



Interim report Q1 2023

**Investor presentation
9 May 2023**

Q1 2023 highlights

Revenue

913
DKK**m**

- Increase from pricing actions and favourable product mix
- Volume growth in North America and Argentina
- Continued inflationary pressure and reduced egg supply

Earnings

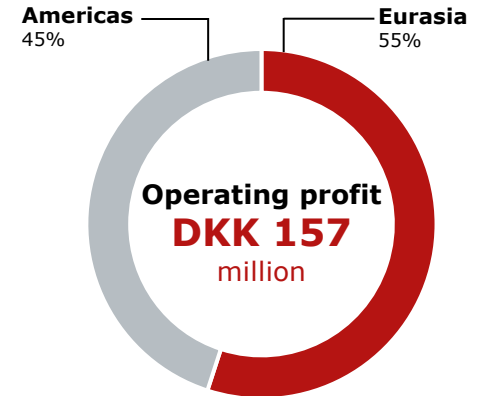
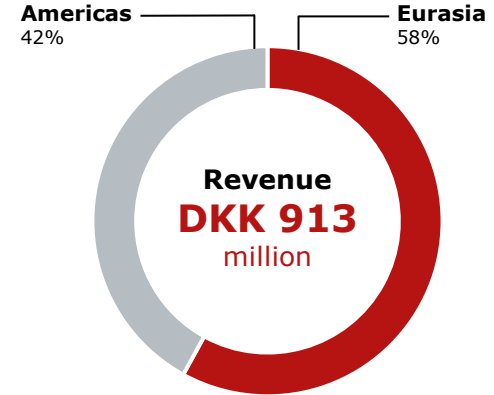
157
DKK**m**

- Driven by revenue growth
- Substantial temporary surplus from energy cost coverage
- Improved capacity utilisation and efficiencies

Investments

65
DKK**m**

- DKK 38 million to re-establishment of factory in India
- Hereof DKK 30 million reimbursed by insurance



Segment overview

Americas

Revenue: DKK 388m (+26%)

Operating profit: DKK 75m (2022: DKK 26m)

Progress from pricing actions, product mix, volume growth and capacity utilisation in North America and Argentina

Continued inflationary pressure and egg supply remained reduced
Economic uncertainty in South America unchanged

Eurasia

Revenue: DKK 525m (+19%)

Operating profit: DKK 92m (2022: DKK 23m)

Increase from pricing actions, product mix and substantial temporary surplus from energy cost coverage

Continued inflationary pressure and egg supply remained reduced

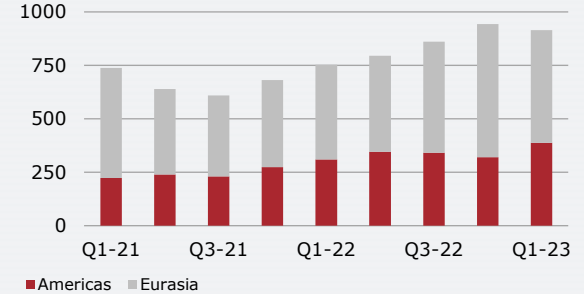


Financials Q1 2023

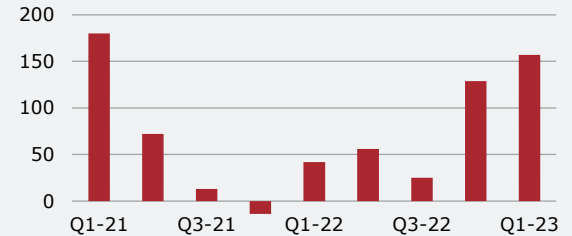
- Revenue increase from pricing actions and favourable product mix
 - Volume growth in North America and Argentina
 - Inflationary pressure and reduced egg supply
- Improved earnings from revenue development
 - Substantial, temporary surplus from energy cost coverage
 - Increased capacity utilisation and efficiency gains

DKKm	Q1 2023	Q1 2022
Revenue	913	753
Operating profit	157	42
Special items	0	0
Profit for the period	90	25
Profit for the period incl. discontinuing operations	94	26
Free cash flows (operating and investing)	78	(48)
Invested capital	2,101	2,070
Profit margin, %	17.2	5.6
ROIC, %	16.3	4.5

Revenue (DKKm)



Operating profit (DKKm)



Strategy – trends and strengths

Trends

Sustainability



Growing awareness
Single-use plastic ban
Well-proven alternative

Demographics



Population growth
Increasing prosperity
Urbanisation
Retail growth

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 CO₂ neutral

Technology



Proven since 1936
Industry-leading
Internal and external

*Including Russian factory (discontinuing)

Strategy – focus

Capacity



- Increase capacity
- Strengthen presence in existing markets
- Explore new markets

Initiatives

Completed implementation of new capacity in Europe and USA

Optimise production allocation

Sales process in Russia

Efficiency



- Continuous cost reduction
- Automation of production
- Improved processes and methods

Initiatives

Investments in automation

Technology implementation

Reduction of raw materials use

New energy projects

Marketing



- Focus on expertise and products
- Highlight moulded fibre sustainability profile

Initiatives

Product launches

Consumer research

Intensified marketing efforts

Guidance 2023 and financial ambitions

Guidance 2023 updated

Revenue

DKK 3.4-3.8bn

Previously DKK 3.6-4.0bn

Operating profit*

DKK 300-400m

Previously DKK 220-320m

Investments**

DKK ~300m

* Before restatement for hyperinflation and special items

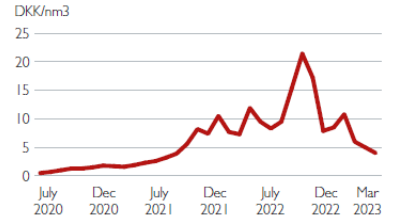
** Excluding investments covered by insurance

- Expectedly lower sales prices to those customers, whose charges with Hartmann are linked to energy prices
- Expected improved performance in the Americas from increased capacity utilisation and efficiencies.
- Continued high energy and raw material prices, inflationary pressure as well as challenging macroeconomic and geopolitical environment

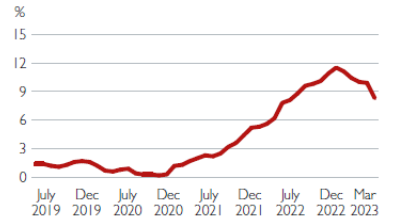
Electricity prices in Europe



Natural gas prices in Europe



Inflation rate in the EU





Q&A

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Upcoming events

Interim report Q2 2023	16 August 2023
Interim report Q3 2023	15 November 2023



Torben Rosenkrantz-Theil
CEO



Flemming Steen
CFO

Appendix: Key figures and financial ratios

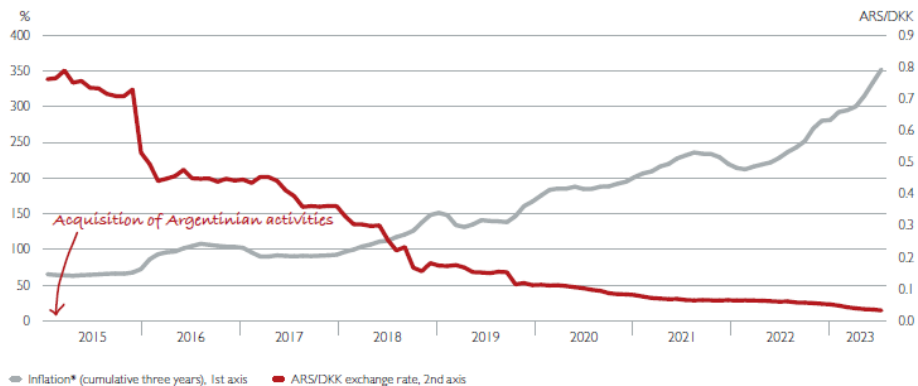
DKKm	Q1	
	2023	2022
Revenue	913	753
Eurasia	525	443
Americas	388	309
Operating profit	157	42
Eurasia	92	23
Americas	75	26
Special items	0	0
Net financials	(21)	7
Profit excl. discontinuing operations	90	25
Free cash flows	78	(48)
Profit margin, %	17.2	5.6

Appendix: Balance sheet

DKKm	31.03.23	31.03.22
Assets	2,896	2,746
<i>Assets including discontinuing operations</i>	2,978	2,893
Net working capital (NWC)	542	434
Invested capital (IC)	2,101	2,070
Net interest-bearing debt	866	1,016
Equity	1,306	1,249
ROIC, %	16.3	4.5
Equity ratio, %	45.1	45.5
Gearing, %	66.3	81.4

Appendix: Hyperinflation

Inflation and exchange rate developments in Argentina

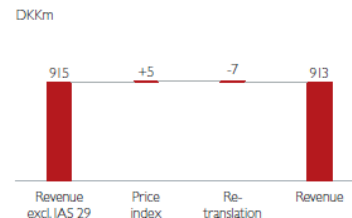


Effects of restating for hyperinflation on selected accounting figures

DKKm	Excl. IAS 29	Price index	Re-translation	Total adjustment	2023 to date
Revenue	915	5	(7)	(2)	913
Operating profit before depreciation	199	0	(3)	(3)	196
Operating profit	157	(2)	(2)	(4)	153
Net financial items	(11)	(11)	1	(10)	(21)

* 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 2023 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 22% during the first three months of the year, boosting revenue by DKK 5 million. The increase offset a decline in the ARS/DKK cross rate from 0.03937 at the beginning of the year to 0.03277 at 31 March 2023 reducing revenue by DKK 7 million as a result of the practice of using the exchange rate at the balance sheet date for currency translation purposes.

Revenue was DKK 913 million after a net negative impact of restating for hyperinflation of DKK 2 million.

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.