

## PRESS RELEASE

### Revenues top 600 million euros for the first time: Thimm Group 2017

**Norheim, 07 May 2018. Thimm Group has closed the 2017 financial year with above-average revenue growth, a rise of 5.8 percent to 601 million euros. This marked the first time revenues have passed the 600 million euros milestone. Employee numbers remained the same and as of 31.12.2017 Thimm Group had 3,035 employees. The company also trained 120 trainees in different job profiles and in one dual study course. The reporting year was characterised by two major investments, namely the new corrugated cardboard plant Holledau and a digital industrial web press system.**

#### Holledau plant and the digital printing system are gathering speed

The new Holledau corrugated cardboard plant in Wolnzach in Bavaria was fully commissioned during the reporting year. The site produces corrugated cardboard transportation and sales packaging and is one of the most modern corrugated cardboard plants in Europe. Mathias Schliep, Chief Executive Officer of Thimm Group, summed up the significance of the investment as follows: “The construction of a completely new corrugated cardboard plant is something extremely special for us as a family business.

This proves the consistent growth strategy and future viability of the company.” In addition to this, Thimm Group also made investments of 20.4 million euros in the 2017 financial year in the further expansion and modernisation of its existing production sites. This demonstrates that the company is pursuing its ongoing growth and internationalisation strategy and through expansions of its plants in Poland, Romania and the Czech Republic it has successfully increased its market presence in the rapidly growing sales territories of Eastern Europe.

Thimm Group has also recorded positive results in the first few months since the start of operations of the digital web press at the Ilsenburg site. “Market acceptance for the new printing technology is exceptionally high. We have already completed a wide range of projects with customers from the most diverse of sectors,” reports Schliep.

With its online shop [www.kartonara.de](http://www.kartonara.de) Thimm Group has also established its first e-commerce start-up and is further developing in the area of digital business models. The shop sells standardised packaging made of corrugated cardboard along with added-value accessories to small and medium-sized enterprises and to private customers and opened in March 2018.

Strong demand for paper-based packaging has led to a specific market situation

The revenue increase to 601 million euros (previous year: 568 million euros) shows that the company is on the right course and once again recorded above-average growth. As Schliep explains, “Corrugated cardboard as a packaging material is more in demand than ever and this is because it is not only extremely suitable for the transportation and effective presentation of merchandise, it also meets the increasing environmental awareness requirements.”

The result has been significantly influenced by profound changes in the paper and corrugated cardboard market. The considerable growth in demand for paper-based packaging has led to a noticeable shortage of corrugated cardboard base papers and consequently to price rises, unexpected in their level and duration, of up to 27 percent. At the same time companies in the corrugated cardboard sector were only able to increase their earnings by 1.1 percent in comparison to the previous year, due in part to longer-term delivery contracts with their customers. According to Schliep: “Despite this situation we intentionally made significant investments and accepted that the previous year’s result would not be maintained.” Operating profit, EBITDAR, was 40.5 million euros and 6.7 percent of revenue (previous year: 52 million euros). The equity ratio at 38.6 percent continues to be at a solid level, but has fallen slightly given the background of the strong investment activity in comparison to the previous year (42.2 percent).

Outlook: Economic situation and market conditions are full of potential

Building on the sustained positive forecasts for commercial development in the target and sales markets and in the corrugated cardboard sector, Thimm Group is planning for a significant revenue increase of about 11 percent in 2018. A gradual improvement of EBITDAR is also expected which should reach the level of previous years.

“The further development in the paper market is unclear and will continue to be a significant factor for our company. However, overall the current market conditions offer many opportunities. We know how to maximise these. To this end we must continue to focus with intensity on the requirements and needs of our customers, employees and the market environment as well as on our processes and structures and pursue our development dynamically. The positive results for the first quarter of 2018 confirm our ambitious plans for the current year. As a sustainably run family business, we are continuing our investment strategy and are tailoring a comprehensive package of 24 million euros encompassing all our business divisions. We are convinced we are in a good position to continue our success in the market.”

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 19 sites in Germany, Czech Republic, Romania, Poland, France and Mexico and generates annual revenues of 601 million euros. More information at [www.thimm.com](http://www.thimm.com).

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