</b>	<b>151.4</b>	<b>95.9</b>	<b>139.7</b>
Inventories	0.1	0.1	0.2
Contract assets	191.5	46.9	232.8
Trade and other receivables	2.9	3.4	1.3
Current tax assets	118.7	111.0	168.9
Cash and cash equivalents	<b>464.6</b>	<b>257.3</b>	<b>543.0</b>
<b>Total current assets</b>	<b>1 160.4</b>	<b>437.0</b>	<b>1 233.3</b>
<b>Total assets</b>	<b>281.5</b>	<b>80.8</b>	<b>277.8</b>

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EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	61.5	60.5	61.5
Invested unrestricted equity fund	336.8	1.2	336.8
Fair value reserve	0.0	0.6	0.0
Legal reserve	0.4	0.1	0.4
Hedge reserve	2.3	-0.4	1.7
Translation differences	-8.4	-21.1	-15.0
Retained earnings	123.7	103.4	121.6
<b>Equity attributable to owners of the parent</b>	<b>516.2</b>	<b>144.2</b>	<b>507.0</b>
<b>Non-controlling interests</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>
<b>Total equity</b>	<b>517.1</b>	<b>144.2</b>	<b>507.9</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	48.6	16.5	48.4
Borrowings	134.8	63.9	136.1
Non-current liabilities at fair value through profit or loss	1.3	-	1.3
Lease liabilities	121.2	6.5	120.8
Other liabilities	0.0	-	0.0
Employee benefit obligations	3.1	1.1	3.0
<b>Total non-current liabilities</b>	<b>309.0</b>	<b>88.0</b>	<b>309.6</b>
<b>Current liabilities</b>			
Borrowings	21.5	46.5	26.5
Lease liabilities	11.7	3.6	11.6
Trade and other payables	299.8	153.4	374.4
Contract liabilities	0.3	0.3	0.4
Current tax liabilities	0.9	1.1	2.8
<b>Total current liabilities</b>	<b>334.3</b>	<b>204.8</b>	<b>415.7</b>
<b>Total liabilities</b>	<b>643.3</b>	<b>292.8</b>	<b>725.4</b>
<b>Total equity and liabilities</b>	<b>1 160.4</b>	<b>437.0</b>	<b>1 233.3</b>



# Anora's Board of Directors

**Michael Holm Johansen**

Chairman



Shareholdings: 80 000

Chairman of the Human  
Resources Committee

**Sanna Suvanto-Harsaæ**

Vice Chairman



Shareholdings: 3 908

Member of the Audit Committee

**Kirsten Ægidius**

Member



Shareholdings: 2 440

Member of the Human  
Resources Committee

**Ingeborg Flønes**

Member



Shareholdings: 1 900

Member of the Human  
Resources Committee

**Christer Kjos**

Member



Shareholdings: -

Member of the Audit Committee

**Annareetta Lumme-Timonen**

Member



Shareholdings: -

Member of the Audit Committee

**Jyrki Mäki-Kala**

Member



Shareholdings: 3 517

Chairman of the Audit Committee

**Torsten Steenholt**

Member



Shareholdings: 5 000

Member of the Human  
Resources Committee

**Arne Larsen**

Member



Shareholdings: -

Employee-elected  
Board member

**Jussi Mikkola**

Member



Shareholdings: 100

Employee-elected  
Board member

# 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

**Sigmund Toth**

CFO



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

**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



Long career with global brands at Pernod-Ricard; joined Altia in 2014 and has led 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 several managerial positions at Fiskars Oyj; has led Altia's supply chain since 2008

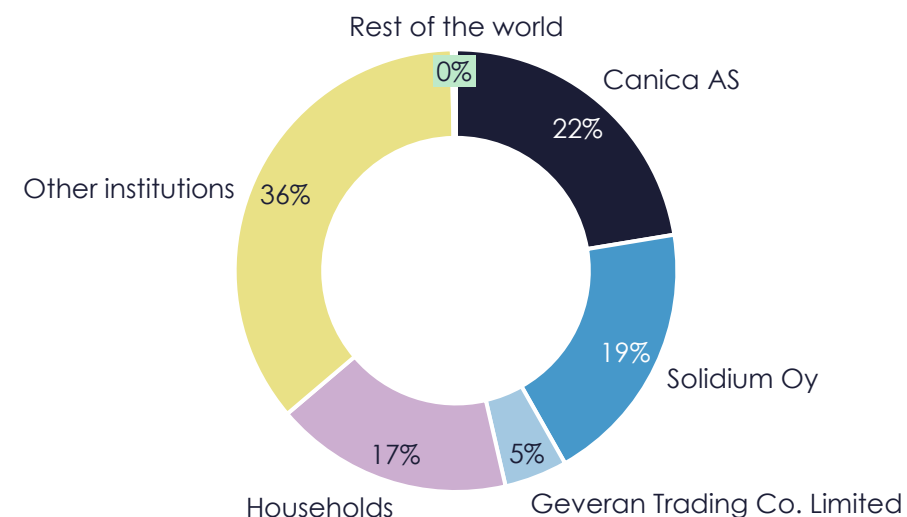
# Anora's top 10 shareholders

Shareholder	Shares	% of shares
Solidium Oy	13 097 481	19.4
Varma Mutual Pension Insurance Company	2 131 240	3.2
Ilmarinen Mutual Pension Insurance Company	1 530 000	2.3
WestStar Oy	1 199 705	1.8
Elo Mutual Pension Insurance Company	680 000	1.0
Veritas Pension Insurance Company Ltd.	438 345	0.6
Säästöpankki Pienyhtiöt	255 370	0.4
Savolainen Heikki Antero	216 077	0.3
Tapiola Trendi Investment fund	215 772	0.3
Mandatum Life Insurance Company Limited	175 491	0.3
<b>Total</b>	<b>19 939 481</b>	<b>29.5</b>
<i>Nominee-registered shares</i>	<i>32 332 109</i>	<i>47.9</i>

Source: Euroclear Finland

# ANORA

## ILLUSTRATION OF ANORA'S OWNERSHIP STRUCTURE



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](http://www.anora.com)  
Investor Relations: [tua.stenius-ornhjelm@anora.com](mailto:tua.stenius-ornhjelm@anora.com)

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