



Progroup
Performance presentation
31 March / First Quarter 2018



Introduction Disclaimer

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Agenda

1

Progroup – Highlights 31/03 / Q1 2018

2

Progroup – Financial Performance

3

Progroup – Summary & Outlook

4

JH-Holding – Overview & Group Figures

Highlights

31 March / First Quarter 2018

Historic strong performance

- Ongoing favourable development of market conditions in Q1
- Strong volume growth in our corrugated board business in Q1 2018 (+13.7%)
- Strong sales growth to €243.8 mn in Q1 2018 (+26.0% compared to Q1 2017)
- Reported EBITDA of €69.8 mn (28.6%) in Q1 2018 marks a new all-time high, compared to €40.3 (20.8%) mn in Q1 2017
- Successful Fixed Rate Notes Offering in Q1 2018 (€450 mn)
- Net financial debt at €439.4 mn (31 December 2017: €422.5 mn)
- Net leverage of 2.1 x LTM EBITDA at lowest level since market debut in 2015
- PW10 with favourable growth in the first twelve months (full capacity utilisation in Q1)
- PW11 successfully started production in early March
- Project PW12 on schedule

Agenda

1

Progroup – Highlights 31/03 / Q1 2018

2

Progroup – Financial Performance

3

Progroup – Summary & Outlook

4

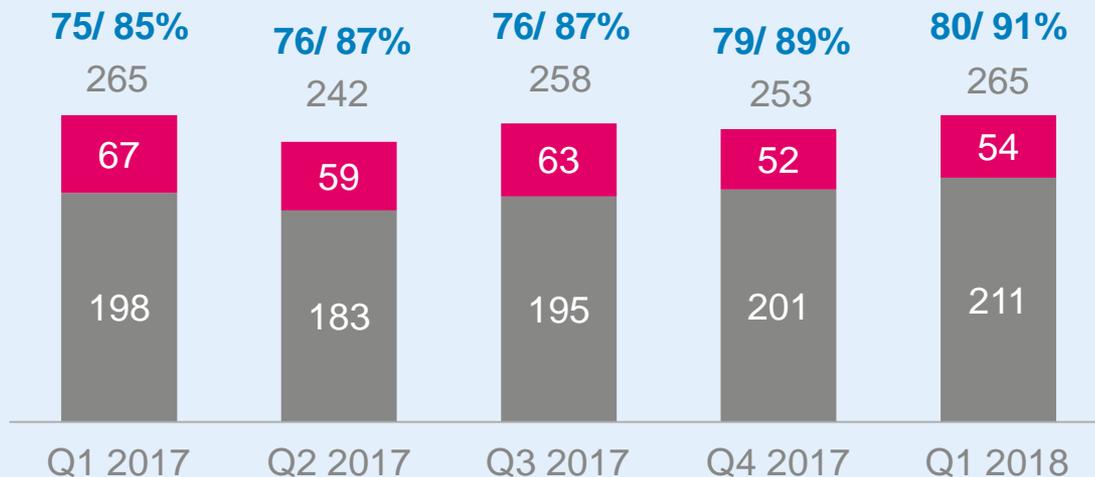
JH-Holding – Overview & Group Figures

Financial Performance

Quarterly view

High level of integration

Volume containerboard (in kt)



Internal volume
 External volume

Integration without/ with swap agreements (%)

Development

Increased level of integration

Continuing low industry stock level of containerboard and therefore higher internal usage

Limited external sourcing options and growing internal demand of containerboard led to an increase of integration level since the beginning of 2017

Financial Performance

Quarterly view

Volume growth

Volume corrugated board (in kt)

+13.7%



Development

Strong increase in sales volume well above market growth, mainly driven by PW10

Financial Performance

Quarterly view

Sales development

Sales (in € mn)



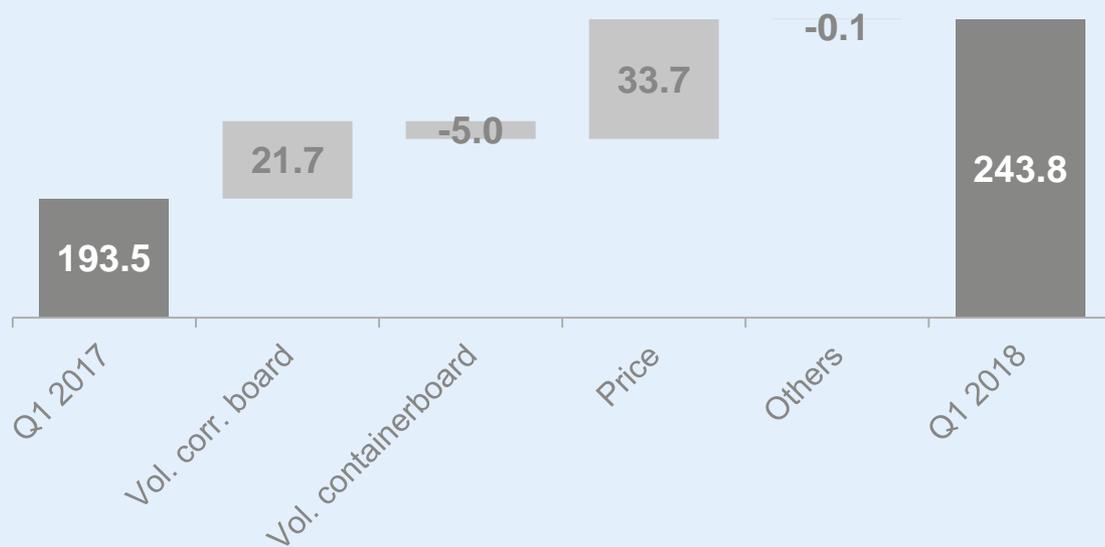
Strong sales growth compared to Q1/2017

Primarily driven by higher price levels for container-board as well as corrugated board and an increase in sales volume of corrugated board

Financial Performance 31 March / First Quarter 2018

Strong sales growth

Sales Development (in € mn)



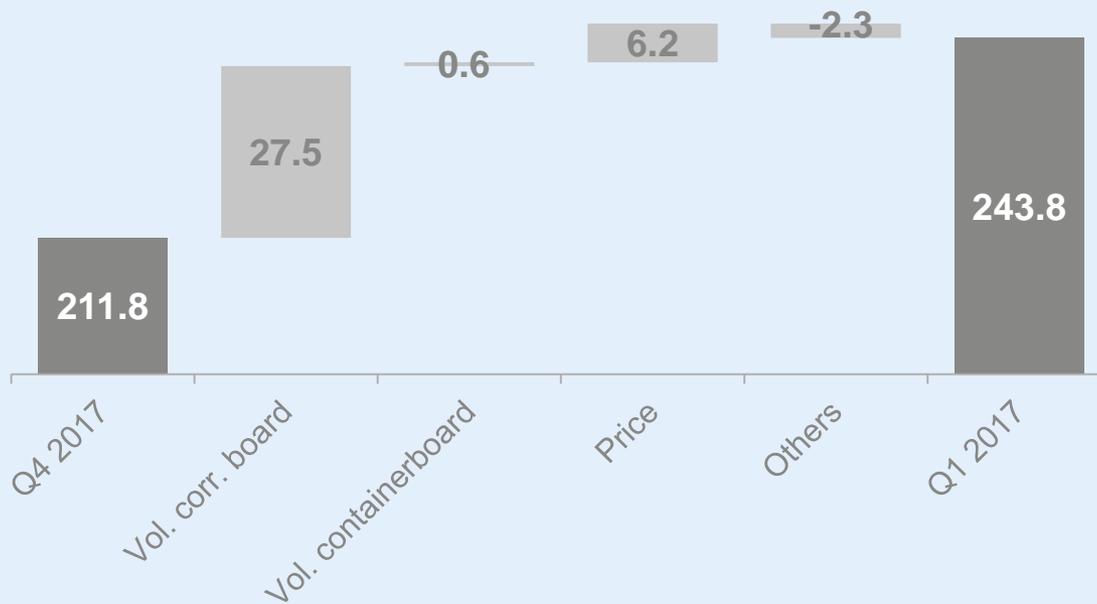
Sales (in € mn)



Financial Performance Fourth Quarter 2017 / First Quarter 2018

Strong sales growth

Sales Development (in € mn)



Sales (in € mn)



Financial Performance

Quarterly view

Development of EBITDA / EBITDA margin

EBITDA (in € mn)
EBITDA margin (%)



EBITDA Q1/18

Amounting to €69.8 mn, on a very strong level, following our operating performance and a solid gross margin development

Q1/18 EBITDA margin

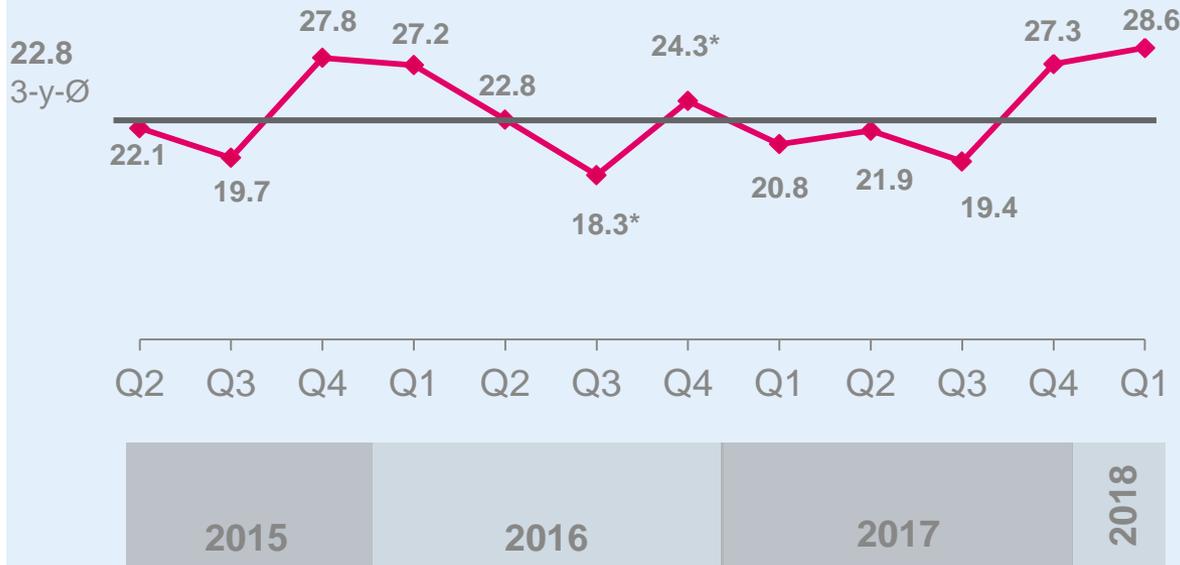
Well above 2017 EBITDA margin

Financial Performance

Quarterly view

EBITDA margin long-term average

EBITDA margin (%)



Q1 2018 EBITDA margin significantly above 3-year average level

EBITDA margin further improved compared to Q4 due to strong gross margin development

Long-term stable EBITDA-margin development

*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 decreased in Q1/18 compared to Q4/17

Driven by a further increase in working capital and higher cash flows for investing activities for our current growth projects

Higher free cash flow compared to Q1 2017 based on improved performance

Financial Performance Quarterly view

Development of net financial debt and net leverage

Net financial debt (in € mn) Progroup
 Net leverage (x LTM EBITDA) Progroup
 Net leverage (x LTM EBITDA) JH-Holding
 Long-term target range including JH-Holding



* Net leverage (x LTM adjusted EBITDA)

Net financial debt slightly increased

Higher financial debt and higher cash in hand

Net leverage on all-time low since Senior Secured Notes Offering

Due to strong LTM EBITDA

Net leverage below long-term target range for net leverage including JH-Holding of 2.5 to 3.0

Financial Performance

Quarterly view

Development of working capital

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



Strong increase in working capital, mainly due to significantly higher trade receivables as a result of higher sales and lower factoring/forfeiting volume

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

Agenda

1

Progroup – Highlights 31/03 / Q1 2018

2

Progroup – Financial Performance

3

Progroup – Summary & Outlook

4

JH-Holding – Overview & Group Figures

Summary & Outlook

31 March / First Quarter 2018

Expectations



- Strong operating performance in Q1 2018, significant growth of sales and EBITDA
- Further favourable margin development
- Expect further narrow market for recycled containerboard and therefore solid market conditions in Q2
- Recycled paper prices are expected to remain volatile around the lower level, reached in Q1 2018
- Scheduled maintenance shutdown (10 days) of our paper machine PM1 in April will slightly impact our Q2 results

Summary & Outlook

31 March / First Quarter 2018

Expectations



- Project PW11 on schedule: Start of production in early March
- Project PW12 on schedule: Construction of building currently in progress
- Dividend payment of €87 mn in April
- Redemption of €345 mn fixed rate notes on 1 May 2018
- Preparations for the project PM3 proceed according to the plan

Summary & Outlook

31 March / First Quarter 2018

Impressions - Project PW12



Agenda

1

Progroup – Highlights 31/03 / Q1 2018

2

Progroup – Financial Performance

3

Progroup – Summary & Outlook

4

JH-Holding – Overview & Group Figures



JH-Holding Performance presentation

31 March / First Quarter 2018



JH-Holding Overview

31 March / First Quarter 2018



- 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 (€503.2 mn) on same level as at 31 December 2017 (€502.2 mn)
- Net leverage decreased to 2.4 as at 31 March 2018 based on higher LTM EBITDA
- Net leverage of 2.4 below target corridor 2.5 – 3.0 and represents an all-time low since the PIK Toggle Notes Offering in Q2 2015

Differences between Consolidated Group Figures Progroup and JH-Holding

Key operating figures

Key operating figures (in thousands)	January – March 2018		
	Progroup AG	Difference	JH-Holding GmbH
Sales	243,786	-6	243,780
Reported EBITDA	69,780	-75	69,705
Reported EBITDA margin (in % of net sales)	28.6%	0.0%	28.6%
EBIT	57,487	-75	57,412
Consolidated net income for the period	32,280	-1,750	30,530
Cash flows from operating activities	31,220	-120	31,100
Cash flows from investing activities	-18,714	0	-18,714
Free cash flow	12,506	-120	12,386

www.ir.progroup.ag
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