



Progroup
Performance presentation
31 December / Fourth Quarter 2016



Introduction Disclaimer

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Highlights

31 December / Fourth Quarter 2016

Further strong performance

- Strong volume growth in our corrugated board business as at 31 December 2016 (+11.1%) and Q4 (+10.9%)
- Integration between our containerboard and corrugated board businesses increased to 71% (Q4/15: 68%); including swap agreements integration increased to 81% (Q4/15: 77%)
- Reported EBITDA all-time high of €154.7 mn as at 31 December 2016. Reported EBITDA increased by 1.2%, as a result of our strong sales performance and effects from the integration of the CHP, while price-/margin pressure and an unplanned maintenance shutdown extension of the CHP prevented an even better result
- EBITDA adjusted for unplanned maintenance shutdown extension of CHP amounted to €170.7 mn
- Free cash flow increased to €129.4 mn as at 31 December 2016 due to a strong cash generation (2015: €114 mn, adjusted for CHP Acquisition)
- Partial early redemptions (€75 mn) as a result of our strong cash conversion
- Net financial debt at €421.4 mn (2.5 x LTM adjusted EBITDA)

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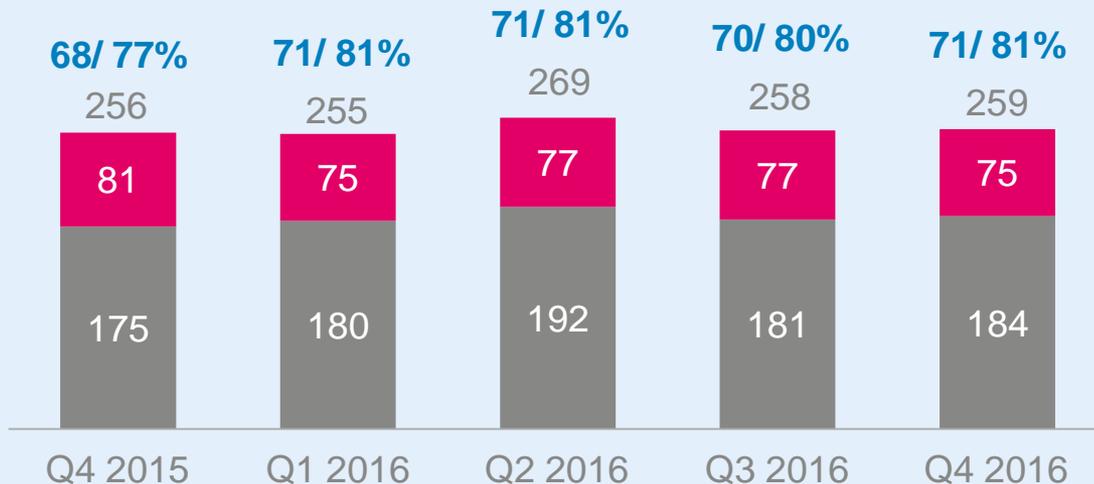
JH-Holding – Group Figures

Financial Performance

Quarterly view

Stable level of integration

Volume containerboard (in kt)



Internal volume
 External volume

Integration without/ with swap agreements (%)

Development

Slight volume increase compared to Q4/15

Sales volume was limited by lower production volume due to maintenance shutdown of PM1

Level of integration in the target range for FY 2016

Financial Performance

Quarterly view

Volume increase

Volume corrugated board (in kt)



Development

Strong growth by 10.9% compared to same quarter last year

Financial Performance

Quarterly view

Sales development

Sales (in € mn)



Sales slightly increased compared to Q4/2015

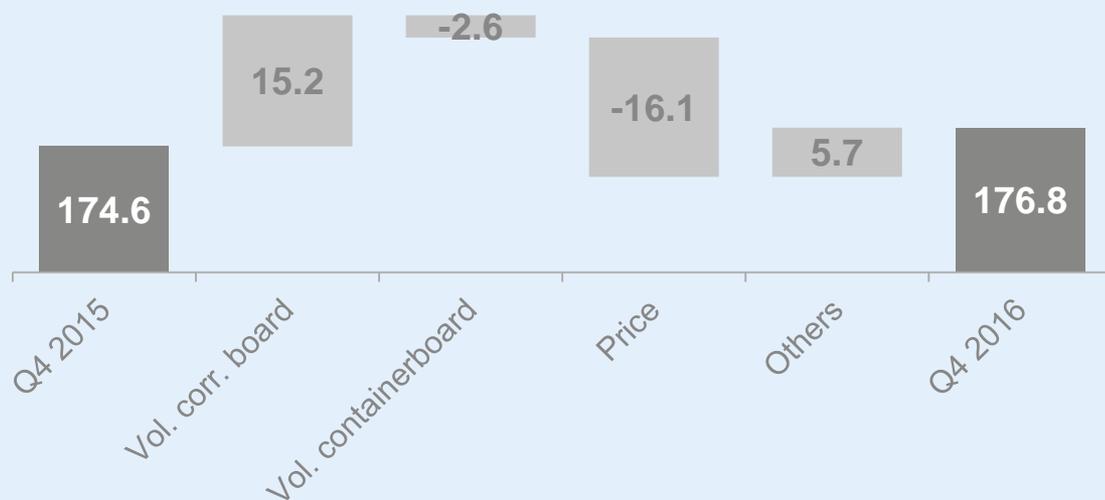
Mainly driven by increase in corrugated board volume

Financial Performance

31 December / Fourth Quarter 2016

Sales growth

Sales Development (in € mn)



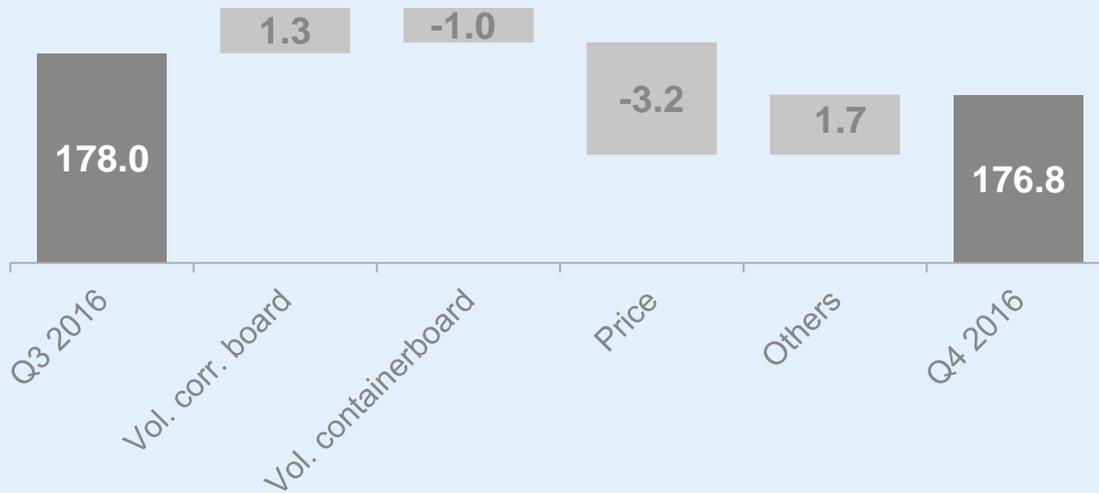
Sales (in € mn)



Financial Performance Third Quarter / Fourth Quarter 2016

Slight decrease in sales

Sales Development (in € mn)



Sales (in € mn)

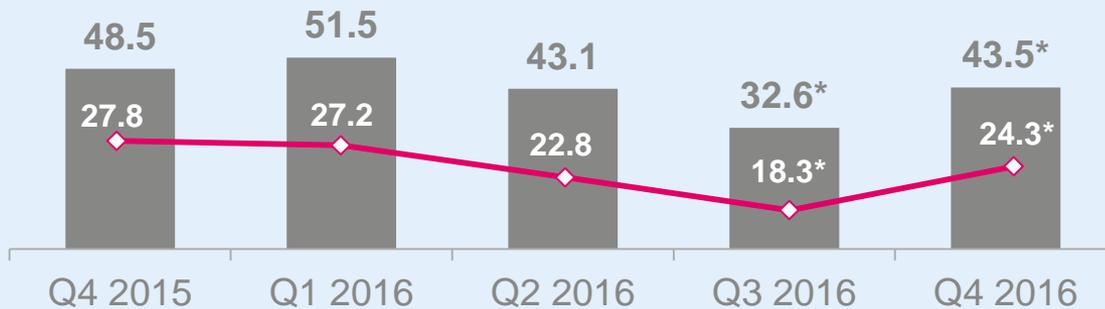


Financial Performance

Quarterly view

Development of EBITDA / EBITDA Margin

EBITDA (in € mn)
EBITDA Margin (%)



Adjusted EBITDA Q4/16
Amounting to €43.5 mn,
increased by 33.5%
compared to Q3

**Adjusted EBITDA
Margin**
Normalisation to 24.3%
(Q4)

* EBITDA / EBITDA margin, adjusted for unplanned maintenance shutdown extension of CHP

Financial Performance

Quarterly view

EBITDA Margin long-term average

EBITDA margin (%)



Normalisation in Q4/16

- Adjusted EBITDA Margin Q4 increased compared to Q3
- Extended maintenance shutdown of CHP until mid of November (adjusted)
- Margin pressure from slightly lower prices for containerboard and corrugated board

Adjusted EBITDA margin (%)
[based on EBITDA adjusted for unplanned maintenance shutdown extension of CHP]

Financial Performance Quarterly view

Development of free cash flow

Free cash flow (in € mn)



*Free Cash flow, adjusted for CHP acquisition impacts amounted to approx. €12 mn (Q4/15)

** Calculated based on adjusted free cash flow Q4/15

Free cash flow

Significantly higher free cash flow compared to Q4/15

Slightly decreased compared to Q3 (4.5%) in connection with higher cash outflows for investing activities (Project PW10)

Financial Performance Quarterly view

Development of net financial debt and net leverage

Net financial debt (in € mn)
Net leverage (x LTM EBITDA)



* Net leverage (x LTM adjusted EBITDA)

Net financial debt decreased

Mainly driven by higher amount of cash in hand

Net leverage stable

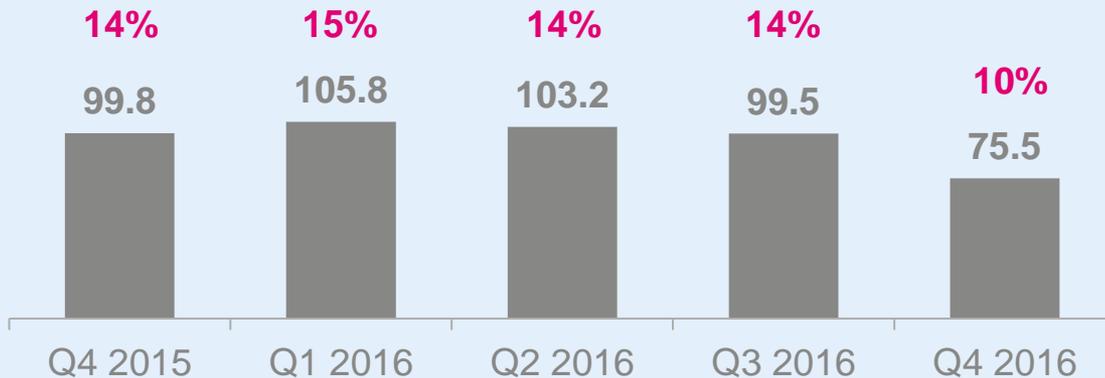
Based on LTM adjusted EBITDA

Financial Performance

Quarterly view

Development of working capital

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



Strong decrease in working capital

Driven by seasonal reduction, cut off effects at year end and higher trade payables related to project PW10

* 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 31 December 2016, growth of sales and EBITDA
- Expect some further pressure on gross margin in short term view
- Next Prowell plant (PW10) in Trzcinica, Poland, launch in Q1 2017
- Price increases for containerboard in February 2017 of approximately 40 €/ton
- EBITDA-margin for the entire financial year will depend on final outcome of containerboard price increase and the impact on prices for corrugated board



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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 (€540.4 mn) below level as at 31 December 2015 (€633.2 mn),
- Improved leverage as at 31 December 2016 (3.2) based on adjusted EBITDA 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 – December 2016		
	Progroup AG	Difference	JH-Holding GmbH
Sales	733,228	-42	733,186
Reported EBITDA	154,679	-270	154,409
Adjusted EBITDA	170,725	-270	170,455
Adjusted EBITDA margin (in % of net sales)	23.2%	0%	23.2%
EBIT	107,307	-270	107,037
Consolidated net income for the period	61,404	-10,621	50,783
Cash flows from operating activities	152,564	4,389	156,953
Cash flows from investing activities	-23,201	0	-23,201
Free cashflow	129,363	4,389	133,752

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

