

PRESS RELEASE

**Record investments set the future direction of the company:
Thimm Group 2016**

Northeim, 08.05.2017. In a financial year that was focused on future-oriented investments, Thimm Group achieved moderate growth and increased its revenue by 1.8 percent to 568 million euros. The company invested 62 million euros in total. Operating profit, EBITDAR, was 52 million euros and 9.2 percent of revenue, which corresponds to an increase of 4.0 percent in comparison to the previous year. The equity ratio continues to be very strong at 42.2 percent (previous year: 43.2 percent). Employee numbers were on the previous year's level. As of 31.12.2016, Thimm Group employed 3,067 people. This includes 124 apprentices in eight professions and one dual study course.

Record investments: New corrugated cardboard factory and digital web press technology

Thimm Group implemented an extensive investment programme of 62 million euros (11 percent of revenue) in the previous financial year. A key element of this is the new corrugated cardboard plant in Holledau in Wolnzach, Bavaria. It started series production at the beginning of 2017. This site is one of the most modern corrugated cardboard plants in Europe and perfectly complements the company's production network. Thimm Group has also invested in future-oriented printing technology with its unique digital web press machine at the Ilsenburg site. This technology will open up a whole range of new opportunities for printing packaging and point-of-sale displays for customers from the corrugated cardboard and branded goods sectors.

Thimm Group has also further expanded the packaging plants opened last year for multi-material and special packaging systems in Germersheim and Puebla (Mexico). Existing sites have also been further developed and modernised through expanded floor areas, new processing machines and the optimisation of processes and efficiency-improvement measures. The company has invested almost 180 million euros over the last five years.

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Commercial development in line with general economic trends

“With revenue growth of 1.8 percent we once again grew at an above-average rate for the corrugated cardboard sector (1.0 percent). Overall we developed in line with the general economic situation in Germany and the EU,” said Mathias Schliep, Chief Executive Officer of Thimm Group, summarising the development in the 2016 financial year. “Against the backdrop of our comprehensive investment programme and a complex competitive environment, this result is satisfactory for us, although it is still below our ambitious expectations. Our objective continues to be to establish two-digit percentage growth in operating profit.”

Outlook: Acting agile, using change potential

For this financial year, Thimm Group is planning revenue growth of more than five percent at around 600 million euros. This is based on stable forecasts from both the economy in general and the sector in particular coupled with the expected successful effects from investments and organisational development. In particular, the additional capacities due to the new Holledau plant and new manufacturing technologies such as the digital printing system will yield positive results. At the same time current price rises for corrugated cardboard base paper will burden the profit during this year. The company is therefore assuming an operating profit at the previous year's level.

"After several years of above-average investments and strong growth plus the continuation of a range of optimisation projects, in 2017 we will focus on bringing these measures to bear. With the objective of continuously further developing the company, we shall be flexible in our approach and adapt dynamically to situations and better exploit group-wide potential. This essentially means being open to changes and to new technologies. This is how we will create a sustainable basis to continue to operate as a successful family business in the market” continued Schliep.

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About Thimm:

Thimm Group is the leading solutions provider for the packaging and distribution of goods. Its portfolio includes corrugated cardboard transportation and sales packaging, high-quality promotional displays, packaging systems combining a range of materials and print products for further industrial processing. The company's product offerings are further enhanced by a wide range of associated packaging services covering the entire supply chain. Its customers include prestigious branded product groups from across all sectors. Founded in 1949, the family-owned business has more than 3,000 employees at 20 sites in Germany, Czech Republic, Romania, Poland and Mexico and generates annual revenues of 568 million euros.

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