



Progroup
Performance presentation
30 September / Third Quarter 2016



Introduction Disclaimer

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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.

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Highlights

30 September / Third Quarter 2016

Further strong performance

- Strong volume growth in our corrugated board business as at 30.9.2016 (+11.2%) and Q3 (+9.9%)
- Integration between our containerboard and corrugated board businesses increased to 70% (Q3/15: 67%); including swap agreements integration increased to 80% (Q3/15: 75%)
- EBITDA increased by 16.5% to €121.6 mn as at 30.09.2016, primarily as a result of our strong sales performance and effects from the integration of the CHP (Q3: €27.0 mn; -20,9% impacted by maintenance shutdowns)
- Free cash flow increased to €105.0 mn as at 30.09.2016 due to a strong cash generation (Q3: €26.6 mn, impacted by maintenance shutdowns)
- Partial early redemptions of FRN in June (€40 mn) and September (€35 mn) as a result of our strong cash conversion
- Net financial debt at €441.0 mn (2.6 x LTM EBITDA)

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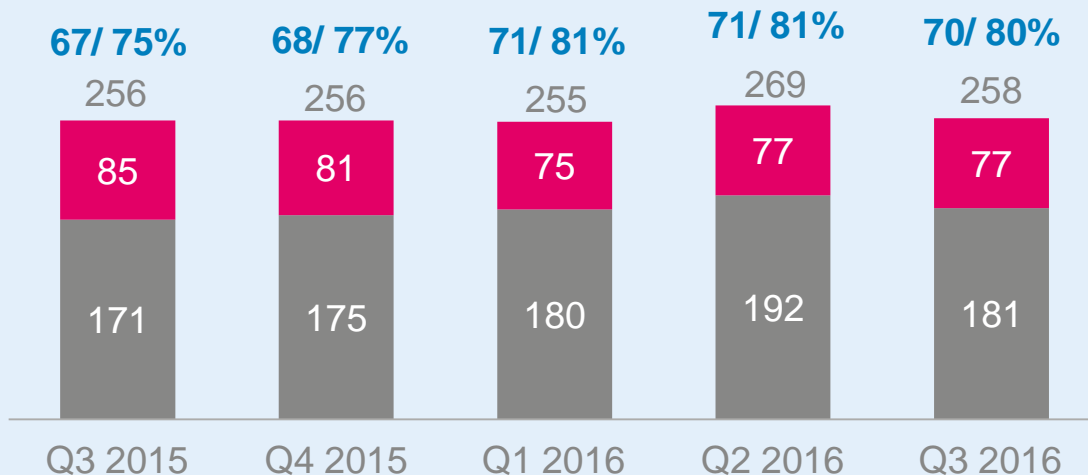
JH-Holding – Group Figures

Financial Performance

Quarterly view

Stable grade of integration

Volume containerboard (in kt)



Internal volume
 External volume

Integration without/ with swap agreements (%)

Development

Slight volume increase compared to Q3/15

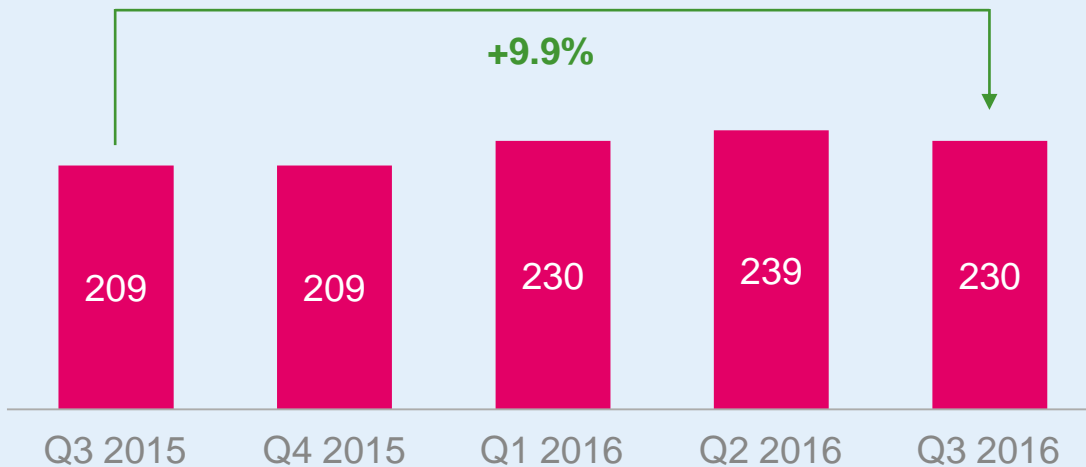
Sales volume was limited by lower production volume due to maintenance shutdown of PM2

Financial Performance

Quarterly view

Volume increase

Volume corrugated board (in kt)



Development

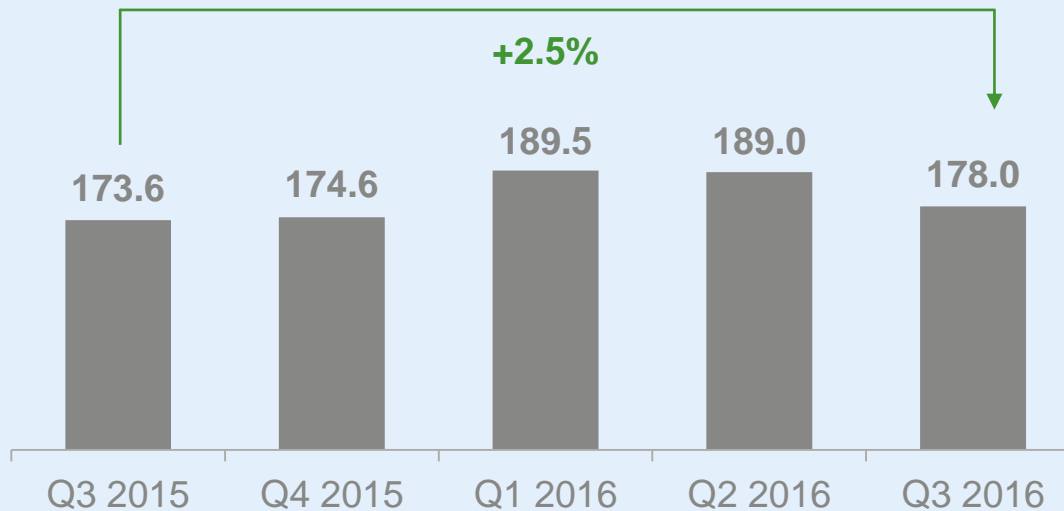
Strong growth by 9.9% compared to same quarter last year

Financial Performance

Quarterly view

Sales development

Sales (in € mn)



Sales increased
compared to Q3/2015

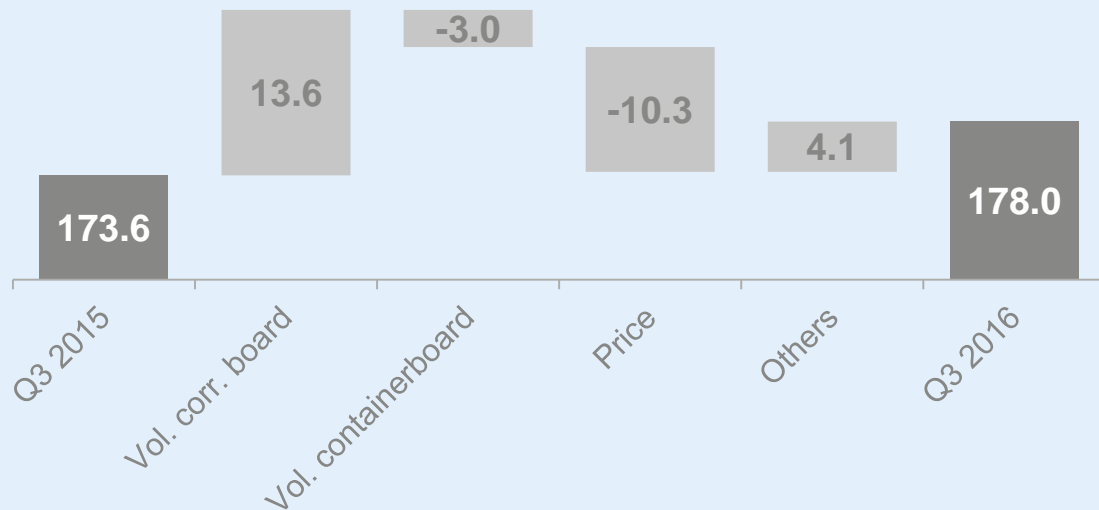
Mainly driven by increase
in corrugated board
volume

Financial Performance

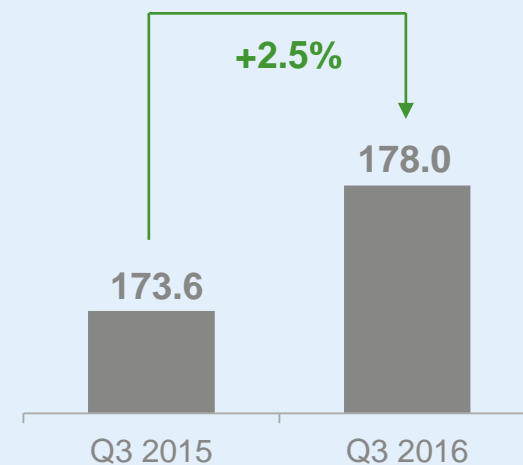
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Sales growth

Sales Development (in € mn)



Sales (in € mn)

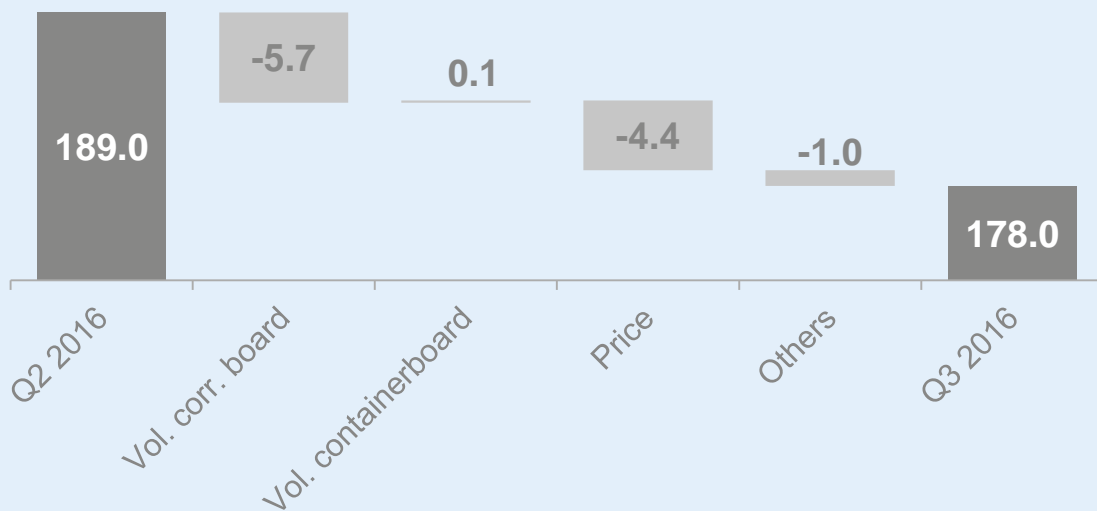


Financial Performance

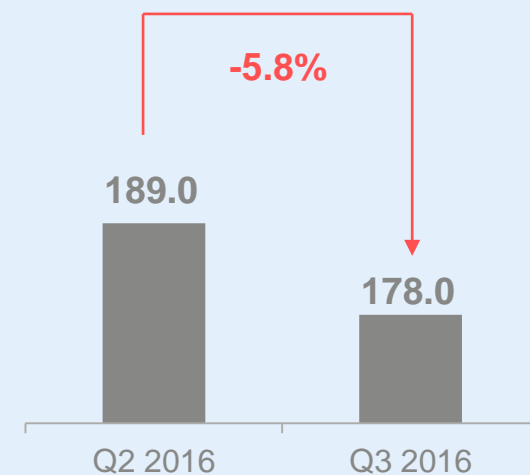
Second Quarter / Third Quarter 2016

Slightly decrease in sales

Sales Development (in € mn)



Sales (in € mn)

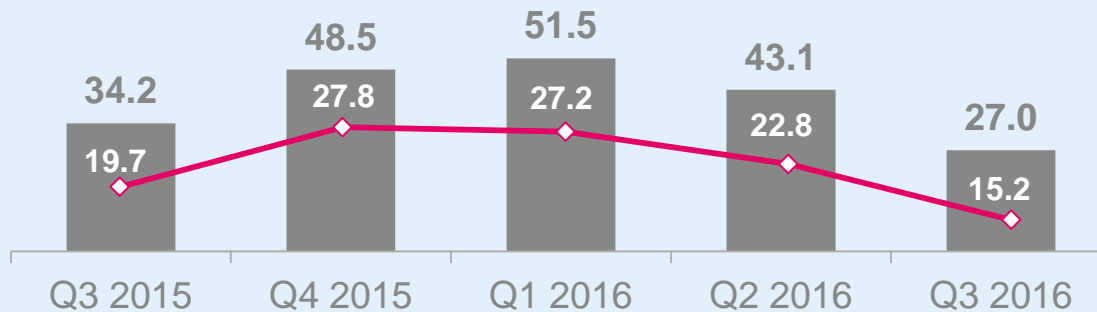


Financial Performance

Quarterly view

Development of EBITDA / EBITDA Margin

EBITDA (in € mn)
EBITDA Margin (%)



EBITDA Q3/2016

Decreased by 20.9% compared to Q3/15, driven by maintenance shutdowns PM2/CHP and lower gross margins

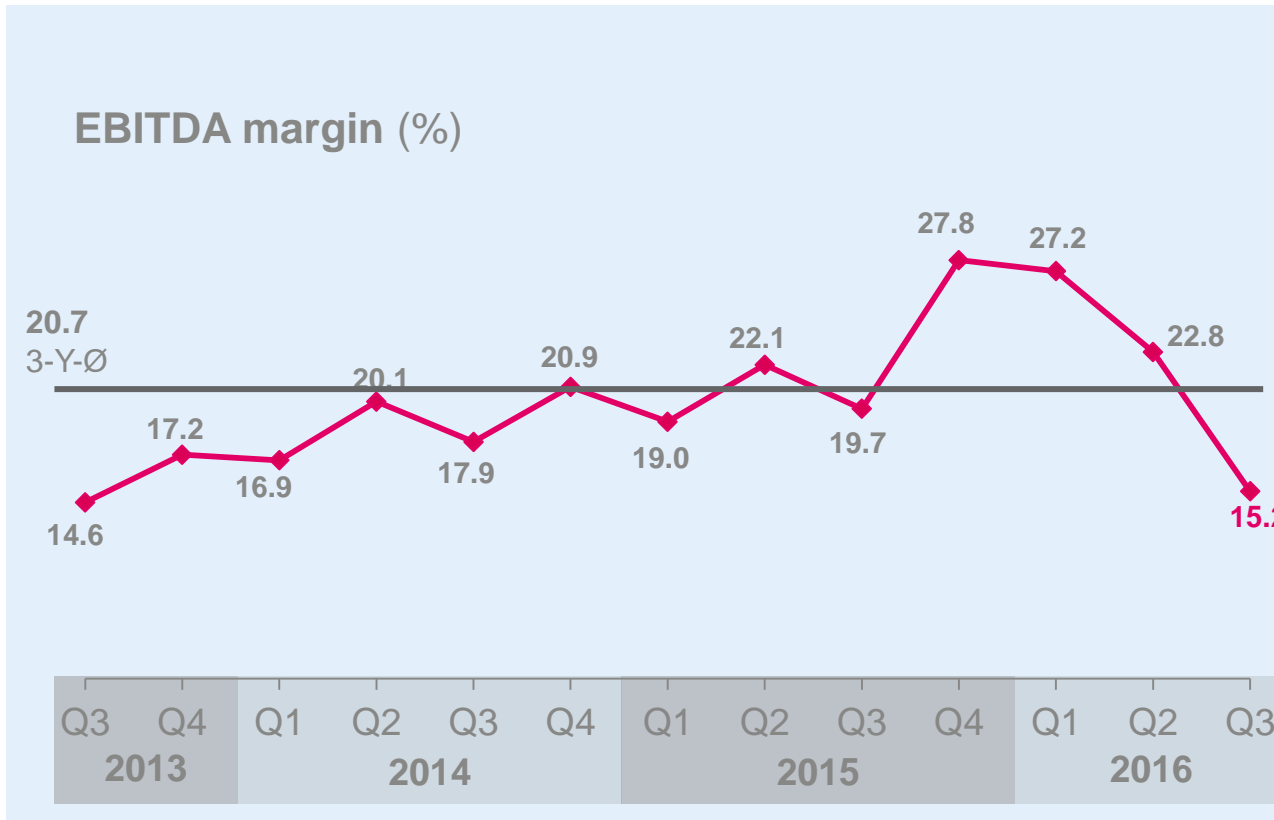
EBITDA Margin (in %)

Declined to 15.2 (Q3)

Financial Performance

Quarterly view

EBITDA Margin long-term average



Expect partial normalisation for Q4, compared to Q3

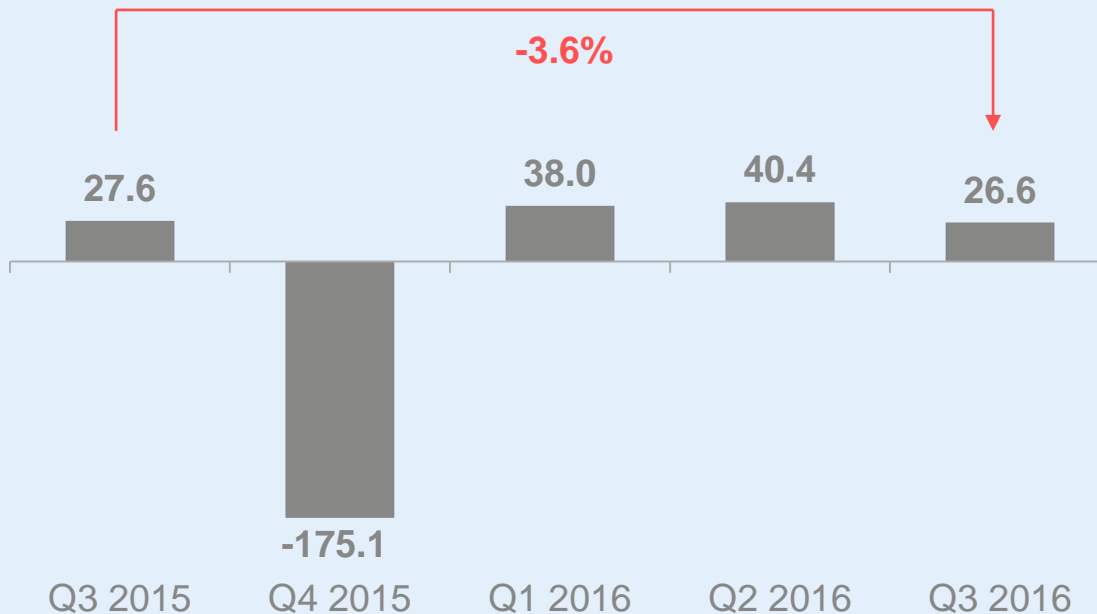
- Extended maintenance shutdown of CHP until mid of November
- Scheduled maintenance shutdown of paper machine PM1

Financial Performance

Quarterly view

Development of free cash flow

Free cash flow (in € mn)



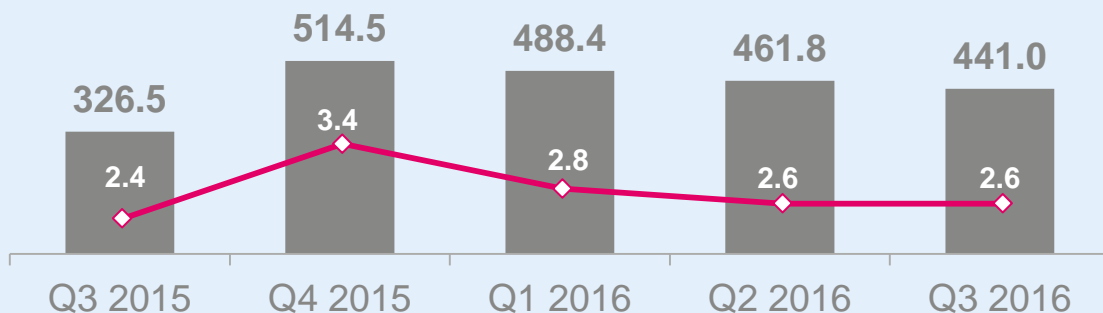
Free cash flow

Slightly decreased (3,6%) due to lower cash flows from operating activities, following our Q3 result

Financial Performance Quarterly view

Development of net financial debt and leverage

Net financial debt (in € mn)



Net financial debt decreased

Mainly driven by partial redemption of FRN (€35 mn in Q3; €75 mn in total)

Leverage stabilised

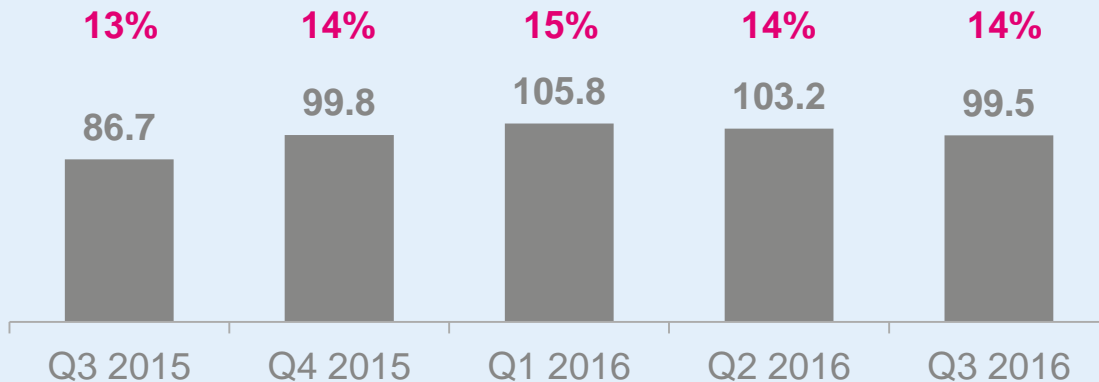
Slightly lower LTM EBITDA offset by decrease in net financial debt

Financial Performance

Quarterly view

Development of working capital

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



Decrease in working capital

Q3 decline driven by decrease in inventories & trade receivables

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

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Summary & Outlook

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Expectations



- Further sound performance as at 30 September 2016, growth of sales and EBITDA
- Expect further pressure on gross margin based on market conditions
- Maintenance shutdowns will even impact Q4 2016 EBITDA level
- EBITDA-margin for the entire financial year expected to be approximately on the 3-Y-average level
- Next Prowell plant (PW10) in Trzcinica, Poland, launch in Q1 2017



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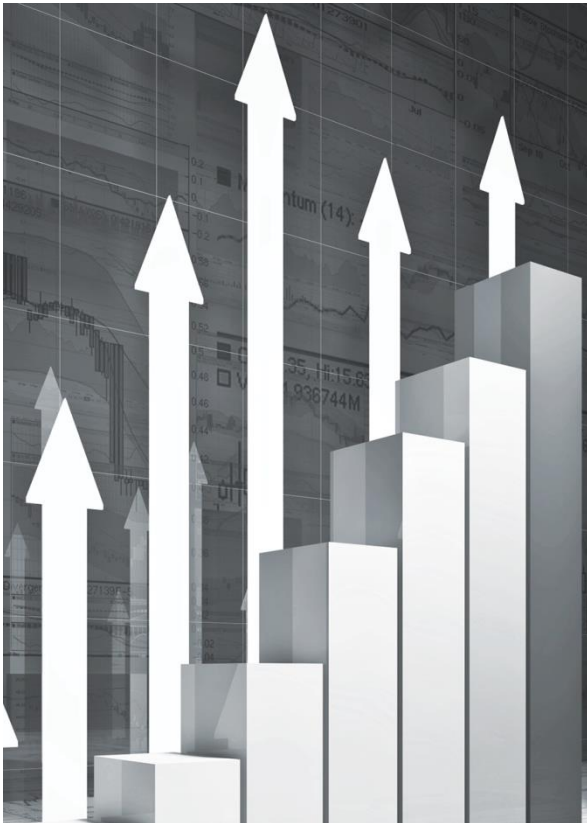
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JH-Holding Overview

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- 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 (€557.4 mn) below level as at December 31, 2015 (€633.2 mn),
- Improved leverage as at 30 September, 2016 (3.3) compared to 31 December, 2015 (4.2)

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Differences between Consolidated Group Figures Progroup and JH-Holding

Key operating figures

Key operating figures (in € thousands)	January – September 2016		
	Progroup AG	Difference	JH-Holding GmbH
Sales	556,450	-18	556,432
EBITDA	121,632	-202	121,430
EBITDA margin (in % of net sales)	21.9%	-0.1%	21.8%
EBIT	86,178	-202	85,976
Consolidated net income for the period	49,660	-7,950	41,710
Cash flows from operating activities	119,394	4,417	123,811
Cash flows from investing activities	-14,399	0	-14,399
Free cash flow	104,995	4,417	109,412

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

