

## PRESS RELEASE

### **2023 financial year: Thimm faces up to a challenging market**

**Norheim, 26 June 2024.** The decline in overall economic performance in 2023 also had an impact on the corrugated cardboard industry. The growth of previous strong sales years, due to the coronavirus crisis and high sales in the e-commerce sector, did not continue. Instead, the industry was characterised by interest rate hikes, inflation-related reluctance to buy and the volatile development of commodity and energy costs. The close link between the corrugated cardboard industry and the overall economic trend made the losses unsurprising, as also reported by the Association of the Corrugated Cardboard Industry (VDW).

Thimm Group has closed the financial year with revenues of EUR 560 million. Adjusted for special effects from the sale of Thimm's industrial goods area in 2022, the decline compared to the previous year amounted to 8.5%, putting Thimm ahead of the industry average of 13.8 per cent, according to the VDW data. In the overall market, the decline in sales is due, among other things, to the falling quantities and prices of products. EBITDAR increased by 3% in the 2023 financial year compared to the previous year. At 46.3% (previous year: 49.2%), the equity ratio is still significantly above the company average of recent years. As at 31 December 2023, Thimm has had 2,448 employees, including almost 100 trainees.

"Last year presented us with various challenges," reports CEO Kornelius Thimm. "We have also felt the decline in sales volumes on the market. At the same time, our corporate result was influenced by cost increases in the energy sector and also due to interest rate hikes, as well as by dynamic price developments in the commodities sector and extensive internal investments."

#### **Future-oriented investment**

Despite continued market volatility, the family business invested a total of 70 million euros in the expansion of its plants in 2023. Thimm is thus laying the foundation for further company growth even in a difficult year. Such investments marked the largest annual investment volume ever spent in the company's history. In addition to the expansion and modernization of German locations, investments were also focused on the plants in Poland and Romania.

Kornelius Thimm reports, "We have already seen positive development in our plants in the Eastern European market in 2023 and expect further growth here this year as well. At the same time, we expect a generally sustained market dynamic. We have therefore made targeted investments in growth, digitalisation and the performance of our company in order to prepare ourselves for the future."

The largest individual investment was the new digital printing system at the Alzey site (Rhineland-Palatinate), with a total of 20 million euros. With the systematic advancement of digital printing and the development of further printing capacities, Thimm is sending a clear signal of its commitment to digitalisation: "We want to digitalize and connect the entire supply chain from packaging production to the unpacking experience at the end customer – and thus offer our customers real added value in

addition to the actual packaging benefit. We also want to produce even faster, more flexibly and more sustainably. Digital printing enables us to do all this," says Kornelius Thimm.

### **Positive sign for sustainable corrugated cardboard packaging**

In 2023, Thimm and the entire corrugated cardboard industry worked intensively on the draft of a new European packaging regulation, the Packaging and Packaging Waste Regulation (PPWR). The original draft of this regulation would have had a significant impact on the industry. Kornelius Thimm says, "We have clearly positioned ourselves for this and have been active in discussions with various public bodies. In 2024 March a positive agreement was reached for the corrugated cardboard industry through the trilogue procedure between the EU Commission, Parliament and the Council of Ministers. This agreement enables the industry to continue making an important contribution to the circular economy with its sustainable packaging."

Thimm was also active in its sustainability activities: "We have optimised our raw paper portfolio by making changes in paper, grade and grammage, which has reduced complexity. For our customers, this means consistent or better performance with less use of materials and positive sustainability effects," says Kornelius Thimm.

In order to make the production processes more sustainable in addition to the product, Thimm signed the Commitment Letter of the Science-Based Targets Initiative (SBTi) in autumn 2023, whereby the company not only joined the initiative, but also committed itself to ambitious climate targets. "We have now set ourselves goals for 2024, which will be evaluated by the initiative. In addition, we have recalculated our corporate carbon footprint and will prepare a key figure update for the sustainability report."

### **Outlook**

In the current financial year 2024, the overall economic situation for the corrugated cardboard industry has so far been tense. Rising prices for corrugated cardboard raw paper and low availability, particularly of waste paper, are creating further challenges. "We are observing these developments and putting together appropriate measures to address them in order to find the best solution for our customers and our company," says Kornelius Thimm. Even if general economic stagnation is expected for the first half of the year, an economic trend reversal is slowly approaching. "With regard to the second half of the year, we remain cautiously optimistic and expect a revival of the market situation and a generally progressive economic stabilisation in the coming months," concludes Kornelius Thimm. "All in all, 2024 is a special year for our family business, as we can look back on 75 years of our company history."

### **About Thimm**

Thimm is a leading solutions provider for the packaging and distribution of consumer goods. Its sustainable solutions portfolio includes corrugated cardboard transportation and sales packaging, high-quality promotional displays and print products for further industrial processing. Through its innovative, simple and sustainable solutions, Thimm helps its customers to differentiate and

individualise themselves in the market. This strong customer focus drives the innovation and pioneering spirit of the company. There is therefore consistent investment in expanding the company's market presence as well as in future-oriented technologies for the next generation. Founded in 1949, the family business currently has around 2,400 employees at 12 sites in Germany, France, Poland, Romania and the Czech Republic, and generated annual revenue of around EUR 560 million in 2023. For more information visit [www.thimm.com](http://www.thimm.com)

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