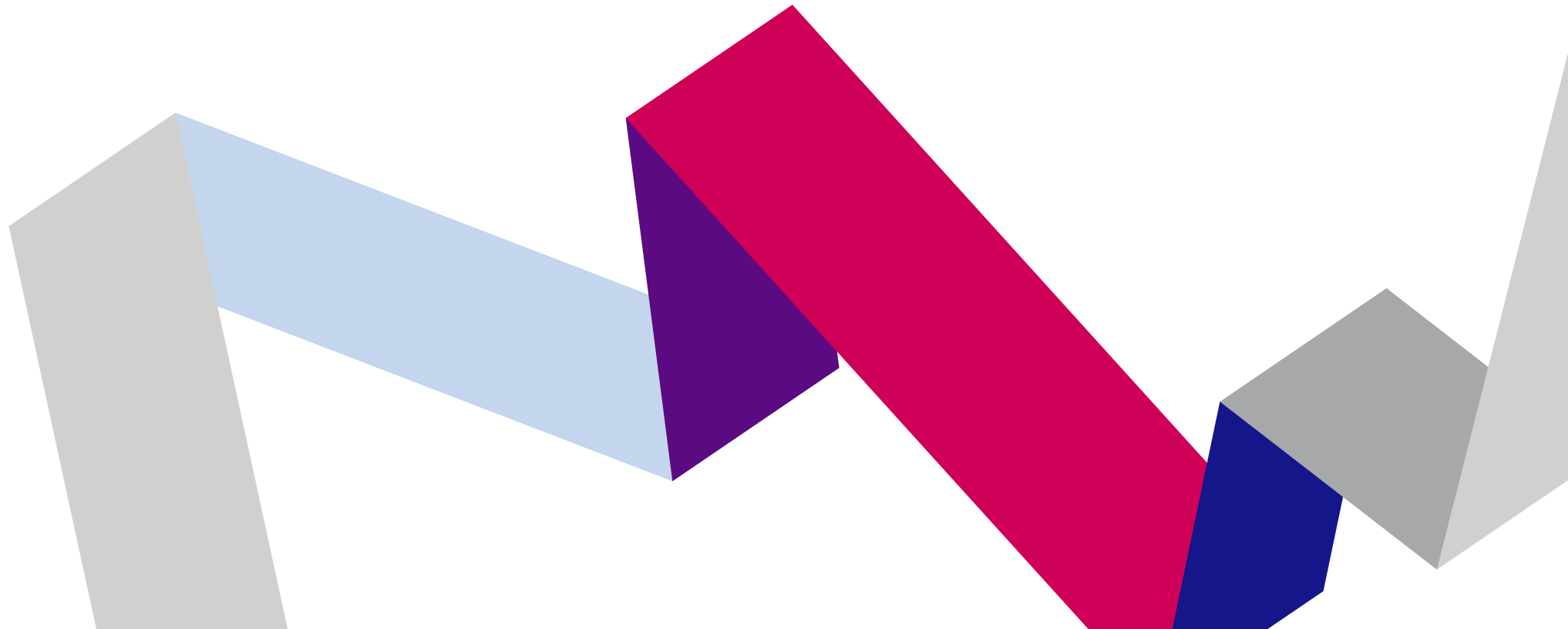


PERFORMANCE PRESENTATION

**31 March
First Quarter 2021**





DISCLAIMER IMPORTANT INFORMATION

The unaudited consolidated financial information of Progroup AG (“Progroup”) as at and for the period ended 31 March 2021 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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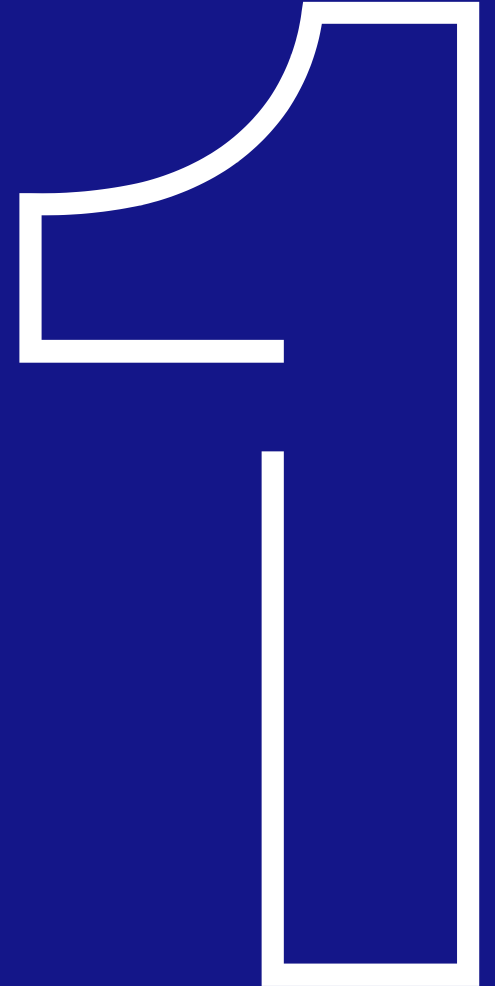
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In this presentation, we present certain non-GAAP measures and ratios, including EBITDA, EBITDA margin, EBIT, free cash flow, net financial debt, net leverage and certain other financial data that are not required by, or presented in accordance with, 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 31/03 | Q1 2021
02. Progroup – Financial Performance
03. Progroup – Summary & Outlook

**PROGROU
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HIGHLIGHTS
31/03 | Q1 2021**

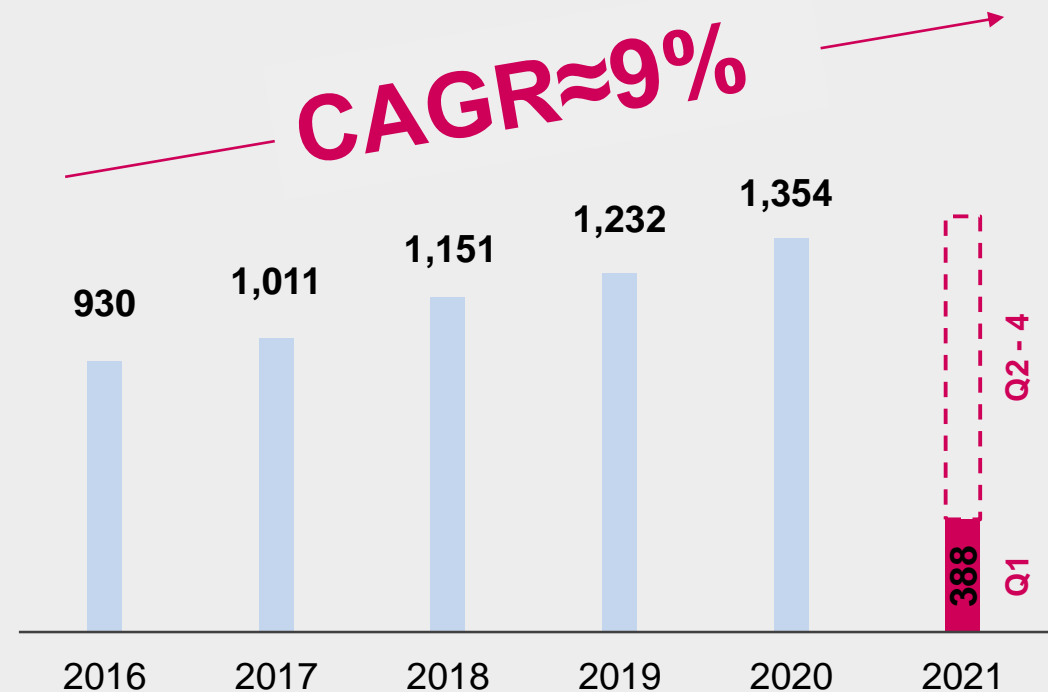


CONTINUING ROBUST PERFORMANCE

- Significant volume increases in our corrugated board (9.8%) and containerboard businesses (45.2%) in Q1 2021 compared to Q1 2020, driven by higher production capacities and strong demand
- Sales increase to €285.7 mn in Q1 2021 (+22.7% compared to Q1 2020) due to strong volume growth and higher price levels
- EBITDA decrease to €45.5 mn in Q1 2021 (-21.2% compared to Q1 2020: €57.8 mn) due to higher recovered paper costs and start-up losses of PM3
- EBITDA margin in Q1 of 15.9% stable vs. Q4 2020
- Net financial debt at €828.7 mn (31 December 2020: €804.8 mn)
- Net leverage of 5.0 x LTM EBITDA

Volume corrugated board

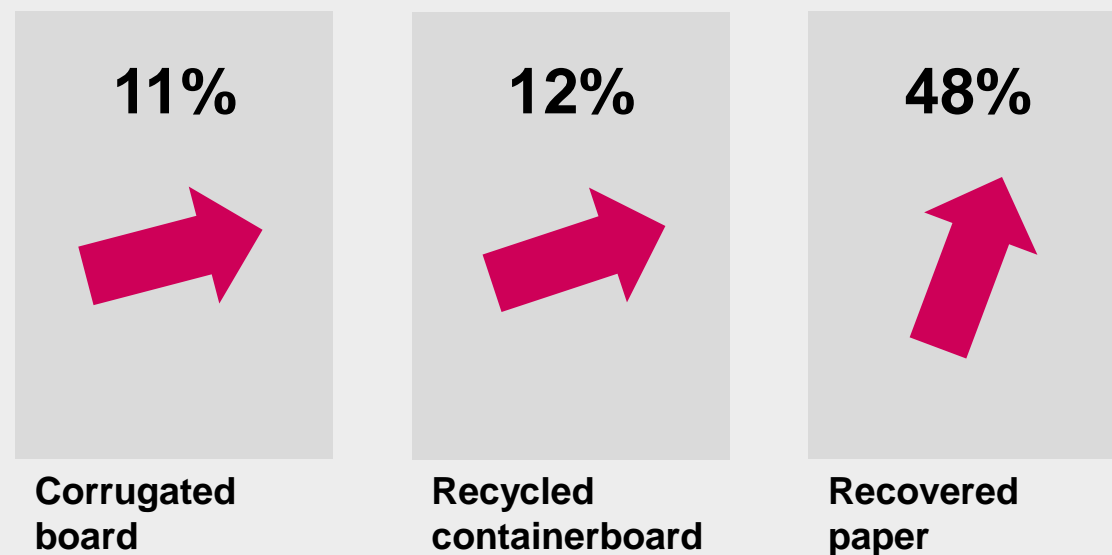
(in kt)



MARKET DEVELOPMENT

- Strong demand in our two businesses in Q1
- 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 and corrugated board increased further in Q1
- Strong demand for recovered paper due to higher utilisation rate in the entire industry as well as new containerboard capacities in Europe and limited collections due to COVID 19 lockdowns measures led to significant price increases for recovered paper in Q1

Price development Q1 2021 compared to Q4 2020



PROGROU FINANCIAL PERFORMANCE



Quarterly view

HIGH LEVEL OF INTEGRATION

Development

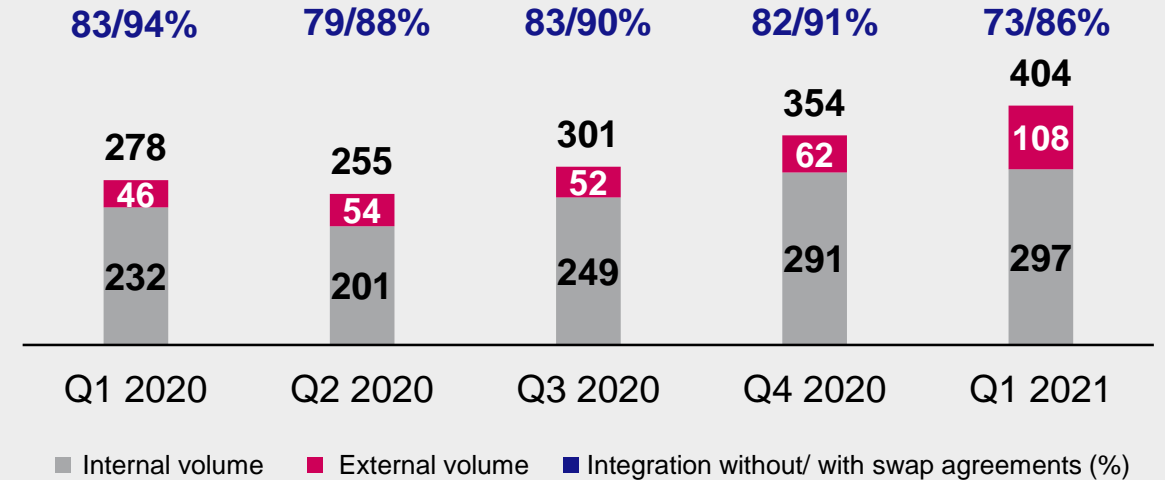
Lower integration level vs. Q1/2020 due to increased external sales volume of containerboard following the start-up of PM3

Strong increase of 45.2% in Q1 sales volume compared to Q1/2020

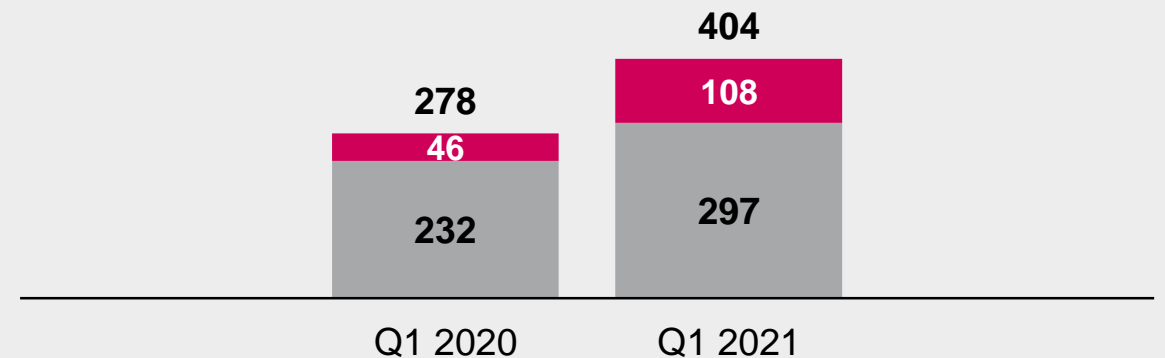
The volume increase is driven by higher production capacities with the start-up of PM3

Volume containerboard

(in kt)



+45.2%



Quarterly view

VOLUME GROWTH

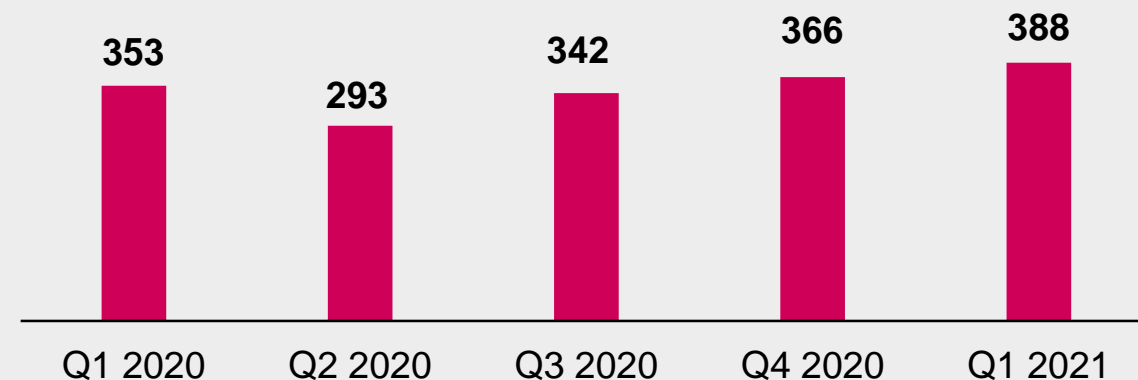
Development

Corrugated board sales volume increased in Q1 2021 (9.8%) compared to Q1 2020, driven by higher production capacities and exceptionally strong demand

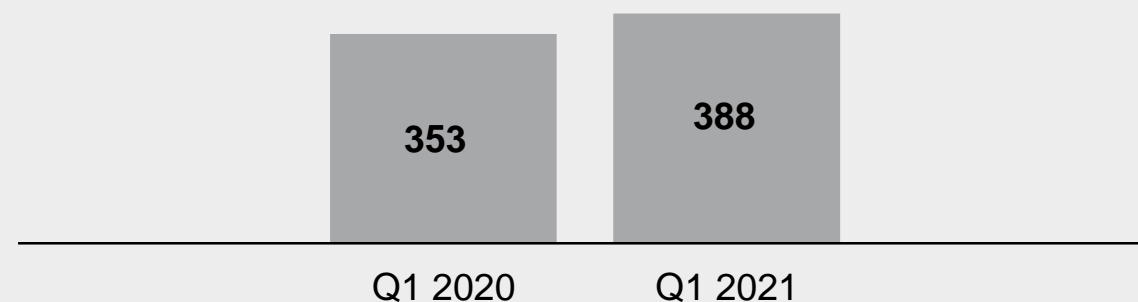
The main growth momentum coming from our new German corrugated board plant

Volume corrugated board

(in kt)



+9.8%



Quarterly view

SALES DEVELOPMENT

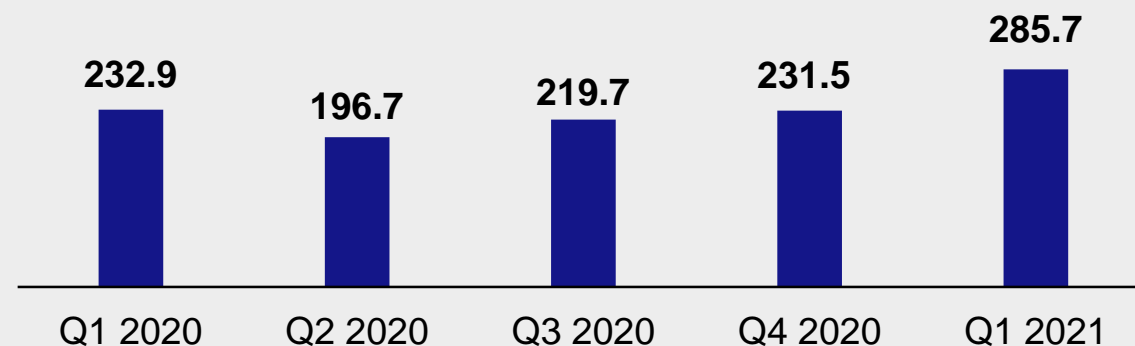
Strong sales increase compared to Q1 2020

Positive volume effect of higher corrugated board sales volume and higher external containerboard sales volume and increased price levels led to this strong sales growth

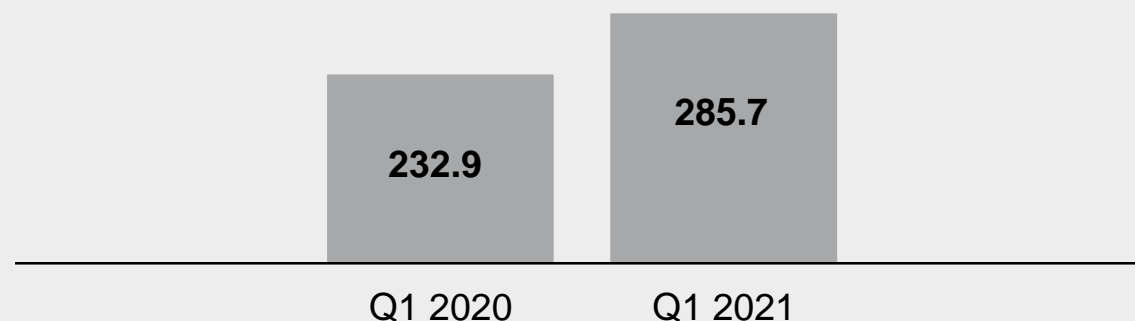
Demand significantly exceeded our production capacities

Sales

(in € mn)



+22.7%

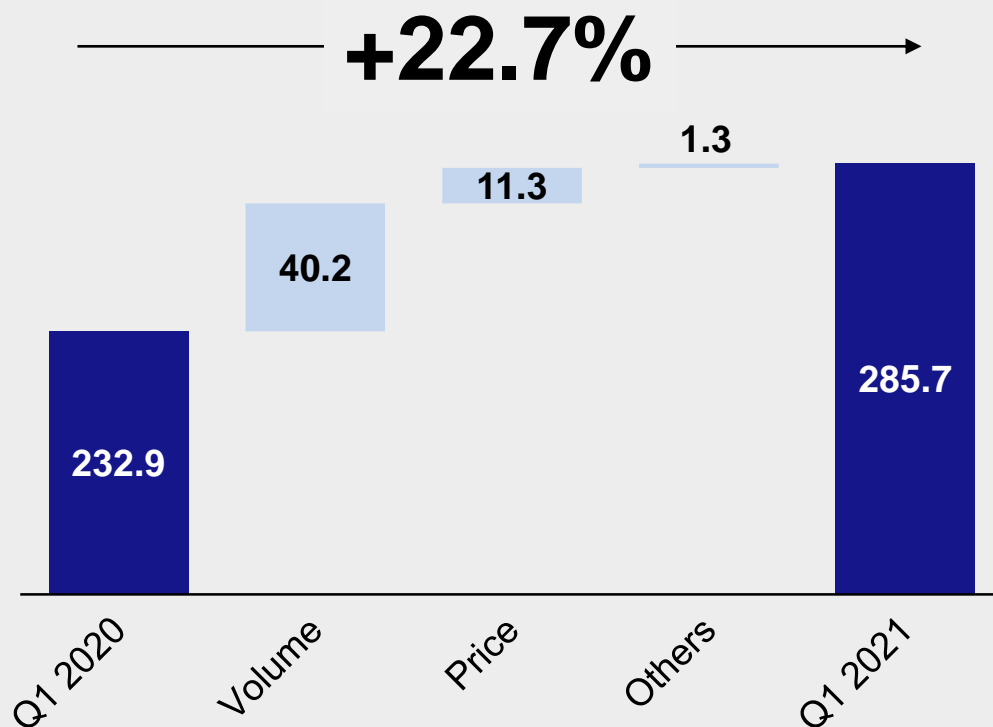




SALES INCREASE

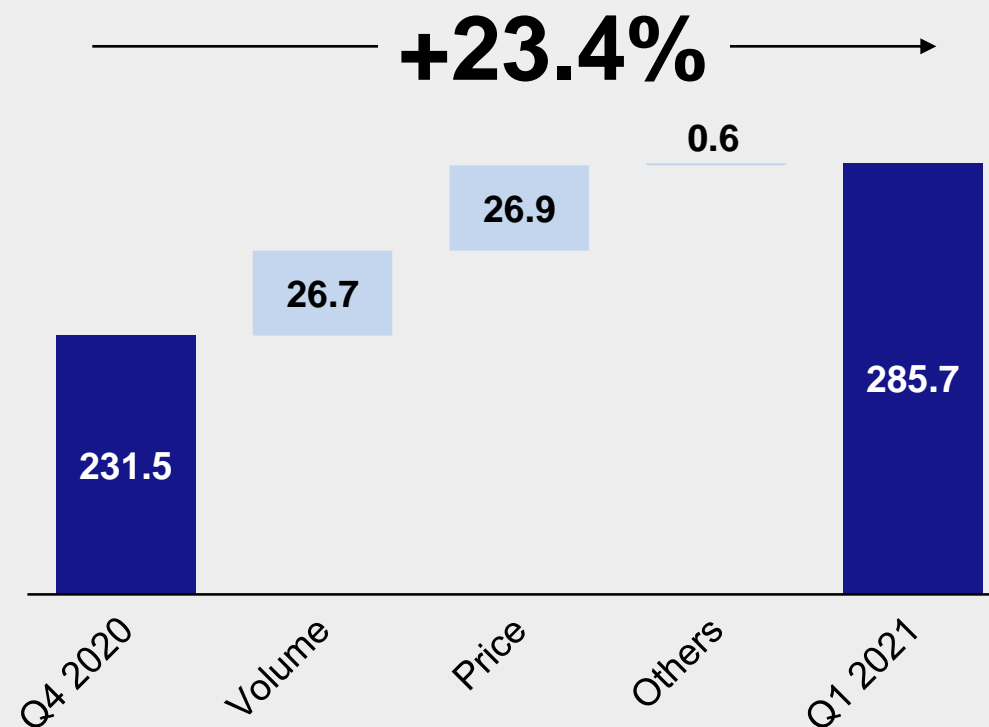
Sales Development – Q1 2020 / Q1 2021

(in € mn)



Sales Development – Q4 2020 / Q1 2021

(in € mn)



DEVELOPMENT OF EBITDA/EBITDA MARGIN

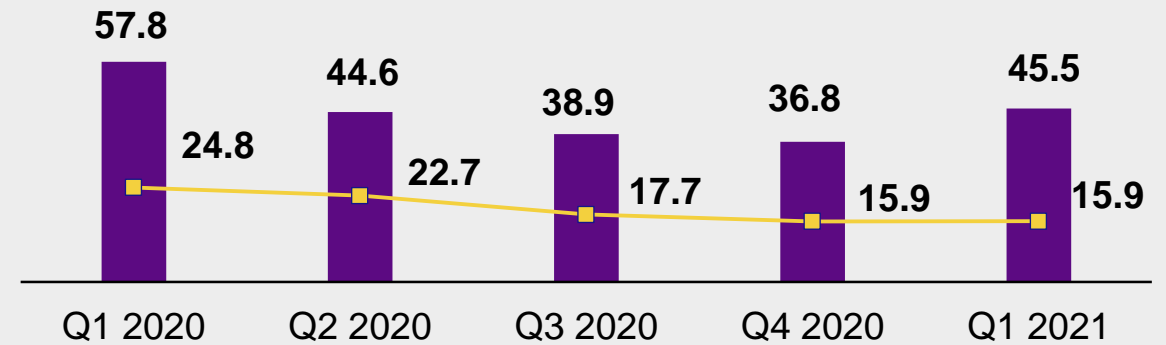
EBITDA Q1 2021

Amounting to €45.5 mn, following the temporary margin pressure due to higher recovered paper prices. Additionally, higher energy costs and the ramp-up costs of the new paper machine PM3 impacted the results.

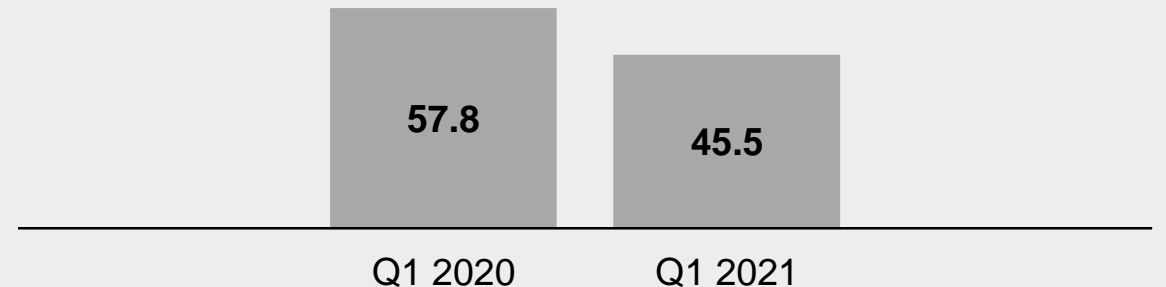
Higher EBITDA in Q1 compared to Q4 2020 led to stable margin of 15.9% due to higher sales. Margin is temporarily impacted by the typical time-lag in passing on the raw material price increase to customers

EBITDA

(in € mn) — EBITDA margin (%)



-21.2%



Long-term view

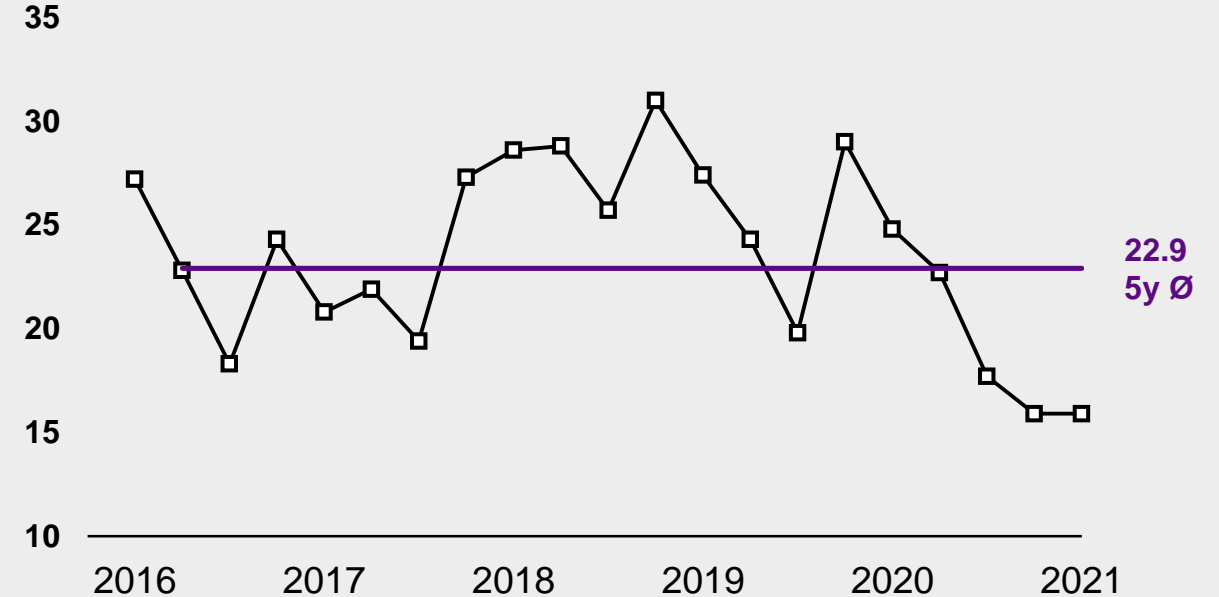
EBITDA MARGIN LONG-TERM AVERAGE

Q1 2021 EBITDA margin decreased

EBITDA margin, which is temporarily below our 5-year average, is expected to return to the corridor shortly

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

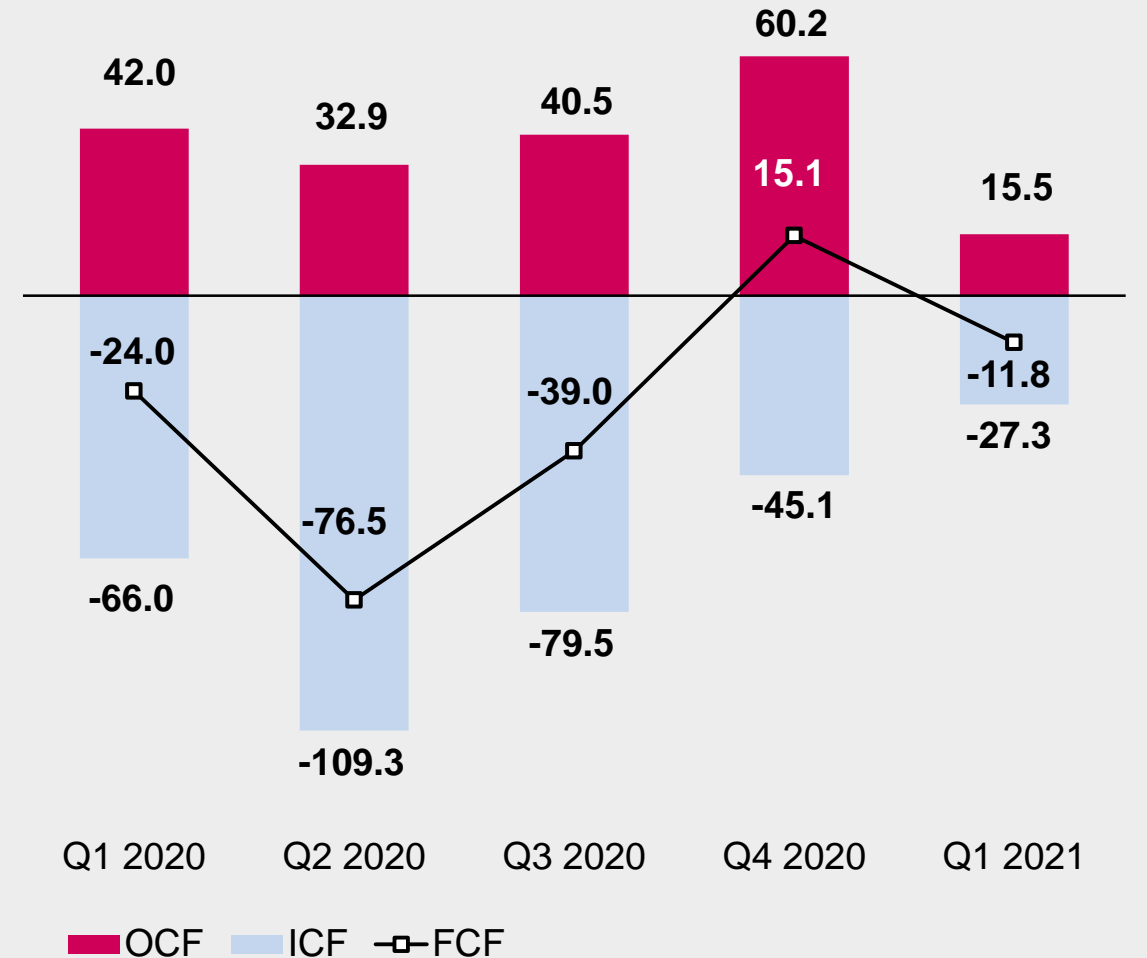
Free cash flow increased in Q1 21 compared to Q1 20

Operating cash flow decreased following the lower consolidated net income and an increase in working capital.

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

Free cash flow

(in € mn)

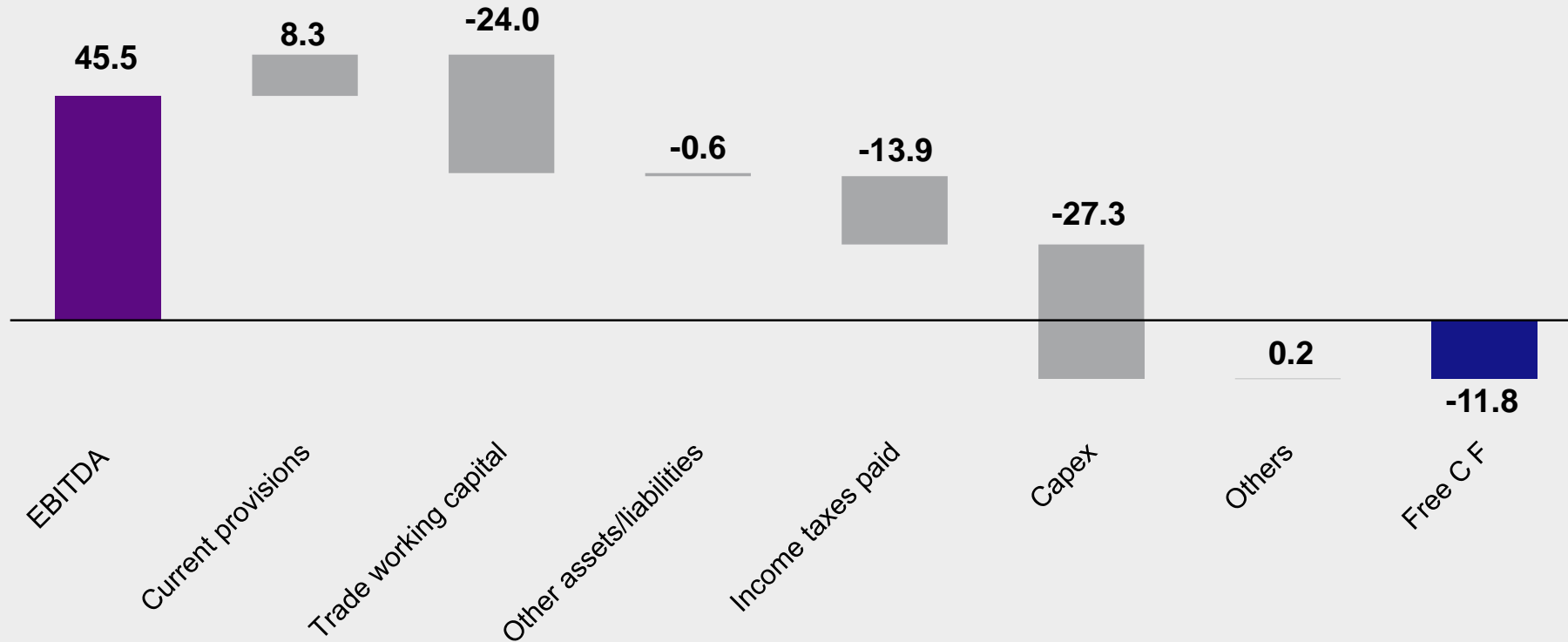




EBITDA TO FREE CASH FLOW

EBITDA to free cash flow

(in € mn)



Quarterly view

DEVELOPMENT OF NET FINANCIAL DEBT AND NET LEVERAGE

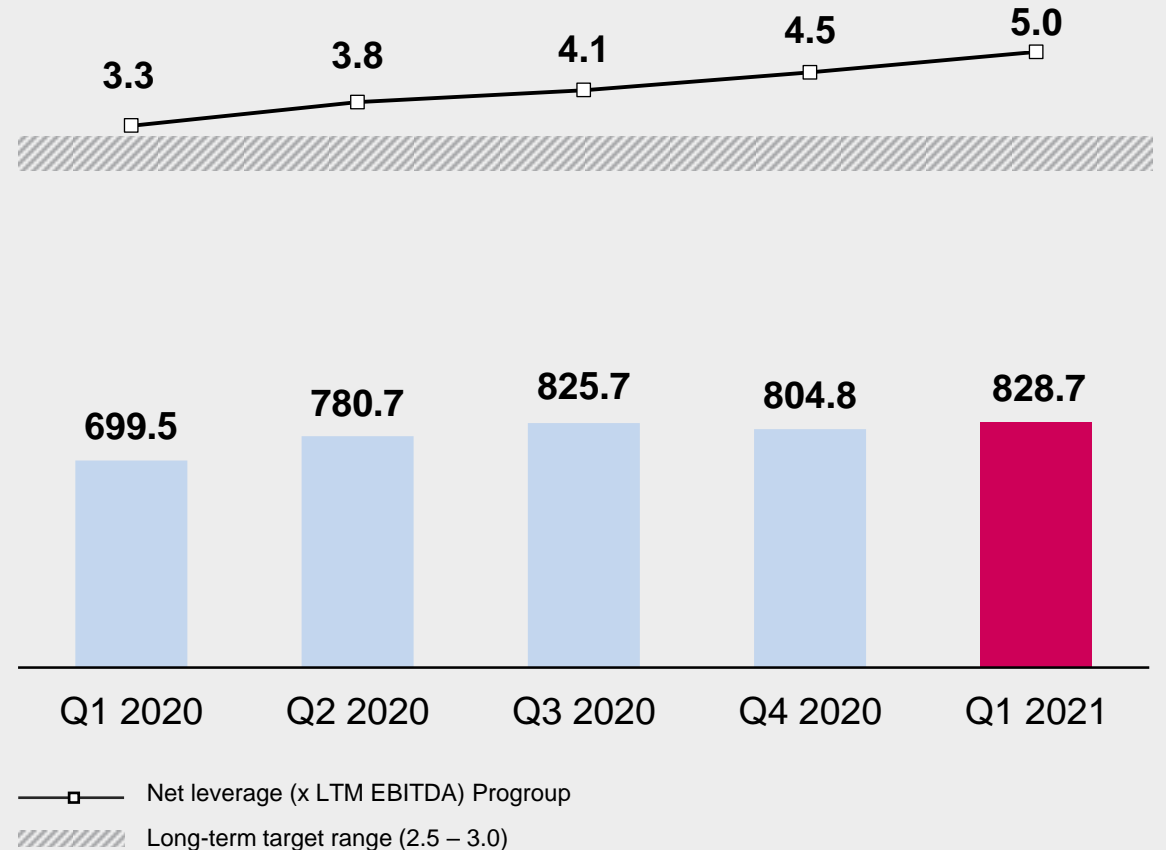
Net leverage increased to 5.0 due to lower LTM EBITDA and higher net debt.

Long-term target net leverage range of 2.5 – 3.0 temporarily exceeded due to continued investment activities in our growth projects

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)



31 March 2021

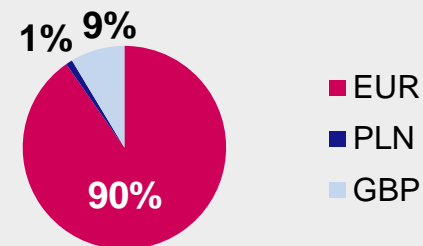
FINANCIAL DEBT AND FINANCE COSTS

Net financial debt increased due to higher gross financial liabilities and slightly lower cash in hand and bank balances.

Average interest rate decreased in Q1 2021 vs. Q1 2020.

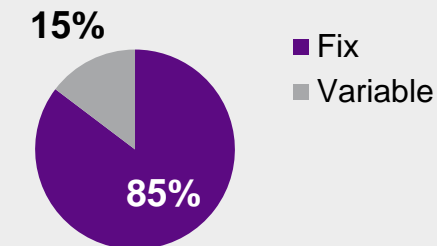
Currency split of current financial liabilities

(in %)



Interest split of current financial liabilities

(in %)



Financial debt and finance costs

(in € mn)

	31/12/2020	31/03/2021
Bonds	600	600
Committed bank facilities	486	482
thereof undrawn	155	130
Financial liabilities	935	952
Cash in hand, bank balances	130	124
Net financial debt	805	829
	Q1 2020	Q1 2021
Interest expenses*	6.9	7.3
Average interest rate	3.2%	3.0%

*excluding amortisation of lump sum fee payments

Quarterly view

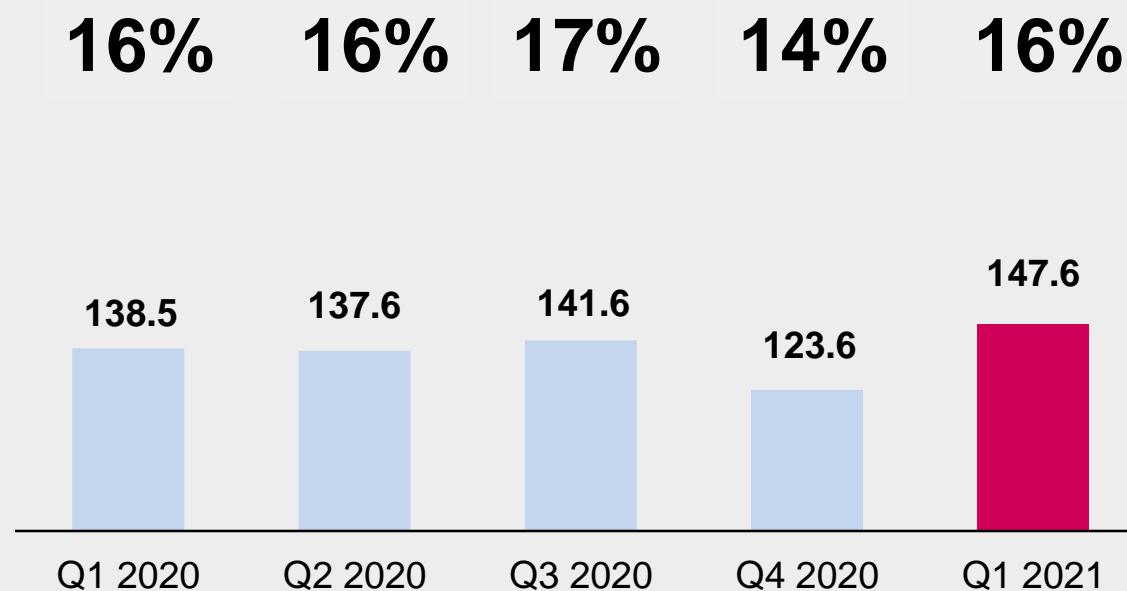
DEVELOPMENT OF WORKING CAPITAL

Working capital increased in Q1 compared to Q1 2020, due to higher inventories in connection with the start-up of PM3 and the build-up of the necessary spare parts

In comparison to Q4 2020 working capital increased due to higher sales and year end effects that led to a lower working capital as at 31. December 2020

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 Q2 2021
- Further price increases of containerboard and corrugated board in Q2 2021 due to a good demand
- Further price increases of recovered paper at the beginning of Q2 2021 due to a robust demand from the existing and new capacities in the containerboard industry
- Expected EBITDA margin improvements
- Project PW14 successfully ongoing





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

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