

Progroup Performance Presentation

31 March / First Quarter 2016



Introduction Disclaimer

Important information

The unaudited consolidated financial information of Progroup AG (“Progroup”) as at and for the period ended 31 March 2016 included in this presentation, has been prepared in accordance with generally accepted accounting principles (*Grundsätze ordnungsgemässer Buchführung*) in the Federal Republic of Germany as in effect from time to time (“German GAAP”), which differ in certain respects from International Financial Reporting Standards as adopted by the European Union. Certain numerical figures included in this report have been rounded. Discrepancies or apparent inconsistencies between different amounts included in this presentation may occur due to such rounding.

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In this presentation, we present certain non-GAAP measures and ratios, including EBITDA, EBITDA margin, EBIT, free cash flow, net financial debt, leverage and certain other financial data that are not required by, or presented in accordance with, German GAAP. Our management believes that the presentation of these non-GAAP measures is helpful for investors because these and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and financial position. However, you should not construe these non-GAAP measures as an alternative to net income determined in accordance with German GAAP or to cash flows from operating activities, investing activities or financing activities. In addition, the non-GAAP measures and ratios, including EBITDA, EBITDA margin, EBIT, free cash flow, net financial debt and leverage presented by us may not be comparable to similarly titled measures used by other companies.

Agenda

1. **Progroup AG**
 - **Highlights 31/03 / Q1 2016**
 - **Financial Performance**
 - **Summary & Outlook**
2. **JH-Holding GmbH**
 - **Overview**
 - **Group Figures**

Highlights

31 March / First Quarter 2016

Further strong performance



- EBITDA increased by 57.4% to €51.5 mn in Q1, primarily as a result of the strong sales performance and effects from the integration of the CHP
- EBITDA margin reached 27.2% in Q1 (continues to exceed the long-term average)
- Integration of our containerboard and corrugated board businesses reached a new all-time high at 71% in Q1
- Total sales reached a new peak at €189.5 mn in Q1
- Free cash flow reached €38.0 mn in Q1
- Net financial debt at €488.4 mn (2.8 x LTM EBITDA)

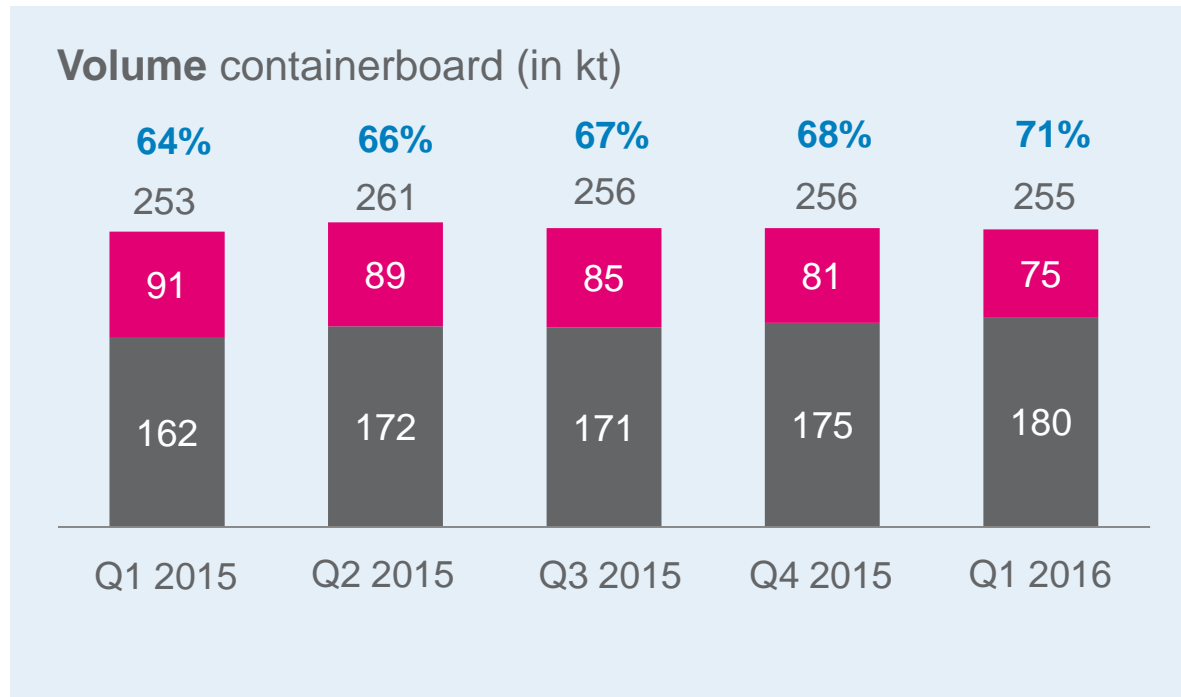
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Financial Performance

Quarterly view

Increasing integration



Development

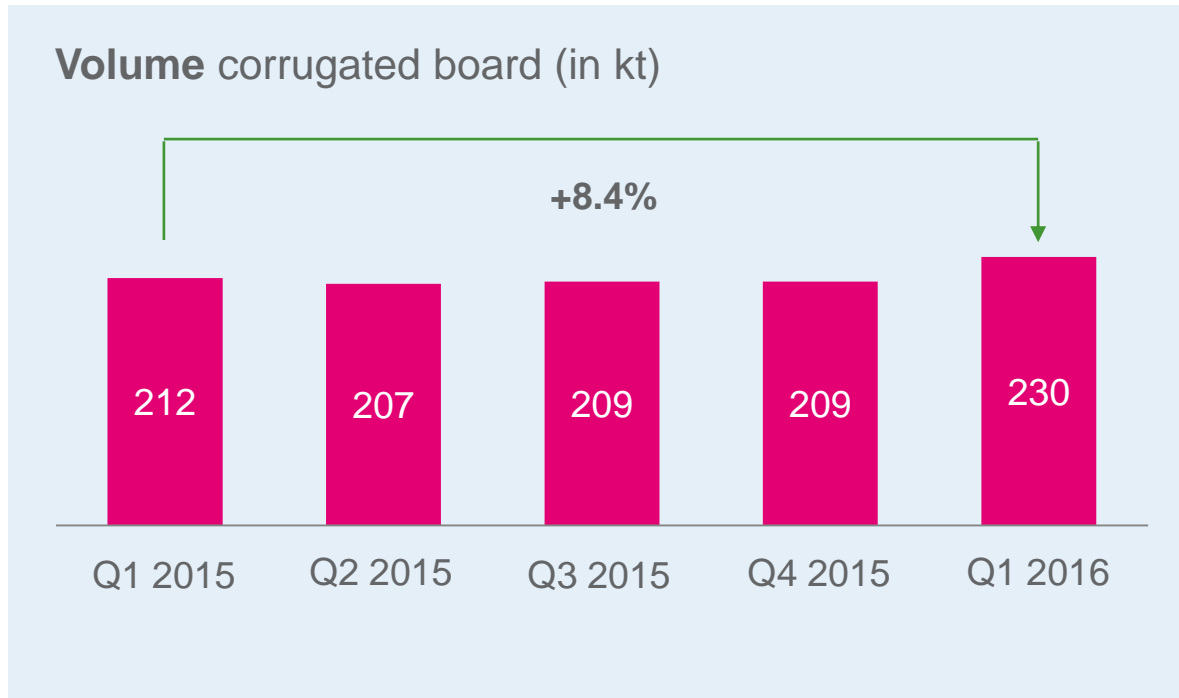
continuously increasing
grade of integration

■ Integration (%) ■ Internal volume ■ External volume

Financial Performance

Quarterly view

Volume growth

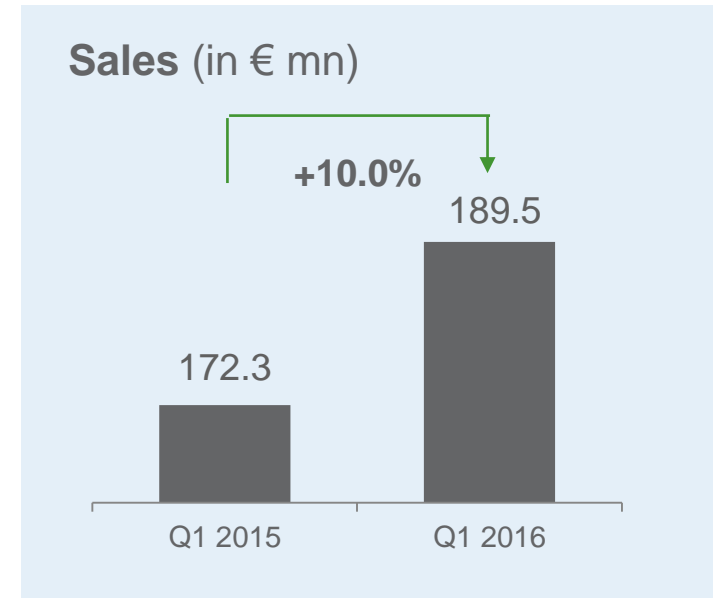
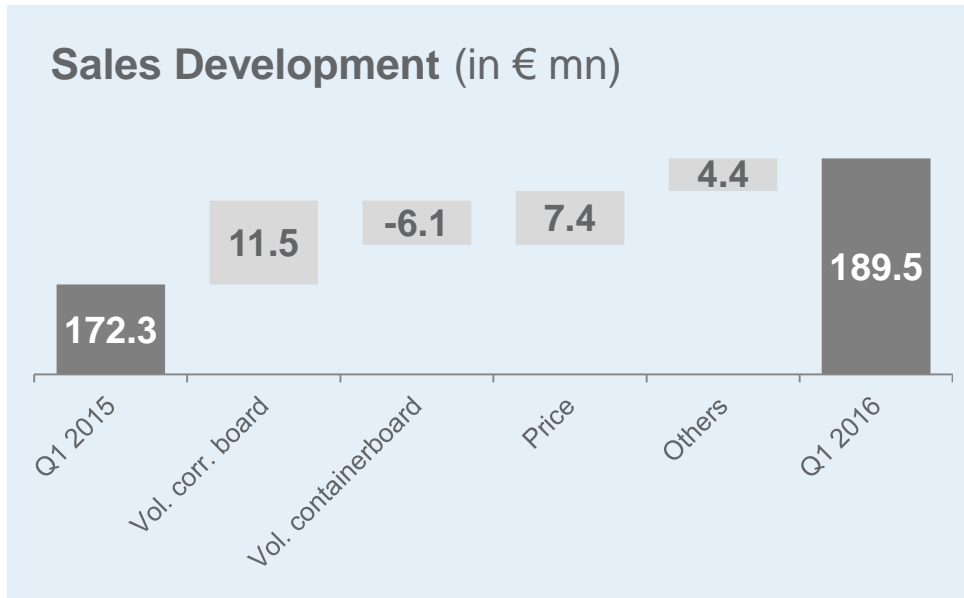


Development

Strong growth in Q1 2016

Financial Performance 31 March / First Quarter 2016

Strong sales growth

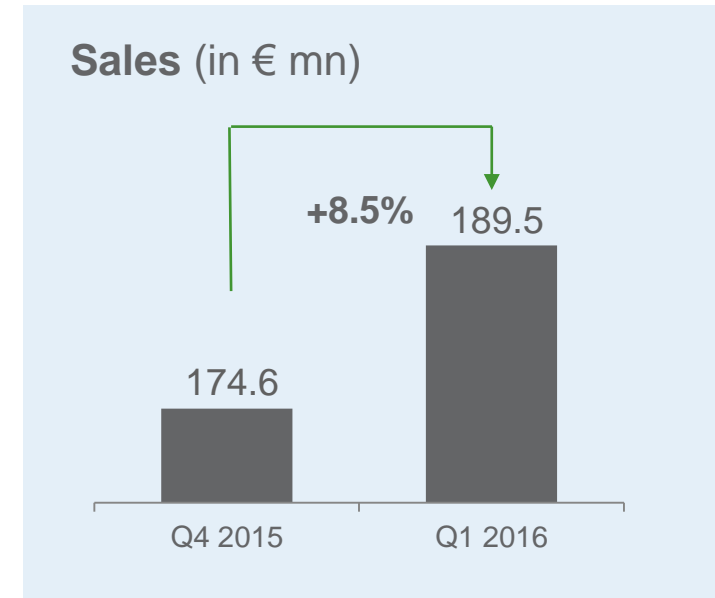
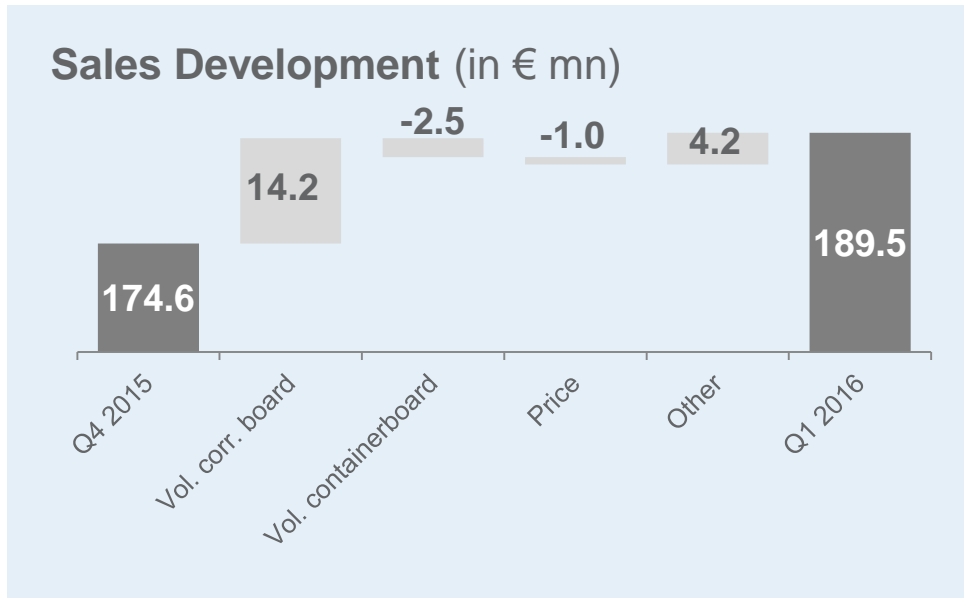


External sales growth

Driven by volume growth of corrugated board and improved price level

Financial Performance Fourth Quarter 2015 / First Quarter 2016

Strong sales growth

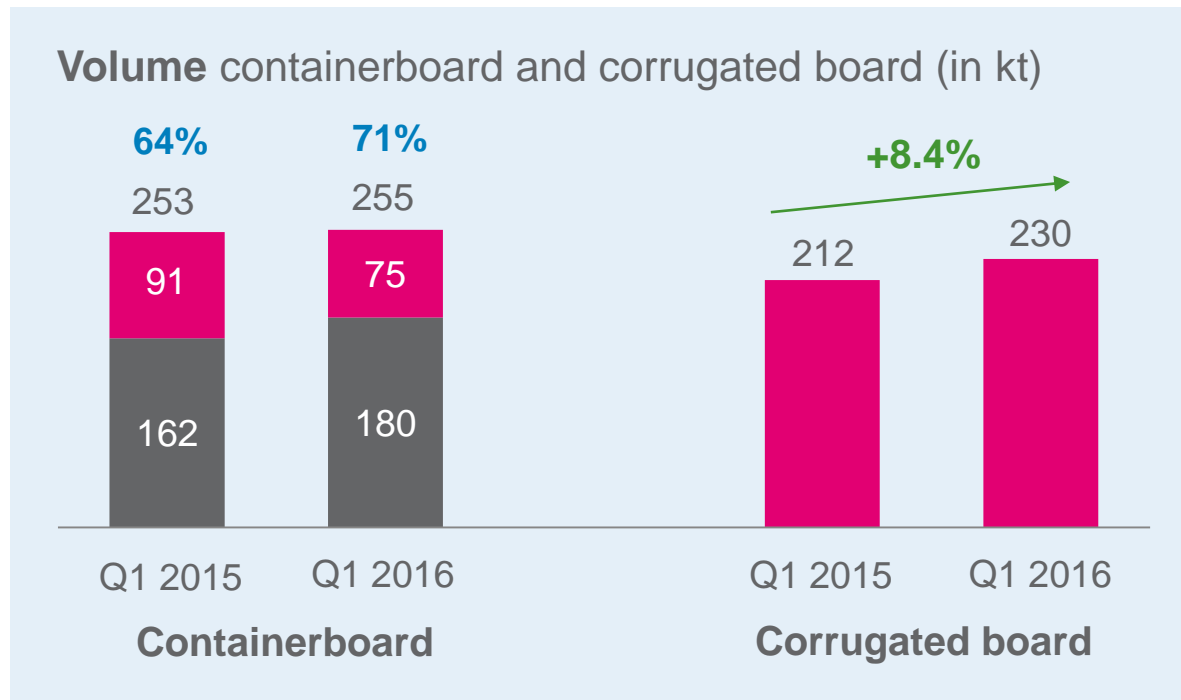


External sales growth

Driven by volume growth

Financial Performance 31 March / First Quarter 2016

Corrugated board with significant volume expansion



Corrugated board

Strong growth in sales volume of Progroup's main external sales driver

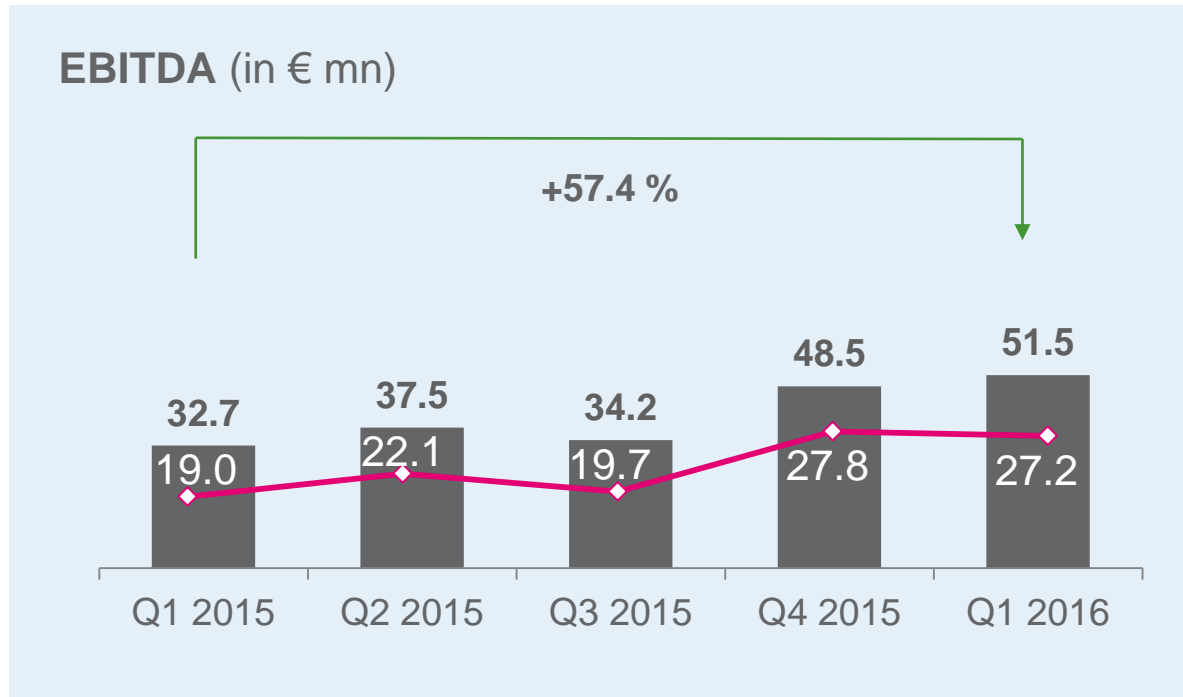
Containerboard

Corresponding increase in internal sales volume

■ Integration (%) ■ Internal volume ■ External volume

Financial Performance Quarterly view

Development of EBITDA / EBITDA Margin



EBITDA Q1/2016

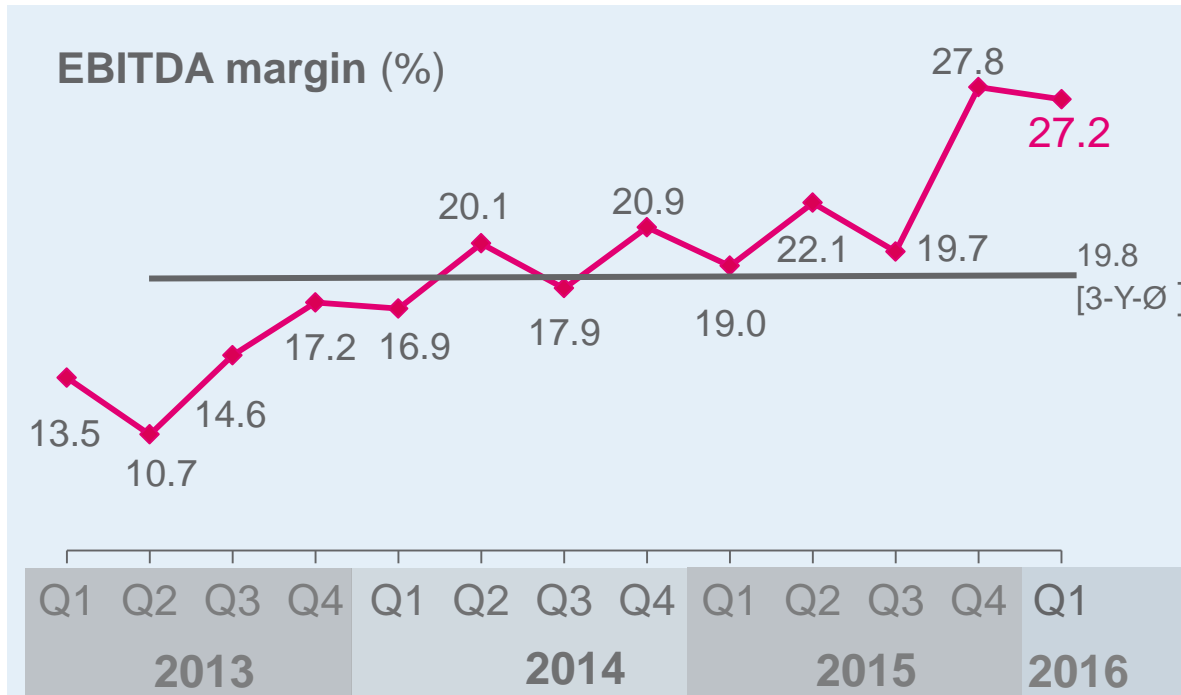
Strong increase of 57.4%
compared to Q1/2015

EBITDA Margin

Slightly decreased from 27.8
(Q4) to 27.2 (Q1)

Financial Performance Quarterly view

Margin further exceeding long-term average



EBITDA margin in Q1/16 further exceeding long-term average

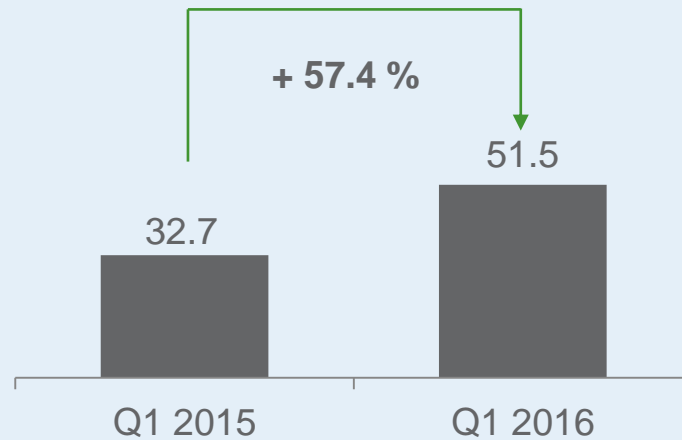
Expect normalising EBITDA margin in coming quarters

- Margin pressure due to lower sales price level
- Maintenance shutdowns of paper machines and CHP in Q3

Financial Performance 31 March / First Quarter 2016

Strong growth of EBITDA

EBITDA (in € mn)

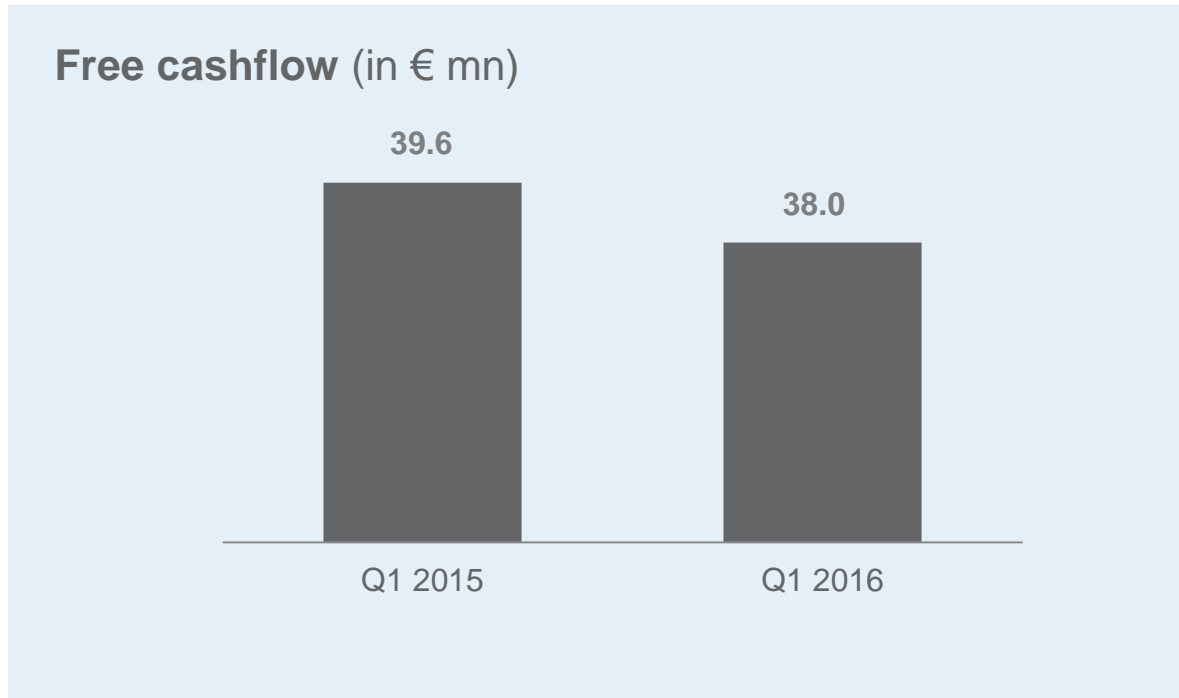


EBITDA increased

Mainly driven by higher volume of corrugated board (higher gross margin) and effects from the integration of the CHP

Financial Performance 31 March / First Quarter 2016

Further strong cash flow



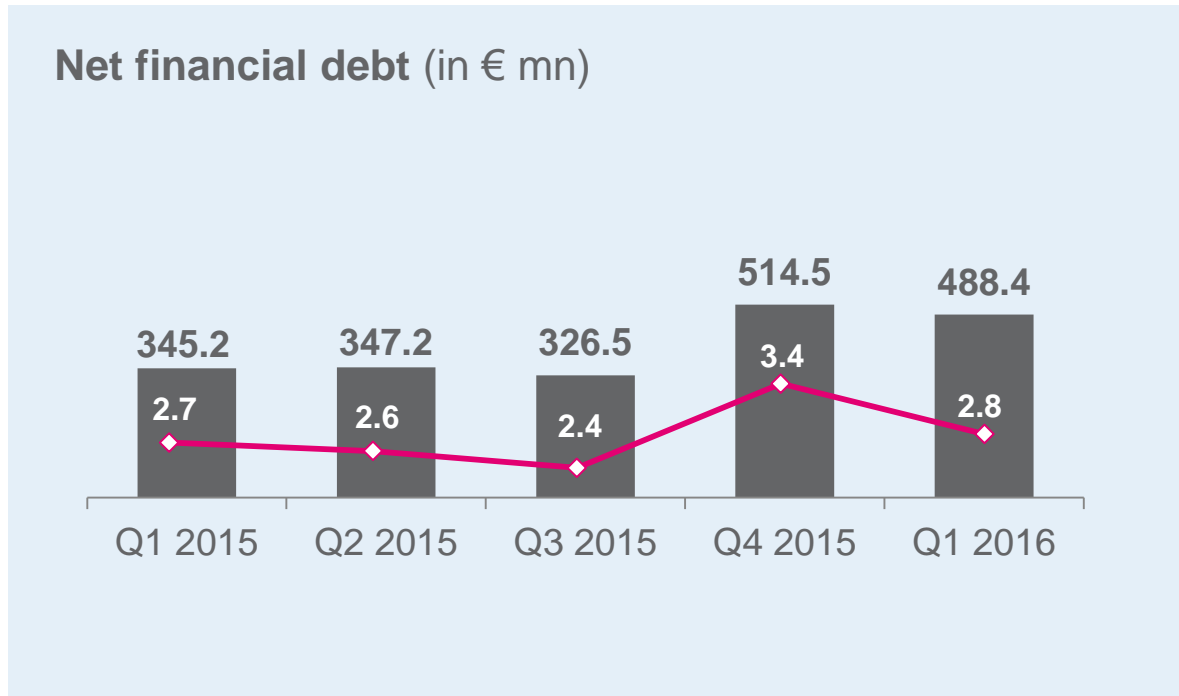
Free cash flow

Remained on a strong level

Financial Performance

Quarterly view

Development of net financial debt and leverage



Net financial debt decreased

Driven by increase in cash in hand

Leverage improved

Driven by increase in LTM EBITDA and decrease in net financial debt

Partial Redemption of FRN

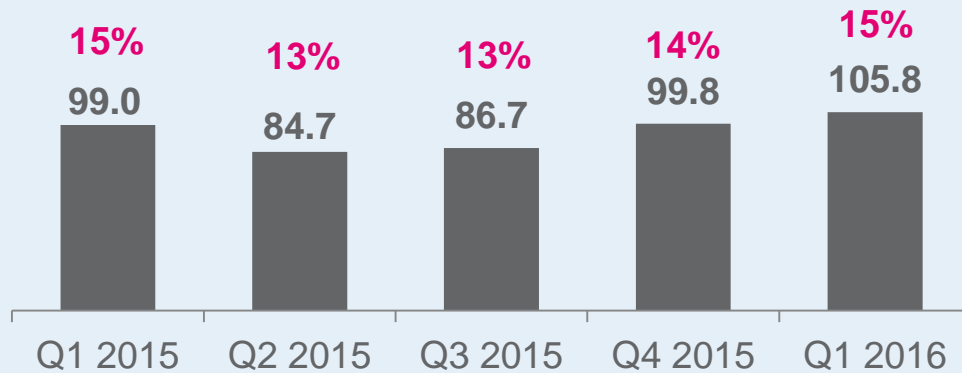
€40 mn of outstanding Floating Rate Notes on 30 June 2016

Financial Performance

Quarterly view

Development of working capital

Working capital* (in € mn)
% of LTM Sales



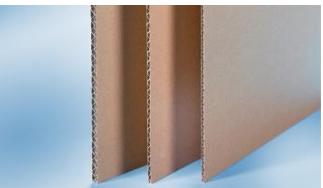
Increase in working capital
Q1 increase mainly driven by
higher trade receivables

* Working Capital (not a German GAAP measure) is calculated as inventories plus trade receivables minus trade payables

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Summary and Outlook



- Further strong profitability as at 31 March 2016: Significant growth of corrugated board sales volume, higher integration of containerboard in corrugated board business, positive development of gross margin
- Successful integration of the CHP
- Maintain expectation of normalising EBITDA-margin for the entire financial year
- Next Prowell plant (PW10) in Trzcinica, Poland is planned to be launched towards the year end
- Partial redemption of Floating Rate Notes (€40 mn) as a result of our strong cash generation

JH-Holding Performance Presentation

31 March / First Quarter 2016



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JH-Holding Overview

31 March / First Quarter 2016

- JH-Holding GmbH is the holding company and majority shareholder of Progroup AG; it is controlled by the Heindl family, founder of Progroup AG
- JH-Holding's business performance is closely linked to Progroup's performance
- Net financial debt (€609.8 mn) below the level as at December 31, 2015 (€633.2 mn) due to higher cash in hand, improved leverage of 3.6 (4.2)

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Differences between Consolidated Group Figures Progroup and JH-Holding

Key operating figures (in € thousands)	January – March 2016		
	Progroup AG	Difference	JH-Holding GmbH
Sales	189,510	-6	189,504
EBITDA	51,536	-48	51,488
EBITDA margin (in % of net sales)	27.2%	0.0%	27.2%
EBIT	39,637	-48	39,589
Consolidated net income for the period	23,371	-2,629	20,742
Cash flows from operating activities	40,537	-53	40,484
Cash flows from investing activities	-2,545	0	-2,545
Free cash flow	37,992	-53	37,939

- **Consolidated net income** - lower due to higher interest expenses/higher debt level

www.ir.progroup.ag
www.ir.jh-holding.net

