

STAR Conference – Milan, 15 March 2016  
Company Presentation

RenoDeMedici



# Agenda



1. **Overview**
2. FY2015 performance
3. Portfolio management
4. RDM shares

# WLC business drivers

RDM production currently focused on **one business segment**: White Lined Chipboard, “WLC”.



## E-commerce

High quality packaging is key to internet sales



## Care for planet

Preference for environmental-friendly products



## Overall economic trend

Via households' consumptions



## UE commitment

Reducing food waste through better packaging



## Marketing efforts

Conveying product brand image through packaging



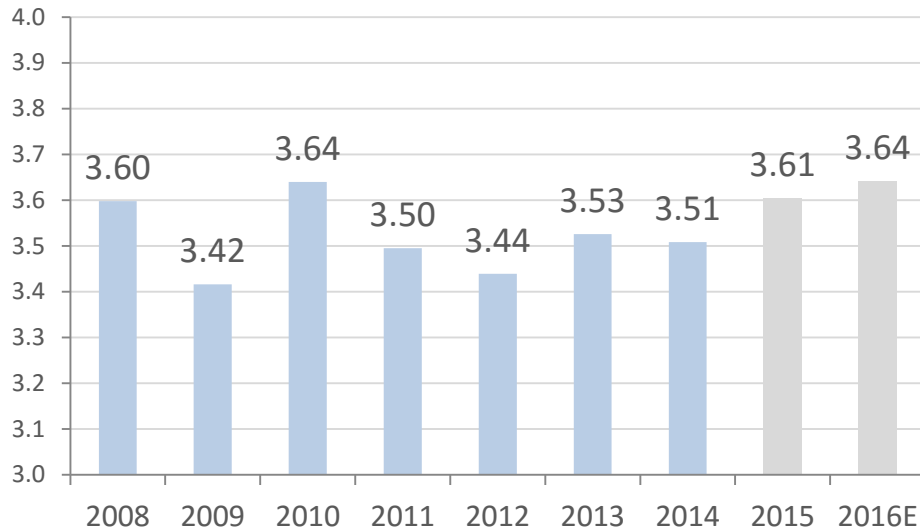
## Changing demography

Increasing number of singles



# Improving demand profile

## WLC demand in Europe (mn tons)

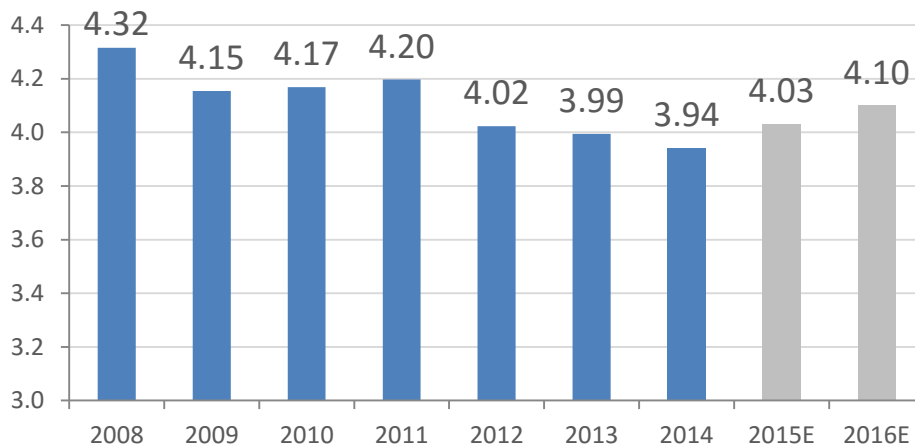


European cartonboard demand: +2.8% in 2015 vs. 2014.

WLC growth driven by CEE countries, where supply fails to cover the regional demand.

In **early 2015** WLC demand **upturned**, anticipating the recovery in consumptions expected for the following months.

## WLC capacity in Europe (mn tons)



**Q4 2015** demand decreased vs. Q3 2015 due to converters' **destocking** behaviours.

Demand profile remains positively orientated, as proven by satisfactory January 2016 orders.

# WLC competition – two key players

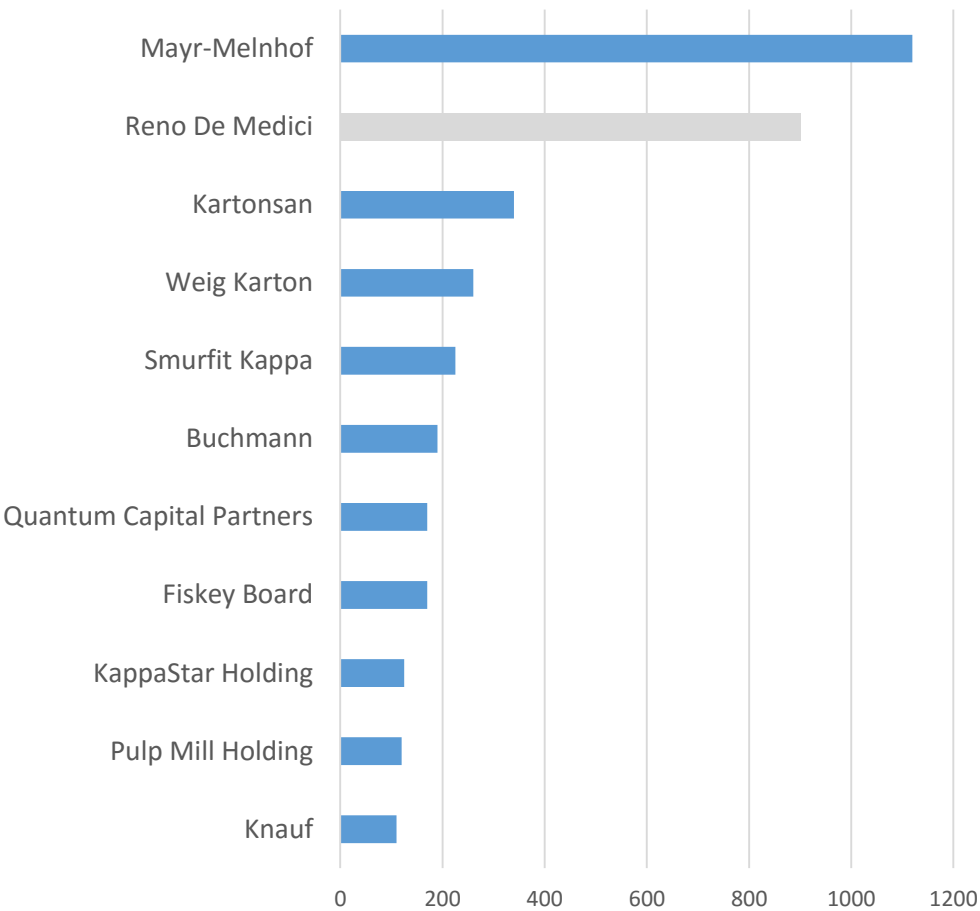
**Mayr Melnhof** and **Reno De Medici** as a whole represent over 55% of total production capacity in WLC.

The rest of competition is fragmented in terms of size. Differently from MM and RDM, minor players in the WLC market do not have a PanEuropean asset base.

No. of mills	Current installed capacity (mn tons)	FY14 mn tons sold	FY14 Revenues (€mn)	9M15 (mn tons sold)	9M15 Revenues (€mn)
7	ca. 1,600 (including virgin fiber)	1,586	1,002.8	1,252	787.4
5	885 mn tons	805	426.1	630	334.8



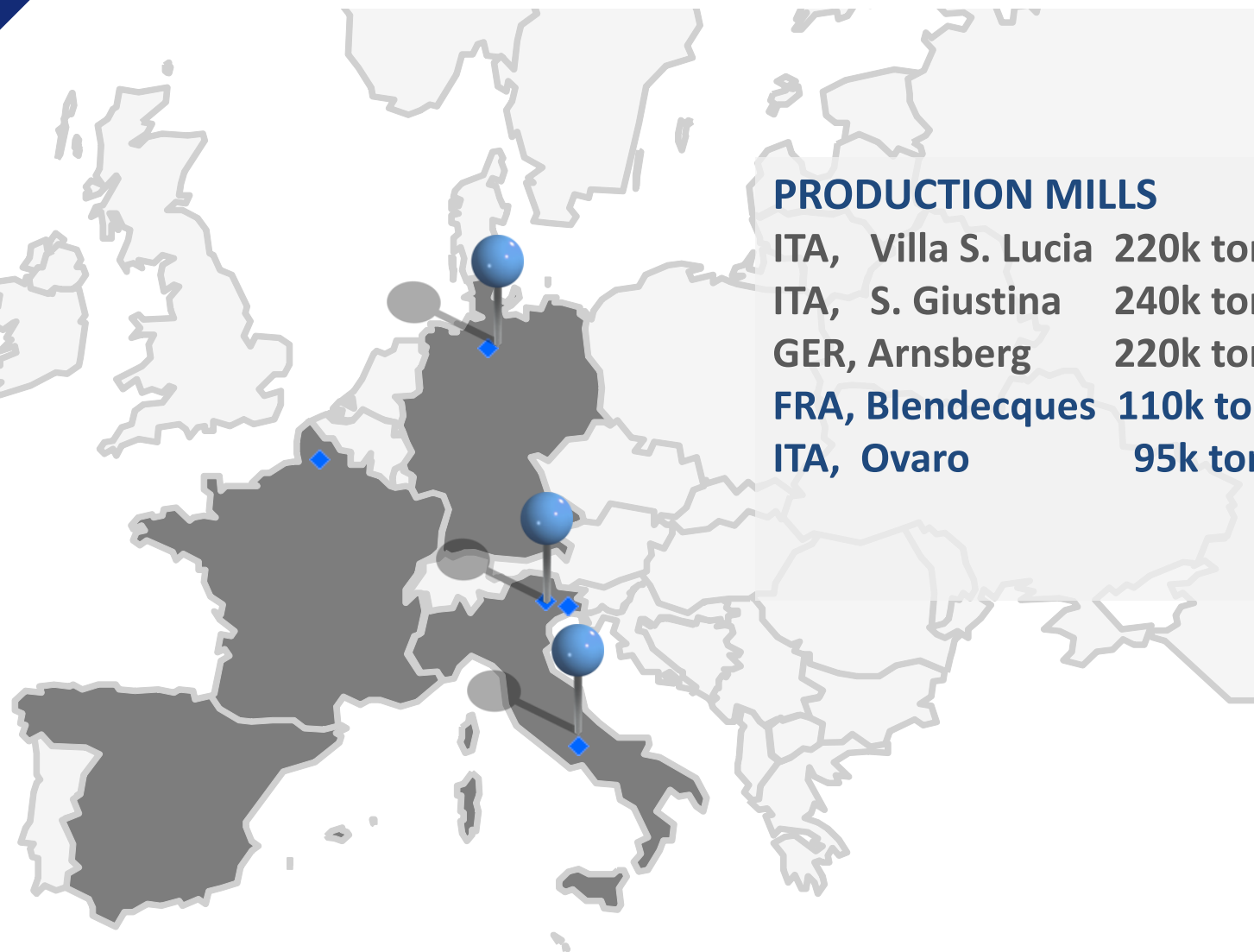
# Leading WLC producers in Europe



Source: Company estimates. Capacity data in '000 tons.



# Three European top-class assets



## PRODUCTION MILLS

ITA, Villa S. Lucia	220k tons	LINER WLC
ITA, S. Giustina	240k tons	WLC
GER, Arnsberg	220k tons	LINER/GD WLC
FRA, Blendecques	110k tons	WLC
ITA, Ovaro	95k tons	OG-GK

# Organisational chart



## 2 Operating Plants:

- S. Giustina
- Villa S. Lucia

**Reno De Medici S.p.A.**  
(operating holding)

## Operations

RDM Blendecques S.a.s.  
100%

RDM Arnsberg GmbH (\*)  
100%

RDM. Ovaro S.p.A. 80%

ZAR S.r.l.  
33.33%

Manucor S.p.A.  
22.5%

## Marketing

Careo  
70%

## Distribution

Emmaus Pack S.r.l.  
51.39%

Pac Services S.p.A.  
33.33%

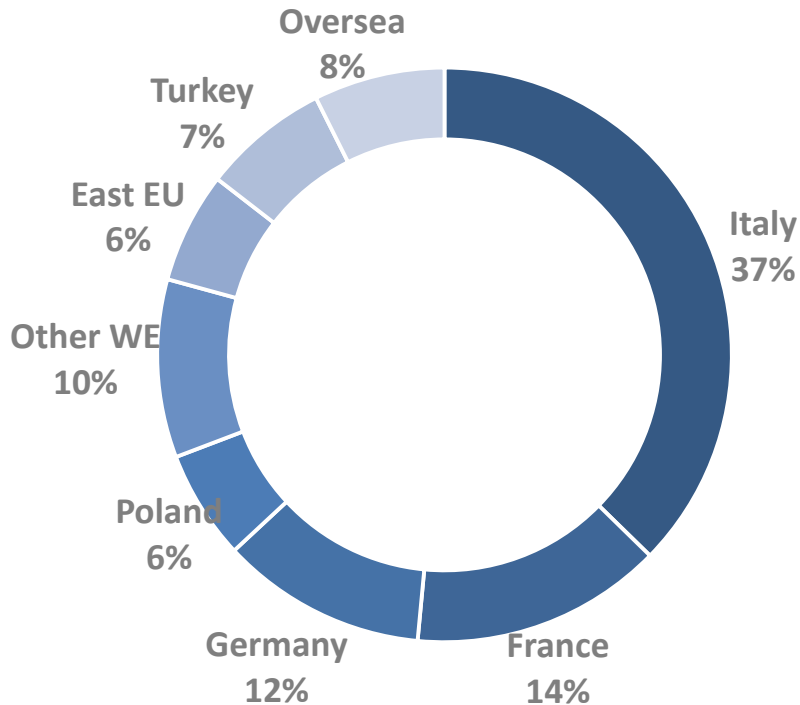
(\*) Company owned 94% by Reno De Medici S.p.A. and 6% by Cascades Grundstück GmbH & Co.KG.





# Western Europe is our core market

## FY15 Revenues by geography



RDM boasts a robust position in core European countries.

Strong geographic reach leverages on a well-diversified asset base.

# 1,400+ converting companies in RDM client portfolio



## Low-risk concentration

First 10 clients account for approx. **22.5%** of tons sold.

First 100 clients account for **68%** of tons sold.

# Differentiated marketing channels

A PanEuropean  
PROPRIETARY NETWORK  
articulated into three channels

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## European Marketing Offices

70 people all over Europe.  
Italy, France, Germany, Spain, UK,  
Poland, Hungary, Czech Republic.

## Distributors Sheeting centres

**Spain, Italy and UK**, exclusivity  
agreements.

## Agents with exclusive contracts

Middle East, Asia, Latin America  
and Africa, and some European  
Countries, including Italy.

# Agenda

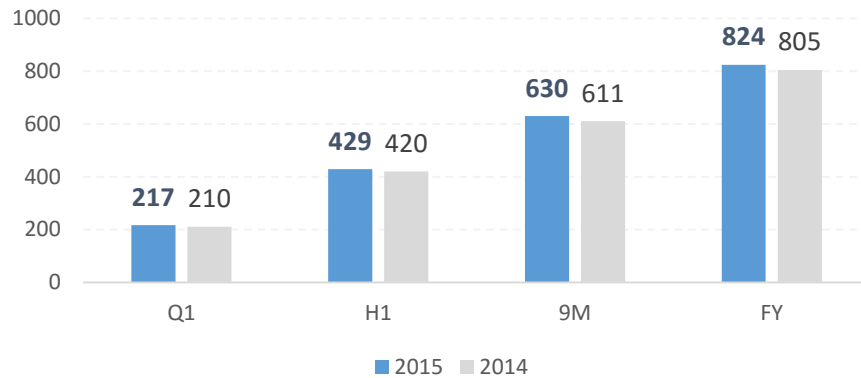


1. Overview
2. **FY2015 performance**
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Consolidated P&L ('000 euro)	12.31.2015	12.31.2014	Change
Revenues from sales	438,235	426,134	2.8%
Other revenues and income	6,488	14,152	-54.2%
Change in inventories of finished goods	-2,375	-3,294	-27.9%
Cost of raw materials and services	-331,376	-324,968	2.0%
Personnel costs	-63,663	-65,674	-3.1%
Other operating costs	-5,506	-5,158	6.7%
<b>Gross operating profit (EBITDA)</b>	<b>41,803</b>	<b>41,192</b>	<b>1.5%</b>
Depreciation and amortization	-22,345	-22,557	-0.9%
Write-downs	-2,222	-207	n.m.
<b>Operating profit (EBIT)</b>	<b>17,236</b>	<b>18,428</b>	<b>-6.5%</b>
<i>Financial expense</i>	-3,597	-5,364	-32.9%
<i>Gains (losses) on foreign exchange</i>	450	628	-28.3%
<i>Financial income</i>	20	88	-77.3%
Net financial income/(expense)	-3,127	-4,648	-32.7%
Gains (losses) from investments	543	280	93.9%
Taxes	-3,676	-3,887	-5.4%
<b>Profit (loss) for the period before net result from discontinued operations</b>	<b>10,976</b>	<b>10,173</b>	<b>7.9%</b>
Net result from discontinued operations	-1,114	-4,755	n.m.
<b>Profit (loss) for the period</b>	<b>9,862</b>	<b>5,418</b>	<b>82.0%</b>

# Revenues from sales

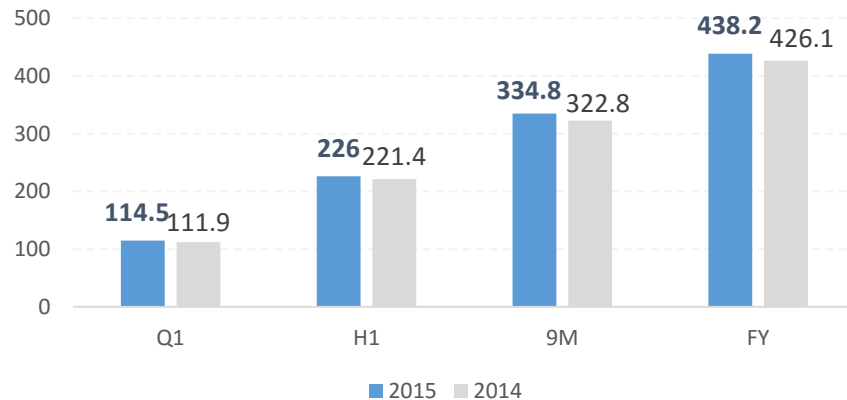
Tons sold ('000)



**Higher volumes** sold reflect:

- ✓ demand upturn (especially in early months of 2015)
- ✓ higher Santa Giustina mill contribution.

Revenues from sales (€mn)



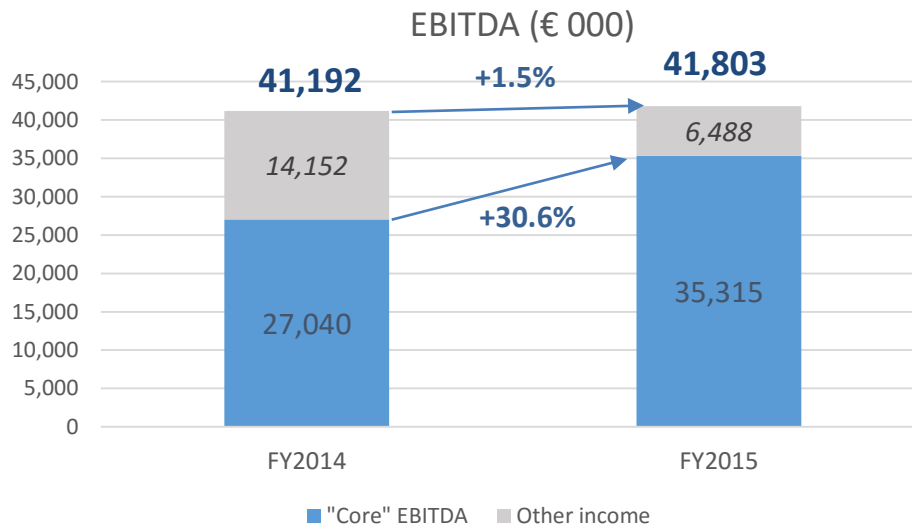
**Revenues from sales up 2.8% yoy**  
**driven from:**

- ✓ higher volumes
- ✓ stable average selling prices on annual basis (+ca.0.5% in terms of implicit FY prices)

**Reno De Medici increased selling prices in H2 2015** (hike announced at the end of April)

# EBITDA

	FY2015	FY2014	
Revenues from sales	438,235	426,134	2.8%
Other revenues and income	6,488	14,152	-54.2%



Excluding the contribution from the "Other revenues and income", in 2015 "Core EBITDA" stemming from Sales Turnover increased by 30.6%.

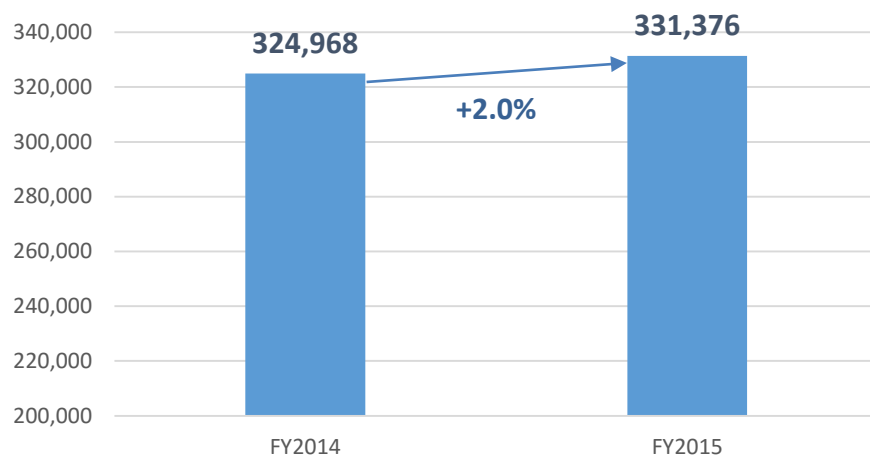
**EBITDA rise driven by:**

- ✓ improved operating efficiency
- ✓ lower energy costs

**Negative impact of raw materials,** whose price rose, peaking in July

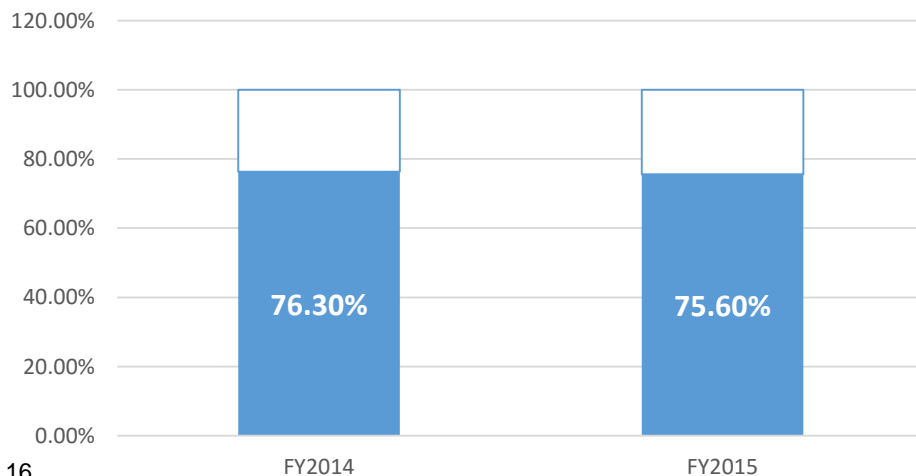
# Operational efficiency

Cost of raw materials and services (€ '000)



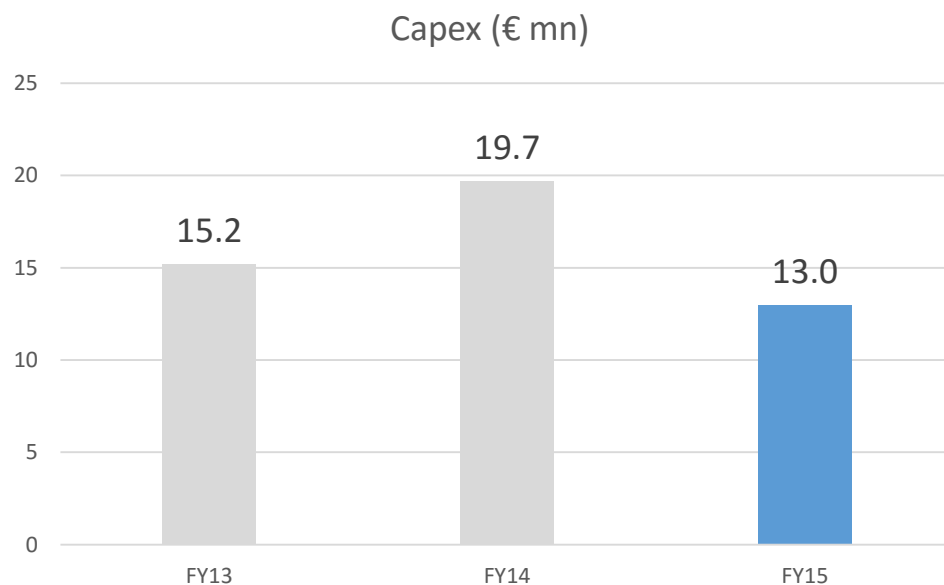
Despite a 2.0% increase in absolute value, in 2015 **Cost of raw materials and services reduced their weight on Revenues from sales.**

Weight on Revenues from sales





# Investing to improve efficiency

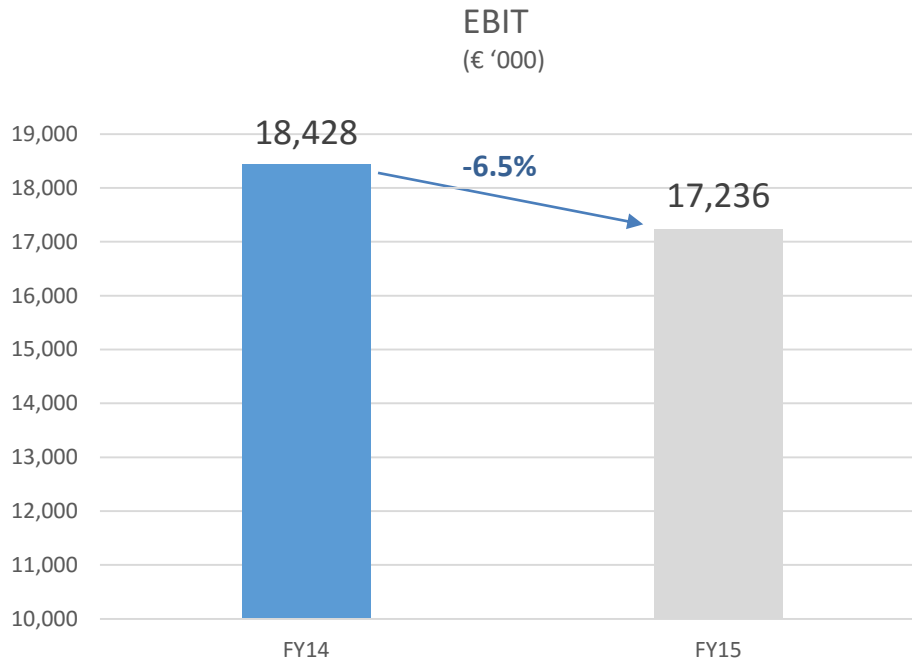


Investments mainly concentrated in upgrading **one plant** at a time. Capex focused on Santa Giustina in 2014.

Capex plan of **131.2 million euro** over the 2008-2014 period, i.e. **18.7 million euro on average per year**.

**D&A** pretty stable (-0.9% FY15 over FY14) in the meantime.

# EBIT

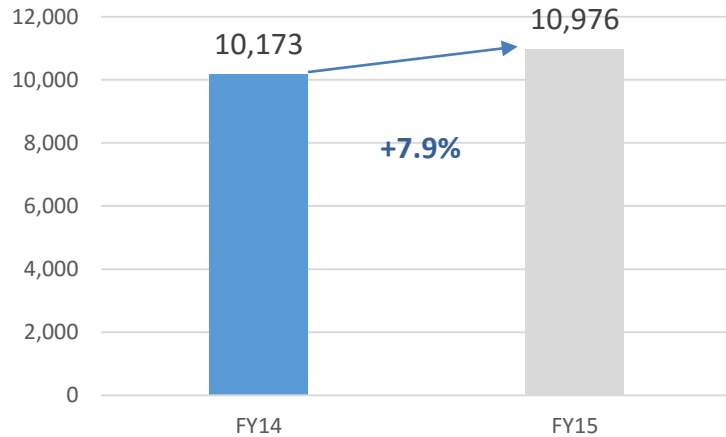


**EBIT decline mostly due to write-downs:**  
2.2 €mn in FY15 vs. 0.2 €mn in FY14

**FY15 write-downs:**  
Magenta mill building and service facilities write-offs and provisioning for dismantling costs due to cancellation of the project for a wastepaper collecting centre.

# Net profit

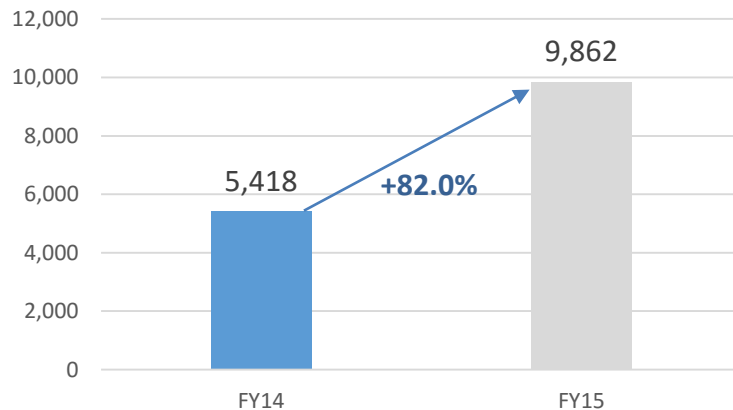
Net profit before Discontinued Operations  
(€ '000)



**Sizeable decline in financial charges (-1.8 €mn vs. FY14; -32.9%)** has paved the way to the improvement at bottom line.

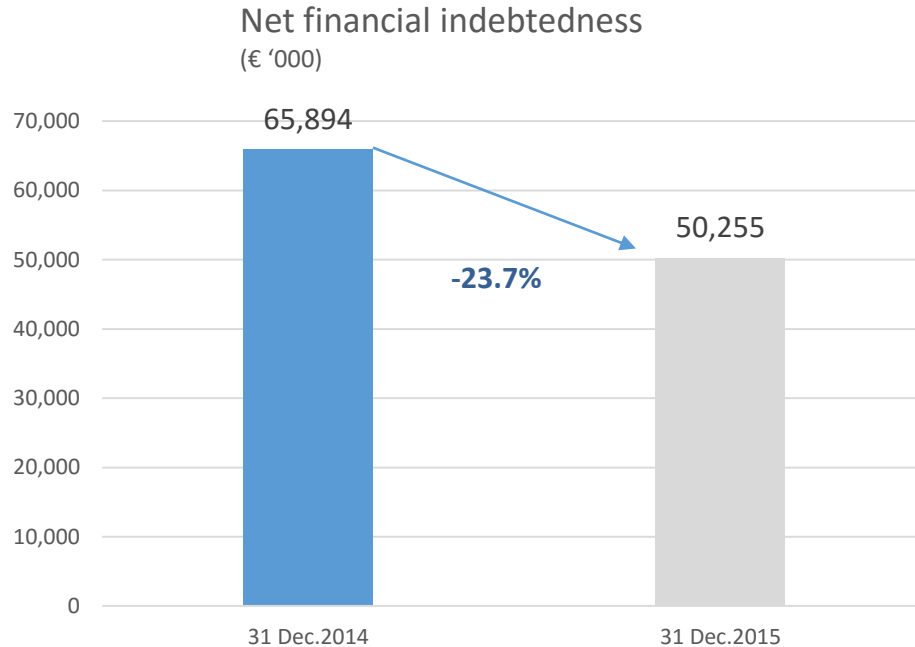
**Ibérica impact (Discontinued Operations)** decreased from -4.8 €mn in FY14 to -1.1 €mn in FY15, contributing to the 82% increase of Net Profit.

Net profit  
(€ '000)



**Reno De Medici Ibérica S.l.ù.** (made available for sale in Q414) was sold on 27 January 2016 at book value.

# Net financial debt



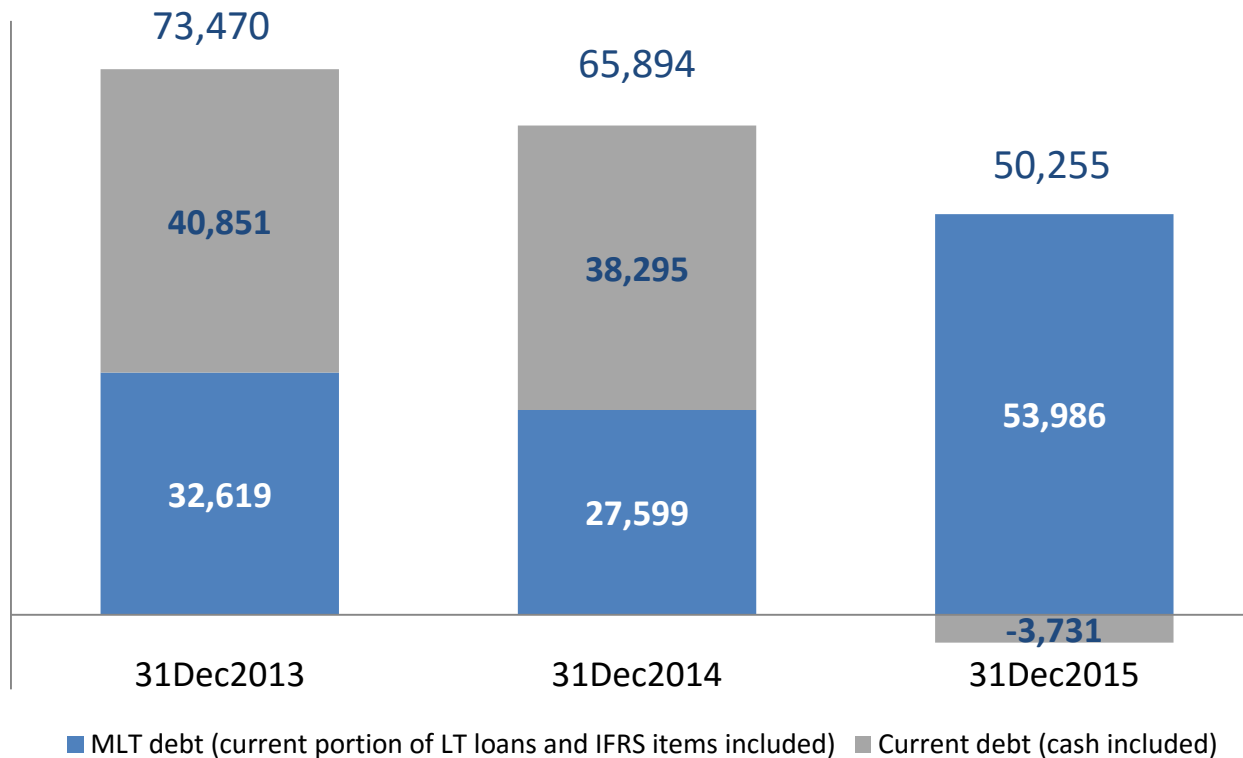
**Strong cash flow generation drove** the 15.6 million euro decrease in Net financial debt.

The 50.3 million euro data at 2015 YE **does not consider the 4.2 million euro benefit of the Ibérica sale (combined effect of sale price (800,000 euro + deconsolidation of Ibérica debt).**

# Optimisation of the financial profile

Deleveraging driven by cash flow generation.  
Lengthening of debt maturity starting from Q2 2015.

(data in € '000)



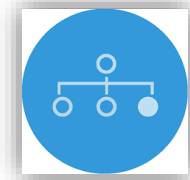
# Agenda



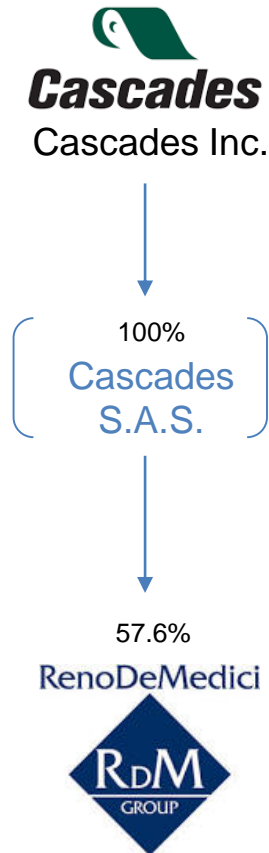
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# MOU – Cascades S.A.S. acquisition

Currently



Post-transaction



# Cascades S.A.S. – Key features



Assets located in La Rochette (140 km east of Lyon)

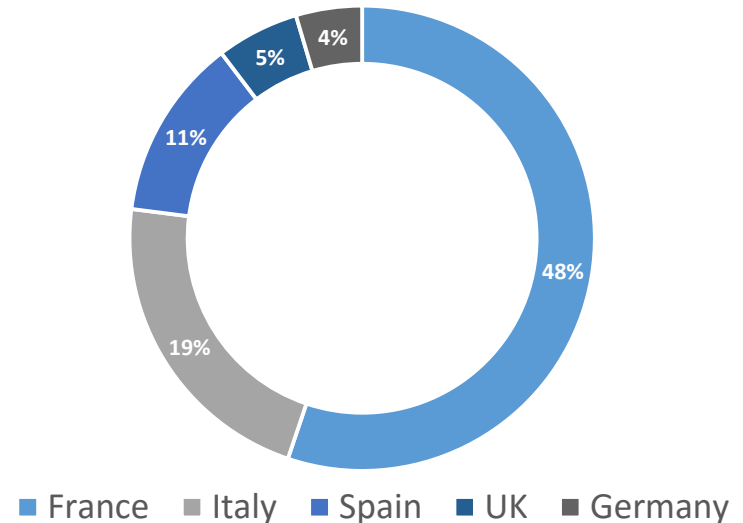


Site capacity of 165,000 tons; two board machines



Cartonboard products based on pulp

Breakdown of 2014 revenues





# Clients and end-users

## A focused and consolidated client portfolio

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Cascades S.A.S. clients are mainly professional printers

Top 10 clients account for 55% of total yearly sales



## A wide range of applications

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Food  
Cosmetics  
Pharma  
Displays  
Publishing  
Toys  
Detergents



...



# Acquisition features



MoU signed on **14 March 2016**



Total consideration ranging from **16 to 20 million euro**



FY2015 EBITDA: ca. **4 million euro** (unaudited)



Definition of **purchase price** depending on:

- **Due Diligence**
- Contractual **negotiations**
- RDM's **BoD approval** following **favorable opinion** from Related Party Transaction **Committee**



**Committee's advisor:** Unicredit Corporate Finance Advisory

# RDM - new Group profile



## European scale

Strategic locations of assets  
across Europe  
Strengthened presence in  
France



## Integrated cartonboard offer

Products based both on  
recycled wastepaper and  
virgin fiber



## Size

Installed capacity well  
above 1 million tons  
Revenues exceeding 550  
million euro

## Opportunities

Cartonboard based on pulp  
provides access to a  
growing market with  
valuable clients



# Sale of a 17% stake of EmmausPack

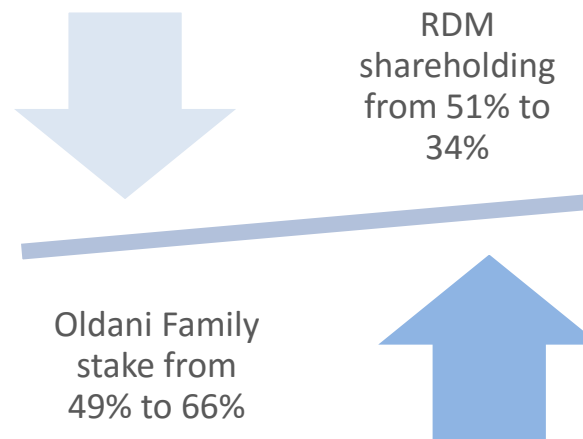
## EMMAUSPACK

EmmausPack is a sheeting and distribution center, located in Marcallo con Casone, close to Milan

### Key features of the transaction

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Purchase price: **700,000 euro**  
Book Value in RDM A&L Accounts: **108,456 euro**  
Co.'s Net Debt at 2015YE: **2.3 million euro**



### Overall benefits to RDM

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**Ca. 3 million euro**

# Agenda

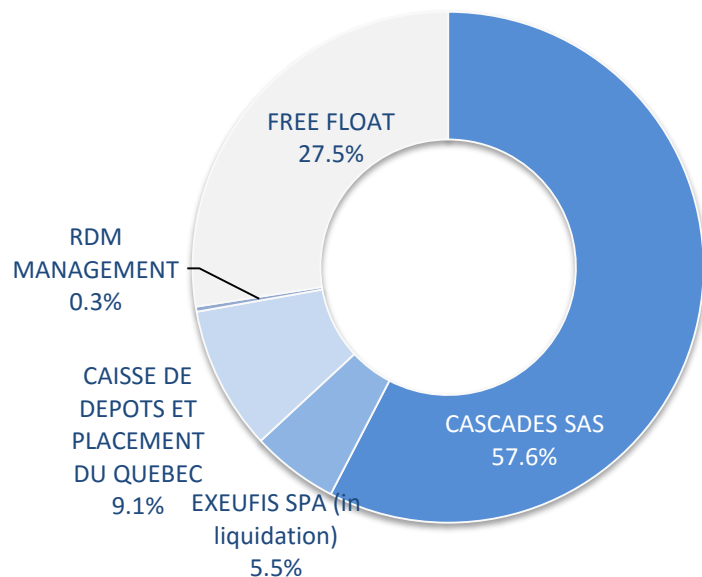


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# RDM and the Stock Exchange

**Share Capital: 140,000,000.00 €**

**Outstanding shares: 377,800,994**, o/w  
377,527,066 ordinary shares  
273,928 convertible savings shares



Source: RDM shareholder register as of 29 April 2015; Public Filings for Exeufis

## Listing markets

Milan Stock Exchange – MTA (STAR segment)  
Madrid Stock Exchange (admitted capital 148,020,968.15 €; no. of shares 269,129,000)

## Codes

Bloomberg: RM IM; Reuters: RDM.MI  
ISIN: IT0001178299

**Mkt cap.:** 119.1 € mn (@0.315 € p.s. as of 10 March 2016)

## 2015 – Conferences and Roadshows

### Financial centres

5 cities: Milan, Frankfurt, London, Paris, Geneva

### No. of one-on-one with institutional investors

46

### Field trip

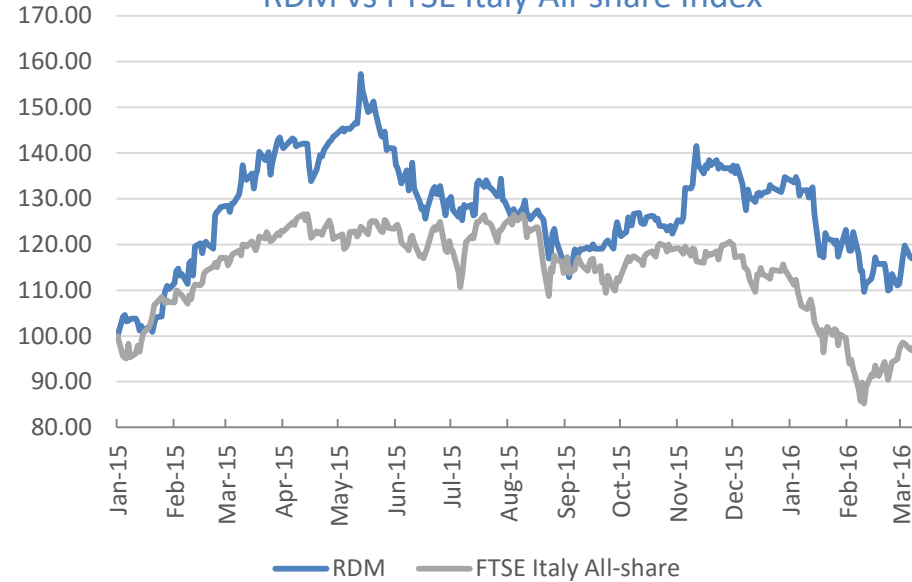
Villa S.Lucia

# Share performance

RDM share price

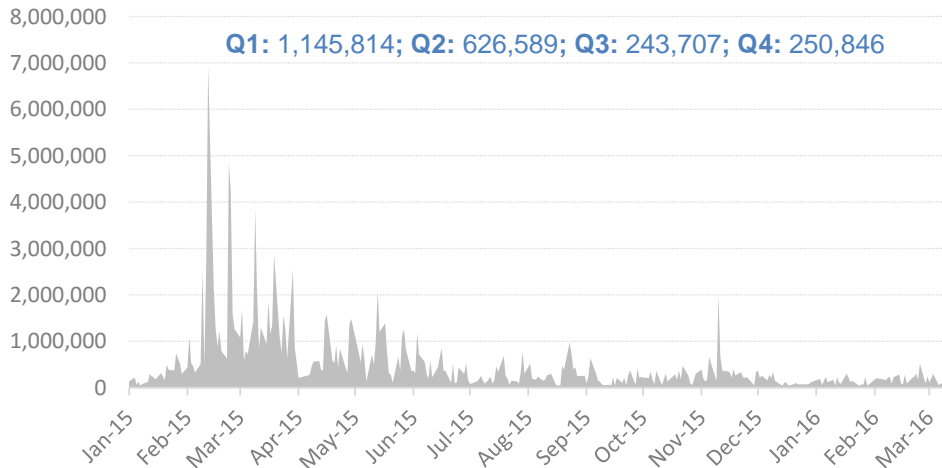


RDM vs FTSE Italy All-share Index



RDM traded volumes

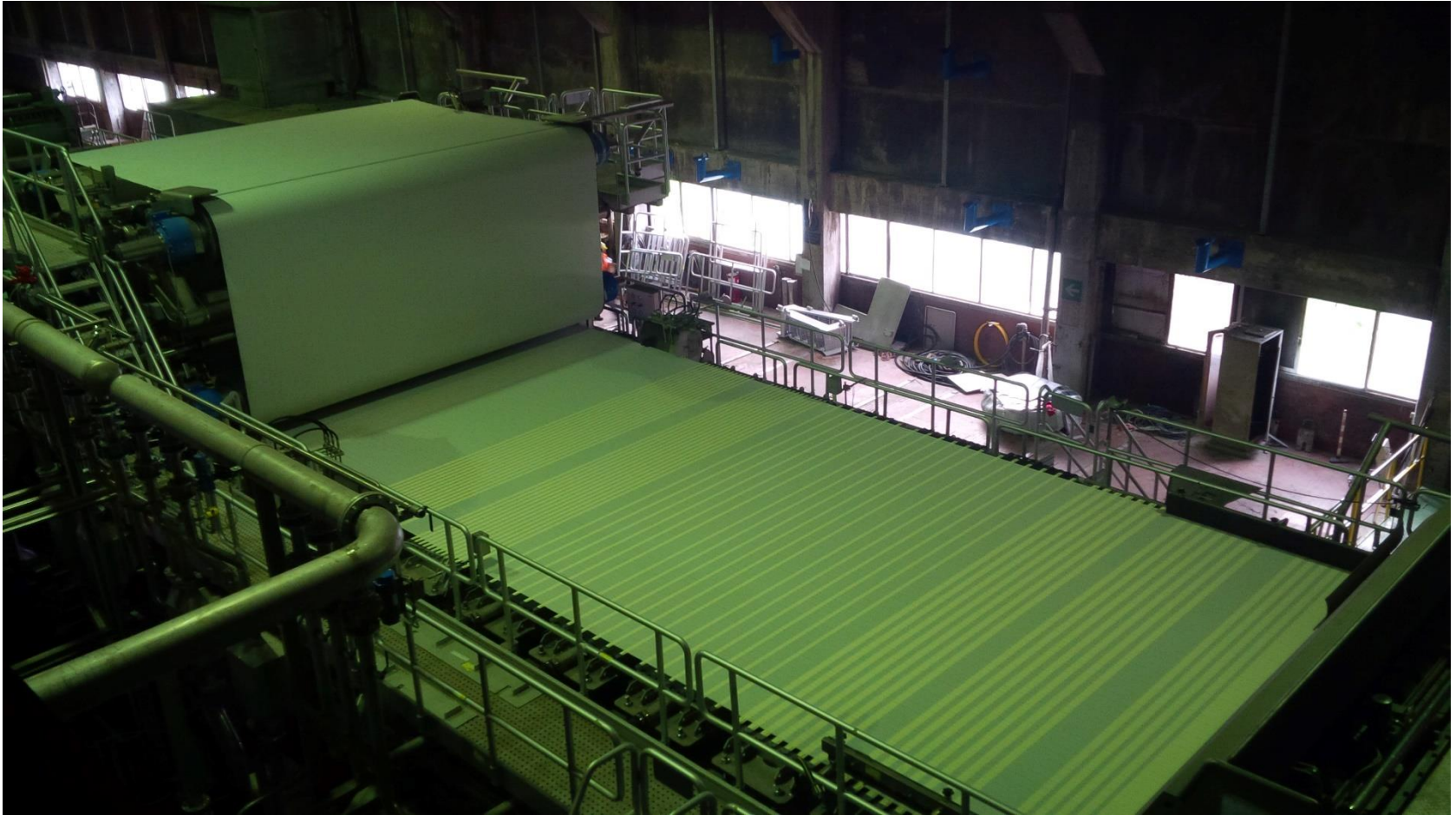
Q1: 1,145,814; Q2: 626,589; Q3: 243,707; Q4: 250,846



Following the **voluntary share capital reduction**, starting from February 2016, the Net Equity includes a Reserve available for **dividend both distribution and share buyback**.

- ✓ No. outstanding shares unchanged
- ✓ Net Equity value unchanged

# Appendix





# Lean and effective Governance

Traditional administration and control system (BoD, Statutory Auditors and Shrs' Meeting).  
Adoption of the **Code of Corporate Governance** of Listed Companies promoted by Borsa Italiana.

## Board of Directors



### Robert Hall, Chairman

VP, Legal Affairs and Corporate Secretary at Cascades. Part of the senior management team, he works for Cascades since 1994.



### Ignazio Capuano, CEO

Engineer – Master in Economics (N.Y. University)  
Focused industry expertise.  
RDM CEO since 2004.

### Matteo Rossi, Independent Director



Lawyer boasting deep expertise in M&A and International Affairs. Co-opted on 19 Nov. 2015.

### Laura Guazzoni, Independent Director



Chartered accountant and business consultant. Bocconi University professor.

### Laurent Lemaire, Director

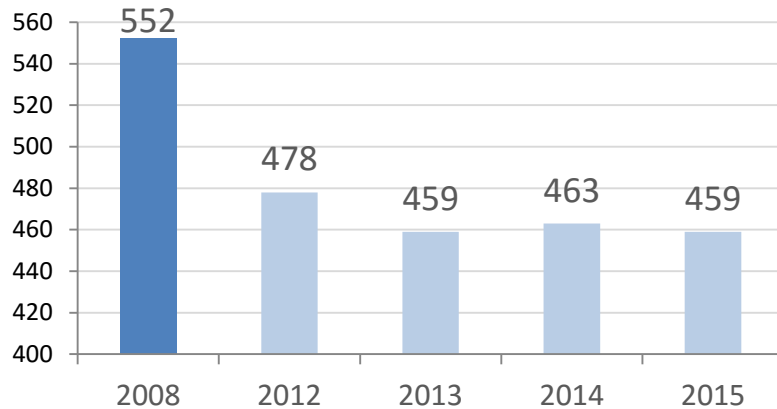


Founder, shareholder and past-CEO of Cascades. Presently Executive Vice President of the Company

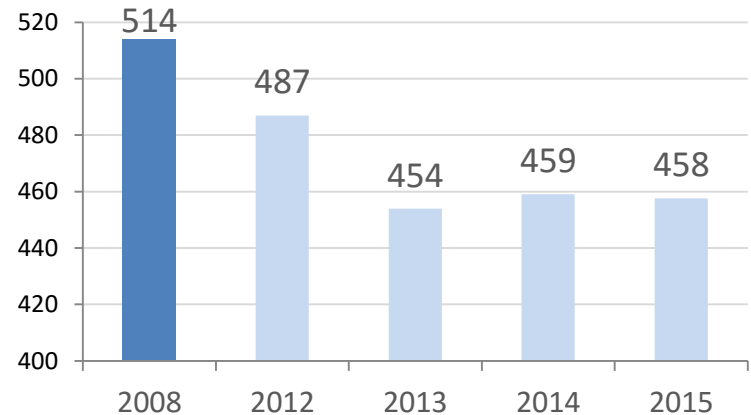
Board appointed on 29 April 2014. Term of office: 3 financial years.

# Green ratios

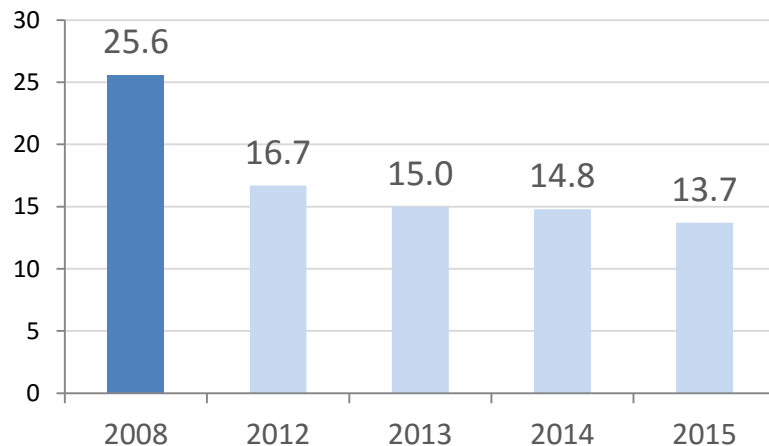
## Electricity consumptions (kWh/t)



## CO<sub>2</sub> emissions (kg/t)



## Water consumptions (m<sup>3</sup>/t)



We produce in a sustainable way. Benefits of restructuring and investments are visible in terms of green ratios achieved.