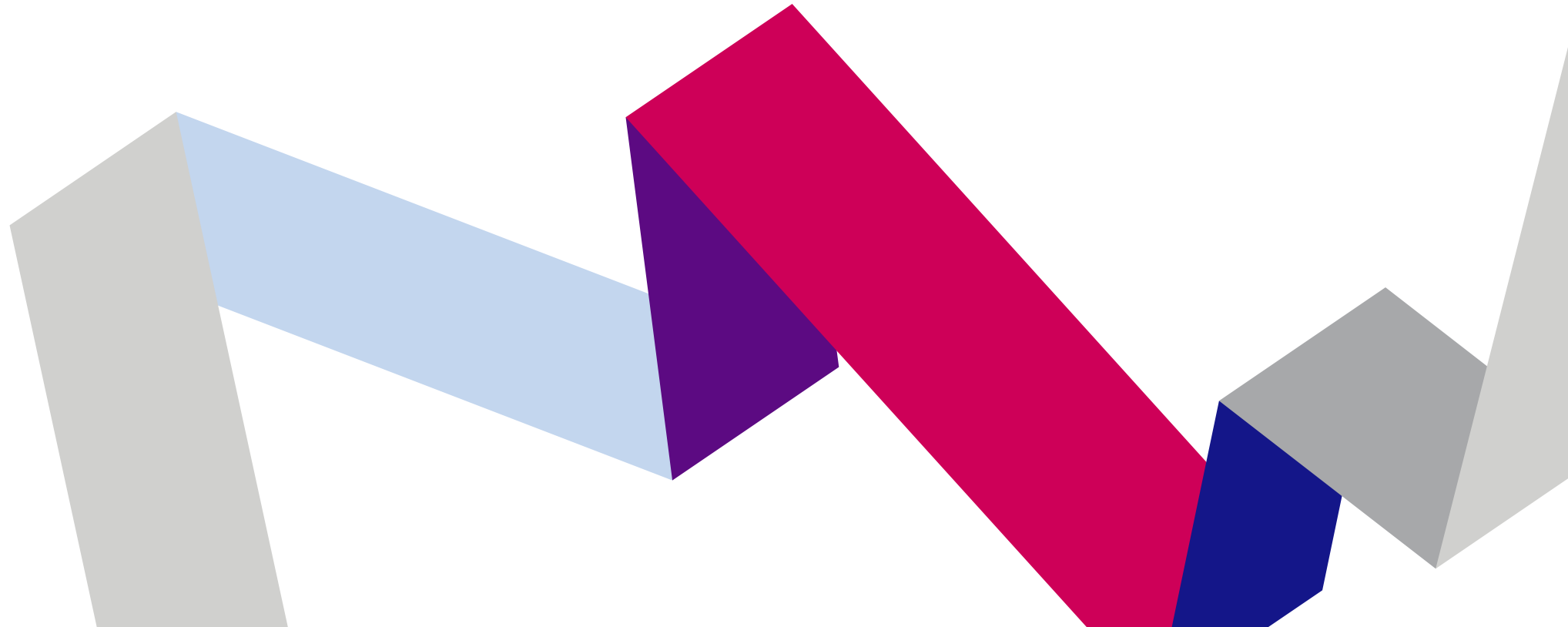


PERFORMANCE PRESENTATION

31 March
First Quarter 2023





DISCLAIMER IMPORTANT INFORMATION

The unaudited consolidated financial information of Progroup AG (“Progroup”) as at and for the period ended 31 March 2023 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 31/3 | Q1 2023
02. Progroup – Financial Performance
03. Progroup – Summary & Outlook

**PROGROUP
HIGHLIGHTS
31/3 | Q1 2023**

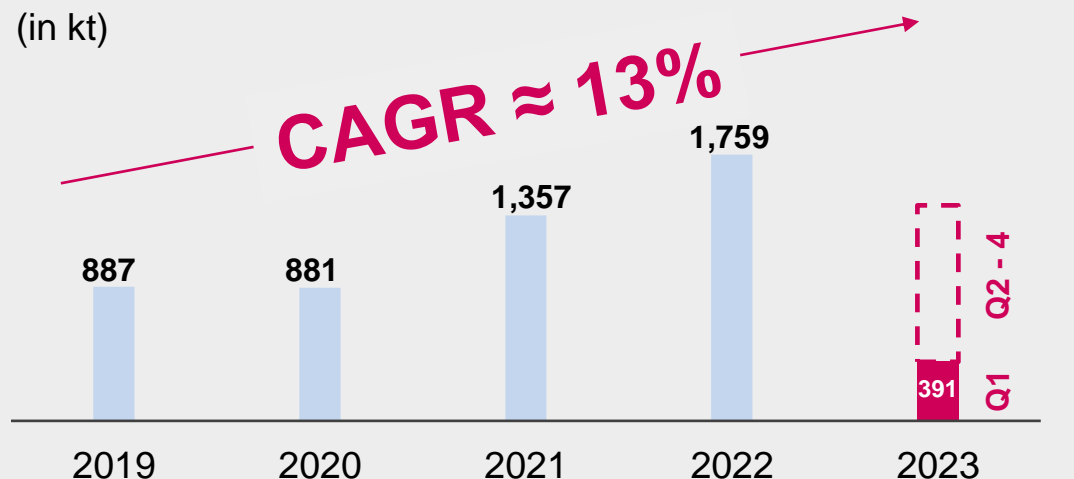


ROBUST FINANCIAL PERFORMANCE

- In Q1 2023, **Progroup beat the trend** and performed very well in a weak market environment. Sales volume of corrugated board slightly down (-0.9%).
- Containerboard sales volume decreases (-5.0%) in Q1 2023 due to lower external demand, timing effects at year end and a lower basis weight in our portfolio.
- **Sales** fell by **15.7% to €391.3** mn in Q1 2023 due to lower price levels.
- **EBITDA** normalized to **€74.4** mn in Q1 2023 (-36.1% vs. exceptional €116.5 mn in Q1 2022).
- **EBITDA margin** at **19.0% in Q1 2023**
- Strong **free cash flow of €40.5** mn (+113% vs. Q1 2022).
- Net financial debt decreased further to €619.9 mn (31 December 2022: €655.1 mn).
- **Net leverage of 1.7x** LTM EBITDA again well below maximum target figure.

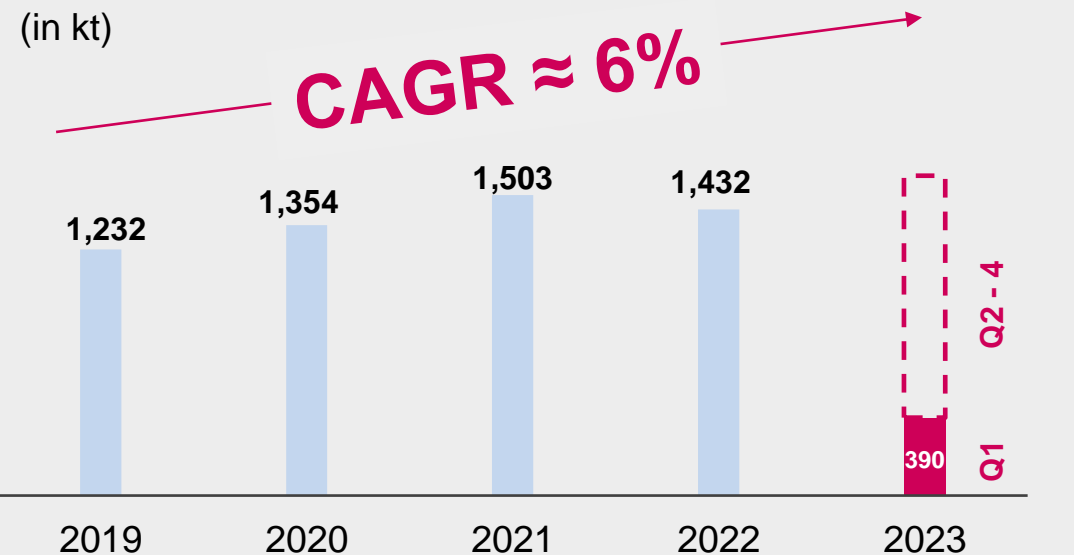
Sales

(in kt)



Sales Volumes Board

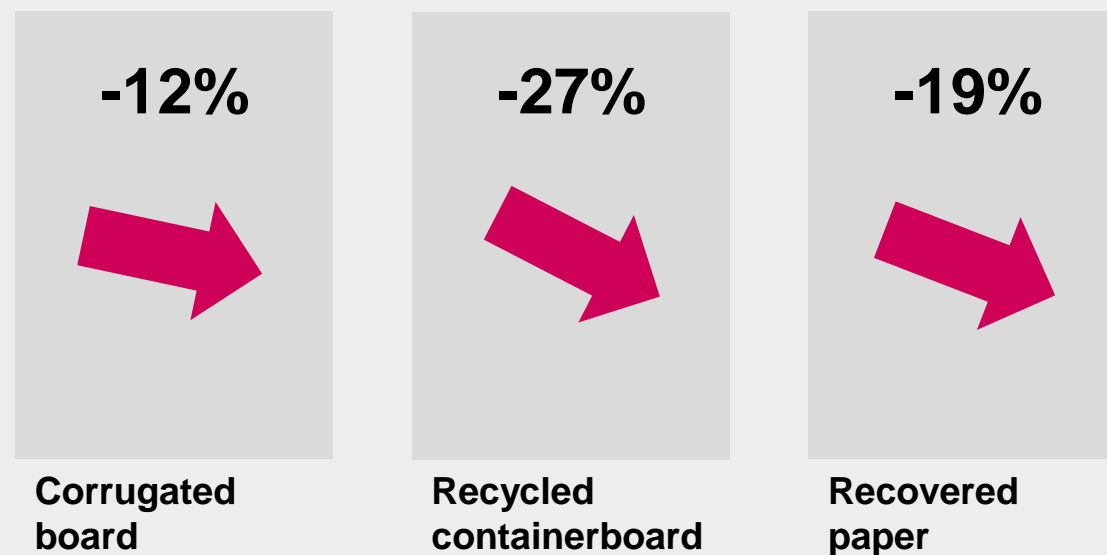
(in kt)



MARKET DEVELOPMENT

- Average recovered paper prices decreased again in Q1 2023. The price decrease was driven by a significant drop in demand due to industry-wide containerboard production cuts.
- Energy prices declined from the high level of the previous year. Due to our moderate hedging levels for 2023 we could benefit from the lower spot market prices.
- Prices for recycled containerboard decreased further in Q1 2023, driven by the weak general market environment but also lower raw material and energy costs.
- Corrugated board followed the price development of containerboard with a very short time lag.

Price development Q1 2023 compared to Q4 2022



PROGROU FINANCIAL PERFORMANCE



Quarterly view

CORRUGATED BOARD VOLUME DEVELOPMENT

Development

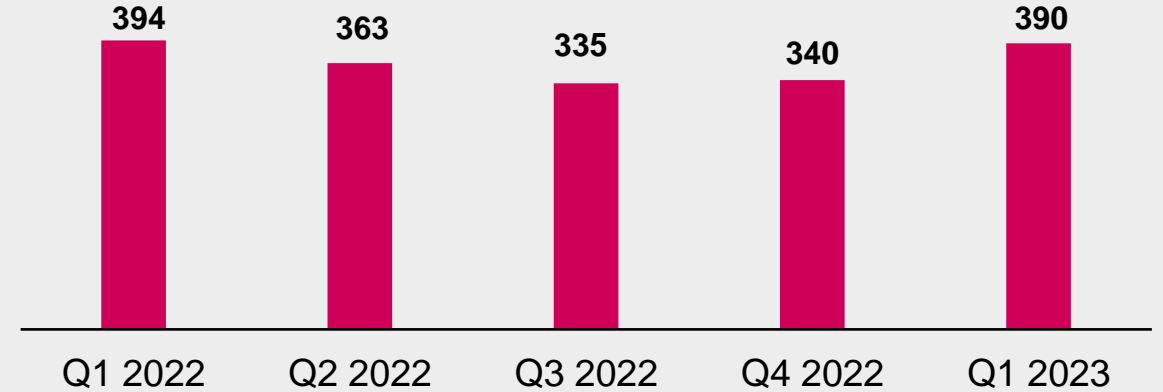
Corrugated board sales volume outperformed the market development with a marginal decrease of **0.9% in Q1 2023** compared to Q1 2022.

Despite the weak market environment, we could stabilize our sales volume on the comparably high volume level of the first quarter of 2022.

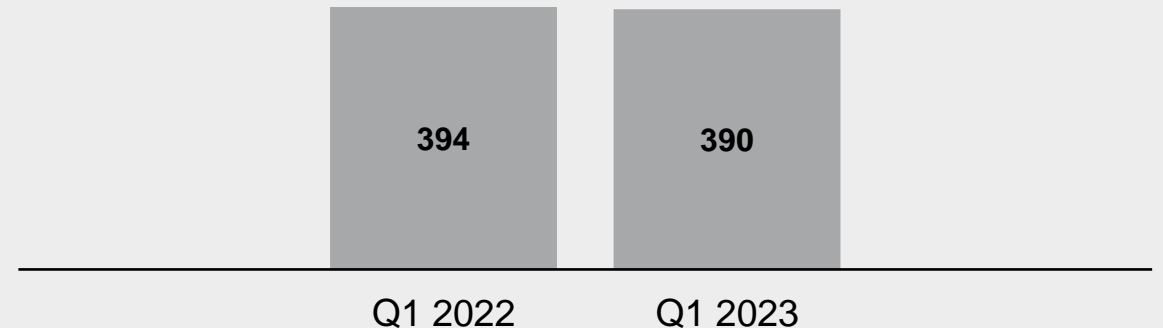
Sales volume in Q1 2023 was **15 - 16% above** quarterly sales volume in H2 2022.

Corrugated board volume

(in kt)



-0.9%



Quarterly view

PAPER VOLUME DEVELOPMENT

Development

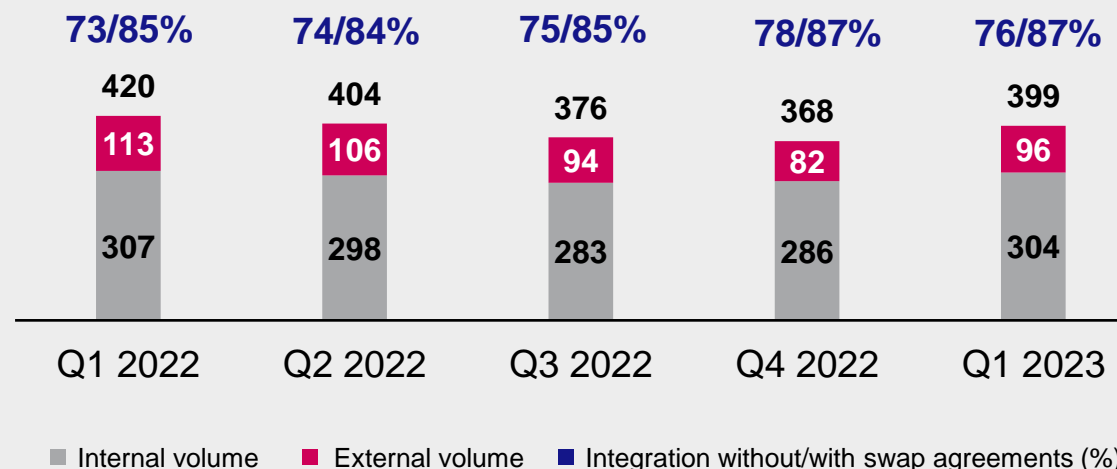
Sales volume decreased by 5.0% in Q1 2023

compared with Q1 2022. Main reasons were the weaker external demand, a shift towards a higher share of super light-weight containerboard grades and timing effects at year-end 2022 which reduced the internal containerboard sales volumes.

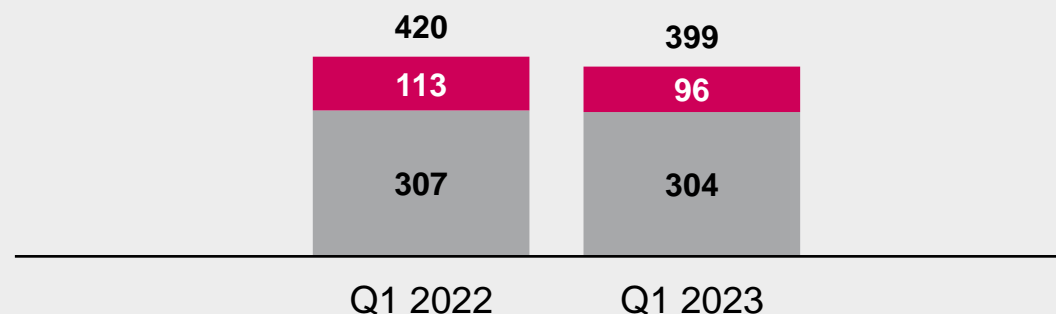
The level of integration between our containerboard business, including swap agreements, remains the same at 87% in Q1 2023 compared to Q4 2022.

Containerboard volume

(in kt)



-5.0%



Quarterly view

SALES DEVELOPMENT

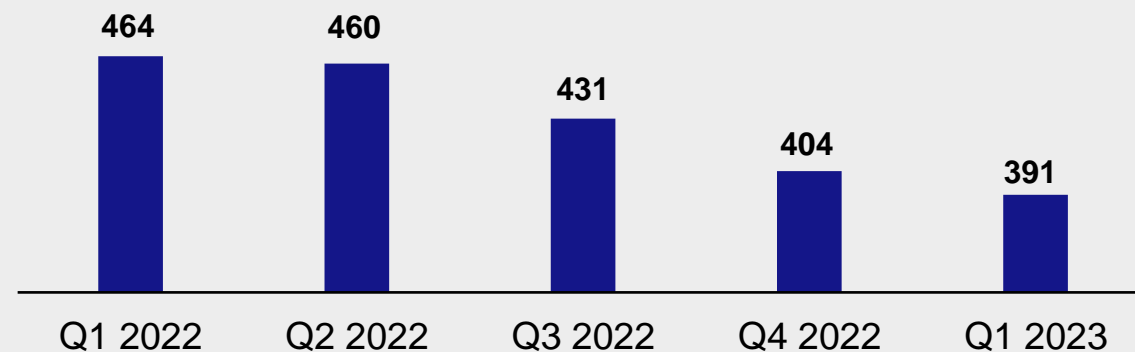
Sales decreased compared to Q1 2022

Decreased price levels led to sales decline of **15.7%** in Q1 2023 compared to Q1 2022.

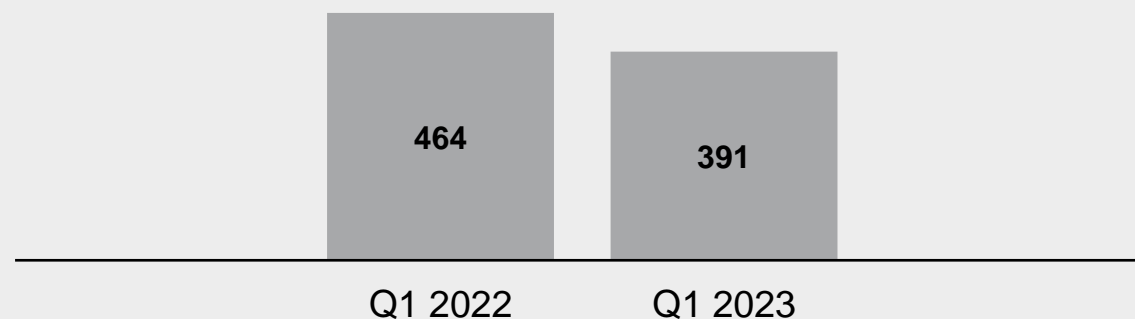
Compared to Q4 2022, **sales were slightly lower by 3.3%**.

Sales

(in € mn)



-15.7%



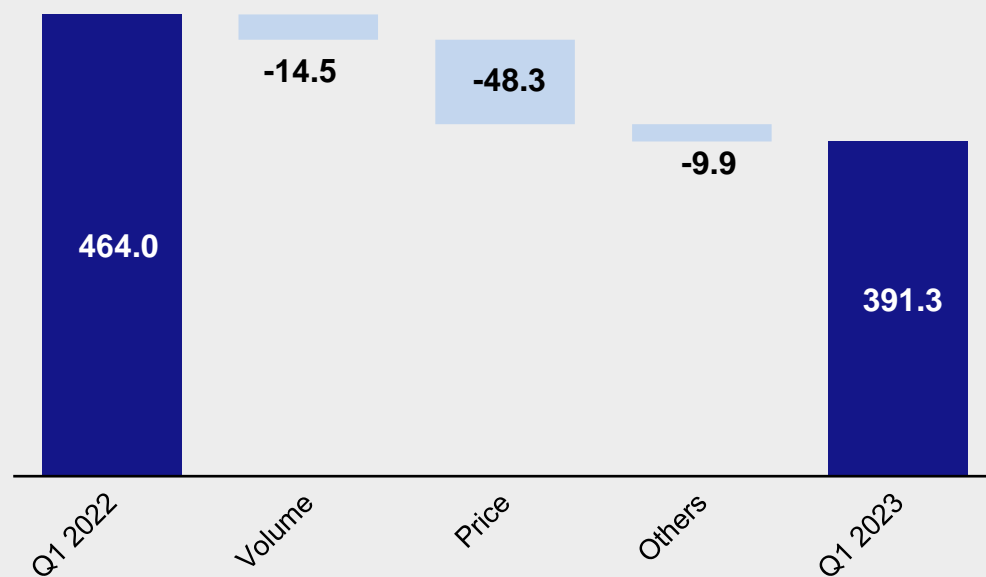
SALES



Sales development – Q1 2022 / Q1 2023

(in € mn)

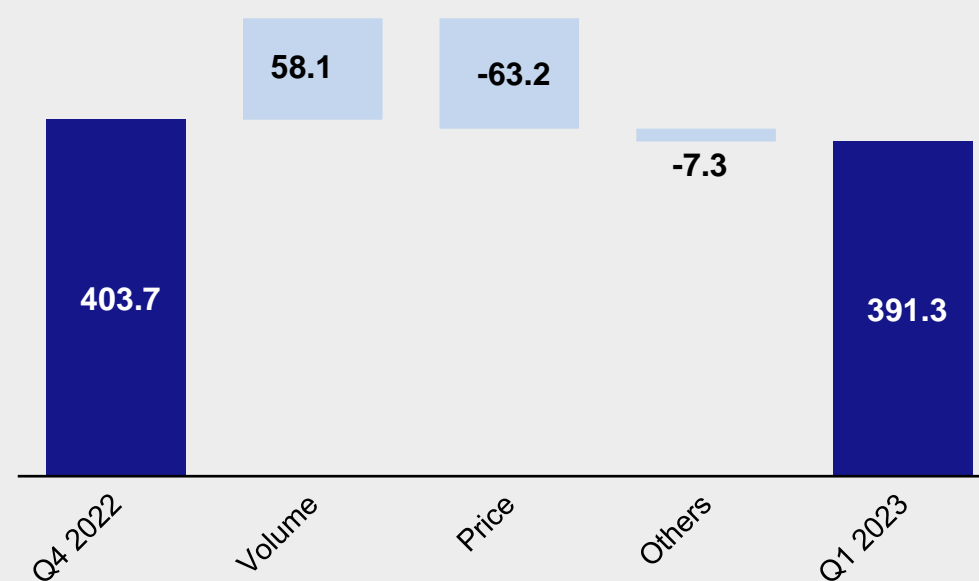
-15.7% →



Sales development – Q4 2022 / Q1 2023

(in € mn)

-3.3% →



Quarterly view

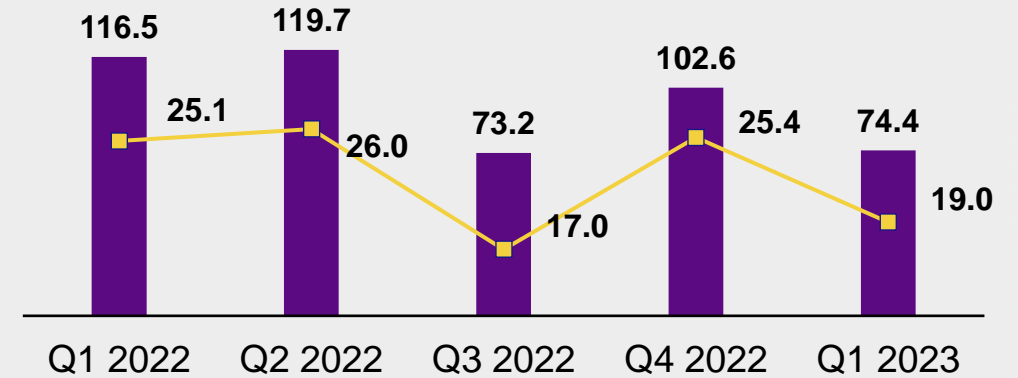
DEVELOPMENT OF EBITDA/EBITDA MARGIN

EBITDA in Q1 2023 normalized to 74.4mn (- 36.1%) compared to the same quarter of the previous year. EBITDA in the first quarter of 2022 was exceptionally strong due to very high contribution margins and positive effects from our energy hedges.

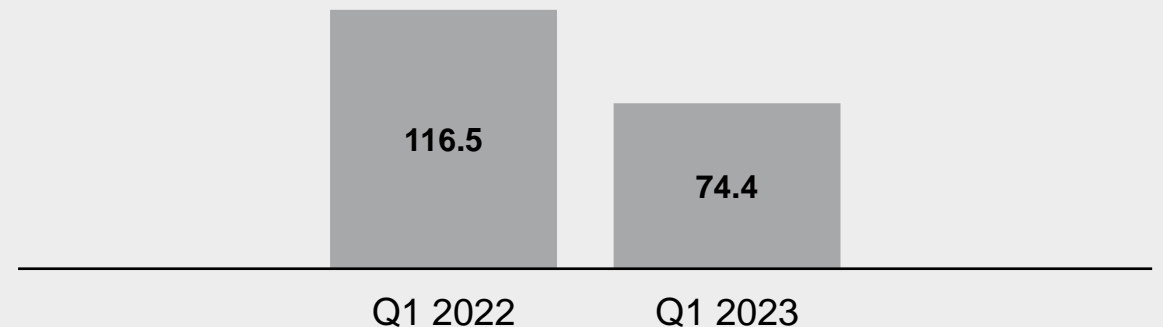
EBITDA margin decreased in Q1 2023 to **19.0%** compared to 25.1% in Q1 2022.

EBITDA

(in € mn) — EBITDA margin (%)



-36.1%



Long-term view

EBITDA MARGIN LONG-TERM AVERAGE

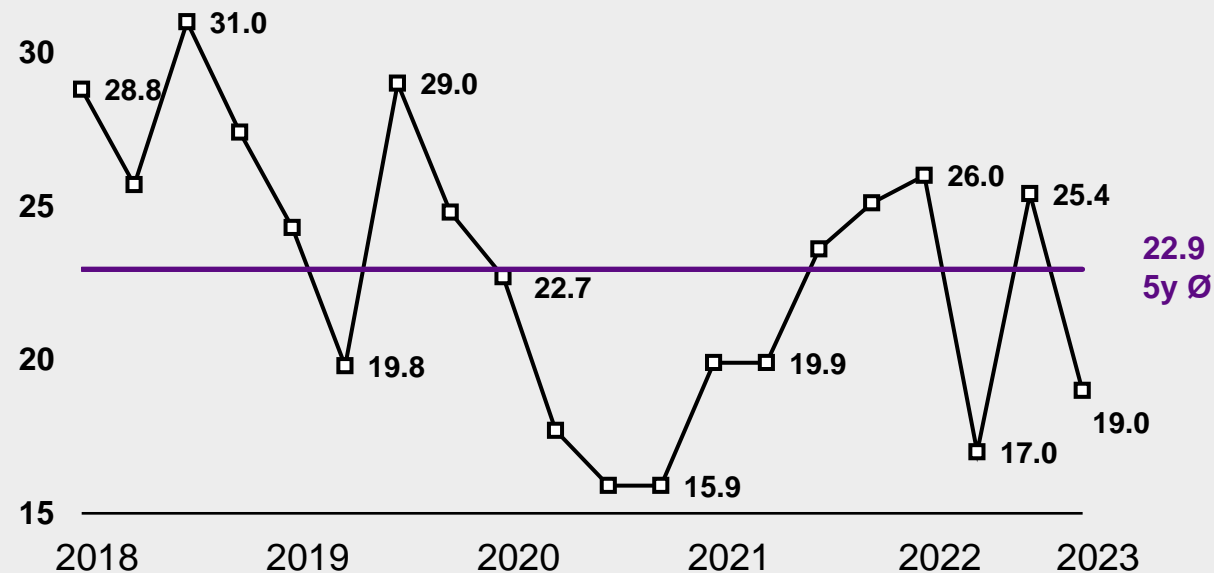
EBITDA margin in Q1 2023 below 5-year average.

Q4 2022 margin was supported by strong recovered paper price declines and special effects from energy refunds.

In Q1 2023, the declining sales prices could no longer be compensated for by falling raw material and energy costs.

EBITDA margin

(in %)



Quarterly view

DEVELOPMENT OF FREE CASHFLOW

Positive free cash flow development

Free cash flow more than doubled in Q1 2023 compared to Q1 2022.

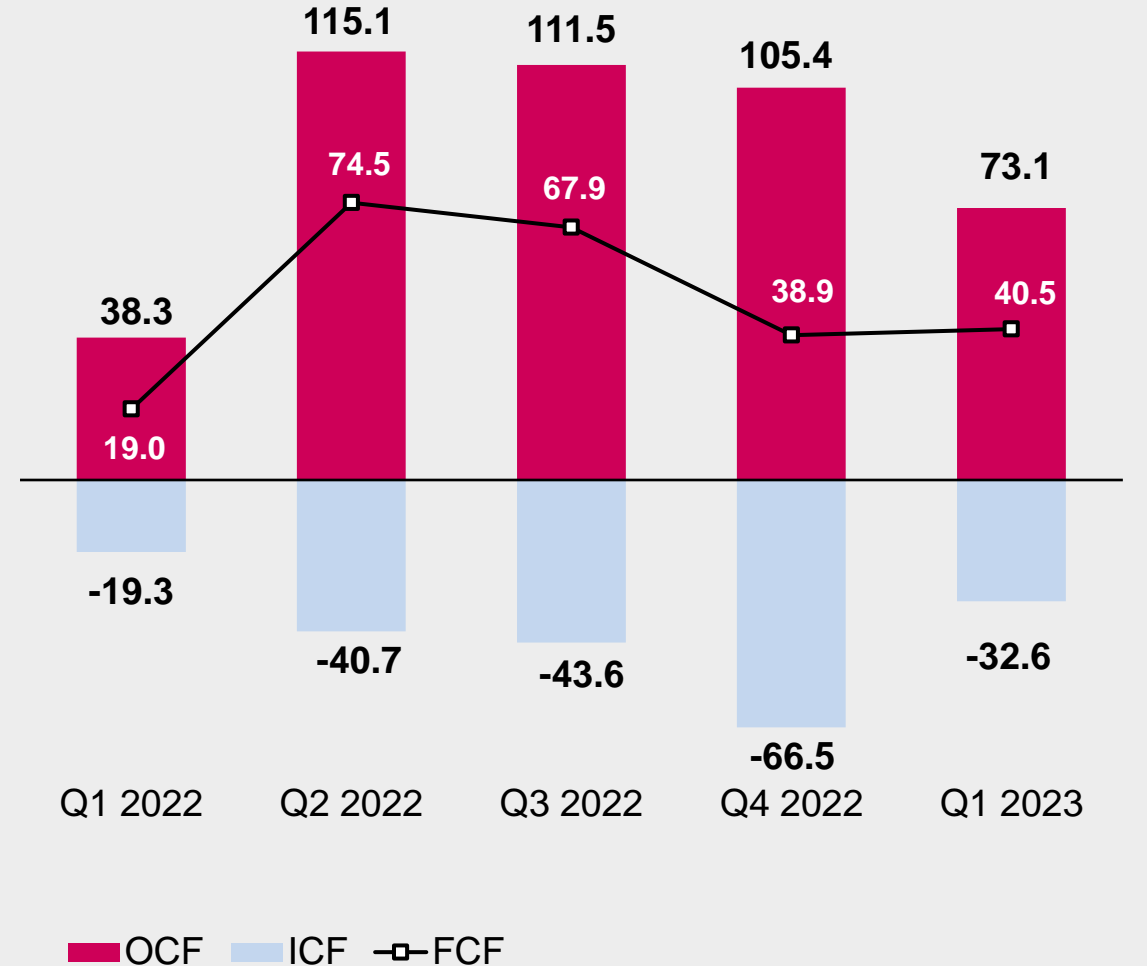
Operating cash flow **increased notably** in Q1 2023 compared to Q1 2022, mainly due to the strong EBITDA and rather neutral working capital effects.

Cash flow from investing activities

amounted to €-32.6 mn in Q1 2023. CAPEX is mainly related to the progress in our value accretive expansion projects.

Free cash flow

(in € mn)

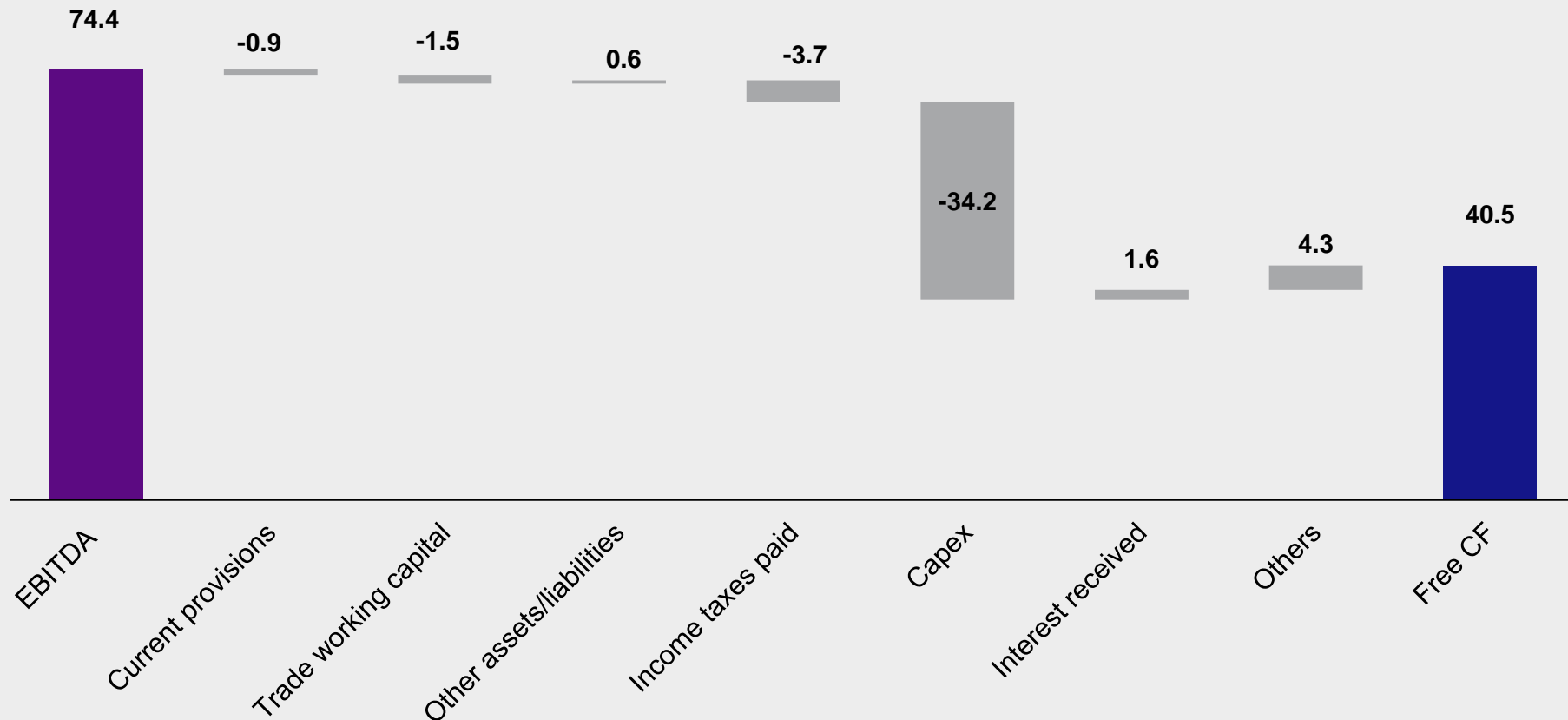




EBITDA TO FREE CASH FLOW

EBITDA to free cash flow

(in € mn)



Quarterly view

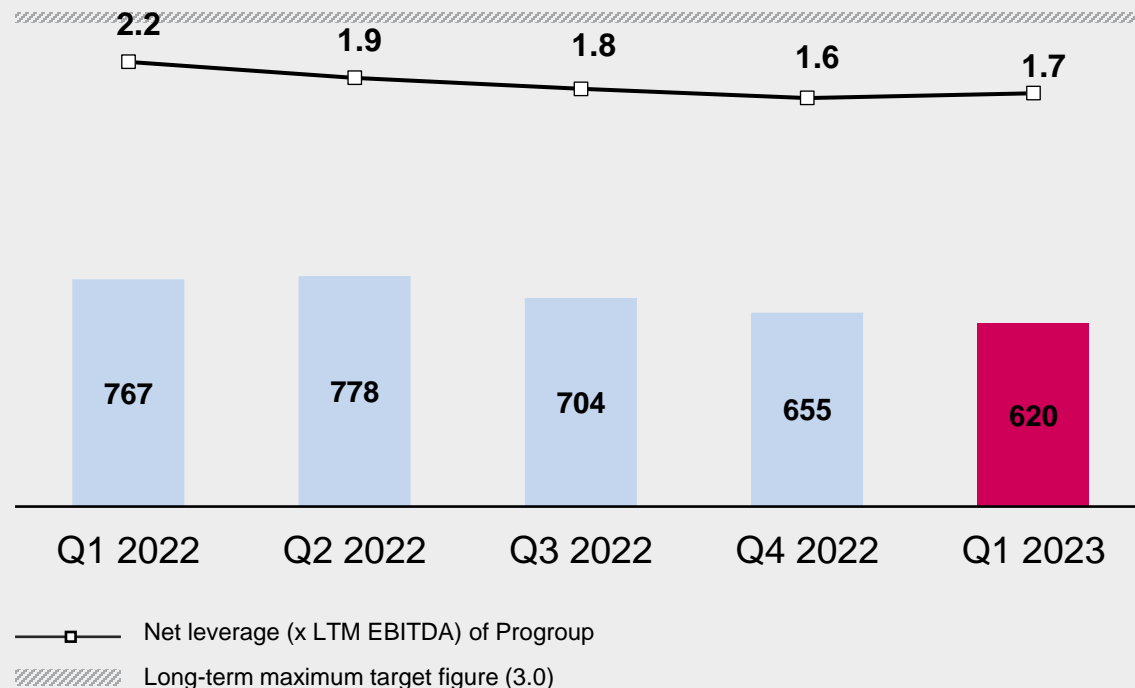
DEVELOPMENT OF NET FINANCIAL DEBT AND NET LEVERAGE

Net leverage again at a very low level (**1.7**). Lower LTM EBITDA was almost compensated for by lower net financial debt.

Net leverage is therefore well below the long-term maximum target figure of 3.0. In addition to scheduled repayments of existing loans, we made an unscheduled repayment of the GBP loan due to the very comfortable liquidity position.

Net financial debt

(in € mn)



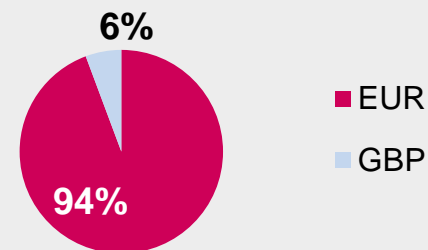
FINANCIAL DEBT AND FINANCE COSTS

Net financial debt as at 31 March 2023 was below year end 2022 due to scheduled repayments. In addition, we made an unscheduled repayment of the existing GBP loan due to the very comfortable liquidity position.

Average interest rate of 3.2% is slightly higher than in Q1 2022.

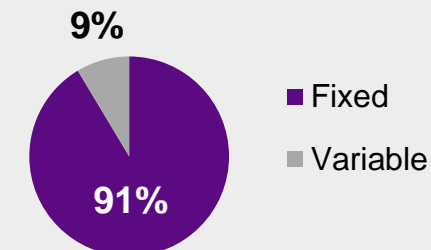
Currency split of current financial liabilities

(in %)



Interest split of current financial liabilities

(in %)



Financial debt and finance costs

(in € mn)

	31/12/2022	31/03/2023
Bonds	600	600
Committed bank facilities	291	249
thereof undrawn	50	50
Financial liabilities	818	771
Cash in hand, bank balances	163	151
Net financial debt	655	620
	Q1 2022	Q1 2023
Interest expenses*	6.3	6.3
Average interest rate	2.9%	3.2%

*excluding amortisation of lump sum fee payments

Quarterly view

DEVELOPMENT OF WORKING CAPITAL

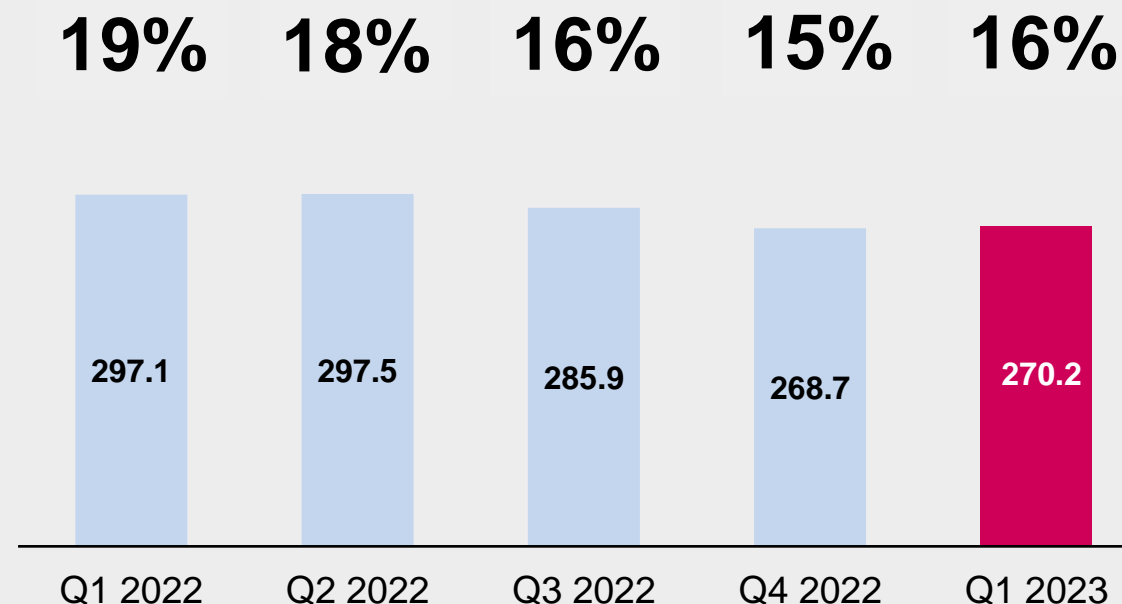
Slight increase in working capital in Q1 2023 compared to Q4 2022.

Working capital decreased in Q1 2023 compared to Q1 2022, due to lower trade receivables.

Working capital as percentage of sales increased slightly to 16%.

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

- We expect the market to pick up in Q2 2023 and prices to stabilise from the middle of the quarter. As a result, we expect sales volumes to grow.
- Average containerboard and corrugated board prices in Q2 2023 will be well below Q1 2023.
- Prices for recovered paper expected to stabilise in Q2.
- Lower sales price levels will lead to lower EBITDA margins in Q2 2023.
- PW14: positive ramp-up as expected.
- PW15: test operation in the first half of 2024.
- PW16: Start of construction in June 2023.
- PPO2: Earthworks started, commissioning possibly earlier than planned (mid-2025).
- Positive rating actions in Q2 2023.



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