



Leading in
Consumer Packaging

Q1-2 24

Half-Year Financial Report 2024 Mayr-Melnhof Karton AG

Q2 ahead of Q2 2023

Half-year financial results below previous year due to pricing

Cash flow significantly improved

Strong volume increase in Board & Paper

For more transparency Packaging from now on reported as two divisions:
MM Food & Premium Packaging and MM Pharma & Healthcare Packaging

Solid performance in Packaging divisions

Considerable reduction of carbon footprint vs. 1st HY 2023

Persisting consumer restraint on end markets in line with overall weak economy

Q3 impacted by annual maintenance downtime at Board & Paper

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Group Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 st - 2 nd Quarter		
	Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023	+/-
Consolidated sales	2,043.9	2,181.4	- 6.3 %
Adjusted EBITDA ¹⁾	201.7	237.3	- 15.0 %
Adjusted EBITDA margin (%)	9.9 %	10.9 %	- 101 bp
Adjusted operating profit ¹⁾	90.6	127.0	- 28.7 %
Adjusted operating margin (%)	4.4 %	5.8 %	- 139 bp
Operating profit	90.6	104.0	- 12.9 %
Return on capital employed ²⁾ (%)	5.6 %	11.7 %	- 614 bp
Profit before tax	51.2	77.2	- 33.6 %
Income tax expense	(13.8)	(13.9)	
Profit for the period	37.4	63.3	- 41.0 %
Net profit margin (%)	1.8 %	2.9 %	
Earnings per share (in EUR)	1.82	3.12	- 41.7 %
Cash flow from operating activities	200.6	150.1	+ 33.7 %
Free cash flow	59.4	(64.9)	n.m.
Capital expenditures	145.5	217.8	- 33.2 %
Depreciation and amortisation ³⁾	111.1	110.3	+ 0.7 %

¹⁾ adjusted for material one-off effects (material defined as impact on operating profit of more than EUR 10 million)

²⁾ The calculation is based on the adjusted result figure.

³⁾ incl. impairment of property, plant and equipment and intangible assets

	Balance sheet date	
	Jun. 30, 2024	Dec. 31, 2023
Total equity (in millions of EUR)	2,042.4	2,012.4
Total assets (in millions of EUR)	4,983.9	5,076.9
Equity ratio (%)	41.0 %	39.6 %
Net debt (in millions of EUR)	1,276.0	1,261.9
Net debt / Adjusted EBITDA ²⁾	3.1	2.8
Net debt / equity (%)	62 %	63 %
Capital employed (in millions of EUR)	3,455.2	3,546.3
Employees ¹⁾	14,867	15,087

¹⁾ excl. temporary workers

²⁾ The calculation is based on the adjusted EBITDA of the last twelve months.

Group Report

Dear Shareholders,

your Company succeeded in improving its adjusted EBITDA and adjusted operating profit in the 2nd quarter compared to both the previous two quarters as well as last year's 2nd quarter. The consistent execution of the profit & cash protection programme led to a significant increase in cash flow from operating activities and free cash flow. At the same time, the Group's financial leverage remained largely constant.

In the Board & Paper division, we saw an improvement in market demand following the reduction of high inventories in the supply chain. Also, our improved products after the machine rebuilds were well received by our customers. This led to a significant increase in sales volumes of around 18 %. Despite selective price increases in the 2nd quarter, average prices were still substantially below last year, resulting in lower sales. At the same time, some costs like paper for recycling and personnel costs rose again in the 2nd quarter. Due to the comprehensive cost protection programme, Board & Paper managed to turn the adjusted operating profit again back into positive territory in the 2nd quarter after four quarters of operational losses.

Packaging, which has shown a consistently solid performance overall, will from now on be reported as two divisions to increase transparency: MM Food & Premium Packaging and MM Pharma & Healthcare Packaging, since pharma packaging pursues a different business model and is perceived as highly specialised within the packaging industry. Also, it comprises leaflets and labels on top of folding cartons.

Due to the ongoing weak economy in the main market of Europe and persistent restrained consumer spending on daily consumer goods, we expect only a slow development in the end markets and continued underutilisation in the cartonboard industry. In the 3rd quarter, annual maintenance downtime at our pulp mills in Kwidzyn and Kotkamills will affect Board & Paper results while we assume continuity for both of the packaging divisions.

Income Statement

At EUR 2,043.9 million, the Group's consolidated sales were below the previous year's figure (1st half of 2023: EUR 2,181.4 million), mainly due to lower selling prices.

Adjusted operating profit decreased by EUR 36.4 million from EUR 127.0 million to EUR 90.6 million. This decrease is primarily due to lower average prices in the Board & Paper division. The Group's adjusted operating margin was 4.4 % (1st half of 2023: 5.8 %).

Financial income amounted to EUR 13.3 million (1st half of 2023: EUR 3.7 million). The increase in financial expenses from EUR -24.7 million to EUR -42.7 million resulted in particular from higher interest rates for variable-interest financing. "Other financial result - net" changed from EUR -5.9 million to EUR -10.0 million, mainly owing to currency translations.

Profit before tax totalled EUR 51.2 million after EUR 77.2 million in the previous year. Income tax expense amounted to EUR 13.8 million (1st half of 2023: EUR 13.9 million), resulting in an effective Group tax rate of 27.1 % (1st half of 2023: 17.9 %).

Profit for the period decreased accordingly from EUR 63.3 million to EUR 37.4 million and earnings per share from EUR 3.12 to EUR 1.82.

Assets, Capital, and Liquid Funds

The Group's total assets amounted to EUR 4,983.9 million as of June 30, 2024, which is EUR 93.0 million lower than the comparable value as of December 31, 2023 (EUR 5,076.9 million). The Group's total equity rose from EUR 2,012.4 million to EUR 2,042.4 million, with the mainly profit-related increase being offset chiefly by the dividend payment for 2023 of EUR 30.0 million. At 41.0 % (December 31, 2023: 39.6 %), the equity ratio remained almost unchanged.

Financial liabilities, primarily of a long-term character, decreased to EUR 1,890.3 million after EUR 2,019.5 million at the end of the previous year. With total cash of EUR 614.3 million (December 31, 2023: EUR 757.5 million), net debt of the Group was slightly up at EUR 1,276.0 million (December 31, 2023: EUR 1,261.9 million).

Non-current assets changed mostly investment-related from EUR 3,159.0 million to EUR 3,210.8 million. Current assets of EUR 1,773.1 million were below the value at the end of 2023 (EUR 1,917.9 million), in particular due to lower total cash.

Cash Flow Development

Cash flow from operating activities went up from EUR 150.1 million to EUR 200.6 million in the 1st half-year. This rise was mainly due to a reduction in working capital and lower tax payments compared to last year.

Cash flow from investing activities decreased from EUR -218.3 million to EUR -128.8 million, mainly as a result of lower payments for the acquisition of property, plant and equipment and intangible assets. Capital expenditures focused in particular on technological modernisations in all divisions.

Free cash flow was clearly positive at EUR 59.4 million, compared with EUR -64.9 million in previous year's period.

Cash flow from financing activities changed from EUR -48.9 million to EUR -214.9 million. This development primarily results from higher redemptions and interest payments in the current year, which were contrasted by the use of short-term credit lines in the previous year.

Sustainability Development

The carbon footprint of the MM Group was down by considerable 23 % in the 1st half-year (1st half of 2024: 569,294 tCO₂e; 1st half of 2023: 737,926 tCO₂e).

MM's improved EcoVadis 2024 rating from a Bronze to a Silver status demonstrates that our commitment to sustainability is evident, particularly in the areas of environment, labor and human rights, where we are in the top 15 % of all companies evaluated.

Development in the 2nd quarter

In the 2nd quarter, the MM Group was able to improve results compared to the previous quarter and exceeded the previous year's figure.

After four quarters, the MM Board & Paper division could achieve again a positive adjusted operating profit with improvements in price and volume. The MM Food & Premium Packaging division recorded continuity at a good level, while the momentum at MM Pharma & Healthcare weakened slightly due to a full supply chain.

Consolidated sales of EUR 1,018.9 million were somewhat below the 1st quarter of 2024 (EUR 1,025.0 million) as well as the previous year's level (Q2 2023: EUR 1,059.3 million).

The Group's adjusted operating profit increased to EUR 51.0 million, exceeding both the previous quarter's and the previous year's figure (Q1 2024: EUR 39.6 million; Q2 2023: EUR 48.3 million). The adjusted operating margin came in at 5.0 % (Q1 2024: 3.9 %; Q2 2023: 4.6 %). Adjusted EBITDA reached EUR 107.2 million (Q1 2024: EUR 94.5 million; Q2 2023: EUR 103.7 million). Profit for the period amounted to EUR 26.5 million (Q1 2024: EUR 10.9 million; Q2 2023: EUR 28.4 million).

The adjusted operating margin of the MM Board & Paper division increased to 0.4 % (Q1 2024: -2.7 %; Q2 2023: -2.0 %) due to the positive development of sales and production volumes despite lower average prices. Capacity utilisation was significantly higher than in the 2nd quarter of the previous year, which was characterised by significant market- and rebuild-related machine downtime.

MM Food & Premium Packaging managed to maintain a solid adjusted operating margin of 10.2 % (Q1 2024: 9.5 %; Q2 2023: 11.4 %), primarily through productivity increases.

The operating margin of MM Pharma & Healthcare Packaging was 4.6 % (Q1 2024: 7.3 %; Q2 2023: 4.9 %), due to more subdued demand resulting from a reduction of inventories in the supply chain of the pharma industry.

Outlook

Given the persistently overall weak economy and continuing restraint consumer spending we anticipate that the current low market activity will persist in the coming months. We will continue to pursue selective price increases. In the 3rd quarter, annual maintenance downtime at our pulp mills in Kwidzyn and Kotkamills will affect Board & Paper results while we assume continuity for the packaging divisions.

MM stays focused on enhancing earnings and cash generation by continuing its profit & cash protection programme. The majority of savings are expected to materialise in 2025. Capital expenditures will remain significantly lower than in previous years, as the major projects have already been successfully completed. Our strategy and capital allocation we will continue to focus on expanding in growing, innovative and sustainable market segments, but we will prioritise improving margins before pursuing further non-organic growth.

Further information

Roman Billiani (50), who previously served as Managing Director of the former MM Packaging division overseeing “Food & Specialities Packaging” and brings approximately 20 years of senior-level experience in fibre-based packaging, has been appointed as a new member of the Management Board for the period from May 1, 2024, to April 30, 2027. He is responsible for the “MM Food & Premium Packaging” division.

Divisions

MM Board & Paper

The MM Board & Paper division recorded a significant volume increase in the 1st half-year, following extensive market- and rebuild-related downtime in the previous year. Sales volume rose by 18.3 % from 959,000 tonnes to 1,134,000 tonnes and production volume saw a parallel increase of 21.2 % to 1,160,000 tonnes (1st half of 2023: 957,000 tonnes). Capacity utilisation was therefore significantly higher than in the previous year. The division's average order backlog amounted to 191,000 tonnes in the 1st half of the year, compared to 139,000 tonnes in the same period of the previous year.

Due to recent input price hikes, sales prices have been increased selectively from the 2nd quarter onward. However, lower average sales prices for the 1st half-year as a whole outweighed the positive volume impact. Consequentially sales of EUR 986.2 million and adjusted operating profit of EUR -11.1 million came in below the previous year's figures (1st half of 2023: EUR 1,019.3 million; EUR 17.9 million). The adjusted operating margin amounted to -1.1 % (1st half of 2023: 1.8 %). As a result of the consistent implementation of the profit & cash protection programme, cash flow from operating activities increased to EUR 46.6 million (1st half of 2023: EUR 13.0 million).

MM Board & Paper, contributing about 42 % to Group sales over the last twelve months, has considerably increased competitiveness of its mills during the past years' transformation process. In addition to last year's major investments in Frohnleiten, Neuss and Kolicovo and the prior acquisitions in virgin fibre-based board and paper in Kwidzyn and Kotkamills, the smaller virgin-based board mills in Eerbeek and Baiersbronn were divested and two small recycled board machines closed. Following long technical downtime in 2023 and an extended ramp-up phase in 2023/24, the major capex projects of the previous year have now been successfully implemented, improving cost efficiency, quality and specific energy consumption. In this connection, 1st half-year capital expenditures came down significantly to EUR 73.7 million, compared with EUR 135.9 million in the previous year.

The division is committed to rigorously managing costs and making further value-adding adjustments to improve margins, while also enhancing sustainability and innovation.

Divisional indicators MM Board & Paper (according to IFRS for interim financial reporting, unaudited)

(in millions of EUR)	Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023	+/-
Sales ¹⁾	986.2	1,019.3	- 3.2 %
Adjusted EBITDA	42.7	72.0	- 40.7 %
Adjusted operating profit	(11.1)	17.9	n.m.
Adjusted operating margin (%)	-1.1 %	1.8 %	- 288 bp
Operating profit	(11.1)	17.9	n.m.
Capital employed ²⁾	1,835.8	1,797.1	+ 2.2 %
Return on capital employed ²⁾ (%)	-2.7 %	12.3 %	- 1,500 bp
Cash flow from operating activities	46.6	13.0	+ 258.3 %
Free cash flow	(26.5)	(122.5)	n.m.
Capital expenditures	73.7	135.9	- 45.6 %
Tonnage sold (in thousands of tonnes)	1,134	959	+ 18.3 %
<i>Cartonboard</i>	886	740	+ 19.8 %
<i>Paper</i>	248	219	+ 13.3 %
Tonnage produced (in thousands of tonnes)	1,160	957	+ 21.2 %

¹⁾ including interdivisional sales

²⁾ The calculation is based on the average of the last twelve months.

MM Food & Premium Packaging

Despite ongoing challenges from a weak economy and associated changes in consumer behavior, MM Food & Premium Packaging was able to maintain a solid financial performance by diversifying sales activities and focusing on cost control.

Volumes and prices in several markets were below the previous year due to more restraint consumption. However, the division was able to save costs and increase productivity in many areas in the 1st half of 2024. As a result, profitability was maintained at a solid level. Although sales declined to EUR 835.9 million (1st half of 2023: EUR 921.3 million) and the adjusted operating profit to EUR 82.4 million (1st half of 2023: EUR 93.5 million), a good adjusted operating margin of 9.9 % (1st half of 2023: 10.1 %) was achieved again.

At 1,528 million m² volume produced came in 3.2 % below the previous year's figure (1st half of 2023: 1,579 million m²).

Recently MM Food & Premium Packaging, which accounts for around 42 % of Group sales over the last twelve months, has made significant investments in expanding production capacity and modernising machinery. These efforts have strengthened our competitive advantage in key operating areas and created new growth opportunities with our customers. We have also focused on technical innovation, which enabled us to successfully expand into new markets, like highly customised solutions in digital printing.

Sustainability is a top priority for MM Food & Premium Packaging, which constantly develops new solutions to optimise the carbon footprint and to replace plastic packaging. The division envisages to stay a participant in the industry consolidation, particularly in the beauty area.

Divisional indicators MM Food & Premium Packaging (according to IFRS for interim financial reporting, unaudited)

(in millions of EUR)	Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023	+/-
Sales ¹⁾	835.9	921.3	- 9.3 %
Adjusted EBITDA	121.4	130.1	- 6.7 %
Adjusted operating profit	82.4	93.5	- 11.7 %
Adjusted operating margin (%)	9.9 %	10.1 %	- 27 bp
Operating profit	82.4	77.1	+ 6.9 %
Capital employed ²⁾	1,210.1	1,258.0	- 3.8 %
Return on capital employed ²⁾ (%)	16.9 %	14.9 %	+ 200 bp
Cash flow from operating activities	119.2	135.3	- 11.9 %
Free cash flow	84.7	72.6	+ 16.3 %
Capital expenditures	36.9	65.1	- 43.4 %
Produced volume (in millions of m ²)	1,528	1,579	- 3.2 %

¹⁾ including interdivisional sales

²⁾ The calculation of the previous year's figure is based on the average of the last six months.

MM Pharma & Healthcare Packaging

In light of the pharma & healthcare industry's reduction of inventories to its long-term norm and MM's concentration on products with higher added value the division's half-year sales of EUR 321.6 million came in somewhat below the previous year's level of EUR 343.2 million. At 478 million m² volume produced was as well slightly under the 1st half of 2023 (494 million m²).

In contrast, adjusted operating profit was up 23.4 % from EUR 15.6 million to EUR 19.3 million, mainly due to the consistent implementation of cost reduction programmes and winning more value added business. The adjusted operating margin reached 6.0 % (1st half of 2023: 4.6 %).

Both cash flow from operating activities and free cash flow were up at EUR 34.8 million and EUR 1.2 million respectively (1st half of 2023: EUR 1.8 million and EUR -15.0 million). Investments in state-of-the-art technology amounted to EUR 34.9 million (1st half of 2023: EUR 16.8 million), preparing for further growth.

MM Pharma & Healthcare Packaging, which accounted for about 16 % of Group sales over the past twelve months, is a market leader in Europe and the US with an attractive position in GLP-1-Analoga (e.g. against diabetes or obesity). MM's offer centers on secondary packaging solutions from a global production network, including folding cartons, leaflets, and labels.

In 2023, the division successfully completed the integration of Essentra Packaging and Eson Pac. As part of the essential transformation from a low-yield asset base at Essentra Packaging at the time of the acquisition, we have since been dedicated to significantly enhance operational and financial performance. In addition to organic growth, MM Pharma & Healthcare Packaging will remain an active participant in the consolidation of the industry.

Divisional indicators MM Pharma & Healthcare Packaging (according to IFRS for interim financial reporting, unaudited)

(in millions of EUR)	Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023	+/-
Sales ¹⁾	321.6	343.2	- 6.3 %
Adjusted EBITDA	37.6	35.2	+ 7.1 %
Adjusted operating profit	19.3	15.6	+ 23.4 %
Adjusted operating margin (%)	6.0 %	4.6 %	+ 144 bp
Operating profit	19.3	9.0	+ 115.6 %
Capital employed ²⁾	409.3	394.7	+ 3.7 %
Return on capital employed ²⁾ (%)	9.2 %	7.9 %	+ 129 bp
Cash flow from operating activities	34.8	1.8	+ 1,823.1 %
Free cash flow	1.2	(15.0)	n.m.
Capital expenditures	34.9	16.8	+ 107.3 %
Produced volume (in millions of m ²)	478	494	- 3.4 %

¹⁾ including interdivisional sales

²⁾ The calculation of the previous year's figure is based on the average of the last six months.

Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 2 nd Quarter	Year-end
		Jun. 30, 2024	Dec. 31, 2023
ASSETS			
Property, plant and equipment	3	2,109,316	2,056,030
Intangible assets including goodwill	3	1,042,855	1,047,746
Investments accounted for using the equity method, securities and other financial assets		11,690	10,776
Deferred tax assets		46,977	44,486
Non-current assets		3,210,838	3,159,038
Inventories	6	587,704	582,637
Trade receivables		374,357	384,512
Income tax receivables		11,796	16,284
Prepaid expenses and other current assets		184,948	176,902
Cash and cash equivalents		614,290	757,515
Current assets		1,773,095	1,917,850
TOTAL ASSETS		4,983,933	5,076,888
EQUITY AND LIABILITIES			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		1,971,574	1,965,210
Other reserves		(187,277)	(210,997)
Equity attributable to shareholders of the Company		2,036,955	2,006,871
Non-controlling (minority) interests		5,396	5,523
Total equity		2,042,351	2,012,394
Non-current financial liabilities	8	1,754,753	1,768,942
Provisions for non-current liabilities and charges		113,975	119,841
Deferred tax liabilities		82,673	82,178
Non-current liabilities		1,951,401	1,970,961
Current financial liabilities	8	135,532	250,514
Current tax liabilities		19,109	25,593
Trade liabilities		552,859	515,272
Deferred income and other current liabilities		241,338	263,568
Provisions for current liabilities and charges		41,343	38,586
Current liabilities		990,181	1,093,533
Total liabilities		2,941,582	3,064,494
TOTAL EQUITY AND LIABILITIES		4,983,933	5,076,888

Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR, except per share data)	Notes	2 nd Quarter		1 st - 2 nd Quarter	
		Apr. 1 - Jun. 30, 2024	Apr. 1 - Jun. 30, 2023 ¹⁾	Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023 ¹⁾
Sales	11	1,018,872	1,059,228	2,043,900	2,181,353
Change in finished goods		13,883	(22,285)	11,067	8,153
Cost of materials and purchased services		(551,045)	(565,467)	(1,111,009)	(1,220,092)
Personnel expenses		(212,984)	(206,111)	(425,268)	(427,070)
Other operating income		9,421	15,533	18,878	23,675
Other operating expenses		(171,023)	(183,131)	(335,907)	(351,671)
EBITDA		107,124	97,767	201,661	214,348
Depreciation, amortisation and impairment		(56,167)	(55,320)	(111,055)	(110,305)
Operating profit		50,957	42,447	90,606	104,043
Financial income		6,745	2,435	13,331	3,718
Financial expenses		(21,271)	(13,840)	(42,681)	(24,683)
Other financial result - net	9	(3,227)	(2,816)	(10,027)	(5,898)
Profit before tax		33,204	28,226	51,229	77,180
Income tax expense		(6,731)	220	(13,874)	(13,834)
Profit for the period		26,473	28,446	37,355	63,346
Attributable to:					
Shareholders of the Company		25,972	28,028	36,364	62,323
Non-controlling (minority) interests		501	418	991	1,023
Profit for the period		26,473	28,446	37,355	63,346
Earnings per share for profit for the period attributable to the shareholders of the Company:					
Earnings per share		1.30	1.41	1.82	3.12

¹⁾ adjusted due to the change of method in connection with the disclosure of government grants

Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	2 nd Quarter		1 st - 2 nd Quarter	
	Apr. 1 - Jun. 30, 2024	Apr. 1 - Jun. 30, 2023 ¹⁾	Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023 ¹⁾
Profit for the period	26,473	28,446	37,355	63,346
Other comprehensive income:				
Actuarial valuation of defined benefit pension and severance obligations	2,055	1,905	3,747	1,230
Effect of income taxes	(526)	(62)	(712)	59
Total of items that will not be reclassified subsequently to the income statement	1,529	1,843	3,035	1,289
Currency translations	3,094 ²⁾	33,465	12,679 ²⁾	38,604
Cash flow hedge - Changes in fair value	4,465	(14,400)	658	(41,756)
Cash flow hedge - Recycling	4,051	16,863	9,478	39,517
Effect of income taxes	(1,704)	(492)	(2,027)	449
Total of items that will be reclassified subsequently to the income statement	9,906	35,436	20,788	36,814
Other comprehensive income (net)	11,435	37,279	23,823	38,103
Total comprehensive income	37,908	65,725	61,178	101,449
Attributable to:				
Shareholders of the Company	37,412	65,475	60,084	100,649
Non-controlling (minority) interests	496	250	1,094	800
Total comprehensive income	37,908	65,725	61,178	101,449

¹⁾ adjusted due to adjustment of the acquisition of Essentra Packaging

²⁾ In the 1st half-year of 2024, an amount of thous. EUR 719 (1st half of 2023: thous. EUR 0) was reclassified from other comprehensive income to profit for the period

Consolidated Statements of Changes in Equity

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	Equity attributable to shareholders of the Company							Non-controlling (minority) interests	Total equity	
		Share capital	Additional paid-in capital	Retained earnings	Other comprehensive income						
					Currency translations	Actuarial gains and losses	Cash flow hedge	Other reserves	Total		
Balance at January 1, 2024		80,000	172,658	1,965,210	(150,058)	(44,225)	(16,714)	(210,997)	2,006,871	5,523	2,012,394
Profit for the period		0	0	36,364	0	0	0	0	36,364	991	37,355
Other comprehensive income		0	0	0	12,581	3,031	8,108	23,720	23,720	103	23,823
Total comprehensive income		0	0	36,364	12,581	3,031	8,108	23,720	60,084	1,094	61,178
Transactions with shareholders:											
Dividends paid	7	0	0	(30,000)	0	0	0	0	(30,000)	(1,221)	(31,221)
Balance at June 30, 2024		80,000	172,658	1,971,574	(137,477)	(41,194)	(8,606)	(187,277)	2,036,955	5,396	2,042,351
Balance at January 1, 2023		80,000	172,658	1,961,996	(195,981)	(41,366)	(23,733)	(261,080)	1,953,574	5,480	1,959,054
Profit for the period		0	0	62,323	0	0	0	0	62,323	1,023	63,346
Other comprehensive income ¹⁾		0	0	0	38,825	1,292	(1,791)	38,326	38,326	(223)	38,103
Total comprehensive income¹⁾		0	0	62,323	38,825	1,292	(1,791)	38,326	100,649	800	101,449
Transactions with shareholders:											
Dividends paid	7	0	0	(84,000)	0	0	0	0	(84,000)	(1,100)	(85,100)
Balance at June 30, 2023		80,000	172,658	1,940,319	(157,156)	(40,074)	(25,524)	(222,754)	1,970,223	5,180	1,975,403

¹⁾ adjusted due to adjustment of the acquisition of Essentra Packaging

Consolidated Cash Flow Statements

(condensed version according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	1 st - 2 nd Quarter	
		Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023
Profit for the period		37,355	63,346
Adjustments to reconcile profit for the period to net cash from operating activities excluding interest and taxes paid		148,465	141,662
Net cash from profit		185,820	205,008
Changes in working capital		36,269	(5,575)
Cash flow from operating activities excluding interest and taxes paid		222,089	199,433
Income taxes paid		(21,494)	(49,345)
CASH FLOW FROM OPERATING ACTIVITIES		200,595	150,088
Proceeds from disposals of property, plant and equipment, and intangible assets		4,255	2,803
Payments for property, plant and equipment, and intangible assets (incl. payments on account)		(145,489)	(217,801)
Free cash flow		59,361	(64,910)
Interest received		11,944	3,187
Other items		491	(6,448)
CASH FLOW FROM INVESTING ACTIVITIES		(128,799)	(218,259)
Issuance/Repayments financial liabilities		(137,228)	62,915
Dividends paid to the shareholders of the Company	7	(30,000)	(84,000)
Interest paid		(46,506)	(26,726)
Other items		(1,156)	(1,128)
CASH FLOW FROM FINANCING ACTIVITIES		(214,890)	(48,939)
Effect of exchange rate changes on cash and cash equivalents		(131)	(4,618)
Change in cash and cash equivalents		(143,225)	(121,728)
Cash and cash equivalents at the beginning of the period (in the consolidated balance sheet)		757,515	280,063
Cash and cash equivalents at the end of the period (in the consolidated balance sheet)		614,290	158,335

Notes to the Consolidated Half-Year Financial Statements

1 PRINCIPLES OF PREPARING THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

These condensed consolidated half-year financial statements and notes thereto of Mayr-Melnhof Karton AG and its controlled subsidiaries have been prepared in accordance with IFRS for interim financial reporting (IAS 34) as adopted by the European Union and were neither voluntarily audited nor reviewed by an auditor. The condensed consolidated half-year financial statements do not include all obligatory information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's annual financial statements as of December 31, 2023.

The business performance of Mayr-Melnhof Karton AG is generally not affected by any significant seasonal effects. Information regarding the cyclical influences on the business activity of the Group can be found in the presentation of the divisions in the half-year management report on page 7ff.

The condensed consolidated half-year financial statements have been prepared using the same accounting principles as for the consolidated financial statements as of December 31, 2023, except the below mentioned revised accounting regulations.

As of January 1, 2024, the following revised accounting regulations are applicable:

New standards	Content	Effective
IAS 1	Classifications of Liabilities with covenants as Current or Non-Current	1. 1. 2024
IAS 1	Classifications of Liabilities as Current or Non-Current	1. 1. 2024
IAS 7/IFRS 7	Supplier Finance Arrangements	1. 1. 2024
IFRS 16	Lease Liability in a Sale and Leaseback	1. 1. 2024

If applicable, the effective regulations were applied in the present condensed consolidated half-year financial statements. However, this has not had any significant impact on the presentation of the Group's financial situation and profitability.

2 DISCRETIONARY DECISIONS, ASSUMPTIONS, AND ESTIMATES

The valuation of defined benefit pension and severance obligations is determined on the basis of an actuarial calculation as of the respective annual reporting date. If any significant changes in the actuarial assumptions arise during the current financial year, a remeasurement of the recognised net defined benefit liability will be recorded. Provisions for non-current liabilities and charges are based on a discount rate for defined benefit pension and severance obligations of 3.99 % respectively 5.57 % as of June 30, 2024 (December 31, 2023: 3.56 % respectively 5.25 %).

As of June 30, 2024, the Group has assessed whether there is an indication of impairment of assets due to the deteriorated economic situation at MM Board & Paper. Both external and internal sources of information were used for the analysis. The impairment tests carried out did not result in any impairment losses in the division MM Board & Paper. In addition,

there were no indications of impairment in the divisions MM Food & Premium Packaging and MM Pharma & Healthcare Packaging.

3 DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 122,718 (1st half of 2023: thous. EUR 215,702) on acquiring property, plant and equipment and intangible assets in the 1st half-year of 2024. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 819 (1st half of 2023: thous. EUR 4,140).

Depreciation and amortisation on property, plant and equipment and intangible assets amounted to thous. EUR 111,055 (1st half of 2023: thous. EUR 110,305).

Net book values of property, plant and equipment and intangible assets including goodwill are composed as follows:

(all amounts in thousands of EUR)	End of 2 nd Quarter	Year-end
	Jun. 30, 2024	Dec. 31, 2023
Lands, similar land rights and buildings	607,344	602,177
Technical equipment and machines	1,257,184	1,167,073
Other equipment, fixtures and fittings	71,701	69,238
Construction in progress	173,087	217,542
Property, plant and equipment	2,109,316	2,056,030

(all amounts in thousands of EUR)	End of 2 nd Quarter	Year-end
	Jun. 30, 2024	Dec. 31, 2023
Concessions, licenses and similar rights	52,096	50,581
Goodwill	794,945	790,725
Customer relationships and other intangible assets	195,814	206,440
Intangible assets including goodwill	1,042,855	1,047,746

4 PURCHASE COMMITMENTS

As of June 30, 2024 purchase obligations regarding planned capital expenditures for fixed assets and intangible assets amounted to thous. EUR 110,208 (December 31, 2023: thous. EUR 174,791).

5 FINANCIAL INSTRUMENTS DISCLOSURES

The amounts of financial assets and financial liabilities which are recognised at fair value are as follows:

(all amounts in thousands of EUR)	End of 2 nd Quarter	Year-end
	Jun. 30, 2024	Dec. 31, 2023
Financial assets:		
Trade receivables (level 3) ¹⁾	24,128	45,729
Derivative financial instruments (level 2)	2,111	2,281
Securities (level 1)	287	295
Financial liabilities:		
Gas supply contracts (level 3)	10,758	20,894
Derivative financial instruments (level 2)	4,092	7,791

¹⁾ from factoring agreements

Measurement methods

The Group applies the following hierarchy to determine the measurement method and to identify the fair value of financial instruments, depending on the availability of information about market prices:

Availability of information, sorted by level	Measurement method used
Level 1 – Quoted market prices are available	Measurement based on quoted market prices for identical financial instruments
Level 2 – Quoted market prices for identical instruments are not available but all required measurement parameters can be derived from active markets	Measurement based on valuation method by applying directly or indirectly observable market data
Level 3 – There are no (derived) market prices available	Measurement based on valuation models by using input factors, which cannot be observed on the market

The fair value of securities (Level 1 measurement) is based on the quoted price on the active market.

The fair value of derivative financial instruments (Level 2 measurement) is mostly determined on the basis of spot prices as of the balance sheet date, taking into account forward premiums or discounts with relevant maturity.

In addition, there are financial instruments measured at fair value based on parameters for which no observable market data exist (Level 3 measurement)

Some of the Group's trade receivables are sold to banks as part of factoring agreements. That part of the receivables portfolio as of June 30, 2024 that is offered to banks at nominal value after this reporting date, is measured at fair value through other comprehensive income. Measurement at fair value has no material impact on the half-year financial statements. For this reason, it is assumed that the fair value corresponds to the previous measurement standard of amortised cost.

The valuation of the hedge of commodity price risks ("cash flow hedge") is based on the expected purchase volumes and transit costs (Level 3 parameters) for underlying gas contracts in the years 2024 to 2025 and the TTF future prices available at the valuation date.

6 INVENTORIES

In the 1st half-year of 2024, the write-downs of inventories recognised as an expense amounted to thous. EUR 10,500 (1st half of 2023: thous. EUR 8,903), the reversal of write-downs of inventories recognised as income amounted to thous. EUR 2,675 (1st half of 2023: thous. EUR 3,299).

7 EQUITY

Dividend

By the 30th Ordinary Shareholder's Meeting, a dividend of EUR 1.50 per voting share was resolved for the year 2023 after EUR 4.20 for 2022, which was due on May 8, 2024. On schedule a total of thous. EUR 30,000 (previous year: thous. EUR 84,000) was distributed to the shareholders.

The Management Board was also authorised to acquire own shares up to a maximum of 10 % of the share capital until October 24, 2026. The Management Board had not made use of this authorisation by June 30, 2024.

Furthermore, the 30th Annual General Meeting authorised the Management Board, in accordance with § 169 of the Austrian Stock Corporation Act (AktG), until June 28, 2029, to increase the share capital, with the approval of the Supervisory Board, from the current amount of thous. EUR 80,000 by up to a further thous. EUR 8,000 by issuing up to 2.0 million new bearer shares in the company in return for cash and/or non-cash contributions, excluding subscription rights.

8 FINANCIAL LIABILITIES AND LEASES

Financial liabilities of the Group are as follows:

(all amounts in thousands of EUR)	End of 2 nd Quarter	Year-end
	Jun. 30, 2024	Dec. 31, 2023
Non-current interest-bearing financial liabilities	1,667,916	1,681,086
Non-current lease liabilities	86,837	87,856
Non-current financial liabilities	1,754,753	1,768,942
Current interest-bearing financial liabilities	95,164	166,177
Current financial liabilities from factoring agreements	24,783	68,837
Current lease liabilities	15,585	15,500
Current financial liabilities	135,532	250,514
Financial liabilities	1,890,285	2,019,456

9 OTHER FINANCIAL RESULT – NET

(all amounts in thousands of EUR)	1 st - 2 nd Quarter	
	Jan. 1 - Jun. 30, 2024	Jan. 1 - Jun. 30, 2023
Foreign currency exchange rate gains (losses) - net	(9,090)	(6,626)
Net interest cost from benefit obligations	(1,822)	(1,681)
Result from investments accounted for using the equity method	814	570
Dividend income	453	399
Other financial income	5	1,521
Other financial expenses	(387)	(81)
Other financial result – net	(10,027)	(5,898)

10 DISCLOSURES ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 4,737 were purchased from other related companies in the 1st half-year of 2024 (1st half of 2023: thous. EUR 4,549). As of June 30, 2024, trade liabilities with other related companies amounted to thous. EUR 804 (December 31, 2023: thous. EUR 417).

In the 1st half-year of 2024 sales from transactions with associated companies amounted to thous. EUR 259 (1st half of 2023: thous. EUR 726). As of June 30, 2024, trade receivables with associated companies amounted to thous. EUR 165 (December 31, 2023: thous. EUR 404). There were no trade payables either as of June 30, 2024 or as of December 31, 2023.

The cost of raw materials purchased from joint ventures amounted to thous. EUR 2,648 in the 1st half-year of 2024 (1st half of 2023: thous. EUR 3,243). As of June 30, 2024, trade liabilities with joint ventures amounted to thous. EUR 608 (December 31, 2023: thous. EUR 666).

Transactions with these companies are carried out on an arm's length basis.

Key management personnel of the Group (active Management Board and Supervisory Board members of Mayr-Melnhof Karton AG) and their close relatives are considered as related parties.

Expenses for consulting services rendered by a member of the Supervisory Board amounted to thous. EUR 10 in the 1st half-year of 2024 (1st half of 2023: thous. EUR 4). Neither as of June 30, 2024 nor December 31, 2023 liabilities were recognised in this context. Standard market rates were charged for these consulting services.

11 SEGMENT REPORTING INFORMATION

In the second quarter of 2024, the MM Group introduced a new organisational structure, which resulted in a split and expansion of the previous MM Packaging division into two areas: MM Food & Premium Packaging and MM Pharma & Healthcare Packaging, as the pharma business area pursues a different business model and is perceived as very specialised within the packaging industry. The aim of this reorganisation is to increase transparency.

Internal reporting and the relevant information presented to the chief operating decision maker for the purpose of assessing profitability and allocating resources have been adjusted to reflect the new organisational structure.

The segment information for previous periods was adjusted in accordance with the requirements of IFRS 8.29. Furthermore, the new organisational structure resulted in a reorganisation of the goodwill-bearing cash-generating units and thus also a new allocation of goodwill. The reallocation of goodwill was based on the ratio of the values in use of the groups of cash-generating units MM Food & Premium Packaging and MM Pharma & Healthcare Packaging.

The Group measures the performance of its operating segments by assessing adjusted EBITDA and adjusted operating profit.

The Group's operating segments can be illustrated as follows:

1 st - 2 nd Quarter 2024					
(all amounts in thousands of EUR)	MM Board & Paper	MM Food & Premium Packaging	MM Pharma & Healthcare Packaging	Eliminations	Group
Sales to external customers	887,972	834,388	321,540	0	2,043,900
Intersegment sales	98,204	1,529	79	(99,812)	0
Total sales	986,176	835,917	321,619	(99,812)	2,043,900
Adjusted EBITDA ¹⁾	42,728	121,362	37,676	(105)	201,661
Adjusted operating profit ¹⁾	(11,090)	82,500	19,301	(105)	90,606
Capital employed	1,835,849	1,210,111	409,284	0	3,455,244

¹⁾ adjusted for material one-off effects (material defined as impact on operating profit of more than EUR 10 million)

1 st - 2 nd Quarter 2023					
(all amounts in thousands of EUR)	MM Board & Paper	MM Food & Premium Packaging	MM Pharma & Healthcare Packaging	Eliminations	Group
Sales to external customers	918,377	920,217	342,759	0	2,181,353
Intersegment sales	100,924	1,127	500	(102,551)	0
Total sales	1,019,301	921,344	343,259	(102,551)	2,181,353
Adjusted EBITDA ¹⁾	72,046	130,074	35,190	0	237,310
Adjusted operating profit ¹⁾	17,914	93,446	15,645	0	127,005
Capital employed	1,797,132	1,257,888 ²⁾	394,747 ²⁾	0	3,449,767

¹⁾ adjusted for material one-off effects (material defined as impact on operating profit of more than EUR 10 million)

²⁾ The calculation of the previous year's figure is based on the average of the last six months.

Revenues from manufacturing and selling products are recognised at a point in time based on the agreed individual terms of delivery.

12 SIGNIFICANT SUBSEQUENT EVENTS

No events that require disclosure took place between the balance sheet date June 30, 2024 and the publication approval on August 21, 2024.

Statement of the Management Board

according to section 125 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year as well as of the major related party transactions to be disclosed.

Vienna, August 21, 2024

The Management Board

Peter Oswald m. p.
Chairman of the Management Board

Franz Hiesinger m. p.
Member of the Management Board

Roman Billiani m. p.
Member of the Management Board

Quarterly Overview

MM Group

(consolidated, in millions of EUR)	1 st Quarter 2023	2 nd Quarter 2023	3 rd Quarter 2023	4 th Quarter 2023	1 st Quarter 2024	2 nd Quarter 2024
Sales	1,122.1	1,059.3	1,015.1	967.9	1,025.0	1,018.9
Adjusted EBITDA	133.6	103.7	121.4	91.5	94.5	107.2
Adjusted operating profit	78.7	48.3	63.4	38.8	39.6	51.0
Adjusted operating margin (%)	7.0 %	4.6 %	6.2 %	4.0 %	3.9 %	5.0 %
Operating profit	61.6	42.4	55.8	37.8	39.6	51.0
Capital employed	3,309.3	3,449.8	3,558.0	3,546.3	3,515.0	3,455.2
Return on capital employed (%)	16.0 %	11.7 %	8.4 %	6.5 %	5.4 %	5.6 %
Profit before tax	49.0	28.2	41.7	17.8	18.0	33.2
Income tax expense	(14.1)	0.2	(13.8)	(19.9)	(7.1)	(6.7)
Profit for the period	34.9	28.4	27.9	(2.1)	10.9	26.5
Net profit margin (%)	3.1 %	2.7 %	2.7 %	-0.2 %	1.1 %	2.6 %
Earnings per share (in EUR)	1.71	1.41	1.38	(0.14)	0.52	1.30
Cash flow from operating activities	67.2	82.9	177.2	458.9	52.5	148.1
Free cash flow	(28.6)	(36.3)	73.7	361.0	(38.5)	97.9
Capital expenditures	96.4	121.4	105.7	101.8	92.8	52.7

Divisions

MM Board & Paper

(in millions of EUR)	1 st Quarter 2023	2 nd Quarter 2023	3 rd Quarter 2023	4 th Quarter 2023	1 st Quarter 2024	2 nd Quarter 2024
Sales ¹⁾	521.2	498.1	448.4	451.4	483.5	502.7
Adjusted EBITDA	54.3	17.7	14.7	6.0	13.4	29.3
Adjusted operating profit	27.7	(9.8)	(13.5)	(24.2)	(13.3)	2.2
Adjusted operating margin (%)	5.3 %	-2.0 %	-3.0 %	-5.4 %	-2.7 %	0.4 %
Operating profit	27.7	(9.8)	(13.5)	(24.2)	(13.3)	2.2
Capital employed	1,745.5	1,797.1	1,846.6	1,869.1	1,863.1	1,835.8
Return on capital employed (%)	20.8 %	12.3 %	5.0 %	-1.1 %	-3.3 %	-2.7 %
Cash flow from operating activities	10.0	3.0	64.1	214.5	(14.6)	61.2
Free cash flow	(48.0)	(74.5)	14.6	167.8	(59.3)	32.8
Capital expenditures	58.0	77.9	49.7	47.7	44.8	28.9
Tonnage sold (in thousands of tonnes)	473	486	487	502	564	570
<i>Cartonboard</i>	375	365	365	371	439	447
<i>Paper</i>	98	121	122	131	125	123
Tonnage produced (in thousands of tonnes)	488	469	482	506	576	584

¹⁾ including interdivisional sales

Quarters

MM Food & Premium Packaging

(in millions of EUR)	1 st Quarter 2023	2 nd Quarter 2023	3 rd Quarter 2023	4 th Quarter 2023	1 st Quarter 2024	2 nd Quarter 2024
Sales ¹⁾	483.0	438.3	449.0	410.9	428.9	407.0
Adjusted EBITDA	62.2	67.9	86.8	65.6	60.1	61.3
Adjusted operating profit	43.7	49.8	66.8	54.6	40.8	41.6
Adjusted operating margin (%)	9.0 %	11.4 %	14.9 %	13.3 %	9.5 %	10.2 %
Operating profit	28.0	49.1	66.9	55.8	40.8	41.6
Capital employed ²⁾	1,196.1	1,258.0	1,300.0	1,272.2	1,243.0	1,210.1
Return on capital employed ²⁾ (%)	14.6 %	14.9 %	16.4 %	16.9 %	17.1 %	16.9 %
Cash flow from operating activities	65.0	70.3	88.5	194.6	47.3	71.9
Free cash flow	34.5	38.1	54.0	175.9	25.8	58.9
Capital expenditures	31.1	34.0	36.3	21.5	23.1	13.8
Produced volume (in millions of m ²)	845	734	730	718	787	741

¹⁾ including interdivisional sales

²⁾ The calculation of the previous year's figures is based on the average of the last three, six and nine months respectively.

MM Pharma & Healthcare Packaging

(in millions of EUR)	1 st Quarter 2023	2 nd Quarter 2023	3 rd Quarter 2023	4 th Quarter 2023	1 st Quarter 2024	2 nd Quarter 2024
Sales ¹⁾	174.1	169.1	158.1	152.3	164.8	156.8
Adjusted EBITDA	17.1	18.1	19.9	19.9	21.0	16.6
Adjusted operating profit	7.3	8.3	10.1	8.4	12.1	7.2
Adjusted operating margin (%)	4.2 %	4.9 %	6.4 %	5.5 %	7.3 %	4.6 %
Operating profit	5.9	3.1	2.4	6.2	12.1	7.2
Capital employed ²⁾	367.7	394.7	411.4	405.0	408.9	409.3
Return on capital employed ²⁾ (%)	8.0 %	7.9 %	8.3 %	8.4 %	9.5 %	9.2 %
Cash flow from operating activities	(7.8)	9.6	24.6	49.8	19.8	15.0
Free cash flow	(15.1)	0.1	5.1	17.3	(5.0)	6.2
Capital expenditures	7.3	9.5	19.7	32.6	24.9	10.0
Produced volume (in millions of m ²)	249	245	233	230	245	233

¹⁾ including interdivisional sales

²⁾ The calculation of the previous year's figures is based on the average of the last three, six and nine months respectively.

MM Shares

Relative performance of MM shares 2024
(December 29, 2023 = 100)



Share price (closing price)

as of August 15, 2024	105.20
2024 High	127.60
2024 Low	102.40
Stock performance (Year-end 2023 until August 15, 2024)	- 16.90 %
Number of shares issued	20 million
Market capitalisation as of June 30, 2024 (in millions of EUR)	2,248
Trading volume (average per day 1 st HY 2024 in millions of EUR)	1.19

We have prepared this report and reviewed the figures with the greatest possible care. Nevertheless, rounding, typographical and printing errors cannot be excluded. The aggregation of rounded amounts and percentages may result in rounding differences due to the use of automated computational aids. This report also contains forward-looking estimates and statements based on the information currently available to us. Please note that a wide variety of factors could cause actual circumstances – and hence actual results – to deviate from the expectations contained in this report.

The determination of key indicators, which cannot be reconciled directly from the interim financial report, can be found on our website under section “For Investors/Key Indicators”.

Statements referring to people are valid for both men and women.

This report is also available in German. In case of doubt, the German version takes precedence.

Financial Calendar 2024/2025

November 7, 2024	Results for the first three quarters of 2024
March 18, 2025	Financial results for 2024
April 20, 2025	Record date “Ordinary Shareholders’ Meeting”
April 29, 2025	Results for the 1 st quarter of 2025
April 30, 2025	31 st Ordinary Shareholders’ Meeting – Vienna
May 7, 2025	Ex-dividend day
May 8, 2025	Record date “Dividends”
May 14, 2025	Dividend payment date
August 21, 2025	Results for the 1 st half-year of 2025
November 4, 2025	Results for the first three quarters of 2025

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