

PERFORMANCE PRESENTATION

30 June
Second Quarter 2021





DISCLAIMER IMPORTANT INFORMATION

The unaudited consolidated financial information of Progroup AG (“Progroup”) as at and for the period ended 30 June 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.

This presentation may contain forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, projects, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this presentation. Accordingly, prospective investors should not place undue reliance on these forward-looking statements, which speak only as at the date on which the statements were made (and in any case no later than the date of this presentation). We undertake no obligation, and do not intend, to update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

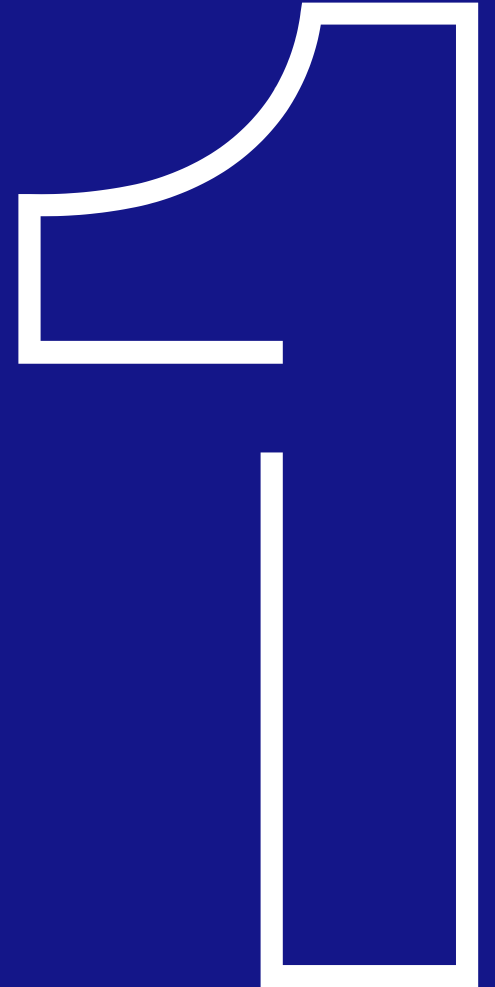
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In this presentation, we present certain non-GAAP measures and ratios, including EBITDA, EBITDA margin, EBIT, free cash flow, net financial debt, net leverage and certain other financial data that are not required by, or presented in accordance with, 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 30/06 | Q2 2021
02. Progroup – Financial Performance
03. Progroup – Summary & Outlook

**PROGROU
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HIGHLIGHTS
30/06 | Q2 2021**

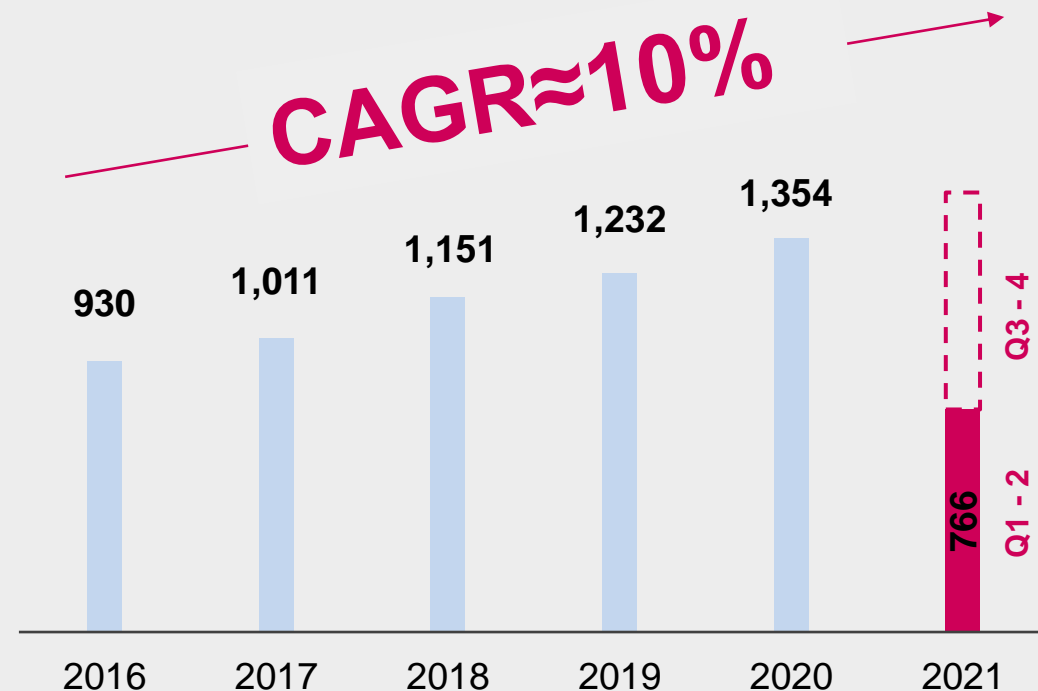


IMPROVING FINANCIAL PERFORMANCE

- Significant volume increases in our corrugated board (29.1%) and containerboard businesses (56.5%) in Q2 2021 vs. Q2 2020, driven by higher production capacities, very strong demand and the impact of the coronavirus pandemic in Q2 2020
- Strong sales increase to €321.9 mn in Q2 2021 (+63.7% compared to Q2 2020) due to strong volume growth and higher price levels
- Significant EBITDA increase to €63.9 mn in Q2 2021 (+43.4% compared to Q2 2020: €44.6 mn) due to higher gross margins
- EBITDA margin improved to 19.9% in Q2
- Net financial debt at €822.5 mn (31 December 2020: €804.8 mn)
- Improved net leverage of 4.4 x LTM EBITDA

Volume corrugated board

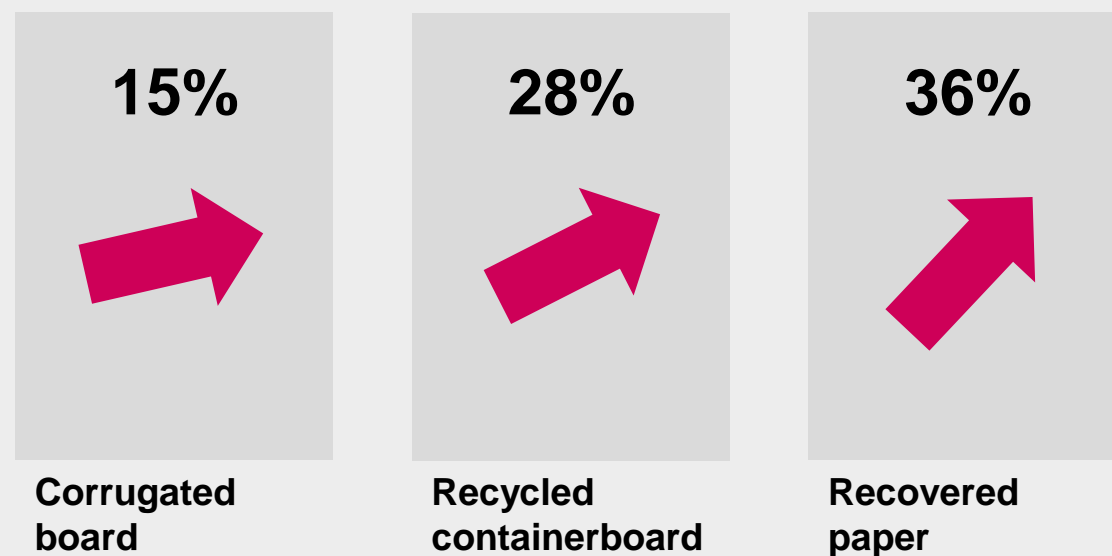
(in kt)



MARKET DEVELOPMENT

- Strong demand in our two businesses in Q2
- Increased demand from the e-commerce sector and the general economic recovery will also support future development
- Driven by a strong demand prices for recycled containerboard and corrugated board increased further in Q2
- 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 until the middle of Q2 and stabilised since then at a high level

Price development Q2 2021 compared to Q1 2021



PROGROU FINANCIAL PERFORMANCE



Quarterly view

HIGH LEVEL OF INTEGRATION

Development

Lower integration level vs. Q2/2020, but not as much as expected, due to increased external sales volume of containerboard following the start-up of PM3

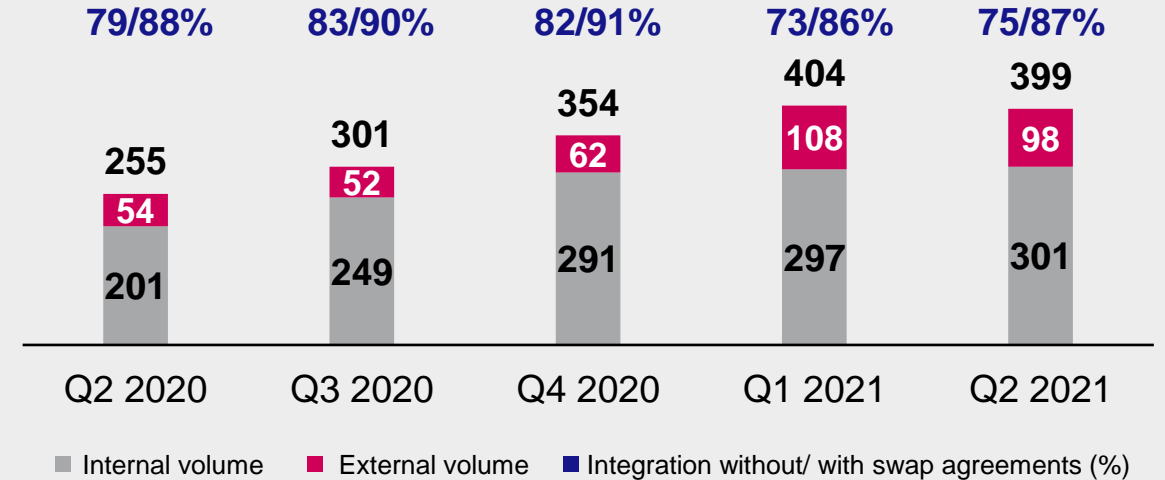
Strong increase of 56.5% in Q2 sales volume compared to Q2/2020

Sales volume 50.6% up in the first half of 2021

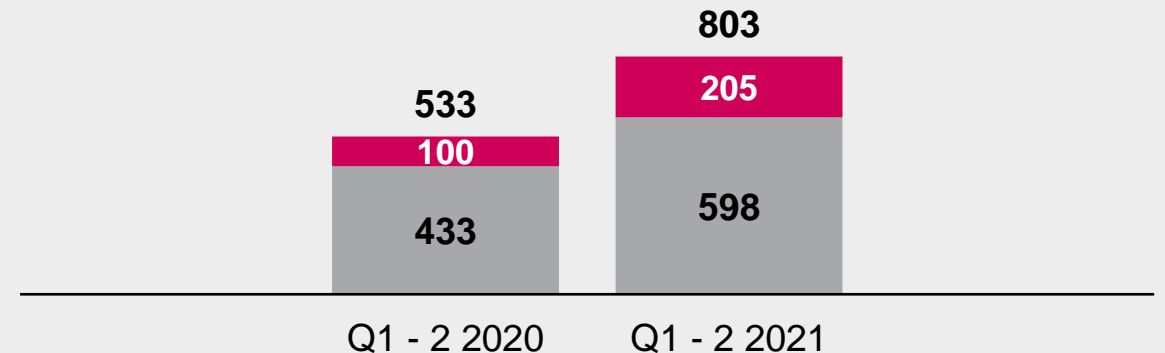
The volume increase is driven by higher production capacities with the start-up of PM3

Volume containerboard

(in kt)



+50.6%



Quarterly view

VOLUME GROWTH

Development

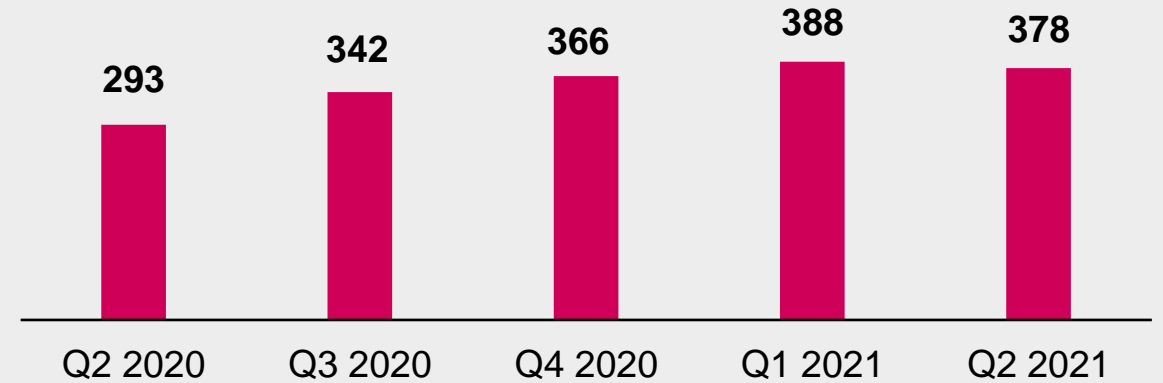
Corrugated board sales volume increased significantly in Q2 2021 (29.1%) compared to Q2 2020

Year to date growth rate of 18.5%

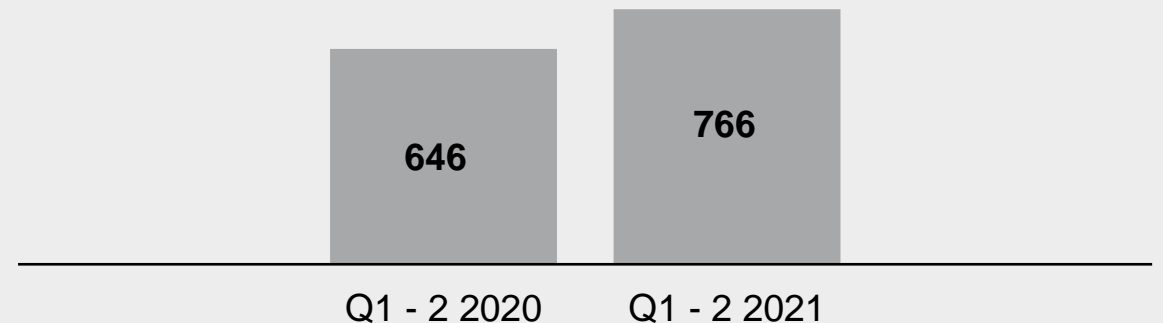
The main growth momentum came from our new German corrugated board plant and the impact of the coronavirus pandemic on sales volume in the second quarter of the previous year

Volume corrugated board

(in kt)



+18.5%



Quarterly view

SALES DEVELOPMENT

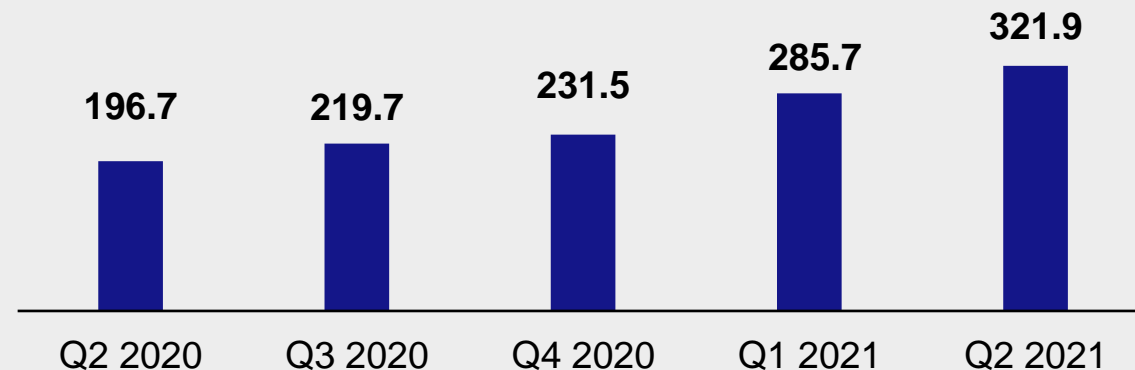
Strong sales increase compared to Q2 2020

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

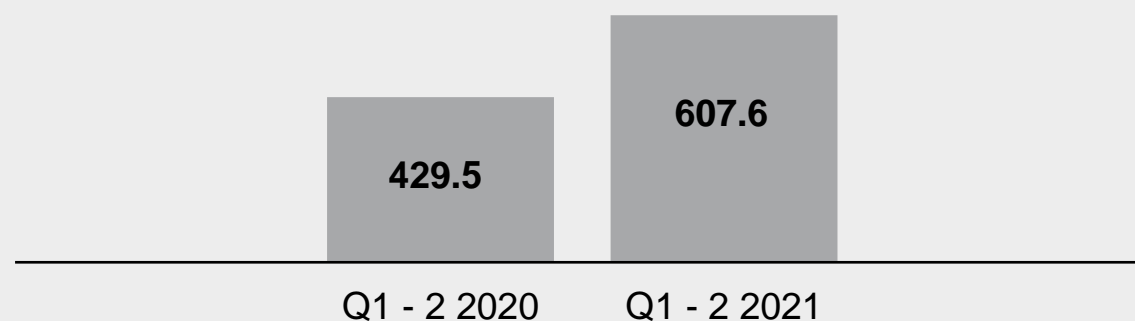
Year to date sales were 41.4% above prior year period

Sales

(in € mn)



+41.4%

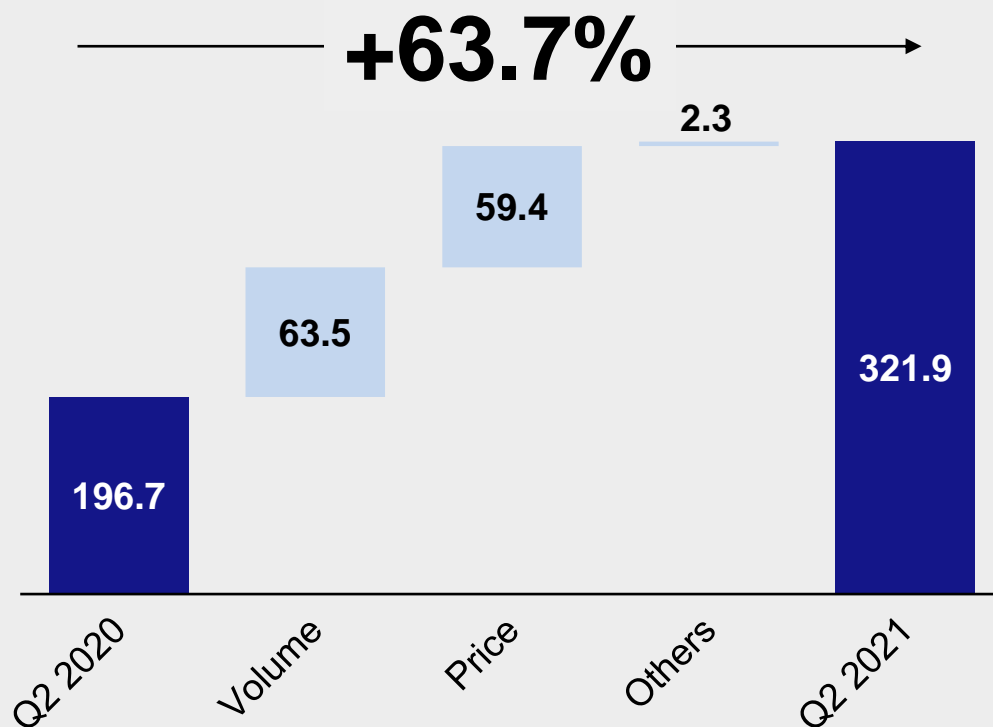


SALES INCREASE



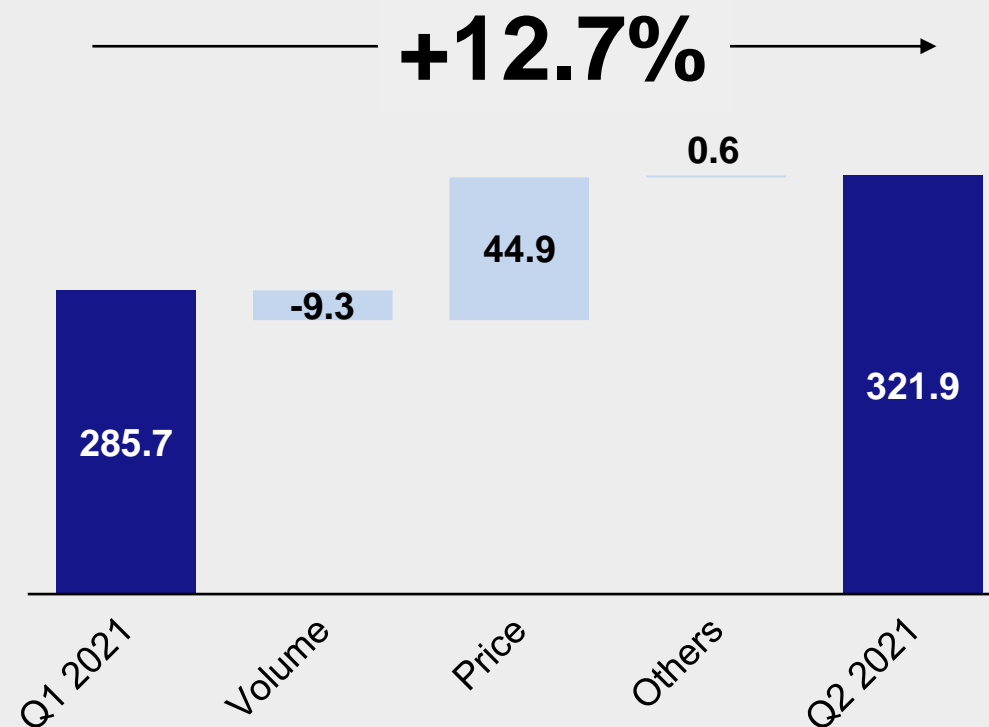
Sales Development – Q2 2020 / Q2 2021

(in € mn)



Sales Development – Q1 2021 / Q2 2021

(in € mn)



DEVELOPMENT OF EBITDA/EBITDA MARGIN

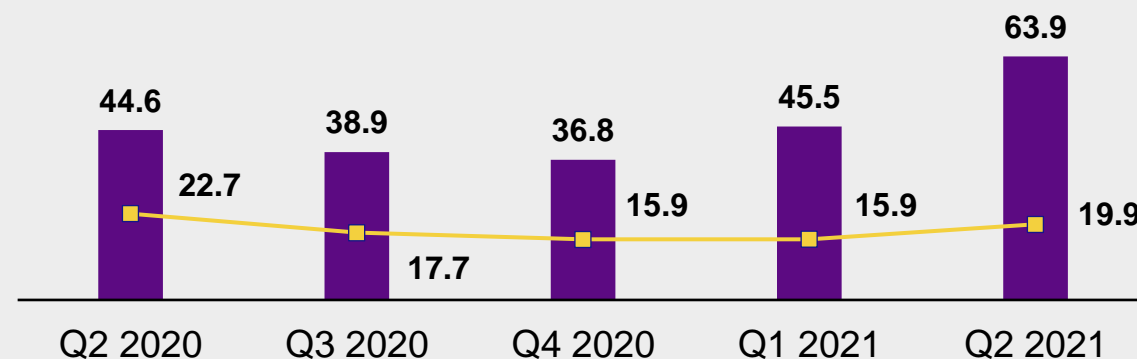
EBITDA Q2 2021

Shows a further improvement to €63.9 mn, as a result of higher gross margins following the implemented price increases. Nevertheless, higher energy costs and the ramp-up costs of the new paper machine PM3 impacted the results.

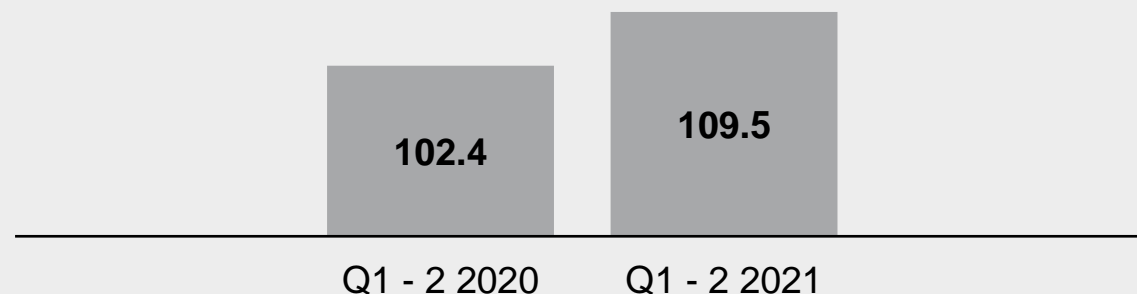
Higher EBITDA in Q2 compared to Q1 2021 led to an increased margin of 19.9%. The trend of increasing recovered paper prices stopped in the second quarter. Sales price increases continued throughout Q2 2021, leading to an improved margin level.

EBITDA

(in € mn) —■— EBITDA margin (%)



+6.9%



Long-term view

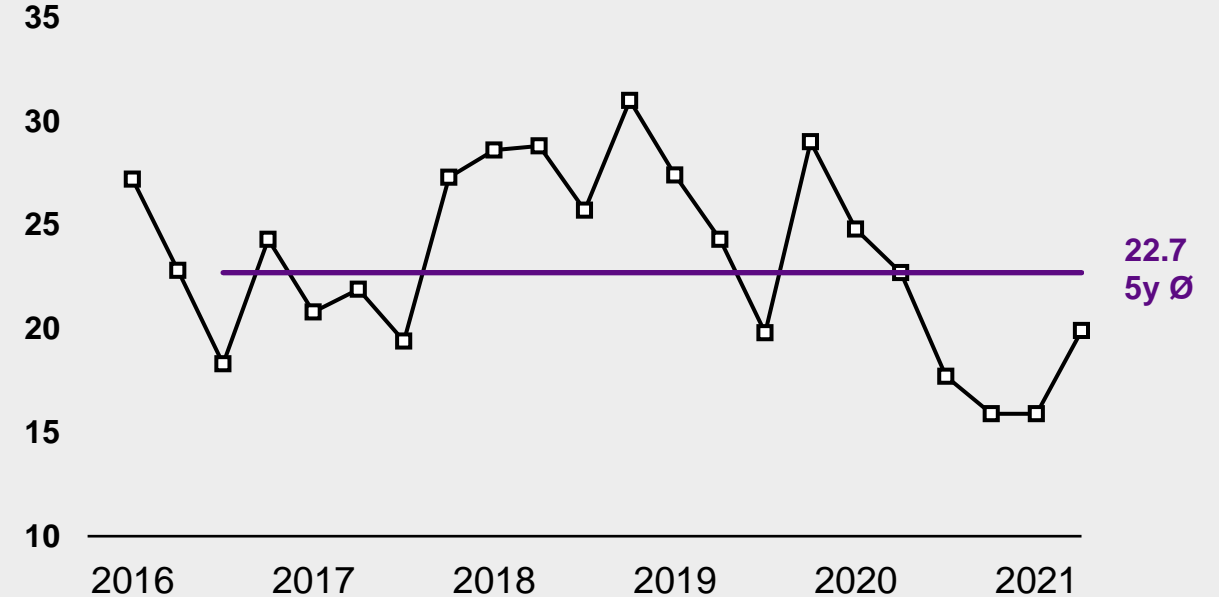
EBITDA MARGIN LONG-TERM AVERAGE

Q2 2021 EBITDA margin increased

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

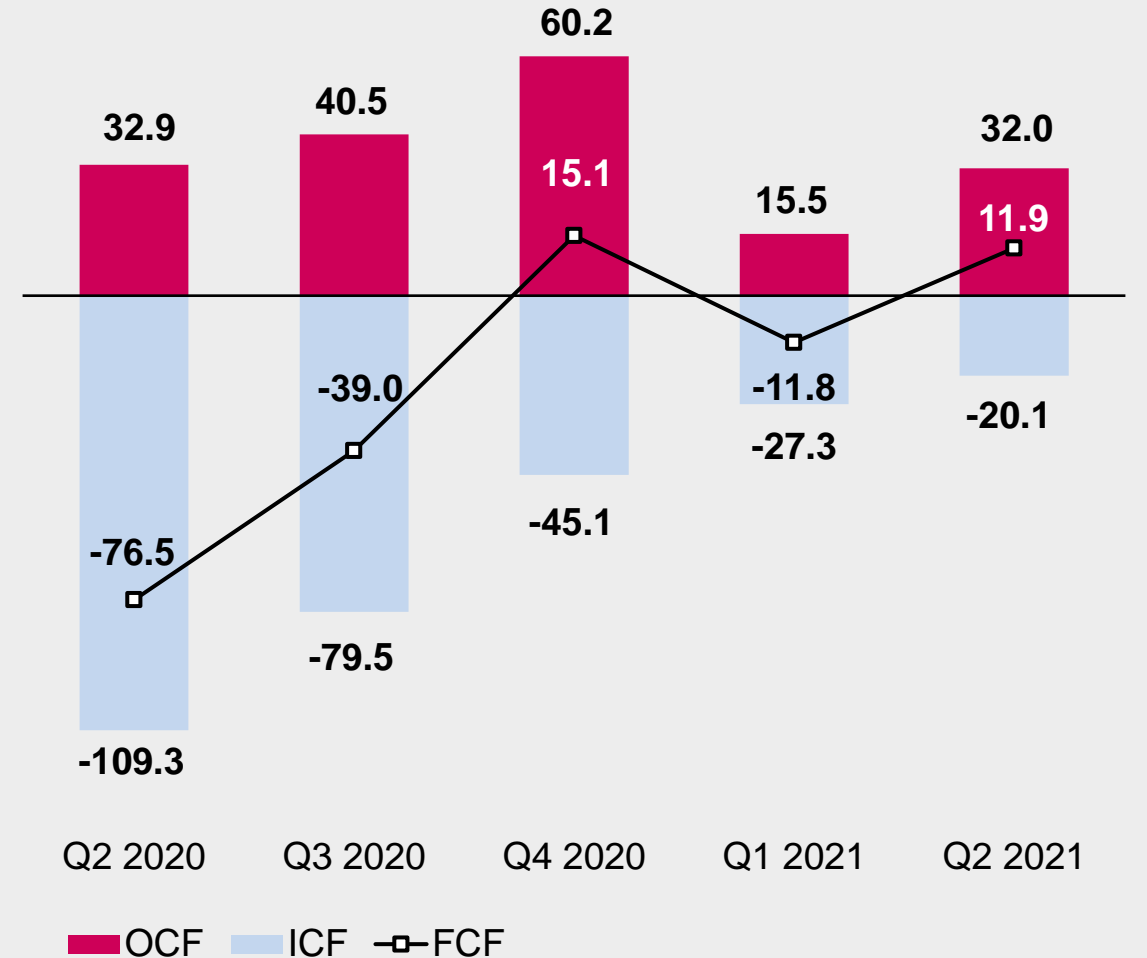
Free cash flow increased in Q2 21 compared to Q2 20

Operating cash flow slightly decreased following a strong increase in working capital.

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

Free cash flow

(in € mn)

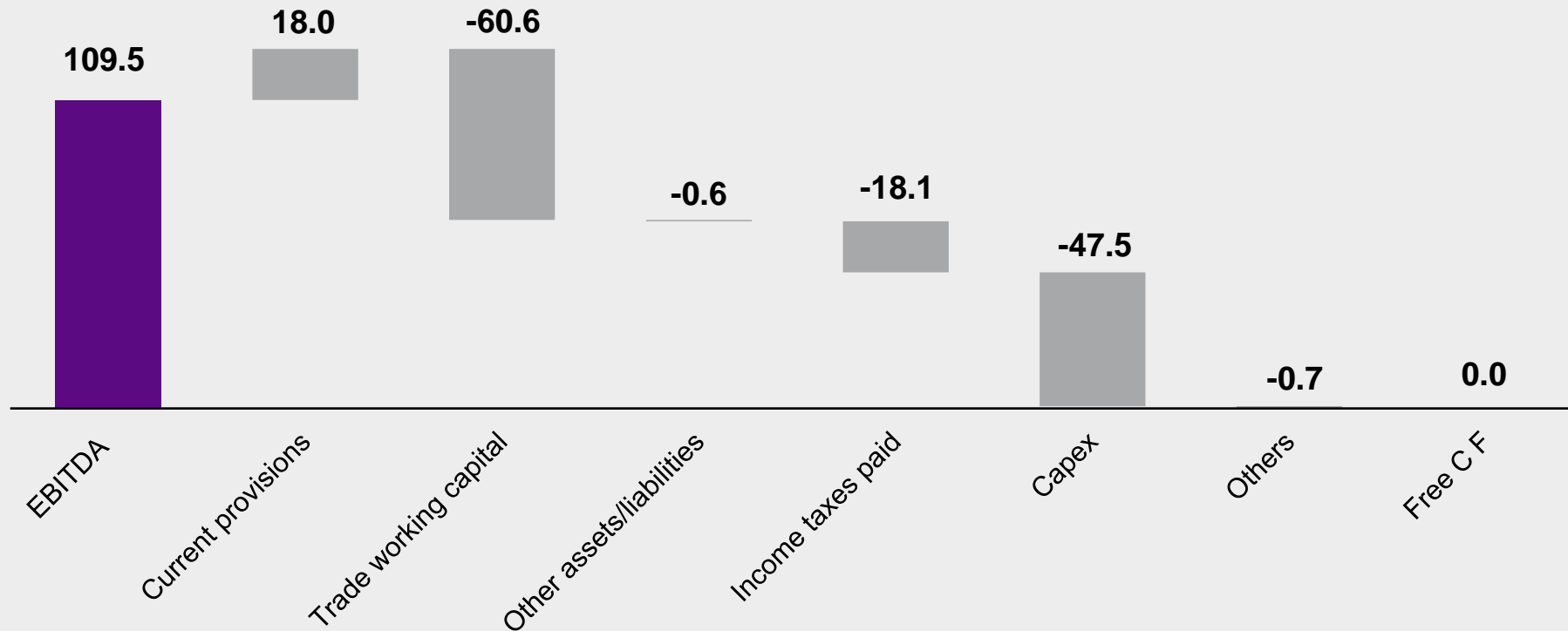




EBITDA TO FREE CASH FLOW

EBITDA to free cash flow

(in € mn)



Quarterly view

DEVELOPMENT OF NET FINANCIAL DEBT AND NET LEVERAGE

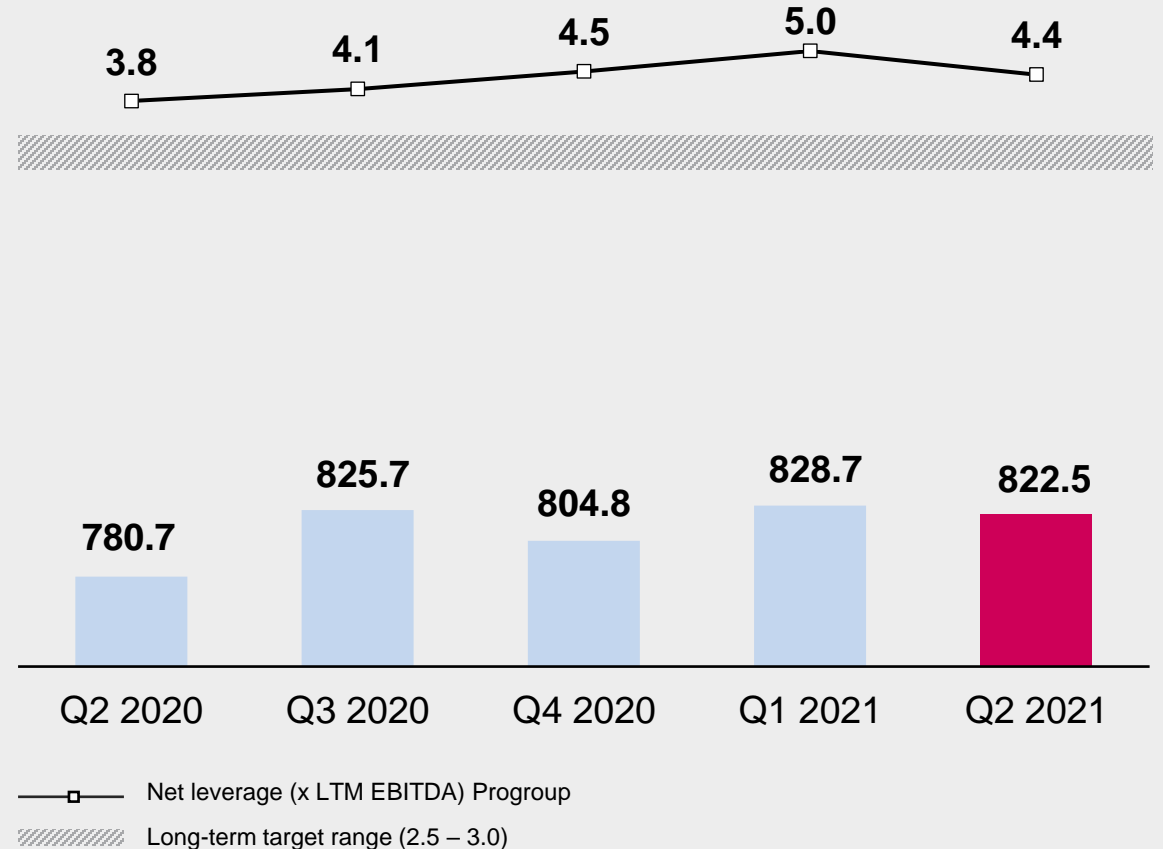
Net leverage decreased to 4.4 as expected due to higher LTM EBITDA and slightly decreased net debt and is now already well below the peak level of Q1 2021.

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

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

Net financial debt Progroup

(in € mn)



30 June 2021

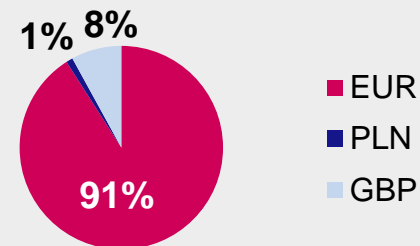
FINANCIAL DEBT AND FINANCE COSTS

Net financial debt increased due to higher gross financial liabilities.

Average interest rate decreased slightly in Q2 2021 vs. Q2 2020.

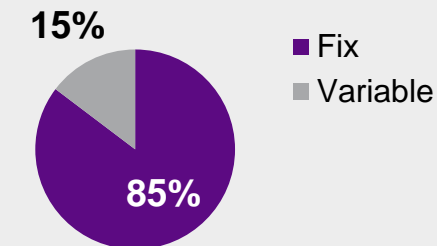
Currency split of current financial liabilities

(in %)



Interest split of current financial liabilities

(in %)



Financial debt and finance costs

(in € mn)

	31/12/2020	30/06/2021
Bonds	600	600
Committed bank facilities	486	473
thereof undrawn	155	100
Financial liabilities	935	978
Cash in hand, bank balances	130	155
Net financial debt	805	823
	Q1 - Q2 2020	Q1 - Q2 2021
Interest expenses*	13.9	14.4
Average interest rate	3.1%	3.0%

*excluding amortisation of lump sum fee payments

Quarterly view

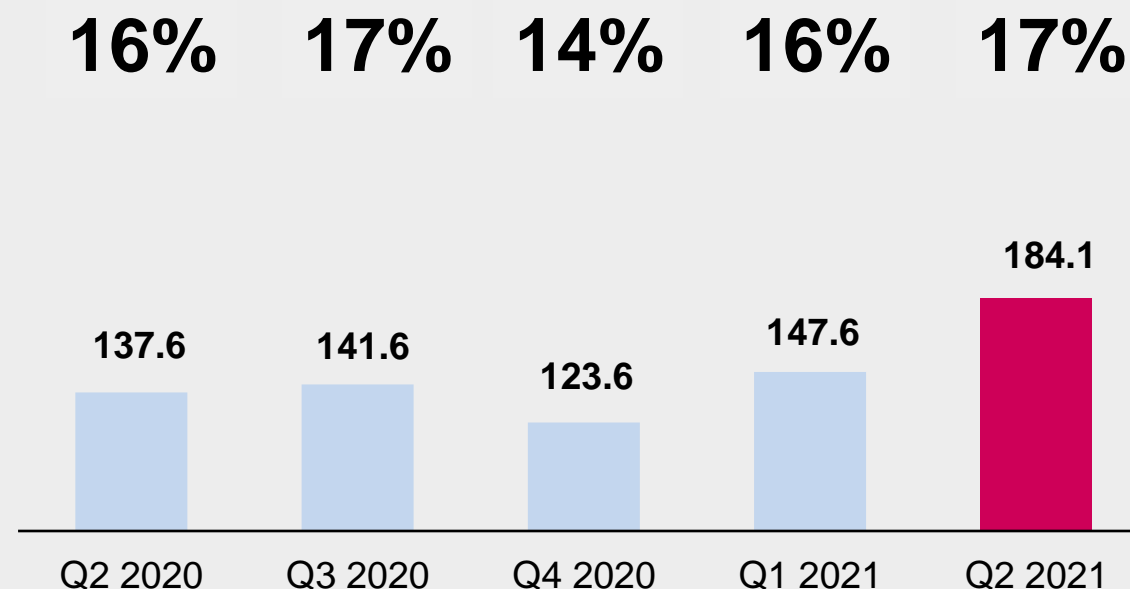
DEVELOPMENT OF WORKING CAPITAL

Working capital increased in Q2 compared to Q2 2020, due to significantly higher sales and 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

- Continuing strong demand for corrugated board in Q3 2021 but seasonally slightly lower sales volumes
- Further price increases of containerboard and corrugated board in Q3 2021 due to a good demand
- Prices for recovered paper remained basically stable at the beginning of Q3
- Expected EBITDA margin improvements, but Q3 EBITDA will be impacted by planned annual maintenance shutdowns of CHP and PM2
- Project PW14 successfully ongoing
- Preparations will start for the construction of the corrugated sheet feeder plant PW15
- Corona situation is continuously monitored and assessed. Currently, there is no major impact on our business.





PROGROUP – NOTICE

- Due to a SAP system changeover at the turn of the year 2021 / 2022, Progroup will probably not publish a Q4 2021 Condensed Interim Report
- The financial statements 2021 will be published in the annual report in April 2022
- With the system changeover, Progroup is well equipped for the future and further growth

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