

PRESS RELEASE

Investments to continue: A successful 2019 financial year for Thimm Group

Northeim, 25 May 2020. Thimm Group has closed the 2019 financial year with revenues of EUR 623 million (2018: EUR 645 million). Operating result EBITDAR at EUR 46.7 million increased by 20 percent to EUR 56.1 million. Investments of EUR 34.0 million have been made in product diversification, individual sites and production technologies to support the further growth of Thimm Group. Employee numbers as of 31.12.2019 increased from 3,262 in the previous year to 3,512, including 121 apprentices.

Commercial development

Due to reduced sales prices in the financial year under review, Thimm Group recorded a slight fall in revenue of about three percent to EUR 623 million (2018: EUR 645 million). According to Mathias Schliep, Chairman of the Management Board, Thimm Group, “We grew our sales further over the last year. However, because we pass on lower prices for corrugated cardboard base paper, our most important raw material, to our customers, revenues have actually fallen slightly. Furthermore, due to developments in the automotive industry there has been a fall in revenue from industrial goods packaging. Our operating profit EBITDAR rose significantly by 20 percent to EUR 56.1 million.” The equity ratio of Thimm Group at the end of the 2019 financial year was 41.0 percent, above the previous year’s value (37.5 percent) and therefore remained at a high level. In addition to the volume growth in the packaging plants in Poland and Romania, the corrugated cardboard plant completed in 2017 in Wolznach in Bavaria recorded considerable volume growth in 2019 and made a significant contribution to the increase in earnings. According to Schliep, “However, the cost situation in the entire sector remains challenging due to the sharp increases in personnel, logistics and energy costs in some regions.”

Acquisitions and investments

In the financial year under review, the Thimm Group expanded its market presence with three additional sites. In the fourth quarter the Thimm Packaging Systems business division took over the supplier of foam solutions and technical moulded parts, ISL Schaumstoff-Technik GmbH, based in Viernheim in South Hesse and the business operations of ISL Verpackungstechnik GmbH in Serba in Thuringia. “The integration of ISL into the Thimm Group is an important step within the context of our international diversification strategy. We are not only expanding our portfolio of reusable multi-material packaging solutions and further consolidating our position as a supplier of sustainable packaging solutions, we have also

gained two high-performance sites in Germany,” says Mathias Schliep. In addition, on 01.10.2019, TOP Packaging, the Polish joint venture owned by Thimm Group, took over the local supplier of corrugated cardboard packaging, United Packaging SA in Skarbimierz, near Wrocław. “The expansion of our presence in western Poland as a result of this acquisition is enabling us to provide an even better supply to our Polish and international customers and is consolidating the group-wide collaboration between our sites in Poland, the Czech Republic and Germany,” continues Schliep.

Thimm has also invested in the production plant in Sibiu in Romania. The core of the expansion was the installation of a new, state-of-the-art corrugator. The machine was commissioned in mid-April 2019 and triples the corrugated cardboard production capacity. The corporate-wide modernisation of the technical infrastructure has been another investment focus. Total investment volume for the expansion of existing sites and production technologies along with product diversification and expansion was EUR 34.0 million.

Current situation

Mathias Schliep: “The spread of the Corona pandemic to Europe and Germany at the start of the year has considerably changed the commercial framework conditions on which our 2020 planning was based. Worldwide a significant economic downturn is expected for the second quarter of 2020. The impacts of the pandemic on Thimm Group have been very varied. Currently we are recording an increasing demand for packaging for everyday consumer goods, whereas the demand for packaging for the automotive and industrial goods sectors has fallen considerably. Overall this crisis has illustrated the importance of packaging in maintaining the supply chain and for the provision of food, pharmaceutical and medical products. Packaging is an integral component in the security of supply for the population.”

Outlook

Despite the spread of the Corona pandemic to Europe during the first quarter, Thimm Group had a good start to 2020. “We are still expecting to grow our revenue despite this extreme situation,” says Schliep. “However this is hugely contingent on the further course of Corona pandemic and its associated restrictions. At this moment in time our current order situation gives us cause for cautious optimism. As regards further developments, from today’s perspective the new sites added to the corporate group at the end of 2019 will make a significant contribution. In the Thimm pack’n’display business division, an increase in sales volumes is expected, to which all production sites – but in particular the plants in the growing markets in Eastern Europe – will contribute.

According to Schliep, “We are well-positioned with our innovative and sustainable packaging solutions which are in increasing demand, particularly from the food industry. Corrugated cardboard packaging is part of a product life cycle which makes both an important economic and ecological contribution to efficient supply chain logistics. In addition, the e-commerce sector is developing well to very well. Our 2020 focus for the Thimm Packaging Systems business division is the integration of the newly taken over sites and we will be further expanding digital printing in the Christiansen Print business division. Despite the Corona crisis we will continue our investments during 2020 in the further development of our company and invest in the future of each individual production site in order to modernise our sites and further expand our capacities.”

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 currently more than 3,500 employees at 22 sites in Germany, Czech Republic, Romania, Poland, France and Mexico and generated in 2019 annual revenues of around 623 million euros.

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