



Alternative Performance Measures 2017

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.

**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, 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.

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 taken into account 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 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)	2013	2014	2015	2016	2017
Profit before tax from Income Statement	156,365	171,013	190,620	209,187	205,471
Interest income from note "Financial income"	-1,532	-1,455	-2,153	-3,083	-1,948
Interest expenses from note "Financial expenses"	4,052	5,206	6,269	6,123	6,185
Net interest cost from note "Other financial result – net"	3,098	3,014	2,480	2,691	2,325
Net interest income/expenses	5,618	6,765	6,596	5,731	6,562
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)	717	-1,096	1,946	62	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	0	2,604
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Development of fixed assets"	89,615	93,945	99,552	99,065	99,692
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	252,315	270,627	298,714	314,045	314,329
Profit for the year from Income Statement	122,885	131,572	142,144	153,388	155,035
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Development of fixed assets"	89,615	93,945	99,552	99,065	99,692
Deferred taxes from note "Income taxes"	-8,416	-4,237	-3,317	3,893	2,350
Cash earnings	204,084	221,280	238,379	256,346	257,077
Profit for the year from Income Statement	122,885	131,572	142,144	153,388	155,035
Total equity from Balance Sheet	1,111,802	1,102,168	1,144,155	1,259,162	1,318,590
Ø Total equity	1,089,474	1,106,985	1,123,162	1,201,659	1,288,876
Return on equity (ROE)	11.3 %	11.9 %	12.7 %	12.8 %	12.0 %
Profit for the year from Income Statement	122,885	131,572	142,144	153,388	155,035
Interest expenses from note "Financial expenses"	4,052	5,206	6,269	6,123	6,185
Net interest cost from note "Other financial result – net"	3,098	3,014	2,480	2,691	2,325
Interest expenses total	7,150	8,220	8,749	8,814	8,510
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)	717	-1,096	1,946	62	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	0	2,604
Profit for the year before non-controlling (minority) interests and before interest expenses	130,752	138,696	152,839	162,264	166,149
Total assets from Balance Sheet	1,702,455	1,787,011	1,900,322	1,981,897	2,013,406
Ø Total assets	1,665,753	1,744,733	1,843,667	1,941,110	1,997,652
Return on assets (ROA)	7.8 %	7.9 %	8.3 %	8.4 %	8.3 %
Profit for the year from Income Statement	122,885	131,572	142,144	153,388	155,035
Sales from Income Statement	1,999,400	2,087,365	2,181,549	2,272,734	2,336,804
Net profit margin	6.1 %	6.3 %	6.5 %	6.7 %	6.6 %
EBITDA (see above)	252,315	270,627	298,714	314,045	314,329
Sales from Income Statement	1,999,400	2,087,365	2,181,549	2,272,734	2,336,804
EBITDA margin	12.6 %	13.0 %	13.7 %	13.8 %	13.5 %
Operating profit from Income Statement	165,444	180,223	199,862	213,654	215,014
Sales from Income Statement	1,999,400	2,087,365	2,181,549	2,272,734	2,336,804
Operating margin	8.3 %	8.6 %	9.2 %	9.4 %	9.2 %
Cash earnings (see above)	204,084	221,280	238,379	256,346	257,077
Sales from Income Statement	1,999,400	2,087,365	2,181,549	2,272,734	2,336,804
Cash earnings margin	10.2 %	10.6 %	10.9 %	11.3 %	11.0 %
Profit before tax from Income Statement	156,365	171,013	190,620	209,187	205,471
Interest income from note "Financial income"	-1,532	-1,455	-2,153	-3,083	-1,948
Interest expenses from note "Financial expenses"	4,052	5,206	6,269	6,123	6,185
Net interest cost from note "Other financial result – net"	3,098	3,014	2,480	2,691	2,325
Net interest income/expenses	5,618	6,765	6,596	5,731	6,562
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)	717	-1,096	1,946	62	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	0	2,604
Earnings before interest and taxes (EBIT)	162,700	176,682	199,162	214,980	214,637
Ø Total equity (see above)	1,089,474	1,106,985	1,123,162	1,201,659	1,288,876
Ø Current financial liabilities from Balance Sheet	58,894	87,312	94,317	64,175	34,741
Ø Non-current financial liabilities from Balance Sheet	104,607	130,424	185,285	212,921	201,944
Ø Provisions for non-current liabilities and charges from note "Provisions for non-current liabilities and charges"	98,507	110,139	119,653	123,706	125,337
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)	21,697	17,515	7,872	3,430	0
Ø Cash and cash equivalents from Balance Sheet	-313,992	-309,003	-287,520	-253,046	-224,524
Ø Securities in non-current assets from note "Investments in associated companies, securities and other financial assets"	-5,471	-4,856	-3,348	-2,269	-1,606
Ø Securities in current assets included in Balance Sheet position "Prepaid expenses, securities and other current assets"	0	0	-403	-679	-1,055
Capital employed	1,053,715	1,138,516	1,239,017	1,349,897	1,423,712
Return on capital employed (ROCE)	15.4 %	15.5 %	16.1 %	15.9 %	15.1 %

Calculation Alternative Performance Measures – MM Group

according to ESMA-Guideline

(in thousands of EUR)	2013	2014	2015	2016	2017
Profit for the year from Income Statement	122,885	131,572	142,144	153,388	155,035
Interest expenses from note "Financial expenses"	4,052	5,206	6,269	6,123	6,185
Net interest cost from note "Other financial result – net"	3,098	3,014	2,480	2,691	2,325
Interest expenses total	7,150	8,220	8,749	8,814	8,510
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)	717	-1,096	1,946	62	0
Recycling of foreign currency translations from note "Other financial result – net"	0	0	0	0	2,604
Profit for the year before non-controlling (minority) interests and before interest expenses	130,752	138,696	152,839	162,264	166,149
Ø Total equity (see above)	1,089,474	1,106,985	1,123,162	1,201,659	1,288,876
Ø Current financial liabilities from Balance Sheet	58,894	87,312	94,317	64,175	34,741
Ø Non-current financial liabilities from Balance Sheet	104,607	130,424	185,285	212,921	201,944
Total of Ø total equity and Ø current and non-current financial liabilities	1,252,974	1,324,721	1,402,763	1,478,754	1,525,560
Return on investment (ROI)	10.4 %	10.5 %	10.9 %	11.0 %	10.9 %
Total equity from Balance Sheet	1,111,802	1,102,168	1,144,155	1,259,162	1,318,590
Total assets from Balance Sheet	1,702,455	1,787,011	1,900,322	1,981,897	2,013,406
Total equity to total assets	65.3 %	61.7 %	60.2 %	63.5 %	65.5 %
Property, plant and equipment from Balance Sheet	663,901	697,724	759,640	792,650	858,875
Total assets from Balance Sheet	1,702,455	1,787,011	1,900,322	1,981,897	2,013,406
Property, plant and equipment to total assets	39.0 %	39.0 %	40.0 %	40.0 %	42.7 %
Total equity from Balance Sheet	1,111,802	1,102,168	1,144,155	1,259,162	1,318,590
Non-current liabilities from Balance Sheet	216,188	290,271	351,594	358,054	327,619
Total equity and non-current liabilities	1,327,990	1,392,439	1,495,749	1,617,216	1,646,209
Property, plant and equipment from Balance Sheet	663,901	697,724	759,640	792,650	858,875
Total equity and non-current liabilities to PPE	2.0	2.0	2.0	2.0	1.9
Current assets from Balance Sheet	911,146	960,671	972,225	1,027,752	1,000,264
Securities in non-current assets from note "Investments in associated companies, securities and other financial assets"	5,565	4,146	2,549	1,989	1,223
Current assets and non-current securities	916,711	964,817	974,774	1,029,741	1,001,487
Current liabilities from Balance Sheet	-374,465	-394,572	-404,573	-364,681	-367,197
Short-term revolving bank credits from note "Financial liabilities and leases"	44,351	44,350	45,450	45,450	10,000
Current liabilities (excluding short-term revolving bank credits)	-330,114	-350,222	-359,123	-319,231	-357,197
Working capital	586,597	614,595	615,651	710,510	644,290
Current financial liabilities from Balance Sheet	-65,436	-109,187	-79,446	-48,903	-20,578
Non-current financial liabilities from Balance Sheet	-104,124	-156,724	-213,845	-211,997	-191,890
Cash and cash equivalents from Balance Sheet	297,920	320,086	254,953	251,138	197,910
Securities in non-current assets from note "Investments in associated companies, securities and other financial assets"	5,565	4,146	2,549	1,989	1,223
Securities in current assets included in Balance Sheet position "Prepaid expenses, securities and other current assets"	0	0	807	550	1,559
Net debt (-) / net liquidity (+)	133,925	58,321	-34,982	-7,223	-11,776
Net debt (-) / net liquidity (+)	133,925	58,321	-34,982	-7,223	-11,776
Total equity from Balance Sheet	1,111,802	1,102,168	1,144,155	1,259,162	1,318,590
Net debt (-) / net liquidity (+) in % of equity	12.0 %	5.3 %	-3.1 %	-0.6 %	-0.9 %
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)	90.00	86.00	114.50	100.70	122.50
Market capitalization (in thousands of EUR)	1,800,000	1,720,000	2,290,000	2,014,000	2,450,000
Non-controlling (minority) interests from Balance Sheet	10,072	10,581	8,605	6,784	2,409
Net debt	0	0	-34,982	-7,223	-11,776
Enterprise value	1,810,072	1,730,581	2,263,623	2,013,561	2,440,633
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	122,285	130,850	141,550	153,307	154,573
Earnings per share (in EUR)	6.11	6.54	7.08	7.67	7.73

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

Calculation operating profit: see Income Statement

Calculation Alternative Performance Measures – Division MM Karton

according to ESMA-Guideline

(in thousands of EUR)	2017	2016
Profit before tax from note "Segment reporting information"	70,517	64,916
<i>Interest income</i>	-77	-111
<i>Interest expenses</i>	2,050	2,441
<i>Net interest cost</i>	1,273	1,486
<i>IC interest income / IC interest expenses with MM Packaging</i>	-209	-288
Net interest income/expenses	3,037	3,528
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	62
Recycling of foreign currency translations	0	0
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	42,352	40,538
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	115,906	109,044
Profit for the year from note "Segment reporting information"	52,165	50,572
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	42,352	40,538
Deferred taxes	5,822	488
Cash earnings	100,339	91,598
EBITDA (see above)	115,906	109,044
Sales from note "Segment reporting information"	1,048,737	1,022,956
EBITDA margin	11.1 %	10.7 %
Operating profit from note "Segment reporting information"	73,555	68,010
Sales from note "Segment reporting information"	1,048,737	1,022,956
Operating margin	7.0 %	6.7 %
Cash earnings (see above)	100,339	91,598
Sales from note "Segment reporting information"	1,048,737	1,022,956
Cash earnings margin	9.6 %	9.0 %
Profit before tax from note "Segment reporting information"	70,517	64,916
<i>Interest income</i>	-77	-111
<i>Interest expenses</i>	2,050	2,441
<i>Net interest cost</i>	1,273	1,486
<i>IC interest income / IC interest expenses with MM Packaging</i>	-209	-288
Net interest income/expenses	3,037	3,528
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	62
Recycling of foreign currency translations	0	0
Earnings before interest and taxes (EBIT)	73,554	68,506
Ø Total equity	715,064	687,270
Ø Current financial liabilities	-28,679	638
Ø Non-current financial liabilities without IC loans from MM Packaging	55,113	55,131
Ø Provisions for non-current liabilities and charges	70,480	70,583
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	3,430
Ø Cash and cash equivalents	-224,524	-253,046
Ø Securities in non-current assets	-1,443	-2,106
Ø Securities in current assets	-1,055	-678
Ø IC loans from/to MM Packaging	-7,639	-8,463
Capital employed	577,318	552,759
Return on capital employed (ROCE)	12.7 %	12.4 %

Calculation operating profit: see Group Income Statement

Calculation Alternative Performance Measures – Division MM Packaging

according to ESMA-Guideline

(in thousands of EUR)	2017	2016
Profit before tax from note "Segment reporting information"	134,954	144,271
Interest income	-1,871	-2,972
Interest expenses	4,130	3,682
Net interest cost	1,052	1,205
IC interest income / IC interest expenses with MM Karton	214	288
Net interest income/expenses	3,525	2,203
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	0
Recycling of foreign currency translations from note "Other financial result – net"	2,604	0
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	57,340	58,527
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	198,423	205,001
Profit for the year from note "Segment reporting information"	102,870	102,816
Depreciation, amortization and impairment of property, plant and equipment and intangible assets from note "Segment reporting information"	57,340	58,527
Deferred taxes	-3,472	3,405
Cash earnings	156,738	164,748
EBITDA (see above)	198,423	205,001
Sales from note "Segment reporting information"	1,392,745	1,352,637
EBITDA margin	14.2 %	15.2 %
Operating profit from note "Segment reporting information"	141,459	145,644
Sales from note "Segment reporting information"	1,392,745	1,352,637
Operating margin	10.2 %	10.8 %
Cash earnings (see above)	156,738	164,748
Sales from note "Segment reporting information"	1,392,745	1,352,637
Cash earnings margin	11.3 %	12.2 %
Profit before tax from note "Segment reporting information"	134,954	144,271
Interest income	-1,871	-2,972
Interest expenses	4,130	3,682
Net interest cost	1,052	1,205
IC interest income / IC interest expenses with MM Karton	214	288
Net interest income/expenses	3,525	2,203
Profit or loss attributable to non-controlling (minority) shareholders according to IAS 32	0	0
Recycling of foreign currency translations from note "Other financial result – net"	2,604	0
Earnings before interest and taxes (EBIT)	141,083	146,474
Ø Total equity	573,812	514,389
Ø Current financial liabilities	63,420	63,537
Ø Non-current financial liabilities without IC loans from MM Karton	146,831	157,791
Ø Provisions for non-current liabilities and charges	54,857	53,124
Ø Obligations with regard to non-controlling (minority) shareholders according to IAS 32	0	0
Ø Cash and cash equivalents	0	0
Ø Securities in non-current assets	-164	-164
Ø Securities in current assets	0	0
Ø IC loans from/to MM Karton	7,639	8,463
Capital employed	846,395	797,138
Return on capital employed (ROCE)	16.7 %	18.4 %

Calculation operating profit: see Group Income Statement