



MM Group – November 2024 (incl. Q1-3 Results)

MM Group





1. MM Group



Investment Story



Market leader in resilient fiber-based consumer packaging

Drive **efficiency** and **innovation** to increase market share in **sustainable folding cartons and papers**

Diversified market and product **portfolio**

Combine **organic growth and acquisitions**

Adhere to a **solid financial policy**

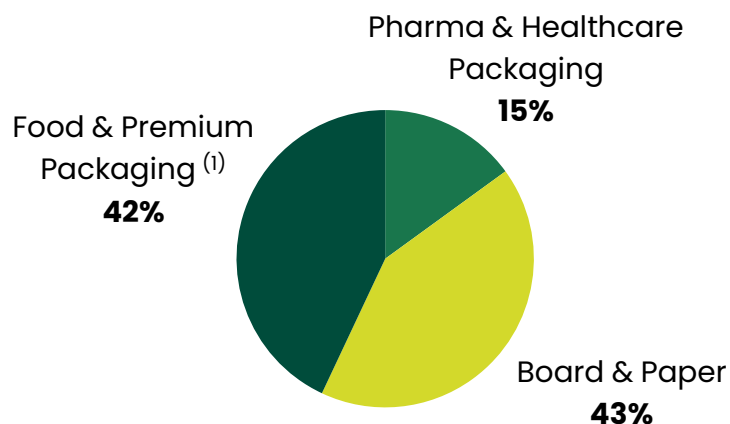
Long-term orientated core shareholder and management

MM Group in facts and figures

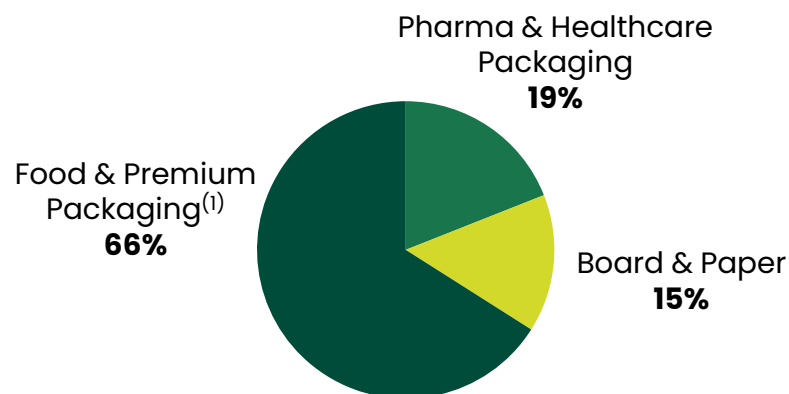


We are a leading global producer of cartonboard and folding cartons with an attractive offer in kraft and uncoated fine papers, operating in three divisions.

% SALES



% ADJ. EBITDA



EUR 4.0 BILLION

SALES

387 adj. EBITDA
(in millions of EUR)

4.8 ROCE
(in %)

3.1 million
tonnes cartonboard,
paper and pulp produced

4.0 billion
volume of packaging
produced in m²

14,865 employees
worldwide in

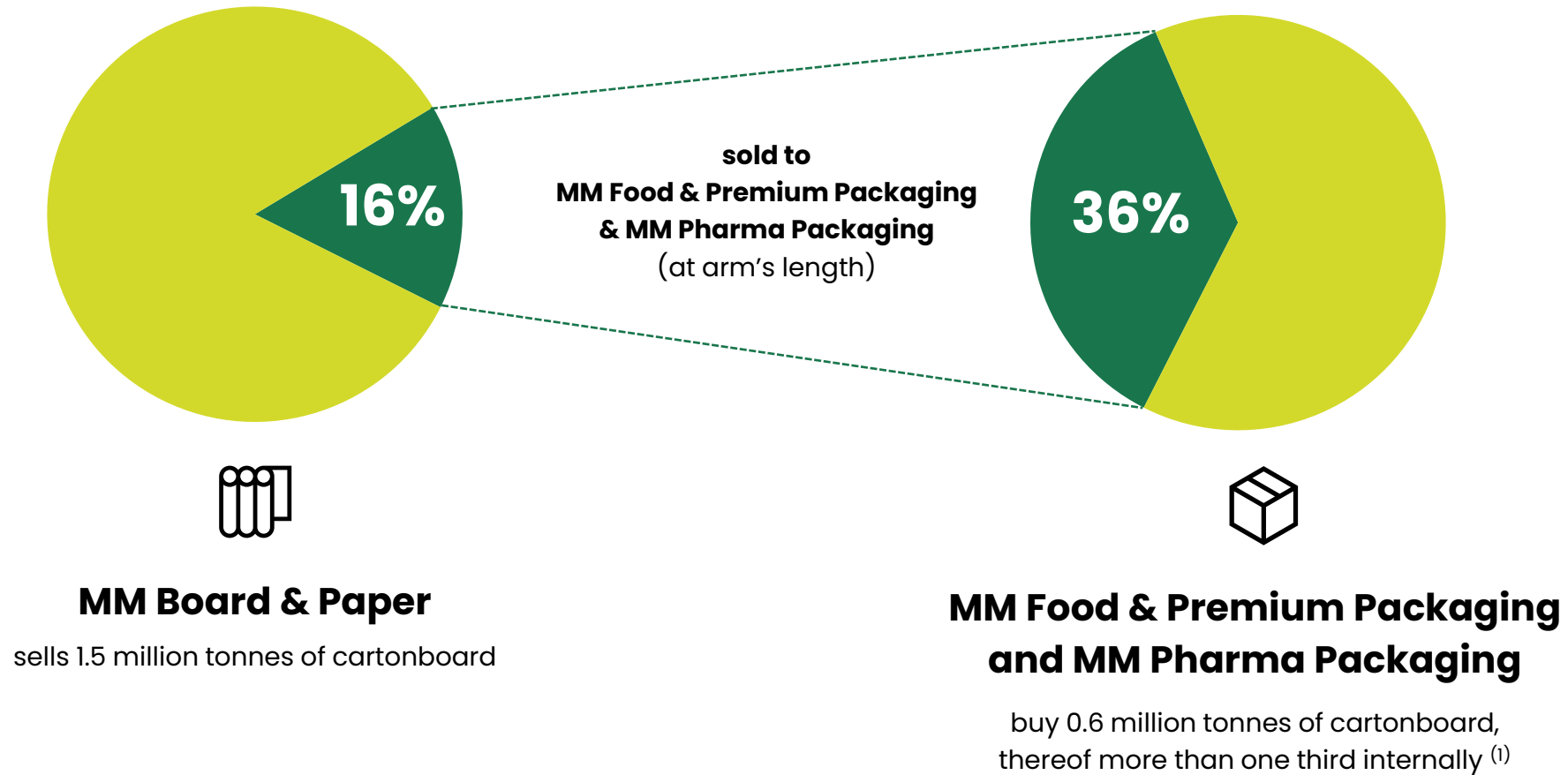
70 locations

AAA CDP - Rating
leadership status climate
rating
Disclosure Insight Action

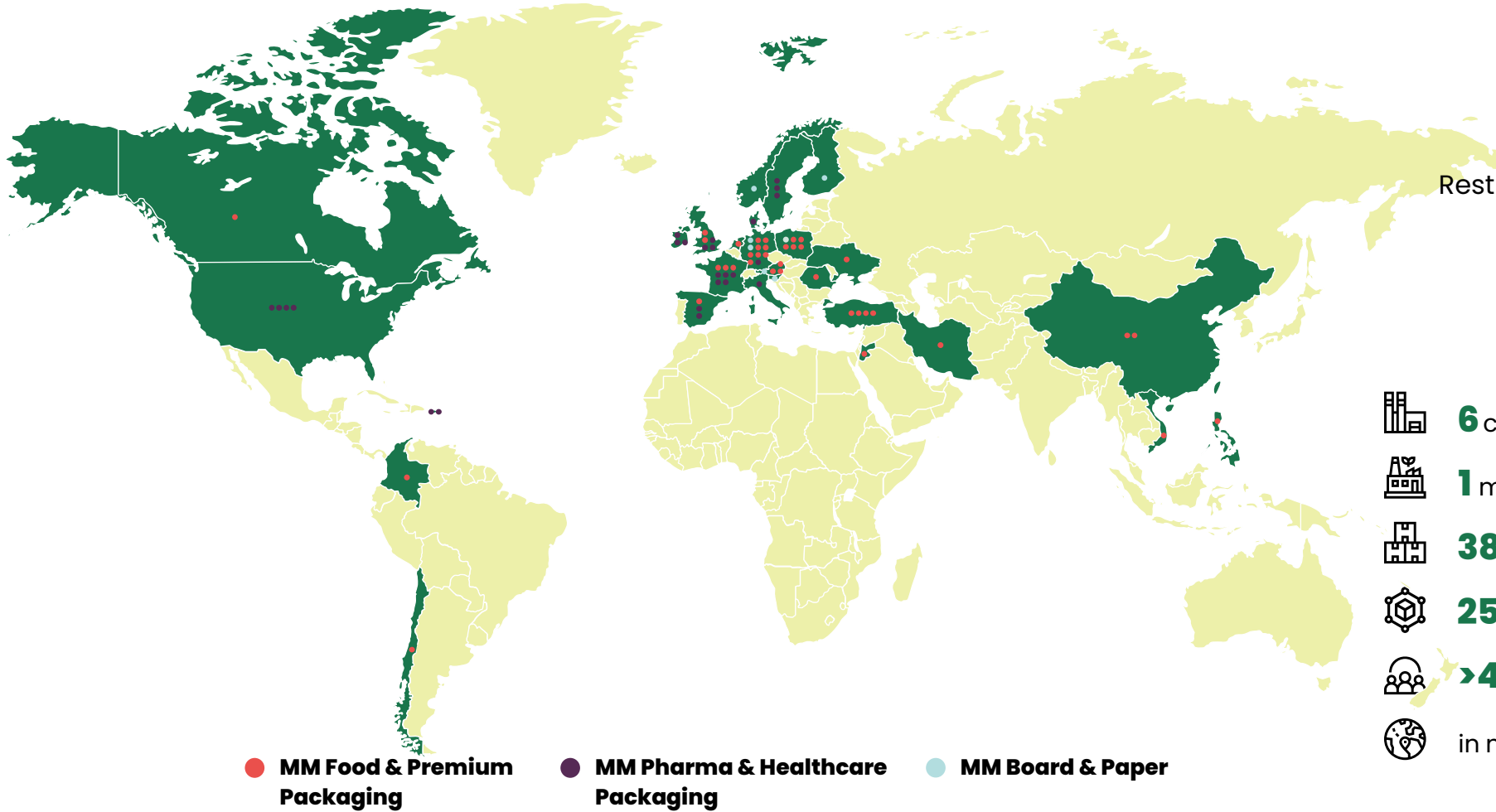
58 %
of shares core
shareholder families
(syndicate)

Operating as independent divisions

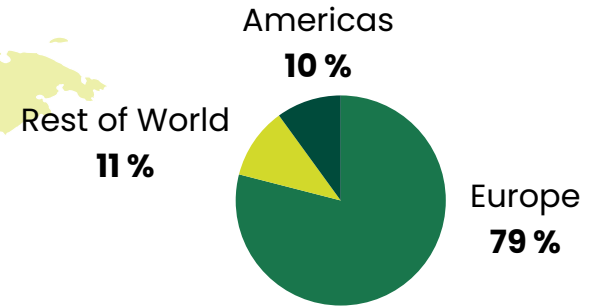
MM Board & Paper sells 84 % of cartonboard to external customers.



International footprint close to our customers



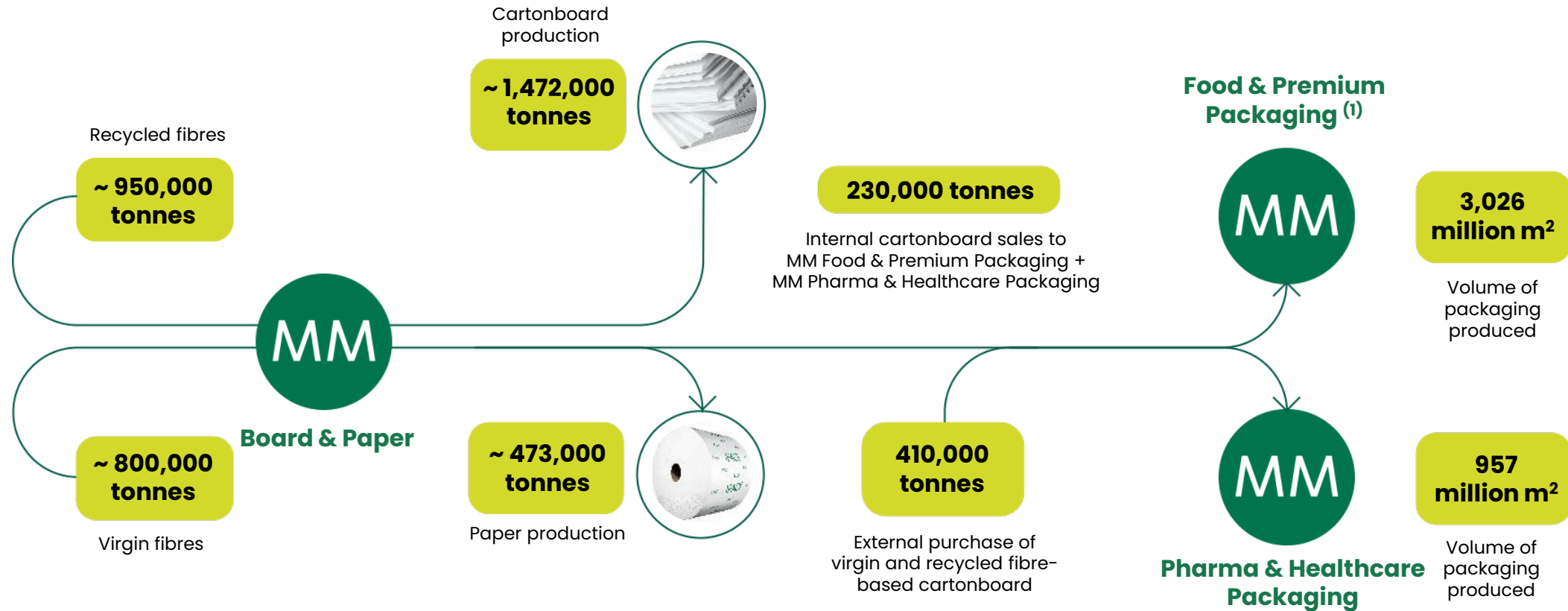
Sales by regions



- 6** cartonboard and paper mills
- 1** mechanical pulp (CTMP/BCTMP) plant
- 38** food & premium packaging plants
- 25** pharma & healthcare packaging plants
- >4,000** customers
- in more than **140** countries

2. Business Structure

Business Structure



Long-term partnerships

with industry leading companies



as well as
numerous
other
consumer
good
companies.



3. Strategy



Strategic transformation for more competitiveness



Launch of strategic investment programme 2020–2023 for Board & Paper and Packaging divisions:

- Cost reductions
- Quality
- Innovation
- Sustainability

Closing Hirschwang board mill

Stenghtening activities in **virgin fibre-based cartonboard and expansion product portfolio**:

- Acquisition of virgin fiber board & paper mill Kotkamills, Finland
- Acquisition of integrated pulp and paper mill Kwidzyn, Poland

Sale of smaller virgin fibre mills Eerbeek and Baiersbronn

Expanding in the resilient and profitable **pharma & healthcare market**:

- Acquisition of EssentraPackaging and Eson Pac

Sale of Packaging sites in Russia

Discontinuation of production at smaller cartonboard machine in Kolicvevo

Major investment programme in the Frohnleiten, Neuss and Kolicvevo board mills executed

Successful execution of profit & cash protection programme

2020

2021

2022

2023

2024

Fit for the future and further growth




Overview of the most important goals and challenges in 2024 and beyond

Think next.

 **Cash & Profit Protection Programme**; working capital reduction and comprehensive cost reduction programme throughout the Group

 Increase of the **share of sustainable, renewable energies**; enhancing **energy efficiency**

 **Reduction of carbon and water footprint**

 Further **growth** in **Pharma & Healthcare** (organic / medium-term through acquisitions)

 Continuous **structural improvement / optimisation** of the asset base

 **Active player in the industry consolidation** (Europe / global)

 Further **strengthening of the Management and the Sales teams**

 **Talent management** – young talent and succession planning

! **Headwinds for 2024 results:**

- Prolonged economic downturn
- Margin pressure due to overcapacity in the cartonboard industry



4. Development Q1-3/2024

Q1-3/2024 MM Group Highlights

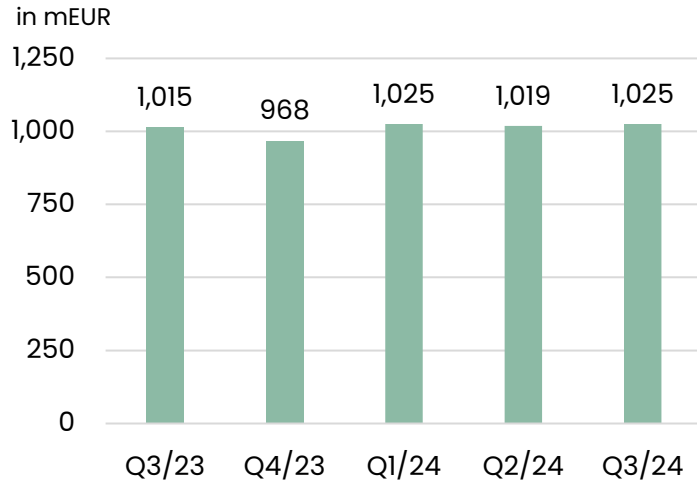


- 3rd quarter affected by annual maintenance downtime at Board & Paper
- Packaging divisions with continued solid performance
- Board & Paper despite significant volume increase affected by lower prices and higher costs
- Effects of targeted cartonboard price increases and consistent cost savings expected by 2025
- Consumer restraint continues in end markets

MM Group Quarterly Overview

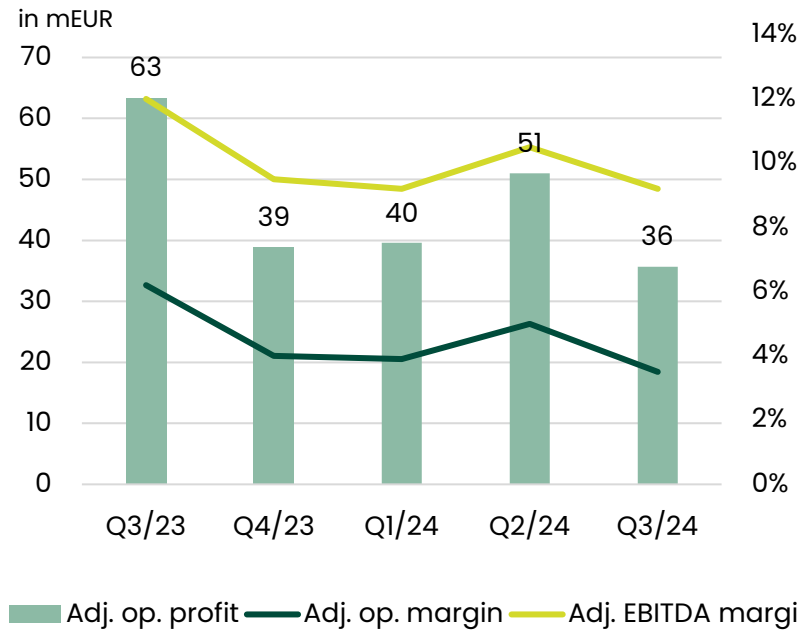


Sales



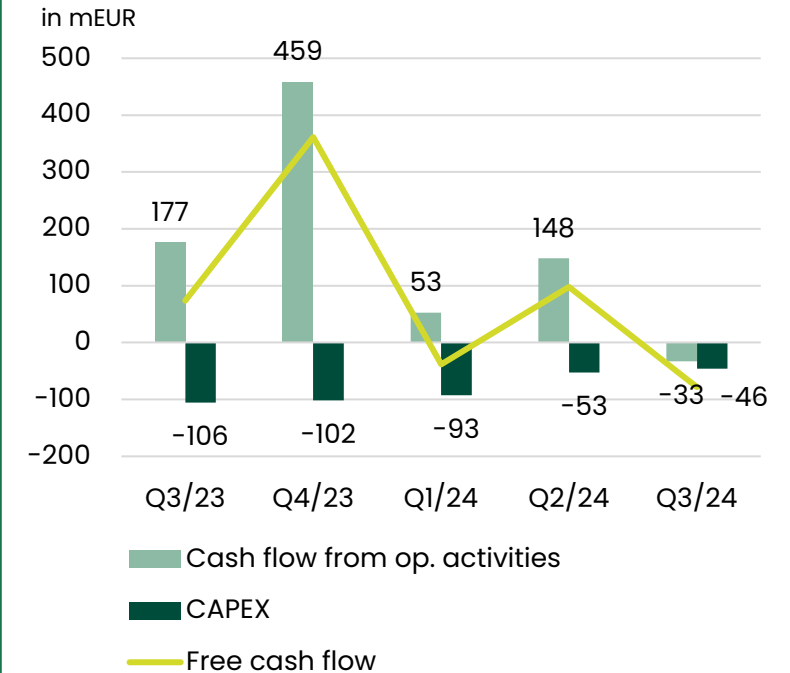
- Q3 sales increased slightly due to higher volume

Adj. operating profit



- Results below Q2 2024 and the previous year's figure
- Manly due to planned annual maintenance at B&P (-25 mEUR Q3 impact)

Cash flow



- Q3 Cash flow from operating activities and free cash flow down due to working capital
- Lower CAPEX after major investments in 2023

MM Group Q1-3/2024 Results



(consolidated in mEUR, IFRS)	Q1-3/2024	Q1-3/2023	+/-
Sales	3,068.8	3,196.5	- 4.0 %
Adjusted EBITDA¹⁾	295.7	358.7	- 17.6 %
Adjusted EBITDA margin	9.6 %	11.2 %	- 159 bp
Adjusted operating profit¹⁾	126.3	190.4	- 33.7 %
Adjusted operating margin (%)	4.1 %	6.0 %	- 184 bp
Operating profit	126.3	159.8	- 21.0 %
Return on capital employed ²⁾ (%)	4.8 %	8.4 %	- 361 bp
Profit before tax	70.9	118.9	- 40.4 %
Income tax expense	(18.6)	(27.7)	
Profit for the period	52.3	91.2	- 42.7 %
Net profit margin (%)	1.7 %	2.9 %	
Earnings per share (in EUR)	2.54	4.50	- 43.6 %
Cash flow from operating activities	167.6	327.3	- 48.8 %
Free cash flow	(18.8)	8.8	n.m.
Capital expenditures	191.3	323.5	- 40.9 %
Depreciation and amortisation ³⁾	169.4	168.2	+ 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 and refers to the average of the last 12 months.

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

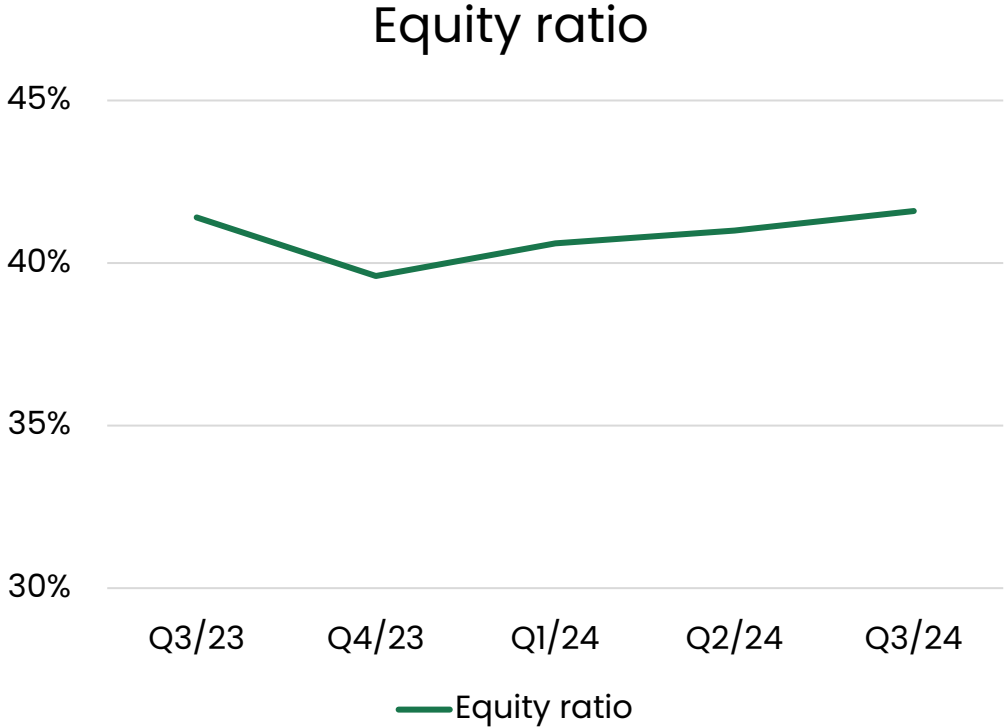
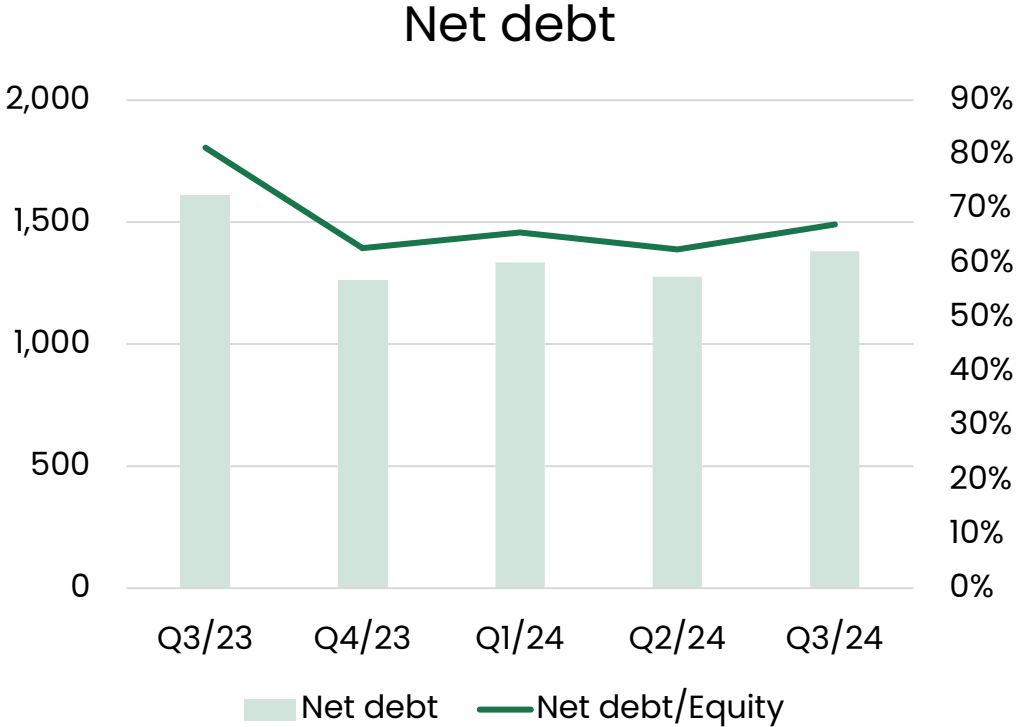
MM Consolidated Balance Sheet



(consolidated in mEUR, IFRS)	Sep. 30, 2024	Dec. 31, 2023
Non-current assets	3,209.5	3,159.0
Current assets	1,738.8	1,917.9
Total assets	4,948.3	5,076.9
Equity	2,057.5	2,012.4
Liabilities	2,890.8	3,064.5
Total equity and liabilities	4,948.3	5,076.9
Total funds available to the Group	519.7	757.5
Equity ratio (in %)	41.6 %	39.6 %
Net debt	1,380.2	1,261.9
Net debt/Adjusted EBITDA¹⁾	3.6	2.8
Net debt/Equity (in %)	67.0 %	63.0 %
Capital employed	3,410.6	3,546.3

¹⁾ The calculation is based on the adjusted EBITDA of the last twelve months.

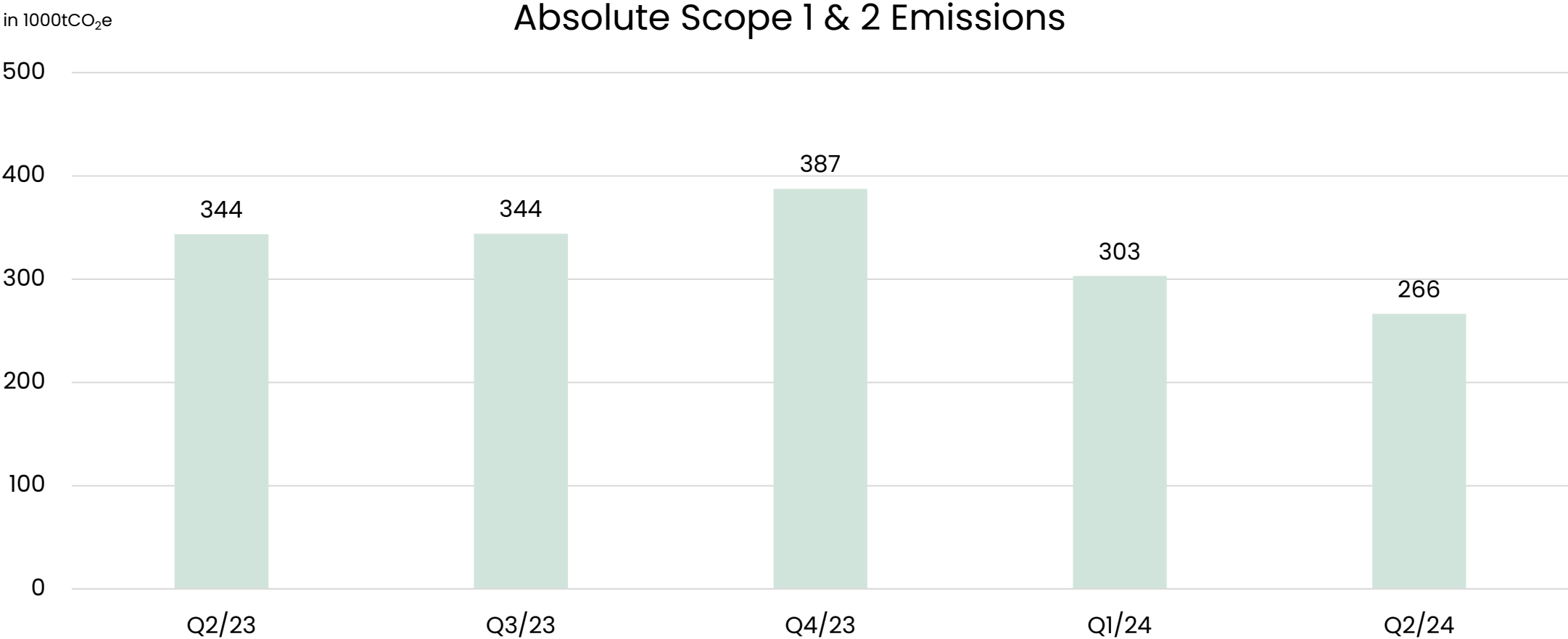
Stable Group balance sheet



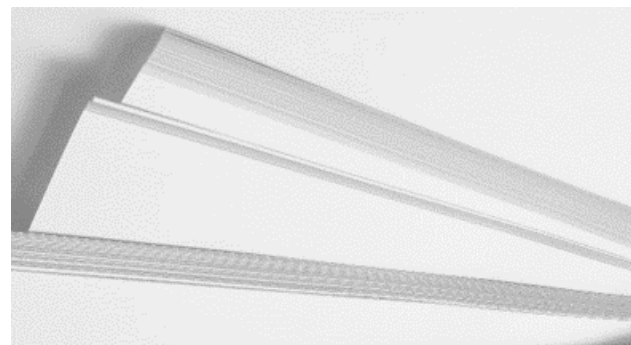
MM Group Carbon Footprint



Considerable 23% reduction 1st HY 24 vs. 1st HY 23 (569,294 tCO₂e / 737,926 tCO₂e)



MM Group ESG targets



Decarbonisation

Reduction of direct and indirect greenhouse gas (GHG) emissions to mitigate global warming to below 1.5°C:

- Reduce GHG emissions from operations (scope 1 and 2) 50.4 % by 2031 (base year: 2019)*
- Reduce GHG emissions from the value chain (scope 3) 58.1 % per Euro value added by 2031 (base year: 2019)*
- Increase annual sourcing of renewable and/or low-carbon electricity from 15.6% in 2019 to 95% by 2031 and 100% by 2050
- Committed to Net Zero by 2050

MM Group Investor presentation November 2024 (incl. 1-3Q Results)

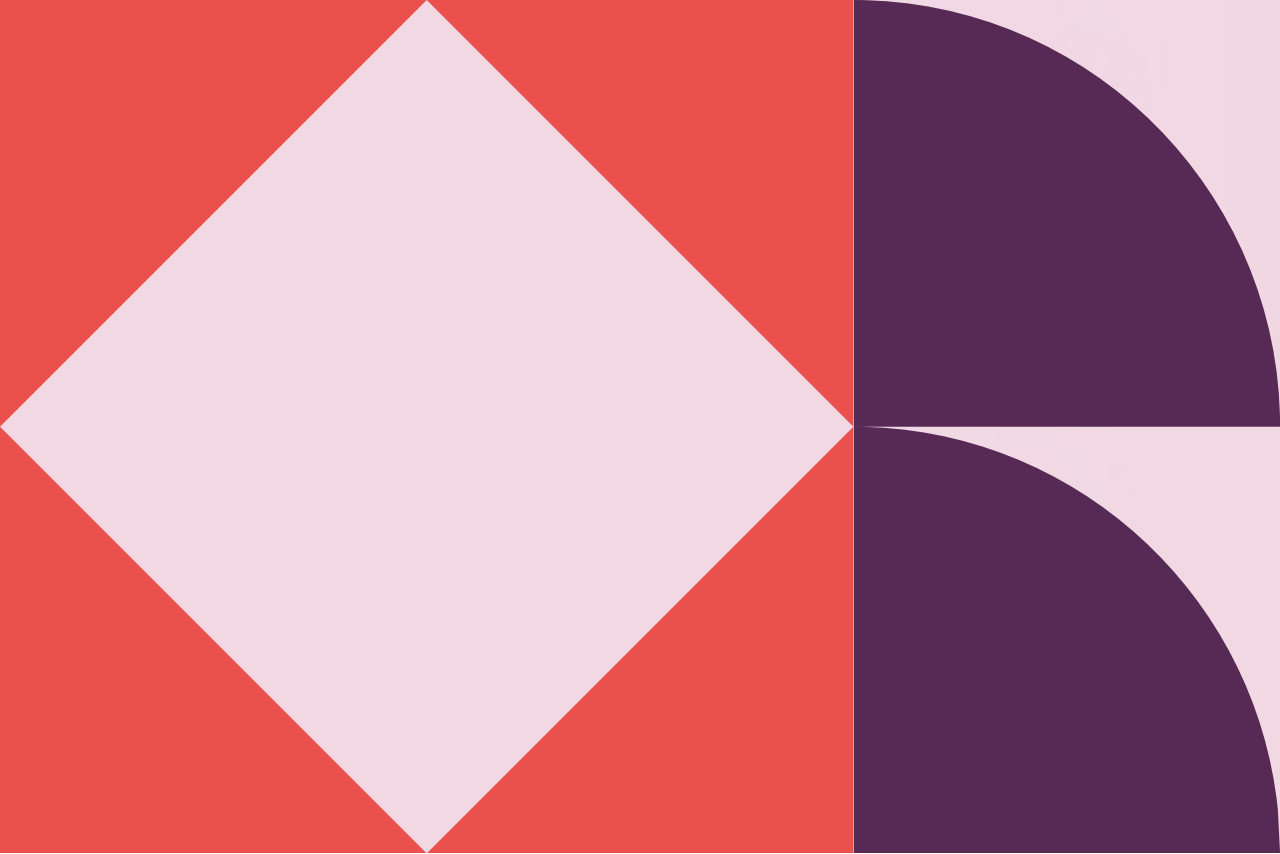
Raw materials

- Profound understanding of impacts and risks concerning biodiversity
- 100 % responsible sourced wood based raw materials by 2030
- 75 % reduction of waste to landfill intensity till 2030
- 99 % process residues utilisation (recycling/reuse/incineration with energy rec.) rate by 2030
- 30 % reduction of process waste per saleable ton by 2030

Water**

- Profound understanding of impacts and risks concerning water usage
- MM is committed to continue treating 100% of the process water.
- Achieve ≥ 90 % efficiency for water consumption by 2025
- Improve the use of process water (excl. cooling water) by 30 % per saleable ton until 2030
- All Board & Paper production sites are third party certificated by 2030

*Targets approved by the "Science Based Target initiative"
**Targets on "Water" apply exclusively to the division MM Board & Paper.



Leading in Consumer Packaging

MM Food & Premium Packaging¹⁾



¹⁾ Food & Specialities, Beauty & Personal Care, Cigarettes



Leading global producer of folding cartons



We continuously work towards enhancing and innovating our range of fibre-based products, aiming to surpass our customers' expectations by providing sustainable packaging solutions for their products.

42 % of Group sales

#1

Producer of folding cartons in Europe

38

production sites worldwide

3.1 billion

of packaging produced in m² (LTM)

6,880

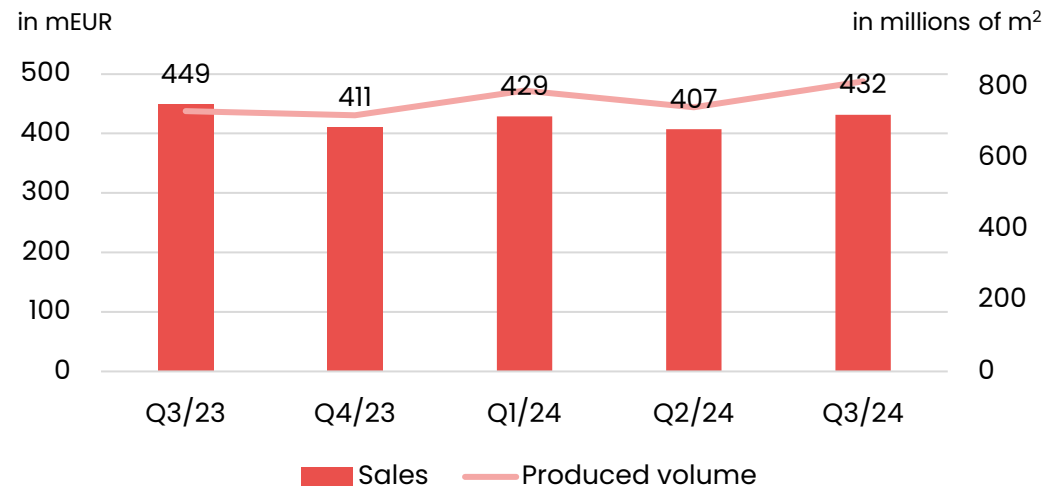
employees worldwide

as of Sep. 30, 2024

MM Food & Premium Packaging Quarterly Overview

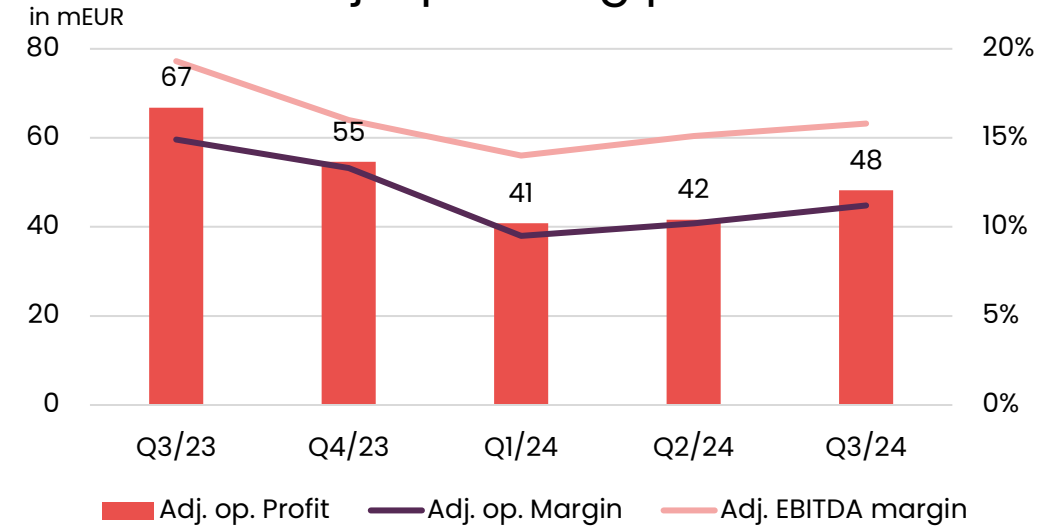


Sales/Produced volume



- Solid performance due to new business with innovative products

Adj. operating profit



- Solid adj. operating margin of roughly 11 %
- Effective cost reductions and productivity increases

MM Food & Premium Packaging Q1-3/2024 Results

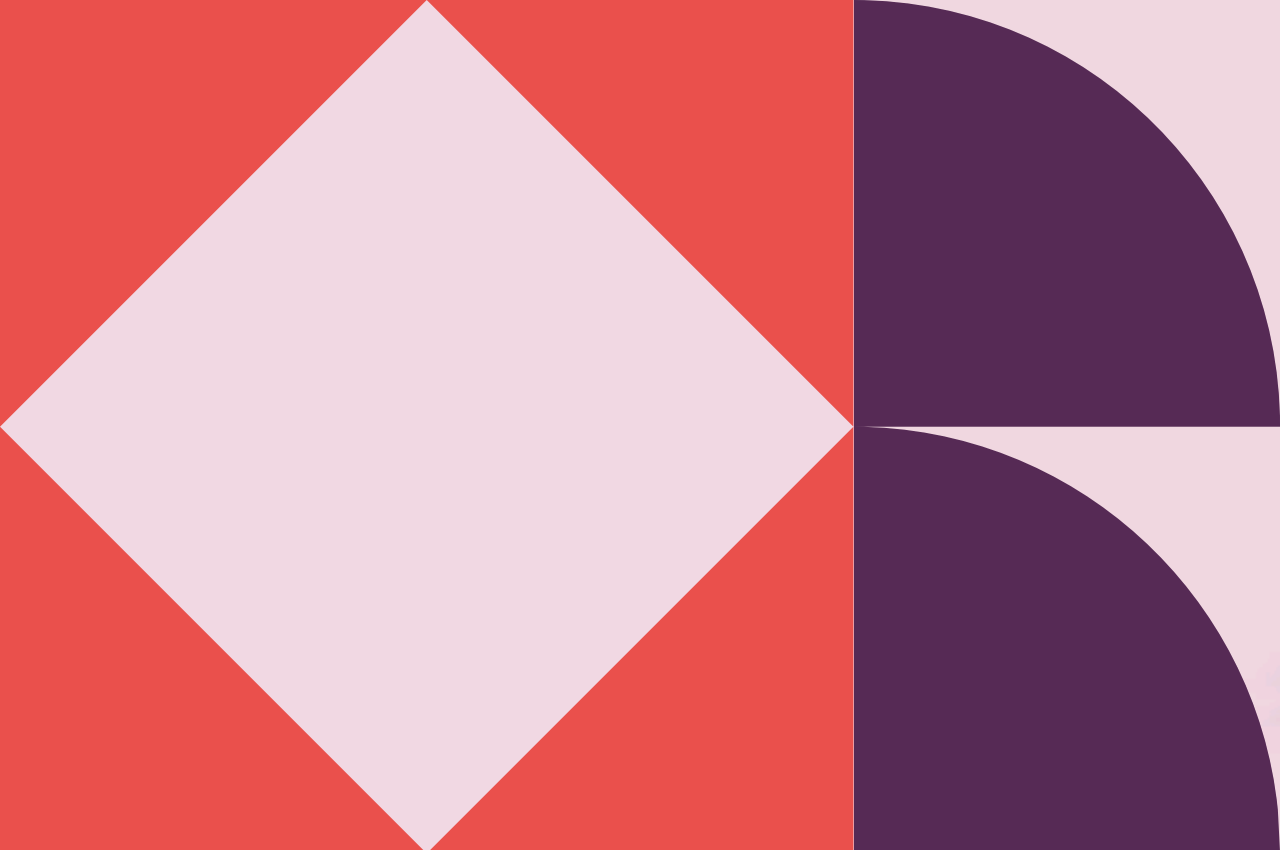


(consolidated in mEUR, IFRS)	Q1-3/2024	Q1-3/2023	+/-
Sales¹⁾	1,267.5	1,370.3	- 7.5 %
Adjusted EBITDA	189.6	216.9	- 12.6 %
Adjusted operating profit	130.6	160.3	- 18.5 %
Adjusted operating margin (%)	10.3 %	11.7 %	- 140 bp
Operating profit	130.6	144.0	- 9.3 %
Capital employed ²⁾	1,180.5	1,300.0	- 9.2 %
Return on capital employed ²⁾ (%)	15.7 %	16.4 %	- 74 bp
Cash flow from operating activities	147.8	223.8	- 33.9 %
Free cash flow	100.9	126.6	- 20.4 %
Produced volume (in millions of m ²)	2,341	2,309	+ 1.4 %
Employees	6,880	6,829 ²⁾	
Capital expenditures	47.5	101.4	
Depreciation and amortisation	58.8	56.5	

¹⁾ incl. interdivisional sales

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

³⁾ as of December 31, 2023



Leading in Consumer Packaging

MM Pharma & Healthcare Packaging





Leading producer of secondary pharma packaging

MM Pharma & Healthcare Packaging is a market leader in Europe and US with strong position in GLP-1 analogs. Our offering from a global production network includes folding cartons, leaflets and labels.



15 % of Group sales

#1

producer of secondary pharma packaging in Europe and the US

25

production sites worldwide

0.9 billion

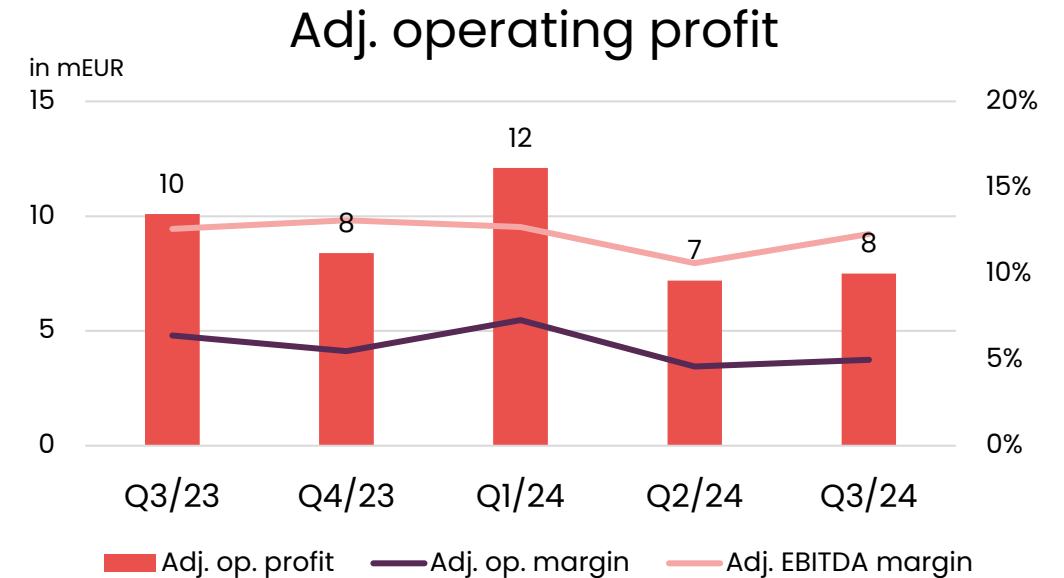
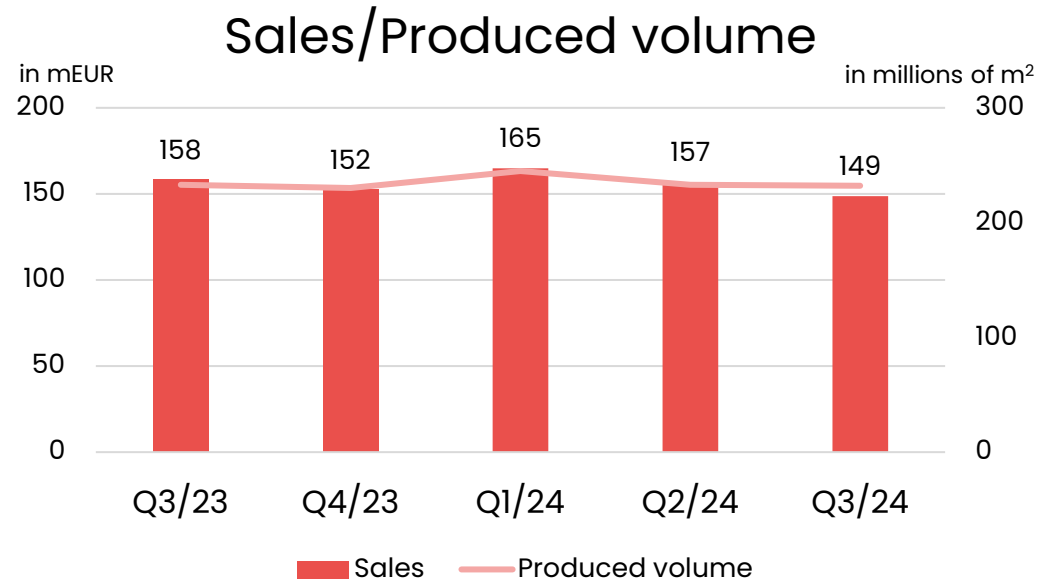
of packaging produced in m² (LTM)

3,659

employees worldwide

as of Sep. 30, 2024

MM Pharma & Healthcare Packaging Quarterly Overview



- Sales impacted by continued subdued demand due to reduction of industry inventories

- Slight improved profits held back due to current destocking and extra costs from starting up new machines

MM Pharma & Healthcare Packaging Q1-3/2024 Results



(consolidated in mEUR, IFRS)	Q1-3/2024	Q1-3/2023	+/-
Sales¹⁾	470.2	501.3	- 6.2 %
Adjusted EBITDA	55.9	55.1	+ 1.4 %
Adjusted operating profit	26.8	25.7	+ 4.2 %
Adjusted operating margin (%)	5.7 %	5.1 %	+ 57 bp
Operating profit	26.8	11.4	+ 134.3 %
Capital employed ²⁾	414.3	411.4	+ 0.7 %
Return on capital employed ²⁾ (%)	8.5 %	8.3 %	+ 13 bp
Cash flow from operating activities	32.8	26.4	24.6 %
Free cash flow	(12.2)	(9.9)	+ 23.1 %
Produced volume (in millions of m ²)	710	727	- 2.4 %
Employees	3,659	3,679 ³⁾	
Capital expenditures	47.0	36.5	
Depreciation and amortisation	29.2	29.4	

¹⁾ incl. interdivisional sales

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

³⁾ as of December 31, 2023



Leading in Consumer Packaging

MM Board & Paper





Europe's largest cartonboard producer



We produce virgin fibre cartonboard, recycled cartonboard, packaging papers, saturating kraft, liner, barrier cartonboard, uncoated fine paper and pulp.

6

cartonboard mills
in 5 countries

1

mechanical
pulp mill

10

board & paper
machines

3.1 million

tonnes cartonboard,
paper and pulp
produced (LTM)

≈110

export countries

4,326

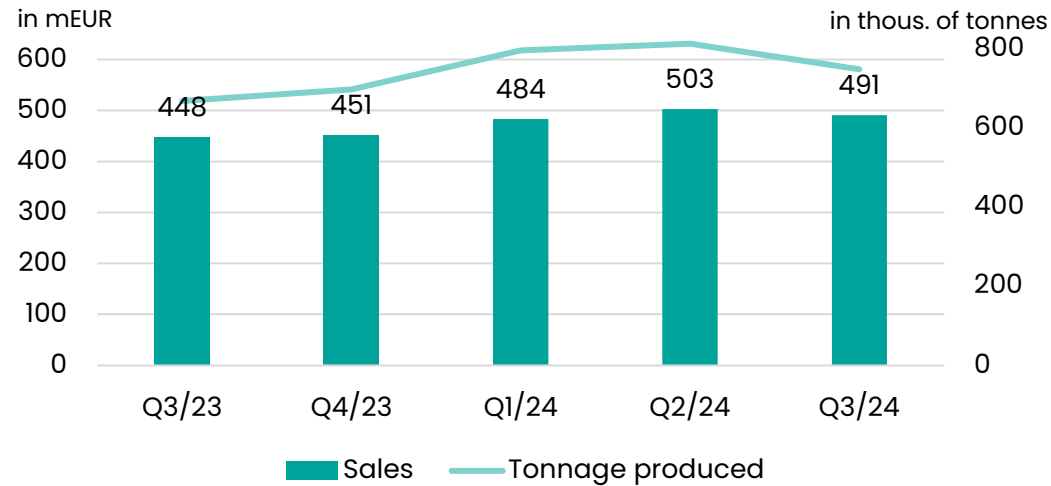
employees

as of Sep. 30, 2024

MM Board & Paper Quarterly Overview

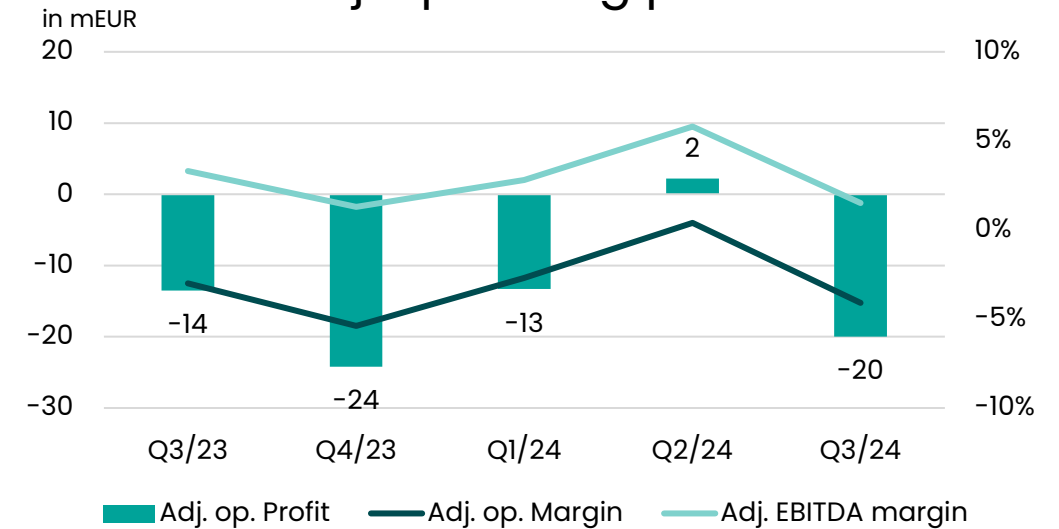


Sales/Tonnage produced



- Significant increase in tonnage produced
- Lower average selling prices weigh on sales

Adj. operating profit



- Adj. operating margin decreased due to planned annual maintenance downtime

MM Board & Paper Q1-3/2024 Results



(consolidated in mEUR, IFRS)	Q1-3/2024	Q1-3/2023	+/-
Sales¹⁾	1,477.3	1,467.7	+ 0.7 %
Adjusted EBITDA	50.2	86.7	- 42.1 %
Adjusted operating profit	(31.1)	4.4	n.m.
Adjusted operating margin (%)	-2.1 %	0.3 %	- 241 bp
Operating profit	(31.1)	4.4	n.m.
Capital employed ²⁾	1,815.8	1,846.6	-1.7 %
Return on capital employed ²⁾ (%)	-3.0 %	5.0 %	- 802 bp
Cash Flow aus der Geschäftstätigkeit	(13.0)	77.1	n.m.
Free cash flow	(107.5)	(107.9)	-0.4%
Tonnage produced (in thous. of tonnes)	2,354	1,998	+ 17.8 %
<i>Cartonboard</i>	1,346	1,086	+ 23.9 %
<i>Paper</i>	363	352	+ 2.9 %
<i>Pulp³⁾</i>	645	560	+ 15.3 %
<i>Market pulp</i>	84	46	+ 85.4 %
<i>Internal pulp</i>	561	514	+ 9.1 %
Employees	4,326	4,579 ⁴⁾	
Capital expenditures	96.8	185.6	
Depreciation and amortisation	81.4	82.3	

¹⁾ incl. interdivisional sales

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

³⁾ Chemical pulp and CTMP

⁴⁾ as of December 31, 2023

5. Outlook



Outlook



- Subdued market dynamics to continue
- Focus on securing and expanding volumes
- Targeted price increases in Board & Paper take effect mainly in 2025
- Consistently executed profit & cash protection programme to enhance earnings and cash generation
 - Majority of cost savings expected to materialise in 2025
- Capital expenditures of around EUR 250 million in 2024
- MM Board & Paper expected to return to a slightly positive result in the 4th quarter
- Optimised asset base, consistent measures to strengthen competitiveness and a solid financial base
 - well positioned for ongoing market weakness and structural changes

6.

Appendix



MM Group Quarterly Overview



(consolidated in mEUR, IFRS)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024	Q3/2024
Sales	1,122.1	1,059.3	1,015.1	967.9	1,025.0	1,018.9	1,024.9
Adjusted EBITDA	133.6	103.7	121.4	91.5	94.5	107.2	94.0
Adjusted operating profit	78.7	48.3	63.4	38.8	39.6	51.0	35.7
Adjusted operating margin (%)	7.0 %	4.6 %	6.2 %	4.0 %	3.9 %	5.0 %	3.5 %
Operating profit	61.6	42.4	55.8	37.8	39.6	51.0	35.7
Capital Employed	3,309.3	3,449.8	3,558.0	3,546.3	3,515.0	3,455.2	3,410.6
Return on capital employed (%)	16.0 %	11.7 %	8.4 %	6.5 %	5.4 %	5.6 %	4.8 %
Profit before tax	49.0	28.2	41.7	17.8	18.0	33.2	19.7
Income tax expense	(14.1)	0.2	(13.8)	(19.9)	(7.1)	(6.7)	(4.8)
Profit for the period	34.9	28.4	27.9	(2.1)	10.9	26.5	14.9
Net profit margin (%)	3.1 %	2.7 %	2.7 %	-0.2 %	1.1 %	2.6 %	1.5 %
Earnings per share (in EUR)	1.71	1.41	1.38	-0.14	0.52	1.30	0.72
Cash flow from operating activities	67.2	82.9	177.2	458.9	52.5	148.1	(33.0)
Free cash flow	(28.6)	(36.3)	73.7	361.0	(38.5)	97.9	(78.2)
Capital expenditures	96.4	121.4	105.7	101.8	92.8	52.7	45.8

MM Food & Premium Packaging Quarterly Results



(consolidated in mEUR, IFRS)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024	Q3/2024
Sales¹⁾	483.0	438.3	449.0	410.9	428.9	407.0	431.6
Adjusted EBITDA	62.2	67.9	86.8	65.6	60.1	61.3	68.2
Adjusted operating profit	43.7	49.8	66.8	54.6	40.8	41.6	48.2
Adjusted operating margin (%)	9.0 %	11.4 %	14.9 %	13.3 %	9.5 %	10.2 %	11.2 %
Operating profit	28.0	49.1	66.9	55.8	40.8	41.6	48.2
Capital employed ²⁾	1,196.1	1,258.0	1,300.0	1,272.2	1,243.0	1,210.1	1,180.5
Return on capital employed ²⁾ (%)	14.6 %	14.9 %	16.4 %	16.9 %	17.1 %	16.9 %	15.7 %
Cash flow from operating activities	65.0	70.3	88.5	194.6	47.3	71.9	28.6
Free cash flow	34.5	38.1	54.0	175.9	25.8	58.9	16.2
Capital expenditures	31.1	34.0	36.3	21.5	23.1	13.8	10.6
Produced volume (in millions of m ²)	845	734	730	718	787	741	813

¹⁾ incl. interdivisional sales

²⁾ The calculation is based on the average of the last three, six and nine months respectively.

MM Pharma & Healthcare Packaging Quarterly Results



(consolidated in mEUR, IFRS)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024	Q3/2024
Sales¹⁾	174.1	169.1	158.1	152.3	164.8	156.8	148.6
Adjusted EBITDA	17.1	18.1	19.9	19.9	21.0	16.6	18.3
Adjusted operating profit	7.3	8.3	10.1	8.4	12.1	7.2	7.5
Adjusted operating margin (%)	4.2 %	4.9 %	6.4 %	5.5 %	7.3 %	4.6 %	5.0 %
Operating profit	5.9	3.1	2.4	6.2	12.1	7.2	7.5
Capital employed ²⁾	367.7	394.7	411.4	405.0	408.9	409.3	414.3
Return on capital employed ²⁾ (%)	8.0 %	7.9 %	8.3 %	8.4 %	9.5 %	9.2 %	8.5 %
Cash flow from operating activities	(7.8)	9.6	24.6	49.8	19.8	15.0	(2.0)
Free cash flow	(15.1)	0.1	5.1	17.3	(5.0)	6.2	(13.4)
Capital expenditures	7.3	9.5	19.7	32.6	24.9	10.0	12.1
Produced volume (in millions of m ²)	249	245	233	230	245	233	232

¹⁾ incl. interdivisional sales

²⁾ The calculation is based on the average of the last three, six and nine months respectively.

MM Board & Paper Quarterly Results



(consolidated in mEUR, IFRS)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024	Q3/2024
Sales¹⁾	521.2	498.1	448.4	451.4	483.5	502.7	491.1
Adjusted EBITDA	54.3	17.7	14.7	6.0	13.4	29.3	7.5
Adjusted operating profit	27.7	(9.8)	(13.5)	(24.2)	(13.3)	2.2	(20.0)
Adjusted operating margin (%)	5.3 %	-2.0 %	-3.0 %	-5.4 %	-2.7 %	0.4 %	-4.1 %
Operating profit	27.7	(9.8)	(13.5)	(24.2)	(13.3)	2.2	(20.0)
Capital employed	1,745.5	1,797.1	1,846.6	1,869.1	1,863.1	1,835.8	1,815.8
Return on capital employed (%)	20.8 %	12.3 %	5.0 %	-1.1 %	-3.3 %	-2.7 %	-3.0 %
Cash flow from operating activities	10.0	3.0	64.1	214.5	(14.6)	61.2	(59.6)
Free cash flow	(48.0)	(74.5)	14.6	167.8	(59.3)	32.8	(81.0)
Capital expenditures	58.0	77.9	49.7	47.7	44.8	28.9	23.1
Tonnage produced (in thous. of tonnes)	688	644	666	696	795	812	747
<i>Cartonboard</i>	374	356	356	386	450	465	431
<i>Paper</i>	114	113	125	121	126	119	118
<i>Pulp²⁾</i>	200	175	185	189	219	228	198
<i>Market pulp</i>	23	10	13	23	32	33	19
<i>Internal pulp</i>	177	165	172	166	187	195	179

¹⁾ incl. interdivisional sales

²⁾ Chemical pulp and CTMP



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