



# Alternative Performance Measures 2020

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 debt/EBITDA**

Net debt/net liquidity divided by EBITDA.

The net debt ratio is an important key indicator of the capital management within the Group. It provides information on how quickly net debt can be covered at constant EBITDA.

### **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 (excluding personnel provisions) 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)	2016	2017	2018	2019	2020
Operating profit from Consolidated Income Statement	213,654	215,014	217,082	255,271	231,380
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets from note "Development of fixed assets"	99,065	99,692	107,278	134,329	167,481
<b>Earnings before interest, income taxes, depreciation and amortization (EBITDA)</b>	<b>312,719</b>	<b>314,706</b>	<b>324,360</b>	<b>389,600</b>	<b>398,861</b>
Profit for the year from Consolidated Income Statement	153,388	155,035	164,165	190,219	162,230
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets from note "Development of fixed assets"	99,065	99,692	107,278	134,329	167,481
Non-cash-effective and deferred taxes	3,893	2,350	-1,708	-14,111	-4,333
<b>Cash earnings</b>	<b>256,346</b>	<b>257,077</b>	<b>269,735</b>	<b>310,437</b>	<b>325,378</b>
Profit for the year from Consolidated Income Statement	153,388	155,035	164,165	190,219	162,230
Total equity from Consolidated Balance Sheet	1,259,162	1,318,590	1,384,759	1,508,309	1,547,098
<b>Ø Total equity</b>	<b>1,201,659</b>	<b>1,288,876</b>	<b>1,351,675</b>	<b>1,446,534</b>	<b>1,527,704</b>
<b>Return on equity (ROE)</b>	<b>12.8 %</b>	<b>12.0 %</b>	<b>12.1 %</b>	<b>13.1 %</b>	<b>10.6 %</b>
Profit for the year from Consolidated Income Statement	153,388	155,035	164,165	190,219	162,230
Interest expenses from note "Financial expenses"	6,123	6,185	6,078	8,394	7,863
Net interest cost from note "Other financial result – net"	2,691	2,325	2,204	2,605	1,499
Interest expenses total	8,814	8,510	8,282	10,999	9,362
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)	62	0	0	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	2,604	0	0	0
<b>Profit for the year before non-controlling (minority) interests and before interest expenses</b>	<b>162,264</b>	<b>166,149</b>	<b>172,447</b>	<b>201,218</b>	<b>171,592</b>
Total assets from Consolidated Balance Sheet	1,981,897	2,013,406	2,065,705	2,422,653	2,399,570
<b>Ø Total assets</b>	<b>1,941,110</b>	<b>1,997,652</b>	<b>2,039,556</b>	<b>2,244,179</b>	<b>2,411,112</b>
<b>Return on assets (ROA)</b>	<b>8.4 %</b>	<b>8.3 %</b>	<b>8.5 %</b>	<b>9.0 %</b>	<b>7.1 %</b>
Profit for the year from Consolidated Income Statement	153,388	155,035	164,165	190,219	162,230
Sales from Consolidated Income Statement	2,272,734	2,336,804	2,337,658	2,544,409	2,528,399
<b>Net profit margin</b>	<b>6.7 %</b>	<b>6.6 %</b>	<b>7.0 %</b>	<b>7.5 %</b>	<b>6.4 %</b>
EBITDA (see above)	312,719	314,706	324,360	389,600	398,861
Sales from Consolidated Income Statement	2,272,734	2,336,804	2,337,658	2,544,409	2,528,399
<b>EBITDA margin</b>	<b>13.8 %</b>	<b>13.5 %</b>	<b>13.9 %</b>	<b>15.3 %</b>	<b>15.8 %</b>
Operating profit from Consolidated Income Statement	213,654	215,014	217,082	255,271	231,380
Sales from Consolidated Income Statement	2,272,734	2,336,804	2,337,658	2,544,409	2,528,399
<b>Operating margin</b>	<b>9.4 %</b>	<b>9.2 %</b>	<b>9.3 %</b>	<b>10.0 %</b>	<b>9.2 %</b>
Cash earnings (see above)	256,346	257,077	269,735	310,437	325,378
Sales from Consolidated Income Statement	2,272,734	2,336,804	2,337,658	2,544,409	2,528,399
<b>Cash earnings margin</b>	<b>11.3 %</b>	<b>11.0 %</b>	<b>11.5 %</b>	<b>12.2 %</b>	<b>12.9 %</b>
Operating profit from Consolidated Income Statement	213,654	215,014	217,082	255,271	231,380
Ø Total equity from Consolidated Balance Sheet	1,194,983	1,279,324	1,347,995	1,440,275	1,510,555
Ø Current financial liabilities from Consolidated Balance Sheet (incl. lease liabilities acc. to IFRS 16)	67,570	23,252	25,813	152,168	83,654
Ø Non-current financial liabilities from Consolidated Balance Sheet (incl. lease liabilities acc. to IFRS 16)	212,900	208,315	187,515	228,785	226,063
Ø Provisions for non-current liabilities and charges (excl. personnel provisions) from note "Provisions for non-current liabilities and charges"	0	0	0	0	1,285
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)	2,756	0	0	0	0
Ø Cash and cash equivalents from Consolidated Balance Sheet	-252,702	-212,155	-223,906	-164,325	-127,929
<b>Capital employed</b>	<b>1,225,507</b>	<b>1,298,736</b>	<b>1,337,417</b>	<b>1,656,903</b>	<b>1,693,628</b>
<b>Return on capital employed (ROCE)</b>	<b>17.4 %</b>	<b>16.6 %</b>	<b>16.2 %</b>	<b>15.4 %</b>	<b>13.7 %</b>

## Calculation Alternative Performance Measures – MM Group

according to ESMA-Guideline

(in thousands of EUR)	2016	2017	2018	2019	2020
Profit for the year from Consolidated Income Statement	153,388	155,035	164,165	190,219	162,230
Interest expenses from note "Financial expenses"	6,123	6,185	6,078	8,394	7,863
Net interest cost from note "Other financial result – net"	2,691	2,325	2,204	2,605	1,499
Interest expenses total	8,814	8,510	8,282	10,999	9,362
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)	62	0	0	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	2,604	0	0	0
<b>Profit for the year before non-controlling (minority) interests and before interest expenses</b>	<b>162,264</b>	<b>166,149</b>	<b>172,447</b>	<b>201,218</b>	<b>171,592</b>
Ø Total equity from Consolidated Balance Sheet	1,201,659	1,288,876	1,351,675	1,446,534	1,527,704
Ø Current financial liabilities from Consolidated Balance Sheet (incl. lease liabilities acc. to IFRS 16)	64,175	34,741	27,456	73,589	82,879
Ø Non-current financial liabilities from Consolidated Balance Sheet (incl. lease liabilities acc. to IFRS 16)	212,921	201,944	184,619	204,944	224,026
<b>Total of Ø total equity and Ø current and non-current financial liabilities</b>	<b>1,478,754</b>	<b>1,525,560</b>	<b>1,563,750</b>	<b>1,725,067</b>	<b>1,834,608</b>
<b>Return on investment (ROI)</b>	<b>11.0 %</b>	<b>10.9 %</b>	<b>11.0 %</b>	<b>11.7 %</b>	<b>9.4 %</b>
Total equity from Consolidated Balance Sheet	1,259,162	1,318,590	1,384,759	1,508,309	1,547,098
Total assets from Consolidated Balance Sheet	1,981,897	2,013,406	2,065,705	2,422,653	2,399,570
<b>Equity ratio</b>	<b>63.5 %</b>	<b>65.5 %</b>	<b>67.0 %</b>	<b>62.3 %</b>	<b>64.5 %</b>
Property, plant and equipment from Consolidated Balance Sheet	792,650	858,875	852,607	1,034,471	996,472
Total assets from Consolidated Balance Sheet	1,981,897	2,013,406	2,065,705	2,422,653	2,399,570
<b>Property, plant and equipment to total assets</b>	<b>40.0 %</b>	<b>42.7 %</b>	<b>41.3 %</b>	<b>42.7 %</b>	<b>41.5 %</b>
Total equity from Consolidated Balance Sheet	1,259,162	1,318,590	1,384,759	1,508,309	1,547,098
Non-current liabilities from Consolidated Balance Sheet	358,054	327,619	307,654	419,771	397,196
<b>Total equity and non-current liabilities</b>	<b>1,617,216</b>	<b>1,646,209</b>	<b>1,692,413</b>	<b>1,928,080</b>	<b>1,944,294</b>
Property, plant and equipment from Consolidated Balance Sheet	792,650	858,875	852,607	1,034,471	996,472
<b>Total equity and non-current liabilities to PPE</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>
Current assets from Consolidated Balance Sheet	1,027,752	1,000,264	1,061,891	980,505	1,001,647
Securities in non-current assets from note "Investments accounted for using the equity method, securities and other financial assets"	1,989	1,223	161		
<b>Current assets</b>	<b>1,029,741</b>	<b>1,001,487</b>	<b>1,062,052</b>	<b>980,505</b>	<b>1,001,647</b>
Current liabilities from Consolidated Balance Sheet	-364,681	-367,197	-373,292	-494,573	-455,276
Short-term revolving bank credits from note "Financial liabilities and leases"	45,450	10,000	10,000	37,980	37,980
<b>Current liabilities (excluding short-term revolving bank credits)</b>	<b>-319,231</b>	<b>-357,197</b>	<b>-363,292</b>	<b>-456,593</b>	<b>-417,296</b>
<b>Working capital</b>	<b>710,510</b>	<b>644,290</b>	<b>698,760</b>	<b>523,912</b>	<b>584,351</b>
Current financial liabilities from Consolidated Balance Sheet (incl. lease liabilities acc. to IFRS 16)	-48,903	-20,578	-34,334	-112,843	-52,915
Non-current financial liabilities from Consolidated Balance Sheet (incl. lease liabilities acc. to IFRS 16)	-211,997	-191,890	-177,348	-232,540	-215,511
Cash and cash equivalents from Consolidated Balance Sheet	251,138	197,910	260,982	126,807	146,241
Securities in non-current assets from note "Investments accounted for using the equity method, securities and other financial assets"	1,989	1,223	161		
Securities in current assets	550	1,559	0		
<b>Net debt (-)/Net liquidity (+)</b>	<b>-7,223</b>	<b>-11,776</b>	<b>49,461</b>	<b>-218,576</b>	<b>-122,185</b>
Net debt (+)/Net liquidity (-)	7,223	11,776	-49,461	218,576	122,185
EBITDA (see above)	312,719	314,706	324,360	389,600	398,861
<b>Net debt/EBITDA</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.6</b>	<b>0.3</b>
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)	100.70	122.50	110.00	119.60	165.00
<b>Market capitalization</b>	<b>2,014,000</b>	<b>2,450,000</b>	<b>2,200,000</b>	<b>2,392,000</b>	<b>3,300,000</b>
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	153,307	154,573	163,670	189,743	161,188
<b>Earnings per share (in EUR)</b>	<b>7.67</b>	<b>7.73</b>	<b>8.18</b>	<b>9.49</b>	<b>8.06</b>

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

Calculation operating profit: see Consolidated Income Statements

Calculation cash flow from operating activities: see Consolidated Cash Flow Statements

## Calculation Alternative Performance Measures – Division MM Karton

according to ESMA-Guideline

(in thousands of EUR)	2020	2019
Operating profit from note "Segment reporting information"	86,695	110,436
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	77,997	51,750
<b>Earnings before interest, income taxes, depreciation and amortization (EBITDA)</b>	<b>164,692</b>	<b>162,186</b>
EBITDA (see above)	164,692	162,186
Sales from note "Segment reporting information"	1,050,752	1,078,297
<b>EBITDA margin</b>	<b>15.7 %</b>	<b>15.0 %</b>
Operating profit from note "Segment reporting information"	86,695	110,436
Sales from note "Segment reporting information"	1,050,752	1,078,297
<b>Operating margin</b>	<b>8.3 %</b>	<b>10.2 %</b>
Operating profit from note "Segment reporting information"	86,695	110,436
Ø Total equity	827,263	789,559
Ø Current financial liabilities (incl. lease liabilities acc. to IFRS 16)	13,253	-6,557
Ø Non-current financial liabilities (incl. lease liabilities acc. to IFRS 16) without IC loans from MM Packaging	82,995	76,785
Ø Provisions for non-current liabilities and charges (excl. personnel provisions)	1,285	0
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	0
Ø Cash and cash equivalents	-206,136	-230,618
Ø IC cash pool receivable/payable against MM Packaging	-112,583	-31,688
Ø IC loans from/to MM Packaging	-7,851	-7,984
<b>Capital employed</b>	<b>598,226</b>	<b>589,496</b>
<b>Return on capital employed (ROCE)</b>	<b>14.5 %</b>	<b>18.7 %</b>
Profit for the year from note "Segment reporting information"	58,359	78,868
Adjustments to reconcile profit for the year to net cash from operating activities excluding interest and taxes paid		
Income tax expense from note "Segment reporting information"	24,987	27,449
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets from note "Segment reporting information"	77,997	51,750
Gains (losses) from disposal of property, plant and equipment, and intangible assets	166	-66
Financial income from note "Segment reporting information"	-421	-421
Financial expenses from note "Segment reporting information"	3,158	3,079
Share of profit (loss) of other investments	-193	-162
Other adjustments	-4,295	20
<b>Net cash from profit</b>	<b>159,758</b>	<b>160,517</b>
Changes in working capital	759	19,949
Income taxes paid	-34,254	-25,192
<b>Cash flow from operating activities</b>	<b>126,263</b>	<b>155,274</b>

**Calculation operating profit: see Consolidated Income Statement**

## Calculation Alternative Performance Measures – Division MM Packaging

according to ESMA-Guideline

(in thousands of EUR)	2020	2019
Operating profit from note "Segment reporting information"	144,685	144,835
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	89,484	82,579
<b>Earnings before interest, income taxes, depreciation and amortization (EBITDA)</b>	<b>234,169</b>	<b>227,414</b>
EBITDA (see above)	234,169	227,414
Sales from note "Segment reporting information"	1,594,216	1,577,955
<b>EBITDA margin</b>	<b>14.7 %</b>	<b>14.4 %</b>
Operating profit from note "Segment reporting information"	144,685	144,835
Sales from note "Segment reporting information"	1,594,216	1,577,955
<b>Operating margin</b>	<b>9.1 %</b>	<b>9.2 %</b>
Operating profit from note "Segment reporting information"	144,685	144,835
Ø Total equity	683,292	650,716
Ø Current financial liabilities (incl. lease liabilities acc. to IFRS 16)	148,607	225,096
Ø Non-current financial liabilities (incl. lease liabilities acc. to IFRS 16) without IC loans from MM Karton	143,068	152,000
Ø Provisions for non-current liabilities and charges (excl. personnel provisions)	0	0
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	0
Ø Cash and cash equivalents	0	-77
Ø IC cash pool receivable/payable against MM Karton	112,583	31,688
Ø IC loans from/to MM Karton	7,851	7,984
<b>Capital employed</b>	<b>1,095,402</b>	<b>1,067,407</b>
<b>Return on capital employed (ROCE)</b>	<b>13.2 %</b>	<b>13.6 %</b>
Profit for the year from note "Segment reporting information"	103,871	111,351
Adjustments to reconcile profit for the year to net cash from operating activities excluding interest and taxes paid		
Income tax expense from note "Segment reporting information"	34,857	33,461
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets from note "Segment reporting information"	89,484	82,579
Gains (losses) from disposal of property, plant and equipment, and intangible assets	97	-557
Financial income from note "Segment reporting information"	-1,593	-1,363
Financial expenses from note "Segment reporting information"	5,007	5,634
Share of profit (loss) of other investments	-151	-121
Other adjustments	-5,805	-171
<b>Net cash from profit</b>	<b>225,767</b>	<b>230,813</b>
Changes in working capital	6,651	-11,855
Income taxes paid	-40,497	-42,811
<b>Cash flow from operating activities</b>	<b>191,921</b>	<b>176,147</b>

**Calculation operating profit: see Consolidated Income Statement**