



MM Group

April 2024
(incl. 1Q Results)

Think next.



Leading in
Consumer Packaging

MM Group Investor presentation March 2024 (incl. 2023 Annual Results)





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

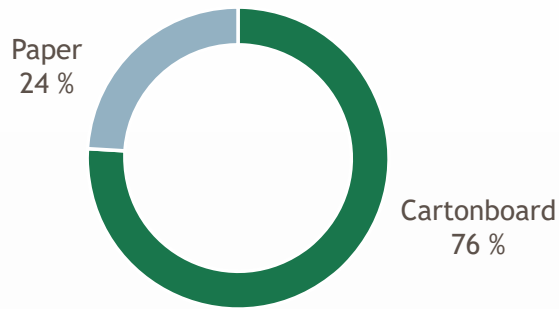
MM Group in facts and figures 2023



We are a leading global producer of cartonboard and folding cartons with an attractive offer in uncoated fine and lamination paper.

MM Board & Paper

Tonnage sold

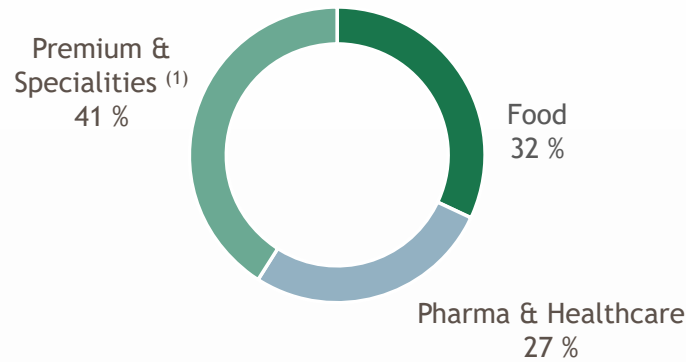


1.9 million

tonnes cartonboard and paper sold p.a.

MM Packaging

In % of sales



4.0 billion

volume of packaging produced in m²

EUR 4.2 billion

sales

450 adj. EBITDA (in millions of EUR) **6.5** ROCE (in %)

14,865 employees worldwide in **71** locations

as of March 31, 2024

AAA CDP⁽¹⁾-Rating

leadership status climate rating
Disclosure Insight Action

58 %

of shares core shareholder families (syndicate)

Operating as two independent divisions



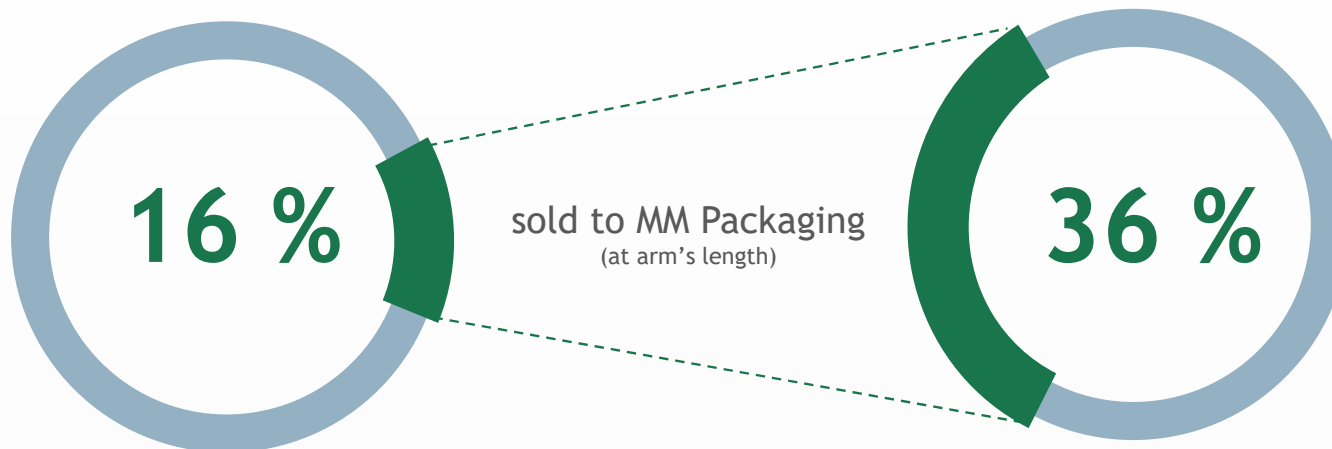
MM Board & Paper sells 84 % of cartonboard to external customers.



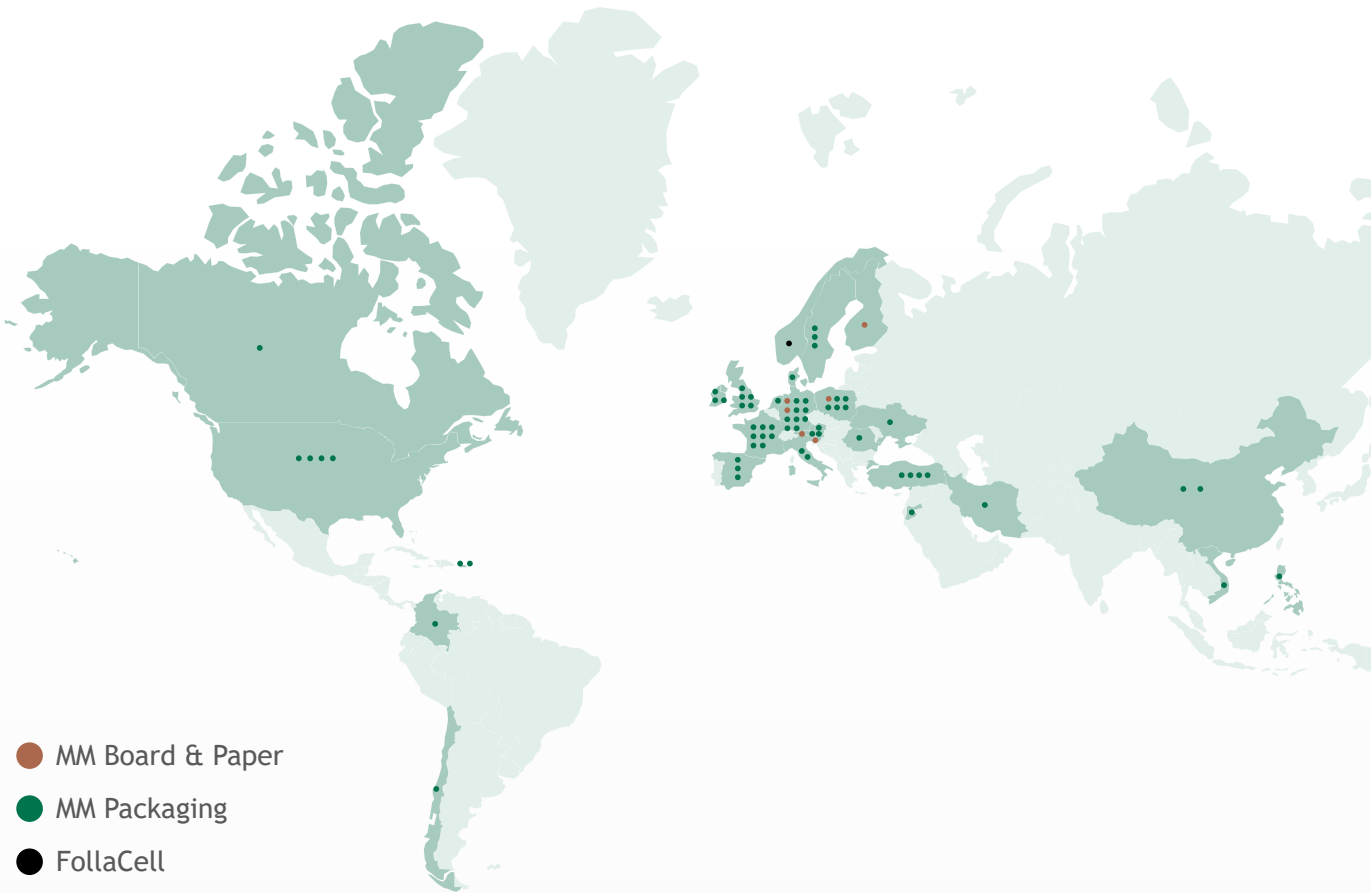
MM Board & Paper
sells 1.9 million tonnes of cartonboard



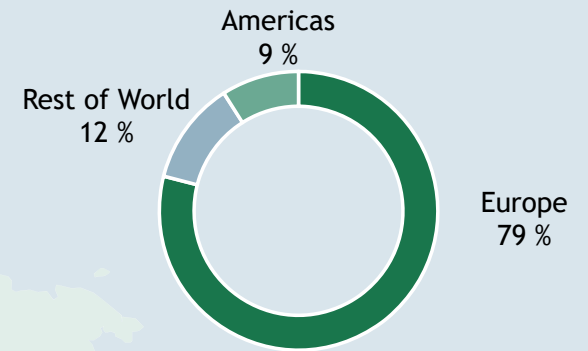
MM Packaging
buys 0.6 million tonnes of cartonboard,
thereof more than one third internally ⁽¹⁾



International footprint close to our customers



Sales by regions



6 cartonboard and paper mills

1 mechanical pulp (CTMP/BCTMP) plant

64 packaging plants

17 sales offices in 15 countries

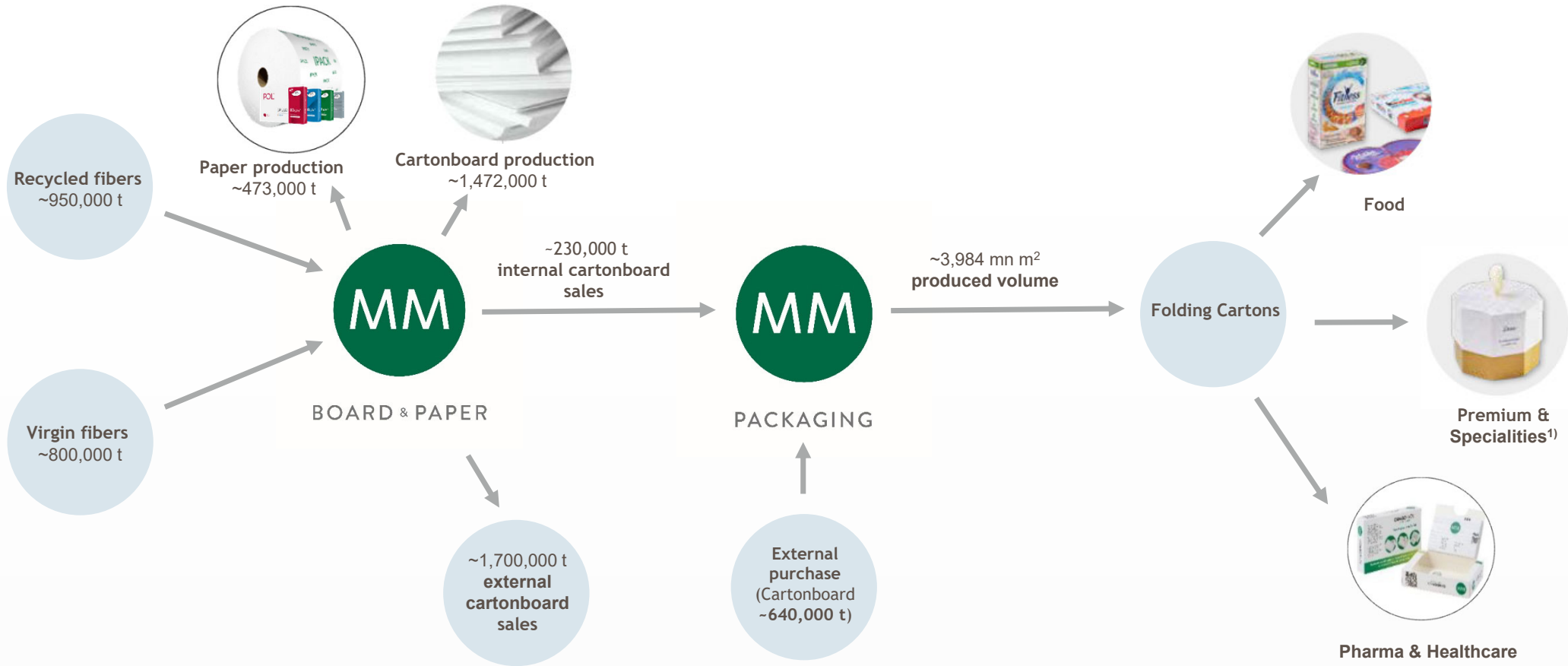
>4,000 customers

in more than **140** countries



2. MM Group Business Structure

Business Structure



⁽¹⁾ Home Care, Personal Care, Beauty, Cigarettes, Luxury, E-commerce and Electronics

Values 2023

Long-term partnerships with industry leading companies



as well as numerous other consumer good companies.



3. Strategy

Think next. Our strategy



We invest in talent and leading edge technology to drive growth



We create innovative solutions to replace plastic in packaging



We serve our customers' needs with expertise and passion

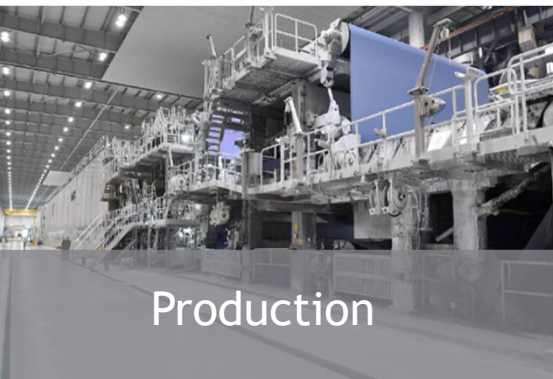


We ensure the best-in-class efficiency of our operations

We invest in industry leadership - Recent highlights



We keep investing in production, sustainability, product innovations and technology to increase our competitive strength and growth abilities.



Production



Sustainability



Product innovations



Technology

Modernisation of the cartonboard machines at Frohnleiten, Neuss and Kolicovo

Investment in renewable energy and technologies

Modernisation of waste water treatment plants to substitute fossil energy with biogas

Optimisation of power generation (e.g. H₂ ready) and distribution

Plastic substitution with high-quality thermoformed pulp for tailor-made shapes, decorative finishing's and barriers

ALASKA® BARRIER GREASE virgin fibre cartonboard that provides the most innovative barrier against grease

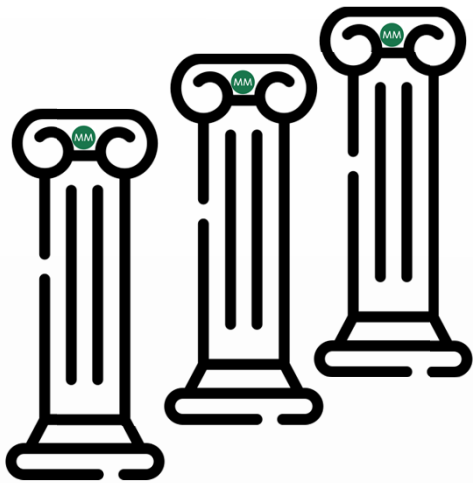
New digital/flexo press in Bydgoszcz (Poland) combining the efficiency of flexographic printing with the possibilities of individualisation

Fully automated warehouse @MMP Romania with use of AGVs to bring pallets to the high-bay warehouse

Successful transformation



Focus on our strengths and on what we can influence - pillars



- ✓ **Strengthening of the Management Team** - Divisions and Group
- ✓ **Sustainability** - MM at the forefront of carbon footprint; replacement of plastic continues
- ✓ **Occupational safety** increased significantly - occupational accidents (number and severity) considerably further reduced
- ✓ **Innovation** significantly strengthened - digital printing at scale, Moulded Pulp, Green Peel
- ✓ **Agile sales organisation** - growth of customer base
- ✓ **Productivity** - holistical focus on cost reduction
- ✓ **Investments** - in technology and cost leadership (flagships and turnarounds)
- ✓ **Acquisitions** - enlarging the product range (virgin fibre-based cartonboard, secondary pharma packaging)
- ✓ **IT/information management** - cloud solution, harmonisation/modernisation, cyber security, integration acquisitions
- ✓ **Collaboration** - joint development and innovation projects for customers MMBP and MMP

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
-  Focus on **increasing market share and defending profit margin** through product innovation and leadership in sustainability
-  Increase of the **share of sustainable, renewable energies**; enhancing energy efficiency
-  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 industry

MM SUSTAINABILITY

Leading in consumer packaging

Cartonboard as a renewable and responsible packaging material



RECYCLING RATES

82%

of all paper and cardboard was recycled in the EU27 in 2020. The highest for any packaging material ⁽¹⁾

RECYCLING CYCLES

25

times, fibre-based material can be recycled, without losing its mechanical or structural integrity ⁽²⁾

RESPONSIBLE SOURCING

100%

of all fibre raw materials used at MM Board & Paper are either certified or from controlled wood sources

Think next. Plastic substitution

Our responsible packaging innovations and novel barrier concepts reduce the use of plastic.



Multiple award winning fruit basket



MM Paper Pouches - the innovative fibre-based stand-up pouch



Moulded Pulp - trend towards more sustainable packaging in plastic replacement



Driving economic success in harmony with the needs of society and nature



The UN Sustainable Development Goals are the core of our strategy, which consists of 3 key pillars:



People

- Safety and Health
- Working Environment
- Human Rights



Planet

- Decarbonisation
- Raw materials
- Water



Prosperity

- Responsible Management
- Innovation and Quality
- Value Chain



Planet - MM Group targets regarding environmental sustainability

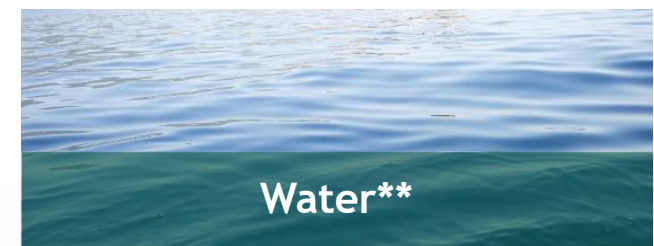


Reduction of direct and indirect greenhouse gas (GHG) emissions to mitigate global warming to below 1.5 °C:

- 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 electricity from 15.61 % in 2019 to 40 % by 2031 and 100 % by 2045



- 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



- 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 BP 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.



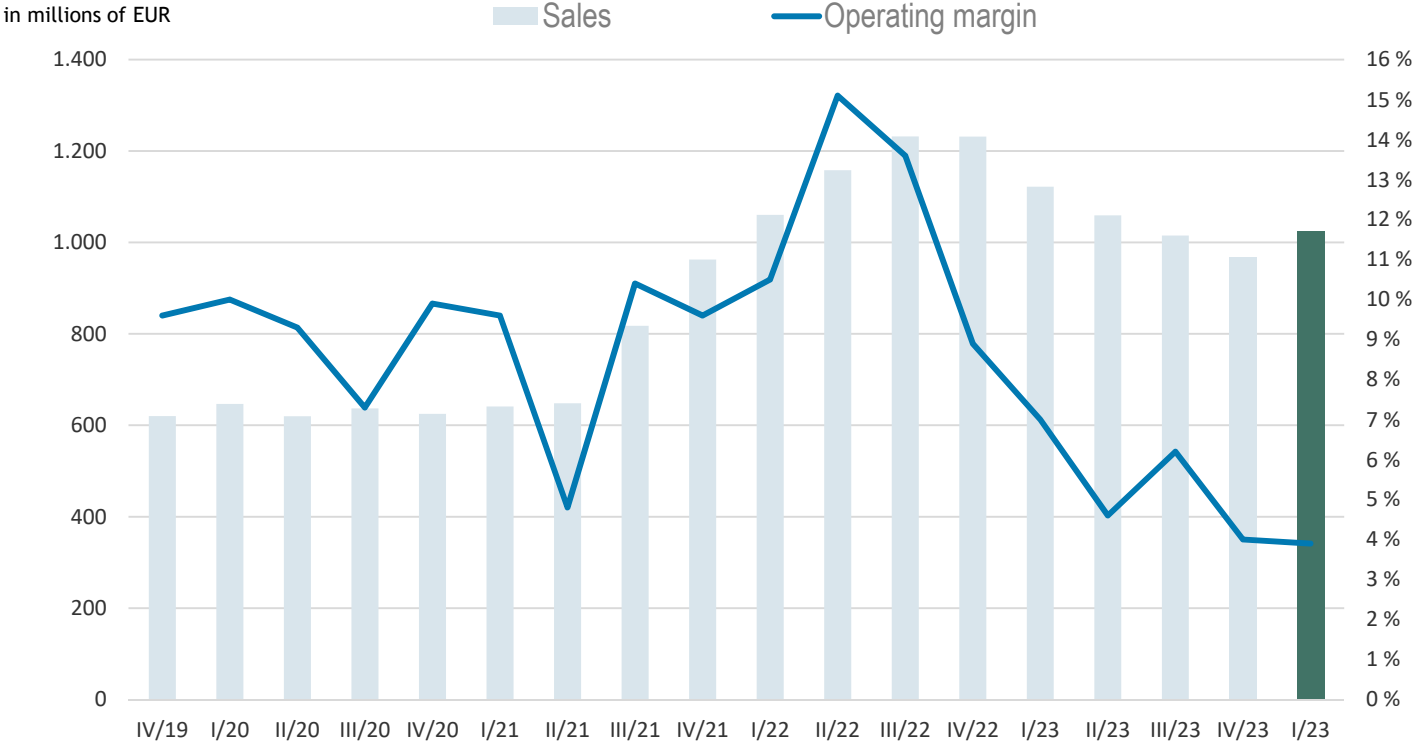
4. Development 1Q/2024

1Q/2024 MM Group Headlines



- Result below previous year as expected
- Significant volume growth at MM Board & Paper
- Continuity at a good level at MM Packaging
- Weak consumption continues to weigh on end markets
- Pressure on margins carries on
- Successful profit & cash protection programme will be continued

MM Group Quarterly Overview



MM Group 1Q/2024 Results



(consolidated in millions of EUR, IFRS)	1Q/2024	1Q/2023	+/-
Sales	1,025.0	1,122.1	- 8.7 %
Adjusted EBITDA ¹⁾	94.5	133.6	- 29.3 %
Adjusted EBITDA margin (%)	9.2 %	11.9 %	- 269 bp
Adjusted operating profit ¹⁾	39.6	78.7	- 49.6 %
Operating profit	39.6	61.6	- 35.6 %
Adjusted operating margin (%)	3.9 %	7.0 %	- 314 bp
Return on capital employed ²⁾ (%)	5.4 %	16.0 %	- 1,060 bp
Profit before tax	18.0	49.0	- 63.2 %
Income tax expense	(7.1)	(14.1)	
Profit for the period	10.9	34.9	- 68.8 %
Net profit margin (%)	1.1 %	3.1 %	
Earnings per share (in EUR)	0.52	1.71	- 69.7 %
Cash flow from operating activities	52.5	67.2	- 21.9 %
Capital expenditures	92.8	96.4	- 3.8 %
Depreciation and amortisation ³⁾	54.9	55.0	- 0.2 %
Free cash flow	(38.5)	(28.6)	- 34.5 %

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 Group 1Q/2024 Results



(consolidated in millions of EUR, IFRS)	1Q/2023	2Q/2023	3Q/2023	4Q/2023	1Q/2024
Sales	1,122.1	1,059.3	1,015.1	967.9	1,025.0
Adjusted EBITDA ¹⁾	133.6	103.7	121.4	91.5	94.5
Adjusted EBITDA margin (%)	11.9 %	9.8 %	12.0 %	9.5 %	9.2 %
Adjusted operating profit ¹⁾	78.7	48.3	63.4	38.8	39.6
Operating profit	61.6	42.4	55.8	37.8	39.6
Adjusted operating margin (%)	7.0 %	4.6 %	6.2 %	4.0 %	3.9 %
Profit before tax	49.0	28.2	41.7	17.8	18.0
Income tax expense	(14.1)	0.2	(13.8)	(19.9)	(7.1)
Profit for the period	34.9	28.4	27.9	(2.1)	10.9
Net profit margin (%)	3.1 %	2.7 %	2.7 %	-0.2 %	1.1 %
Earnings per share (in EUR)	1.71	1.41	1.38	(0.14)	0.52
Cash flow from operating activities	67.2	82.9	177.2	458.9	52.5
Free cash flow	(28.6)	(36.3)	73.7	361.0	(38.5)

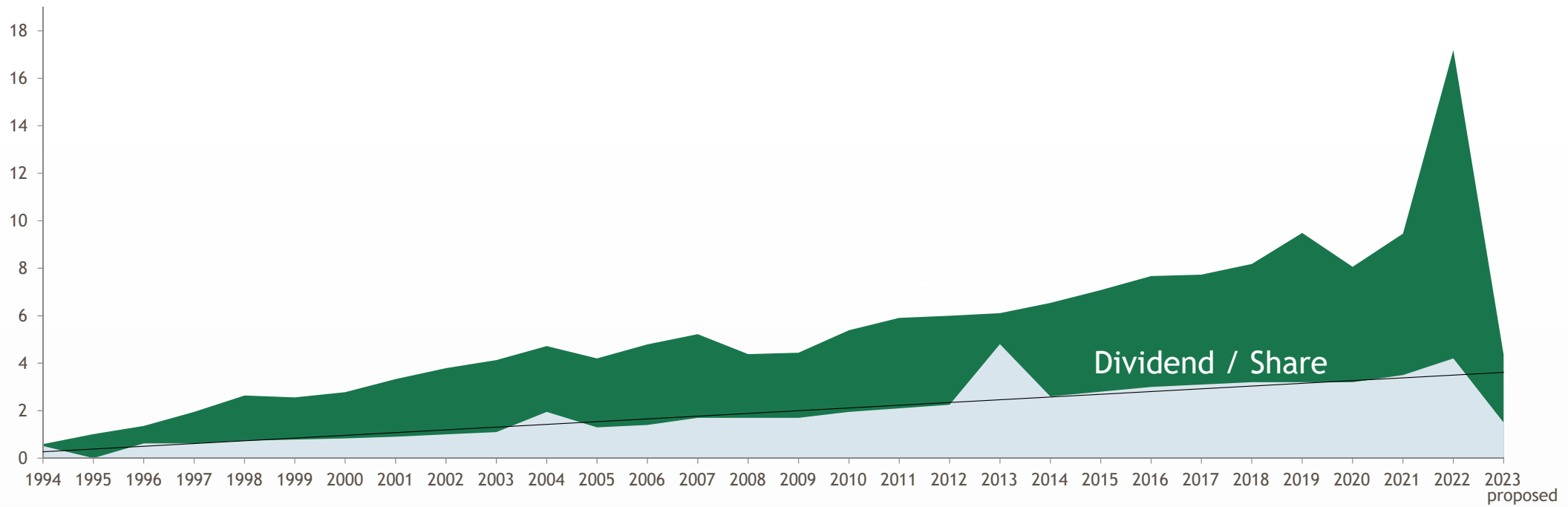
¹⁾ adjusted for material one-off effects (material defined as impact on operating profit of more than EUR 10 million)

MM Consolidated Balance Sheet



(consolidated in millions of EUR, IFRS)	March 31, 2024	Dec. 31, 2023
Non-current assets	3,191.1	3,159.0
Current assets	1,823.7	1,917.9
Total assets	5,014.8	5,076.9
Equity	2,035.7	2,012.4
Liabilities	2,979.1	3,064.5
Total equity and liabilities	5,014.8	5,076.9
Total funds available to the Group	635.2	757.5
Equity ratio (in %)	40.6 %	39.6 %
Net debt	(1,334.6)	(1,262.0)

Long-term dividend and earnings development



Continuous conservative Payout Policy

2004 and 2013 incl. bonus dividend



MM BOARD & PAPER

Leading in consumer packaging

Europe's largest cartonboard producer

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

6 cartonboard mills in 5 countries

1 mechanical pulp mill

10 board & paper machines

1.9 million

tonnes cartonboard and paper sold

≈ 110

export countries

4,409

employees as of March 31, 2024



Offering a comprehensive fibre-based product portfolio



RECYCLED CARTONBOARD



Global leader in the production and #1 in Europe

FOLDING BOXBOARD



Among top three producers in Europe

WHITE TOP COATED RECYCLED LINER



Among top three producers in Europe

UNCOATED FINE PAPER



SATURATING KRAFT PAPER



Absorbex® is the worlds leading SKP brand

PACKAGING KRAFT PAPER



MM Board & Paper 1Q/2024 Results



(in millions of EUR, IFRS)	1Q/2023	2Q/2023	3Q/2023	4Q/2023	1Q/2024
Sales ¹⁾	521.2	498.1	448.4	451.4	483.5
Adjusted EBITDA	54.3	17.7	14.7	6.0	13.4
Adjusted operating profit	27.7	(9.8)	(13.5)	(24.2)	(13.3)
Operating profit	27.7	(9.8)	(13.5)	(24.2)	(13.3)
Adjusted operating margin (%)	5.3 %	-2.0 %	-3.0 %	-5.4 %	-2.7 %
Cash flow from operating activities	10.0	3.0	64.1	214.5	(14.6)
Tonnage sold (in thousands of tonnes)	473	486	487	502	564
<i>Cartonboard</i>	375	365	365	371	439
<i>Paper</i>	99	121	122	131	125
Tonnage produced (in thousands of tonnes)	488	469	482	506	576

¹⁾ incl. interdivisional sales

1Q/2024 MM Board & Paper Headlines



- The destocking in the supply chain has been largely completed.
- A significant volume increase was achieved in the 1st quarter.
- Sales volume increased by 19 %.
- Pressure on margins continued as expected
- Market share gains were achieved selectively as part of a sales excellence programme.
- Recovered paper and pulp prices have recently been experiencing an upward trend on the procurement markets.
- Sales prices will be increased from the 2nd quarter onwards.

MM Board & Paper 1Q/2024 Results



(in millions of EUR, IFRS)	1Q/2024	1Q/2023	+/-
Sales ¹⁾	483.5	521.2	- 7.2 %
Adjusted EBITDA	13.4	54.3	- 75.4 %
Adjusted operating profit	(13.3)	27.7	- 147.8 %
Operating profit	(13.3)	27.7	- 147.8 %
Adjusted operating margin (%)	-2.7 %	5.3 %	- 807 bp
Cash flow from operating activities	(14.6)	10.0	-246.3%
Tonnage sold (in thousands of tonnes)	564	473	+ 19.2 %
<i>Cartonboard</i>	439	375	+ 17.4 %
<i>Paper</i>	125	98	+ 25.9 %
Tonnage produced (in thousands of tonnes)	576	488	+ 18.0 %
Employees	4,409	4,579 ²⁾	
Capital expenditures	44.8	58.0	
Depreciation and amortisation	26.6	26.6	

¹⁾ incl. interdivisional sales

²⁾ as of December 31, 2023



MM PACKAGING

Leading in consumer packaging

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.

#1

producer of folding cartons in Europe

64

production sites worldwide

4.0 billion

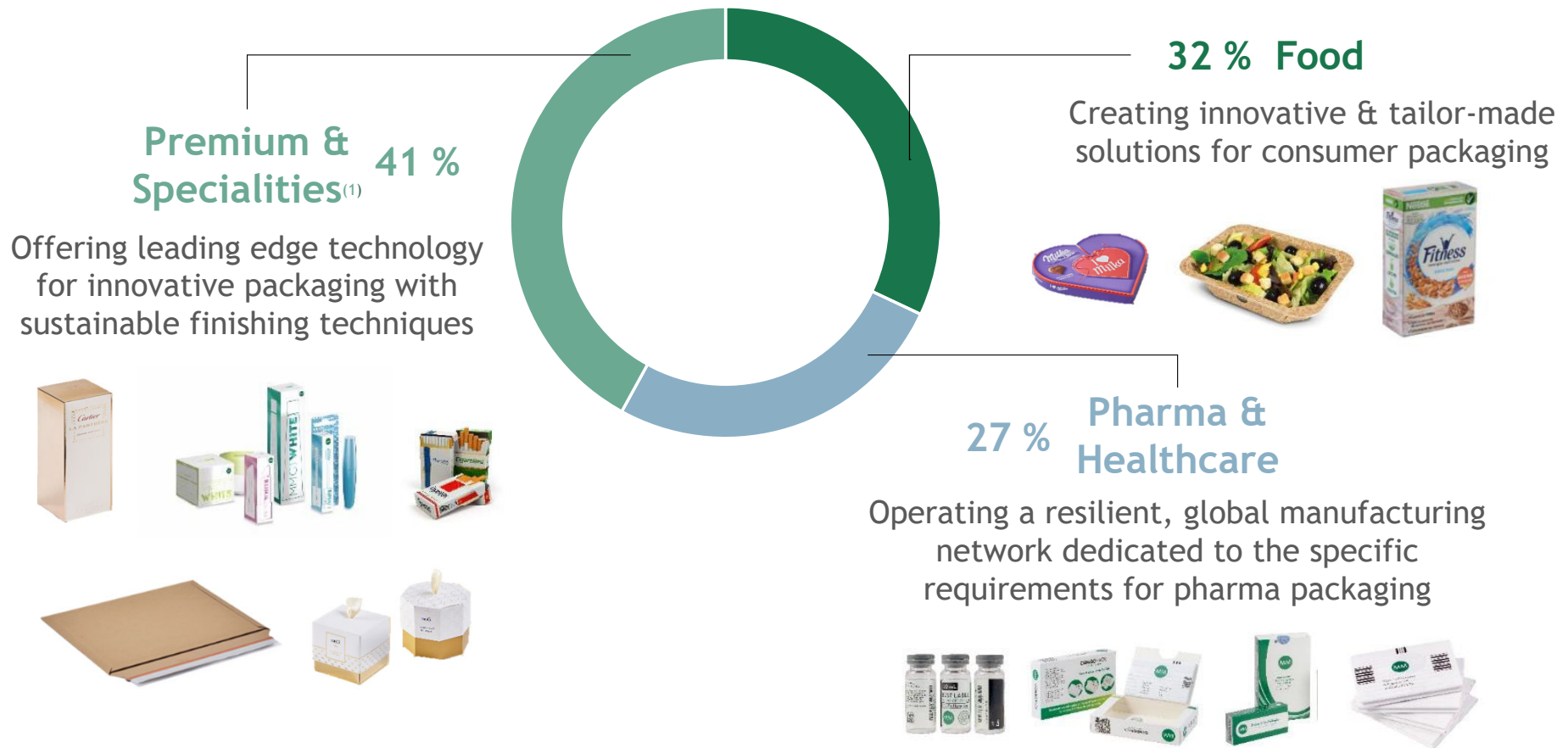
of packaging produced in m²

10,457

employees worldwide as of March 31, 2024



We operate in resilient and profitable markets



⁽¹⁾ Home Care, Personal Care, Beauty, Cigarettes, Luxury, E-commerce and Electronics

Completed with a product range of folding cartons and fibre based materials



Folding Cartons



Micro-Flute



Clamshells



Shaped Cartons



Two-Piece Cartons



Paperbags



Labels



Leaflets



E-Commerce Envelopes



Moulded Pulp



MM Packaging 1Q/2024 Results



in millions of EUR, IFRS	1Q/2023	2Q/2023	3Q/2023	4Q/2023	1Q/2024
Sales ¹⁾	656.7	606.5	605.9	562.0	592.6
Adjusted EBITDA	79.3	86.0	106.7	85.5	81.1
Adjusted operating profit	51.0	58.1	76.9	63.0	52.9
Operating profit	33.9	52.2	69.3	62.0	52.9
Adjusted operating margin (%)	7.8 %	9.6 %	12.7 %	11.2 %	8.9 %
Cash flow from operating activities	57.2	79.9	113.1	244.4	67.1
Produced volume (in millions of m ²)	1,094	979	963	948	1,032

¹⁾ incl. interdivisional sales

1Q/2024 MM Packaging Headlines



- Slight increase in results compared to the previous year, even though the margin was below the strong level of the 3rd and 4th quarter of 2023.
- Overall conditions in the folding carton business continued to be characterised by weak consumption in many end markets for everyday consumer goods.
- By serving a broad range of industries and through its global positioning, MM Packaging was able to maintain a balance and deliver stable results.
- Due to high competition, the implementation of the profit & cash protection programme and selective structural adjustments have high priority alongside the generation of new business.

MM Packaging 1Q/2024 Results



(in millions of EUR, IFRS)	Q1/2024	Q1/2023	+/-
Sales ¹⁾	592.6	656.7	- 9.8 %
Adjusted EBITDA ²⁾	81.1	79.3	+ 2.4 %
Adjusted operating profit ²⁾	52.9	51.0	+ 4.1 %
Operating profit	52.9	33.9	+ 56.6 %
Adjusted operating margin (%)	8.9 %	7.8 %	+ 119 bp
Cash flow from operating activities	67.1	57.2	+ 17.4 %
Produced volume (in millions of m ²)	1,032	1,094	- 5.7 %
Employees	10,457	10,508 ²⁾	
Capital expenditures	48.0	38.4	
Depreciation and amortisation	28.3	28.4	

¹⁾ incl. interdivisional sales

²⁾ as of December 31, 2023



5. Outlook

Outlook



- Despite significant volume increases compared to the previous year in the Board & Paper division, there are still hardly any signs of growth on the consumer goods end markets.
- MM is focusing on margin-conscious market share gains and a consistent continuation of the profit & cash protection programme.
- The upward trend in production costs is to be compensated by an ongoing improvement in sales prices.
- Sales price development decisive for earnings situation in 2024



Leading in
Consumer Packaging

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MM Group Investor presentation April 2024 (incl. 1Q Results)



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