

# ANORA

## **Q3 24 Results presentation**

with CEO Jacek Pastuszka and CFO Stein Eriksen

**7 November 2024**

# Today's agenda and speakers

- 1 Business review
- 2 Financial review
- 3 Summary
- 4 Q&A



**Jacek Pastuszka**

CEO



**Stein Eriksen**

CFO

# Business review



# Q3 results: All segments improved their gross margins in Q3, lower volumes in beverage sales had a negative impact on comparable EBITDA

Net sales	Gross margin, %	Comparable EBITDA margin, %	Comparable EBITDA
<b>162.7</b> (173.0) EUR million	<b>Wine 26.4</b> (24.8) <b>Spirits 46.2</b> (42.8) % of net sales	<b>9.8</b> (11.7)	<b>15.9</b> (20.2) EUR million
Declined primarily due to lower volumes in beverage sales in the Wine and Spirits segments	All segments improved their gross margins in Q3	Declined primarily due to lower volumes in beverage sales in the Wine and Spirits segments	Guidance for comparable EBITDA: EUR 65–70 million for 2024

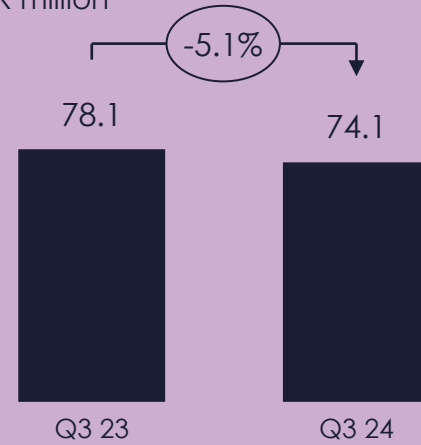


# Wine

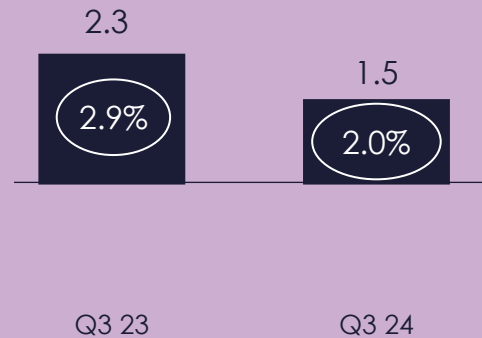
## Q3 highlights

- **Net sales** decreased by 5.1% to EUR 74.1 million.
- Anora gained a leading position in Finnish groceries due to the successful launch of its 8% ABV wines.
- **Gross margin** improved to 26.4% of net sales, and **gross profit** increased by 0.9% to EUR 19.5 million.
- **Comparable EBITDA** decreased to EUR 1.5 (2.3) million, or 2.0% (2.9%) of net sales, driven by lower volumes and higher operating expenses.
  - Some operational challenges in Denmark

**Net sales (total)**  
EUR million



**Comparable EBITDA**  
EUR million and %



## New wine launches & tender wins

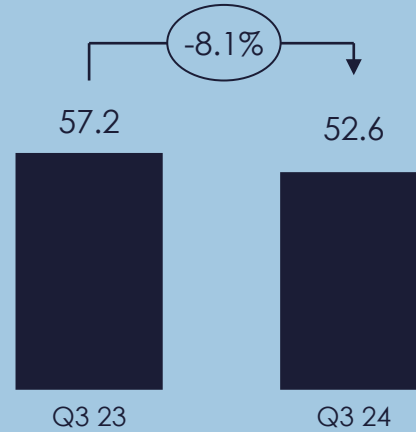


# Spirits

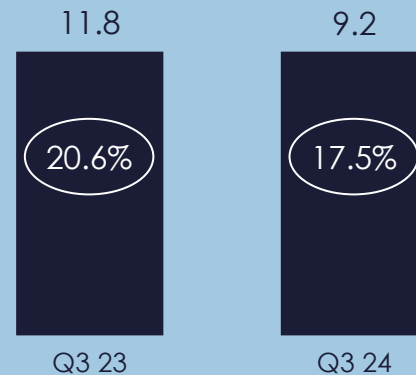
## Q3 highlights

- **Net sales** amounted to EUR 52.6 million.
- Sweden delivered net sales growth, while net sales declined in all other countries.
- Koskenkorva net sales grew from the previous year and represented over 16% of the total Spirits sales.
- **Comparable EBITDA** declined mostly driven by lower volumes, declining monopoly markets and higher operating expenses due to targeted increase in A&P spend.

**Net sales (total)**  
EUR million



**Comparable EBITDA**  
EUR million and %



## Successful launches



### Finland

- Koskenkorva Mint Caramel 30%
- Koskenkorva Spirit Drink Vanilla 21%
- Koskenkorva vegan crème caramel 15%
- Koskenkorva cream gingerbread 15%



### Norway

- Koskenkorva Spirit Drink Lemon Lime Yarrow 21%



### GTR, Estonia

- Koskenkorva cream salmiakki 15%
- Koskenkorva vegan crème caramel 15%

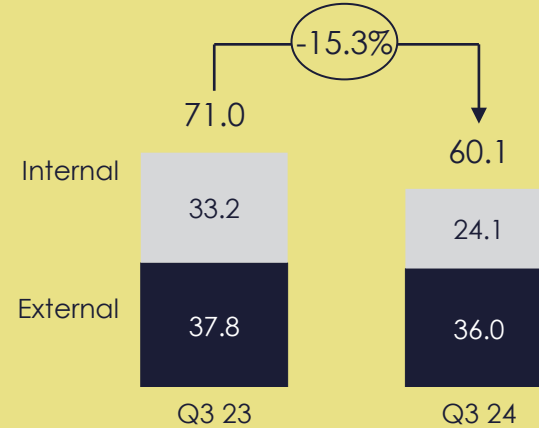
# Industrial



## Q3 highlights

- **External net sales** decreased by 4.6%.
- Net sales was negatively impacted by decreased ethanol and side product sales prices and production volumes.
- Contract manufacturing volume improved compared to the previous year after a slower start in the beginning of the year.
- **Comparable EBITDA** was EUR 5.4 million, or 9.0% of net sales.
- The ongoing efficiency improvement programmes helped to improve the margins from the previous year.

**Net sales (total)**  
EUR million



**Comparable EBITDA**  
EUR million and % of net sales





# Financial review

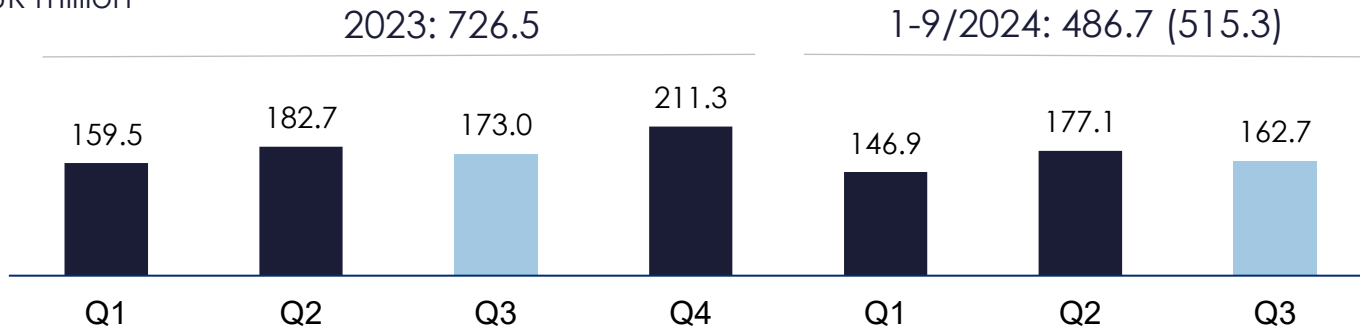




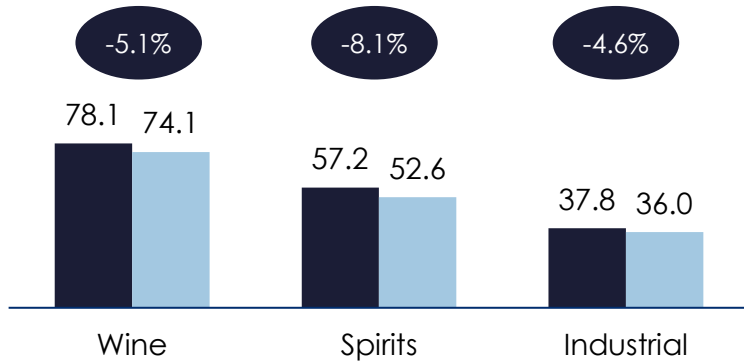
# Net sales development

Q3 2024 net sales decreased by 6.0%

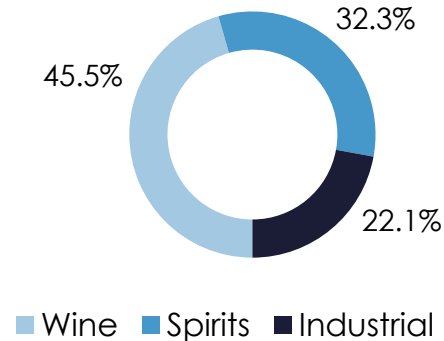
**Group net sales**  
EUR million



**Net sales (external) by segment**  
EUR million



**Net sales (external) by segment Q3 2024**  
%

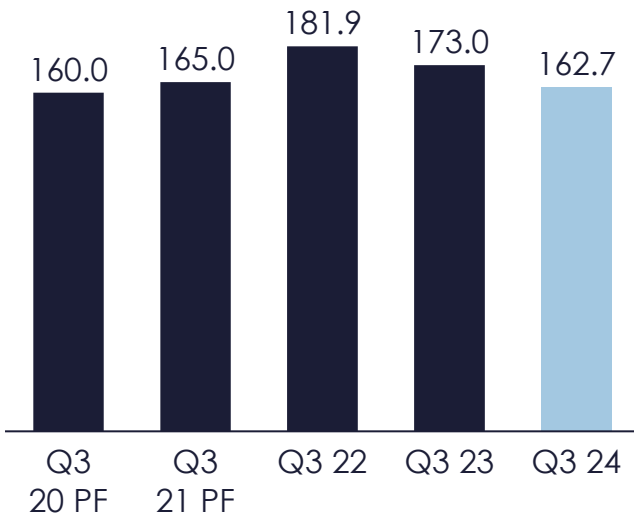


- Q3/24 net sales: 162.7 (173.0) MEUR, down by 6.0%.
- Net sales declined primarily due to lower volumes in beverage sales in the Wine and Spirits segments.
- In the Wine segment, Anora launched a wide range of products for grocery stores in Finland.
- In the Spirits segment, the markets declined in all monopoly markets. Sweden delivered net sales growth, while net sales declined in all other countries.
- The Industrial segment's net sales was negatively impacted by decreased ethanol and side product sales prices and production volumes, while the contract manufacturing volume improved compared to the previous year after a slower start in the beginning of the year.

# In Q3 2024, net sales decreased by 6.0%

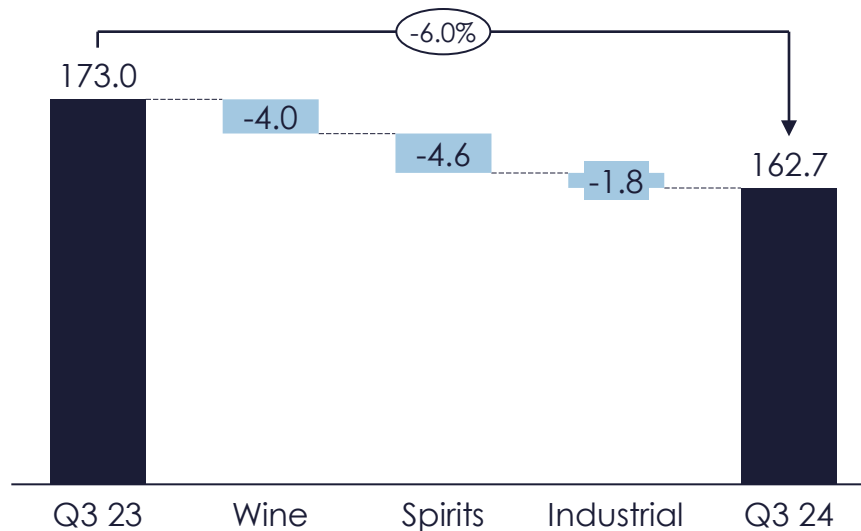
Net sales declined primarily due to lower volumes in beverage sales

Net sales (external), EUR million



PF = Pro forma

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

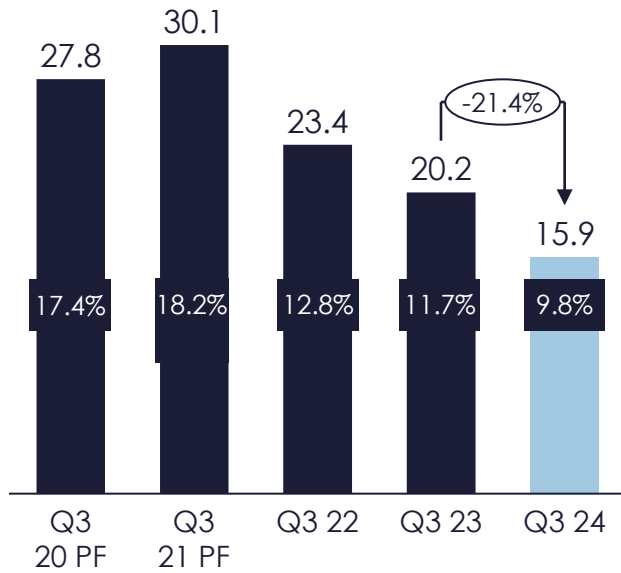


- The markets were overall challenging, while Anora gained a leading position in Finnish groceries due to the successful launch of its 8% ABV wines.
- In Spirits, Sweden delivered net sales growth, while net sales declined in all other countries.
- Industrial net sales was negatively impacted by decreased ethanol and side product sales prices and production volumes, while the contract manufacturing volume improved compared to the previous year after a slower start in the beginning of the year.
- The divestment of Larsen was completed on 29 September 2023.

# Q3 Group comparable EBITDA was down by 21.4% from last year

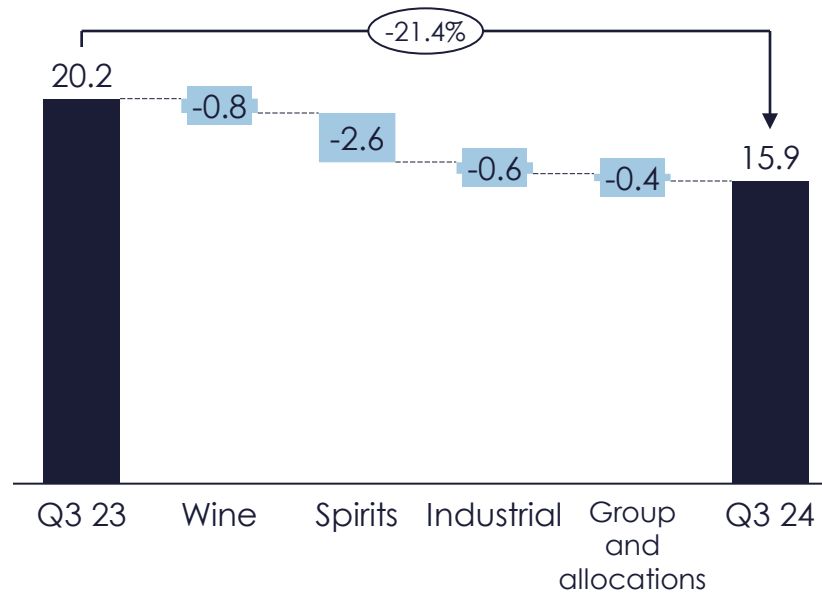
Comparable EBITDA decline due to lower volumes in beverage sales

Comparable EBITDA, EURm and % of net sales



PF stands for pro forma.

Comparable EBITDA, EURm and change per segment



- The Comparable EBITDA decline was driven by lower volumes in beverage sales in Wine and Spirits segments.
- In the Industrial segment, the ongoing efficiency improvement programmes helped to improve the margins from the previous year.
- All segments improved their gross margins. The one-off capital gain of EUR 12.2 million from the divestment of Larsen was reported in Q3/2023 under other operating income.

# Lower volumes in beverage sales had a negative impact on comparable EBITDA

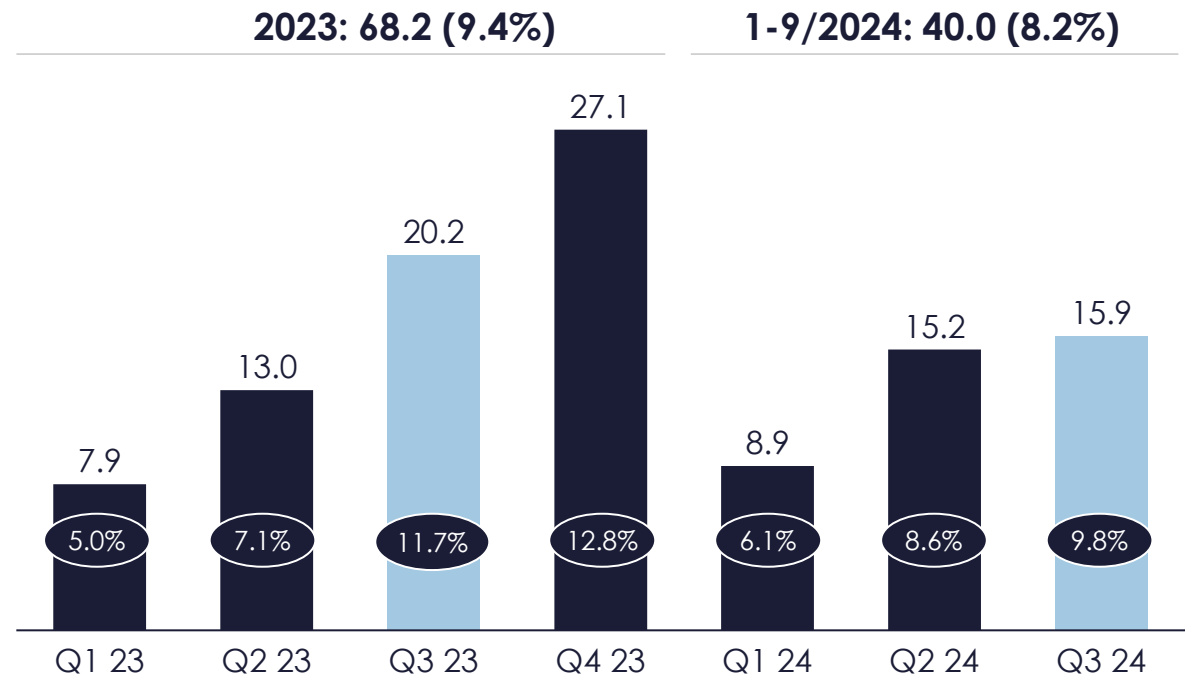
## Q3/2024

- Comparable EBITDA was EUR 15.9 (20.2) million, or 9.8% (11.7%) of net sales, down by 21.4%.
- The decline was driven by lower volumes in beverage sales in Wine and Spirits segments.
- EBITDA was EUR 15.3 (28.9) million, or 9.4% (16.7%) of net sales, down by 47.1%. The one-off capital gain of EUR 12.2 million from the divestment of Larsen was reported in Q3/2023 under other operating income.

## 1-9/2024

- Comparable EBITDA was EUR 40.0 (41.1) million, or 8.2% (8.0%) of net sales, down by 2.8%.
- EBITDA was 38.0 (45.6) million, or 7.8% (8.8%) of net sales, down by 16.7%.

Comparable EBITDA, EUR million and % of net sales



Comparable EBITDA = EBITDA excluding items affecting comparability

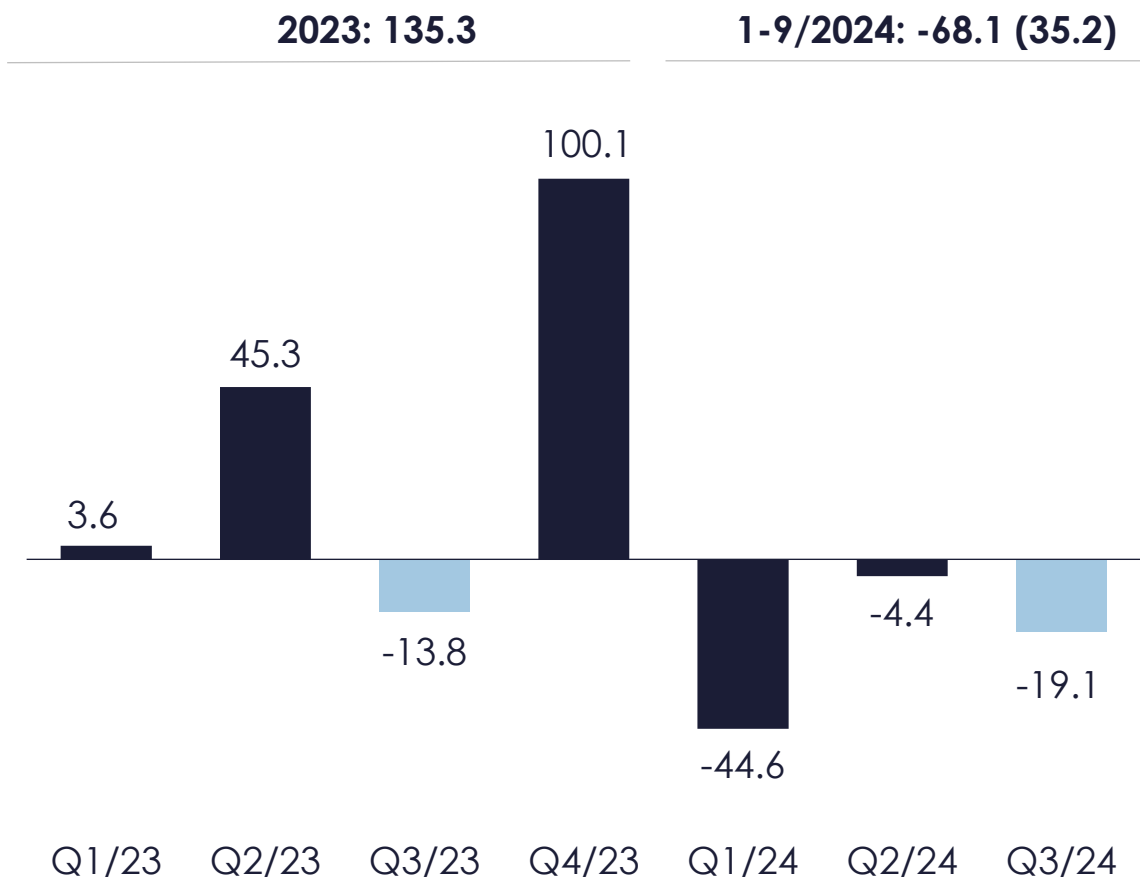


# Cash flow development

Cash flow decreased from the previous year

- The net cash flow from operations totalled EUR -68.1 (35.2) million in 1-9/2024.
- The high deviation of net cash flow from operations compared to last year was mainly explained by the extended sales of receivables last year with a strong positive one-time effect.
- The receivables sold amounted to EUR 101.2 (97.2) million at the end of the reporting period.
- Capex 1-9/2024: EUR 8.6 (9.3) million, representing 1.8 (1.8) percent of net sales
  - Capex was allocated mainly to replacement investments and to improve work safety and energy efficiency.

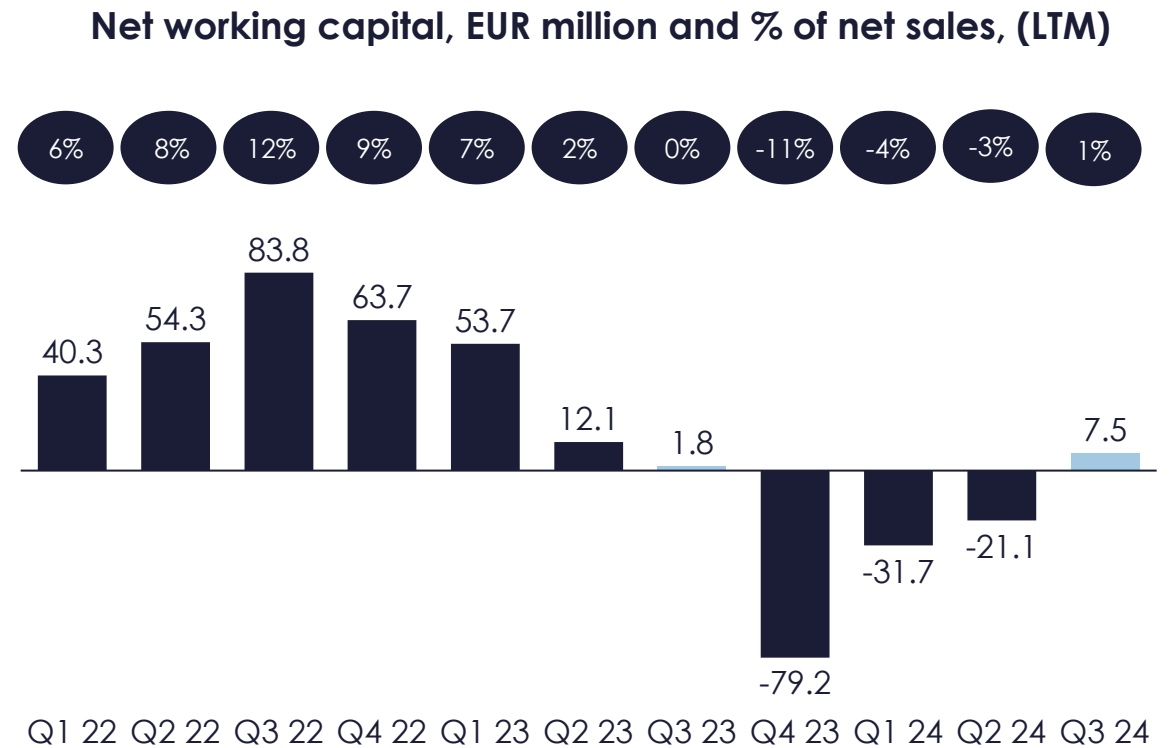
**Net cash flow from operations**  
EUR million



# Net working capital

Net working capital was at a level of 1% of net sales at the end of September (LTM)

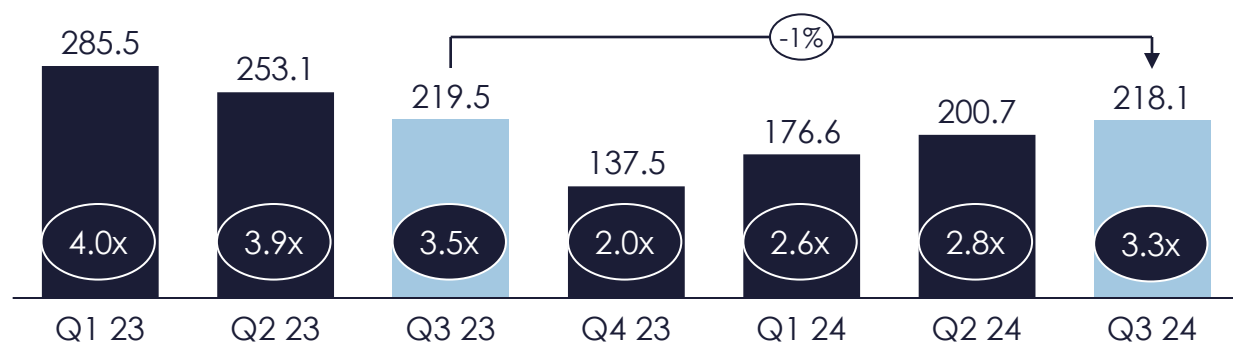
- The Group’s net working capital amounted to EUR 7.5 (1.8) million at the end of September.
- Inventory decreased to EUR 173.7 (184.8) million.
- Trade and other receivables increased to EUR 108.4 (100.9) million. The receivables sold amounted to 101.2 (97.2) million at the end of the reporting period.
- Trade and other payables decreased to EUR 272.8 (283.9) million.



# Leverage

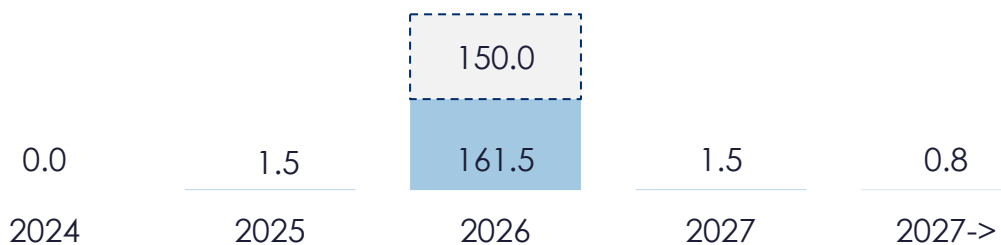
Anora paid down its long-term interest-bearing debt by EUR 50m

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



**Debt maturity structure excl. lease liabilities on 30 Sep 2024, EURm**

■ Existing debt      □ RCF (undrawn)



- Net debt amounted to EUR 218.1m (219.5m) at the end of Q3. Net debt/comparable EBITDA: 3.3x (3.5x).
- Long-term interest-bearing debt was paid down by EUR 50 million, thus lowering the net financial expenses going forward.
- Interest-bearing debt incl. lease liabilities decreased to EUR 284.0m (386.3m), excl. lease liabilities: EUR 164.9m (258.0m)
- The receivables sold amounted to 101.2 (97.2) million at the end of the reporting period.
- Anora’s liquidity position is strong.
  - Cash and cash equivalents of EUR 65.9m (166.8m)
  - Revolving credit facility of EUR 150.0m maturing in December 2026, none in use at the end of September.
- Gearing was 55.8% (48.0%), while the equity ratio was 39.5% (38.5%) at the end of the period.

# Our long-term financial targets for 2030

Long-term financial targets for 2030		Actual 1-9/2024	Actual 2023	Actual 2022
<b>Net sales growth</b> <small>including M&amp;A, majority being organic</small>	<b>3–5%</b>	-5.5 %	3.4 %	5.7 %
<b>Comparable EBITDA margin</b> <small>Through focus on margin accretive business and scale benefits on indirect costs</small>	<b>16%</b>	8.2 %	9.4 %	10.8 %
<b>Net IB debt / comparable EBITDA (LTM)</b> <small>Debt levels may occasionally exceed in connection with M&amp;As</small>	<b>&lt;2.5x</b>	3.3x	2.0x	4.0x
<b>Dividend pay-out ratio</b> <small>% of result for the period</small>	<b>50–70%</b>	n.a.	37.2 %	83.1%

Anora aims to maintain a stable or increasing dividend. AGM decided to pay a dividend of EUR 0.22 per share for 2023. The dividend was paid on 26 April 2024.



# Summary of Q3 2024

Comparable EBITDA declined in Q3 due to lower volumes in beverage sales in Wine and Spirits segments.

Net sales declined by 6.0% to EUR 162.7m, due to lower volumes in beverage sales in the Wine and Spirits segments.

We paid down debt by EUR 50 million, thus lowering the financial expenses going forward



# Outlook 2024

## Market outlook 2024

In 2024, the volumes in our key markets are expected to be slightly lower than in 2023 due to challenging economic conditions.

## Guidance 2024

In 2024, Anora's comparable EBITDA is expected to be EUR 65-70 million (2023: EUR 68.2 million).

**ANORA**



# Q&A





# Our next scheduled event

- 12 February 2025 | Financial Statement Release 2024

# ANORA

Thank you!



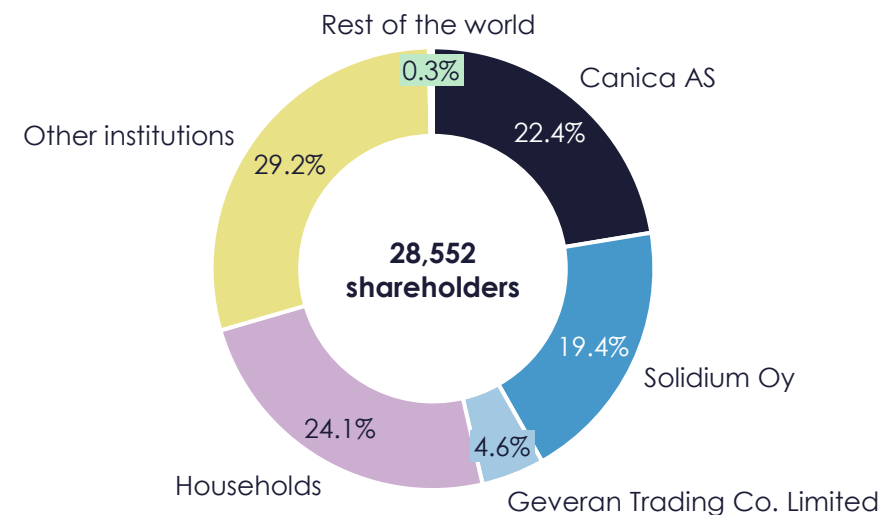
# Appendix

# Anora's top 10 shareholders 30 September 2024

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	728,602	1.1
Veritas Pension Insurance Company Ltd.	460,000	0.7
Savolainen Heikki Antero	367,571	0.5
OP Life Assurance Company Ltd	250,815	0.4
Eriksson Trygve	200,000	0.3
Rantalainen-Yhtiöt Oy	200,000	0.3
<b>10 biggest owners in total</b>	<b>19,825,414</b>	<b>29.3</b>
Nominee-registered shares	27,182,547	40.2
<b>Total</b>	<b>67,553,624</b>	<b>100.0</b>

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.

# Q3/2024 and Q1-Q3/2024 income statements

EUR million	Q3 24	Q3 23	Q1-Q3 24	Q1-Q3 23	2023
<b>Net sales</b>	<b>162.7</b>	<b>173.0</b>	<b>486.7</b>	<b>515.3</b>	<b>726.5</b>
Other operating income	1.8	14.3	5.9	18.4	20.3
Materials and services	-96.2	-104.3	-285.8	-315.0	-441.4
Employee benefit expenses	-23.1	-24.0	-76.1	-76.0	-103.8
Other operating expenses	-30.0	-30.2	-92.7	-97.0	-134.1
Depreciation, amortisation and impairment	-6.7	-8.4	-20.2	-25.2	-98.8
<b>Operating result</b>	<b>8.5</b>	<b>20.5</b>	<b>17.8</b>	<b>20.4</b>	<b>-31.3</b>
Finance income	1.9	6.0	7.5	17.9	24.6
Finance expenses	-6.7	-11.8	-22.4	-35.0	-47.4
Share of profit in associates and joint ventures and income from interest in joint operations	-0.1	-0.2	0.3	0.6	0.2
<b>Result before taxes</b>	<b>3.6</b>	<b>14.5</b>	<b>3.1</b>	<b>3.8</b>	<b>-53.9</b>
Income tax expense	-0.4	-0.4	-0.4	0.5	13.9
<b>Result for the period</b>	<b>3.2</b>	<b>14.0</b>	<b>2.8</b>	<b>4.3</b>	<b>-39.9</b>
Earnings per shares, basic	0.05	0.21	0.04	0.06	-0.59

# Q3/2024 balance sheet

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	300.4	300.9	304.3
Other intangible assets	196.7	208.7	206.3
Property, plant and equipment	61.9	71.2	62.7
Right-of-use assets	58.9	119.6	67.9
Investments in associates and joint ventures and interests in joint operations	12.0	20.1	12.3
Financial assets at fair value through other comprehensive income	0.7	0.7	0.7
Other receivables	0.2	0.0	0.0
Deferred tax assets	0.0	0.6	0.0
<b>Total non-current assets</b>	<b>630.7</b>	<b>721.8</b>	<b>654.1</b>
<b>Current assets</b>			
Inventories	173.7	184.8	144.2
Trade and other receivables	108.4	100.9	110.1
Derivatives receivables	1.0	0.6	0.8
Current tax assets	9.0	11.3	6.1
Cash and cash equivalents	65.9	166.8	212.7
Assets held for sale	-	-	7.6
<b>Total current assets</b>	<b>358.0</b>	<b>464.3</b>	<b>481.6</b>
<b>Total assets</b>	<b>988.7</b>	<b>1186.2</b>	<b>1135.7</b>

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	61.5	61.5	61.5
Invested unrestricted equity fund	336.8	336.8	336.8
Hedge reserve	-1.6	-0.6	-1.5
Translation differences	-48.9	-47.9	-44.0
Retained earnings	42.4	106.8	54.5
<b>Equity attributable to owners of the parent</b>	<b>390.2</b>	<b>456.5</b>	<b>407.3</b>
<b>Non-controlling interests</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>
<b>Total equity</b>	<b>390.8</b>	<b>457.1</b>	<b>407.8</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	34.5	52.6	36.5
Borrowings	163.4	214.7	214.8
Non-current liabilities at fair value through profit or loss	0.1	0.5	0.1
Lease liabilities	106.5	116.7	120.7
Employee benefit obligations	2.3	2.4	2.4
<b>Total non-current liabilities</b>	<b>306.8</b>	<b>386.8</b>	<b>374.5</b>
<b>Current liabilities</b>			
Borrowings	1.5	43.4	1.5
Current liabilities at fair value through profit or loss	0.4	-	0.6
Lease liabilities	12.7	11.6	13.3
Provisions	1.7	-	3.9
Trade and other payables	272.8	283.9	329.6
Derivatives liabilities	1.9	0.8	2.2
Current tax liabilities	0.1	2.6	2.2
<b>Total current liabilities</b>	<b>291.1</b>	<b>342.2</b>	<b>353.4</b>
<b>Total liabilities</b>	<b>597.9</b>	<b>729.0</b>	<b>727.9</b>
<b>Total equity and liabilities</b>	<b>988.7</b>	<b>1186.2</b>	<b>1135.7</b>



# Anora's Executive Management Team

## Jacek Pastuszka

CEO



Joined Anora in Oct. 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.

## Stein Eriksen

CFO



Previously, Stein was the CFO XXL, the largest sports retailer in the Nordic countries. He has also acted as the Interim CEO of XXL. Prior to that, he has had a long career at Orkla, most recently as CFO at Orkla Care and SVP Finance at Orkla ASA.

## Janne Halttunen

SVP, Wine



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

## Kirsi Puntila

SVP, Spirits



Long career with global brands at Pernod-Ricard; joined Altia in 2014 and has led core spirit brands and innovation across all markets.

## Risto Gaggl

SVP, Industrial\*



Previously, Risto worked as Chief Supply Chain Officer at Fiskars Group for over 10 years. Before Fiskars, he held several international positions at Elcoteq, the latest of which was Vice President, Business Excellence.

## 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.

## Johanna Sundén

Chief People and Communications Officer



Held several senior HR positions in international companies such as Orkla Health, the Wilhelmsen Group and Lindorff. Experience from M&As, company integrations, leadership development, talent management and organisational change.

## Thomas Heinonen

Group General Counsel



Thomas has been with Anora and its predecessor (Altia Oyj) as Group General Counsel since 2012.

*\* Hannu Vähämurto appointed as successor as of 1 Jan. 2025.*

# Anora's Board of Directors

**Michael Holm Johansen**  
Chairperson



Shareholdings: 80,000

Chair of the Human Resources Committee

**Jyrki Mäki-Kala**  
Vice Chairperson



Shareholdings: 13,600

Chair of the Audit Committee

**Kirsten Ægidius**  
Member



Shareholdings: 6,100

Member of the Human Resources Committee

**Christer Kjos**  
Member



Shareholdings: -

Member of the Audit Committee

**Florence Rollet**  
Member



Shareholdings: 4,620

Member of the Human Resources Committee

**Annareetta Lumme-Timonen**  
Member



Shareholdings: 4,600

Member of the Audit Committee

**Torsten Steenholt**  
Member



Shareholdings: 20,000

Member of the Audit Committee

**Jussi Mikkola**  
Member



Shareholdings: 100

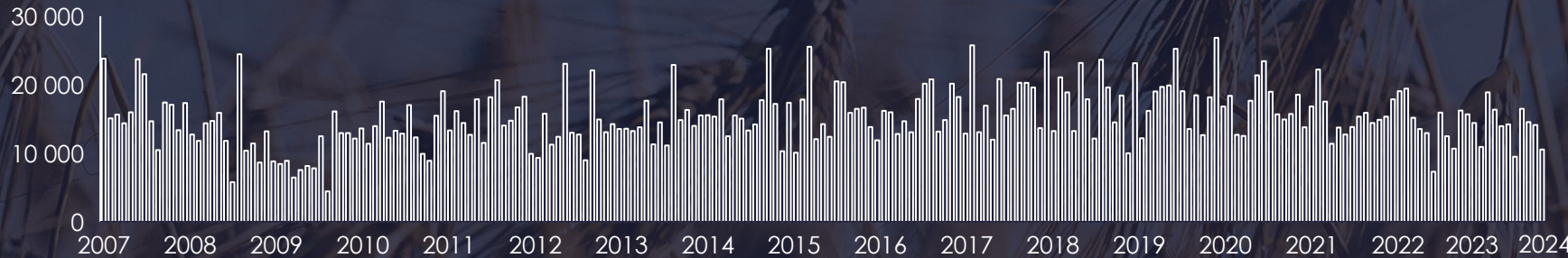
Employee-elected Board member

# Barley sourcing

**Barley price development**  
EUR/tn\*



**Anora's monthly sourcing volumes**  
tn



**Anora used**  
**39.2** (43.5)  
**million kg**  
of grain in Q3 2024

**Key principles for barley sourcing:**

- Purchased at spot prices; no hedging tools available for barley
- In Q3 average monthly sourcing volume 13,058 tn
- About 1 month inventory; volumes and purchase prices are fixed a couple of months ahead
- New harvest in Aug–Sept

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