

# Hartmann



Corporate presentation

19 May 2022

# Hartmann at a glance

## Strong positions

Global leader in moulded-fibre egg packaging

South American leader in fruit packaging

World's largest technology manufacturer

## Snapshot

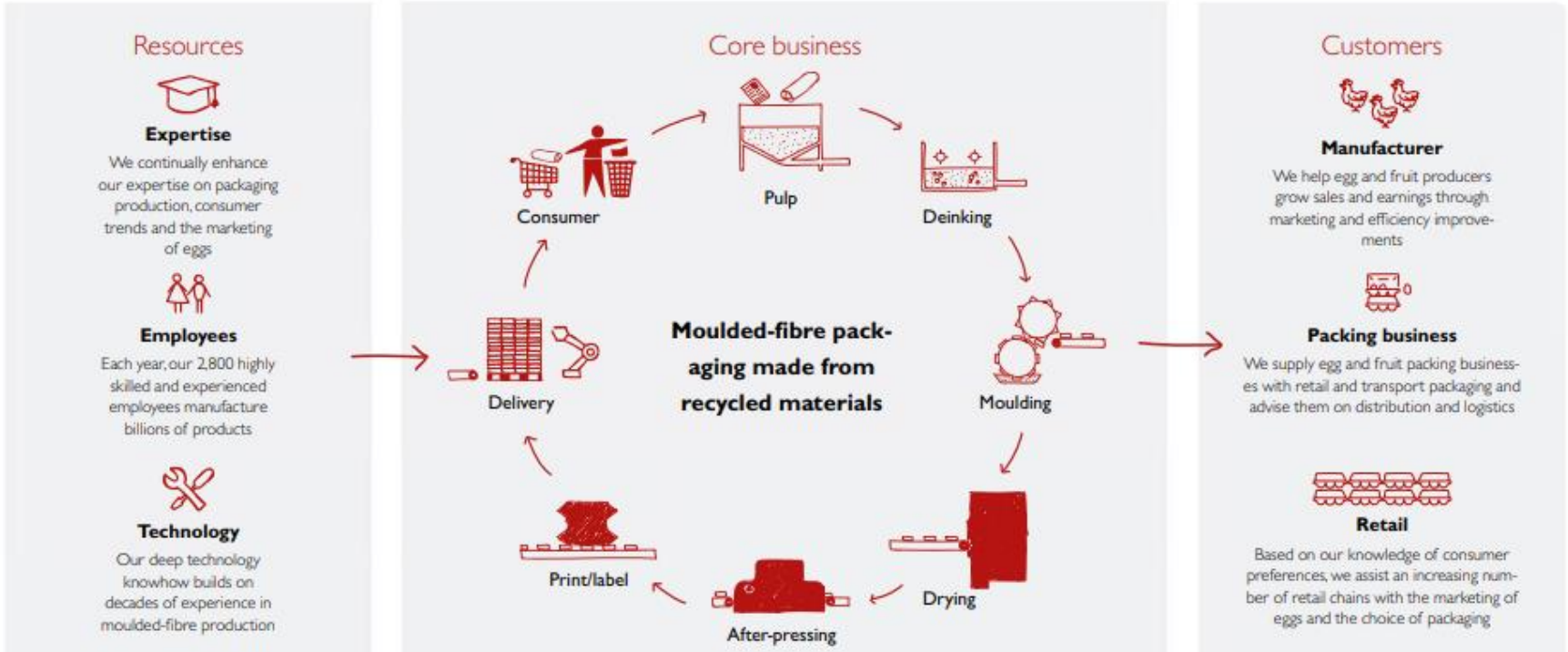
15 factories and 2,800 employees

Expected 2022 revenue of DKK 2.9-3.3bn with 2-7% profit margin

Investment outlook around DKK 225m following significant expansion



# Business model



# Strategy – trends and strengths

## Trends

### Demographics



Population growth  
Increasing prosperity  
Urbanisation  
Retail growth

### Sustainability



Growing awareness  
Single-use plastic ban  
Well-proven alternative

### Consumer behaviour



Consumption growth  
Demand for more egg types  
Focus on nutrition and animal welfare  
Clear differentiation of eggs

## Strengths

### Expertise



Customer advice  
Consumer research  
Data-based approach

### Platform



Solid market positions  
+50 countries  
15 factories

### Products



Versatile portfolio  
Renewable and tailored  
FSC and CO<sub>2</sub> neutral

### Technology



Proven since 1936  
Industry-leading  
Internal and external

# Q1 2022 highlights

## Revenue

**776**  
DKK**m**

- 15% core business growth due to improved pricing
- Higher volume despite challenging market conditions
- Q1 2021 impacted by licence income of DKK 78m

## Earnings

**44**  
DKK**m**

- Continued inflation and rise in raw material prices
- Pressure on earnings alleviated by price increases
- Focus on reducing cost through optimisation

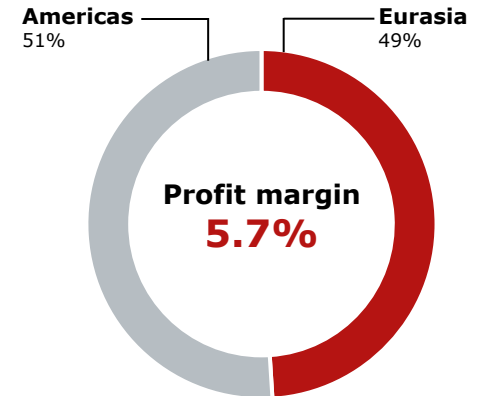
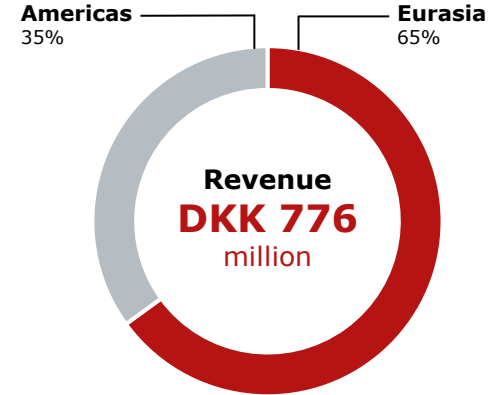
## Investments

**40**  
DKK**m**

- Reduced investments after period of high CAPEX
- Continued focus on the USA and Europe
- Decision to divest Russian factory



References to operating profit and profit margin are before restatement for hyperinflation (IAS 29) and special items, unless otherwise stated.



# Guidance 2022 and financial ambitions

## Guidance 2022

Revenue

**DKK 2.9-3.3bn**

Profit margin\*

**2-7%**

Investments

**DKK ~225m**

- Improved sales price and volume growth
- Persistently high energy and paper prices
- Increasing inflationary pressure
- Price adjustments implemented at time lag
- No contribution from Russia
- War in Ukraine, increasing raw material prices, macroeconomics in South America and COVID-19 entail low transparency

*\*Before restatement for hyperinflation and special items*

## Ambitions

Continual growth in packaging sales



Year-on-year revenue growth



Profit margin\* of at least

**14%**

## Contact information

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### Upcoming events

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Q2 interim report 2022	17 August 2022
ABG Small & MidCap seminar	21 September 2022
Q3 interim report 2022	15 November 2022

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Torben Rosenkrantz-Theil  
CEO



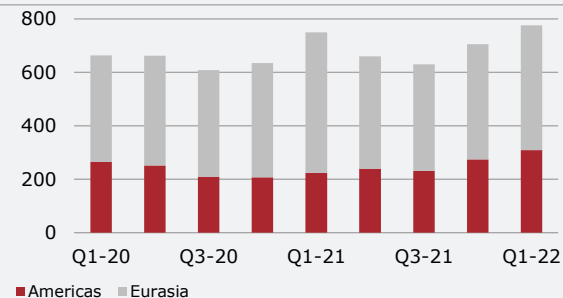
Flemming Steen  
CFO

## Appendix: Financials Q1 2022

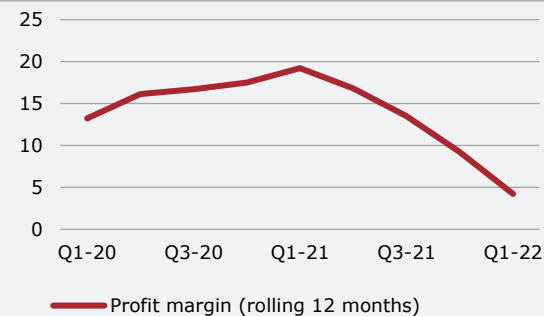
- 3% revenue growth driven by improved pricing
  - Revenue grew 15% adjusted for licence income in Q1 2021
  - Positive impact from moderate volume growth
  - Demand remained subdued in Q1
- Profitability safeguarded in difficult market
  - Historical raw material prices and mounting inflation
  - Decisive action to improve average selling price
  - Q1 2021 impacted by licence income of DKK 78m

DKKm	Q1 2022	Q1 2021
Revenue	776	750
Operating profit	44	180
Special items	0	0
Profit	26	128
Free cash flows (operating and investing)	(53)	(112)
Invested capital	2,200	1,934
Profit margin, %	5.7	24.0
ROIC, %	4.3	31.2

### Revenue (DKKm)



### Profit margin (%)





## Appendix: Key figures and financial ratios

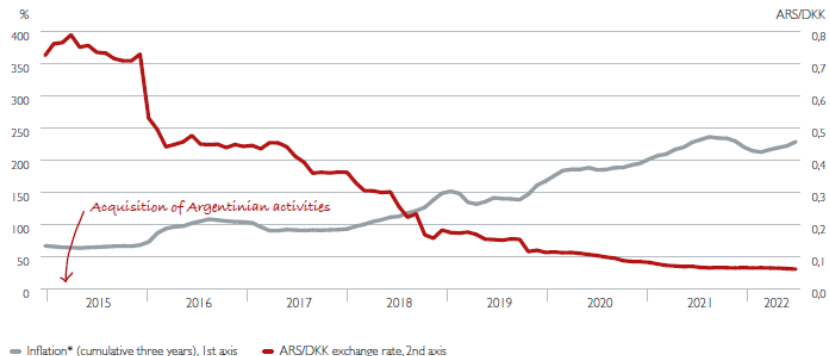
	Q1	
DKKm	2022	2021
<b>Revenue</b>	<b>776</b>	<b>750</b>
Eurasia	466	526
Americas	309	224
<b>Operating profit</b>	<b>44</b>	<b>180</b>
Eurasia	25	171
Americas	26	16
Special items	0	0
Net financials	7	(5)
Profit	26	128
Free cash flows	(53)	(112)
<b>Profit margin, %</b>	<b>5.7</b>	<b>24.0</b>

## Appendix: Balance sheet

<b>DKKm</b>	<b>31.03.22</b>	<b>31.03.21</b>
Assets	2,893	2,580
Net working capital (NWC)	436	417
Invested capital (IC)	2,200	1,934
Net interest-bearing debt	1,008	735
Equity	1,249	1,185
ROIC, %	4.3	31.2
Equity ratio, %	43.2	46.0
Gearing, %	80.7	62.0

# Appendix: Hyperinflation

**Inflation and exchange rate developments in Argentina**

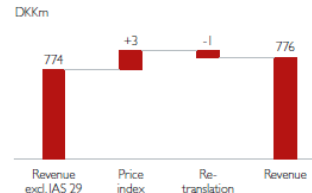


**Effects of restating for hyperinflation on selected accounting figures year to date**

DKKm	Excl. IAS 29	Price index	Re-translation	Total adjustment	2022 to date
Revenue	774	3	(1)	2	776
Operating profit before depreciation	86	(6)	(1)	(7)	79
Operating profit	44	(8)	0	(8)	36
Net financial items	(1)	8	0	8	7

\* Restatement for hyperinflation is made based on Argentina's Wholesale Price Index up to 31 December 2016 and on the National Consumer Price Index from 1 January 2017.

**Effects of restating year-to-date revenue**



The total effect on Q1 2022 revenue of restating for hyperinflation under IAS 29 is a combination of restating for price index developments and the effect of using the exchange rate at the balance sheet date for purposes of translating from the Argentine peso into Danish kroner.

The price index rose by 1.6% during the first three months of the year, boosting revenue by DKK 3 million. The increase offset a decline in the ARS/DKK cross rate from 0.06385 at the beginning of the year to 0.06037 at 31 March 2022 reducing revenue by DKK 1 million as a result of the practice of using the exchange rate at the balance sheet date for currency translation purposes.

Revenue was DKK 776 million after a net positive impact of restating for hyperinflation of DKK 2 million.

*For more information about hyperinflation, see page 86 and note 31 in the annual report for 2021*

*Read more in the annual report*

# Forward-looking statements

## Disclaimer

This presentation contains forward-looking statements reflecting management's expectations of future events and must be viewed in the context of among other things the business environments and currency markets, which may cause actual results to deviate materially from those projected by Hartmann.