

PRESS RELEASE

Growth story continues: Progroup records sales of over one billion euros for the first time

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Landau, 12 October 2021 – At the start of October 2021, Progroup recorded sales of over one billion euros for the first time in the company's history. What is more, the previous year's result was surpassed well before the end of 2021. This success not only reflects the family-run company's consistent investment and growth policy. It also mirrors the current trend towards increased online shopping and sustainable packaging.

“Since as far back as the third quarter of 2020, the level of demand for corrugated board across Europe has been extremely high. This dynamic has in fact become even more pronounced in 2021. This is a trend that we are seeing across all markets,” says Jürgen Heindl, founder and CEO of Progroup. He stresses: “The fact that we were able to achieve our targets so reliably despite the challenges posed by the coronavirus pandemic is a genuine team success. This was the only way we could reliably cater for the high level of demand from our customers.”

Drivers: E-commerce and awareness of sustainability among consumers

The key drivers of these trends are a steady economic recovery, the booming internet trade and the general change in consumer behaviour. At a time when travel, visits to restaurants and other services could no longer be regularly enjoyed in quite the same way, packaged goods were used more than other products.

“We are seeing this in many sectors – from food and electrical appliances and clothing through to pharmaceutical and hygiene products. Another aspect is that consumers and therefore also commerce in general really are demanding packaging that can be recycled consistently. This means that packaging made from corrugated board is becoming more popular compared to other products,” believes Heindl.

Continue to promote international growth

Progroup wants to continue to grow in the future so that it can operate sustainably on the market. At the end of August 2021, the company announced the construction of another corrugated sheetfeeder plant in Rhineland-Palatinate. The company is investing more than 90 million euros in this new factory building. With production scheduled to begin in the second quarter of 2023, 60 new jobs for highly skilled employees and apprentices will be created.

Progroup continues to grow internationally as well. The company's twelfth production facility for corrugated board sheets and its third plant in Poland is currently being constructed in Stryków, Poland. With its production capacity of 825 million square

metres per annum, Stryków will be one of the biggest corrugated board production sites anywhere in the world.

In addition, further growth projects in France and Italy are in the final planning stage. The level of investment in the current national and international expansion projects is around 300 million euros. A total of around 200 new, highly skilled jobs are being created in Germany and abroad.

Carefully planned generational change guarantees stability

An important part of Progroup's long-term growth strategy is the carefully planned generational change which will take place at the turn of 2022/2023. This is when Jürgen Heindl will hand over the role of CEO of Progroup AG to his son and deputy CEO Maximilian Heindl. He himself will move to the Supervisory Board. Maximilian Heindl views the trend towards sustainable packaging as a clear mandate to embrace future developments:

“This is an important signal to the packaging industry and an endorsement of the work we are doing at Progroup. The issue of sustainability is and remains a key focus of our corporate strategy. Closed material cycles are the clear targets that we will continue to set ourselves in the future. To benefit our customers and employees, but also and in particular to benefit generations to come.”

About Progroup

Progroup AG, located in Landau in the German state of Rhineland-Palatinate, Germany, is one of the leading manufacturers of containerboard and corrugated board in Europe. Since it was founded in 1991 in Offenbach/Queich, the company has been pursuing a consistent growth strategy which, in addition to technological leadership, is also based on the use of innovative and environmentally friendly production technologies. Progroup operates production sites in six countries in Central Europe. These currently include three paper factories, eleven corrugated sheetfeeder plants, a logistics company and an RDF power station. With 1,455 employees, the company generated sales of around 881 million euros in 2020.

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