



Press Release

Vienna, March 18, 2025

MM reports Annual Results 2024

In a challenging environment successfully prevailed

- Packaging divisions with solid performance
- Board & Paper despite significant volume increase affected by lower prices and higher costs
- Consequent implementation of profit & cash protection program
- Absolute CO₂ emissions significantly reduced by 35 %
- Dividend increase of 20 % to EUR 1.80/share reflects growth in earnings per share

GROUP KEY INDICATORS – IFRS

(consolidated, in millions of EUR, IFRS)

	2024	2023	+/-
Sales	4,079.6	4,164.4	-2.0 %
Adjusted EBITDA	418.5	450.2	-7.0 %
Adjusted EBITDA margin (%)	10.3 %	10.8 %	-55 bp
Adjusted operating profit	190.0	229.2	-17.1 %
Adjusted operating margin (%)	4.7 %	5.5 %	-85 bp
Operating profit	190.0	197.6	-3.9 %
Return on capital employed (%)	5.6 %	6.5 %	-84 bp
Profit before tax	114.3	136.7	-16.4 %
Income tax expense	(3.8)	(47.6)	
Profit for the year	110.5	89.1	+24.1 %
Net profit margin (%)	2.7 %	2.1 %	
Earnings per share (in EUR)	5.41	4.36	+24.1 %
Cash flow from operating activities	516.3	786.2	-34.3 %
Free cash flow	302.2	369.8	-18.3 %
Employees ¹⁾	14,710	15,087	
Capital expenditures	220.9	425.3	
Depreciation and amortisation ²⁾	228.5	221.4	

¹⁾ excl. temporary workers²⁾ incl. impairment and write-ups on property, plant and equipment and intangible assets as well as assets held for sale

Peter Oswald, MM CEO, comments: "The MM Group was able to successfully stand its ground in an environment of persistently weak consumption and highly intense competition in the core European markets in 2024.

The MM Food & Premium Packaging division showed a strong performance due to productivity increases, cost reductions and volume acquisitions, although profitability did not quite reach the previous year's level.

The MM Pharma & Healthcare Packaging division recorded a decline in volume due to a weaker demand and a change in pricing policy. In addition, there were further costs, including those incurred by the start-up of new machines, resulting in an adjusted operating profit slightly below the previous year's level.

At the MM Board & Paper division, the weak earnings situation persisted despite a considerable volume increase and cost reduction measures. This is mainly due to significantly lower average prices resulting from the weak market situation, while several costs, such as recovered paper, wood and personnel, increased. That resulted in a small operating loss at the level of the previous year.

By consistently implementing the profit & cash protection program, we significantly reduced working capital by the end of the year, cut capital expenditures and strengthened our cost efficiency in a targeted manner. However, the majority of the savings from the cost reduction programs implemented to date will only be reflected in 2025. Net debt decreased to EUR 1,078.7 million (December 31, 2023: EUR 1,261.9 million), the net debt/adjusted EBITDA ratio was 2.6 (December 31, 2023: 2.8).

In line with the earnings development and the long-term dividend policy which provides for the distribution of one third of the profit for the year, a 20 % increase in the dividend to EUR 1.80 per share (2023: EUR 1.50) for the financial year 2024 will be proposed to the 31st Annual Shareholders' Meeting on April 30, 2025."

"With regard to non-financial performance, we are pleased to report that absolute CO₂ emissions were significantly reduced by 35 % compared to the previous year. This is due to the switch to renewable, low-carbon forms of energy and energy efficiency measures.", underlines Peter Oswald.

INCOME STATEMENT

At EUR 4,079.6 million, the Group's consolidated sales were slightly below the previous year's figure (2023: EUR 4,164.4 million) by 2.0 % or EUR 84.8 million. A significant volume increase at MM Board & Paper was offset primarily by lower average prices in the MM Food & Premium Packaging and MM Board & Paper divisions.

The decline in adjusted operating profit to EUR 190.0 million after EUR 229.2 million in 2023 was mainly caused by the division MM Food & Premium Packaging. The Group's adjusted operating margin therefore was 4.7 % (2023: 5.5 %) and the return on capital employed reached 5.6 % (2023: 6.5 %). Adjusted EBITDA totalled EUR 418.5 million (2023: EUR 450.2 million), resulting in an adjusted EBITDA margin of 10.3 % (2023: 10.8 %).

Financial income increased to EUR 27.1 million (2023: EUR 8.7 million). The increase in financial expenses from EUR -58.3 million to EUR -82.9 million resulted in particular from higher interest rates for variable-interest financing. "Other financial result - net" changed to EUR -19.9 million (2023: EUR -11.4 million), mainly owing to currency translations.

Profit before tax totalled EUR 114.3 million after EUR 136.7 million in the previous year. Income tax expense decreased to EUR 3.8 million (2023: EUR 47.6 million), mainly due to the capitalisation of loss carryforwards of the former Essentra Packaging, resulting in an effective Group tax rate of 3.4 % (2023: 34.8 %). The Group's standard tax rate is 19.0 % (2023: 24.4 %).

Profit for the year increased to EUR 110.5 million (2023: EUR 89.1 million).

Overview of significant one-off effects on operating profit and EBITDA

	Operating profit		EBITDA	
	2024	2023	2024	2023
(in millions of EUR)	190.0	197.6	418.5	419.0
Structural adjustment measures	-	31.6	-	31.2
<i>Closure MM Packaging Schilling¹⁾</i>	-	14.3	-	14.0
<i>Restructuring ex-Essentra Packaging²⁾</i>	-	17.3	-	17.2
Total of material one-off effects	-	31.6	-	31.2
Adjusted by material one-off effects	190.0	229.2	418.5	450.2

¹⁾ MM Food & Premium Packaging

²⁾ MM Pharma & Healthcare Packaging

CONSOLIDATED BALANCE SHEET

The Group's total assets of EUR 4,863.1 million as of December 31, 2024 were EUR 213.8 million below the figure at year-end 2023 (EUR 5,076.9 million). The Group's total equity rose from EUR 2,012.4 million (December 31, 2023) to EUR 2,128.7 million, with the growth through profit being offset by the dividend payment. The equity ratio increased to 43.8 % (December 31, 2023: 39.6 %). Return on equity was 5.3 % after 4.5 % in the previous year.

Financial liabilities, primarily of a long-term character, decreased from EUR 2,019.5 million at year-end 2023 to EUR 1,631.1 million¹⁾ as of December 31, 2024 due to repayments. Furthermore, credit lines and credit facilities amounting to EUR 361.0 million (December 31, 2023: EUR 393.0 million), which can be used at any time, were available to the Group at the end of 2024.

With cash available to the Group totalling EUR 552.4 million²⁾ (December 31, 2023: EUR 757.5 million), net debt decreased to EUR 1,078.7 million (December 31, 2023: EUR 1,261.9 million). The net debt-to-equity ratio was 51 % and the net debt-to-adjusted EBITDA ratio was 2.6 (December 31, 2023: 63 %; 2.8).

DEVELOPMENT IN THE 4TH QUARTER

The 4th quarter was generally characterised by persistently weak market demand and order intake. At EUR 1,010.8 million consolidated sales were slightly above the previous year's period (4th quarter 2023: EUR 967.9 million). Adjusted operating profit rose to EUR 63.7 million (4th quarter 2023: EUR 38.8 million), mainly due to the improved performance of MM Board & Paper. The adjusted operating margin was 6.3 % (4th quarter 2023: 4.0 %). Profit before tax reached EUR 43.4 million (4th quarter 2023: EUR 17.8 million) and the profit for the period EUR 58.2 million (4th quarter 2023: EUR -2.1 million). As a result of the capitalisation of loss carryforwards, mainly from former Essentra Packaging, tax expense was recorded with a positive amount of EUR 14.8 million (4th quarter 2023: EUR -19.9 million). Cash flow from operating activities totalled EUR 348.7 million (4th quarter 2023: EUR 458.9 million), in particular due to measures to reduce working capital.

The adjusted operating profit of MM Food & Premium Packaging totalled EUR 48.8 million (4th quarter 2023: EUR 54.6 million). The adjusted operating margin came in at a good 11.2 % (4th quarter 2023: 13.3 %).

¹⁾ Balance sheet value of EUR 1,628.7 million after reclassification of the TANN Group's financial liabilities to other liabilities from "assets held for sale"

²⁾ Balance sheet value of EUR 520.9 million after reclassification of the TANN Group's cash to "assets held for sale"

MM Pharma & Healthcare Packaging reported a demand-related decline in adjusted operating profit to EUR 3.0 million (4th quarter 2023: EUR 8.4 million). The adjusted operating margin was 2.2 % (4th quarter 2023: 5.5 %).

At EUR 11.9 million, the adjusted operating profit of MM Board & Paper exceeded the previous year's figure (4th quarter 2023: EUR -24.2 million), mainly due to a higher CO₂ compensation. The adjusted operating margin thus amounted to 2.5 % (4th quarter 2023: -5.4 %).

OUTLOOK

Market demand remains weak due to the subdued economic outlook for the main European markets.

MM aims to strengthen and expand its market position in the three divisions by pursuing cost, technology and innovation leadership in the core competence areas of packaging and cartonboard. The sales focus is placed on a broadened distribution approach, innovative solutions and the substitution of plastics. Furthermore the objective is to improve profitability through cost management and structural optimisation measures. Based on the encouraging progress made to date, a comprehensive efficiency program called "Fit-for-Future" is being rolled out for the entire Group.

On the procurement markets, the situation is currently showing a rather stable development at an elevated level.

Capital expenditures in 2025 will focus primarily on improving competitiveness and increasing the share of renewable energies and are expected to amount to around EUR 300 million. The annual maintenance shutdowns for Board & Paper, which mainly affect the pulp mills in Poland and Finland, will take place primarily in the 3rd quarter of this year. The related expenses are currently estimated at around EUR 41 million (2024: EUR 26 million).

The closing of the sale of the TANN Group is expected in the first half of 2025. The aim is to use the proceeds from the sale to reduce the Group's debt.

In 2025, MM will continue to work consistently on implementing its sustainability targets. The focus here is placed on the core environmental topics of decarbonisation, water efficiency, biodiversity and waste avoidance. In the social area, the focus is on promoting occupational safety and avoiding accidents. In addition, suppliers are to be integrated even more comprehensively with regard to sustainability aspects.

With a highly competitive asset base and solid financing, MM is very well positioned to successfully navigate the persistently challenging market situation in 2025 and to create long-term added value with sustainable and innovative packaging.

DEVELOPMENT IN THE DIVISIONS

MM FOOD & PREMIUM PACKAGING

(in millions of EUR)	2024	2023	+/-
Sales¹⁾	1,702.4	1,781.2	-4.4 %
Adjusted EBITDA	258.3	282.5	-8.6 %
Adjusted operating profit	179.4	214.9	-16.5 %
Adjusted operating margin (%)	10.5 %	12.1 %	-153 bp
Operating profit	179.4	199.8	-10.2 %
Capital employed	1,152.2	1,272.2	-9.4 %
Return on capital employed (%)	15.6 %	16.9 %	-133 bp
Cash flow from operating activities	321.2	418.4	-23.3 %
Free cash flow	264.9	302.5	-12.4 %
Capital expenditures	58.3	122.9	-52.5 %
Produced volume (in millions of m ²)	3,103	3,027	+2.5 %

¹⁾ including interdivisional sales

In view of the ongoing weak consumption of daily consumer goods, 2024 was overall characterised by restrained market demand in all folding carton market segments. The order situation stabilised again in 2024 after a downward trend in 2023. By focusing strongly on growth, MM Food & Premium was able to increase volumes in the food and beauty segments. At 3,103 million m² (2023: 3,027 million m²), total volume produced was 2.5 % higher than in the previous year.

At the same time, sales prices remained under significant pressure due to strong competition, with also some cartonboard-index-based price reductions taking place. MM Food & Premium successfully counteracted this with tight cash management, cost savings and optimisations in the product mix. In particular significant productivity increases led to considerable progress. In order to make even better use of the division's resources, cooperation between the division's business units was intensified. The establishment of additional gravure printing capacities at the existing food site in Romania is a key project here.

In December 2024, MM has agreed with Evergreen Hill Enterprise, Pte. Ltd., part of an Indonesian-based privately held group of diversified companies, on the sale of 100 % of the shares in TANN Group for an enterprise value of EUR 360 million. This step was taken as the business of TANN (tipping paper) is unrelated to the cartonboard and consumer packaging core areas. The closing is expected in the first half of 2025.

Supported by volume growth and the savings achieved, MM Food & Premium reached a good adjusted operating margin of 10.5 % (2023: 12.1 %). The adjusted operating profit was EUR 179.4 million, after EUR 214.9 million in the previous year. The return on capital employed was 15.6 % (2023: 16.9 %), cash flow from operating activities amounted to EUR 321.2 million (2023: EUR 418.4 million). As a result of the consistent implementation of the profit & cash protection program, capital expenditures decreased significantly to EUR 58.3 million compared to the previous year (2023: EUR 122.9 million).

Sales at EUR 1,702.4 million were mainly price-related below the previous year (2023: EUR 1,781.2 million).

MM PHARMA & HEALTHCARE PACKAGING

(in millions of EUR)	2024	2023	+/-
Sales¹⁾	615.7	653.6	-5.8 %
Adjusted EBITDA	69.9	75.0	-6.8 %
Adjusted operating profit	29.8	34.1	-12.5 %
Adjusted operating margin (%)	4.8 %	5.2 %	-37 bp
Operating profit	29.8	17.6	+69.8 %
Capital employed	423.4	405.0	+4.6 %
Return on capital employed (%)	7.0 %	8.4 %	-137 bp
Cash flow from operating activities	71.9	76.2	-5.6 %
Free cash flow	19.7	7.4	+167.0 %
Capital expenditures	55.8	69.1	-19.4 %
Produced volume (in millions of m ²)	918	957	-4.2 %

¹⁾ including interdivisional sales

The 2024 financial year was characterised by a weak market demand for secondary pharma packaging, especially in Europe. The main factors were customers reducing inventory levels, supply shortages for APIs (Active Pharmaceutical Ingredients) and other components, particularly in the area of GLP-1 medications (diabetes/obesity), and reduced consumption in the non-prescription medication segment. Against this background, MM Pharma & Healthcare Packaging recorded a decline in volume of 4.2 % (957 to 918 million m²).

In 2024, we have significantly advanced the division's transformation process and were able to complete the ambitious investment program for the necessary modernisation of the facilities to increase competitiveness. Overall, more than 40 new machines have been put into operation and will be gradually aligned with MM performance standards.

Operationally, the focus was on consistent price discipline, comprehensive cost reduction measures and the acquisition of new business. The strengthening of the sales force and the innovation and development areas was successfully completed. Important innovation projects in the area of patient safety and sustainability were brought to market maturity together with key customers. MM Pharma & Healthcare Packaging now has a clearly defined growth strategy with a focus on attractive indication areas such as obesity and diabetes (GLP-1) or oncology.

The adjusted operating margin reached 4.8 % after 5.2 % in the previous year. The adjusted operating profit totalled EUR 29.8 million (2023: EUR 34.1 million). The return on capital employed was 7.0 % (2023: 8.4 %), the cash flow from operating activities reached EUR 71.9 million (2023: EUR 76.2 million). Capital expenditures totalled EUR 55.8 million and were thus below the previous year's level of EUR 69.1 million. The switch to MM Board & Paper products was further advanced, with the sister division already being the largest cartonboard supplier.

Sales totalled EUR 615.7 million and were primarily volume-related below the previous year (2023: EUR 653.6 million).

MM BOARD & PAPER

(in millions of EUR)	2024	2023	+/-
Sales¹⁾	1,954.3	1,919.1	+1.8 %
Adjusted EBITDA	90.3	92.7	-2.5 %
Adjusted operating profit	(19.2)	(19.8)	-3.3 %
Adjusted operating margin (%)	-1.0 %	-1.0 %	+5 bp
Operating profit	(19.2)	(19.8)	-3.3 %
Capital employed	1,801.3	1,869.1	-3.6 %
Return on capital employed (%)	-1.1 %	-1.1 %	+0 bp
Cash flow from operating activities	123.2	291.6	-57.7 %
Free cash flow	17.6	59.9	-70.6 %
Capital expenditures	106.8	233.3	-54.2 %
Tonnage produced (in thousands of tonnes)	3,145	2,694	+16.7 %
<i>Cartonboard</i>	1,763	1,472	+19.8 %
<i>Paper</i>	497	473	+5.0 %
<i>Pulp²⁾</i>	885	749	+18.2 %
<i>Market pulp</i>	119	69	+72.7 %
<i>Internal pulp</i>	766	680	+12.7 %

¹⁾ including interdivisional sales

²⁾ Chemical Pulp and CTMP

In the Board & Paper division, market recovery remained below expectations, starting from the low level of the previous year, which was characterised by the reduction of high inventory levels. Competitive and price pressure continued unabated due to overcapacity and weak consumption. However, MM Board & Paper was able to achieve a significant increase in volume after the extensive market- and rebuild-related downtime of the previous year. The volume produced rose by 16.7 % to 3,145,000 tonnes (2023: 2,694,000 tonnes). As a result, capacity utilisation was also significantly higher than in the previous year. The division's average order backlog totalled 172,000 tonnes (2023: 156,000 tonnes).

However, significantly lower average prices outweighed the positive effects of the increased volume. At the same time, the costs of recovered paper and pulp rose significantly. The selectively realised price increases were unable to compensate for this. The MM Board & Paper division benefited only to a limited extent from the lower energy spot prices due to a higher proportion of fixed prices.

The cost-cutting initiatives have already made a noticeable contribution, especially from the second half of the year onwards, although greater effects are expected in 2025. Encouragingly, the latest machine modernisations have led to decisive improvements in our products, which have been very well received by our customers.

The adjusted operating margin remained constant at -1.0 % compared to the previous year, as did the adjusted operating profit of EUR -19.2 million (2023: -1.0 % respectively EUR -19.8 million), which also benefited from a higher CO₂ compensation than in the previous year. The return on capital employed was -1.1 % (2023: -1.1 %), while cash flow from operating activities totalled EUR 123.2 million (2023: EUR 291.6 million). As a result of the profit & cash protection program, capital expenditures were significantly reduced after the major projects in previous years and amounted to EUR 106.8 million (2023: EUR 233.3 million).

At EUR 1,954.3 million, sales were price-related 1.8 % below the previous year's level (2023: EUR 1,919.1 million).

QUARTERLY OVERVIEW

MM GROUP

(consolidated, in millions of EUR)	Q4/2023	Q1/2024	Q2/2024	Q3/2024	Q4/2024
Sales	967.9	1,025.0	1,018.9	1,024.9	1,010.8
Adjusted EBITDA	91.5	94.5	107.2	94.0	122.8
Adjusted EBITDA margin (%)	9.5 %	9.2 %	10.5 %	9.2 %	12.2 %
Adjusted operating profit	38.8	39.6	51.0	35.7	63.7
Adjusted operating margin (%)	4.0 %	3.9 %	5.0 %	3.5 %	6.3 %
Operating profit	37.8	39.6	51.0	35.7	63.7
Capital employed	3,546.3	3,515.0	3,455.2	3,410.6	3,376.9
Return on capital employed (%)	6.5 %	5.4 %	5.6 %	4.8 %	5.6 %
Profit before tax	17.8	18.0	33.2	19.7	43.4
Income tax expense	(19.9)	(7.1)	(6.7)	(4.8)	14.8
Profit for the period	(2.1)	10.9	26.5	14.9	58.2
Net profit margin (%)	-0.2 %	1.1 %	2.6 %	1.5 %	5.8 %
Earnings per share (in EUR)	(0.14)	0.52	1.30	0.72	2.87
Cash flow from operating activities	458.9	52.5	148.1	(33.0)	348.7
Free cash flow	361.0	(38.5)	97.9	(78.2)	321.0
Capital expenditures	101.8	92.8	52.7	45.8	29.6

DIVISIONS

MM FOOD & PREMIUM PACKAGING

(in millions of EUR)	Q4/2023	Q1/2024	Q2/2024	Q3/2024	Q4/2024
Sales¹⁾	410.9	428.9	407.0	431.6	434.9
Adjusted EBITDA	65.6	60.1	61.3	68.2	68.7
Adjusted operating profit	54.6	40.8	41.6	48.2	48.8
Adjusted operating margin (%)	13.3 %	9.5 %	10.2 %	11.2 %	11.2 %
Operating profit	55.8	40.8	41.6	48.2	48.8
Capital employed	1,272.2	1,243.0	1,210.1	1,180.5	1,152.2
Return on capital employed (%)	16.9 %	17.1 %	16.9 %	15.7 %	15.6 %
Cash flow from operating activities	194.6	47.3	71.9	28.6	173.4
Free cash flow	175.9	25.8	58.9	16.2	164.0
Capital expenditures	21.5	23.1	13.8	10.6	10.8
Produced volume (in millions of m ²)	718	787	741	813	762

¹⁾ including interdivisional sales

MM PHARMA & HEALTHCARE PACKAGING

(in millions of EUR)	Q4/2023	Q1/2024	Q2/2024	Q3/2024	Q4/2024
Sales¹⁾	152.3	164.8	156.8	148.6	145.5
Adjusted EBITDA	19.9	21.0	16.6	18.3	14.0
Adjusted operating profit	8.4	12.1	7.2	7.5	3.0
Adjusted operating margin (%)	5.5 %	7.3 %	4.6 %	5.0 %	2.2 %
Operating profit	6.2	12.1	7.2	7.5	3.0
Capital employed	405.0	408.9	409.3	414.3	423.4
Return on capital employed (%)	8.4 %	9.5 %	9.2 %	8.5 %	7.0 %
Cash flow from operating activities	49.8	19.8	15.0	(2.0)	39.1
Free cash flow	17.3	(5.0)	6.2	(13.4)	31.9
Capital expenditures	32.6	24.9	10.0	12.1	8.8
Produced volume (in millions of m ²)	230	245	233	232	208

¹⁾ including interdivisional sales

MM BOARD & PAPER

(in millions of EUR)	Q4/2023	Q1/2024	Q2/2024	Q3/2024	Q4/2024
Sales¹⁾	451.4	483.5	502.7	491.1	477.0
Adjusted EBITDA	6.0	13.4	29.3	7.5	40.1
Adjusted operating profit	(24.2)	(13.3)	2.2	(20.0)	11.9
Adjusted operating margin (%)	-5.4 %	-2.7 %	0.4 %	-4.1 %	2.5 %
Operating profit	(24.2)	(13.3)	2.2	(20.0)	11.9
Capital employed	1,869.1	1,863.1	1,835.8	1,815.8	1,801.3
Return on capital employed (%)	-1.1 %	-3.3 %	-2.7 %	-3.0 %	-1.1 %
Cash flow from operating activities	214.5	(14.6)	61.2	(59.6)	136.2
Free cash flow	167.8	(59.3)	32.8	(81.0)	125.1
Capital expenditures	47.7	44.8	28.9	23.1	10.0
Tonnage produced (in thous. of tonnes)	696	795	812	747	791
<i>Cartonboard</i>	386	450	465	431	417
<i>Paper</i>	121	126	119	118	134
<i>Pulp²⁾</i>	189	219	228	198	240
<i>Market pulp</i>	23	32	33	19	35
<i>Internal pulp</i>	166	187	195	179	205

¹⁾ including interdivisional sales

²⁾ Chemical Pulp and CTMP

A video statement of the Management Board on the Annual Results 2024 is available on our website: www.mm.group.

The Annual Report 2024 will be available as of April 9, 2025.

Forthcoming results:

April 29, 2025 Results for the 1st quarter of 2025

For further information, please contact:

Stephan Sweerts-Sporck, Investor Relations, Mayr-Melnhof Karton AG,

Brahmsplatz 6, A-1040 Vienna

Tel.: +43 1 501 36-91180, E-Mail: investor.relations@mm.group, Website: www.mm.group