



MM Group – October 2024 (incl. 1st HY 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**

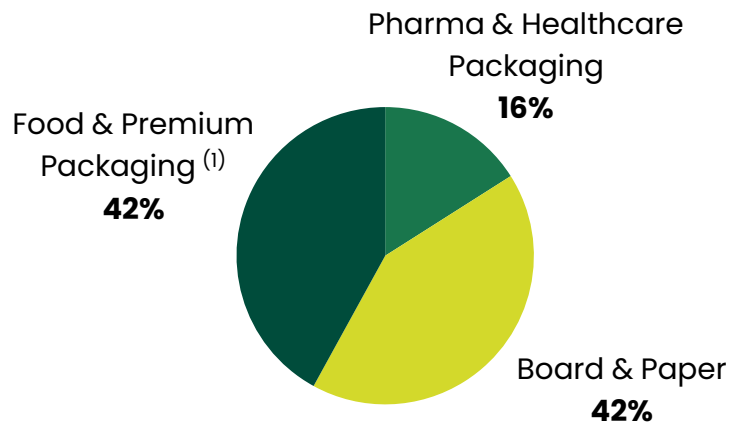
Long-term orientated core shareholder and management

MM Group in facts and figures

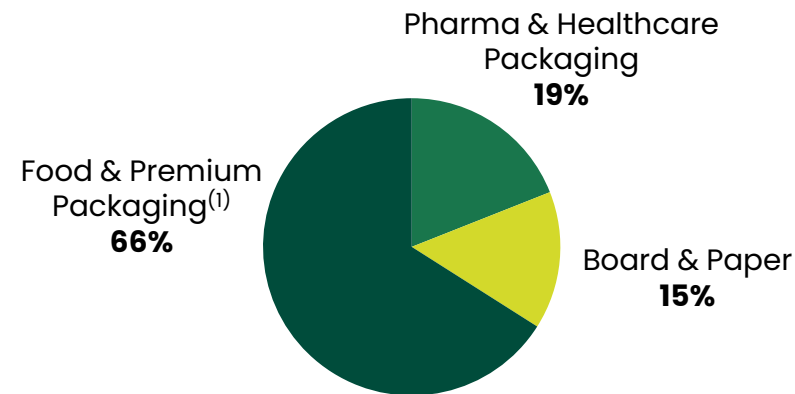


We are a leading global producer of cartonboard and folding cartons with an attractive offer in kraft and uncoated fine papers, operating in three divisions.

% SALES



% ADJ. EBITDA



EUR 4.0 BILLION
SALES

415 adj. EBITDA
(in millions of EUR)

5.6 ROCE
(in %)

2.1 million
tonnes cartonboard
and paper sold

3.9 billion
volume of packaging
produced in m²

14,867 employees
worldwide in

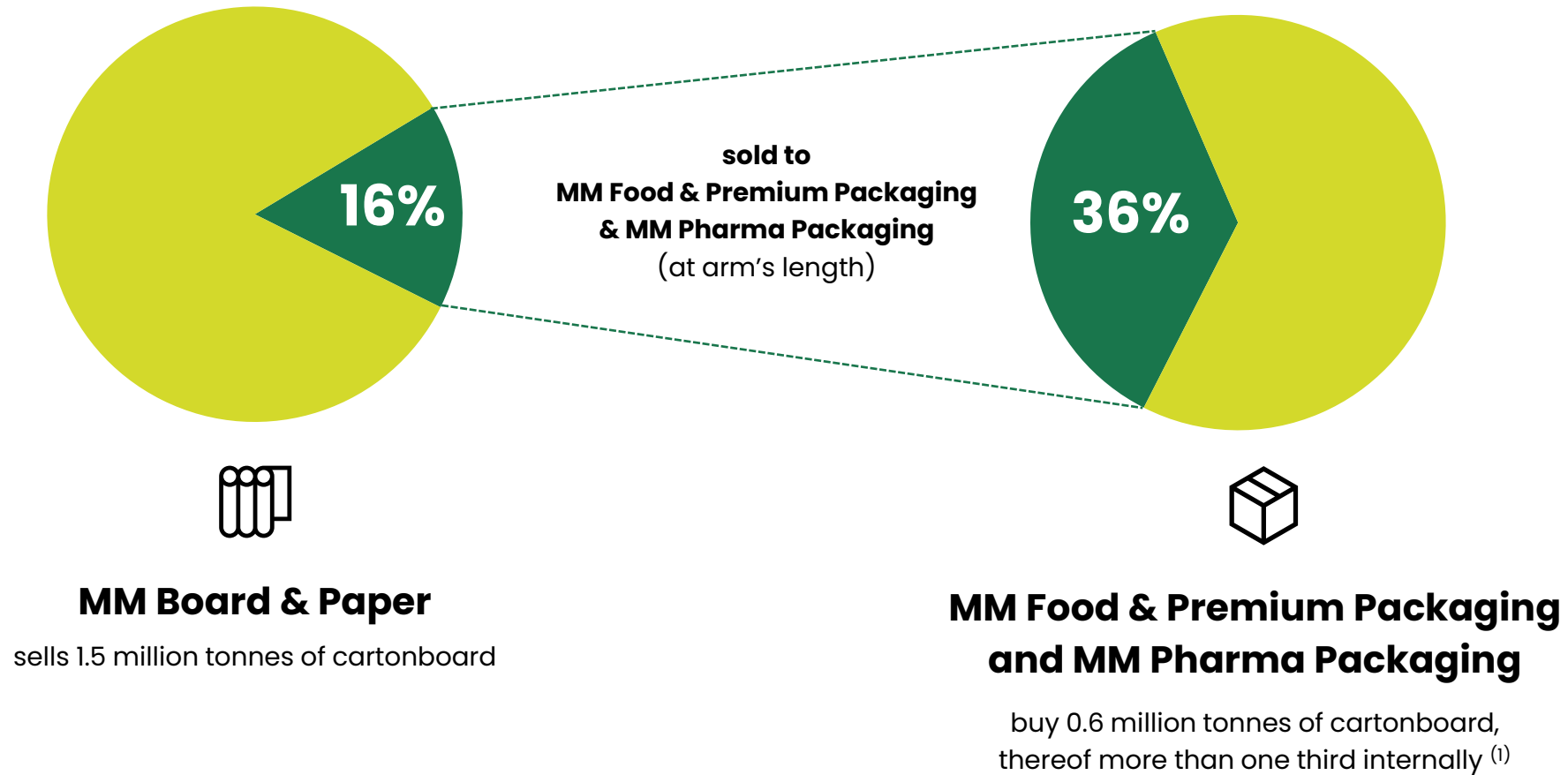
70 locations

AAA CDP - Rating
leadership status climate
rating
Disclosure Insight Action

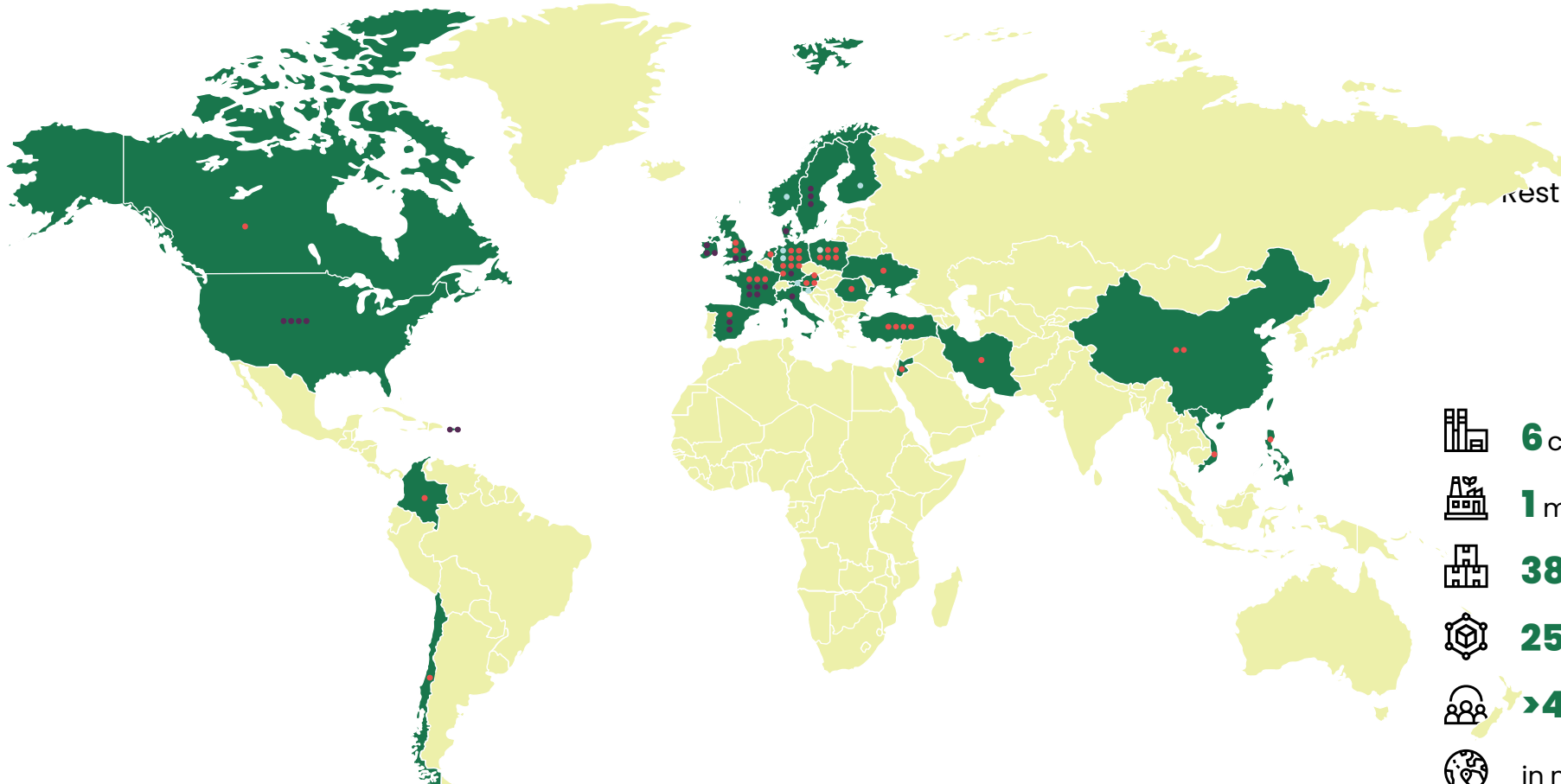
58 %
of shares core
shareholder families
(syndicate)

Operating as independent divisions

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

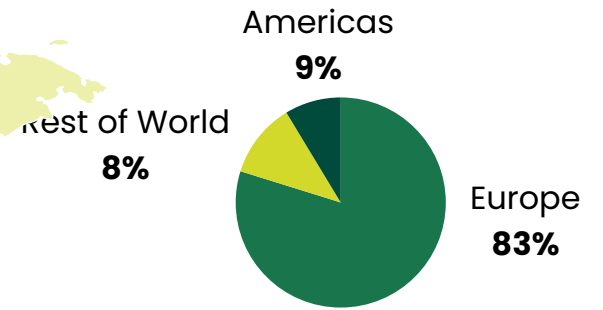


International footprint close to our customers



● MM Board & Paper ● MM Food & Premium Packaging ● MM Pharma & Healthcare Packaging

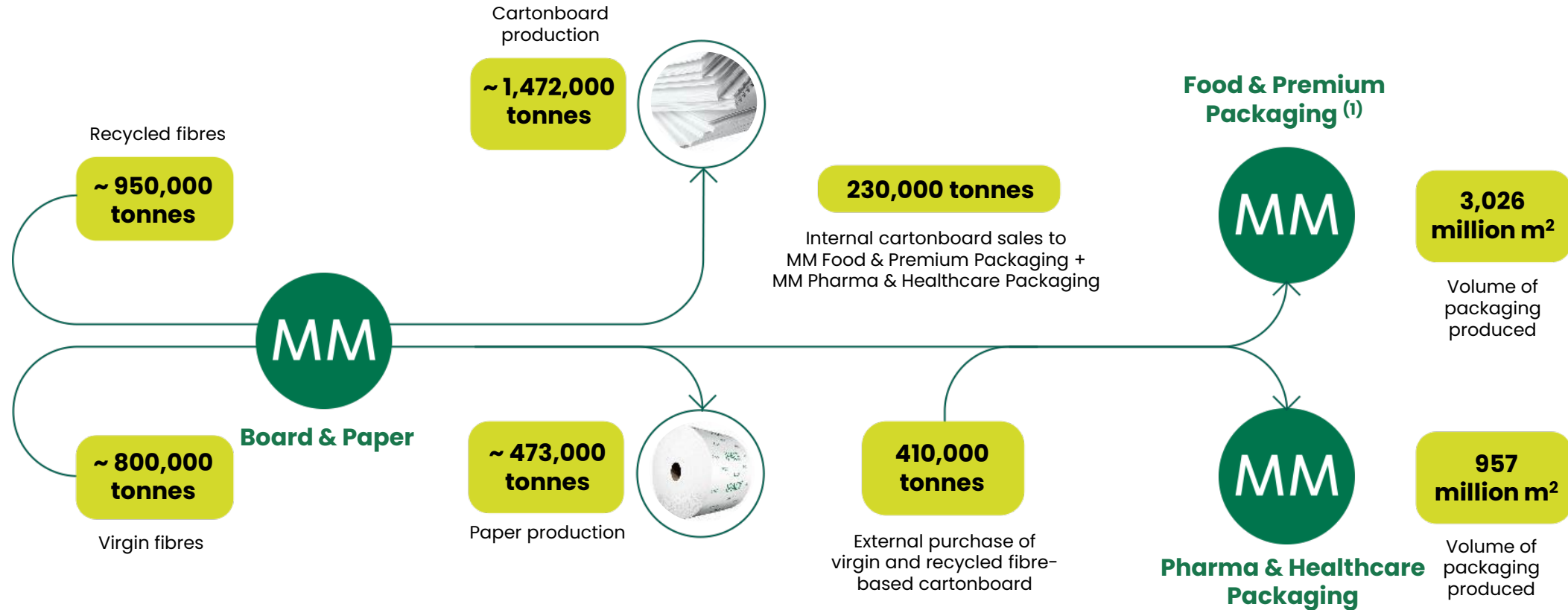
Sales by regions



- 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 1st HY/2024

1st HY/2024 MM Group Highlights

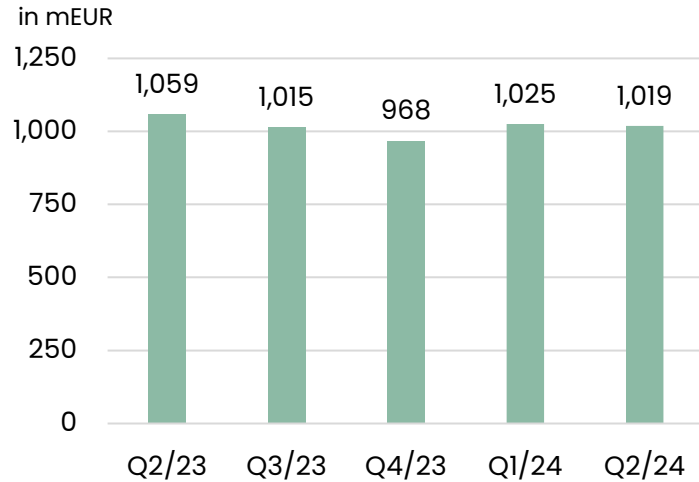


- Q2 ahead of Q2 2023
- Half-year financial results below previous year due to pricing
- Cash flow significantly improved
- Strong volume increase in Board & Paper
- For more transparency Packaging from now on reported as two divisions: MM Food & Premium Packaging and MM Pharma & Healthcare Packaging
- 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

MM Group Quarterly Overview

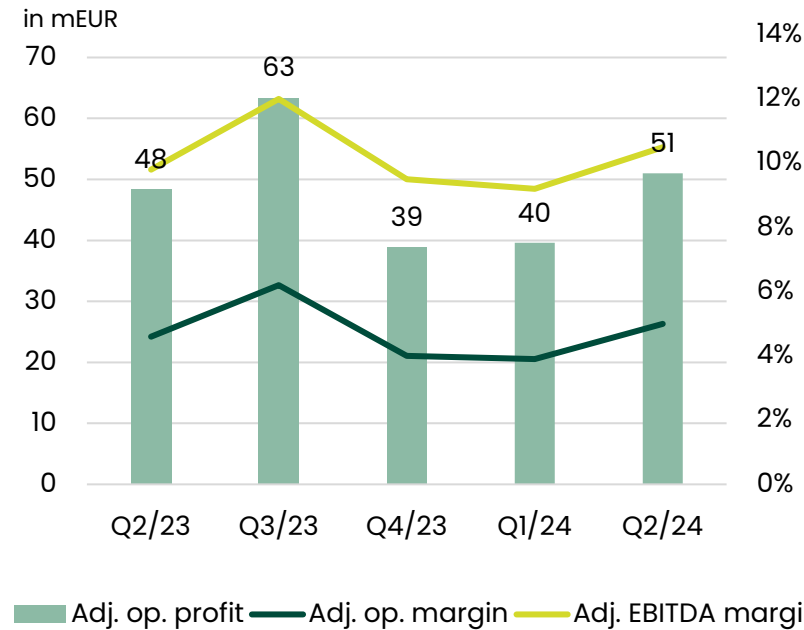


Sales



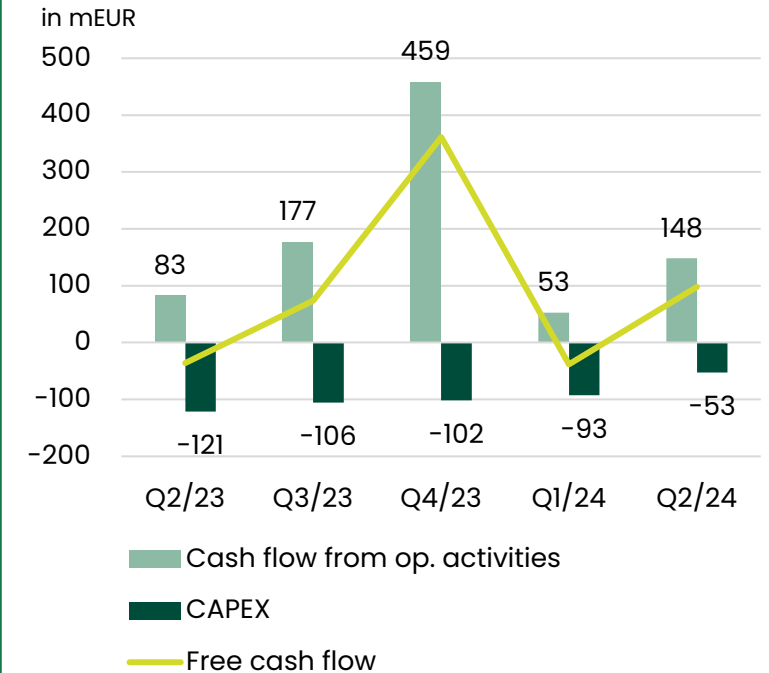
- Sales declined slightly due to lower average board & paper prices

Adj. operating profit



- Adj. operating profit ahead of Q2 2023 and also the previous two quarters

Cash flow



- Q2 Cash flow from operating activities and free cash flow significantly up vs. Q2 2023
- Lower CAPEX after major investments in 2023

MM Group 1st HY/2024 Results



(consolidated in mEUR, IFRS)	1 st HY/2024	1 st HY/2023	+/-
Sales	2,043.9	2,181.4	- 6.3 %
Adjusted EBITDA¹⁾	201.7	237.3	- 15.0 %
Adjusted EBITDA margin	9.9 %	10.9 %	- 101 bp
Adjusted operating profit¹⁾	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 and refers to the average of the last 12 months.

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

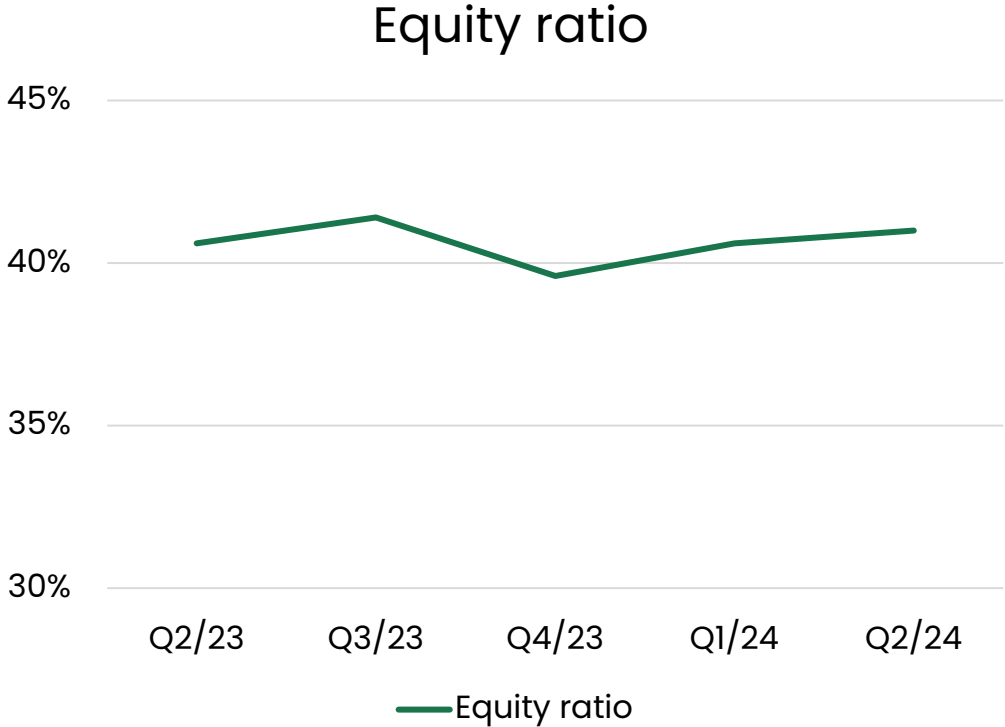
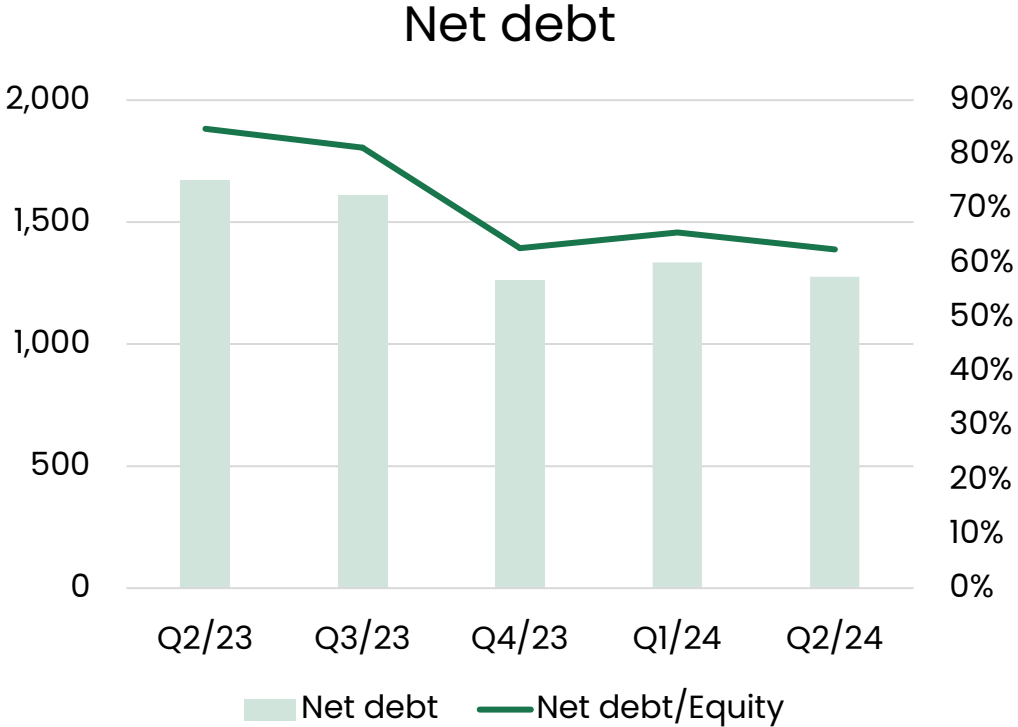
MM Consolidated Balance Sheet



(consolidated in mEUR, IFRS)	June 30, 2024	Dec. 31, 2023
Non-current assets	3,210.8	3,159.0
Current assets	1,773.1	1,917.9
Total assets	4,983.9	5,076.9
Equity	2,042.4	2,012.4
Liabilities	2,941.5	3,064.5
Total equity and liabilities	4,983.9	5,076.9
Total funds available to the Group	614.3	757.5
Equity ratio (in %)	41.0 %	39.6 %
Net debt	1,276.0	1,261.9
Net debt/Adjusted EBITDA¹⁾	3.1	2.8
Net debt/Equity (in %)	62.0 %	63.0 %
Capital employed	3,455.2	3,546.3

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

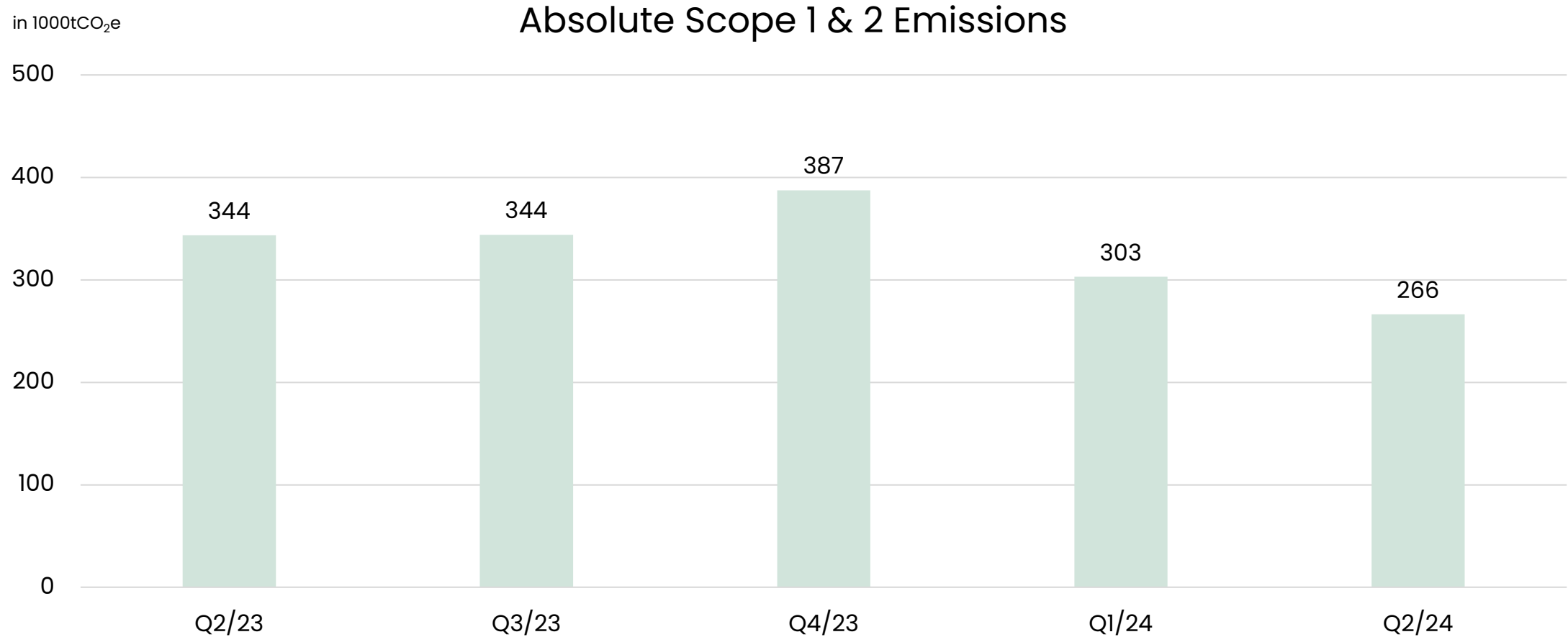
Stable Group balance sheet



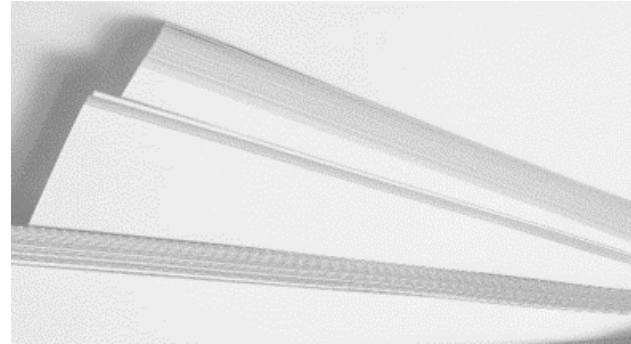
MM Group Carbon Footprint



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 October 2024 (incl. 1st HY 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 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

2.1 million

tonnes cartonboard
and paper sold (LTM)

≈110

export countries

4,384

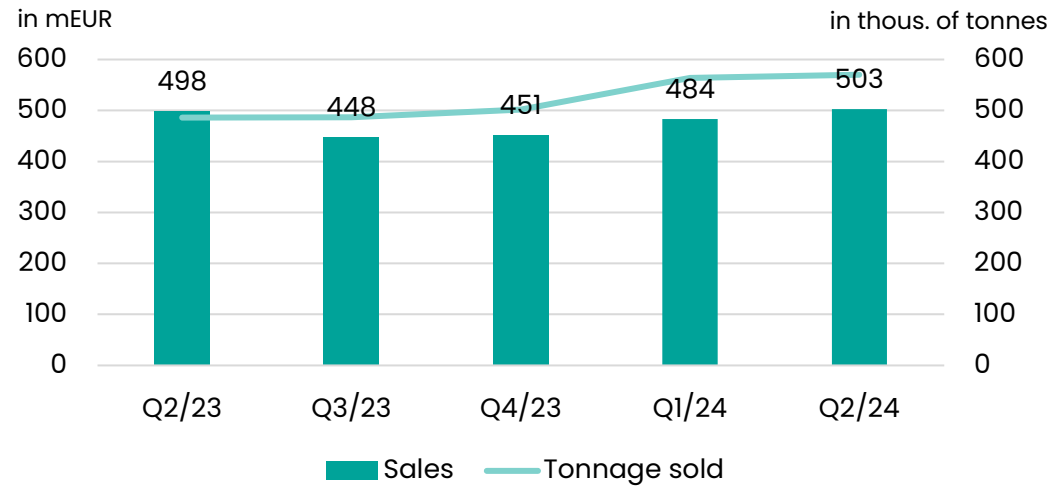
employees

as of June 30, 2024

MM Board & Paper Quarterly Overview

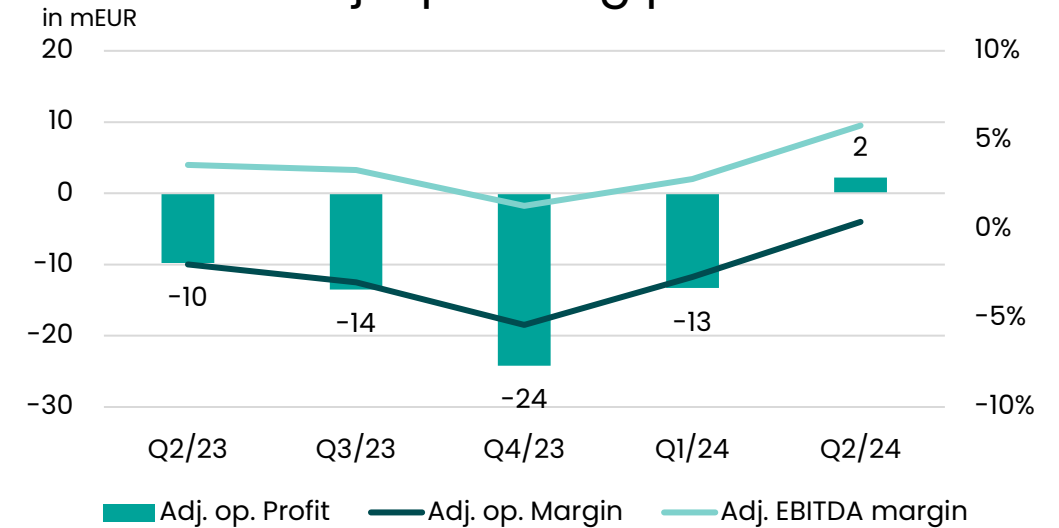


Sales/Tonnage sold



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

Adj. operating profit



- Adj. operating margin back in positive territory after four quarters of losses

MM Board & Paper 1st HY/2024 Results

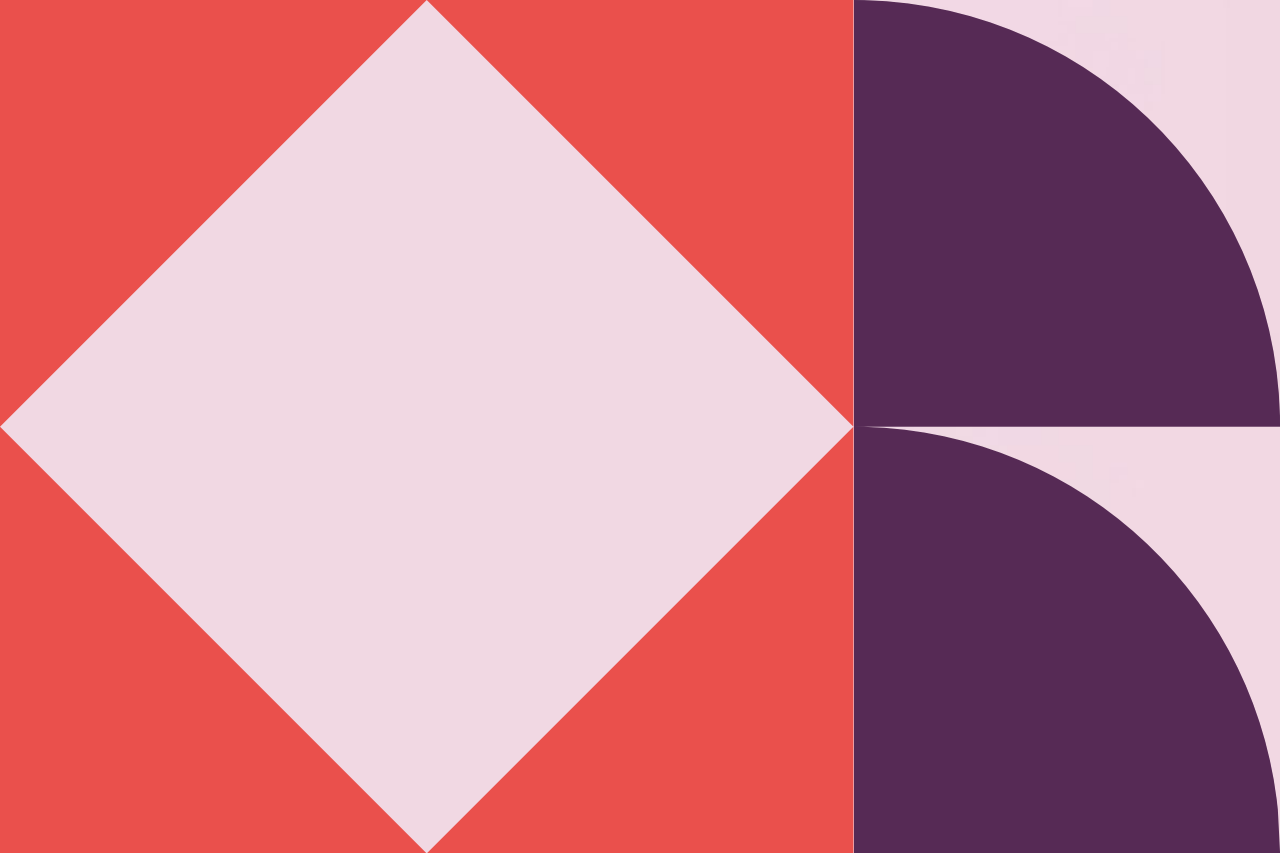


(consolidated in mEUR, IFRS)	1 st HY/2024	1 st HY/2023	+/-
Sales¹⁾	986.2	1,019.3	- 3.2 %
Adjusted EBITDA	42.7	72.0	- 40.7 %
Adjusted operating profit	(11.1)	17.9	n.m.
Adjusted operating margin (%)	-1.1 %	1.8 %	- 288 bp
Operating profit	(11.1)	17.9	n.m.
Capital employed ²⁾	1,835.8	1,797.1	2.2 %
Return 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.
Tonnage sold (in thous. of tonnes)	1,134	959	+ 18.3 %
<i>Cartonboard</i>	886	740	+ 19.8 %
<i>Paper</i>	248	219	+ 13.3 %
Tonnage produced (in thous. of tonnes)	1,160	957	+ 21.2 %
Employees	4,384	4,579 ³⁾	
Capital expenditures	73.7	135.9	
Depreciation and amortisation	53.8	54.1	

¹⁾ incl. interdivisional sales

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

³⁾ as of December 31, 2023



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

3.0 billion

of packaging produced in m² (LTM)

6,844

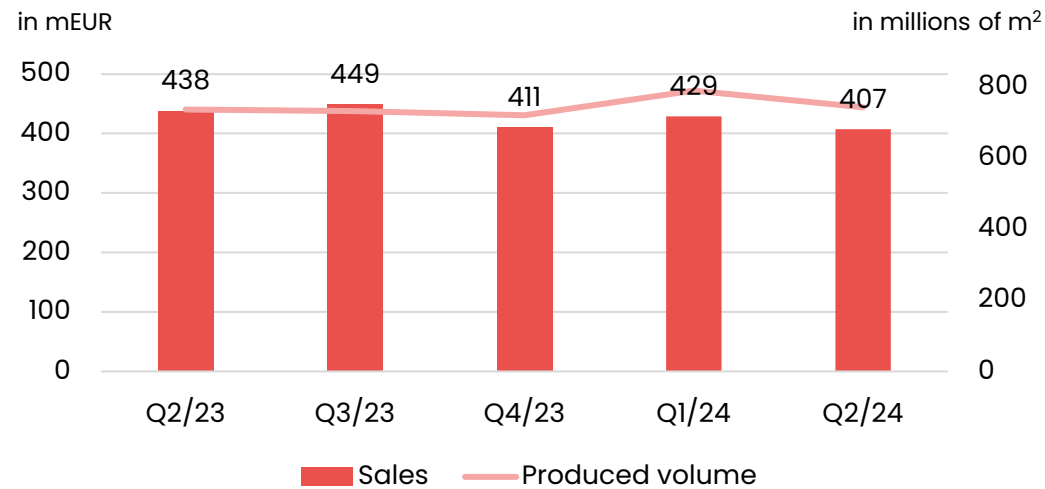
employees worldwide

as of June 30, 2024

MM Food & Premium Packaging Quarterly Overview

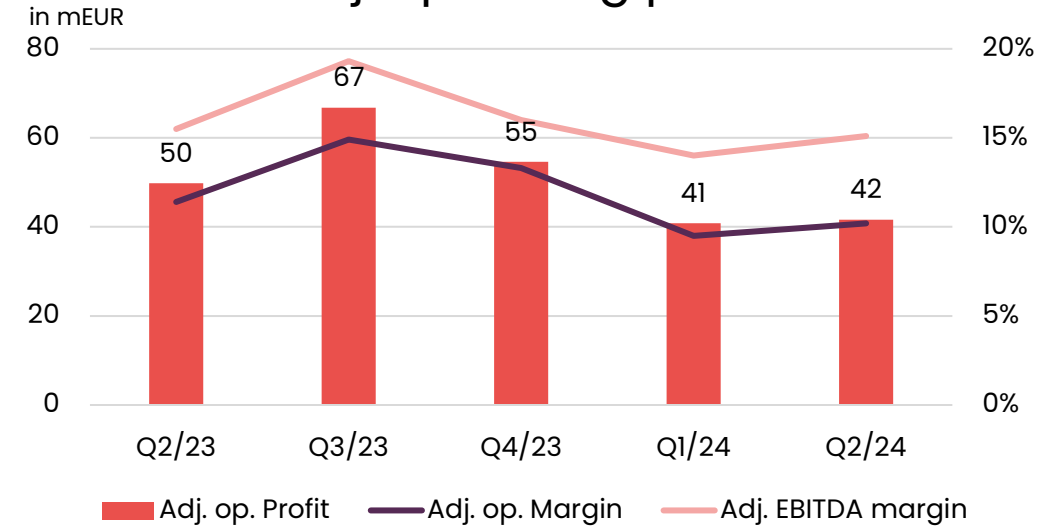


Sales/Produced volume



- Solid performance due to diversified sales activities

Adj. operating profit



- Solid adj. operating margin of roughly 10 %
- Effective cost control measures and productivity increases

MM Food & Premium Packaging 1st HY/2024 Results

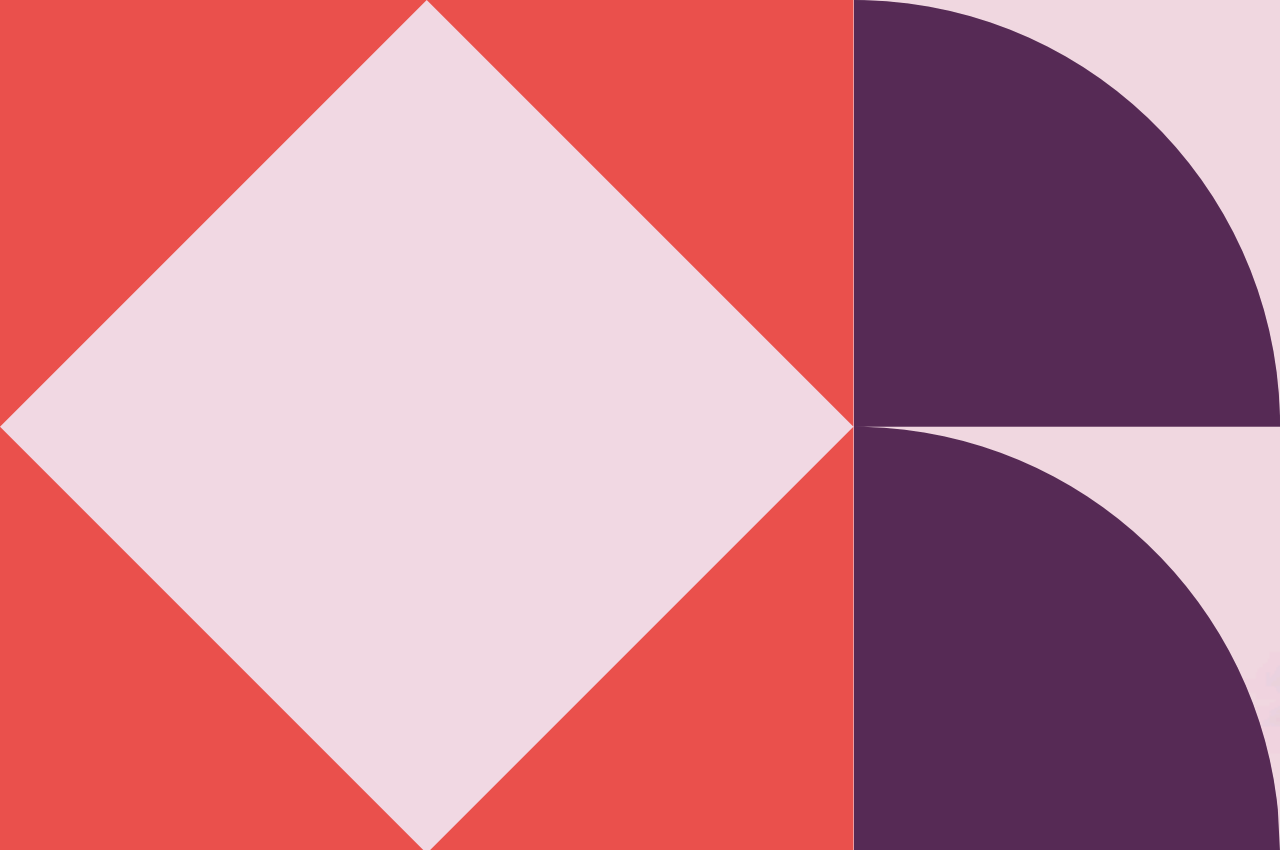


(consolidated in mEUR, IFRS)	1 st HY/2024	1 st HY/2023	+/-
Sales¹⁾	835.9	921.3	- 9.3 %
Adjusted EBITDA	121.4	130.1	- 6.7 %
Adjusted operating profit	82.4	93.5	- 11.7 %
Adjusted operating margin (%)	9.9 %	10.1 %	- 27 bp
Operating profit	82.4	77.1	+ 6.9 %
Capital employed ²⁾	1,210.1	1,258.0	- 3.8 %
Return 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 %
Produced volume (in millions of m ²)	1,528	1,579	- 3.2 %
Employees	6,844	6,829 ³⁾	
Capital expenditures	36.9	65.1	
Depreciation and amortisation	38.9	36.6	

¹⁾ incl. interdivisional sales

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



16 % of Group sales

#1

producer of secondary pharma packaging in Europe and the US

25

production sites worldwide

0.9 billion

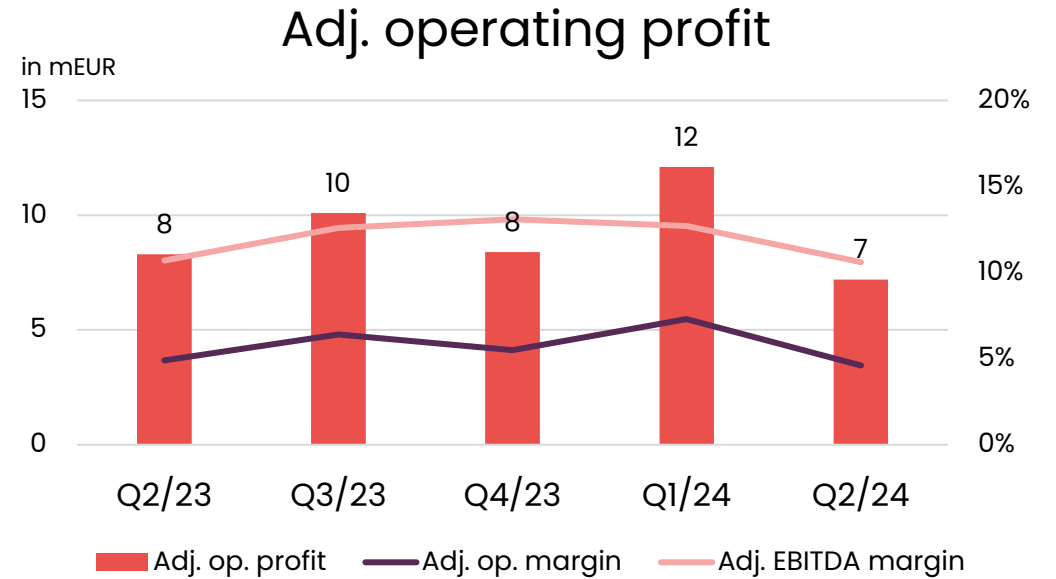
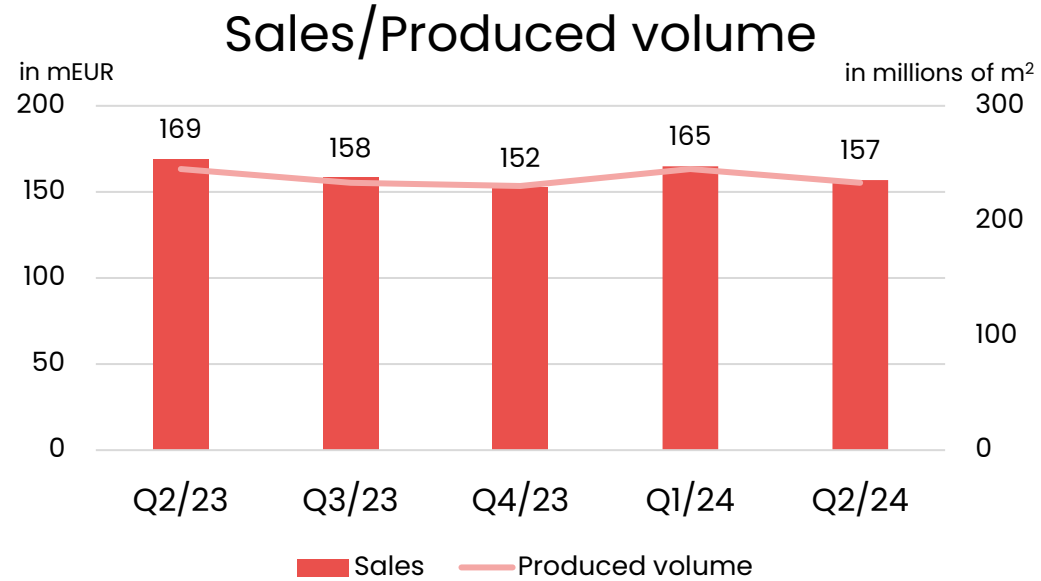
of packaging produced in m² (LTM)

3,639

employees worldwide

as of June 30, 2024

MM Pharma & Healthcare Packaging 1st HY/2024 Results



- Sales impacted by more restraint demand due to reduction of industry inventories and MM's exit from some low profitable business

MM Pharma & Healthcare Packaging 1st HY/2024 Results



(consolidated in mEUR, IFRS)	1 st HY/2024	1 st HY/2023	+/-
Sales¹⁾	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.
Produced volume (in millions of m ²)	478	494	- 3.4 %
Employees	3,639	3,679 ³⁾	
Capital expenditures	34.9	16.8	
Depreciation and amortisation	18.4	19.5	

¹⁾ incl. interdivisional sales

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

³⁾ as of December 31, 2023

5. Outlook



Outlook



- Restrained consumer spending to continue
- Annual maintenance downtime in pulp mills in Poland and Finland to negatively impact Q3 Board & Paper results
- Focus on enhancing earnings and cash generation through profit & cash protection programme
– Majority of cost savings expected to materialise in 2025
- Continue to focus on cash generation and selective growth opportunities in innovative and sustainable market segments
- Top priority on margin improvement

6.

Appendix



MM Group Quarterly Overview



(consolidated in mEUR, IFRS)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024
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

MM Board & Paper Quarterly Results



(consolidated in mEUR, IFRS)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024
Sales¹⁾	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 thous. 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

¹⁾ incl. interdivisional sales

MM Food & Premium Packaging Quarterly Results



(consolidated in mEUR, IFRS)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024
Sales¹⁾	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⁾ 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
Sales¹⁾	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⁾ incl. interdivisional sales

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



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