



# 1-2Q 21

## **HALF-YEAR FINANCIAL REPORT 2021 MAYR-MELNHOF KARTON AG**

- Transformational acquisitions of Kwidzyn and Kotkamills beginning of August executed
- Price increases lagging input cost inflation leave margins temporarily squeezed
- High orderbook in Cartonboard and Packaging
- Ongoing structural cost-adjustments

# Group Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 <sup>st</sup> - 2 <sup>nd</sup> Quarter		+/-
	Jan. 1 - Jun. 30, 2021	Jan. 1 - Jun. 30, 2020	
Consolidated sales	1,289.6	1,266.5	+ 1.8 %
EBITDA	155.5	211.7	- 26.5 %
Operating profit	92.1	122.5	- 24.8 %
Operating margin (%)	7.1 %	9.7 %	- 253 bp
Profit before tax	82.9	117.7	- 29.5 %
Income tax expense	(20.7)	(32.8)	
Profit for the period	62.2	84.9	- 26.7 %
Net profit margin (%)	4.8 %	6.7 %	
Earnings per share (in EUR)	3.07	4.23	- 27.4 %
Cash flow from operating activities	112.3	122.6	- 8.4 %
Capital expenditures (CAPEX)	105.7	56.4	+ 87.3 %
Depreciation and amortization <sup>1)</sup>	63.4	89.2	- 29.0 %

<sup>1)</sup>including impairment of property, plant and equipment and intangible assets

	Balance sheet date	
	Jun. 30, 2021	Dec. 31, 2020
Total equity (in millions of EUR)	1,564.8	1,547.1
Total assets (in millions of EUR)	3,460.5	2,399.6
Equity ratio (%)	44.9 %	64.5 %
Net debt (-) (in millions of EUR)	- 184.3	- 122.2
Employees	9,973	9,938

# Group Report

DEAR SHAREHOLDERS,

Your Company continued to record high capacity utilization in both divisions in the 2<sup>nd</sup> quarter of 2021 with good demand for cartonboard and cartonboard packaging. 1<sup>st</sup> half-year sales of the MM Group were thus slightly above the previous year's level. However, as expected, this was offset by a significant weight on results owing to the ongoing massive cost inflation for raw materials, energy and logistics. The time lag between the rapid cost increase and the implemented price increases led to a major squeeze in operating profit in the cartonboard business. By contrast, current business development in the packaging division was more robust. However, as already announced, necessary restructuring measures at a packaging site in Germany resulted in one-off expenses of approximately EUR 26 million.

Our goal is to compensate the significant cost increase the best possible by a further cartonboard price increase as of October. For the current 3<sup>rd</sup> quarter, however, ongoing pressure on margins is to be expected due to the lag in passing on of costs. In addition, the one-off effects from the initial consolidation of the acquisitions and deconsolidation of the disposals will impact 3<sup>rd</sup> quarter results.

## Strategic update

Through the transformational acquisitions of the Kwidzyn mill in Poland, and Kotkamills, Finland, we have structurally strengthened the Group's competitiveness. Both mills offer us a growth platform for the next decade through innovations, especially in the area of sustainability, a favorable cost position and the strengthening of our leading position in European cartonboard. In addition, we acquired two new core businesses "Kraft Papers" and "Uncoated Fine Papers". In line with the expanded product portfolio, the division MM Karton has been renamed MM Board & Paper. Part of the transformation was the disposal of the smaller cartonboard mills Eerbeek, Netherlands, and Baiersbronn, Germany.

## INCOME STATEMENT

The Group's consolidated sales increased slightly from EUR 1,266.5 million to EUR 1,289.6 million.

At EUR 92.1 million, operating profit was 24.8 % or EUR 30.4 million lower than in the previous year (1<sup>st</sup> half of 2020: EUR 122.5 million). This decline is mainly due to the rapid increase in costs in the cartonboard business, which can only be passed on with a time lag. At EUR 26.1 million, one-off expenses from adjustment and restructuring measures were at a similar level as the one-off effects in the 1<sup>st</sup> half of the previous year (1<sup>st</sup> half of 2020: EUR 29.5 million). The Group's operating margin was therefore at 7.1 % (1<sup>st</sup> half of 2020: 9.7 %).

Financial income of EUR 1.0 million (1<sup>st</sup> half of 2020: EUR 0.9 million) was offset by financial expenses of EUR -10.3 million (1<sup>st</sup> half of 2020: EUR -3.8 million). The latter increased in particular due to the issuance of Schuldschein loans and Namensschuldverschreibungen in the 1<sup>st</sup> quarter of 2021 to finance the acquisitions and organic growth projects. "Other financial result – net" amounted to EUR 0.1 million (1<sup>st</sup> half of 2020: EUR -1.9 million) mainly due to changes in the foreign exchange result.

Profit before tax totaled EUR 82.9 million, compared to EUR 117.7 million in the previous year. Income tax expense was at EUR 20.7 million (1<sup>st</sup> half of 2020: EUR 32.8 million), resulting in an effective Group tax rate of 25.0 % (1<sup>st</sup> half of 2020: 27.9 %).

Accordingly, profit for the period decreased from EUR 84.9 million to EUR 62.2 million and earnings per share from EUR 4.23 to EUR 3.07.

## ASSETS, CAPITAL, AND LIQUID FUNDS

The Group's total assets as of June 30, 2021, amounted to EUR 3,460.5 million, EUR 1,060.9 million higher than the comparable figure as of December 31, 2020 (EUR 2,399.6 million). Total Group equity increased slightly from EUR 1,547.1 million to EUR 1,554.8 million, with the dividend payment of EUR 64.0 million diminishing the primarily earnings-related increase.

Financial liabilities, which are largely of a long-term nature, went up to EUR 1,263.8 million, compared with EUR 268.4 million at the end of the previous year. This increase results in particular from the issuance of Schuldschein loans and Namensschuldverschreibungen in the amount of EUR 1,000 million. Analogously, cash and cash equivalents of the Group rose to EUR 1,079.5 million (December 31, 2020: EUR 146.2 million). Net debt thus amounted to EUR 184.3 million (December 31, 2020: EUR 122.2 million). With a present equity ratio of 44.9 % (December 31, 2020: 64.5 %), the MM Group remains solidly financed.

Non-current assets decreased from EUR 1,397.9 million to EUR 1,337.8 million. This change is mainly due to a reclassification of non-current assets of the cartonboard mills in Eerbeek and Baiersbronn, which are held for sale, to current assets. The latter went up mainly due to the increase in cash and cash equivalents to EUR 2,122.7 million after EUR 1,001.7 million at the end of 2020.

## CASH FLOW DEVELOPMENT

Cash flow from operating activities amounted to EUR 112.3 million after EUR 122.6 million in the 1<sup>st</sup> half of the previous year. This difference primarily results from the lower cash-effective result.

Cash flow from investing activities changed from EUR -56.9 million to EUR -106.2 million, mainly due to higher outflows for the acquisition of property, plant and equipment and intangible assets. Investments in both divisions focused on expansion and growth projects.

Cash flow from financing activities changed from EUR -82.9 million to EUR 925.5 million, particularly as a result of the issuance of Schuldschein loans and Namensschuldverschreibungen in the 1<sup>st</sup> quarter of 2021.

## DEVELOPMENT IN THE 2<sup>ND</sup> QUARTER

At EUR 648.3 million, consolidated sales were in line with the 1<sup>st</sup> quarter (EUR 641.3 million) and slightly above the previous year's level (2Q 2020: EUR 619.9 million).

Mainly due to the one-off expenses for restructuring measures in the packaging division as well as the strong increase in input costs in the cartonboard sector the Group's operating profit decreased to EUR 30.9 million after EUR 61.2 million in the 1<sup>st</sup> quarter of 2021 and EUR 57.9 million in the 2<sup>nd</sup> quarter of the previous year. The operating margin was thus at 4.8 % (1Q 2021: 9.6%; 2Q 2020: 9.3 %). Profit for the period totaled EUR 18.3 million (1Q 2021: EUR 43.9 million; 2Q 2020: EUR 39.8 million).

Cartonboard capacities were again almost fully utilized in the 2<sup>nd</sup> quarter at 99 % (1Q 2021: 99 %; 2Q 2020: 99 %). The division's operating margin amounted to 4.6 % (1Q 2021: 7.3 %; 2Q 2020: 9.6 %).

The operating margin of the packaging division decreased to 4.5 % (1Q 2021: 10.4 %; 2Q 2020: 8.4 %) due to the one-off expenses.

## OUTLOOK

Along with ongoing good demand on our sales markets, the strong cost inflation on the procurement markets has been persisting also in the 3<sup>rd</sup> quarter. Thus, the margins of MM remain under pressure despite improved selling prices. Although recovered paper prices stayed stable at a peak level at the beginning of the summer, it is unclear whether this will result in a cap. In contrast, the strong price increase for many other input factors continues unabated. A further cartonboard price increase from October onwards is intended to compensate for the cost increase in the cartonboard sector the best possible. On the other hand, higher cartonboard prices mean new cost weight for MM Packaging, which can only be passed on with a time lag.

For the acquisitions of Kwidzyn and Kotkamills, the positive contribution from the current result will be offset by one-off expenses this year due to the capitalization of high order backlogs and inventory valuation in the course of initial consolidation. As a result, the new mills' earnings will only be fully reflected from 2022 onwards. On the other hand, the disposal of the Eerbeek and Baiersbronn mills is expected to generate a deconsolidation gain of between EUR 45 – 55 million in the 3<sup>rd</sup> quarter, which will be partly offset by acquisition costs including transaction taxes.

## FURTHER INFORMATION ON THE ACQUISITIONS AND DIVESTMENTS OF MM BOARD & PAPER

### **Acquisition of Kotkamills and Kwidzyn**

On August 02, 2021, the acquisition of Kotkamills, Finland, which was agreed in December 2020, was completed.

MM Kotkamills operates the most modern virgin fiber board machine in Europe (built 2016) with a planned capacity of 400,000 tons, a machine for Saturating Kraft Paper with a capacity of 170,000 tons, in which the company is a leading global supplier, and a sawmill. The mill employs approximately 500 people.

On August 06, 2021, the acquisition of the Kwidzyn mill, Poland, which was agreed in mid-February 2021, was completed.

MM Kwidzyn operates at its integrated pulp and paper site in Kwidzyn a pulp mill with an annual capacity of around 400,000 tons and four integrated cartonboard/paper machines. The flagship is a FBB machine with 260,000 tons annual capacity. Moreover, MM Kwidzyn has recently entered the area of MF kraft paper via one of its paper machines to serve the growing demand for flexible fiber-based packaging products with an annual capacity of 75,000 tons. In addition, MM Kwidzyn operates two of the most attractive copy paper machines (UWF) in Europe with an annual total capacity of 410,000 tons. The mill employs approximately 2,300 people.

Through the acquisitions, MM strengthens its position in the virgin fiber cartonboard market (FBB) with an attractive range of barrier cartonboard solutions that can replace PE (polyethylene)-coated cartonboard as well as innovative, sustainable and cost-efficient grades and complements the established market position in recycled fiber-based cartonboard. Furthermore, MM is diversifying its product portfolio through the integration of an attractive pulp and paper production focusing on Uncoated Fine Paper (UWF) and Packaging Kraft Papers.

#### **Divestment of the Eerbeek and Baiersbronn virgin fiber-based cartonboard mills**

In June 2021, MM and a subsidiary of funds managed by Oaktree Capital Management, L.P. ("Oaktree") reached the firm intention agreement to sell the virgin fiber-based cartonboard mills in Eerbeek, Netherlands, and Baiersbronn, Germany, to Oaktree for a preliminary purchase price of EUR 112.6 million. In addition, the purchaser has settled MM the existing intercompany loan and cash pool liabilities in the amount of EUR 41.7 million.

Eerbeek and Baiersbronn together have an annual capacity of approximately 245,000 tons of virgin fiber-based board (FBB), which is produced on two cartonboard machines, and employ approximately 400 people.

The closing of the transaction took place in August 2021.

## DIVISIONS

**MM Board & Paper\* (MM Karton)**

Demand on the European cartonboard markets remained characterized by strong order activity during the 1<sup>st</sup> half of 2021. On the one hand, this has been due to a restocking of the supply chain, which was reduced during the pandemic, and on the other hand to securing volumes as a result of increasing delivery times. As a result, the division's average order backlog of 194,000 tons was significantly higher than the comparable figure of the previous year (1<sup>st</sup> half of 2020: 115,000 tons). At 99 % (1<sup>st</sup> half of 2020: 99 %), the division's capacities continued to be almost fully utilized.

As a result of the massive price increase on the procurement markets for many input factors, in particular fibers (recovered paper, pulp), energy, chemicals, packaging materials, and transport, price increases were implemented effective from the 2<sup>nd</sup> quarter of 2021 or mid-year. The reasons for the significant increase in recovered paper prices are mainly the strong demand from the corrugated board industry and from Asia, as well as the decline in volumes of magazine papers and newsprint.

At 831,000 tons and 854,000 tons, respectively, both the volume produced and sold were below the previous year's level (1<sup>st</sup> half of 2020: 877,000 tons and 871,000 tons, respectively). This is in particular attributable to the closure of the small cartonboard machine at the Hirschwang site during the 4<sup>th</sup> quarter of last year. With a sales share of approximately 87 % in Europe and 13 % in markets outside Europe, there was again slightly more sold on European markets (1<sup>st</sup> half of 2020: 85 % and 15 %, respectively).

Sales of EUR 556.6 million were price-related above the comparative figure (1<sup>st</sup> half of 2020: EUR 533.0 million). In contrast, the operating profit declined by 44.3 % to EUR 33.0 million (1<sup>st</sup> half of 2020: EUR 59.2 million), mainly due to the significant rise in direct costs. The operating margin amounted to 5.9 % (1<sup>st</sup> half of 2020: 11.1 %).

**Divisional indicators MM Board & Paper** (according to IFRS for interim financial reporting, unaudited)

(in millions of EUR)	1 <sup>st</sup> - 2 <sup>nd</sup> Quarter		+/-
	Jan. 1 - Jun. 30, 2021	Jan. 1 - Jun. 30, 2020	
Sales <sup>1)</sup>	556.6	533.0	+ 4.4 %
Operating profit	33.0	59.2	- 44.3 %
Operating margin (%)	5.9 %	11.1 %	- 518 bp
Cash flow from operating activities	16.7	52.7	- 68.3 %
Tonnage sold (in thousands of tons)	854	871	- 2.0 %
Tonnage produced (in thousands of tons)	831	877	- 5.3 %

<sup>1)</sup> including interdivisional sales

\*Division name change to MM Board & Paper after completion of the Kwidzyn acquisition and the resulting expansion of the product portfolio to include "Kraft Papers" and "Uncoated Fine Papers".



## MM Packaging

Demand on the European folding carton markets showed an equally positive picture in the 1<sup>st</sup> half of 2021 as for cartonboard. Good sales development resulted from daily consumer goods as well as a recovery of the health, beauty & personal care markets. At the same time, however, all business areas have been affected by a significant increase in input costs such as cartonboard & paper, inks, coatings, and packaging materials. In addition, suppliers are increasingly experiencing supply bottlenecks. Accordingly, the focus was and still is on maintaining material supply and passing on the cost increases to the customers. This was largely done from the middle of the year in accordance with contractual agreements.

In addition, expansion investments in locations with cost advantages and the focus on growth markets such as sustainable, plastic-free packaging were successfully started in Austria, Poland, Romania and Great Britain. On the other hand, necessary structural adjustment measures to increase competitiveness and safeguard the existing business are being continued. In the 2<sup>nd</sup> quarter, this affected in particular the packaging site MM Graphia Bielefeld, for which one-off expenses in the amount of EUR 26.1 million were recorded.

At EUR 791.4 million, sales were close to the prior-year figure of EUR 793.6 million. The good current operating profit was reduced to EUR 59.1 million (1<sup>st</sup> half of 2020: EUR 63.3 million), mainly due to restructuring expenses. The operating margin thus amounted to 7.5 % (1<sup>st</sup> half of 2020: 8.0 %).

Tonnage processed increased from 420,000 tons to 424,000 tons, primarily owing to shifts in the product mix.

### Divisional indicators MM Packaging (according to IFRS for interim financial reporting, unaudited)

(in millions of EUR)	1 <sup>st</sup> - 2 <sup>nd</sup> Quarter		+/-
	Jan. 1 - Jun. 30, 2021	Jan. 1 - Jun. 30, 2020	
Sales <sup>1)</sup>	791.4	793.6	- 0.3 %
Operating profit	59.1	63.3	- 6.6 %
Operating margin (%)	7.5 %	8.0 %	- 50 bp
Cash flow from operating activities	95.6	69.9	+ 36.8 %
Tonnage processed (in thousands of tons)	424	420	+ 0.9 %

<sup>1)</sup> including interdivisional sales

# Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 2 <sup>nd</sup> Quarter	Year-end
		Jun. 30, 2021	Dec. 31, 2020
<b>ASSETS</b>			
Property, plant and equipment	2	936,952	996,472
Intangible assets including goodwill	2	351,561	346,347
Investments accounted for using the equity method, securities and other financial assets		7,581	7,404
Deferred tax assets		41,683	47,700
<b>Non-current assets</b>		<b>1,337,777</b>	<b>1,397,923</b>
Inventories	5	327,639	349,621
Trade receivables		444,336	415,804
Income tax receivables		20,247	12,158
Assets held for sale		147,618	5,230
Prepaid expenses and other current assets		103,390	72,593
Cash and cash equivalents		1,079,459	146,241
<b>Current assets</b>		<b>2,122,689</b>	<b>1,001,647</b>
<b>TOTAL ASSETS</b>		<b>3,460,466</b>	<b>2,399,570</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		1,561,618	1,564,165
Other reserves		(264,379)	(274,477)
<b>Equity attributable to shareholders of the Company</b>		<b>1,549,897</b>	<b>1,542,346</b>
Non-controlling (minority) interests		4,949	4,752
<b>Total equity</b>		<b>1,554,846</b>	<b>1,547,098</b>
Financial liabilities	7	1,191,761	215,511
Provisions for non-current liabilities and charges		123,455	143,001
Deferred tax liabilities		36,229	38,684
<b>Non-current liabilities</b>		<b>1,351,445</b>	<b>397,196</b>
Financial liabilities	7	72,008	52,915
Current tax liabilities		15,264	19,809
Trade liabilities		243,080	220,437
Other liabilities from "Assets held for sale"		38,854	0
Deferred income and other current liabilities		141,481	140,183
Provisions for current liabilities and charges		43,488	21,932
<b>Current liabilities</b>		<b>554,175</b>	<b>455,276</b>
<b>Total liabilities</b>		<b>1,905,620</b>	<b>852,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,460,466</b>	<b>2,399,570</b>

# Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

	Notes	2 <sup>nd</sup> Quarter		1 <sup>st</sup> - 2 <sup>nd</sup> Quarter	
		Apr. 1 - Jun. 30, 2021	Apr. 1 - Jun. 30, 2020	Jan. 1 - Jun. 30, 2021	Jan. 1 - Jun. 30, 2020
(all amounts in thousands of EUR, except per share data)					
Sales	10	648,303	619,817	1,289,575	1,266,457
Cost of sales		(525,436)	(470,634)	(1,012,976)	(949,120)
<b>Gross margin</b>		<b>122,867</b>	<b>149,183</b>	<b>276,599</b>	<b>317,337</b>
Other operating income		7,786	4,663	10,893	9,589
Selling and distribution expenses		(60,405)	(62,477)	(121,214)	(126,080)
Administrative expenses		(39,343)	(33,455)	(74,099)	(78,338)
Other operating expenses		(26)	(14)	(56)	(33)
<b>Operating profit</b>		<b>30,879</b>	<b>57,900</b>	<b>92,123</b>	<b>122,475</b>
Financial income		539	506	1,042	880
Financial expenses		(6,702)	(1,707)	(10,336)	(3,792)
Other financial result – net	8	(364)	(1,849)	114	(1,883)
<b>Profit before tax</b>		<b>24,352</b>	<b>54,850</b>	<b>82,943</b>	<b>117,680</b>
Income tax expense		(6,025)	(15,100)	(20,766)	(32,824)
<b>Profit for the period</b>		<b>18,327</b>	<b>39,750</b>	<b>62,177</b>	<b>84,856</b>
<b>Attributable to:</b>					
Shareholders of the Company		17,953	39,562	61,453	84,541
Non-controlling (minority) interests		374	188	724	315
<b>Profit for the period</b>		<b>18,327</b>	<b>39,750</b>	<b>62,177</b>	<b>84,856</b>
<b>Earnings per share for profit attributable to the shareholders of the Company during the period:</b>					
Earnings per share		0.89	1.98	3.07	4.23

# Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

	2 <sup>nd</sup> Quarter		1 <sup>st</sup> - 2 <sup>nd</sup> Quarter	
	Apr. 1 - Jun. 30, 2021	Apr. 1 - Jun. 30, 2020	Jan. 1 - Jun. 30, 2021	Jan. 1 - Jun. 30, 2020
(all amounts in thousands of EUR)				
<b>Profit for the period</b>	<b>18,327</b>	<b>39,750</b>	<b>62,177</b>	<b>84,856</b>
<b>Other comprehensive income:</b>				
Actuarial valuation of defined benefit pension and severance obligations	(1,365)	(558)	6,934	(344)
Effect of income taxes	1	(228)	(1,300)	(286)
<b>Total of items that will not be reclassified subsequently to the income statement</b>	<b>(1,364)</b>	<b>(786)</b>	<b>5,634</b>	<b>(630)</b>
Foreign currency translations <sup>1)</sup>	(852)	5,562	5,301	(37,439)
Effect of income taxes	(288)	0	(699)	0
<b>Total of items that will be reclassified subsequently to the income statement</b>	<b>(1,140)</b>	<b>5,562</b>	<b>4,602</b>	<b>(37,439)</b>
<b>Other comprehensive income (net)</b>	<b>(2,504)</b>	<b>4,776</b>	<b>10,236</b>	<b>(38,069)</b>
<b>Total comprehensive income</b>	<b>15,823</b>	<b>44,526</b>	<b>72,413</b>	<b>46,787</b>
<b>Attributable to:</b>				
Shareholders of the Company	15,479	44,440	71,551	46,545
Non-controlling (minority) interests	344	86	862	242
<b>Total comprehensive income</b>	<b>15,823</b>	<b>44,526</b>	<b>72,413</b>	<b>46,787</b>

<sup>1)</sup> In the 1<sup>st</sup> half-year of 2021, an amount of thous. EUR -62 (1<sup>st</sup> half of 2020: thous. EUR 0) was reclassified from other comprehensive income to profit for the period.

# Consolidated Statements of Changes in Equity

(according to IFRS for interim financial reporting, unaudited)

	Equity attributable to shareholders of the Company						Total	Non-controlling (minority) interests	Total equity
	Share capital	Additional paid-in capital	Retained earnings	Other comprehensive income					
(all amounts in thousands of EUR) Notes				Foreign currency translations	Actuarial gains and losses	Other reserves			
<b>Balance at January 1, 2021</b>	<b>80,000</b>	<b>172,658</b>	<b>1,564,165</b>	<b>(207,173)</b>	<b>(67,304)</b>	<b>(274,477)</b>	<b>1,542,346</b>	<b>4,752</b>	<b>1,547,098</b>
Profit for the period	0	0	61,453	0	0	0	61,453	724	62,177
Other comprehensive income	0	0	0	4,454	5,644	10,098	10,098	138	10,236
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>61,453</b>	<b>4,454</b>	<b>5,644</b>	<b>10,098</b>	<b>71,551</b>	<b>862</b>	<b>72,413</b>
<b>Transactions with shareholders:</b>									
Dividends paid <sup>6</sup>	0	0	(64,000)	0	0	0	(64,000)	(665)	(64,665)
Change in majority interests	0	0	0	0	0	0	0	0	0
<b>Balance at June 30, 2021</b>	<b>80,000</b>	<b>172,658</b>	<b>1,561,618</b>	<b>(202,719)</b>	<b>(61,660)</b>	<b>(264,379)</b>	<b>1,549,897</b>	<b>4,949</b>	<b>1,554,846</b>
<b>Balance at January 1, 2020</b>	<b>80,000</b>	<b>172,658</b>	<b>1,466,884</b>	<b>(150,580)</b>	<b>(65,928)</b>	<b>(216,508)</b>	<b>1,503,034</b>	<b>5,275</b>	<b>1,508,309</b>
Profit for the period	0	0	84,541	0	0	0	84,541	315	84,856
Other comprehensive income	0	0	0	(37,365)	(631)	(37,996)	(37,996)	(73)	(38,069)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>84,541</b>	<b>(37,365)</b>	<b>(631)</b>	<b>(37,996)</b>	<b>46,545</b>	<b>242</b>	<b>46,787</b>
<b>Transactions with shareholders:</b>									
Dividends paid <sup>6</sup>	0	0	(64,000)	0	0	0	(64,000)	(247)	(64,247)
Change in majority interests	0	0	0	0	0	0	0	0	0
<b>Balance at June 30, 2020</b>	<b>80,000</b>	<b>172,658</b>	<b>1,487,425</b>	<b>(187,945)</b>	<b>(66,559)</b>	<b>(254,504)</b>	<b>1,485,579</b>	<b>5,270</b>	<b>1,490,849</b>

# Consolidated Cash Flow Statements

(condensed version according to IFRS for interim financial reporting, unaudited)

	Notes	1 <sup>st</sup> - 2 <sup>nd</sup> Quarter	
		Jan. 1 - Jun. 30, 2021	Jan. 1 - Jun. 30, 2020
(all amounts in thousands of EUR)			
Profit for the period		62,177	84,856
Adjustments to reconcile profit for the period to net cash from operating activities excluding interest and taxes paid		85,980	118,666
<b>Net cash from profit</b>		<b>148,157</b>	<b>203,522</b>
Changes in working capital		(4,500)	(46,640)
<b>Cash flow from operating activities excluding interest and taxes paid</b>		<b>143,657</b>	<b>156,882</b>
Income taxes paid		(31,349)	(34,325)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>112,308</b>	<b>122,557</b>
Payments for property, plant and equipment, and intangible assets (incl. payments on account)		(114,190)	(65,669)
Other items		7,959	8,802
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(106,231)</b>	<b>(56,867)</b>
Change in financial liabilities		993,950	(16,245)
Dividends paid to the shareholders of the Company	6	(64,000)	(64,000)
Other items		(4,482)	(2,625)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>925,468</b>	<b>(82,870)</b>
Effect of exchange rate changes on cash and cash equivalents		1,673	(3,139)
<b>Change in cash and cash equivalents</b>		<b>933,218</b>	<b>(20,319)</b>
<b>Cash and cash equivalents at the beginning of the period (according to the consolidated balance sheet)</b>		<b>146,241</b>	<b>126,807</b>
<b>Cash and cash equivalents at the end of the period (according to the consolidated balance sheet)</b>		<b>1,079,459</b>	<b>106,488</b>

# Notes to the Consolidated Half-year Financial Statements

## 1 — PRINCIPLES OF PREPARING THE CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

### a — General

These condensed consolidated half-year financial statements and notes thereto of Mayr-Melnhof Karton AG and its controlled subsidiaries have been prepared in accordance with IFRS for interim financial reporting (IAS 34) as adopted by the European Union and were neither voluntarily audited nor reviewed by an auditor. The condensed consolidated half-year financial statements do not include all obligatory information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's annual financial statements as of December 31, 2020.

The present condensed consolidated half-year financial statements have been prepared using the same accounting principles as for the consolidated financial statements as of December 31, 2020, except the below mentioned revised accounting regulations.

The business performance of Mayr-Melnhof Karton AG is generally not affected by any significant seasonal effects. Information regarding the cyclical influences on the business activity of the Group can be found in the presentation of the divisions in the half-year management report on page 8f.

After completion of the acquisition in Kwidzyn (Note 11) in the 3<sup>rd</sup> quarter, the division "MM Karton" is renamed "MM Board & Paper". In these notes to the consolidated financial statements the new name of the division is used throughout.

### b — New accounting regulations

As of January 1, 2021, the following revised accounting regulations are applicable.

Revised Standards	Content	Effective
IFRS 4	Extension of the temporary exemption from applying IFRS 9	Jan. 1, 2021
IFRS 9/IAS 39/IFRS 7/ IFRS 4/IFRS 16	Interest Rate Benchmark Reform – Phase 2	Jan. 1, 2021
IFRS 16	Leases: Covid-19-Related Rent Concessions	Jun. 1, 2020

If applicable, the effective regulations were applied in the present condensed consolidated half-year financial statements. However, this has not had any significant impact on the presentation of the Group's financial situation and profitability.

## 2 — DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 105,716 (1<sup>st</sup> half of 2020: thous. EUR 56,442) on acquiring property, plant and equipment and intangible assets in the 1<sup>st</sup> half-year of 2021. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 2,771 (1<sup>st</sup> half of 2020: thous. EUR 1,086).

Depreciation and amortization on property, plant and equipment and intangible assets amounted to thous. EUR 63,356 (1<sup>st</sup> half of 2020: thous. EUR 89,179).

Net book values of property, plant and equipment and intangible assets including goodwill are composed as follows:

	<b>End of 2<sup>nd</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Jun. 30, 2021</b>	<b>Dec. 31, 2020</b>
Lands, similar land rights and buildings	338,835	354,500
Technical equipment and machines	470,766	525,881
Other equipment, fixtures and fittings	37,450	42,746
Construction in progress	89,901	73,345
<b>Property, plant and equipment</b>	<b>936,952</b>	<b>996,472</b>

  

	<b>End of 2<sup>nd</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Jun. 30, 2021</b>	<b>Dec. 31, 2020</b>
Concessions, licenses and similar rights	17,593	9,650
Goodwill	234,445	234,468
Customer relationships and other intangible assets	99,523	102,229
<b>Intangible assets including goodwill</b>	<b>351,561</b>	<b>346,347</b>

A list of non-current assets of the cartonboard mills Mayr-Melnhof Eerbeek B.V., Netherlands, and Baiersbronn Frischfaser Karton GmbH, Germany, which were reclassified to the position "Assets held for sale" as of June 30, 2021, can be found in note 11.

### Impairment of non-current assets

A recoverability evaluation of non-current assets is performed as soon as events have occurred or circumstances have changed, indicating that the carrying amount of an asset or a group of assets could exceed its recoverable amount. In such a case, the carrying amount of the asset or the group of assets is compared to the higher of fair value less costs to sell or its present value of estimated future cash flows from use of the asset.

The Group performed its impairment test as of June 30, 2021, on the basis of which no impairment was identified.

However, as of June 30, 2020, future cash flow forecasts for individual cash generating units had to be adjusted due to the challenging economic conditions and individual temporary plant shutdowns. In addition, a group of separable assets at the Frohnleiten cartonboard mill were subjected to an impairment test. In order to determine the impairment loss, the respective recoverable amount of the tested unit was determined and compared to the carrying amounts.

Based on these new assumptions and estimates in conjunction with increased weighted average cost of capital (WACC), impairment losses of thous. EUR 20,934 were recorded in the first half-year of 2020. More detailed information on this can be found in the Annual Report 2020.

### 3 — PURCHASE COMMITMENTS

As of June 30, 2021 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 132,485 (December 31, 2020: thous. EUR 169,987).

### 4 — FINANCIAL INSTRUMENTS DISCLOSURES

#### Measurement at fair value

The amounts of financial assets and financial liabilities which are recognized at fair value are as follows:

(all amounts in thousands of EUR)	End of 2 <sup>nd</sup> Quarter	Year-end
	Jun. 30, 2021	Dec. 31, 2020
<b>Financial assets:</b>		
Derivative financial instruments (Level 2)	1,267	2,663
Securities (Level 1)	369	371
<b>Financial liabilities:</b>		
Derivative financial instruments (Level 2)	992	2,625



### Measurement methods

The Group applies the following hierarchy to determine the measurement method and to identify the fair value of financial instruments, depending on the availability of information about market prices:

Availability of information, sorted by level	Measurement method used
Level 1 – Quoted market prices are available	Measurement based on quoted market prices for identical financial instruments
Level 2 – Quoted market prices for identical instruments are not available but all required measurement parameters can be derived from active markets	Measurement based on valuation method by applying directly or indirectly observable market data

The fair value of securities (Level 1 measurement) is based on the quoted price on the active market.

The fair value of derivative financial instruments (Level 2 measurement) is mostly determined on the basis of spot prices as of the balance sheet date, taking into account forward premiums or discounts with relevant maturity.

In general, there are also financial instruments measured at fair value based on parameters for which no observable market data exist (Level 3 measurement). There are currently no financial instruments for which this measurement method would be applicable in the Group.

## 5 — INVENTORIES

In the 1<sup>st</sup> half-year of 2021, the write-downs of inventories recognized as an expense amounted to thous. EUR 4,504 (1<sup>st</sup> half of 2020: thous. EUR 7,021), the reversal of write-downs of inventories recognized as income amounted to thous. EUR 728 (1<sup>st</sup> half of 2020: thous. EUR 544), both under cost of sales.

## 6 — EQUITY

### Dividend

By the 27<sup>th</sup> Ordinary Shareholder's Meeting, a dividend of EUR 3.20 per voting share was resolved for the year 2020 after EUR 3.20 for 2019, which was due on May 12, 2021. On schedule a total of thous. EUR 64,000 (previous year: thous. EUR 64,000) was distributed to the shareholders.

Furthermore, the Management Board is authorized to repurchase own shares up to 10 % of the Group's share capital, which remains valid until October 24, 2021. As of June 30, 2021, the Management Board has made no use of this authorization.

## 7 — FINANCIAL LIABILITIES AND LEASES

Financial liabilities of the Group are as follows:

(all amounts in thousands of EUR)	<b>End of 2<sup>nd</sup> Quarter</b>	<b>Year-end</b>
	<b>Jun. 30, 2021</b>	<b>Dec. 31, 2020</b>
Non-current interest-bearing financial liabilities	1,154,171	175,949
Non-current lease liabilities	37,590	39,562
<b>Non-current financial liabilities</b>	<b>1,191,761</b>	<b>215,511</b>
Current interest-bearing financial liabilities	65,578	45,843
Current lease liabilities	6,430	7,072
<b>Current financial liabilities</b>	<b>72,008</b>	<b>52,915</b>
<b>Financial liabilities</b>	<b>1,263,769</b>	<b>268,426</b>

In order to finance the acquisitions, Mayr-Melnhof Karton AG raised loans in the 1<sup>st</sup> quarter of 2021 in the form of Schuldscheinen and Namensschuldverschreibungen in the amount of thous. EUR 1,000,000.

## 8 — OTHER FINANCIAL RESULT – NET

(all amounts in thousands of EUR)	<b>1<sup>st</sup> - 2<sup>nd</sup> Quarter</b>	
	<b>Jan. 1 - Jun. 30, 2021</b>	<b>Jan. 1 - Jun. 30, 2020</b>
Net interest cost from benefit obligations	(660)	(756)
Dividend income	554	302
Result from investments accounted for using the equity method	107	31
Foreign currency exchange rate gains (losses) - net	23	(1,543)
Income from securities	0	2
Other financial income	90	81
<b>Other financial result – net</b>	<b>114</b>	<b>(1,883)</b>

## 9 — DISCLOSURES ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 2,502 were purchased from other related companies in the 1<sup>st</sup> half-year of 2021 (1<sup>st</sup> half of 2020: thous. EUR 2,974). As of June 30, 2021, trade liabilities with other related companies amounted to thous. EUR 695 (December 31, 2020: thous. EUR 810).

In the 1<sup>st</sup> half-year of 2021 sales from transactions with associated companies amounted to thous. EUR 304 (1<sup>st</sup> half of 2020: thous. EUR 657). As of June 30, 2021, trade and other receivables with associated companies amounted to thous. EUR 192 (December 31, 2020: thous. EUR 312). There were no trade payables either as of June 30, 2021 or as of December 31, 2020.

The cost of raw materials purchased from joint ventures amounted to thous. EUR 674 in the 1<sup>st</sup> half-year of 2021 (1<sup>st</sup> half of 2020: thous. EUR 457). As of June 30, 2021, trade liabilities with joint ventures amounted to thous. EUR 106 (December 31, 2020: thous. EUR 0).

Transactions with these companies are carried out on an arm's length basis.

Key management personnel of the Group (active Management Board and Supervisory Board members of Mayr-Melnhof Karton AG) and their close relatives are considered as related parties.

Expenses for consulting services rendered by two members of the Supervisory Board amounted to thous. EUR 86 in the 1<sup>st</sup> half-year of 2021 (1<sup>st</sup> half of 2020: thous. EUR 116). As of June 30, 2021, liabilities of thous. EUR 30 (December 31, 2020: thous. EUR 41) were recognized in this context. Standard market rates were charged for these consulting services.

## 10 — SEGMENT REPORTING INFORMATION

The Group measures the performance of its operating segments through the assessment of operating profit and profit for the period, as they are presented in the consolidated income statements.

The Group's operating segments can be illustrated as follows:

(all amounts in thousands of EUR)	1 <sup>st</sup> - 2 <sup>nd</sup> Quarter 2021			
	MM Board & Paper	MM Packaging	Eliminations	Consolidated
Sales to external customers	498,410	791,165	0	1,289,575
Intersegment sales	58,140	271	(58,411)	0
<b>Total sales</b>	<b>556,550</b>	<b>791,436</b>	<b>(58,411)</b>	<b>1,289,575</b>
Operating profit	32,954	59,169	0	92,123
Profit for the period	18,302	43,875	0	62,177
Segment assets <sup>1)</sup>	2,229,172	1,519,691	(288,397)	3,460,466
Segment liabilities <sup>1)</sup>	1,391,426	802,591	(288,397)	1,905,620

<sup>1)</sup> as of June 30, 2021

(all amounts in thousands of EUR)	1 <sup>st</sup> - 2 <sup>nd</sup> Quarter 2020			
	MM Board & Paper	MM Packaging	Eliminations	Consolidated
Sales to external customers	473,076	793,381	0	1,266,457
Intersegment sales	59,957	176	(60,133)	0
<b>Total sales</b>	<b>533,033</b>	<b>793,557</b>	<b>(60,133)</b>	<b>1,266,457</b>
Operating profit	59,149	63,326	0	122,475
Profit for the period	41,520	43,336	0	84,856
Segment assets <sup>1)</sup>	1,218,682	1,421,188	(240,300)	2,399,570
Segment liabilities <sup>1)</sup>	378,009	714,763	(240,300)	852,472

<sup>1)</sup> as of December 31, 2020

In the 1<sup>st</sup> half-year of 2021, one-off expenses in the amount of thous. EUR 26,078 were recognized for restructuring measures at the MM Graphia Bielefeld site.

In the 1<sup>st</sup> half-year of 2020, impairment losses of thous. EUR 20,934 were recorded, of which thous. EUR 13,151 were attributable to the MM Board & Paper division and thous. EUR 7,783 to the MM Packaging division. As a result of the termination agreement with the former CEO, a total of thous. EUR 8,575 was booked in administrative expenses in equal shares in the divisions.

The operating profit and profit for the period in the total column "consolidated" correspond to the consolidated income statements. The reconciliation from operating profit to profit for the period can therefore be derived from the consolidated income statements.

Revenues from manufacturing and selling products are recognized at a point in time based on the agreed individual terms of delivery.

## 11 — SIGNIFICANT SUBSEQUENT EVENTS

In August 2021, the division MM Board & Paper acquired 100 % of the shares in Kotkamills Group Oyj ("Kotkamills"), located in Finland. MM Kotkamills operates the most modern virgin fiber board machine in Europe (built 2016) as well as a Saturating Kraft Paper machine with a capacity of 170,000 tons and a sawmill. The mill employs around 500 people and generated sales of approximately EUR 380 million in 2020.

The acquisition strengthens MM's position in the virgin fiber-based board market (FBB) with an attractive range of barrier board solutions that can replace PE (polyethylene)-coated board. In addition, MM enters the growing market for cartonboard for paper cups (cupstock). The acquisition complements MM's established market position in recycled cartonboard. Furthermore, MM diversifies its product offering with Saturating Kraft Paper, in which Kotkamills is one of the leading producers worldwide. The medium-term goal is to increase the sales volume to the capacity of approximately 400,000 tons of cartonboard per year and to exploit synergy potential.

The closing of the acquisition was completed on August 02, 2021. The purchase price paid in cash amounts to thous. EUR 203,097 and was financed by issuing Schuldschein loans and Namensschuldverschreibungen. As far as the guarantees given by the sellers prove to be correct in amount, the purchase price will not change.

Furthermore, MM repaid a loan in the amount of thous. EUR 28,621 for Kotkamills on the closing date. In addition, the loans of the previous shareholders (in total thous. EUR 164,987) were taken over by MM.

The business combination will be included in the consolidated financial statements in the 3<sup>rd</sup> quarter of 2021. The effects of the acquisition of control on the Group's financial situation and profitability are generally dependent on the results of the purchase price allocation and the associated fair value measurement of the assets and liabilities of Kotkamills. The purchase price allocation was started immediately after the closing of the acquisition, is currently in the initial phase and will take some time due to the complexity and large amount of information required. The focus of the fair value measurement is on property, plant and equipment, inventories, provisions and order backlog, as well as the identification of intangible assets, whereby from today's perspective the recognition of a customer relationship is probable. Due to the synergies described above, the transaction is also expected to result in a goodwill. Owing to the still short period of time since the start of the purchase price allocation, the quantitative information on the fair values of individual assets and liabilities required in principle by IAS 34 in conjunction with IFRS 3 is not yet available, so that use has been made of the exemption rule in IFRS 3.B66.

In August 2021, the division MM Board & Paper acquired 100 % of the shares in International Paper (Poland) Holding sp. z.o.o ("Kwidzyn") from International Paper. At the integrated pulp and paper site in Poland, Kwidzyn operates a pulp mill with an annual capacity of approximately 400,000 tons and four integrated cartonboard/paper machines. The flagship is a virgin fiber-based board machine with a capacity of 260,000 tons p.a.. In addition, MM Kwidzyn has entered the market for MF kraft paper with a paper machine to meet the growing demand for flexible fiber-based packaging products with an annual capacity of 75,000 tons. Furthermore, Kwidzyn operates two of the most attractive copy paper machines (UWF) in Europe with a total annual capacity of 410,000 tons. The mill employs approximately 2,300 people. In 2020, adjusted EBITDA was around EUR 92 million by sales of around EUR 510 million.

The acquisitions will strengthen MM Board & Paper's competitive position in the attractive market for high-quality virgin fiber-based cartonboard with innovative, sustainable qualities as well as more efficiency compared to the two market leaders and complement the established market position in recycled fiber-based cartonboard. The entry into new business areas and the integration of pulp and paper at one site additionally create new perspectives. The aim is also to use the advantageous cost position for further growth in FBB or other packaging grades and to exploit synergy potential.

The closing of the acquisition was completed on August 06, 2021. The preliminary purchase price paid in cash amounts to thous. EUR 668,958 and was financed by committed credit lines from banks and the issuance of Schuldschein loans and Namensschuldverschreibungen. In addition to a fixed base amount, the calculation is based on the preliminary net financial liabilities and the preliminary net current assets. The contracting parties are obliged to make a final settlement on the basis of the final values of net financial liabilities and net current assets, which may still result in an adjustment of the purchase price.

The business combination will be included in the consolidated financial statements in the 3<sup>rd</sup> quarter of 2021. The effects of the acquisition of control on the Group's financial situation and profitability depend in principle on the results of the purchase price allocation and the associated fair value measurement of the assets and liabilities of Kwidzyn. The purchase price allocation was started immediately after the closing of the acquisition, is currently in the initial phase and will take some time due to the complexity and large amount of information required. The focus of the fair value measurement is on property, plant and equipment, inventories, leases, provisions and order backlog as well as the identification of intangible assets, whereby from today's perspective the recognition of a customer relationships is probable. Due to the synergies described above, the transaction is also expected to result in a goodwill. As the accounting has been done according to US-GAAP so far, a conversion to IFRS is currently taking place. Due to this conversion and the still short period of time since the start of the purchase price allocation, the quantitative information on the fair values of individual assets and liabilities required in principle by IAS 34 in conjunction with IFRS 3 is not yet available, so that use has been made of the exemption rule in IFRS 3.B66.

In order to finance the acquisitions, Mayr-Melnhof Karton AG raised loans in the 1<sup>st</sup> quarter of 2021 in the form of Schuldscheinen and Namensschuldverschreibungen in the amount of thous. EUR 1,000,000.

In August 2021, the division MM Board & Paper sold 100 % of the shares in the virgin fiber-based cartonboard mills Mayr-Melnhof Eerbeek B.V., Netherlands, and Baiersbronn Frischfaser Karton GmbH, Germany, to a subsidiary of funds managed by Oaktree Capital Management, L.P. for a preliminary purchase price of thous. EUR 112,565. In addition, the buyer settled the existing intercompany loan and cash pool liabilities in the amount of thous. EUR 41,749 to MM. In the case of the German mill, a final settlement of the profit and loss transfer agreement, which still existed during the inclusion into the Group, will be made subsequent to the closing, therefore the purchase price is not final yet. The sale is in line with MM's strategy to focus on new acquisitions and growth investments. The Eerbeek and Baiersbronn mills together have an annual capacity of approximately 245,000 tons of virgin fiber-based cartonboard produced on two cartonboard machines and employ around 400 people. In 2020, sales of approximately EUR 195 million were generated.

In the financial year 2021, a total income before taxes in a range of EUR 45 to 55 million is expected from these company disposals. The exact value depends on the one hand on the final purchase price and on the other hand on the determination of the carrying amounts of the assets and liabilities to be deconsolidated.

As of June 30, 2021, the Group has made the following reclassifications to the positions "Assets held for sale" and "Other liabilities from 'assets held for sale'" in connection with the sale of the two mills:

	<b>End of 2<sup>nd</sup> Quarter</b>
(all amounts in thousands of EUR)	<b>Jun. 30, 2021</b>
Property, plant and equipment and intangible assets	78,049
Deferred tax assets	3,504
Inventories	25,797
Trade receivables	21,550
Prepaid expenses and other current assets	3,609
Cash and cash equivalents	350
<b>Total reclassification in "Assets held for sale"</b>	<b>132,859</b>
Financial liabilities (Leases)	1,232
Provisions for non-current liabilities and charges	10,100
Deferred tax liabilities	31
Trade liabilities	15,190
Deferred income and other current liabilities	12,301
<b>Total reclassification in "Other liabilities from 'Assets held for sale'"</b>	<b>38,854</b>

After the closure of a rotogravure printing line at the Bielefeld site was already planned in the 4<sup>th</sup> quarter of 2020, the division MM Packaging now intends to completely close down the site in Bielefeld at MM Graphia Bielefeld GmbH due to necessary market-related structural adjustment measures. This mainly results in expenses for write-downs of inventories and for the social plan, which weigh on the consolidated profit before tax in the amount of thous. EUR 26,078. Furthermore, carrying amounts of thous. EUR 9,426 were reclassified to the position "Assets held for sale".

# Statement of the Management Board

according to section 125 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year as well as of the major related party transactions to be disclosed.

Vienna, August 18, 2021

## **The Management Board**

Peter Oswald m. p.  
Chairman of the Management Board

Andreas Blaschke m. p.  
Member of the Management Board

Franz Hiesinger m. p.  
Member of the Management Board



# Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

## MAYR-MELNHOF GROUP

(consolidated, in millions of EUR)	1 <sup>st</sup> Quarter 2020	2 <sup>nd</sup> Quarter 2020	3 <sup>rd</sup> Quarter 2020	4 <sup>th</sup> Quarter 2020	1 <sup>st</sup> Quarter 2021	2 <sup>nd</sup> Quarter 2021
Sales	646.6	619.9	637.0	624.9	641.3	648.3
EBITDA	98.9	112.8	95.4	91.8	92.7	62.8
Operating profit	64.6	57.9	46.8	62.1	61.2	30.9
Operating margin (%)	10.0 %	9.3 %	7.3 %	9.9 %	9.6 %	4.8 %
Profit before tax	62.8	54.9	42.9	61.5	58.6	24.3
Income tax expense	(17.7)	(15.1)	(11.5)	(15.6)	(14.7)	(6.0)
Profit for the period	45.1	39.8	31.4	45.9	43.9	18.3
Net profit margin (%)	7.0 %	6.4 %	4.9 %	7.4 %	6.8 %	2.8 %
Earnings per share (in EUR)	2.25	1.98	1.55	2.28	2.18	0.89
Cash flow from operating activities	84.5	38.1	101.1	94.5	77.8	34.5

## DIVISIONS

### MM Board & Paper\* (MM Karton)

(in millions of EUR)	1 <sup>st</sup> Quarter 2020	2 <sup>nd</sup> Quarter 2020	3 <sup>rd</sup> Quarter 2020	4 <sup>th</sup> Quarter 2020	1 <sup>st</sup> Quarter 2021	2 <sup>nd</sup> Quarter 2021
Sales <sup>1)</sup>	273.5	259.5	264.4	253.4	271.4	285.2
Operating profit	34.1	25.1	9.2	18.3	19.8	13.2
Operating margin (%)	12.5 %	9.6 %	3.5 %	7.2 %	7.3 %	4.6 %
Cash flow from operating activities	30.4	22.3	45.5	28.1	14.3	2.4
Tonnage sold (in thousands of tons)	444	427	423	410	432	422
Tonnage produced (in thousands of tons)	435	442	421	412	410	421

<sup>1)</sup> including interdivisional sales

### MM Packaging

(in millions of EUR)	1 <sup>st</sup> Quarter 2020	2 <sup>nd</sup> Quarter 2020	3 <sup>rd</sup> Quarter 2020	4 <sup>th</sup> Quarter 2020	1 <sup>st</sup> Quarter 2021	2 <sup>nd</sup> Quarter 2021
Sales <sup>1)</sup>	401.7	391.9	401.9	398.7	399.3	392.1
Operating profit	30.5	32.8	37.6	43.8	41.4	17.7
Operating margin (%)	7.6 %	8.4 %	9.3 %	11.0 %	10.4 %	4.5 %
Cash flow from operating activities	54.1	15.8	55.6	66.4	63.5	32.1
Tonnage processed (in thousands of tons)	209	211	215	212	216	208

<sup>1)</sup> including interdivisional sales

\*Division name change to MM Board & Paper after completion of the Kwidzyn acquisition and the resulting expansion of the product portfolio to include "Kraft Papers" and "Uncoated Fine Papers".

# MM Shares

## Relative performance of MM shares 2021 (December 30, 2020 = 100)



Share price (closing price)	
as of August 16, 2021	182.00
2021 High	183.80
2021 Low	162.20
Stock performance (Year-end 2020 until August 16, 2021)	+ 10.30 %
Number of shares issued	20 million
Market capitalization as of August 16, 2021 (in millions of EUR)	3,640
Trading volume (average per day 1 <sup>st</sup> HY 2021 in millions of EUR)	2.86

We have prepared this report and reviewed the figures with the greatest possible care. Nevertheless, rounding, typographical and printing errors cannot be excluded. The aggregation of rounded amounts and percentages may result in rounding differences due to the use of automated computational aids. This report also contains forward-looking estimates and statements based on the information currently available to us. Please note that a wide variety of factors could cause actual circumstances – and hence actual results – to deviate from the expectations contained in this report.

The determination of key indicators, which cannot be reconciled directly from the quarterly financial report, can be found on our website under section “For Investors/Key Indicators”.

Statements referring to people are valid for both men and women.

This interim report is also available in German. In case of doubt, the German version takes precedence.

# Financial Calendar 2021/2022

November 16, 2021	Results for the first three quarters of 2021
March 15, 2022	Financial results for 2021
April 17, 2022	Record date "Ordinary Shareholders' Meeting"
April 26, 2022	Results for the 1 <sup>st</sup> quarter of 2022
April 27, 2022	28 <sup>th</sup> Ordinary Shareholders' Meeting – Vienna
May 3, 2022	Ex-dividend day
May 4, 2022	Record date "Dividends"
May 11, 2022	Dividend payment date
August 11, 2022	Results for the 1 <sup>st</sup> half-year of 2022
November 3, 2022	Results for the first three quarters of 2022

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