

PRESS RELEASE

Thimm Group reports a positive sales development in the 2020 financial year

- » **Strong sales growth in the packaging plants**
- » **High investments in Eastern European sites**
- » **Slight decline in revenue and number of employees**
- » **A continued stable equity ratio at a high level**

Northeim, 22 April 2021 – Thimm Group closed the 2020 financial year in a very robust position despite the challenges caused by the coronavirus. Revenue dropped only slightly to EUR 605 million (2019: EUR 623 million). Operating profit EBITDAR before extraordinary expenses also fell only slightly from EUR 57.5 million to EUR 56.7 million. Despite the coronavirus pandemic, in the reporting year the company invested a total of EUR 27.7 million, primarily on expansions to its Eastern European sites. The total number of employees decreased slightly from 3,512 employees in the previous year to 3,376 as of 31.12.2020, including 126 apprentices.

In line with developments in the sector due to the coronavirus, in 2020 the packaging plants in the Thimm pack'n'display business division also recorded robust sales growth, exceeding forecasts and plans. According to Mathias Schliep, Chairman of the Management Board, Thimm Group, “Our packaging plants predominantly produce packaging for fast moving consumer goods (FMCGs), which were still in demand during the coronavirus crisis and will continue to make an important contribution to the security of supply for the population.” The coronavirus pandemic has also accelerated the evolution of the trading business towards e-commerce. Corrugated cardboard packaging is mainly used for transportation from the shipper to the customer and is therefore benefiting from this trend. Therefore, the Thimm Start-up Cartonara, which offers standardised solutions for e-commerce dealers, has increased its level of professionalism even more, recording positive developments.

“One of the reasons for the Group’s slight drop in revenue due to the coronavirus pandemic can be attributed to the decline in customer demand in the German automotive industry, one of the main customer sectors in our Thimm Packaging Systems business division,” continues Mathias Schliep. “As a result of the first lockdown in spring 2020, the automotive industry completely shut down or significantly scaled back its production in the second quarter for many weeks. Only in the third quarter did a significant increase in demand in this business division generate revenue at the pre-pandemic level. In an annual comparison, lower raw material prices also led to lower sales prices on the sales side. Despite an overall increase in sales volumes, the resulting revenue losses could not be fully compensated for.” Thimm Group’s equity ratio remained stable at a high level of 40.6 percent (previous year: 41.0 percent). The company is therefore still well-positioned financially, even in a challenging environment.

Despite the coronavirus pandemic, the Group invested a total of EUR 27.7 million in 2020. One focus was on expansion investments in the packaging plants in the Czech Republic, Romania and Poland. Thimm has updated its production capacities there and purchased additional production facilities to enable further growth in the local markets. For example, in early 2020, at the Czech site in Všetaty the company invested in a new laser cutting machine which can create digitally precise designs made from corrugated cardboard. At the end of the year, the packaging specialist also installed a new state-of-the-art corrugator in Všetaty, further supporting Thimm Group's digitalisation strategy. A technically state-of-the-art HQPP printing system was installed at the Romanian site in Sibiu, which, following the commissioning of a new corrugator in the previous year, adds yet another technological advantage to the site and also enables the production of technically sophisticated products.

The focus of the Thimm Packaging Systems business division in 2020 was on the integration of the two locations Serba (Thuringia) and Viernheim (Hesse) acquired in 2019. They have now been fully integrated into the existing structures and processes.

Mathias Schliep: "Despite the coronavirus pandemic, Thimm Group performed well in a challenging 2020 financial year. We expect sales to increase further in 2021, particularly in the Thimm pack'n'display and Christiansen Print business divisions. The continuous growth of online commerce will also have a positive effect on our business development. Overall, we are expecting revenue increases due to the sales volumes, provided there are no further pandemic-related restrictions. However, increasing paper, freight and energy prices will also have an impact on the result."

The Thimm Group with its innovative and sustainable packaging solutions is well-positioned. The food industry, retailers and end-consumers in particular are increasingly demanding recyclable packaging. Solutions made from corrugated cardboard already fulfil these ecological requirements as it is recyclable packaging based on renewable raw materials. According to Schliep, "Our third Sustainability Report, published at the end of 2020, is proof that the issue of sustainability is very important to us. This report provides transparent information about the sustainability performance of our company."

About Thimm

The Thimm Group is a leading solutions provider for the packaging and distribution of goods. Its solutions 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. Through its innovative and sustainable solutions Thimm helps its customers to differentiate and individualise themselves in the market. To this end in its sustainability vision for 2030, the family business anticipates economic, environmental and social challenges in advance and solves them. Thimm Group's aspiration is to always offer customers the best solution. This strong customer focus drives the innovation and the pioneering spirit of the company. Therefore, there is consistent

investment in expanding the company's market presence and in future-oriented technologies. Founded in 1949, the family business currently has more than 3,300 employees at 21 sites in Germany, France, Poland, Romania and Czech Republic and generated annual revenues of around EUR 605 million in 2020. For more information visit www.thimm.com

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