

ANORA

Q4 23 Results presentation

CEO Jacek Pastuszka

CFO Sigmund Toth

14 February 2024

ANORA

Today's agenda and speakers

- Business review
- Financial review
- Summary
- Q&A



CEO Jacek Pastuszka



CFO Sigmund Toth

Comparable EBITDA improved in Q4 due to improved gross margin and tight cost control – Impairments weakened operating result and distributable funds

Net sales, EUR million	Comparable EBITDA, EUR million	Comparable EBITDA margin, %	EBITDA, EUR million
Q4 212.4 (221.6)	Q4 28.2 (20.9)	Q4 13.3 (9.4)	Q4 23.1 (18.9)
FY 727.6 (702.7)	FY 69.4 (76.1)	FY 9.5 (10.8)	FY 68.7 (67.9)

Results visible from the recent price increases and the announced cost cuts

Implemented cost cuts, changes in operational model and price increases to bring further results in 2024.

Sales decline mainly due to currency impacts and decrease in Industrial sales

Guidance for comparable EBITDA: EUR 75–85 million for 2024.

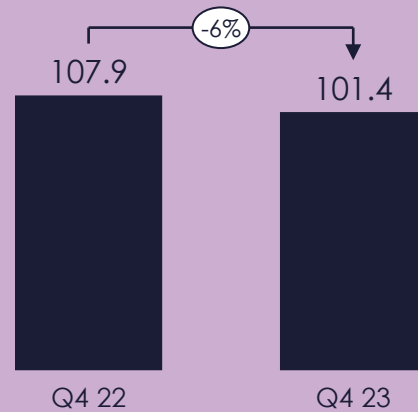


Wine

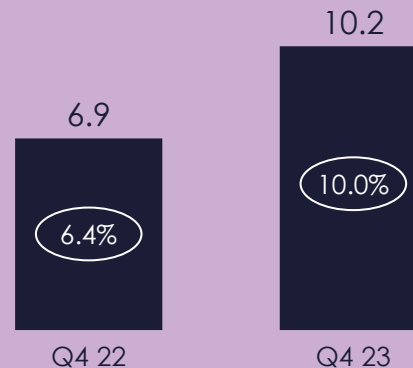
Q4 Highlights

- **Net sales** decreased by 6.1% to EUR 101.4 million, due to negative impact of the exchange rates, partly compensated by the strong Blossa 23 sales in own wines and the price increases as of September.
- The negative impact of the exchange rates on net sales was approximately EUR 6.4 million.
- **Comparable EBITDA** increased to EUR 10.2 (6.9) million, or 10.0% (6.4%) of net sales, due to lower operating expenses. Own wines performed overall well due to the price increases made as of September.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND MARGIN %



New own and partner wines and tender wins

Partner wines



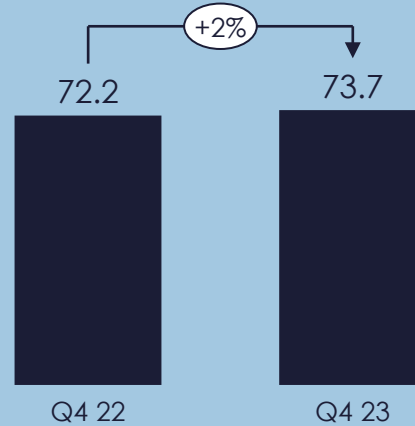
Own wines



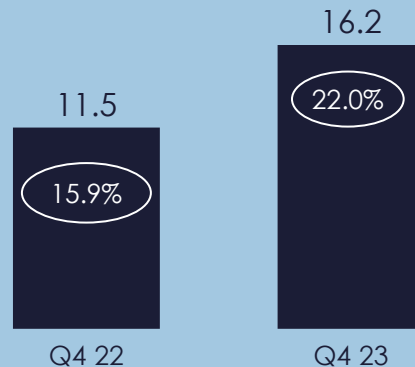
Q4 Highlights

- **Net sales** increased by 2.0% from the previous year as a result of the recent price increases and amounted to EUR 73.7 million.
- Koskenkorva net sales grew in double-digit figures and represented nearly 15% of our total spirits sales.
- **Comparable 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 and awards

Sweden – Barracuda Caribbean Dark

Finland – Helmi Salted Licorice-Cream liquor, Latitude Smoky Whisky and Artic Italian Citrus Dry Gin

Gilde Juleaquavit 2023 won a prestigious **silver award** in the **Global Spirits Design & Packaging Masters**.

Xanté was awarded three medals in **The Liqueur Masters 2023** (The Spirits Business Awards) - one of the most respected spirits competitions in the industry. The prestigious Master Medal was awarded to the original Xanté Cognac & Pear and two gold medals went to the intriguing Xanté Rum & Pear (Fruit liqueurs) and Xanté Passion Fruit & Pear (NoLo).



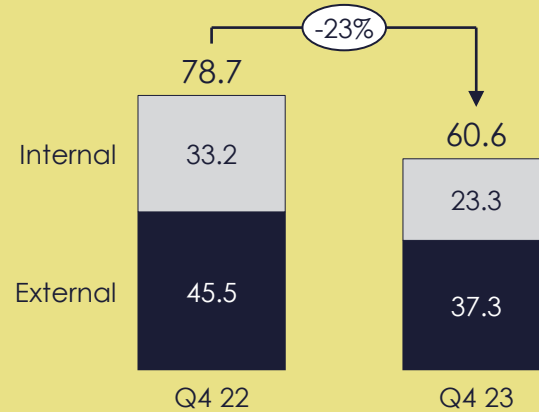


Industrial

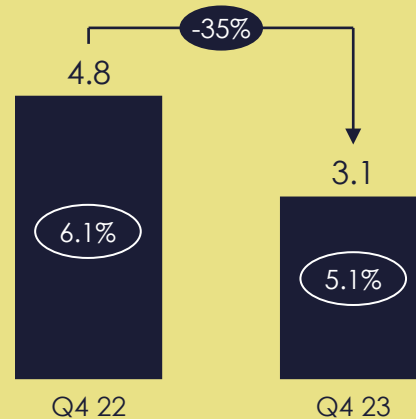
Q4 Highlights

- **External net sales** decreased by 18%.
- In industrial, net sales were negatively impacted by lower starch, ethanol, feed and contract manufacturing sales.
- In Vectura, net sales were flat, but increased by 13.1% in local currencies.
- **Comparable EBITDA** decreased mainly due to drop in bottling liters, offset by lower barley price.

NET SALES (TOTAL), MEUR



COMP. EBITDA, MEUR AND % OF NET SALES



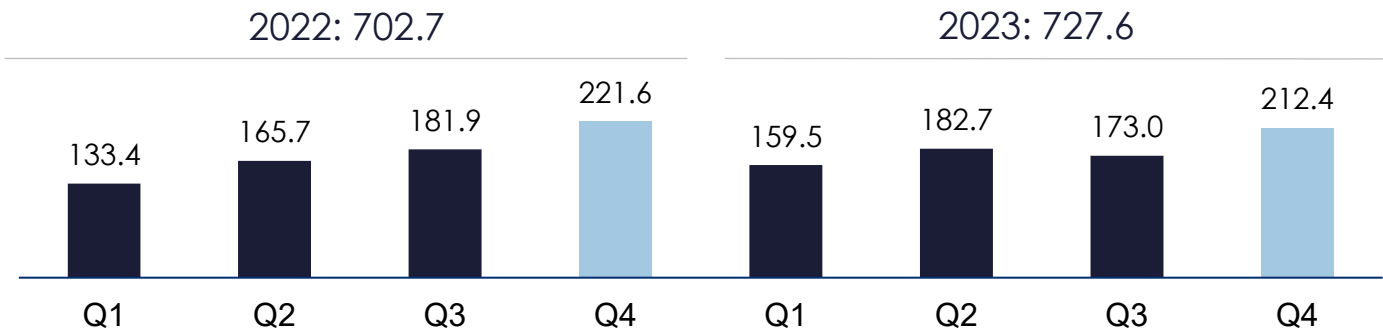
Financial review



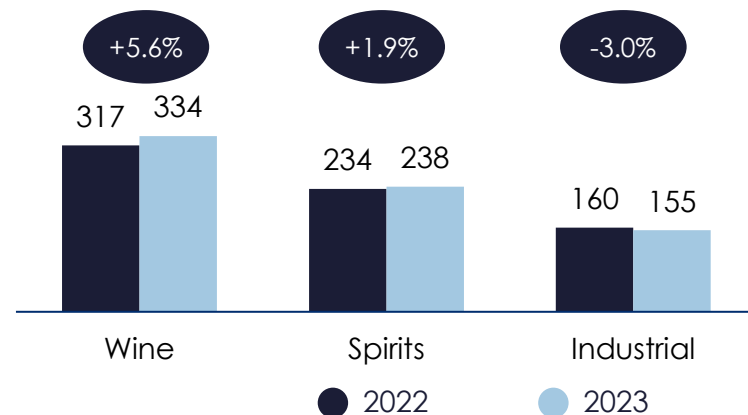
Net sales development

FY 2023 net sales increased by 3.5%

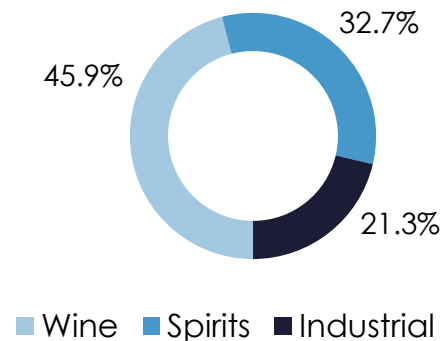
Group net sales, EUR million



Net sales (external) by segment 2023, EURm



Net sales (external) by segment 2023, %

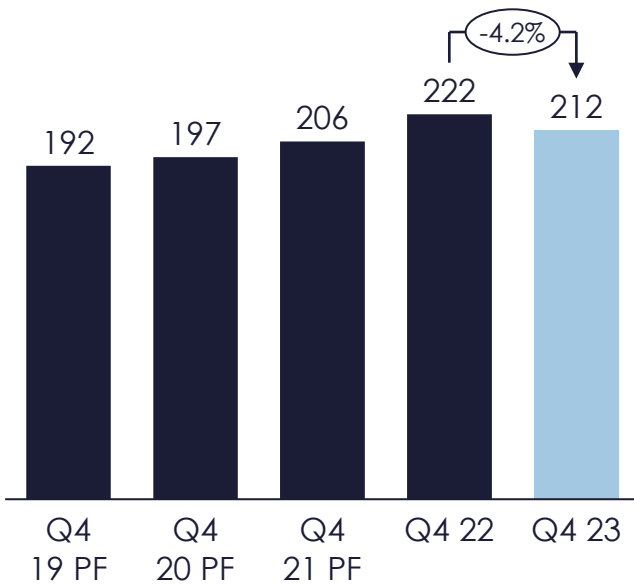


- Q4/23 net sales: 212.4 (221.6) MEUR, down by 4.2%
- 2023 net sales: 727.6 (702.7) MEUR, up by 3.5%
- Wine growth driven by Globus Wine acquisition in Denmark as of Q3 2022, while the Wine segment net sales in the monopoly countries declined.
- Spirits net sales was supported by International expansion.

In Q4 2023, net sales decreased by 4.2%

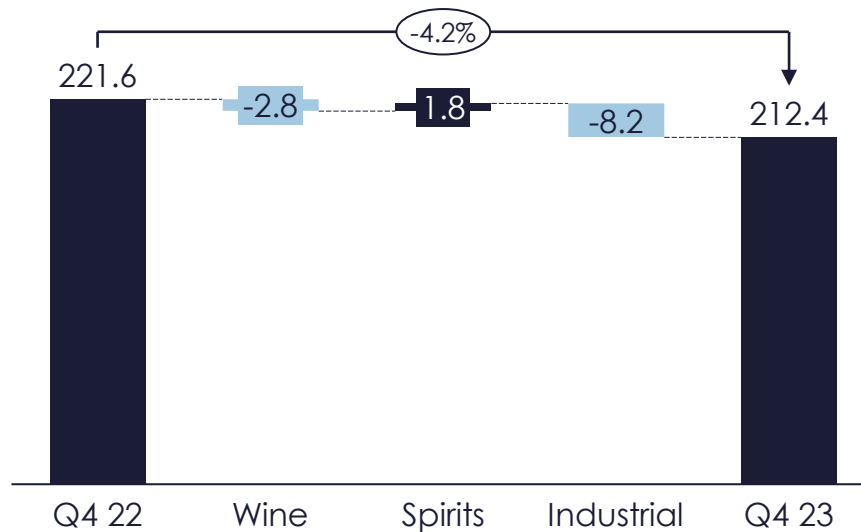
Price increases were initiated as of September

Net sales (external), EUR million



PF = Pro forma

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

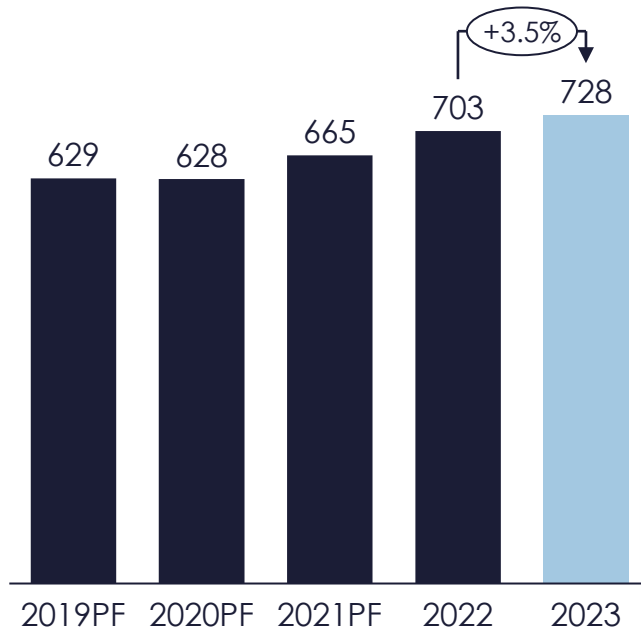


- Net sales declined mainly due to currency impacts and decrease in Industrial sales, partly offset by price increases as of September.
- Spirits net sales was supported by International expansion.
- The divestment of Larsen was completed on 29 September 2023, with an expected annual negative impacts of approx. EUR 6m on net sales and EUR 2m on comparable EBITDA.
- In Industrial, net sales were negatively impacted by lower starch, ethanol, feed and contract manufacturing sales.

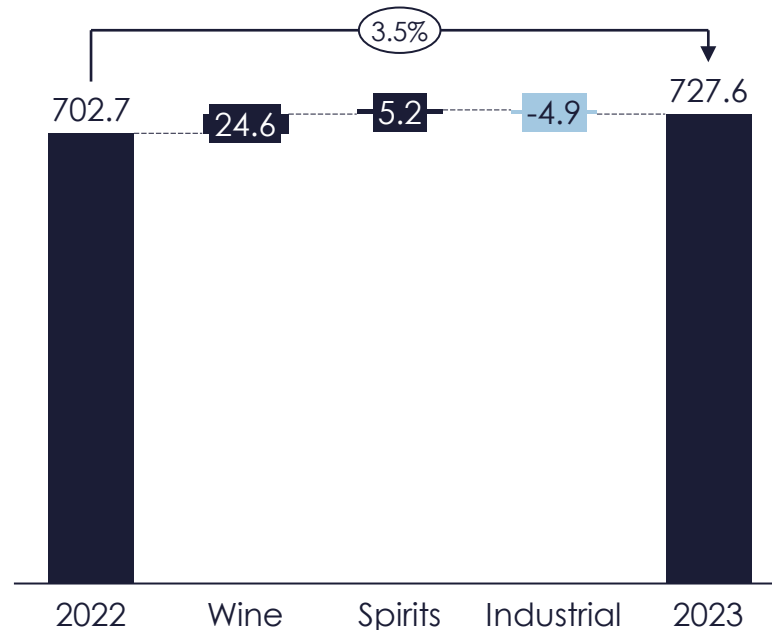
FY 2023 net sales growth driven mainly by Globus Wine

Price increases were initiated as of September

Net sales (external), EUR million



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



- Wine growth driven by Globus Wine acquisition in Denmark as of Q3 2022
- Spirits net sales was supported by International expansion.
- In industrial products, net sales were negatively impacted by lower starch and feed sales.

PF = Pro forma

Comparable EBITDA improved in Q4 due to improved gross margin and tight cost control

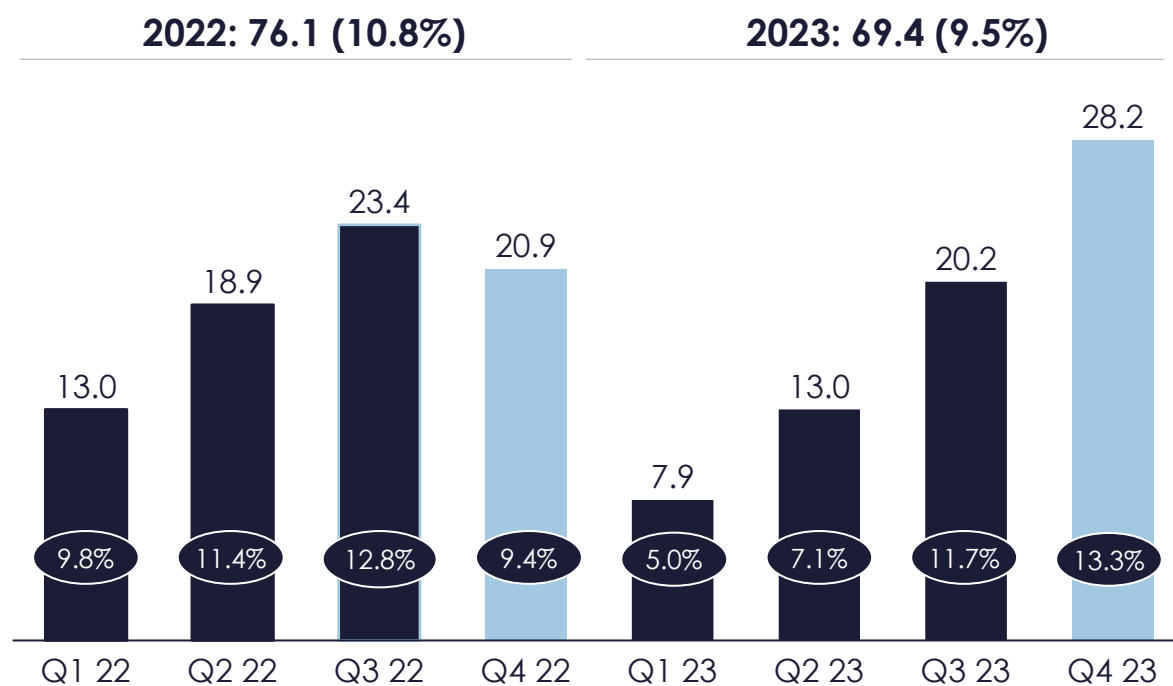
Q4/2023

- Results from the recent price increases and the announced cost cuts were visible in Q4.
- Comparable EBITDA was up by 35.2% from the previous year and amounted to EUR 28.2 (20.9) million or 13.3% (9.4%) of net sales
- EBITDA was EUR 23.1 (18.9) million, or 10.9% (8.5%) of net sales, up by 22.3%.
- Price increases were implemented as of September.

2023

- Comparable EBITDA was EUR 69.4 (76.1) million, or 9.5% (10.8%) of net sales, down by 8.9%
- EBITDA was 68.7 (67.9) million, up by 1.1%

Comparable EBITDA, EUR million and % of net sales

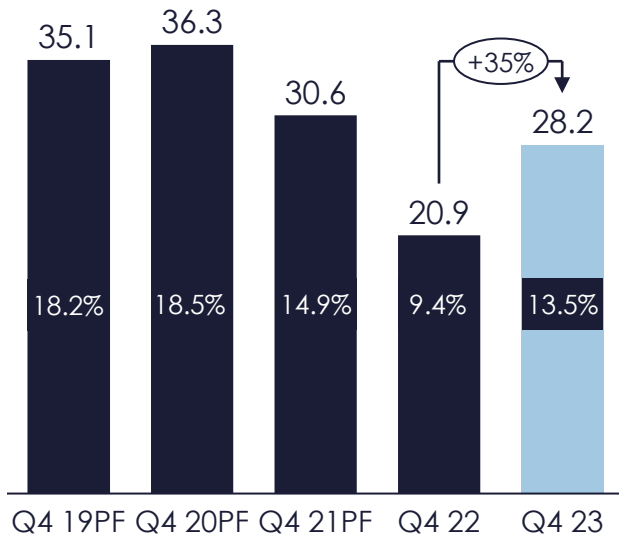


Comparable EBITDA = EBITDA excluding items affecting comparability

Q4 Group comparable EBITDA was up by 35% from last year

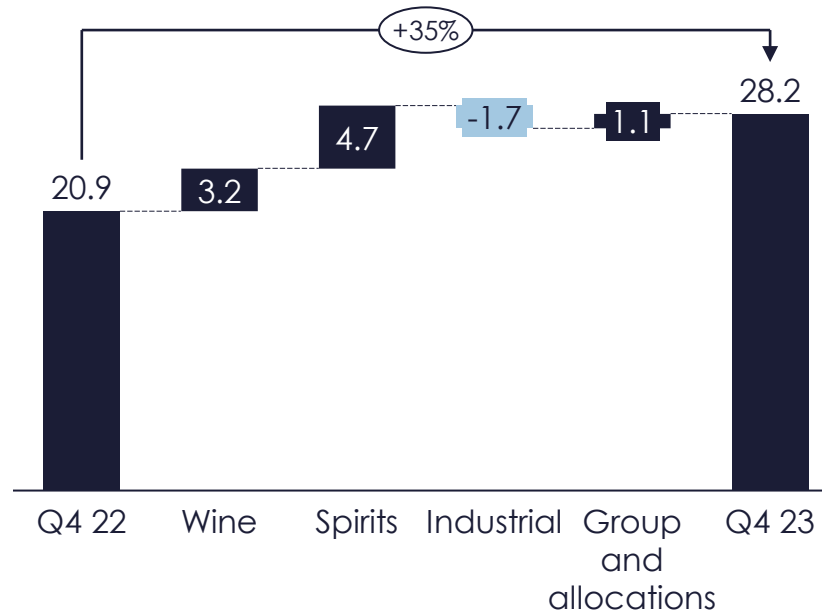
Comparable EBITDA improved in Q4 due to improved gross margin and strong cost control

Comparable EBITDA, EURm and % of net sales



PF stands for pro forma.

Comparable EBITDA, EURm and change per segment

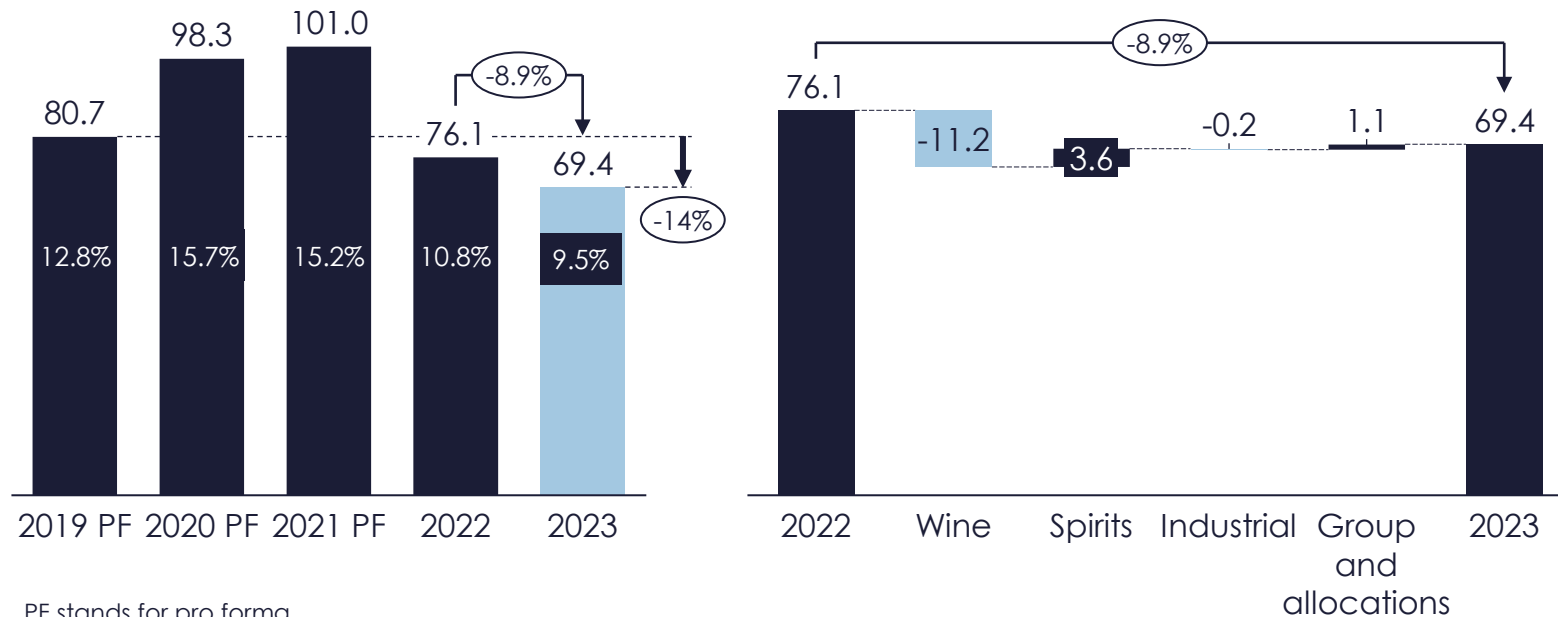


- Comparable EBITDA margin Q4/23: 13.3 (9.4)%
- Results from the recent price increases and the announced cost cuts were visible in Q4.
- An exceptional EUR 3.2 million correction to Globus Wine inventory values was made in Q4/2022 due to an accounting error (no impact on inventory volumes).

FY/2023 Group comparable EBITDA was down by 8.9% from last year

Decline in profitability due to lost partners in Wine and weaker currencies

Comparable EBITDA, EURm and % of net sales

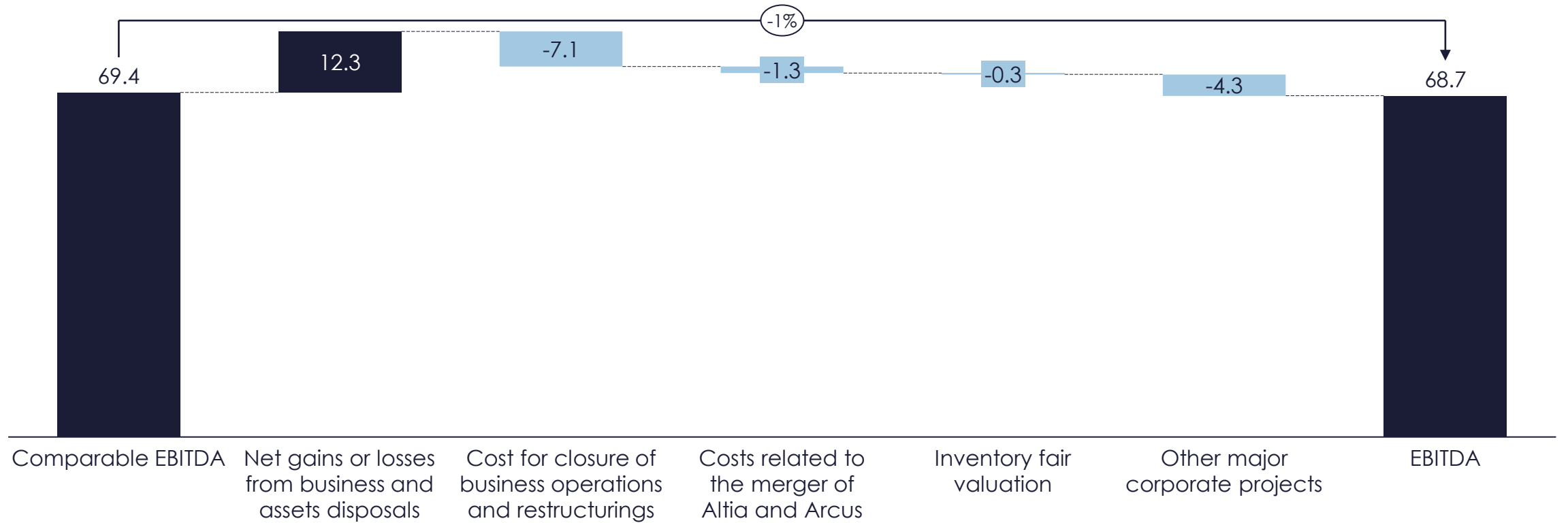


- FY/23 Comparable EBITDA margin: 9.5 (10.8)%.
- The decline in profitability was mainly due to lost partners in the Wine segment, high input costs and weaker currencies.
- An exceptional EUR 3.2 million correction to Globus Wine inventory values was made in Q4/2022 due to an accounting error (no impact on inventory volumes).

Non-recurring items in 2023

IAC: Items affecting comparability in 2023

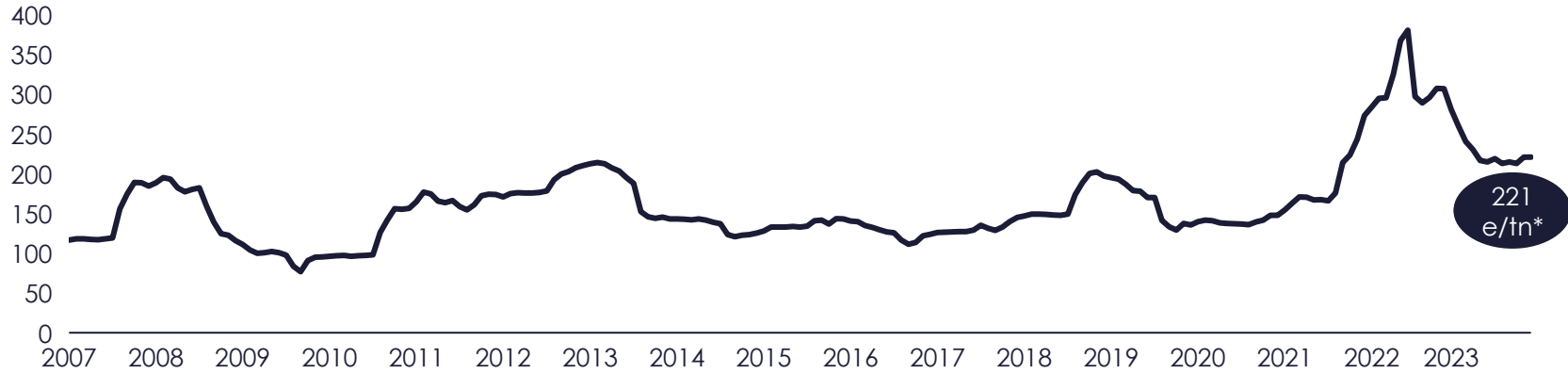
IAC: Comparable EBITDA to EBITDA bridge, EURm



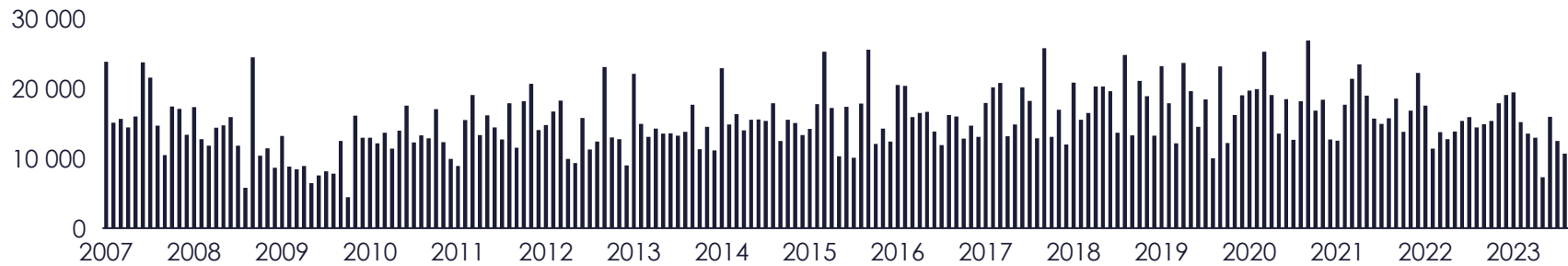
Barley sourcing

In 2023
Anora used
174.0 (184.3)
million kilos
of grain;
Q4: 46.3 (47.9)

Barley price development (EUR/tn)*



ANORA'S MONTHLY SOURCING VOLUMES (TN)



Key principles for barley sourcing:

- Purchased at spot prices; no hedging tools available for barley
- In Q4 average monthly sourcing volume 13,700 tn
- About 1 month inventory; volumes and purchase prices are fixed a couple of months ahead
- New harvest in August-September

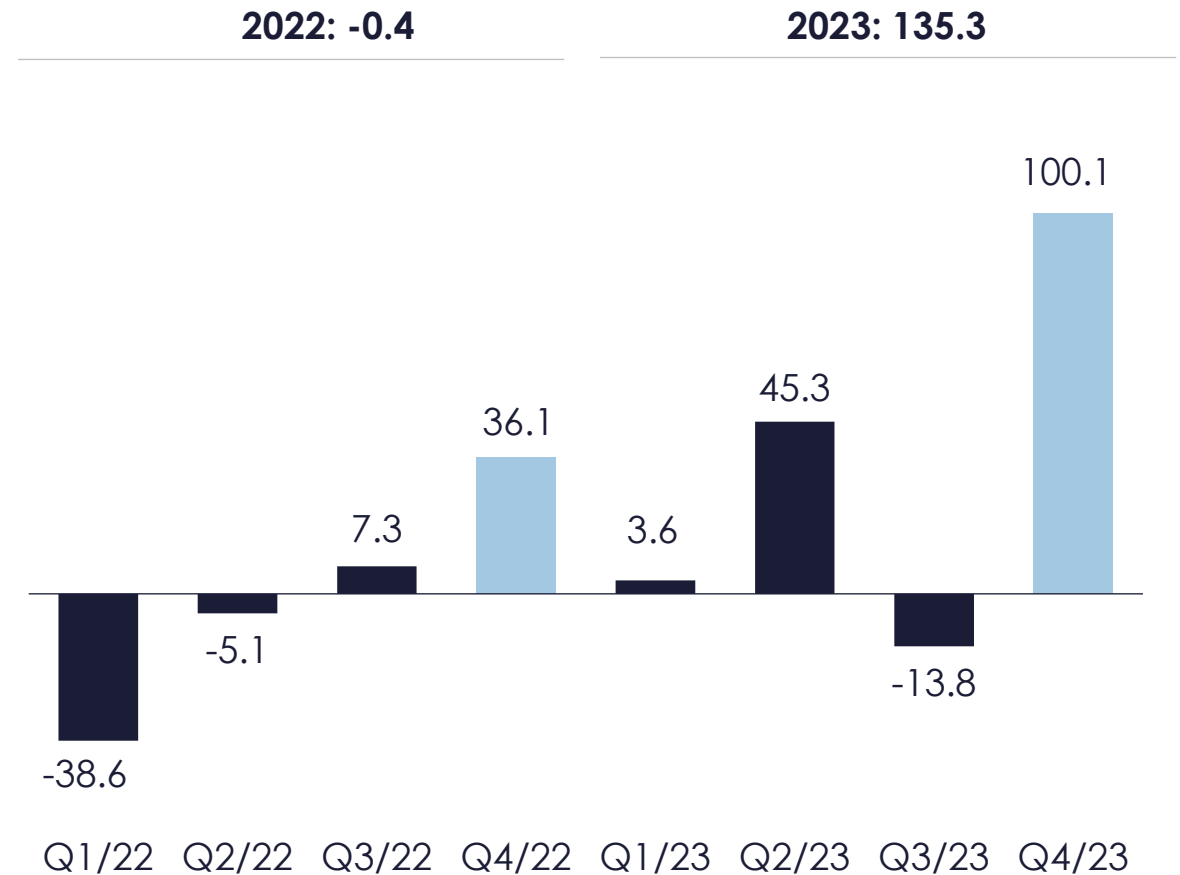
* Average feed barley market price excl. premiums (Source: Luke)

Cash flow

Operating cash flow improved in 2023

- Net cash flow from operations improved to EUR 135.3 (-0.4) million in 2023, behind increased sales of receivables and lower inventory levels
 - The receivables sold amounted to EUR 173.6 (59.4) million at the end of December.
- Overall cash flow developed positively also due to the Larsen divestment.
- Capex 2023: EUR 12.6 (10.7) million, representing 1.7 (1.5) 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

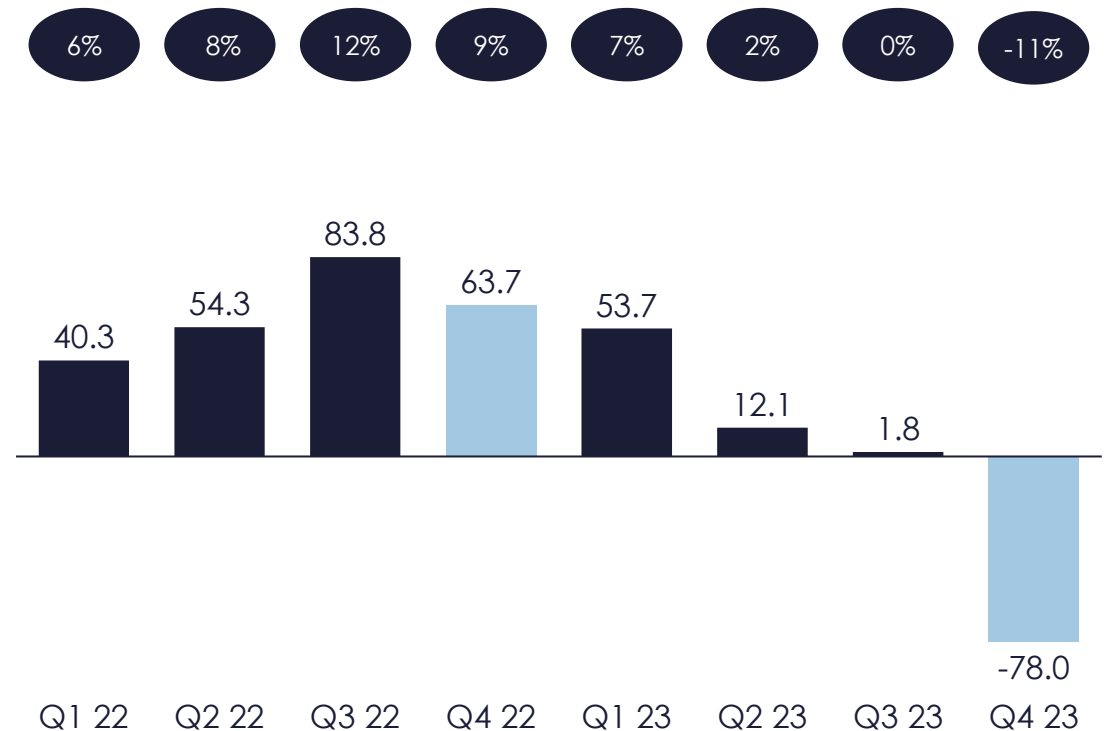


Net working capital

Net working capital was at a level of -11% of net sales at the end of December (LTM)

- The Group’s net working capital improved to EUR -78.0 (63.7) million at the end of December.
- Inventories decreased to EUR 144.2 (186.2) million. The effect of the Larsen divestment was EUR 31.4 million.
- Trade and other receivables decreased to EUR 110.1 (241.9) million due to the extension of sales of receivables program.
 - Sales of receivables programme was extended during 2023. The receivables sold amounted to EUR 173.6 (59.4) million at the end of December.
- Trade and other payables decreased to EUR 328.1 (364.5) million.

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



Net working capital negative at year-end due to sale of receivables and inventory decrease mainly due to Larsen divestment

EUR million	31 Dec 2023	31 Dec 2022
ASSETS		
Current assets		
Inventories	144.2	186.2
Trade and other receivables	110.1	241.9
Derivatives receivables and current tax assets	6.9	9.7
Cash and cash equivalents	212.7	91.4
Assets held for sale	7.6	-
Total current assets	481.6	529.2
Total assets	1,135.7	1,301.3

Inventory EUR 144.2m (-22.6%)

- Inventory down 23% vs. December last year mainly due to Larsen divestiture
- The effect of Larsen divestment was EUR 31.4 million.

Trade and other receivables EUR 110.1m (-54.5%)

- Receivables strongly down vs. last year thanks to extension of sales of receivable program

Cash and cash equivalents EUR 212.7m (+132.8%)

- Larsen sales price was EUR 58.5m received on 29 Sep 2023.

Anora's balance sheet is characterised by a high value of intangibles

EUR million	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Goodwill	304.3	310.5
Other intangible assets	206.3	226.1
Property, plant and equipment	62.7	76.7
Right-of-use assets	67.9	136.8
Other non-current assets	13.0	22.0
Total non-current assets	654.1	772.1
Total assets	1,135.7	1,301.3

Goodwill EUR 304.3m (-2.0%)

- Related to various acquisitions (Altia-Arcus merger, Globus acquisition)

Other intangible assets (incl. brands) EUR 206.3m (-8.8%)

- Mainly spirits brands that were "acquired" i.e. including ex-Arcus spirits brands

Right-of-use assets EUR 67.9m (-50.4%)

- Mainly related to Gjelleråsen lease contract
- Decrease due to impairments made, see next page

Annual impairment testing impacts

Impairments do not impact the loans, cash flows or Group financial targets

Right-of-use assets and fixed assets owned

- Impairments totalling **EUR 65.4 million** at:
 - Gjelleråsen plant of the Industrial segment in Norway due to its loss of volume to other factories following the Centre of Excellence program
 - Vectura, which shares the same right-of-use asset and has suffered from poor profitability in recent years
 - As a result, the Group operating result weakened to EUR -30.2 (34.7) million.

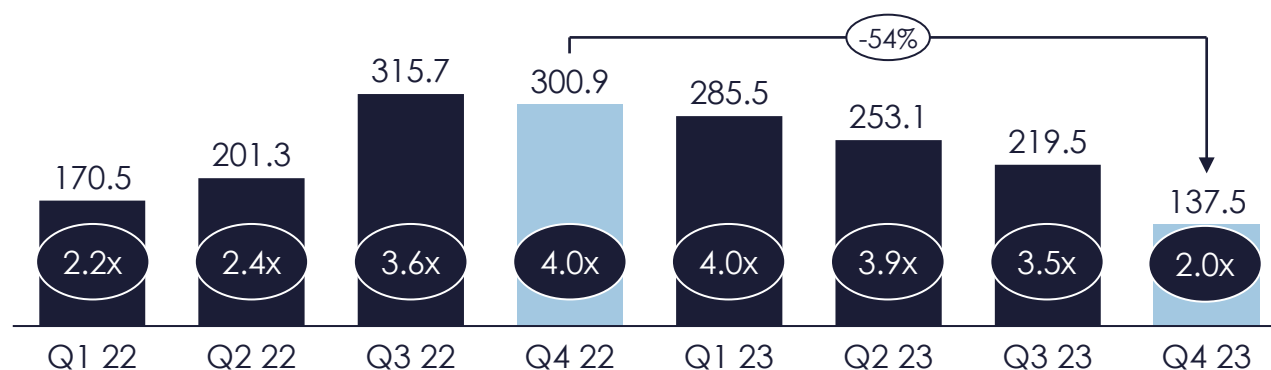
Shares of subsidiaries

- Impairments totalling **EUR 58.7 million**:
 - Parent company's subsidiaries in Denmark mainly due to weak profitability of Globus Wine:
 - Anora Group Plc's distributable funds reduced by EUR 58.7 million to EUR 100.2 million
 - No impact on the consolidated financial statements
- Impairments totalling **EUR 23.6 million** for shares owned by other Group companies:
 - To the values of shares of companies held by Vingruppen in Sweden and Norway due to recent partner losses
 - Reducing the distributable funds of their respective parent companies

Leverage

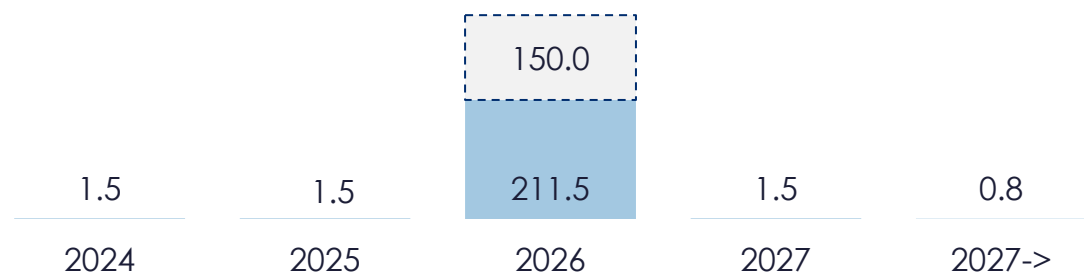
Net debt impacted by Larsen divestment, M&A and dividend payment

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



Debt maturity structure excl. lease liabilities on 31 Dec 2023, EURm

■ Existing debt □ RCF (undrawn)



- Net debt decreased to EUR 137.5 million at year-end, thanks to strong cash flow from operations and Larsen divestment
 - Larsen sales price was EUR 58.5m paid on 29 Sep 2023.
- Net debt/comparable EBITDA: 2.0x (4.0x).
- Interest-bearing debt incl. lease liabilities decreased to EUR 350.2 (392.3) million, excl. lease liabilities: EUR 216.3 (247.5) million
- Cash and cash equivalents of EUR 212.7 (91.4) million
- Anora’s liquidity position is strong. The Group has a revolving credit facility of EUR 150.0 million maturing in December 2026, of which none was in use at the end of Q4.
- Gearing was 33.6 (62.5) percent and equity ratio 36.0 (37.0) percent as per 31 Dec 2023.

Our long-term financial targets for 2030

Long-term financial targets for 2030

		Actual 2023	Actual 2022
Annual net sales growth <small>including M&A, majority being organic</small>	3–5%	3.5%	5.7%
Comparable EBITDA margin <small>Through focus on margin accretive business and scale benefits on indirect costs</small>	16%	9.5%	10.8%
Net IB debt / comparable EBITDA (LTM) <small>Debt levels may occasionally exceed in connection with M&As</small>	<2.5x	2.0x	4.0x
Dividend pay-out ratio <small>% of result for the period</small>	50–70%	-38.1%	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 Q4 2023

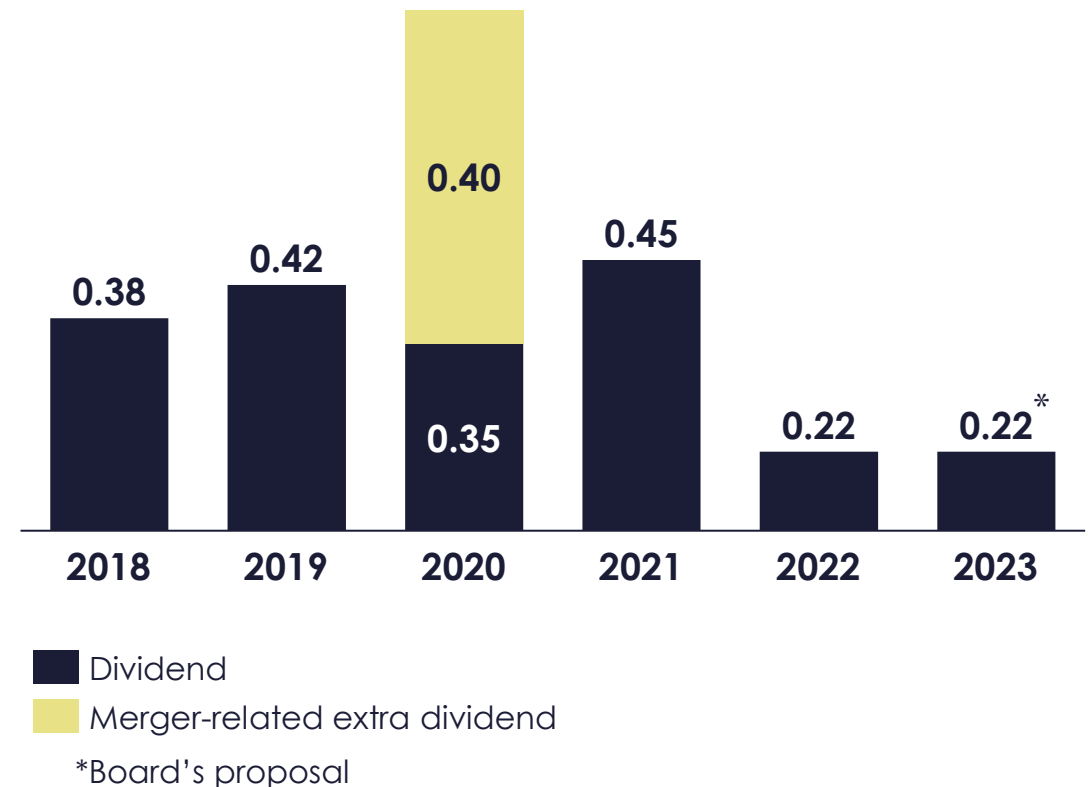
Q4 Comparable EBITDA was up from last year, results from recent price increases and announced cost cuts became visible

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

Dividend payment proposal

Dividend proposal by Anora's Board of Directors

- Anora's Board of Directors proposes to the Annual General Meeting that a **dividend of EUR 0.22 per share** be paid for the financial year 2023.
- In its proposal the Board aims to maintain a stable or increasing dividend with a dividend payout ratio of 50–70% of the result for the period, as stated in the long-term financial targets.
- **Payout ratio** of -38.1% and **effective dividend yield** of 5.0%
- Annual General Meeting on 17 April 2024.



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 75-85 million (2023: EUR 69.4 million).

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Q&A

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Our next scheduled event
7 May 2024 | Q1/24 Interim Report

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THANK YOU!

Appendix

Q4/FY income statement

EUR million	Q4 23	Q4 22	2023	2022
Net sales	212.4	221.6	727.6	702.7
Other operating income	1.9	2.3	20.3	10.9
Materials and services	-126.3	-134.8	-441.4	-414.3
Employee benefit expenses	-27.9	-24.5	-103.8	-93.8
Other operating expenses	-37.0	-45.8	-134.1	-137.6
Depreciation, amortisation and impairment	-73.6	-8.7	-98.8	-33.2
Operating result	-50.5	10.2	-30.2	34.7
Finance income	6.7	2.1	24.6	5.6
Finance expenses	-12.4	-6.5	-47.4	-17.5
Share of profit in associates and joint ventures and income from interest in joint operations	-0.4	0.0	0.2	0.6
Result before taxes	-56.6	5.9	-52.7	23.4
Income tax expense	13.2	-2.2	13.7	-5.3
Result for the period	-43.3	3.7	-39.0	18.1
Earnings per shares, basic	-0.64	0.05	-0.58	0.26

Q4 balance sheet

EUR million	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Goodwill	304.3	310.5
Other intangible assets	206.3	226.1
Property, plant and equipment	62.7	76.7
Right-of-use assets	67.9	136.8
Investments in associates and joint ventures and interests in joint operations	12.3	20.7
Financial assets at fair value through other comprehensive income	0.7	0.7
	0.0	0.0
Deferred tax assets	0.0	0.6
Total non-current assets	654.1	772.1
Current assets		
Inventories	144.2	186.2
Trade and other receivables	110.1	241.9
Derivatives receivables	0.8	5.8
Current tax assets	6.1	3.9
Cash and cash equivalents	212.7	91.4
Assets held for sale	7.6	-
Total current assets	481.6	529.2
Total assets	1,135.7	1,301.3

EUR million	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	61.5	61.5
Invested unrestricted equity fund	336.8	336.8
Legal reserve	0.0	0.5
Hedge reserve	-1.5	4.2
Translation differences	-44.0	-33.0
Retained earnings	55.4	110.7
Equity attributable to owners of the parent	408.2	480.5
Non-controlling interests	0.5	0.9
Total equity	408.7	481.4
Non-current liabilities		
Deferred tax liabilities	36.8	57.3
Borrowings	214.8	216.0
Non-current liabilities at fair value through profit or loss	0.1	0.6
Lease liabilities	120.7	132.4
Other liabilities	0.0	0.0
Employee benefit obligations	2.4	2.7
Total non-current liabilities	374.8	409.1
Current liabilities		
Borrowings	1.5	31.5
Current liabilities at fair value through profit or loss	0.6	-
Lease liabilities	13.3	12.4
Provisions	4.3	-
Trade and other payables	328.1	364.5
Derivatives liabilities	2.2	0.2
Current tax liabilities	2.2	2.3
Total current liabilities	352.2	410.9
Total liabilities	727.0	819.9
Total equity and liabilities	1,135.7	1,301.3

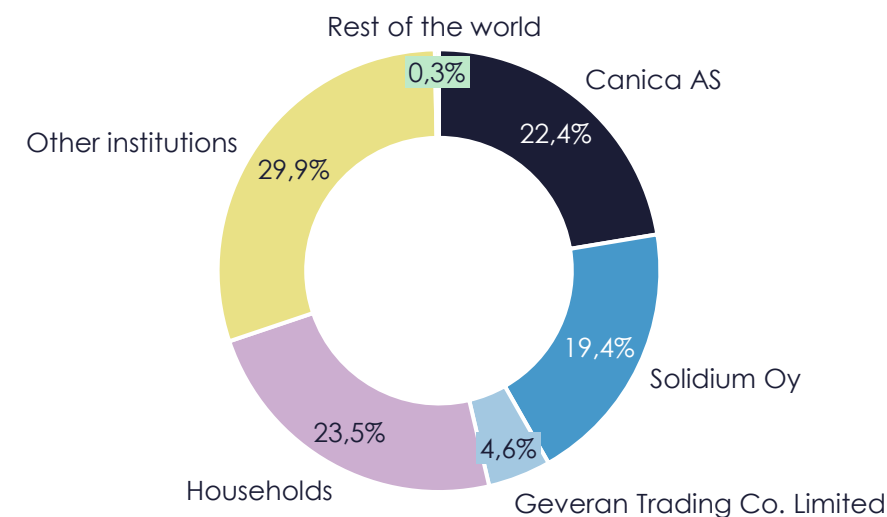
Anora's top 10 shareholders 31 December 2023

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.	456,170	0.7
Savolainen Heikki Antero	359,571	0.5
OP Life Assurance Company Ltd	276,376	0.4
Eriksson Trygve	200,000	0.3
Rantalainen-Yhtiöt Oy	190,000	0.3
10 biggest owners in total	19,741,543	29.2
Nominee-registered shares	27,629,079	40.9
Total	67,553,624	100.0

Source: Euroclear Finland

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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

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.

Johanna Sundén

CHRO



Prior to joining Anora, Johanna has held several senior HR positions in international companies such as Orkla Health, the Wilhelmsen Group and Lindorff. She has experience from working with M&As, company integrations, leadership development, talent management and organisational change.

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: 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

Arne Larsen

Member



Shareholdings: -

Employee-elected Board member

Jussi Mikkola

Member



Shareholdings: 100

Employee-elected Board member

ANORA

More information: www.anora.com

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