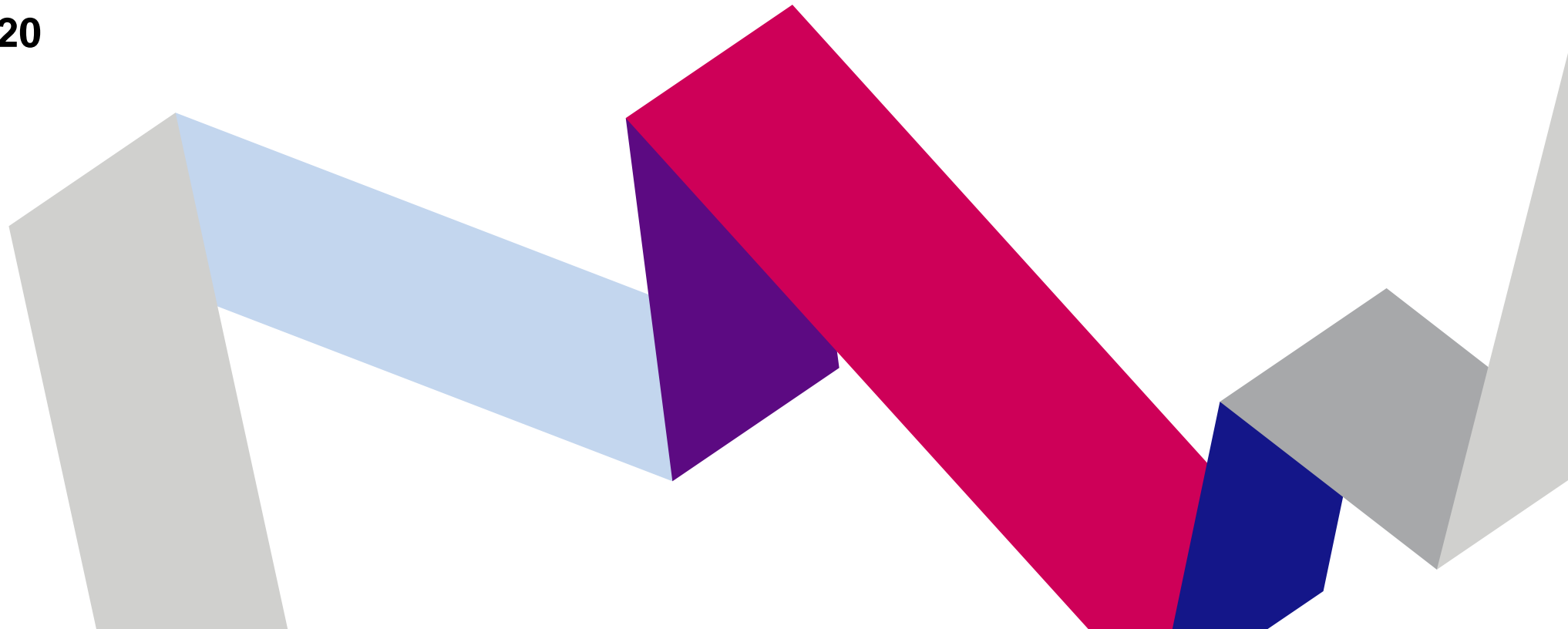


PERFORMANCE PRESENTATION

31 December
Fourth Quarter 2020





DISCLAIMER IMPORTANT INFORMATION

The unaudited consolidated financial information of Progroup AG (“Progroup”) as at and for the period ended 31 December 2020 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 presentation 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, net 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 net leverage presented by us may not be comparable to similarly titled measures used by other companies.

AG EN DA

01. Progroup – Highlights 31/12 | Q4 2020
02. Progroup – Financial Performance
03. Progroup – Summary & Outlook

**PROGROU
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HIGHLIGHTS
31/12 | Q4 2020**

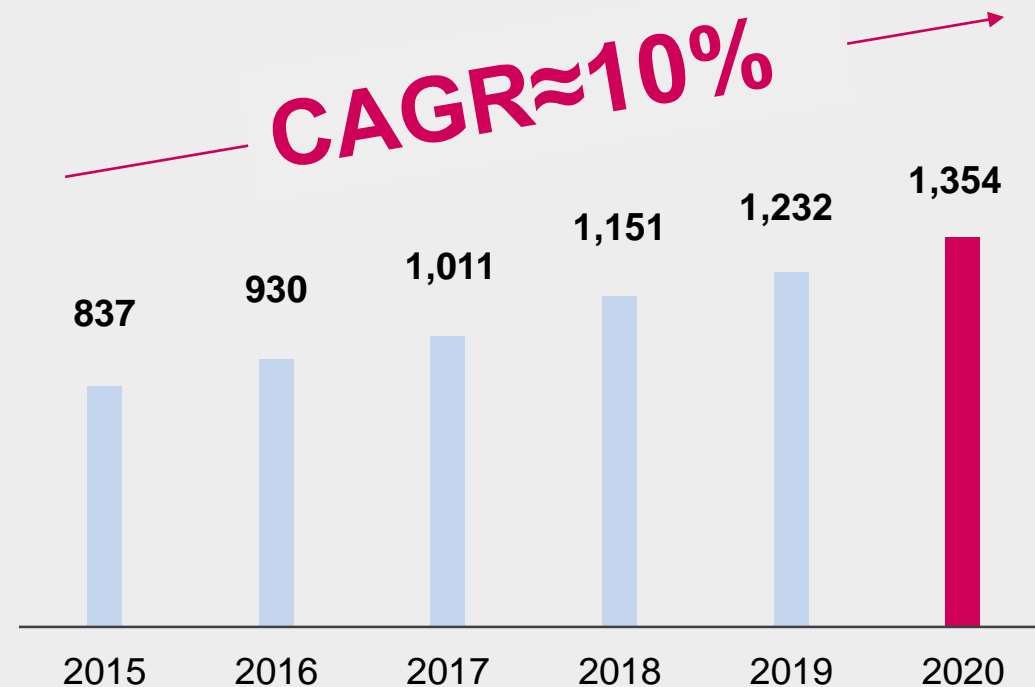


CONTINUING ROBUST PERFORMANCE

- Significant volume increases in our corrugated board (18.8%) and containerboard businesses (32.2%) in Q4 2020 compared to Q4 2019, driven by higher production capacities and strong demand
- Sales increase to €231.5 mn in Q4 2020 (+12.3% compared to Q4 2019) due to strong volume growth
- EBITDA decrease to €36.8 mn in Q4 2020 (-38.5% compared to Q4 2019: €59.9 mn) due to higher recovered paper costs and start-up losses of PM3
- EBITDA margin in Q4 of 15.9%
- Net financial debt at €804.8 mn (31 December 2019: €671.0 mn)
- Net leverage of 4.5 x LTM EBITDA within expected corridor

Volume corrugated board

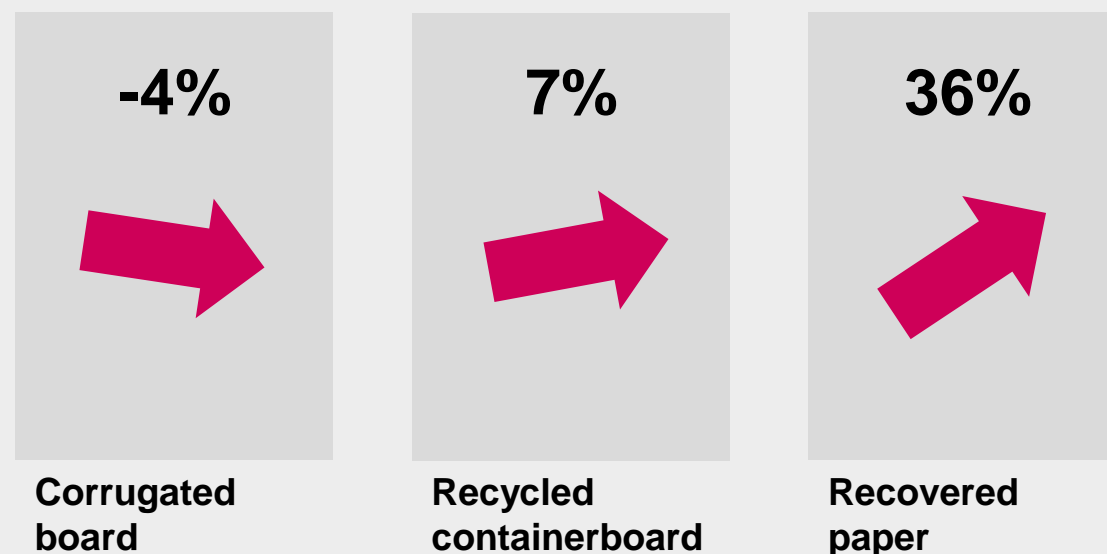
(in kt)



MARKET DEVELOPMENT

- Strong demand in our two businesses in Q4
- Increased demand from the e-commerce sector will also support future development
- Driven by a tighter supply situation and a strong demand prices for recycled containerboard increased in Q4
- Prices for corrugated board decreased compared to Q3 following the lower recycled containerboard, prices in Q3. In December, corrugated board prices started to increase
- Strong demand for recovered paper due to new containerboard capacities in Europe and limited collections due to COVID 19 lockdowns measures led to price increases for recovered paper in Q4

Price development Q4 2020 compared to Q3 2020



PROGROU FINANCIAL PERFORMANCE



Quarterly view

HIGH LEVEL OF INTEGRATION

Development

Lower integration level vs. Q4/2019 due to increased external sales volume of containerboard following the start-up of PM3

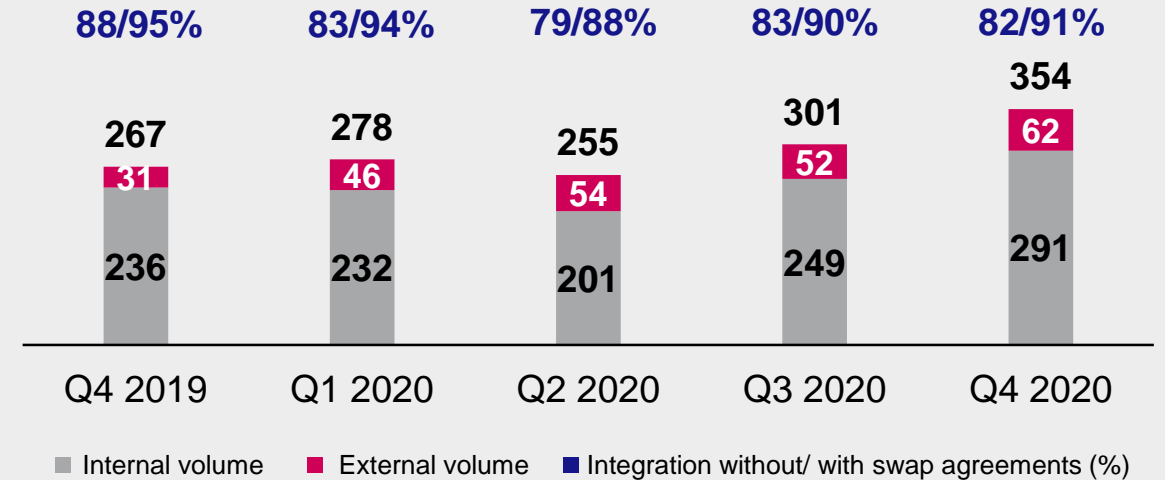
Strong increase of 32.2% in Q4 sales volume compared to Q4/2019

Sales volume 12.5% up in 2020. Higher external sales volume in preparation of start-up of PM3

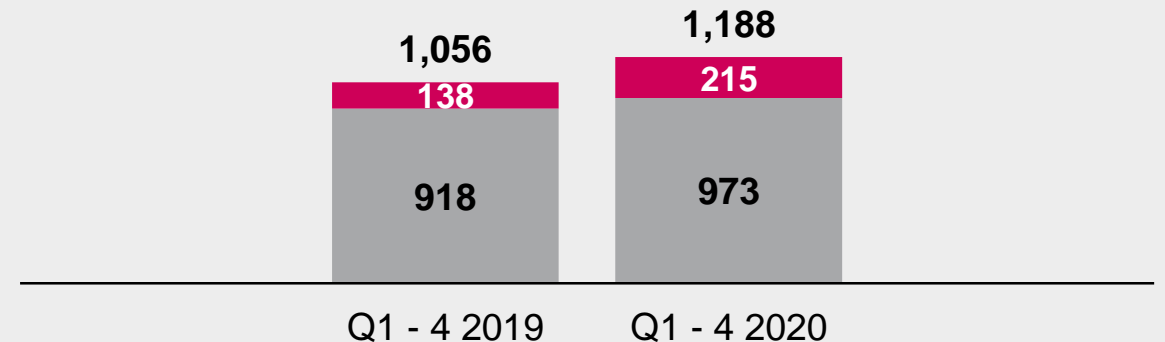
The volume increase is driven by higher production capacities with the commencement of production at PM3

Volume containerboard

(in kt)



+12.5%



Quarterly view

VOLUME GROWTH

Development

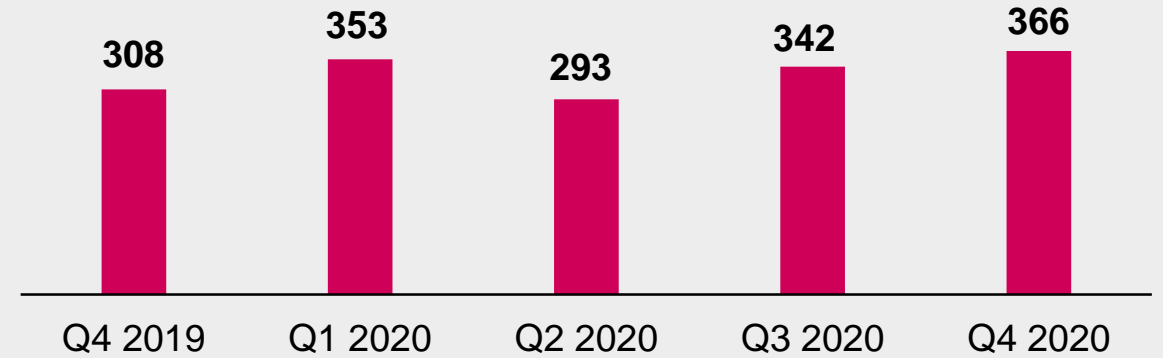
Corrugated board sales volume increased in Q4 2020 (18.8%) compared to Q4 2019, driven by higher production capacities and strong demand

Year to date growth rate of 9.9% well above market growth

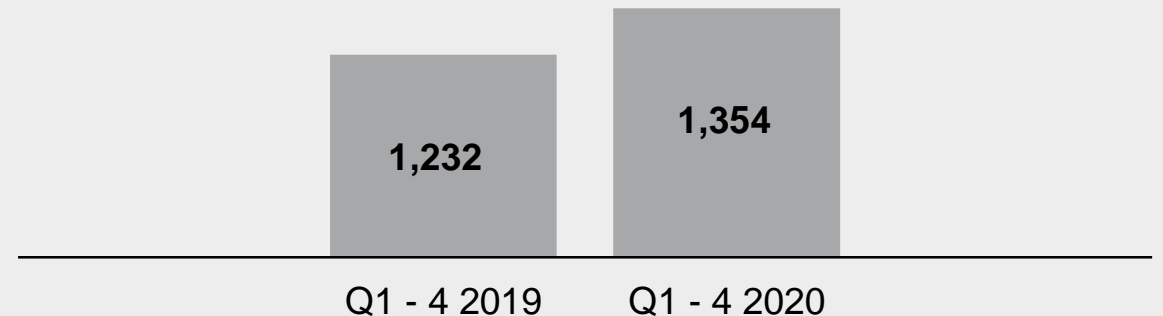
The main growth momentum coming from our growth projects

Volume corrugated board

(in kt)



+9.9%



Quarterly view

SALES DEVELOPMENT

Sales increase compared to Q4 2019

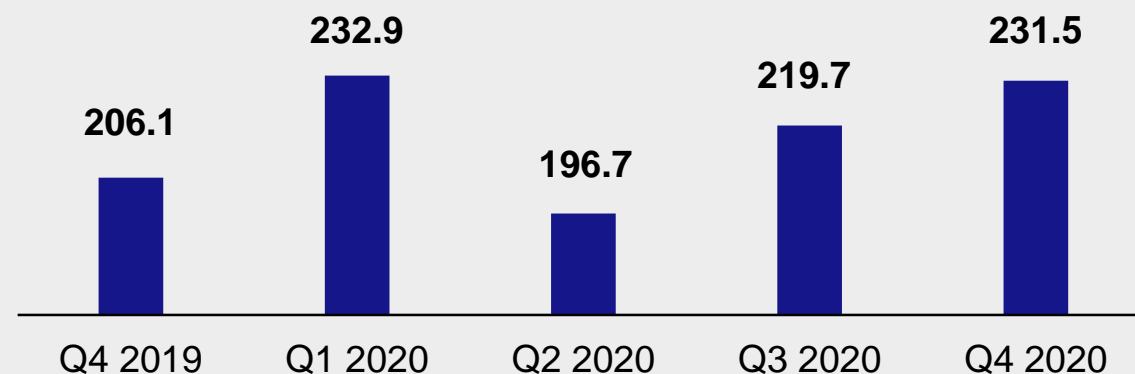
Strong volume growth offset the effect of the normalisation of price levels in Q4

Slight decline in sales of 0.7% in the full year 2020

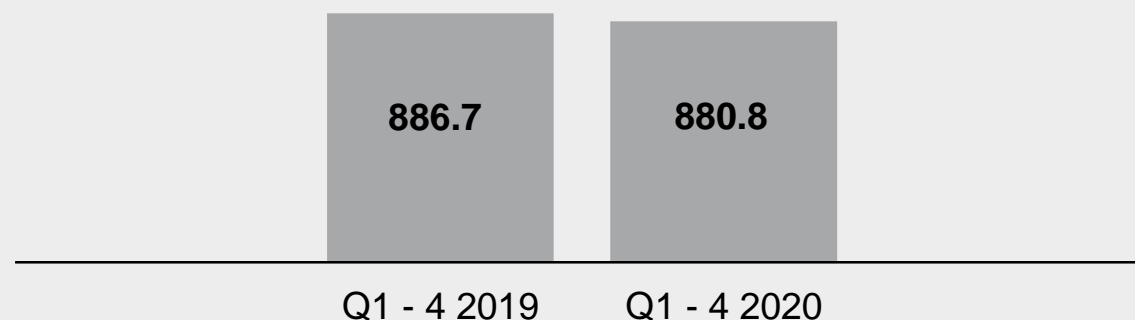
Positive volume effect of higher corrugated board sales volume and higher external containerboard sales volume largely offset the normalisation of price levels.

Sales

(in € mn)



-0.7%

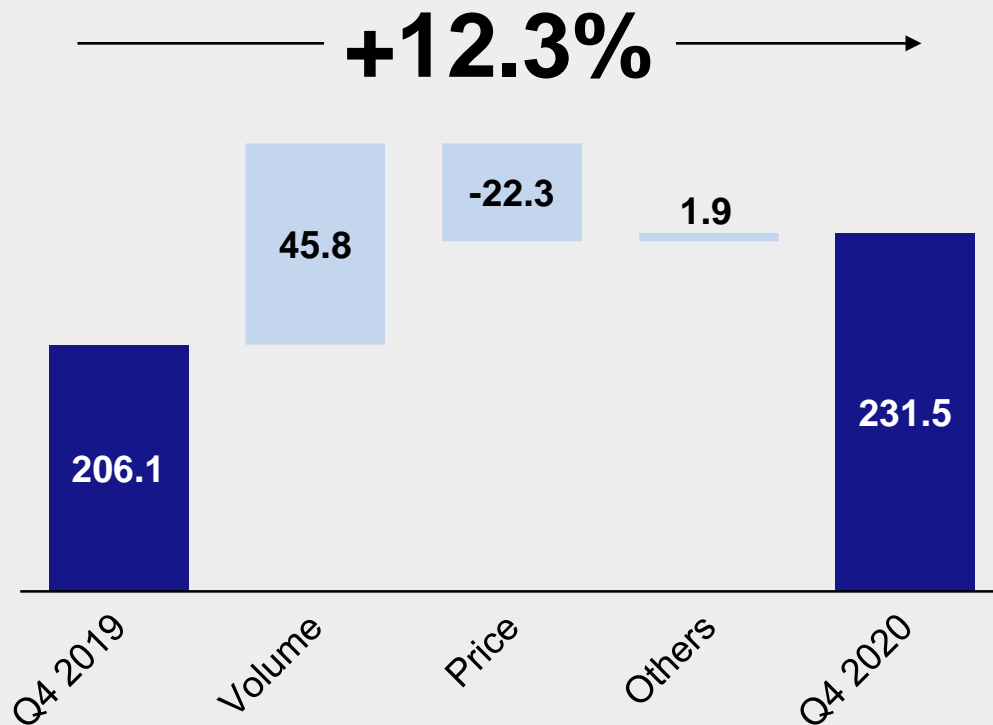


SALES INCREASE



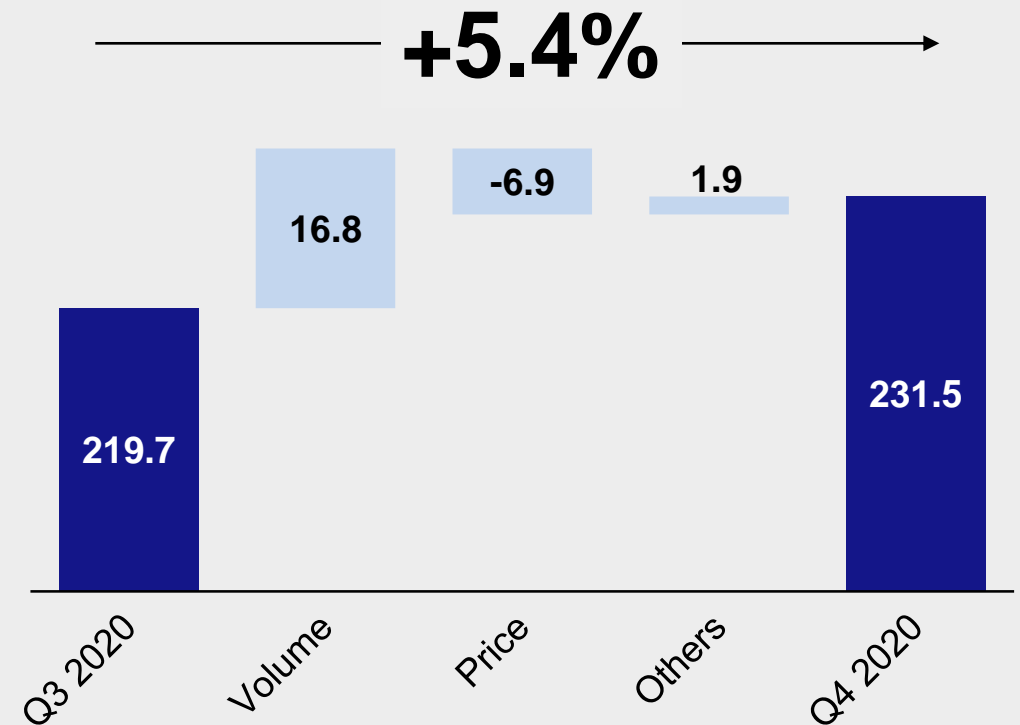
Sales Development – Q4 2019 / Q4 2020

(in € mn)



Sales Development – Q3 2020 / Q4 2020

(in € mn)



Quarterly view

DEVELOPMENT OF EBITDA/EBITDA MARGIN

EBITDA Q4 2020

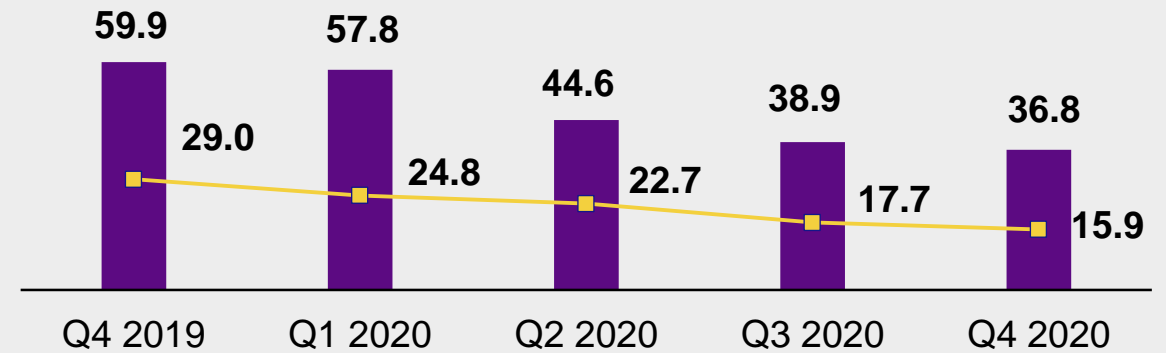
Amounting to €36.8 mn, following the temporary margin pressure due to higher recovered paper prices and lower corrugated board prices. Additionally, start-up costs in connection with our new paper machine PM3 impacted the results.

For the full year, expected decrease compared to 2019, in light of normalising price levels

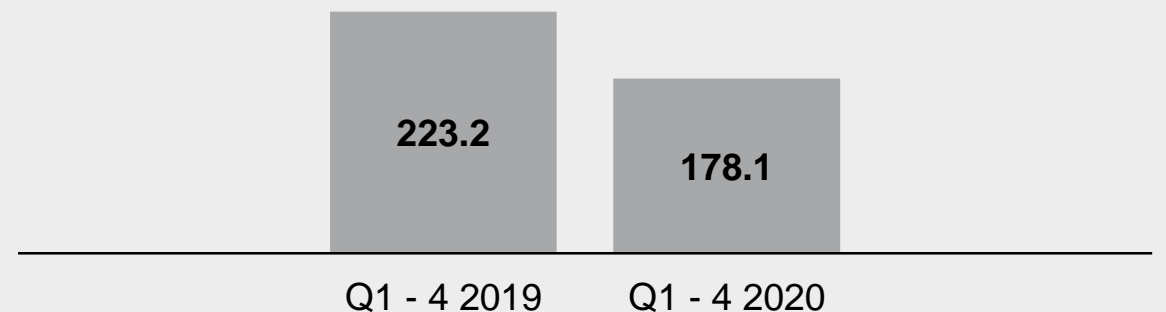
Despite the ongoing economic crisis and normalising market conditions, EBITDA margin in 2020 remains at a good level of 20.2%

EBITDA

(in € mn) — EBITDA margin (%)



-20.2%



Long-term view

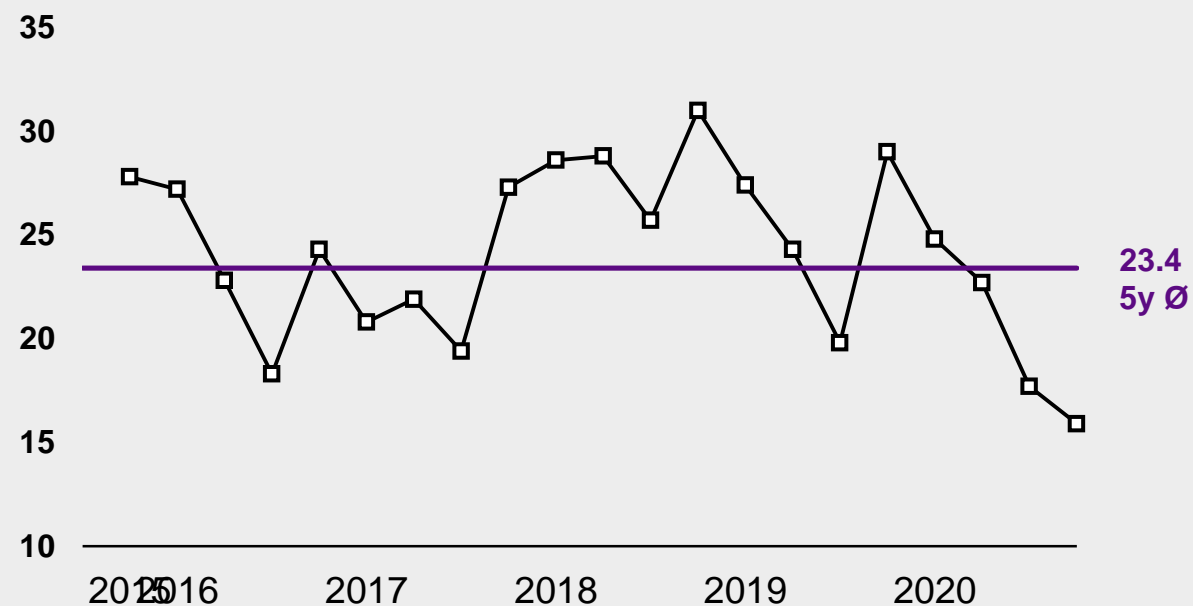
EBITDA MARGIN LONG-TERM AVERAGE

Q4 2020 EBITDA margin decreased

EBITDA margin does not follow the usual trend of increasing margins in the year-end quarter based on higher raw material purchasing prices and start-up losses in connection with our new paper machine PM3

EBITDA margin

(in %)



Using adjusted EBITDA margin (%) for Q3 and Q4 of 2016
[based on EBITDA adjusted for unplanned maintenance shutdown extension of CHP]

Quarterly view

DEVELOPMENT OF FREE CASHFLOW

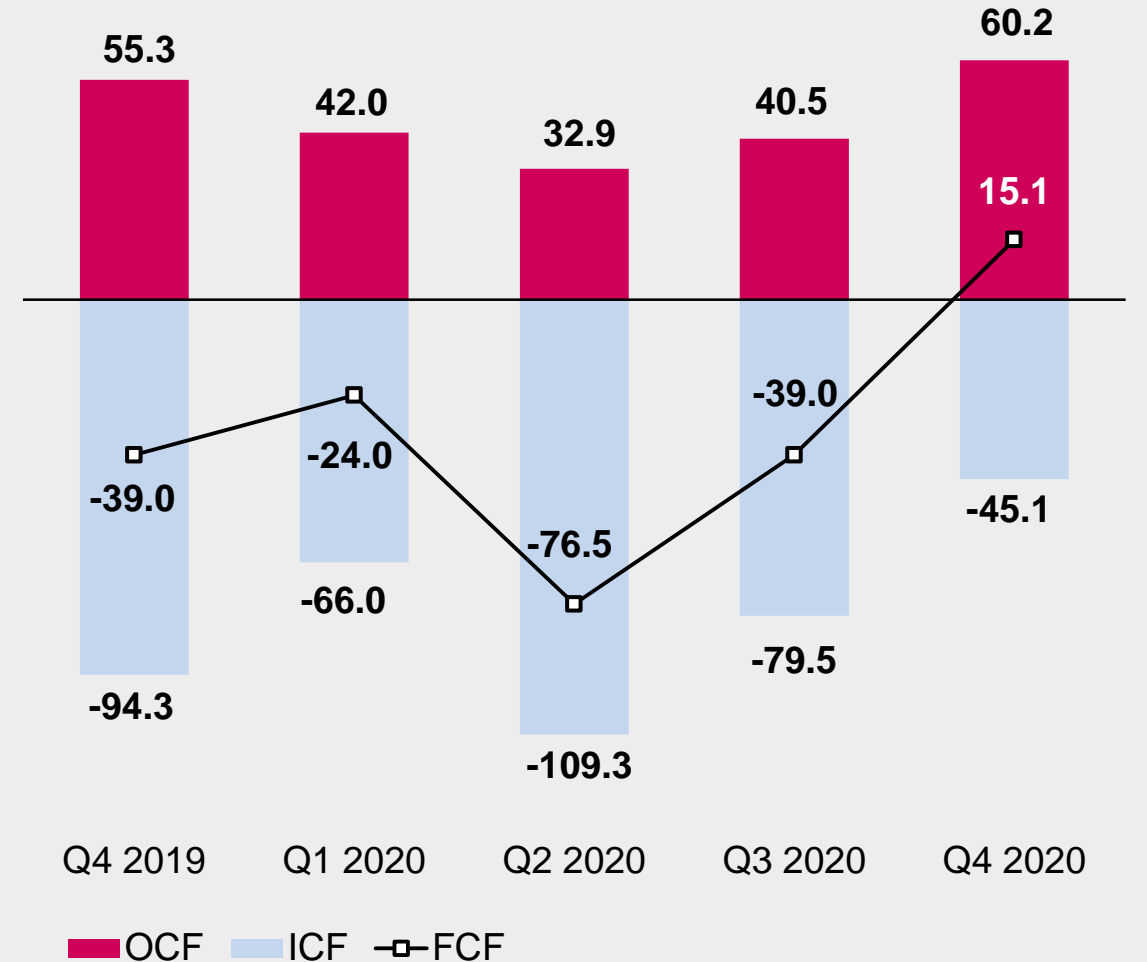
Free cash flow increased in Q4 20 compared to Q4 19

Strong operating cash flow could more than offset the cash outflows for investing activities leading to a strong free cashflow of more than €15 mn

With the completion of the PM3 the cash outflows for investing activities decreased significantly.

Free cash flow

(in € mn)

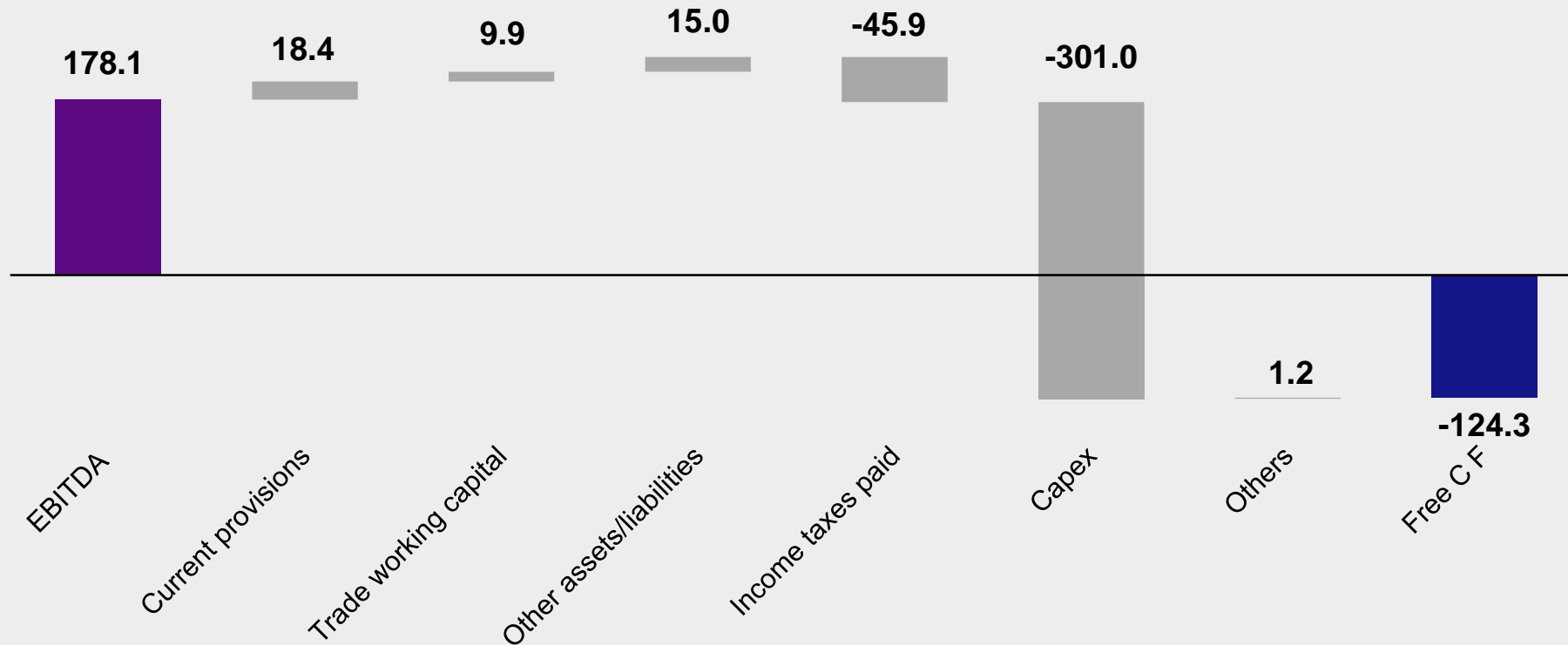




EBITDA TO FREE CASH FLOW

EBITDA to free cash flow

(in € mn)



Quarterly view

DEVELOPMENT OF NET FINANCIAL DEBT AND NET LEVERAGE

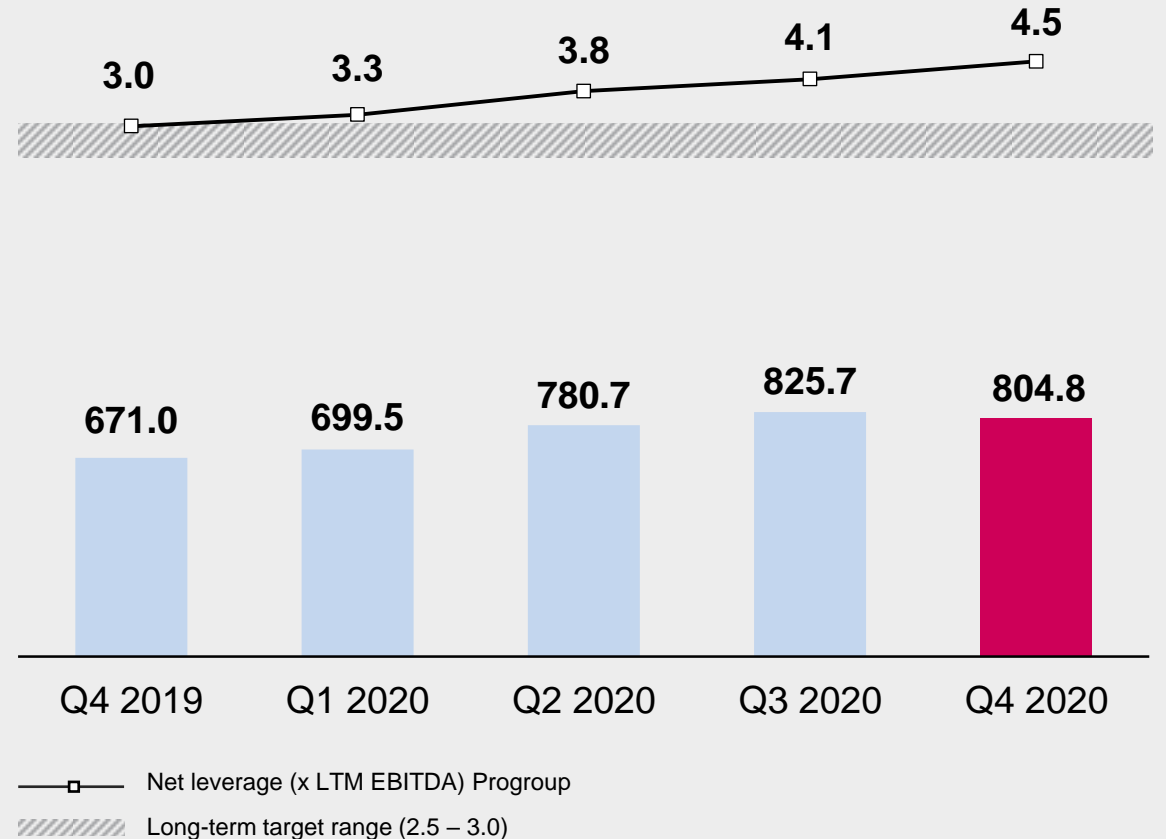
Net leverage increased to 4.5 due to lower LTM EBITDA. Net debt started to decrease in Q4 2020.

Long-term target net leverage range of 2.5 – 3.0 temporarily exceeded in context of strategic green field projects like PM3

Progroup fully committed to its long-term target corridor and intends to return to it in the mid-term

Net financial debt Progroup

(in € mn)



FINANCIAL DEBT AND FINANCE COSTS

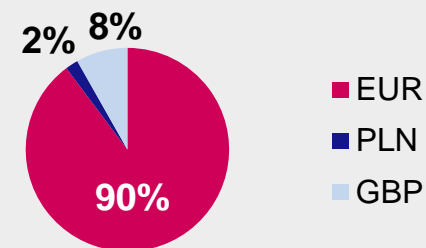
Net financial debt increased in connection with the drawings of EUR facilities in the course of 2020 with a peak in Q3 2020.

Average interest rate decreased slightly in 2020 vs. 2019.

Committed bank facilities increased due to the new incremental term loan facility in an amount of €100 mn for general corporate and working capital purposes of the Group

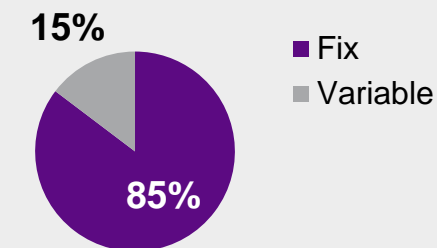
Currency split of current financial liabilities

(in %)



Interest split of current financial liabilities

(in %)



Financial debt and finance costs

(in € mn)

	31/12/2019	31/12/2020
Bonds	600	600
Committed bank facilities	424	486
thereof undrawn	155	155
Financial liabilities	874	935
Cash in hand, bank balances	203	130
Net financial debt	671	805
	Q1 – Q4 2019	Q1 – Q4 2020
Interest expenses*	25.3	28.2
Average interest rate	3.2%	3.0%

*excluding amortisation of lump sum fee payments

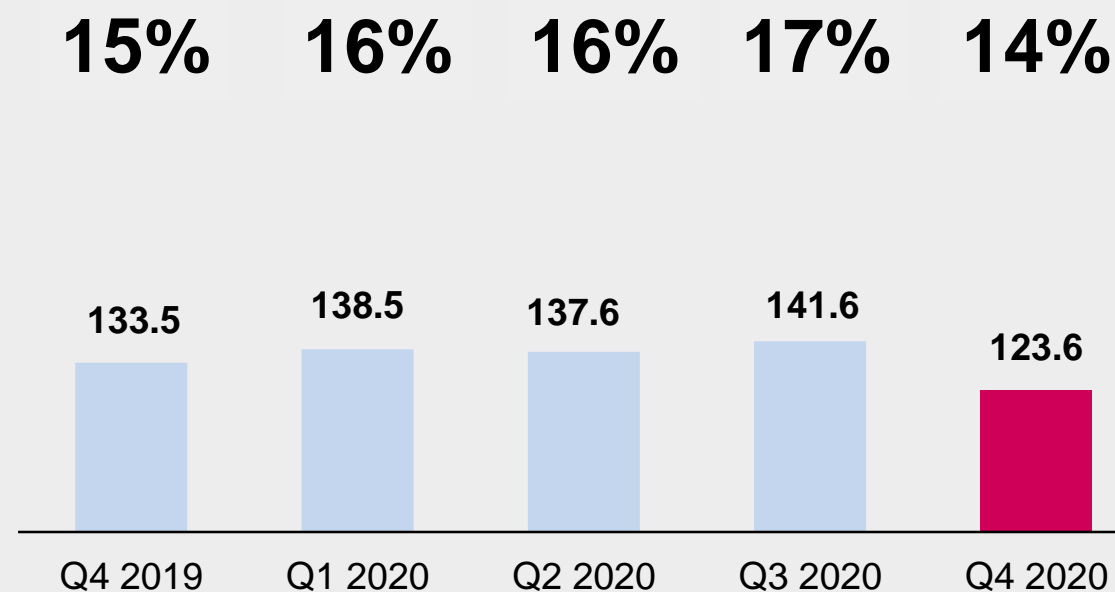
Quarterly view

DEVELOPMENT OF WORKING CAPITAL

Working capital decreased in Q4 compared to Q4 2019 as well as to Q3 2020, due to higher trade payables based on higher costs of materials

Working capital*

(in € mn)



% of LTM Sales

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

PROGROUP SUMMARY & OUTLOOK



SUMMARY & OUTLOOK

Expectations

- Strong demand of corrugated board in Q1 2021
- Expect price increases of containerboard and corrugated board in Q1 2021 due to a good demand
- Further price increases of recovered paper in Q1 2021 due to a robust demand from the existing and new capacities in the containerboard industry
- New packaging park at PW12 plant (UK) successfully started operation at the beginning of Q4 2020
- Further ramp-up at our newest paper machine PM3





PROGROUP – DEALING WITH COVID-19

- Safety and wellbeing of our staff always has the highest priority for us
- Task force analyses the situation on an ongoing basis and implements measures where necessary
- After a major impact on our business in April and May, corrugated board volumes have improved significantly since Q3 2020
- Order intakes remains at a strong level
- All plants run with the planned capacities
- Progroup assumes social responsibility

WWW.IR.PROGROUP.AG



Progroup AG

Horstring 12
76829 Landau
Germany
Phone: +49 (0) 6341 / 55 76-0
Fax: +49 (0) 6341 / 55 76-109
ir@progroup.ag
www.ir.progroup.ag

