



Alternative Performance Measures 2019

The Group's reporting uses alternative performance measures (APMs) that are not defined according to IFRS. They should not be considered in isolation and should not be seen as a replacement, but rather as addition to those financial indicators used in accordance with IFRS.

These performance measures provide useful information on the Group's economic situation and are partly important indicators for internal management.

Since these measures are not defined by IFRS, their calculation may differ from the APMs published by other companies. Therefore, comparability between companies may be limited.

The alternative performance measures used by the Group are explained below based on the guidelines of the European Securities and Markets Authority (ESMA) and subsequently reconciled. If an item can be quoted directly from the annual report, the relevant position in the report is stated.



DEFINITION AND EXPLANATION OF ALTERNATIVE PERFORMANCE MEASURES

Operating profit

Sales subtracted by cost of goods sold, selling and distribution, administrative and other operating expenses plus other operating income.

Operating profit is used within the Group as a measure of operating profitability.

Cash earnings

Sum of profit for the year before depreciation, amortization as well as impairment of property, plant and equipment and intangible assets and before non-cash-effective and deferred taxes.

Cash earnings are an indicator of the Group's internal financing ability and profitability and include the financial surplus resulting from regular business activities.

Cash earnings margin

Cash earnings divided by sales.

The cash earnings margin reveals the relative amount of cash earnings generated from Group sales.

EBITDA (Earnings before interest, income taxes, depreciation and amortization)

Operating profit plus depreciation, amortization and impairment of property, plant and equipment and intangible assets.

EBITDA describes the operating profitability regardless of scheduled depreciation and amortization and any other unscheduled impairments.

EBITDA margin

EBITDA divided by sales.

EBITDA margin serves as a relative indicator for comparing operating profitability.

Equity ratio

Total equity divided by total assets.

The equity ratio provides information on the share of equity in the total assets and is thus a measure of the financial stability and independence of the Group from external lenders. It is also a significant measure for capital management in the Company.

Return on equity (ROE)

Profit for the year divided by average total equity.

Return on equity is a performance indicator that shows how efficiently equity is being used within the Group and expresses the interest rate of capital employed.



Return on assets (ROA)

The sum of profit for the year, excluding interest expense and the respective profit or loss attributable to non-controlling (minority) shareholders according to IAS 32 divided by average total assets.

The MM Group uses return on assets as a measure to show the efficiency of total capital employed regardless of the source of financing. It expresses the interest rate of total capital employed in the Company.

Market capitalization

Number of shares outstanding multiplied with the closing share price as of the balance sheet date.

Market capitalization may be used for size comparisons between the MM Group and other listed companies. Basically, only companies from the same industry can be compared.

Net debt/net liquidity

The sum of current and non-current interest-bearing financial liabilities including lease liabilities according to IFRS 16 less cash and cash equivalents.

In case the sum of cash and cash equivalents exceeds financial liabilities, there is net liquidity.

This indicator is used by MM as a measure of financial indebtedness or net liquidity.

Net value added

The sum of sales, other operating income, change in finished goods and own work capitalized as well as financial result and result from investments subtracted by expenditures on purchased goods and services and depreciation, amortization and impairment.

Net value added is a measure of the Group's economic performance and is available to serve the stakeholder groups.

Operating margin

Operating profit divided by sales.

Operating margin at MM indicates the percentage of the operating profit in sales in order to be able to assess profitability. This measure of profitability is calculated regardless of financing and tax charges. Operating margin is one of the most significant elements for managing the consolidated results.

Return on capital employed (ROCE)

Operating profit divided by the sum of average total equity, average current and non-current interest-bearing financial liabilities including lease liabilities according to IFRS 16, average provisions for non-current liabilities and charges and average obligations with regard to non-controlling (minority) shareholders according to IAS 32, less average cash and cash equivalents.

The MM Group uses ROCE as a performance indicator to show the return generated by the actual production process. ROCE illustrates how efficiently MM manages use of its resources and represents the return on the interest-bearing capital employed.

**Return on investment (ROI)**

The sum of profit for the year, excluding interest expenses and the respective profit or loss attributable to non-controlling (minority) shareholders according to IAS 32, divided by the sum of average total equity plus average current and non-current interest-bearing financial liabilities including lease liabilities according to IFRS 16.

At MM, ROI shows how efficiently capital employed is actually being used and, as an indicator of performance, is a measure of the sustainable profitability of the Company.

Total equity and non-current liabilities to PPE

The sum of total equity and non-current liabilities divided by property, plant and equipment.

Total equity and non-current liabilities to PPE provides information on liquidity, quality and financial stability of long-term financing. It shows to what degree fixed assets are financed by equity and long-term liabilities.

Property, plant and equipment to total assets

Property, plant and equipment divided by total assets.

Property, plant and equipment to total assets shows how much capital is tied up in fixed assets over the long-term and indicates the amount of the share of fixed costs, e.g. depreciation and amortization.

Net profit margin

Profit for the year divided by sales.

Net profit margin represents the share of profit in sales and provides information on the relative result generated by sales.

Working capital

The sum of total current assets less total current liabilities (excluding revolving bank credits).

Working capital indicates the surplus of current assets over short-term borrowings and, as liquidity indicator, allows conclusions about the short-term financial balance.

Calculation Alternative Performance Measures – MM Group

according to ESMA-Guideline

(in thousands of EUR)	2015	2016	2017	2018	2019
Operating profit from Income Statement	199,862	213,654	215,014	217,082	255,271
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Development of fixed assets"	99,552	99,065	99,692	107,278	134,329
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	299,414	312,719	314,706	324,360	389,600
Profit for the year from Income Statement	142,144	153,388	155,035	164,165	190,219
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Development of fixed assets"	99,552	99,065	99,692	107,278	134,329
Non-cash-effective and deferred taxes	-3,317	3,893	2,350	-1,708	-14,111
Cash earnings	238,379	256,346	257,077	269,735	310,437
Profit for the year from Income Statement	142,144	153,388	155,035	164,165	190,219
Total equity from Balance Sheet	1,144,155	1,259,162	1,318,590	1,384,759	1,508,309
Ø Total equity	1,123,162	1,201,659	1,288,876	1,351,675	1,446,534
Return on equity (ROE)	12.7 %	12.8 %	12.0 %	12.1 %	13.1 %
Profit for the year from Income Statement	142,144	153,388	155,035	164,165	190,219
Interest expenses from note "Financial expenses"	6,269	6,123	6,185	6,078	8,394
Net interest cost from note "Other financial result – net"	2,480	2,691	2,325	2,204	2,605
Interest expenses total	8,749	8,814	8,510	8,282	10,999
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32 from note "Other financial result – net" (Valuation of (contingent) share purchase price and option liabilities)	1,946	62	0	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	2,604	0	0
Profit for the year before non-controlling (minority) interests and before interest expenses	152,839	162,264	166,149	172,447	201,218
Total assets from Balance Sheet	1,900,322	1,981,897	2,013,406	2,065,705	2,422,653
Ø Total assets	1,843,667	1,941,110	1,997,652	2,039,556	2,244,179
Return on assets (ROA)	8.3 %	8.4 %	8.3 %	8.5 %	9.0 %
Profit for the year from Income Statement	142,144	153,388	155,035	164,165	190,219
Sales from Income Statement	2,181,549	2,272,734	2,336,804	2,337,658	2,544,409
Net profit margin	6.5 %	6.7 %	6.6 %	7.0 %	7.5 %
EBITDA (see above)	299,414	312,719	314,706	324,360	389,600
Sales from Income Statement	2,181,549	2,272,734	2,336,804	2,337,658	2,544,409
EBITDA margin	13.7 %	13.8 %	13.5 %	13.9 %	15.3 %
Operating profit from Income Statement	199,862	213,654	215,014	217,082	255,271
Sales from Income Statement	2,181,549	2,272,734	2,336,804	2,337,658	2,544,409
Operating margin	9.2 %	9.4 %	9.2 %	9.3 %	10.0 %
Cash earnings (see above)	238,379	256,346	257,077	269,735	310,437
Sales from Income Statement	2,181,549	2,272,734	2,336,804	2,337,658	2,544,409
Cash earnings margin	10.9 %	11.3 %	11.0 %	11.5 %	12.2 %
Operating profit from Income Statement	199,862	213,654	215,014	217,082	255,271
Ø Total equity (see above)	1,123,162	1,201,659	1,288,876	1,351,675	1,446,534
Ø Current financial liabilities from Balance Sheet (incl. lease liabilities acc. to IFRS 16)	94,317	64,175	34,741	27,456	73,589
Ø Non-current financial liabilities from Balance Sheet (incl. lease liabilities acc. to IFRS 16)	185,285	212,921	201,944	184,619	204,944
Ø Provisions for non-current liabilities and charges from note "Provisions for non-current liabilities and charges"	119,653	123,706	125,337	118,632	131,724
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32 from note "Deferred income and other current liabilities" (Share purchase price and option liabilities)	7,872	3,430	0	0	0
Ø Cash and cash equivalents from Balance Sheet	-287,520	-253,046	-224,524	-229,446	-193,895
Ø Securities in non-current assets from note "Investments accounted for using the equity method, securities and other financial assets"	-3,348	-2,269	-1,606	-692	
Ø Securities in current assets	-404	-678	-1,055	-780	
Capital employed	1,239,017	1,349,897	1,423,712	1,451,464	1,662,896
Return on capital employed (ROCE)	16.1 %	15.8 %	15.1 %	15.0 %	15.4 %

Calculation Alternative Performance Measures – MM Group

according to ESMA-Guideline

(in thousands of EUR)	2015	2016	2017	2018	2019
Profit for the year from Income Statement	142,144	153,388	155,035	164,165	190,219
Interest expenses from note "Financial expenses"	6,269	6,123	6,185	6,078	8,394
Net interest cost from note "Other financial result – net"	2,480	2,691	2,325	2,204	2,605
Interest expenses total	8,749	8,814	8,510	8,282	10,999
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32 from note "Other financial result – net" (Valuation of (contingent) share purchase price and option liabilities)	1,946	62	0	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	2,604	0	0
Profit for the year before non-controlling (minority) interests and before interest expenses	152,839	162,264	166,149	172,447	201,218
Ø Total equity (see above)	1,123,162	1,201,659	1,288,876	1,351,675	1,446,534
Ø Current financial liabilities from Balance Sheet (incl. lease liabilities acc. to IFRS 16)	94,317	64,175	34,741	27,456	73,589
Ø Non-current financial liabilities from Balance Sheet (incl. lease liabilities acc. to IFRS 16)	185,285	212,921	201,944	184,619	204,944
Total of Ø total equity and Ø current and non-current financial liabilities	1,402,763	1,478,754	1,525,560	1,563,750	1,725,067
Return on investment (ROI)	10.9 %	11.0 %	10.9 %	11.0 %	11.7 %
Total equity from Balance Sheet	1,144,155	1,259,162	1,318,590	1,384,759	1,508,309
Total assets from Balance Sheet	1,900,322	1,981,897	2,013,406	2,065,705	2,422,653
Equity ratio	60.2 %	63.5 %	65.5 %	67.0 %	62.3 %
Property, plant and equipment from Balance Sheet	759,640	792,650	858,875	852,607	1,034,471
Total assets from Balance Sheet	1,900,322	1,981,897	2,013,406	2,065,705	2,422,653
Property, plant and equipment to total assets	40.0 %	40.0 %	42.7 %	41.3 %	42.7 %
Total equity from Balance Sheet	1,144,155	1,259,162	1,318,590	1,384,759	1,508,309
Non-current liabilities from Balance Sheet	351,594	358,054	327,619	307,654	419,771
Total equity and non-current liabilities	1,495,749	1,617,216	1,646,209	1,692,413	1,928,080
Property, plant and equipment from Balance Sheet	759,640	792,650	858,875	852,607	1,034,471
Total equity and non-current liabilities to PPE	2.0	2.0	1.9	2.0	1.9
Current assets from Balance Sheet	972,225	1,027,752	1,000,264	1,061,891	980,505
Securities in non-current assets from note "Investments accounted for using the equity method, securities and other financial assets"	2,549	1,989	1,223	161	
Current assets	974,774	1,029,741	1,001,487	1,062,052	980,505
Current liabilities from Balance Sheet	-404,573	-364,681	-367,197	-373,292	-494,573
Short-term revolving bank credits from note "Financial liabilities and leases"	45,450	45,450	10,000	10,000	37,980
Current liabilities (excluding short-term revolving bank credits)	-359,123	-319,231	-357,197	-363,292	-456,593
Working capital	615,651	710,510	644,290	698,760	523,912
Current financial liabilities from Balance Sheet (incl. lease liabilities acc. to IFRS 16)	-79,446	-48,903	-20,578	-34,334	-112,843
Non-current financial liabilities from Balance Sheet (incl. lease liabilities acc. to IFRS 16)	-213,845	-211,997	-191,890	-177,348	-232,540
Cash and cash equivalents from Balance Sheet	254,953	251,138	197,910	260,982	126,807
Securities in non-current assets from note "Investments accounted for using the equity method, securities and other financial assets"	2,549	1,989	1,223	161	
Securities in current assets	807	550	1,559	0	
Net debt (-) / Net liquidity (+)	-34,982	-7,223	-11,776	49,461	-218,576
Net debt (-) / net liquidity (+)	-34,982	-7,223	-11,776	49,461	-218,576
Total equity from Balance Sheet	1,144,155	1,259,162	1,318,590	1,384,759	1,508,309
Net debt (-) / Net liquidity (+) in % of equity	-3.1 %	-0.6 %	-0.9 %	3.6 %	-14.5 %
Number of shares issued at the balance sheet date from note "Earnings per share"	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Stock price per share at year-end (closing) from Annual Report chapter "Mayr-Melnhof Shares" (in EUR)	114.50	100.70	122.50	110.00	119.60
Market capitalization	2,290,000	2,014,000	2,450,000	2,200,000	2,392,000
Weighted average number of shares outstanding from note "Earnings per share"	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Profit for the year attributable to the shareholders of the Company from Income Statement	141,550	153,307	154,573	163,670	189,743
Earnings per share (in EUR)	7.08	7.67	7.73	8.18	9.49

Calculation net value added: see "Value added" in Annual Report chapter "Consolidated Non-financial Report"

Calculation operating profit: see Consolidated Income Statement

Calculation Alternative Performance Measures – Division MM Karton

according to ESMA-Guideline

(in thousands of EUR)	2019	2018
Operating profit from note "Segment reporting information"	110,436	96,386
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	51,750	45,306
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	162,186	141,692
Profit for the year from note "Segment reporting information"	78,868	72,102
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	51,750	45,306
Non-cash-effective and deferred taxes	-1,557	-1,759
Cash earnings	129,061	115,649
EBITDA (see above)	162,186	141,692
Sales from note "Segment reporting information"	1,078,297	1,062,170
EBITDA margin	15.0 %	13.3 %
Operating profit from note "Segment reporting information"	110,436	96,386
Sales from note "Segment reporting information"	1,078,297	1,062,170
Operating margin	10.2 %	9.1 %
Cash earnings (see above)	129,061	115,649
Sales from note "Segment reporting information"	1,078,297	1,062,170
Cash earnings margin	12.0 %	10.9 %
Operating profit from note "Segment reporting information"	110,436	96,386
Ø Total equity	793,464	750,384
Ø Current financial liabilities (incl. lease liabilities acc. to IFRS 16)	6,613	-25,814
Ø Non-current financial liabilities (incl. lease liabilities acc. to IFRS 16) without IC loans from MM Packaging	69,600	55,095
Ø Provisions for non-current liabilities and charges	69,754	65,241
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	0
Ø Cash and cash equivalents	-250,033	-229,253
Ø Securities in non-current assets		-531
Ø Securities in current assets		-780
Ø IC cash pool receivable/payable against MM Packaging	-38,465	0
Ø IC loans from/to MM Packaging	-8,027	-7,858
Capital employed	642,906	606,485
Return on capital employed (ROCE)	17.2 %	15.9 %

Calculation Alternative Performance Measures – Division MM Packaging

according to ESMA-Guideline

(in thousands of EUR)	2019	2018
Operating profit from note "Segment reporting information"	144,835	120,696
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	82,579	61,972
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	227,414	182,668
Profit for the year from note "Segment reporting information"	111,351	92,063
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	82,579	61,972
Non-cash-effective and deferred taxes	-12,554	51
Cash earnings	181,376	154,086
EBITDA (see above)	227,414	182,668
Sales from note "Segment reporting information"	1,577,955	1,384,214
EBITDA margin	14.4 %	13.2 %
Operating profit from note "Segment reporting information"	144,835	120,696
Sales from note "Segment reporting information"	1,577,955	1,384,214
Operating margin	9.2 %	8.7 %
Cash earnings (see above)	181,376	154,086
Sales from note "Segment reporting information"	1,577,955	1,384,214
Cash earnings margin	11.5 %	11.1 %
Operating profit from note "Segment reporting information"	144,835	120,696
Ø Total equity	653,070	601,291
Ø Current financial liabilities (incl. lease liabilities acc. to IFRS 16)	123,307	53,270
Ø Non-current financial liabilities (incl. lease liabilities acc. to IFRS 16) without IC loans from MM Karton	135,344	129,525
Ø Provisions for non-current liabilities and charges	61,970	53,391
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	0
Ø Cash and cash equivalents	-193	-193
Ø Securities in non-current assets		-161
Ø Securities in current assets		0
Ø IC cash pool receivable/payable against MM Karton	38,465	0
Ø IC loans from/to MM Karton	8,027	7,858
Capital employed	1,019,990	844,979
Return on capital employed (ROCE)	14.2 %	14.3 %