

PERFORMANCE PRESENTATION

30 September
Third Quarter 2021





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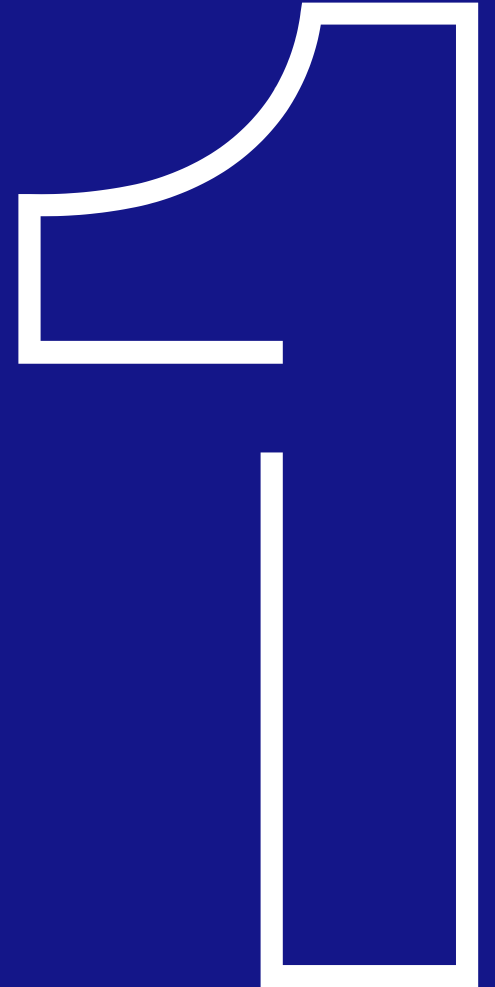
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AG EN DA

01. Progroup – Highlights 30/09 | Q3 2021
02. Progroup – Financial Performance
03. Progroup – Summary & Outlook

**PROGROU
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HIGHLIGHTS
30/09 | Q3 2021**

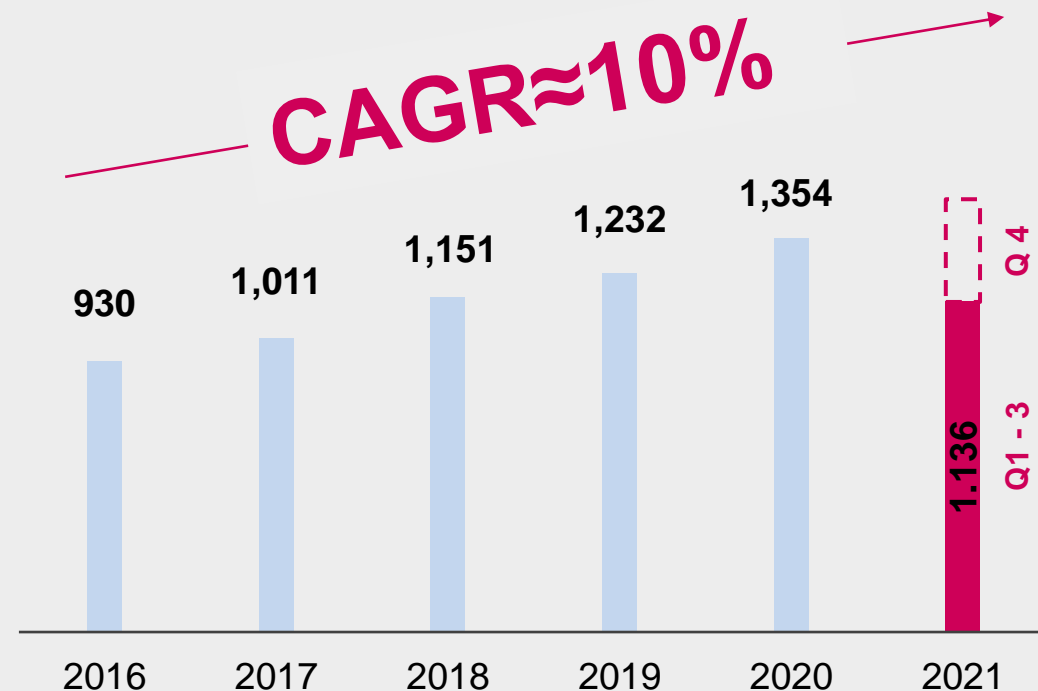


IMPROVING FINANCIAL PERFORMANCE

- Significant volume increases in our corrugated board (8.2%) and containerboard businesses (30.3%) in Q3 2021 vs. Q3 2020, driven by higher production capacities and continuing strong demand
- Strong sales increase to €355.9 mn in Q3 2021 (+62.0% compared to Q3 2020) due to strong volume growth and higher price levels
- Significant EBITDA increase to €70.9 mn in Q3 2021 (+82.4% compared to Q3 2020: €38.9 mn) due to higher gross margins and higher sales volume
- EBITDA margin at 19.9% in Q3
- Net financial debt at €820.3 mn (31 December 2020: €804.8 mn)
- Significantly improved net leverage of 3.8 x LTM EBITDA

Volume corrugated board

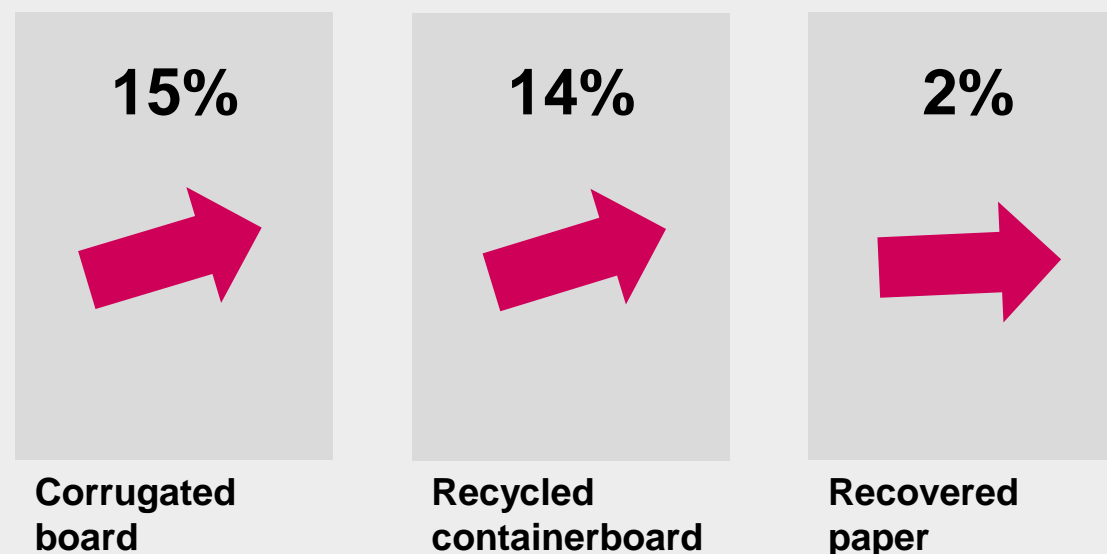
(in kt)



MARKET DEVELOPMENT

- Strong demand in our two businesses in Q3
- Increased demand from the e-commerce sector and the general economic recovery will also support future development
- Driven by a continuing strong demand prices for recycled containerboard and corrugated board increased further in Q3
- 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 beginning of Q3 and stabilised since then at a high level

Price development Q3 2021 compared to Q2 2021



PROGROU FINANCIAL PERFORMANCE



Quarterly view

HIGH LEVEL OF INTEGRATION

Development

Lower integration level vs. Q3/2020, but not as much as expected, due to increased external sales volume of containerboard following the start-up of PM3

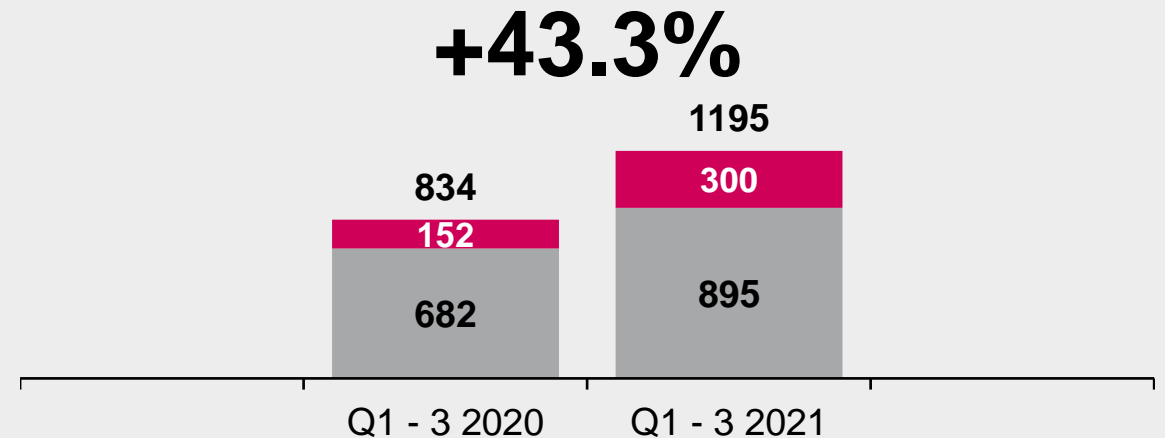
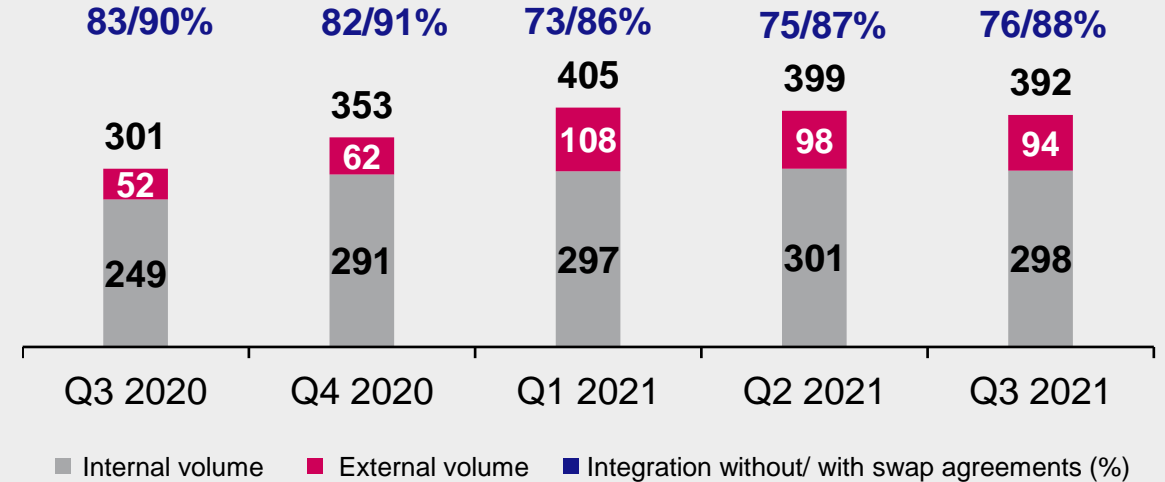
Strong increase of 30.3% in Q3 sales volume compared to Q3/2020

Sales volume 43.3% up in the first nine months of 2021

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

Volume containerboard

(in kt)



Quarterly view

VOLUME GROWTH

Development

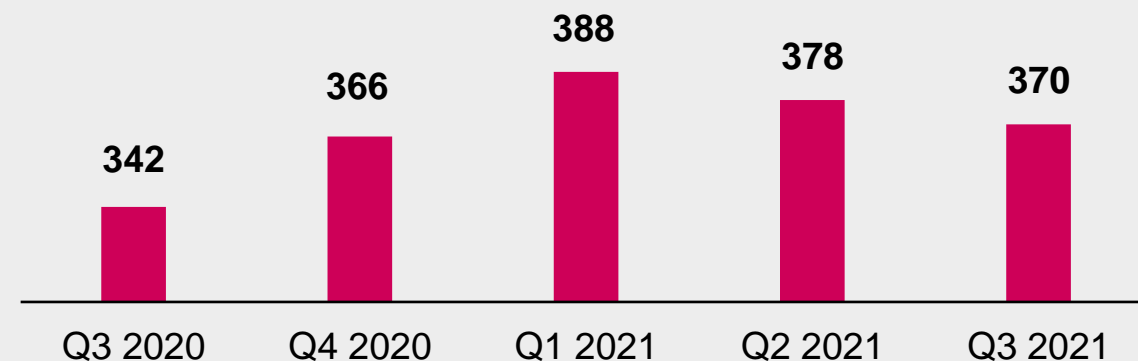
Corrugated board sales volume increased significantly in Q3 2021 (8.2%) compared to Q3 2020

Year to date growth rate of 14.9%

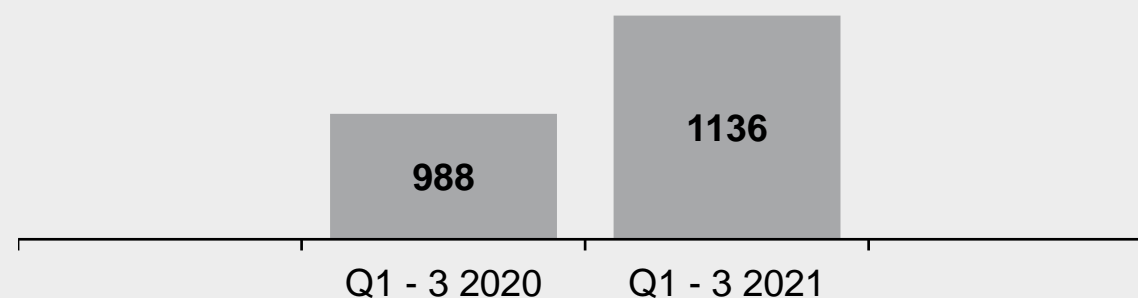
The main growth momentum came from our new German corrugated board plant

Volume corrugated board

(in kt)



+14.9%



Quarterly view

SALES DEVELOPMENT

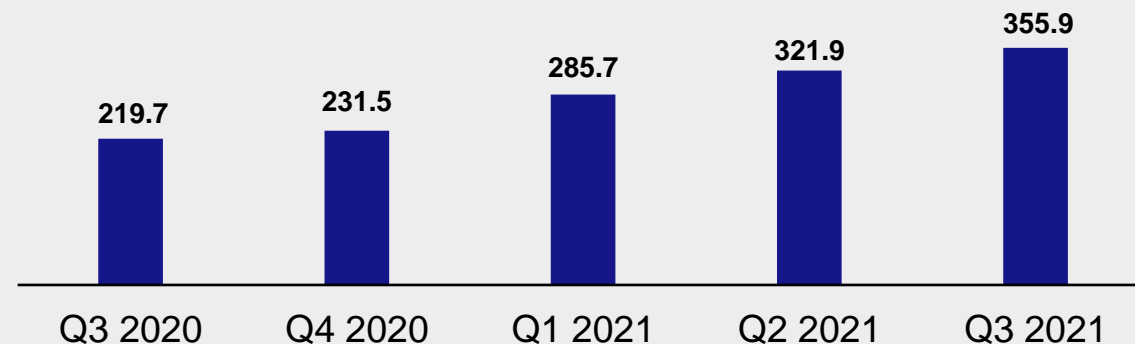
Strong sales increase compared to Q3 2020

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

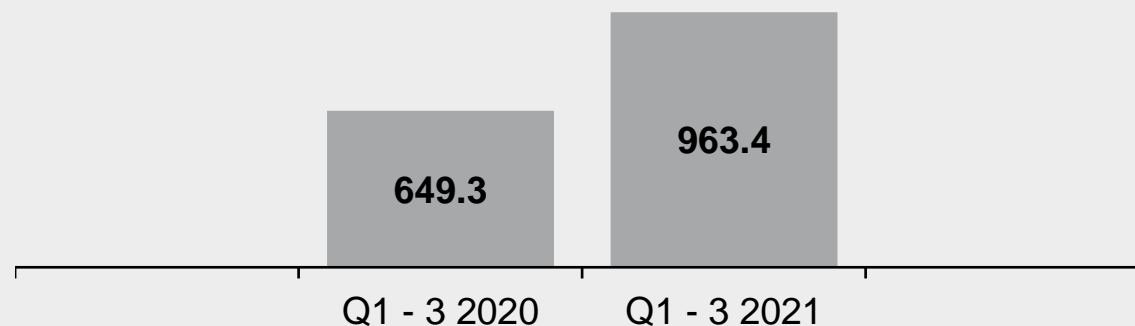
Year to date sales were 48.4% above prior year period

Sales

(in € mn)



+48.4%

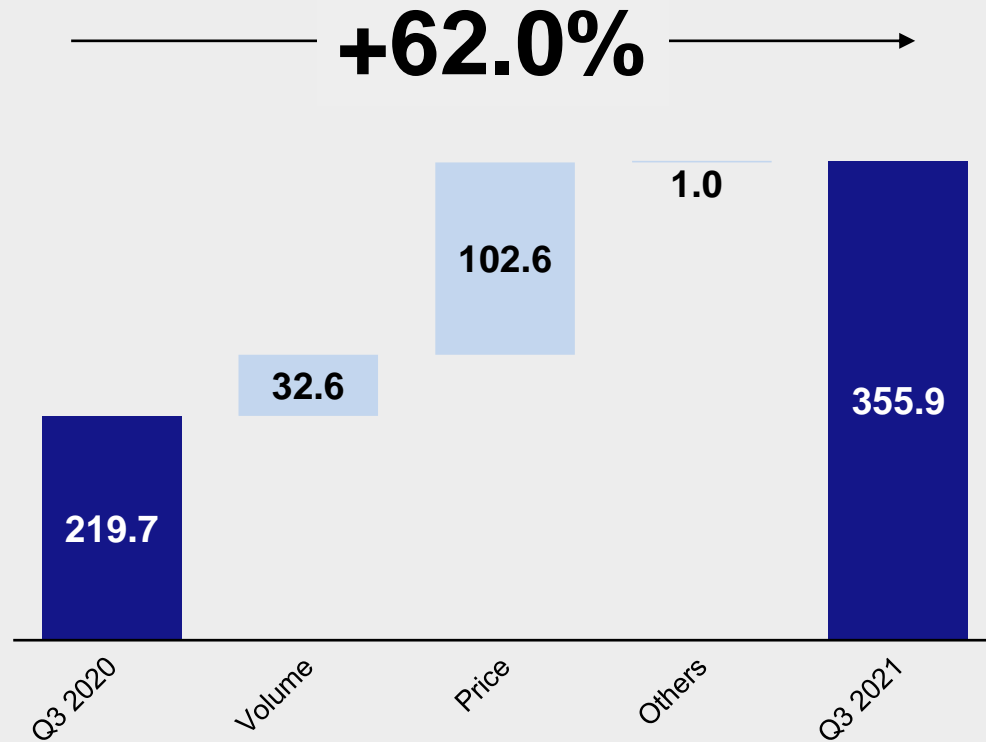




SALES INCREASE

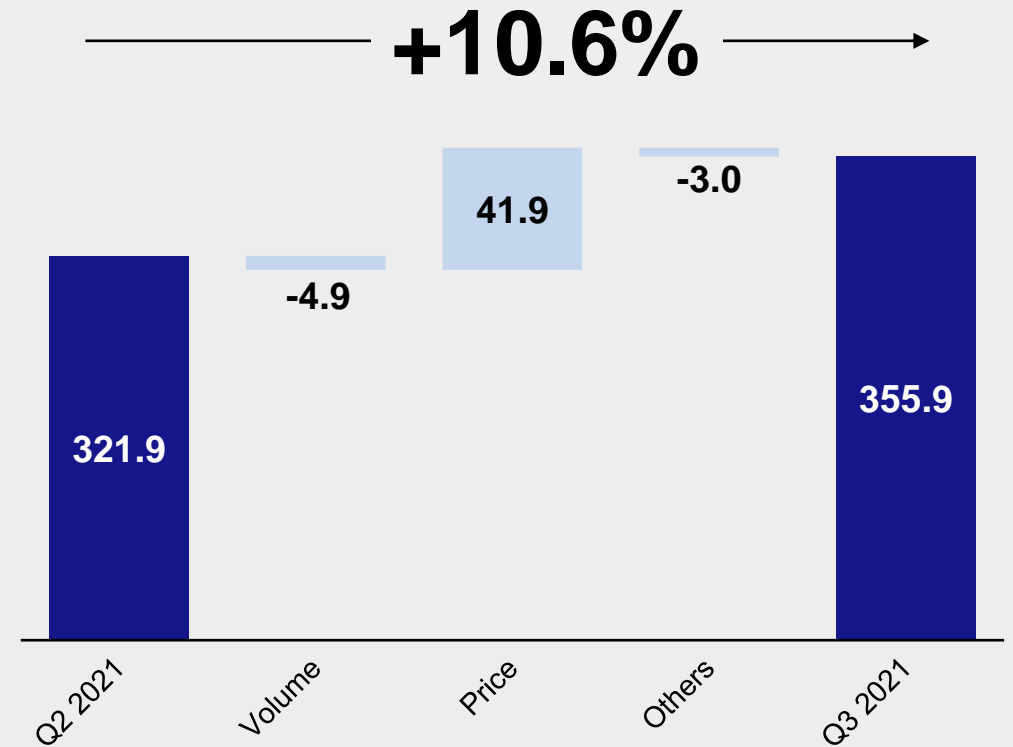
Sales Development – Q3 2020 / Q3 2021

(in € mn)



Sales Development – Q2 2021 / Q3 2021

(in € mn)



Quarterly view

DEVELOPMENT OF EBITDA/EBITDA MARGIN

EBITDA Q3 2021

Shows a further improvement to €70.9 mn, as a result of higher gross margins following the implemented price increases. Nevertheless, higher energy and raw material costs as well as maintenance costs impacted the results.

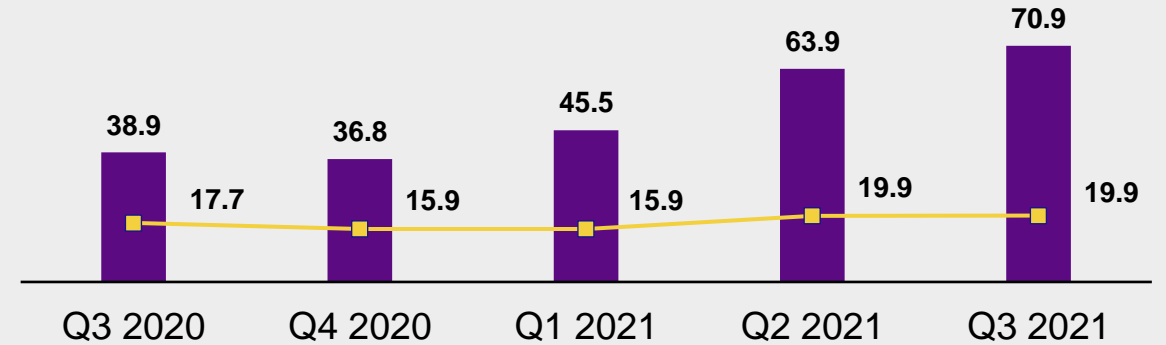
Strong EBITDA increase of 82% in Q3 compared to prior year

EBITDA in first three quarters 27.7% above Q1-Q3 2020

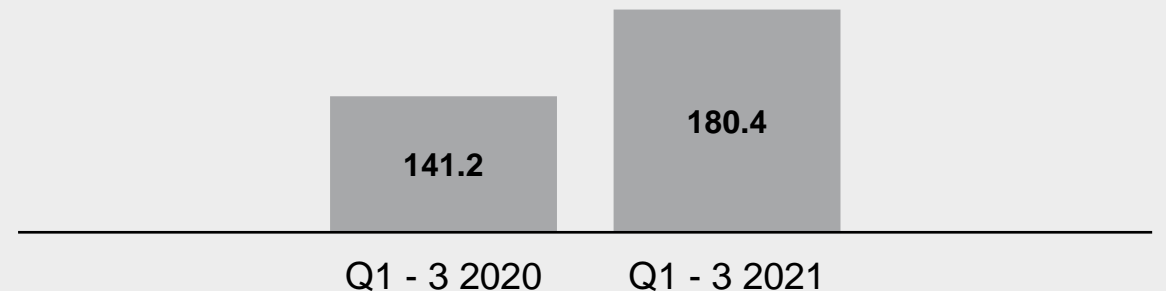
EBITDA margin in Q3 stable at 19.9%

EBITDA

(in € mn) —■— EBITDA margin (%)



+27.7%



Long-term view

EBITDA MARGIN LONG-TERM AVERAGE

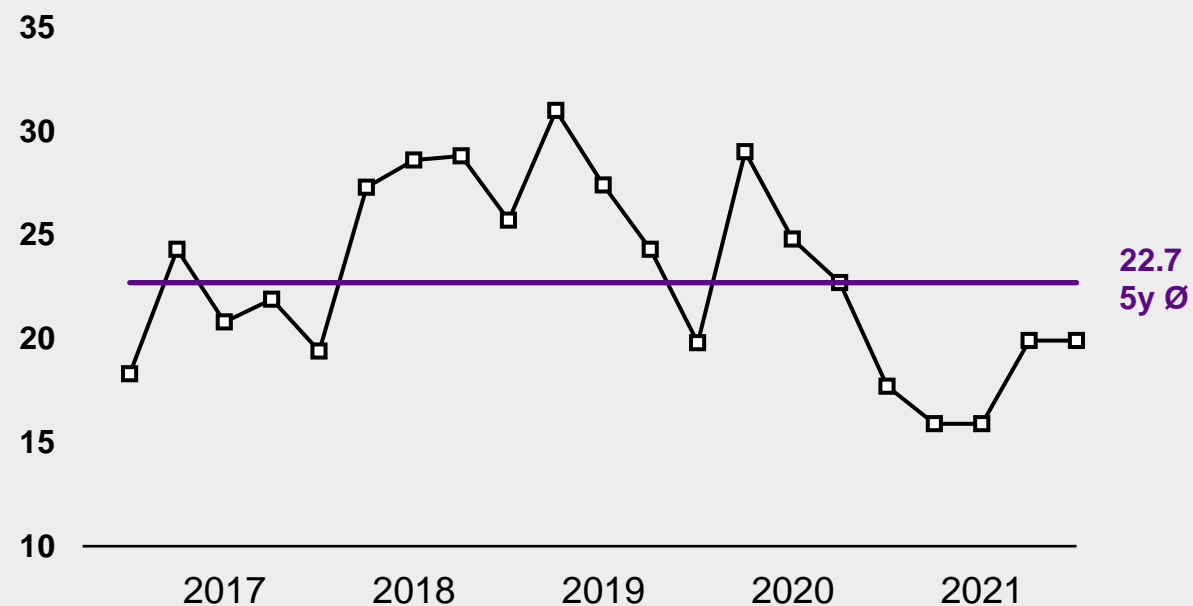
Q3 2021 EBITDA margin stable to Q2 2021

EBITDA margin below our 5-year average. Strong recovery of nominal EBITDA is compensated by significantly higher sales.

EBITDA margins in the third quarter historically below second quarter due to impact from annual maintenance shutdowns. Impact from maintenance shutdowns in Q3 2021 have been compensated by higher gross margins

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

Positive free cash flow development

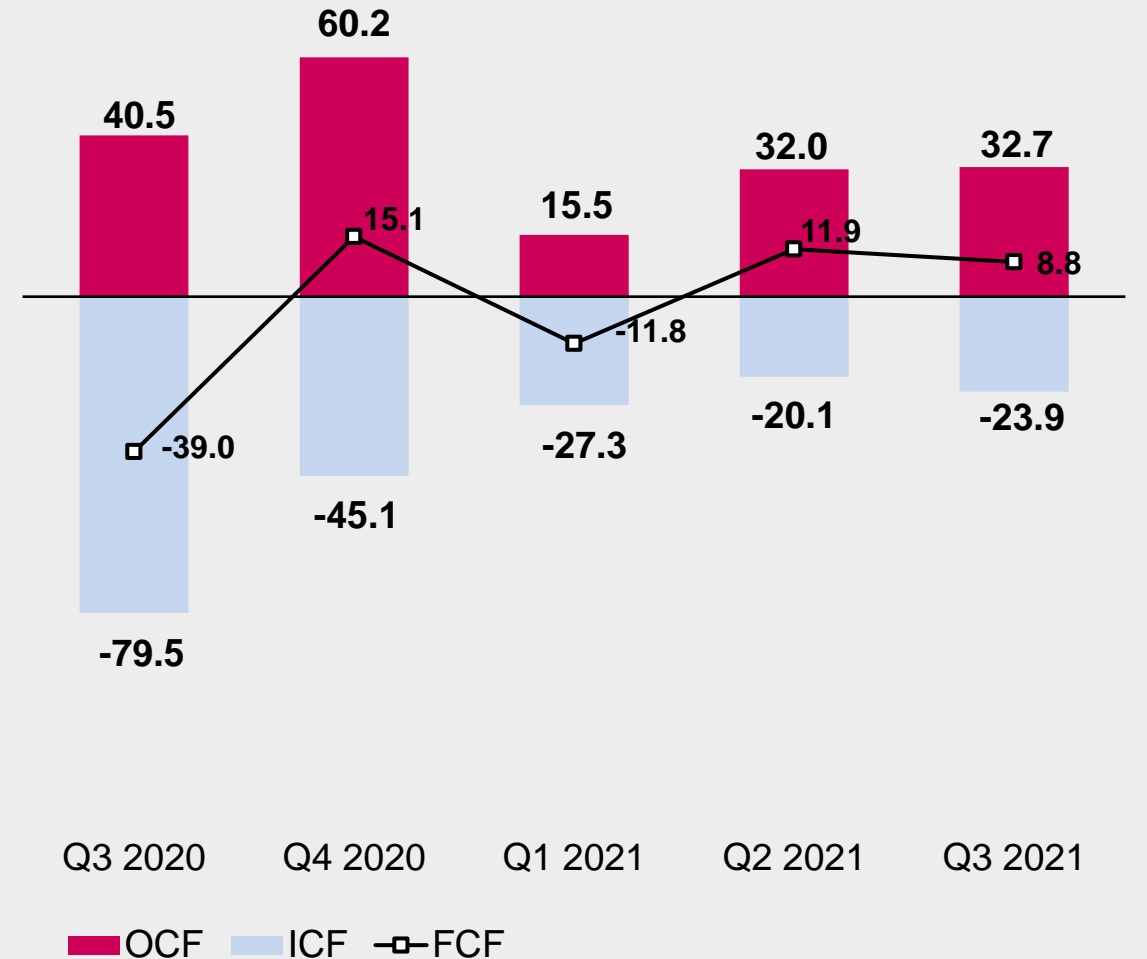
Free cash flow increased by €47.8 mn in Q3 2021 compared to Q3 2020

Operating cash flow slightly above Q2 2021

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

Free cash flow

(in € mn)

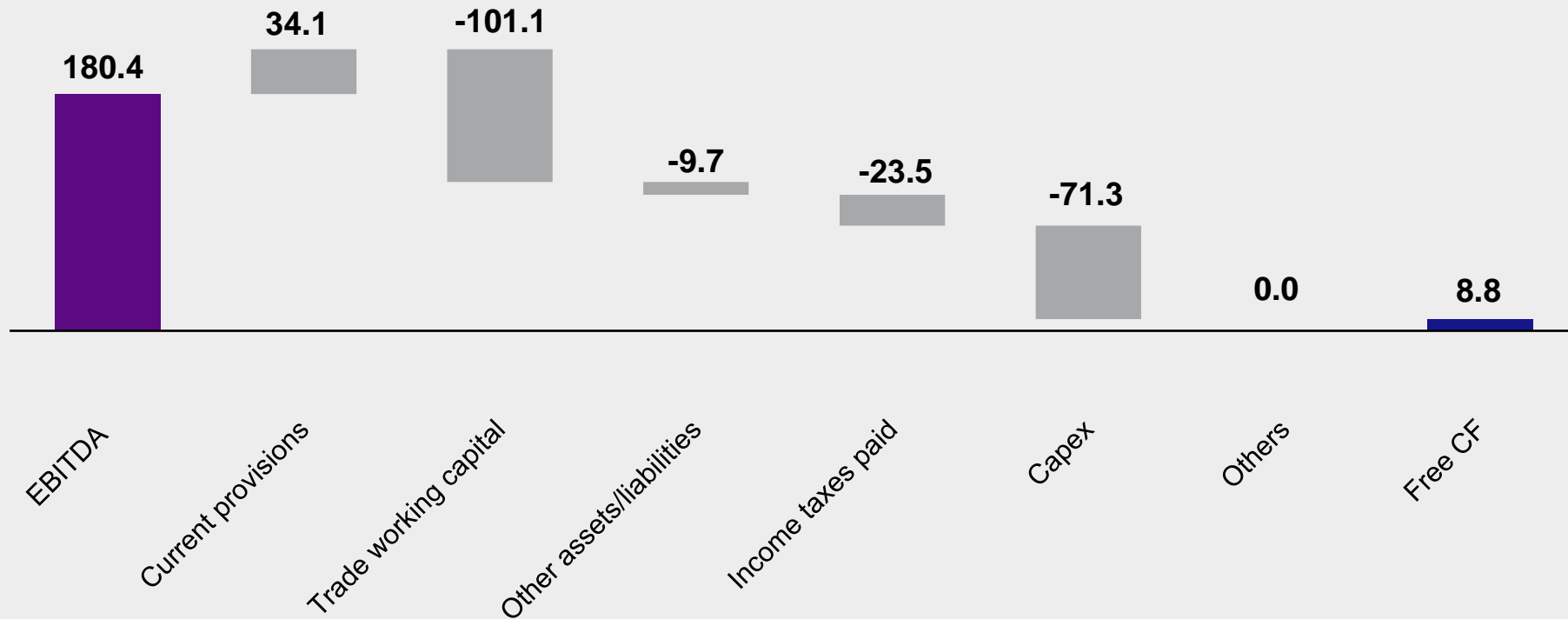




EBITDA TO FREE CASH FLOW

EBITDA to free cash flow

(in € mn)



Quarterly view

DEVELOPMENT OF NET FINANCIAL DEBT AND NET LEVERAGE

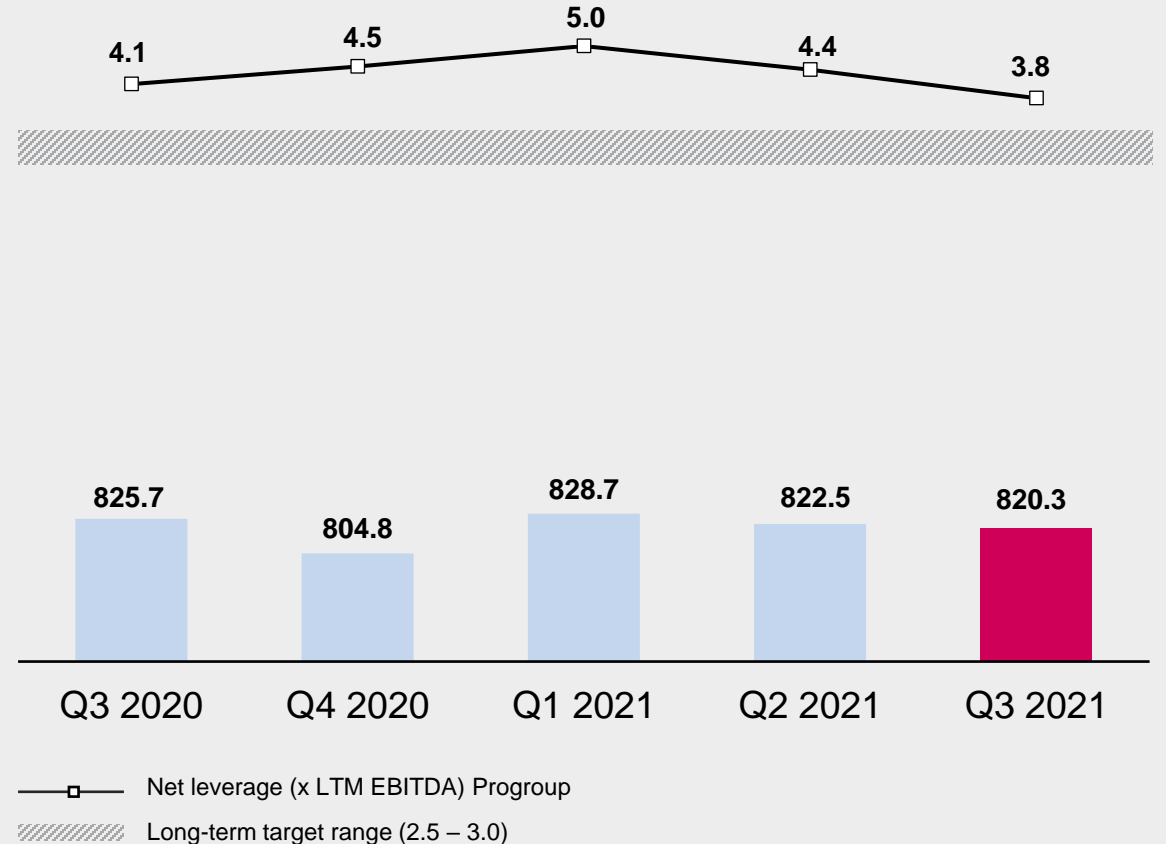
Net leverage decreased significantly to 3.8 due to higher LTM EBITDA and slightly decreased net debt and is now already well below the peak level of Q1 2021.

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-term

Net financial debt Progroup

(in € mn)



FINANCIAL DEBT AND FINANCE COSTS

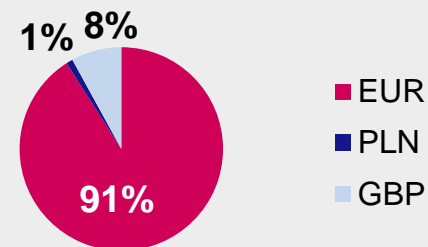
Net financial debt above year end 2020 due to higher gross financial liabilities

Due to high liquidity and good business perspectives, there was no need to draw on the €50 mn remaining in the €100 mn facility. Therefore, the undrawn bank facilities decreased

Average interest rate in the first three quarters stable at 3.0%

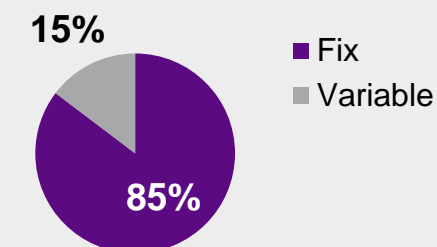
Currency split of current financial liabilities

(in %)



Interest split of current financial liabilities

(in %)



Financial debt and finance costs

(in € mn)

	31/12/2020	30/09/2021
Bonds	600	600
Committed bank facilities	486	413
thereof undrawn	155	50
Financial liabilities	935	963
Cash in hand, bank balances	130	143
Net financial debt	805	820
	Q1 – Q3 2020	Q1 – Q3 2021
Interest expenses*	20.9	21.5
Average interest rate	3.0%	3.0%

*excluding amortisation of lump sum fee payments

Quarterly view

DEVELOPMENT OF WORKING CAPITAL

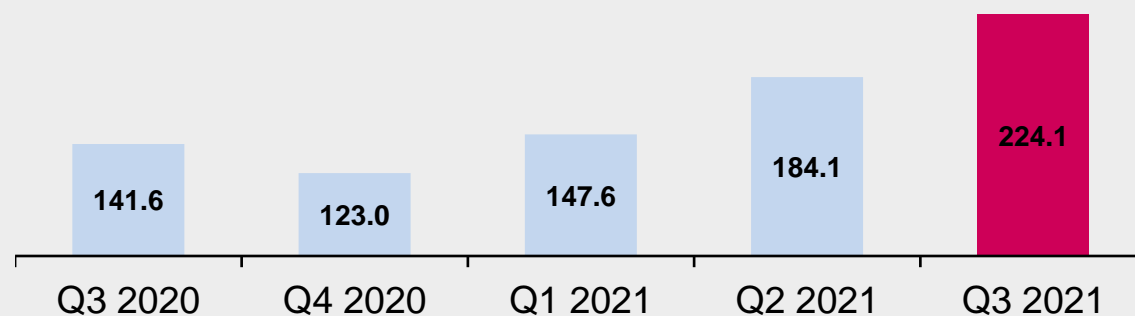
Working capital increased in Q3 2021 compared to Q3 2020, due to significantly higher sales and higher inventories and lower trade payables

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)

17% **14%** **16%** **17%** **19%**



% 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 Q4 2021 but growth will be limited by available capacities
- Further price increases of containerboard and corrugated board in Q4 2021 due to a good demand
- Expect sideways movement of prices for recovered paper
- EBITDA margin stable on a high level but still impacted by the price increases of recovered paper and energy prices
- Project PW14 ongoing on plan; Preparations will start for the construction of the corrugated sheet feeder plant PW15
- Plans for a new power plant next to PM3 has started
- Corona situation is continuously monitored and assessed. Currently, there is no major impact on our business.



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