



Alternative Performance Measures 2016

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. For this reason, 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.



DEFINITION AND EXPLANATION OF ALTERNATIVE PERFORMANCE MEASURES

Operating Profit

Sales subtracted by cost of sales, 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 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.



Enterprise Value

The sum of market capitalization and non-controlling (minority) interests subtracted by net debt (see definition net debt/net liquidity).

Enterprise value is a measure that represents the total value of the MM Group regardless of financing.

Return on Assets (ROA)

The sum of profit for the year, interest expense and the respective profit 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.

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. An existing net liquidity is not considered for the calculation of the enterprise value.

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 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, interest expenses and the respective profit 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 are fixed assets 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 debt).

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

	2012	2013	2014	2015	2016
Profit before tax from P&L	161,297	156,365	171,013	190,620	209,187
<i>Interest income from note "Financial income"</i>	-2,590	-1,532	-1,455	-2,153	-3,083
<i>Financial expenses from note "Financial expenses"</i>	5,235	4,052	5,206	6,269	6,123
<i>Net interest cost from note "Other financial result - net"</i>	3,247	3,098	3,014	2,480	2,691
Net interest income/expenses	5,892	5,618	6,765	6,596	5,731
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"					
(Valuation of (contingent) share purchase price and option liabilities)	1,787	717	-1,096	1,946	62
Depreciation/amortization and impairment from note "Development of fixed assets"	85,787	89,615	93,945	99,552	99,065
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	254,763	252,315	270,627	298,714	314,045
Profit for the year from P&L	120,334	122,885	131,572	142,144	153,388
Depreciation/amortization and impairment from note "Development of fixed assets"	85,787	89,615	93,945	99,552	99,065
Deferred taxes from note "Income taxes"	-1,368	-8,416	-4,237	-3,317	3,893
Cash Earnings	204,753	204,084	221,280	238,379	256,346
Profit for the year from P&L	120,334	122,885	131,572	142,144	153,388
Equity	-1,067,145	-1,111,802	-1,102,168	-1,144,155	-1,259,162
Ø Equity from Balance Sheet	1,030,683	1,089,474	1,106,985	1,123,162	1,201,659
Return on Equity	11.7%	11.3%	11.9%	12.7%	12.8%
Profit for the year from P&L	120,334	122,885	131,572	142,144	153,388
Financial expenses from note "Financial expenses"	5,235	4,052	5,206	6,269	6,123
Net interest cost from note "Other financial result - net"	3,247	3,098	3,014	2,480	2,691
Interest expenses total	8,482	7,150	8,220	8,749	8,814
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"					
(Valuation of (contingent) share purchase price and option liabilities)	1,787	717	-1,096	1,946	62
Profit for the year before non-controlling (minority) interests and before interest expenses	130,603	130,752	138,696	152,839	162,264
Ø Total assets from Balance Sheet	1,598,873	1,665,753	1,744,733	1,843,667	1,941,110
Return on Assets	8.2%	7.8%	7.9%	8.3%	8.4%
Profit for the year from P&L	120,334	122,885	131,572	142,144	153,388
Sales from P&L	1,952,155	1,999,400	2,087,365	2,181,549	2,272,734
Net profit margin	6.2%	6.1%	6.3%	6.5%	6.7%
EBITDA (see above)	254,763	252,315	270,627	298,714	314,045
Sales from P&L	1,952,155	1,999,400	2,087,365	2,181,549	2,272,734
EBITDA Margin	13.1%	12.6%	13.0%	13.7%	13.8%
Operating profit from P&L	170,465	165,444	180,223	199,862	213,654
Sales from P&L	1,952,155	1,999,400	2,087,365	2,181,549	2,272,734
Operating Margin	8.7%	8.3%	8.6%	9.2%	9.4%
Cash Earnings (see above)	204,753	204,084	221,280	238,379	256,346
Sales from P&L	1,952,155	1,999,400	2,087,365	2,181,549	2,272,734
Cash Earnings Margin	10.5%	10.2%	10.6%	10.9%	11.3%
Profit before tax from P&L	161,297	156,365	171,013	190,620	209,187
<i>Interest income from note "Financial income"</i>	-2,590	-1,532	-1,455	-2,153	-3,083
<i>Financial expenses from note "Financial expenses"</i>	5,235	4,052	5,206	6,269	6,123
<i>Net interest cost from note "Other financial result - net"</i>	3,247	3,098	3,014	2,480	2,691
Net interest income/expenses	5,892	5,618	6,765	6,596	5,731
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"					
(Valuation of (contingent) share purchase price and option liabilities)	1,787	717	-1,096	1,946	62
Earnings before interest and taxes (EBIT)	168,976	162,700	176,682	199,162	214,980
Ø Equity from Balance Sheet	1,030,683	1,089,474	1,106,985	1,123,162	1,201,659
Ø Current interest-bearing financial liabilities from Balance Sheet	62,575	58,894	87,312	94,317	64,175
Ø Non-current interest-bearing financial liabilities from Balance Sheet	86,611	104,607	130,424	185,285	212,921
Ø Provisions for non-current liabilities and charges from note "Provisions for non-current liabilities and charges"	92,111	98,507	110,139	119,653	123,706
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)	35,506	21,697	17,515	7,872	3,430
Ø Cash and cash equivalents from Balance Sheet	-339,409	-313,992	-309,003	-287,520	-253,046
Ø Securities from note "Securities and other financial assets"	-2,689	-5,471	-4,856	-3,751	-2,948
Capital Employed	965,387	1,053,715	1,138,516	1,239,017	1,349,897
ROCE	17.5%	15.4%	15.5%	16.1%	15.9%
Profit for the year from P&L	120,334	122,885	131,572	142,144	153,388
Financial expenses from note "Financial expenses"	5,235	4,052	5,206	6,269	6,123
Net interest cost from note "Other financial result - net"	3,247	3,098	3,014	2,480	2,691
Interest expenses total	8,482	7,150	8,220	8,749	8,814
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"					
(Valuation of (contingent) share purchase price and option liabilities)	1,787	717	-1,096	1,946	62
Profit for the year before non-controlling (minority) interests and before interest expenses	130,603	130,752	138,696	152,839	162,264
Ø Equity from Balance Sheet	1,030,683	1,089,474	1,106,985	1,123,162	1,201,659
Ø Current interest-bearing financial liabilities from Balance Sheet	62,575	58,894	87,312	94,317	64,175
Ø Non-current interest-bearing financial liabilities from Balance Sheet	86,611	104,607	130,424	185,285	212,921
Total of Ø equity and Ø current and non-current interest-bearing financial liabilities	1,179,868	1,252,974	1,324,721	1,402,763	1,478,754
ROI	11.1%	10.4%	10.5%	10.9%	11.0%

Calculation Alternative Performance Measures MM Group

according to ESMA-Guideline

in thousands of EUR

	2012	2013	2014	2015	2016
Equity from Balance Sheet	1,067,145	1,111,802	1,102,168	1,144,155	1,259,162
Total assets from Balance Sheet	1,629,050	1,702,455	1,787,011	1,900,322	1,981,897
Total equity to total assets	65.5%	65.3%	61.7%	60.2%	63.5%
Property, plant and equipment from Balance Sheet	618,064	663,901	697,724	759,640	792,650
Total assets from Balance Sheet	1,629,050	1,702,455	1,787,011	1,900,322	1,981,897
Property, plant and equipment to total assets	37.9%	39.0%	39.0%	40.0%	40.0%
Equity from Balance Sheet	1,067,145	1,111,802	1,102,168	1,144,155	1,259,162
Non-current liabilities from Balance Sheet	217,373	216,188	290,271	351,594	358,054
Total equity and non-current liabilities to PPE	1,284,518	1,327,990	1,392,439	1,495,749	1,617,216
Property, plant and equipment from Balance Sheet	618,064	663,901	697,724	759,640	792,650
Total equity and non-current liabilities to PPE	2.1	2.0	2.0	2.0	2.0
Current assets from Balance Sheet	898,742	911,146	960,671	972,225	1,027,752
Securities in non-current assets from note "Securities and other financial assets"	5,377	5,565	4,146	2,549	1,989
Total current assets	904,119	916,711	964,817	974,774	1,029,741
Current liabilities from Balance Sheet	-344,532	-374,465	-394,572	-404,573	-364,681
Revolving credits from note "Financial liabilities and leases"	44,351	44,351	44,350	45,450	45,450
Current liabilities excluding revolving credits	-300,181	-330,114	-350,222	-359,123	-319,231
Working capital	603,938	586,597	614,595	615,651	710,510
Current interest-bearing financial liabilities from Balance Sheet	-52,352	-65,436	-109,187	-79,446	-48,903
Non-current interest-bearing financial liabilities from Balance Sheet	-105,089	-104,124	-156,724	-213,845	-211,997
Cash and cash equivalents	330,063	297,920	320,086	254,953	251,138
Securities in non-current assets from note "Securities and other financial assets"	5,377	5,565	4,146	2,549	1,989
Securities in current assets included in Balance Sheet position "Prepaid expenses, securities and other current assets"	0	0	0	807	550
Net debt/net liquidity	177,999	133,925	58,321	-34,982	-7,223
Equity from Balance Sheet	1,067,145	1,111,802	1,102,168	1,144,155	1,259,162
Net debt/net liquidity	177,999	133,925	58,321	-34,982	-7,223
Net debt/net liquidity in % of equity	16.7%	12.0%	5.3%	-3.1%	-0.6%
Number of shares issued from Note "Earnings per share"	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
x stock price per share as of Dec 31 (see "MM Shares") in EUR	80.9	90.0	86.0	114.5	100.7
Market capitalization in thousands of EUR	1,617,600	1,800,000	1,720,000	2,290,000	2,014,000
+ Non-controlling (minority) interests from Balance Sheet	6,007	10,072	10,581	8,605	6,784
- Net debt	0	0	0	-34,982	-7,223
Enterprise Value	1,623,607	1,810,072	1,730,581	2,263,623	2,013,561
Average number of shares outstanding from P&L	19,985,282	20,000,000	20,000,000	20,000,000	20,000,000
Profit for the year attributable to the shareholders of the Company from P&L	119,889	122,285	130,850	141,550	153,307
Earnings per share in EUR	6.00	6.11	6.54	7.08	7.67

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

Calculation operating profit: see P&L

Calculation Alternative Performance Measures Division MMK

according to ESMA-Guideline

in thousands of EUR

	2016	2015
Profit before tax from note "Segment reporting information"	64,916	76,502
Interest income from note "Segment reporting information", included in financial income	-111	-241
Financial expenses from note "Segment reporting information", included in financial expenses	2,441	2,620
Net interest cost from note "Other financial result - net"	1,486	1,378
IC interest expenses / IC interest income with MMP	-288	-331
Net interest income/expenses	3,528	3,426
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"		
(Valuation of (contingent) share purchase price and option liabilities)	62	1,915
Depreciation/amortization and impairment from note "Segment reporting information"	40,538	38,732
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	109,044	120,575

Profit for the year from note "Segment reporting information"	50,572	58,288
Depreciation/amortization and impairment from note "Segment reporting information"	40,538	38,732
Deferred taxes from note "Income taxes"	488	-1,602
Cash Earnings	91,598	95,418

EBITDA (see above)	109,044	120,575
Sales from note "Segment reporting information"	1,022,956	1,046,747
EBITDA Margin	10.7%	11.5%

Operating profit from note "Segment reporting information"	68,010	82,610
Sales from note "Segment reporting information"	1,022,956	1,046,747
Operating Margin	6.7%	7.9%

Cash Earnings (see above)	91,598	95,418
Sales from note "Segment reporting information"	1,022,956	1,046,747
Cash Earnings Margin	9.0%	9.1%

Profit before tax from note "Segment reporting information"	64,916	76,502
Interest income from note "Segment reporting information", included in financial income	-111	-241
Financial expenses from note "Segment reporting information", included in financial expenses	2,441	2,620
Net interest cost from note "Other financial result - net"	1,486	1,378
IC interest expenses / IC interest income with MMP	-288	-331
Net interest income/expenses	3,528	3,426
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"		
(Valuation of (contingent) share purchase price and option liabilities)	62	1,915
Earnings before interest and taxes (EBIT)	68,506	81,843

Ø Equity from Balance Sheet	687,270	661,657
Ø Current interest-bearing financial liabilities from Balance Sheet	638	9,232
Ø Non-current interest-bearing financial liabilities from Balance Sheet without IC from MMP	55,131	67,426
Ø Provisions for non-current liabilities and charges from note "Provisions for non-current liabilities and charges"	70,583	67,889
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)	3,430	6,227
Ø Cash and cash equivalents from Balance Sheet	-253,046	-287,520
Ø Securities from note "Securities and other financial assets"	-2,784	-3,591
Ø IC loans from/to MMP	-8,463	-7,978
Capital Employed	552,759	513,343

ROCE	12.4%	15.9%
-------------	--------------	--------------

Calculation operating profit: see Group P&L

Calculation Alternative Performance Measures Division MMP

according to ESMA-Guideline

in thousands of EUR

	2016	2015
Profit before tax from note "Segment reporting information"	144,271	114,118
Interest income from note "Segment reporting information", included in financial income	-2,972	-1,912
Financial expenses from note "Segment reporting information", included in financial expenses	3,682	3,650
Net interest cost from note "Other financial result - net"	1,205	1,102
IC interest expenses / IC interest income with MMK	288	330
Net interest income/expenses	2,203	3,170
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"		
(Valuation of (contingent) share purchase price and option liabilities)	0	31
Depreciation/amortization and impairment from note "Segment reporting information"	58,527	60,820
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	205,001	178,139
Profit for the year from note "Segment reporting information"	102,816	83,856
Depreciation/amortization and impairment from note "Segment reporting information"	58,527	60,820
Deferred taxes from note "Income taxes"	3,405	-1,715
Cash Earnings	164,748	142,961
EBITDA (see above)	205,001	178,139
Sales from note "Segment reporting information"	1,352,637	1,237,289
EBITDA Margin	15.2%	14.4%
Operating profit from note "Segment reporting information"	145,644	117,252
Sales from note "Segment reporting information"	1,352,637	1,237,289
Operating Margin	10.8%	9.5%
Cash Earnings (see above)	164,748	142,961
Sales from note "Segment reporting information"	1,352,637	1,237,289
Cash Earnings Margin	12.2%	11.6%
Profit before tax from note "Segment reporting information"	144,271	114,118
Interest income from note "Segment reporting information", included in financial income	-2,972	-1,912
Financial expenses from note "Segment reporting information", included in financial expenses	3,682	3,650
Net interest cost from note "Other financial result - net"	1,205	1,102
IC interest expenses / IC interest income with MMK	288	330
Net interest income/expenses	2,203	3,170
Profit attributable to non-controlling (minority) shareholders from note "Other financial result - net"		
(Valuation of (contingent) share purchase price and option liabilities)	0	31
Earnings before interest and taxes (EBIT)	146,474	117,319
Ø Equity from Balance Sheet	514,389	461,505
Ø Current interest-bearing financial liabilities from Balance Sheet	63,537	85,085
Ø Non-current interest-bearing financial liabilities from Balance Sheet without IC from MMK	157,791	117,859
Ø Provisions for non-current liabilities and charges from note "Provisions for non-current liabilities and charges"	53,124	51,764
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)	0	1,645
Ø Cash and cash equivalents from Balance Sheet	0	0
Ø Securities from note "Securities and other financial assets"	-164	-161
Ø IC loans from/to MMK	8,463	7,978
Capital Employed	797,138	725,674
ROCE	18.4%	16.2%

Calculation operating profit: see Group P&L