

# Huhtamäki

Manufactured products | Finland | MCAP MEUR 2870

## Investment summary

We rate Huhtamäki BUY with a 12-month target price of €35.8, implying 31% upside from the current share price of €27.34. Our positive view is based on gradual earnings recovery rather than a sharp revenue rebound.

Huhtamäki is a global food packaging company, with upside from premium fiber solutions and improved North American asset utilization. Recent large-scale investments in North America are currently under-earning, while Fiber Packaging is the smallest but highest-margin division, supported by sustainability regulation and demand for alternative packaging.

Our thesis rests on two drivers. First, the market appears to over-discount weak recent growth, currency headwinds, weak consumer demand and temporary operational disruptions in North America. As demand stabilizes, higher utilization should improve fixed-cost absorption and support operating leverage after 2026. Second, growth in higher-margin Fiber Packaging should improve the group earnings mix and reduce value-trap risk. Together, improved utilization, product mix and cost discipline support EBIT margin moving toward 10.0% by 2030.

We anchor our BUY recommendation on the DCF, which implies a fair value of €35.8 per share. Huhtamäki trades at 6.5x LTM EV/EBITDA versus a peer average of 7.4x, while the peer valuation implies approximately €30 per share. With 31% implied upside and a dividend yield above 4%, we see an attractive risk-reward profile.

Recommendation: BUY  
Target price: 35.80  
Price: 27.34  
Upside: +31%  
Ticker: HUH1V  
Date: 17 June 2026  
52-week price range: 26.0-34.1



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Key figures (MEUR)	2024A	2025A	2026E	2027E
Revenue	4126.30	3960.20	3942.86	4000.96
Growth	(1.0%)	(4.0%)	(0.4%)	1.5%
EBITDA	594.40	599.80	622.17	639.08
EBIT	371.00	307.00	389.54	403.03
NOPAT	302.30	244.80	311.63	322.42

## Company Overview

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Huhtamäki is a global manufacturer of sustainable food packaging, founded in Finland and operating across 35 countries with 106 locations globally. The company buys raw materials such as pulp, resin and aluminum, and sells packaging solutions through four divisions: North America, Flexible Packaging, Foodservice EAO and Fiber Packaging. Revenue is generated mainly through long-term supply agreements with QSRs, FMCG companies and retail channels. Huhtamäki's business model is built around global manufacturing scale, pass-through pricing contracts and high customer switching costs following long supplier qualification processes.

At the end of 2025, North America remained the core revenue engine, while Fiber Packaging was the smallest but highest-margin division. This makes Huhtamäki a scale-driven packaging company where profitability depends less on one single product category and more on asset utilization, production efficiency and customer relationships. High utilization converts manufacturing scale into EBIT, while inefficient capacity use can weigh on margins due to the fixed-cost nature of the production base.

Huhtamäki's value creation therefore depends on improving asset utilization, passing through raw material price changes efficiently and allocating capital toward high-return investments. Recent performance has weakened, with shrinking top-line revenue, negative total shareholder returns and lower net earnings over the past five years. As a result, the investment case has shifted from historical volume growth toward capital discipline, margin expansion and proving that molded-fiber solutions can support structural profitability.

## Industry & Competitive Position

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**Market structure.** Huhtamäki operates in the global food packaging market, valued at USD 421.6bn in 2025 and expected to reach USD 599.0bn by 2033. The broader market is large and fragmented, especially in low-tech categories where local entry barriers are limited. However, advanced niches are more consolidated: in premium disposable beverage cups, Dart Container, Huhtamäki and Georgia-Pacific together control over 34% of volume. The opportunity is therefore not just market growth, but taking share through standardized, proprietary and sustainable packaging solutions.

**Market dynamics.** Demand is driven by consumer purchasing power, urbanization, regulation and takeaway food volumes. The EU Packaging and Packaging Waste Regulation, generally applicable from August 2026, increases sustainability, recyclability, reuse and waste-reduction requirements, supporting demand for alternative packaging over time. Molded fiber egg cartons are expected to grow 6.97% annually through 2031, while QSR drive-throughs account for 70% of North American fast-food sales, supporting demand for layered takeaway packaging.

**Competitive landscape.** Huhtamäki competes with small local suppliers, global plastic packaging companies such as Amcor and Berry Global, and fiber packaging specialists such as Graphic Packaging. Competition has intensified as consolidation among large paper and fiber producers increases pressure in both raw material sourcing and sales to multinational customers. Huhtamäki is strongest in global foodservice and emerging market flexible packaging, but faces potential pricing pressure from larger consolidating competitors.

**Competitive advantage assessment.** Huhtamäki's advantage is based on local manufacturing scale, regional production density and high customer switching costs. Large QSR relationships are supported by raw material pass-through agreements, although six- to twelve-month delays can create temporary margin pressure during commodity spikes. The company also benefits from logistical scale, production close to customer hubs and machine-integrated packaging solutions. Overall, Huhtamäki has a narrow moat built on local scale and customer integration rather than a broad commodity moat.

# Investment Thesis

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## **Thesis 1: The market over-discounts weak recent growth; improved utilization can drive earnings recovery**

Huhtamäki's current share price reflects limited confidence in a medium-term earnings recovery. This is understandable given recent top-line weakness, currency headwinds, weak consumer demand and temporary operational disruptions in North America. However, we believe the market is extrapolating these pressures too far. The market suggests that the current share price implies either very limited revenue growth or EBIT margins remaining well below historical levels over the long term.

The key driver of our more positive view is utilization. Huhtamäki has made large investments in recent years, particularly in North America, where capacity is currently not fully reflected in earnings due to temporary weather-related disruptions and broader cost pressures. As these disruptions fade and demand stabilizes, higher asset utilization should improve fixed-cost absorption and support operating leverage after 2026. We do not assume a sharp revenue rebound, but rather a gradual recovery in group sales as recent investments begin contributing more effectively.

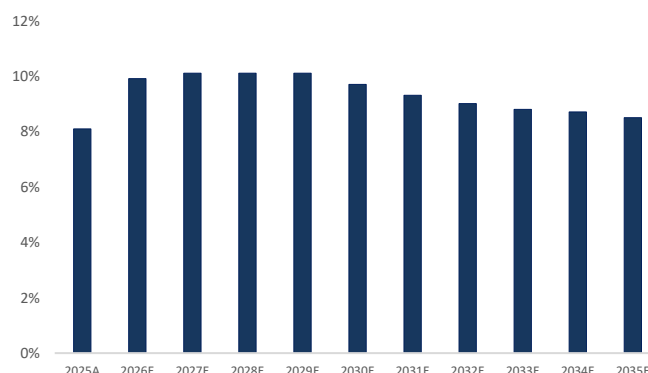
This supports our forecast for group EBIT margin to reach 10.0% by 2030. The recovery is also supported by management's stricter focus on profitability, ongoing cost discipline and a dividend yield above 4%. The investment case is therefore not based on a near-term multiple rerating alone, but on modest revenue recovery, improved utilization and gradual earnings growth from a low valuation base.

## **Thesis 2: Fiber mix shift supports margin expansion and reduces value-trap risk.**

The main risk in Huhtamäki is that the stock remains cheap because revenue and earnings continue to stagnate. We believe the shift toward higher-margin Fiber Packaging reduces this value-trap risk. Fiber Packaging is the company's smallest but highest-margin division, and demand is supported by sustainability regulation, recyclability requirements and the broader move toward alternative packaging solutions.

Fiber Packaging has already shown resilience, delivering 5% comparable growth in Q1 2026 despite a weak broader demand environment. The segment starts from a high margin base of around 13% and is expected to remain structurally above several other divisions, supported by pricing power and legislative tailwinds. Huhtamäki also benefits from long-term customer agreements with commodity pass-through clauses, although short-term raw material spikes can still create temporary margin pressure due to contractual delays.

We expect Fiber Packaging and North America to be key contributors to Huhtamäki's medium-term earnings recovery. Together, improved product mix, better utilization and cost discipline support group EBIT margin moving toward 10.0% by 2030 before normalizing lower in the long term. This forms the basis for our DCF-derived target price of €35.8 per share and BUY recommendation.



## Valuation

We value Huhtamäki primarily using a DCF, cross-checked against peer multiples. The DCF is the most relevant method because it captures our core thesis: a gradual earnings recovery driven by improved North American utilization, Fiber Packaging growth and margin expansion.

**Discounted cash flow.** Our base case assumes a slight revenue contraction in 2026, followed by a gradual recovery as Fiber Packaging scales and North American capacity utilization improves. Fiber Packaging starts from a high margin base of around 13% and remains structurally above several other divisions, supported by pricing power and legislative tailwinds. Together with operating leverage from recent US manufacturing expansions, this drives group EBIT margin toward 10.0% by 2030.

Using a 7.67% WACC and a 2.0% terminal growth rate, our DCF implies a fair value of €35.8 per share, representing 31% upside from the current share price of €27.34. The valuation upside is therefore driven primarily by margin recovery and cash-flow normalization, rather than a rapid near-term revenue rebound.

**Relative valuation.** We cross-check the DCF against a peer group of global packaging companies: Amcor, Mondi, Graphic Packaging, Smurfit and Sonoco. Huhtamäki trades at a discount to peers, at 6.5x LTM EV/EBITDA versus a peer average of 7.4x, and 6.4x 2026E EV/EBITDA versus a peer average of 7.3x. Applying the median 2026E EV/EBITDA multiple to our estimates implies a value of approximately €30 per share, or around 12% upside from the current share price.

The peer valuation therefore supports the direction of our view, but it does not fully explain our €35.8 target price. We treat relative valuation as a sanity check rather than the basis for our recommendation, because near-term multiples do not fully capture the longer-term margin recovery from Fiber growth and improved North American utilization. Our BUY recommendation is therefore anchored on the DCF.

Company	EV/EBITDA	P/E	EBIT Margin (%)	Rev Growth (%)
Amcor	9.7x	9.2x	4.0	9.11
Mondi PLC	6.3x	20.5x	2.1	3.8
Graphic Packaging	6.7x	11.3x	9.8	6.4
Smurfit	7.3x	15.8x	7.9	32.4
Sonoco	7.0x	8.0x	10.2	10.0
<b>Huhtamäki</b>	<b>6.5x</b>	<b>11.3x</b>	<b>8.1</b>	<b>4.3</b>

**Sensitivity analysis.** Fair value is most sensitive to WACC and terminal growth. The table below shows implied share price across our base case and a reasonable range of assumptions. Within this range, fair value spans from approximately €30 to €44, supporting our BUY call across plausible inputs.

	1,70 %	1,90 %	2,00 %	2,20 %	2,30 %
<b>6,97 %</b>	40,31	41,24	42,22	43,27	44,38
<b>7,32 %</b>	37,19	37,98	38,82	39,7	40,64
<b>7,67 %</b>	34,44	35,12	<b>35,83</b>	36,59	37,38
<b>8,02 %</b>	31,99	32,58	33,19	33,84	34,53
<b>8,37 %</b>	29,79	30,31	30,84	31,4	31,99

## Risks

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**Value trap risk.** Huhtamäki trades at low valuation multiples, but the stock could remain cheap if the expected earnings recovery does not materialize. The company has delivered weak total shareholder returns in recent years, including a 14% decline over the past five years, while reported revenue and net earnings have been shrinking. Our BUY case depends on a real turnaround in global consumer volumes, improved demand in end markets such as QSR, and a recovery in group profitability. If consumer demand remains weak, QSR footfall stays under pressure, or currencies remain unfavorable, Huhtamäki may continue to screen as inexpensive without delivering the earnings growth needed for a rerating. In that scenario, the stock could remain a value trap despite low multiples.

**Raw material inflation and pass-through delays.** Huhtamäki is exposed to raw material costs such as pulp, resin and aluminum. Although long-term supply agreements include pass-through mechanisms that allow the company to transfer raw material cost movements to customers, these adjustments typically occur with a six- to twelve-month delay. Sudden increases in input costs can therefore create temporary EBIT margin pressure before pricing resets. This risk is especially relevant because our valuation assumes margin expansion as Fiber Packaging scales and North American utilization improves. If raw material inflation persists, or if pass-through delays are larger than expected, the margin recovery embedded in our DCF could be delayed or weakened.

# Appendix

Company	Ticker	Share Price	Diluted Shares	Market Cap	(+) Debt	(-) Cash	Enterprise Value	EBIT LTM	EBIT '26E	EBIT '27E	EBITDA LTM	EBITDA '26E	EBITDA '27E	EPS '26E
Amcor PLC	AMCR-US	31,54	463,80	14628,25	12989,00	705,00	26912,25	1883,00	2794,70	2993,00	2765,00	3148,00	3368,00	3,42
Mondi PLC	MNDI-GB	8,42	440,80	3711,54	2882,00	296,00	6297,54	161,00	390,10	571,10	1001,00	912,00	1111,00	0,41
Graphic Packaging Holding Company	GPK	8,28	296,70	2456,68	4994,50	222,00	7229,18	705,00	548,10	670,30	1084,80	945,00	1045,00	0,73
Smurfit Westrock	SW	32,21	526,00	16942,46	12660,00	760,00	28842,46	2344,00	2419,30	2961,70	3972,00	4394,00	4859,00	2,04
Sonoco Products Company	SON	40,13	99,70	4000,96	3954,00	322,20	7632,76	745,90	904,50	978,40	1094,00	1105,00	1176,00	5,01
Max		40,13	526,00	16942,46	12989,00	760,00	28842,46	2344,00	2794,70	2993,00	3972,00	4394,00	4859,00	5,01
75th Percentile		32,21	463,80	14628,25	12660,00	705,00	26912,25	1883,00	2419,30	2981,70	2765,00	3148,00	3368,00	3,42
Median		31,54	440,80	4000,96	4994,50	322,20	7632,76	745,90	904,50	978,40	1094,00	1105,00	1176,00	2,04
25th Percentile		8,42	296,70	3711,54	3954,00	296,00	7229,18	705,00	548,10	670,30	1084,80	945,00	1111,00	0,73
Min		8,28	99,70	2456,68	2882,00	222,00	6297,54	161,00	390,10	571,10	1001,00	912,00	1045,00	0,41
Mean		24,12	365,40	8347,98	7495,90	461,04	15382,84	1147,78	1411,34	1638,90	1983,36	2100,80	2311,80	2,32
Huhtamäki	HUHV-FI	27,34	104,97	2869,88	1371,00	283,00	3957,88	320,50	315,00	326,34	613,30	547,70	561,00	2,42

Company	Ticker	Mkt Cap	EV	Net Debt / EBITDA	Debt / Cap	LTM	EV / EBIT '26E	'27E	LTM	EV / EBITDA '26E	'27E	P / E '26E
Amcor PLC	AMCR-US	14628,25	26912,25	3,9x	47,0%	14,3x	9,6x	9,0x	9,7x	8,5x	8,0x	9,2x
Mondi PLC	MNDI-GB	3711,54	6297,54	2,8x	43,7%	39,1x	16,1x	11,0x	6,3x	6,9x	5,7x	20,5x
Graphic Packaging Holding Company	GPK	2456,68	7229,18	5,1x	67,0%	10,3x	13,2x	10,8x	6,7x	7,6x	6,9x	11,3x
Smurfit Westrock	SW	16942,46	28842,46	2,7x	42,8%	12,9x	11,9x	9,7x	7,3x	6,6x	5,9x	15,8x
Sonoco Products Company	SON	4000,96	7632,76	3,3x	49,7%	10,2x	8,4x	7,8x	7,0x	6,9x	6,5x	8,0x
Max		16942,46	28842,46	5,1x	67,0%	39,1x	16,1x	11,0x	9,7x	8,5x	8,0x	20,5x
75th Percentile		14628,25	26912,25	3,9x	49,7%	14,3x	13,2x	10,8x	7,3x	7,6x	6,9x	15,8x
Median		4000,96	7632,76	3,3x	47,0%	12,9x	11,9x	9,7x	7,0x	6,9x	6,5x	11,3x
25th Percentile		3711,54	7229,18	2,8x	43,7%	10,3x	9,6x	9,0x	6,7x	6,9x	5,9x	9,2x
Min		2456,68	6297,54	2,7x	42,8%	10,2x	8,4x	7,8x	6,3x	6,6x	5,7x	8,0x
Mean		8347,98	15382,84	3,6x	50,0%	17,3x	11,9x	9,7x	7,4x	7,3x	6,6x	13,0x
Huhtamäki	HUHV-FI	2869,88	3957,88	2,0x	32,3%	12,3x	12,6x	12,1x	6,5x	7,2x	7,1x	11,3x

DCF Huhtamäki	Hist. 2022A	Hist. 2023A	Hist. 2024A	Proj. 2025A	Proj. 2026E	Proj. 2027E	Proj. 2028E	Proj. 2029E	Proj. 2030E	Proj. 2031E	Proj. 2032E	Proj. 2033E	Proj. 2034E	Terminal 2035E
Revenue	4,479,000	4,168,900	4,126,300	3,960,200	3,942,863	4,000,959	4,100,592	4,228,542	4,371,103	4,520,844	4,667,786	4,812,947	4,955,567	5,054,678
% Growth		(6.9%)	(1.0%)	(4.0%)	(0.4%)	1.5%	2.5%	3.1%	3.4%	3.4%	3.3%	3.1%	3.0%	2.0%
EBITDA	568,000	598,000	594,400	599,800	622,171	639,083	656,850	675,037	684,024	689,935	697,929	710,461	728,139	734,204
% Margin	13%	14.3%	14.4%	15.1%	15.8%	16.0%	16.0%	16.0%	15.6%	15.3%	15.0%	14.8%	14.7%	14.5%
% Growth		5.3%	(0.6%)	0.9%	3.7%	2.7%	2.8%	2.8%	1.3%	0.9%	1.2%	1.8%	2.5%	0.8%
EBIT	351,300	357,700	371,000	307,000	389,542	403,027	414,915	425,553	426,129	418,684	417,862	421,685	430,806	430,924
% Margin	7.84%	8.58%	8.99%	7.75%	9.9%	10.1%	10.1%	10.1%	9.7%	9.3%	9.0%	8.8%	8.7%	8.5%
% Growth		1.8%	3.7%	(17.3%)	26.9%	3.5%	2.9%	2.6%	0.1%	(1.7%)	(0.2%)	0.9%	2.2%	0.0%
Tax	66,700	86,800	68,700	62,200	(77,708)	(80,605)	(82,983)	(85,111)	(85,226)	(83,737)	(83,572)	(84,337)	(86,161)	(86,185)
Tax Rate	19%	24%	19%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
NOPAT	285	271	302,30	244,80	311,63	322,42	332	340	341	335	334	337	345	345
% Growth		(4.8%)	11.6%	(19.0%)	27.3%	3.5%	2.9%	2.6%	0.1%	(1.7%)	(0.2%)	0.9%	2.2%	0.0%
(+) Depreciation & Amortization	216,700	240,300	223,400	292,800	232,629	236,057	241,935	249,484	257,895	271,251	280,067	288,777	297,334	303,281
% Revenue	4.8%	5.8%	5.4%	7.4%	5.9%	5.9%	5.9%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
(-) CapEx	318,500	321,600	249,500	171,900	240,515	244,059	250,136	257,941	266,637	271,251	280,067	288,777	297,334	303,281
% Revenue	7.1%	7.7%	6.0%	4.3%	6.1%	6.1%	6.1%	6.1%	6.1%	6.0%	6.0%	6.0%	6.0%	6.0%
(+/-) Change in WC	(161,000)	144,300	3,000	(23,600)	(19,714)	(20,005)	(20,503)	(21,143)	(21,856)	(22,604)	(23,339)	(24,065)	(24,778)	(25,273)
% Revenue	(3.6%)	3%	0%	(0.6%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)
Unlevered Free Cash Flow	225	497	331	100	284	294	303	311	310	312	311	313	320	319

Discount Rate	7,7%	Shares Outstanding	104
Terminal Growth Rate	2,0%	Current Share Price	27,3
		Market Cap	2 853
		Enterprise Value	3 941
Sum of PV Unlevered FCF	2 082		
Terminal Value	5 743		
PV of Terminal Value	2 742		
Implied Enterprise Value	4 824		
(-) Debt	1 371		
(+) Cash	283		
Implied Equity Value	3 736		
Implied Share Price	35,80		
Upside/Downside	31%		

Weighted Average Cost of Capital	
Market Risk Premium	4,75 %
Beta	1,33
Risk Free Rate	2,50 %
Cost of Equity	8,82 %
Weighted Average Cost of Debt	3,875 %
Tax Rate	20,00 %
Cost of Debt	3,10 %
Total Equity	2830,37
Total Debt	1371,10
Equity/Total Capitalization	80,00 %
Debt/Total Capitalization	20,00 %
WACC	7,67 %

Source: FactSet, Analyst estimates

## **Disclaimer**

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