



Alternative Performance Measures 2018

The Group's reporting uses alternative performance measures (APMs) that are not defined according to IFRS. They should not be considered in isolation and should not be seen as a replacement, but rather as addition to those financial indicators used in accordance with IFRS.

These performance measures provide useful information on the Group's economic situation and are partly important indicators for internal management.

Since these measures are not defined by IFRS, their calculation may differ from the APMs published by other companies. Therefore, comparability between companies may be limited.

The alternative performance measures used by the Group are explained below based on the guidelines of the European Securities and Markets Authority (ESMA) and subsequently reconciled. If an item can be quoted directly from the annual report, the relevant position in the report is stated.



DEFINITION AND EXPLANATION OF ALTERNATIVE PERFORMANCE MEASURES

Operating profit

Sales subtracted by cost of goods sold, selling and distribution, administrative and other operating expenses plus other operating income.

Operating profit is used within the Group as a measure of operating profitability.

Cash earnings

Sum of profit for the year before depreciation, amortization as well as impairment of property, plant and equipment and intangible assets and before deferred taxes.

Cash earnings are an indicator of the Group's internal financing ability and profitability and include the financial surplus resulting from regular business activities.

Cash earnings margin

Cash earnings divided by sales.

The cash earnings margin reveals the relative amount of cash earnings generated from Group sales.

EBITDA (Earnings before interest, income taxes, depreciation and amortization)

Profit before tax excluding net interest income/expenses, the respective profit or loss attributable to non-controlling (minority) shareholders according to IAS 32 as well as depreciation, amortization and impairment of property, plant and equipment and intangible assets.

EBITDA describes the operating profitability regardless of scheduled depreciation and amortization and any other unscheduled impairments.

EBITDA margin

EBITDA divided by sales.

EBITDA margin serves as a relative indicator for comparing operating profitability.

Total equity to total assets

Total equity divided by total assets.

Total equity to total assets provides information on the share of equity in the total assets and is thus a measure of the financial stability and independence of the Group from external lenders. It is also a significant measure for capital management in the Company.

Return on equity (ROE)

Profit for the year divided by average total equity.

Return on equity is a performance indicator that shows how efficiently equity is being used within the Group and expresses the interest rate of capital employed.



Return on assets (ROA)

The sum of profit for the year, excluding interest expense and the respective profit or loss attributable to non-controlling (minority) shareholders according to IAS 32 divided by average total assets.

The MM Group uses return on assets as a measure to show the efficiency of total capital employed regardless of the source of financing. It expresses the interest rate of total capital employed in the Company.

Market capitalization

Number of shares outstanding multiplied with the closing share price as of the balance sheet date.

Market capitalization may be used for size comparisons between MM and other listed companies. Basically, only companies from the same industry can be compared.

Net debt/net liquidity

The sum of current and non-current interest-bearing financial liabilities including liabilities from finance lease less cash and cash equivalents as well as current and non-current securities.

In case the sum of cash and cash equivalents as well as securities exceeds financial liabilities, there is net liquidity.

This indicator is used by MM as a measure of financial indebtedness or net liquidity.

Net value added

The sum of sales, other operating income, change in finished goods and own work capitalized as well as financial result and result from investments subtracted by expenditures on purchased goods and services and depreciation, amortization and impairment.

Net value added is a measure of the Group's economic performance and is available to serve the stakeholder groups.

Operating margin

Operating profit divided by sales.

Operating margin at MM indicates the percentage of the operating profit in sales in order to be able to assess profitability. This measure of profitability is calculated regardless of financing and tax charges. Operating margin is one of the most significant elements for managing the consolidated results.

Return on capital employed (ROCE)

Profit before tax, excluding net interest income/expenses and excluding the respective profit or loss attributable to non-controlling (minority) shareholders according to IAS 32, divided by the sum of average total equity, average current and non-current interest-bearing financial liabilities including liabilities from finance lease, average provisions for non-current liabilities and charges and average obligations with regard to non-controlling (minority) shareholders according to IAS 32, less average cash and cash equivalents as well as current and non-current securities.



The MM Group uses ROCE as a performance indicator to show the return generated by the actual production process. ROCE illustrates how efficiently MM manages use of its resources and represents the return on the interest-bearing capital employed.

Return on investment (ROI)

The sum of profit for the year, excluding interest expenses and the respective profit or loss attributable to non-controlling (minority) shareholders according to IAS 32, divided by the sum of average total equity plus average current and non-current interest-bearing financial liabilities including liabilities from finance lease.

At MM, ROI shows how efficiently capital employed is actually being used and, as an indicator of performance, is a measure of the sustainable profitability of the Company.

Total equity and non-current liabilities to PPE

The sum of total equity and non-current liabilities divided by property, plant and equipment.

Total equity and non-current liabilities to PPE provides information on liquidity, quality and financial stability of long-term financing. It shows to what degree fixed assets are financed by equity and long-term liabilities.

Property, plant and equipment to total assets

Property, plant and equipment divided by total assets.

Property, plant and equipment to total assets shows how much capital is tied up in fixed assets over the long-term and indicates the amount of the share of fixed costs, e.g. depreciation and amortization.

Net profit margin

Profit for the year divided by sales.

Net profit margin represents the share of profit in sales and provides information on the relative result generated by sales.

Working capital

The sum of total current assets and non-current securities less total current liabilities (excluding revolving bank credits).

Working capital indicates the surplus of current assets over short-term borrowings and, as liquidity indicator, allows conclusions about the short-term financial balance.

Calculation Alternative Performance Measures – MM Group

according to ESMA-Guideline

(in thousands of EUR)	2014	2015	2016	2017	2018
Profit before tax from Income Statement	171,013	190,620	209,187	205,471	217,912
Interest income from note "Financial income"	-1,454	-2,154	-3,083	-1,948	-1,326
Interest expenses from note "Financial expenses"	5,207	6,269	6,123	6,185	6,078
Net interest cost from note "Other financial result – net"	3,014	2,480	2,691	2,325	2,204
Net interest income/expenses	6,767	6,595	5,731	6,562	6,956
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32					
from note "Other financial result – net" (Valuation of (contingent) share purchase price and option liabilities)	-1,096	1,946	62	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	2,604	0
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Development of fixed assets"	93,945	99,552	99,065	99,692	107,278
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	270,629	298,713	314,045	314,329	332,146
Profit for the year from Income Statement	131,572	142,144	153,388	155,035	164,165
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Development of fixed assets"	93,945	99,552	99,065	99,692	107,278
Deferred taxes from note "Income taxes"	-4,237	-3,317	3,893	2,350	-1,708
Cash earnings	221,280	238,379	256,346	257,077	269,735
Profit for the year from Income Statement	131,572	142,144	153,388	155,035	164,165
Total equity from Balance Sheet	1,102,168	1,144,155	1,259,162	1,318,590	1,384,759
Ø Total equity	1,106,985	1,123,162	1,201,659	1,288,876	1,351,675
Return on equity (ROE)	11.9 %	12.7 %	12.8 %	12.0 %	12.1 %
Profit for the year from Income Statement	131,572	142,144	153,388	155,035	164,165
Interest expenses from note "Financial expenses"	5,207	6,269	6,123	6,185	6,078
Net interest cost from note "Other financial result – net"	3,014	2,480	2,691	2,325	2,204
Interest expenses total	8,221	8,749	8,814	8,510	8,282
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32					
from note "Other financial result – net" (Valuation of (contingent) share purchase price and option liabilities)	-1,096	1,946	62	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	2,604	0
Profit for the year before non-controlling (minority) interests and before interest expenses	138,697	152,839	162,264	166,149	172,447
Total assets from Balance Sheet	1,787,011	1,900,322	1,981,897	2,013,406	2,065,705
Ø Total assets	1,744,733	1,843,667	1,941,110	1,997,652	2,039,556
Return on assets (ROA)	7.9 %	8.3 %	8.4 %	8.3 %	8.5 %
Profit for the year from Income Statement	131,572	142,144	153,388	155,035	164,165
Sales from Income Statement	2,087,365	2,181,549	2,272,734	2,336,804	2,337,658
Net profit margin	6.3 %	6.5 %	6.7 %	6.6 %	7.0 %
EBITDA (see above)	270,629	298,713	314,045	314,329	332,146
Sales from Income Statement	2,087,365	2,181,549	2,272,734	2,336,804	2,337,658
EBITDA margin	13.0 %	13.7 %	13.8 %	13.5 %	14.2 %
Operating profit from Income Statement	180,223	199,862	213,654	215,014	217,082
Sales from Income Statement	2,087,365	2,181,549	2,272,734	2,336,804	2,337,658
Operating margin	8.6 %	9.2 %	9.4 %	9.2 %	9.3 %
Cash earnings (see above)	221,280	238,379	256,346	257,077	269,735
Sales from Income Statement	2,087,365	2,181,549	2,272,734	2,336,804	2,337,658
Cash earnings margin	10.6 %	10.9 %	11.3 %	11.0 %	11.5 %
Profit before tax from Income Statement	171,013	190,620	209,187	205,471	217,912
Interest income from note "Financial income"	-1,454	-2,154	-3,083	-1,948	-1,326
Interest expenses from note "Financial expenses"	5,207	6,269	6,123	6,185	6,078
Net interest cost from note "Other financial result – net"	3,014	2,480	2,691	2,325	2,204
Net interest income/expenses	6,767	6,595	5,731	6,562	6,956
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32					
from note "Other financial result – net" (Valuation of (contingent) share purchase price and option liabilities)	-1,096	1,946	62	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	2,604	0
Earnings before interest and taxes (EBIT)	176,684	199,161	214,980	214,637	224,868
Ø Total equity (see above)	1,106,985	1,123,162	1,201,659	1,288,876	1,351,675
Ø Current financial liabilities from Balance Sheet	87,312	94,317	64,175	34,741	27,456
Ø Non-current financial liabilities from Balance Sheet	130,424	185,285	212,921	201,944	184,619
Ø Provisions for non-current liabilities and charges from note "Provisions for non-current liabilities and charges"	110,139	119,653	123,706	125,337	118,632
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32					
from Note "Deferred income and other current liabilities" (Share purchase price and option liabilities)	17,515	7,872	3,430	0	0
Ø Cash and cash equivalents from Balance Sheet	-309,003	-287,520	-253,046	-224,524	-229,446
Ø Securities in non-current assets from note "Investments in associated companies, securities and other financial assets"	-4,856	-3,348	-2,269	-1,606	-692
Ø Securities in current assets included in Balance Sheet position "Prepaid expenses, securities and other current assets"	0	-404	-678	-1,055	-780
Capital employed	1,138,516	1,239,017	1,349,897	1,423,712	1,451,464
Return on capital employed (ROCE)	15.5 %	16.1 %	15.9 %	15.1 %	15.5 %

Calculation Alternative Performance Measures – MM Group

according to ESMA-Guideline

(in thousands of EUR)	2014	2015	2016	2017	2018
Profit for the year from Income Statement	131,572	142,144	153,388	155,035	164,165
Interest expenses from note "Financial expenses"	5,207	6,269	6,123	6,185	6,078
Net interest cost from note "Other financial result – net"	3,014	2,480	2,691	2,325	2,204
Interest expenses total	8,221	8,749	8,814	8,510	8,282
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32 from note "Other financial result – net" (Valuation of (contingent) share purchase price and option liabilities)	-1,096	1,946	62	0	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	2,604	0
Profit for the year before non-controlling (minority) interests and before interest expenses	138,697	152,839	162,264	166,149	172,447
Ø Total equity (see above)	1,106,985	1,123,162	1,201,659	1,288,876	1,351,675
Ø Current financial liabilities from Balance Sheet	87,312	94,317	64,175	34,741	27,456
Ø Non-current financial liabilities from Balance Sheet	130,424	185,285	212,921	201,944	184,619
Total of Ø total equity and Ø current and non-current financial liabilities	1,324,721	1,402,763	1,478,754	1,525,560	1,563,750
Return on investment (ROI)	10.5 %	10.9 %	11.0 %	10.9 %	11.0 %
Total equity from Balance Sheet	1,102,168	1,144,155	1,259,162	1,318,590	1,384,759
Total assets from Balance Sheet	1,787,011	1,900,322	1,981,897	2,013,406	2,065,705
Total equity to total assets	61.7 %	60.2 %	63.5 %	65.5 %	67.0 %
Property, plant and equipment from Balance Sheet	697,724	759,640	792,650	858,875	852,607
Total assets from Balance Sheet	1,787,011	1,900,322	1,981,897	2,013,406	2,065,705
Property, plant and equipment to total assets	39.0 %	40.0 %	40.0 %	42.7 %	41.3 %
Total equity from Balance Sheet	1,102,168	1,144,155	1,259,162	1,318,590	1,384,759
Non-current liabilities from Balance Sheet	290,271	351,594	358,054	327,619	307,654
Total equity and non-current liabilities	1,392,439	1,495,749	1,617,216	1,646,209	1,692,413
Property, plant and equipment from Balance Sheet	697,724	759,640	792,650	858,875	852,607
Total equity and non-current liabilities to PPE	2.0	2.0	2.0	1.9	2.0
Current assets from Balance Sheet	960,671	972,225	1,027,752	1,000,264	1,061,891
Securities in non-current assets from note "Investments in associated companies, securities and other financial assets"	4,146	2,549	1,989	1,223	161
Current assets and non-current securities	964,817	974,774	1,029,741	1,001,487	1,062,052
Current liabilities from Balance Sheet	-394,572	-404,573	-364,681	-367,197	-373,292
Short-term revolving bank credits from note "Financial liabilities and leases"	44,351	44,350	45,450	10,000	10,000
Current liabilities (excluding short-term revolving bank credits)	-350,221	-360,223	-319,231	-357,197	-363,292
Working capital	614,596	614,551	710,510	644,290	698,760
Current financial liabilities from Balance Sheet	-109,187	-79,446	-48,903	-20,578	-34,334
Non-current financial liabilities from Balance Sheet	-156,724	-213,845	-211,997	-191,890	-177,348
Cash and cash equivalents from Balance Sheet	320,086	254,953	251,138	197,910	260,982
Securities in non-current assets from note "Investments in associated companies, securities and other financial assets"	4,146	2,549	1,989	1,223	161
Securities in current assets included in Balance Sheet position "Prepaid expenses, securities and other current assets"	0	807	550	1,559	0
Net liquidity (+) / net debt (-)	58,321	-34,982	-7,223	-11,776	49,461
Net liquidity (+) / net debt (-)	58,321	-34,982	-7,223	-11,776	49,461
Total equity from Balance Sheet	1,102,168	1,144,155	1,259,162	1,318,590	1,384,759
Net liquidity (+) / net debt (-) in % of equity	5.3 %	-3.1 %	-0.6 %	-0.9 %	3.6 %
Number of shares issued at the balance sheet date from note "Earnings per share"	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Stock price per share at year-end (closing) from Annual Report chapter "Mayr-Melnhof Shares" (in EUR)	86.00	114.50	100.70	122.50	110.00
Market capitalization	1,720,000	2,290,000	2,014,000	2,450,000	2,200,000
Weighted average number of shares outstanding from note "Earnings per share"	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Profit for the year attributable to the shareholders of the Company from Income Statement	130,850	141,550	153,307	154,573	163,670
Earnings per share (in EUR)	6.54	7.08	7.67	7.73	8.18

Calculation net value added: see "Value added" in Management Report

Calculation operating profit: see Consolidated Income Statement

Calculation Alternative Performance Measures – Division MM Karton

according to ESMA-Guideline

(in thousands of EUR)	2018	2017
Profit before tax from note "Segment reporting information"	94,889	70,517
Interest income	-74	-77
Interest expenses	1,957	2,050
Net interest cost	1,127	1,273
IC interest income / IC interest expenses with MM Packaging	-290	-209
Net interest income/expenses	2,720	3,037
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	0
Recycling of foreign currency translations	0	0
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	45,306	42,352
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	142,915	115,906
Profit for the year from note "Segment reporting information"	72,102	52,165
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	45,306	42,352
Deferred taxes	-1,759	5,822
Cash earnings	115,649	100,339
EBITDA (see above)	142,915	115,906
Sales from note "Segment reporting information"	1,062,170	1,048,737
EBITDA margin	13.5 %	11.1 %
Operating profit from note "Segment reporting information"	96,386	73,555
Sales from note "Segment reporting information"	1,062,170	1,048,737
Operating margin	9.1 %	7.0 %
Cash earnings (see above)	115,649	100,339
Sales from note "Segment reporting information"	1,062,170	1,048,737
Cash earnings margin	10.9 %	9.6 %
Profit before tax from note "Segment reporting information"	94,889	70,517
Interest income	-74	-77
Interest expenses	1,957	2,050
Net interest cost	1,127	1,273
IC interest income / IC interest expenses with MM Packaging	-290	-209
Net interest income/expenses	2,720	3,037
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	0
Recycling of foreign currency translations	0	0
Earnings before interest and taxes (EBIT)	97,609	73,554
Ø Total equity	750,384	715,064
Ø Current financial liabilities	-25,814	-28,679
Ø Non-current financial liabilities without IC loans from MM Packaging	55,095	55,113
Ø Provisions for non-current liabilities and charges	65,241	70,480
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	0
Ø Cash and cash equivalents	-229,253	-224,524
Ø Securities in non-current assets	-531	-1,443
Ø Securities in current assets	-780	-1,055
Ø IC loans from/to MM Packaging	-7,858	-7,639
Capital employed	606,485	577,318
Return on capital employed (ROCE)	16.1 %	12.7 %

Calculation operating profit: see Consolidated Income Statement

Calculation Alternative Performance Measures – Division MM Packaging

according to ESMA-Guideline

(in thousands of EUR)	2018	2017
Profit before tax from note "Segment reporting information"	123,023	134,954
Interest income	-1,249	-1,871
Interest expenses	4,121	4,130
Net interest cost	1,077	1,052
IC interest income / IC interest expenses with MM Karton	287	214
Net interest income/expenses	4,236	3,525
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	0
Recycling of foreign currency translations	0	2,604
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	61,972	57,340
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	189,231	198,423
Profit for the year from note "Segment reporting information"	92,063	102,870
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	61,972	57,340
Deferred taxes	51	-3,472
Cash earnings	154,086	156,738
EBITDA (see above)	189,231	198,423
Sales from note "Segment reporting information"	1,384,214	1,392,745
EBITDA margin	13.7 %	14.2 %
Operating profit from note "Segment reporting information"	120,696	141,459
Sales from note "Segment reporting information"	1,384,214	1,392,745
Operating margin	8.7 %	10.2 %
Cash earnings (see above)	154,086	156,738
Sales from note "Segment reporting information"	1,384,214	1,392,745
Cash earnings margin	11.1 %	11.3 %
Profit before tax from note "Segment reporting information"	123,023	134,954
Interest income	-1,249	-1,871
Interest expenses	4,121	4,130
Net interest cost	1,077	1,052
IC interest income / IC interest expenses with MM Karton	287	214
Net interest income/expenses	4,236	3,525
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	0
Recycling of foreign currency translations	0	2,604
Earnings before interest and taxes (EBIT)	127,259	141,083
Ø Total equity	601,291	573,812
Ø Current financial liabilities	53,270	63,420
Ø Non-current financial liabilities without IC loans from MM Karton	129,525	146,831
Ø Provisions for non-current liabilities and charges	53,391	54,857
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	0
Ø Cash and cash equivalents	-193	0
Ø Securities in non-current assets	-161	-164
Ø Securities in current assets	0	0
Ø IC loans from/to MM Karton	7,858	7,639
Capital employed	844,979	846,395
Return on capital employed (ROCE)	15.1 %	16.7 %

Calculation operating profit: see Consolidated Income Statement