

European MidCap Event
Paris, 29 June 2016
Company Presentation

RenoDeMedici



Agenda



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



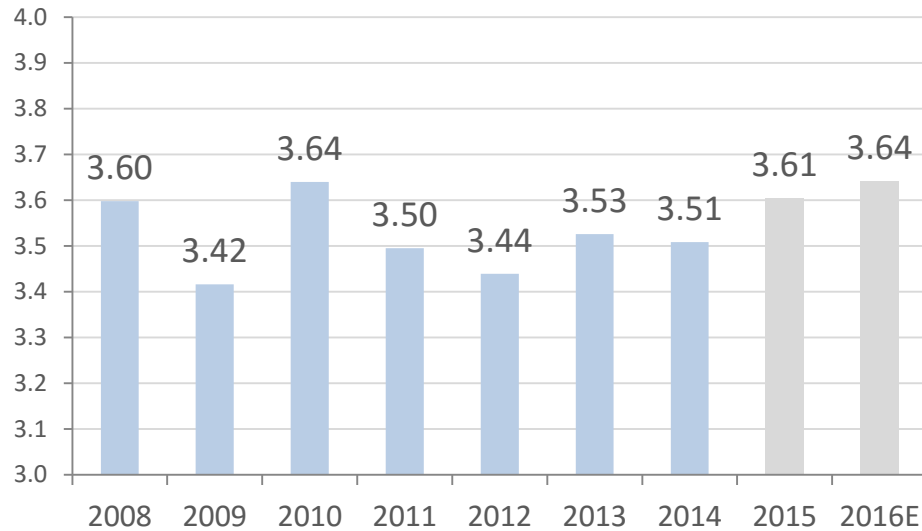
Changing demography

Increasing number of singles



Improving demand profile

WLC demand in Europe (mn tons)

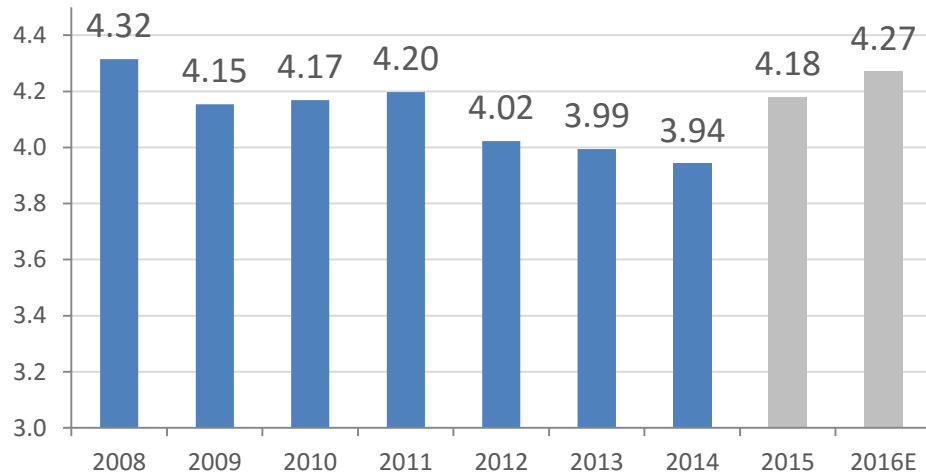


European cartonboard demand:
+2.8% in FY2015 vs. FY2014.
-3.3% in Q1 2016 vs Q1 2015

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)



In **late 2015** demand **declined**, due to converters' destocking behaviours.

Q1 2016 unfavourably compares with a particularly strong Q1 2015.

WLC competition – two key players

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

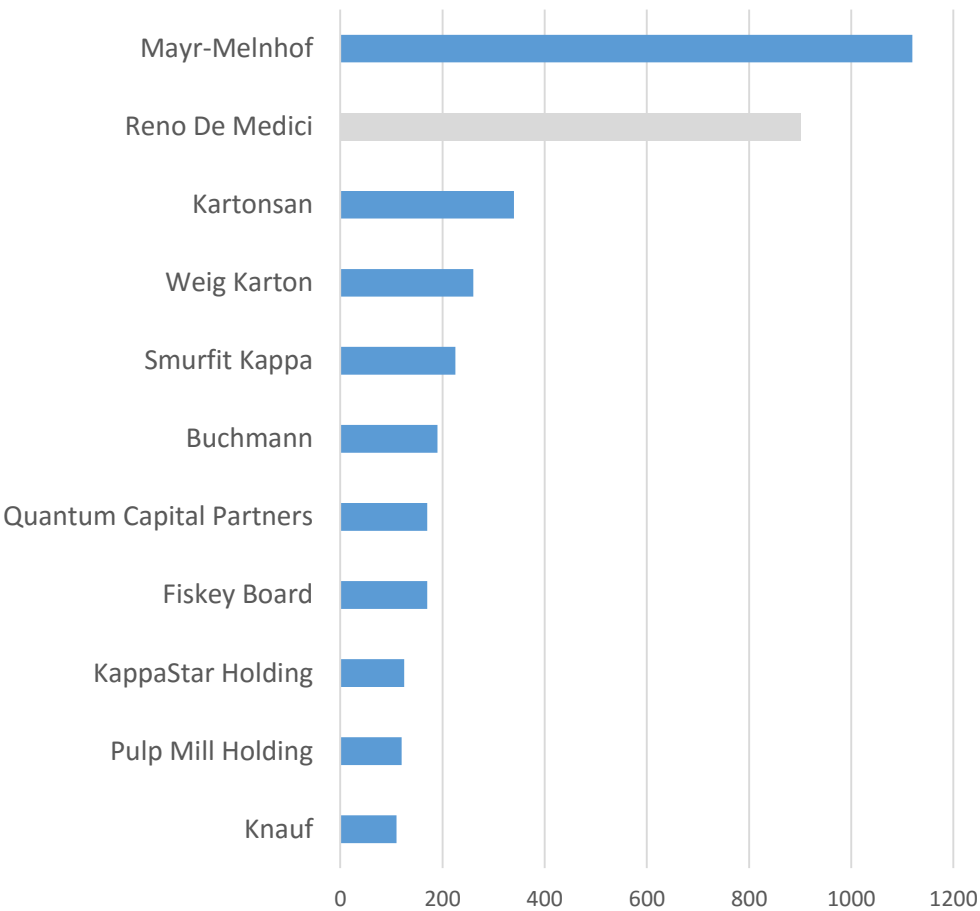
The rest of competition is fragmented in terms of size. Differently from MM and RDM, minor players in the WLC market do not have a PanEuropean asset base.



No. of mills	Current installed capacity (mn tons/y)	FY15 ('000 tons sold)	FY15 Revenues (€mn)	Q1 2016 ('000 tons sold)	Q1 2016 Revenues (€mn)
7	ca. 1,710 (including virgin fiber)	1,710	1,046.7	427	263.4
5	ca. 885	824	438.0	213	111.6



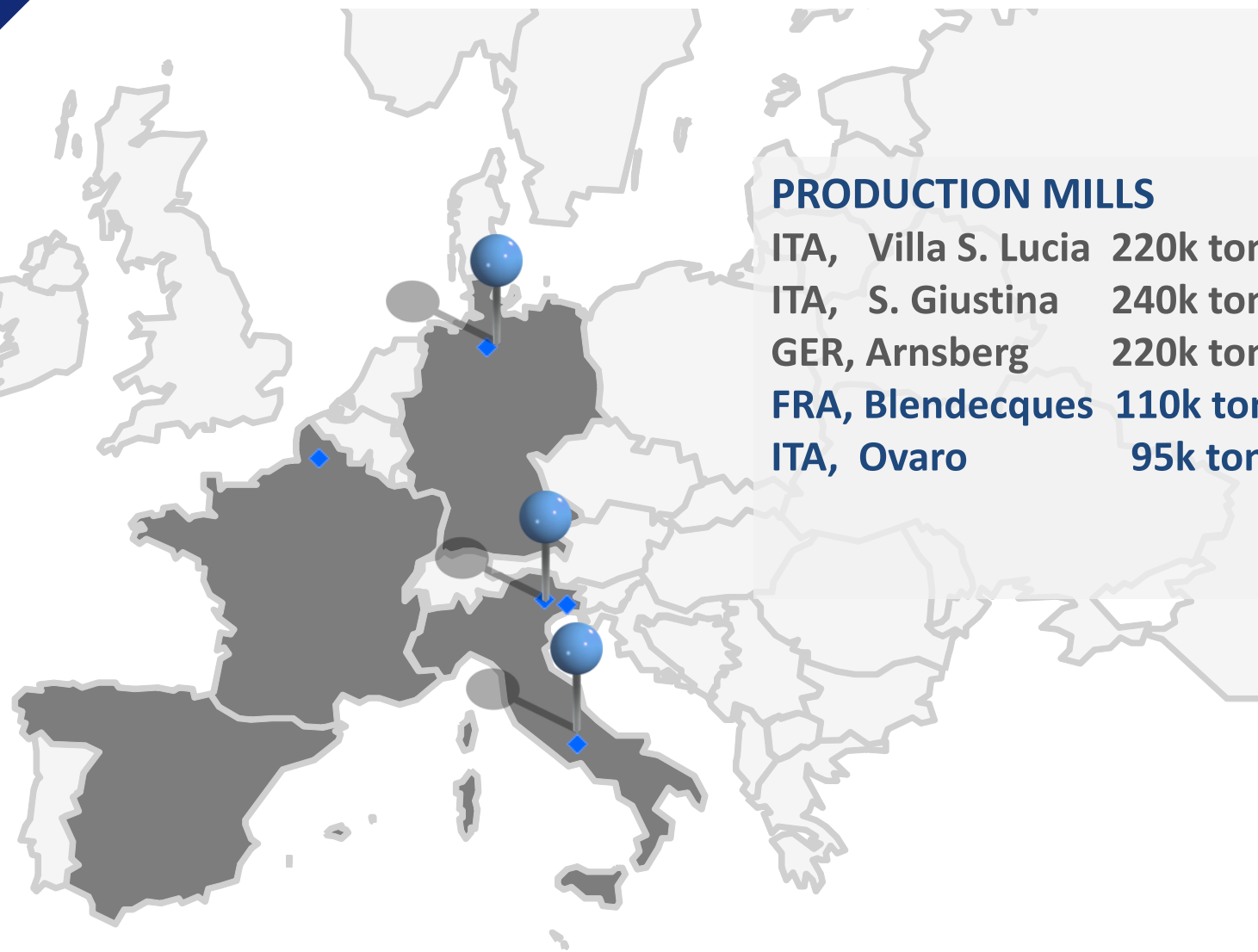
Leading WLC producers in Europe



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.
22.75%

Marketing

Careo
70%

Distribution

Emmaus Pack S.r.l.
34.39%

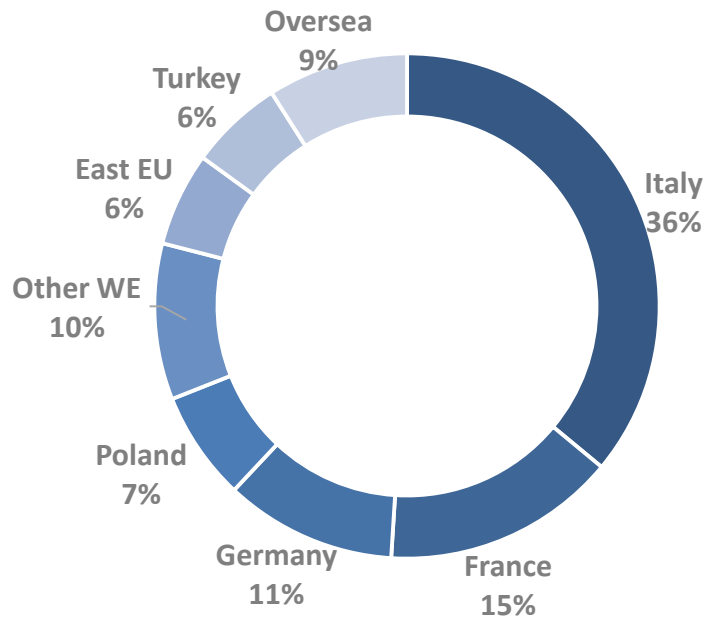
Pac Services S.p.A.
33.33%

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



Western Europe is our core market

Q1 2016 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

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



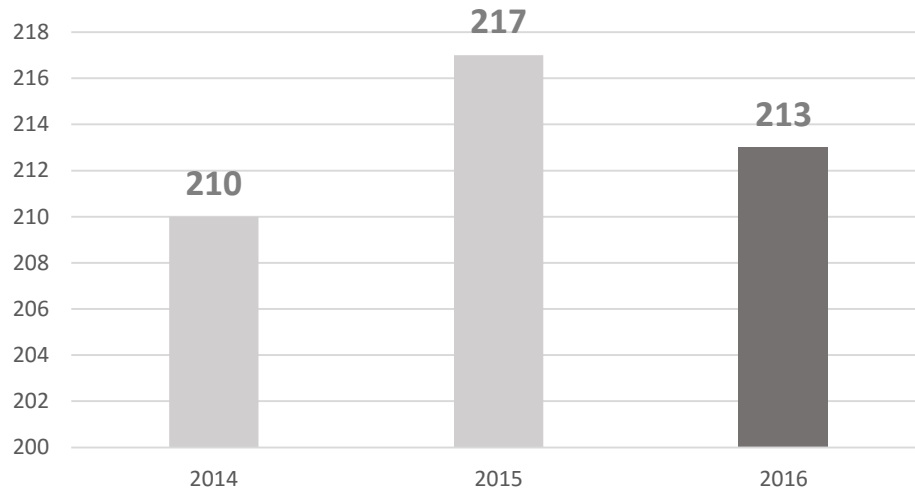
1. Overview
2. Performance
3. La Rochette mill acquisition
4. RDM shares

Consolidated P&L ('000 euro)	12.31.2015	12.31.2014	Change
Revenues from sales	438,037	426,134	2.8%
Other revenues and income	6,488	14,152	-54.2%
Change in inventories of finished goods	-2,184	-3,294	-33.7%
Cost of raw materials and services	-331,362	-324,968	2.0%
Personnel costs	-63,663	-65,674	-3.1%
Other operating costs	-5,507	-5,158	6.8%
Gross operating profit	41,809	41,192	1.5%
Depreciation and amortization	-22,345	-22,557	-0.9%
Write-downs	-2,222	-207	n.m.
Operating profit	17,242	18,428	-6.4%
<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%
Profit (loss) for the period before net result from discontinued operations	10,982	10,173	8.0%
Net result from discontinued operations	-1,114	-4,755	n.m.
Profit (loss) for the period	9,868	5,418	82.1%
attributable to:			
Group's share of profit (loss) for the period	9,790	5,478	
Minority interest in profit (loss) for the period	78	-60	

Consolidated Income Statement	Q1 2016	Q1 2015	Change
(thousands of Euros)			
Revenues from sales	111,617	114,456	-2.5%
Other revenues and income	1,256	1,715	-26.8%
Change in inventories of finished goods	-3,913	-4,506	-13.2%
Cost of raw materials and services	-82,712	-83,840	-1.3%
Personnel costs	-16,096	-16,184	-0.5%
Other operating costs	-897	-988	-9.2%
Gross operating profit	9,255	10,653	-13.1%
Depreciation and amortization	-5,210	-5,733	-9.1%
Operating profit	4,045	4,920	-17.8%
<i>Financial expense</i>	-850	-1,173	-27.5%
<i>Gains (losses) on foreign exchange</i>	-225	488	<i>n.m.</i>
<i>Financial income</i>	19	2	<i>n.m.</i>
Net financial income/(expense)	-1,056	-683	54.6%
Gains (losses) from investments	729	544	34.0%
Taxes	-796	-812	-2.0%
Profit (loss) for the period before net result Before discontinued operations	2,922	3,969	-26.4%
Net result from discontinued operations	-188	-144	30.6%
Profit (loss) for the period	2,734	3,825	-28.5%
attributable to:			
Group's share of profit (loss) for the period	2,676	3,811	-29.8%
Minority interest in profit (loss) for the period	58	14	314.3%

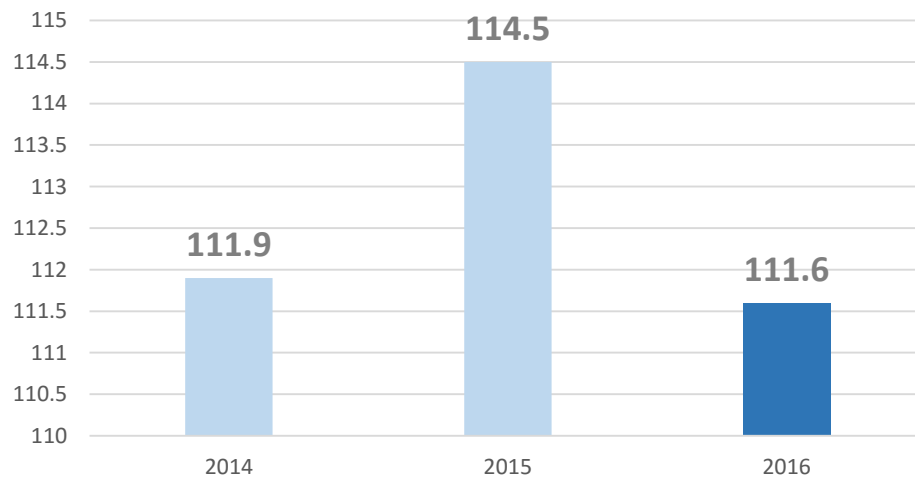
Revenues from Sales

Q1 Volumes Sold ('000)



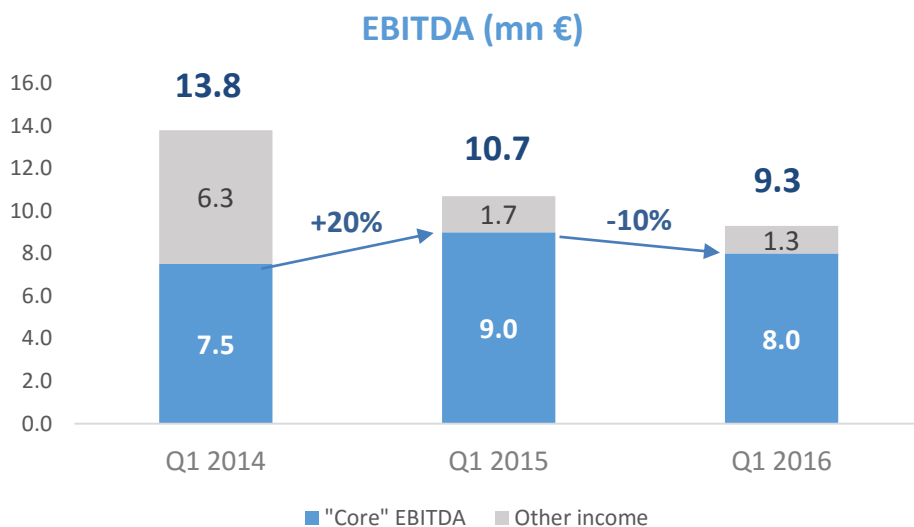
Dynamics of RDM Volumes Sold reflect the upturn in European demand occurred in early 2015 and its decline in Q1 2016 (-3.3%).

Q1 Revenues from Sales (mn €)



In Q1 2016 Revenues from Sales declined more than volumes. Higher overseas sales lowered average selling prices (-0.7% Q1 2016 vs. Q1 2015 in terms of implicit selling prices).

EBITDA

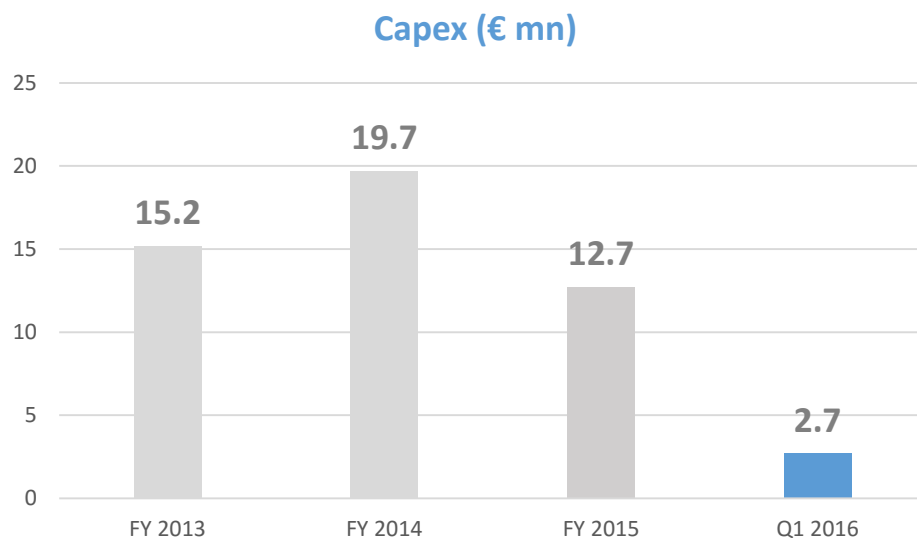


Excluding the contribution from the "Other revenues and income", "Core EBITDA" stemming from Sales Turnover increased by 20% Q1-15 vs. Q1-14. "Core EBITDA" declined by 11% Q1-16 vs. Q1-15.

EBITDA evolution reflects:

- + improved operational efficiency
- + lower energy costs
- Increasing price of raw materials

Investing to improve efficiency



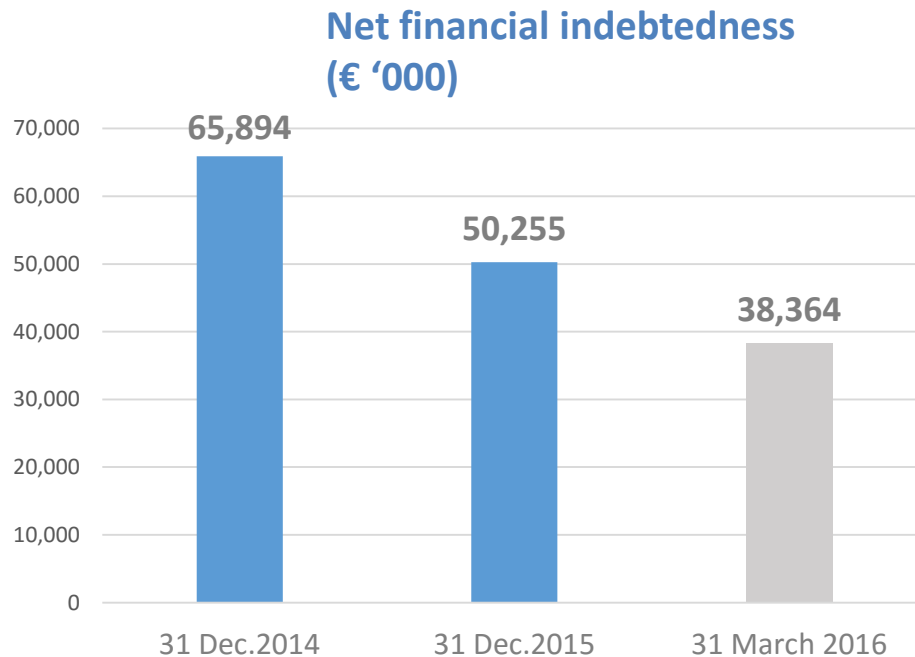
Cumulated capex of **144.2 million euro** over the 2008-2015 period, i.e. **18.0 million euro on average per year**.

Typically, over the last eight years, RDM investments have been mainly concentrated in upgrading **one plant** at a time.

In 2016 Capex will be mainly focused on the **Arnsberg mill**.

D&A pretty stable (**22.3 mn €** in FY15, down 0.9% vs. FY14) in the meantime.

Net financial debt



The **11.9 million euro** decrease in Net Debt in **Q1 2016** includes the benefits of:

- ✓ Iberica sale: 800K €
- ✓ Deconsolidation of Iberica debt: 3.4 mn €
- ✓ Emmaus 17% stake sale: 700k €
- ✓ Deconsolidation of Emmaus debt: 2.3 mn €

Strong cash flow generation drove
the continuous decrease in Net Financial Debt.

2016 capex: Arnsberg mill upgrade

As usual, RDM focuses its capital expenditure just on a single mill each year.

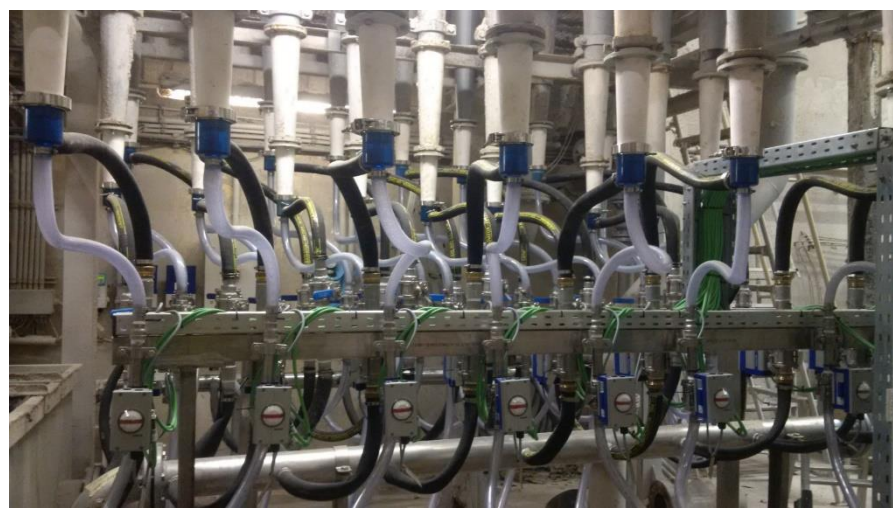
In April RDM carried out a **6.2 million euro** investment at Arnsberg (close to Dortmund) to rebuild **the Middle Layer and Post drying section**

The objective is to increase production capacity thanks to:

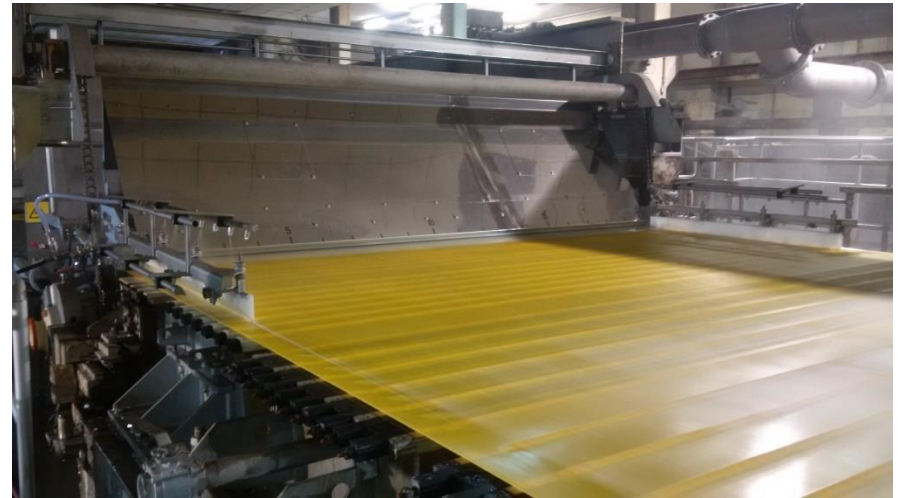
- ✓ higher process speed
- ✓ improved efficiency
- ✓ lower consumption of energy and raw materials.



2016 capex: Arnsberg mill upgrade



New EcoMizer Cleaners
in approach flow system



New headbox



Fabric extension + Edge Master

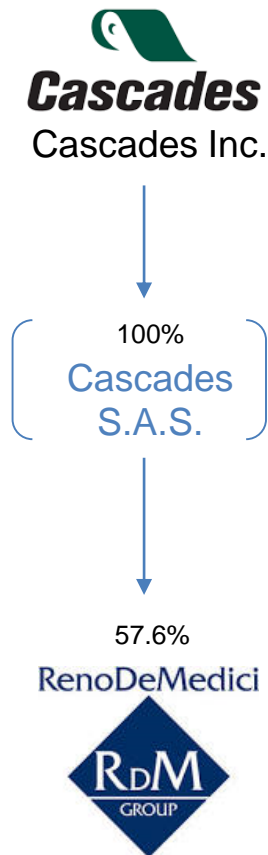
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MOU – Cascades S.A.S. acquisition

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

Strategic location to serve customers throughout Europe –10 minutes away from highway



Clients and end-users

A focused and consolidated client portfolio

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

Top 10 clients account for 55% of total yearly sales



A wide range of applications

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

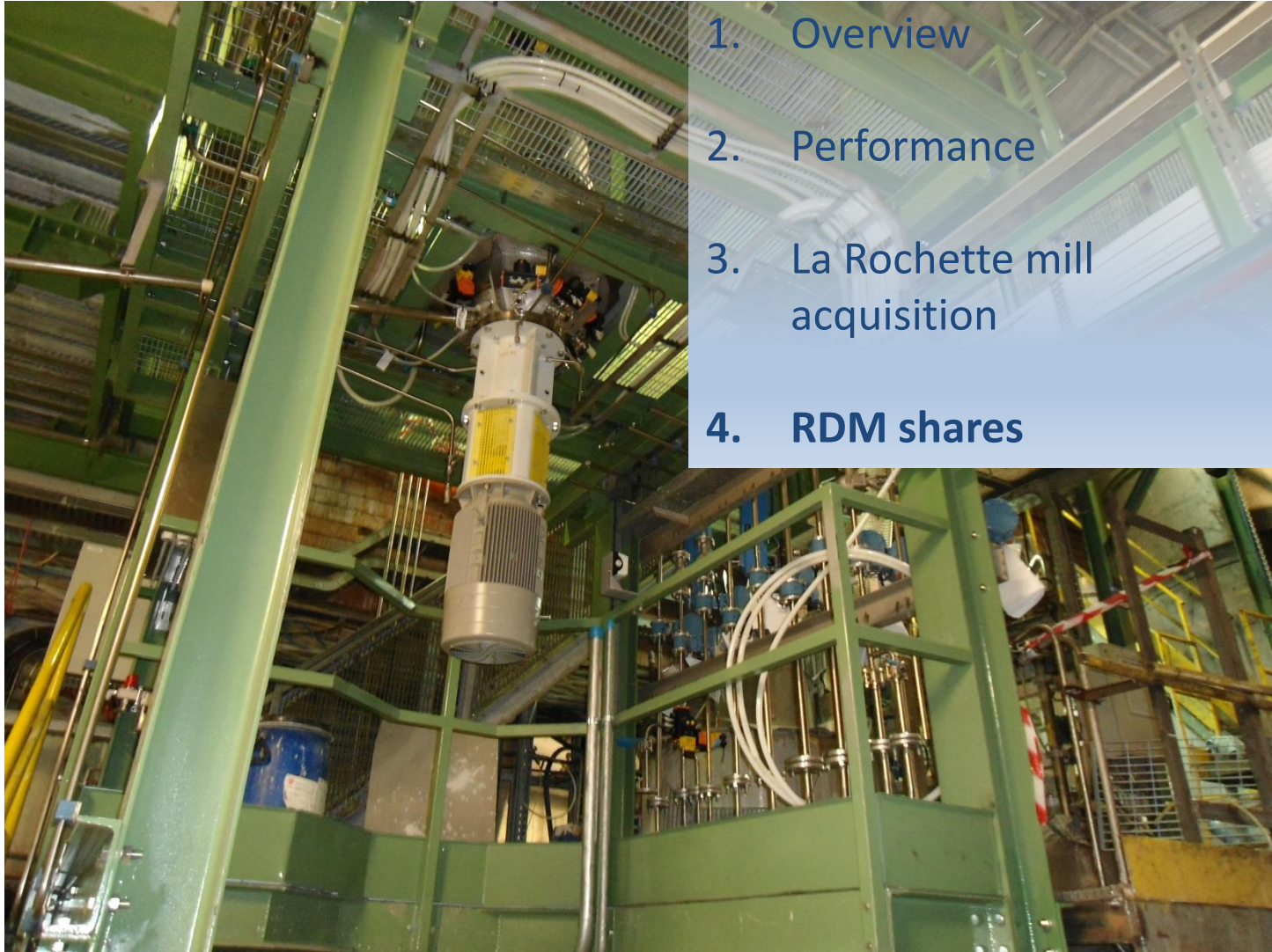
Installed capacity well above 1 million tons
Revenues exceeding 550 million euro

Opportunities

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



Agenda



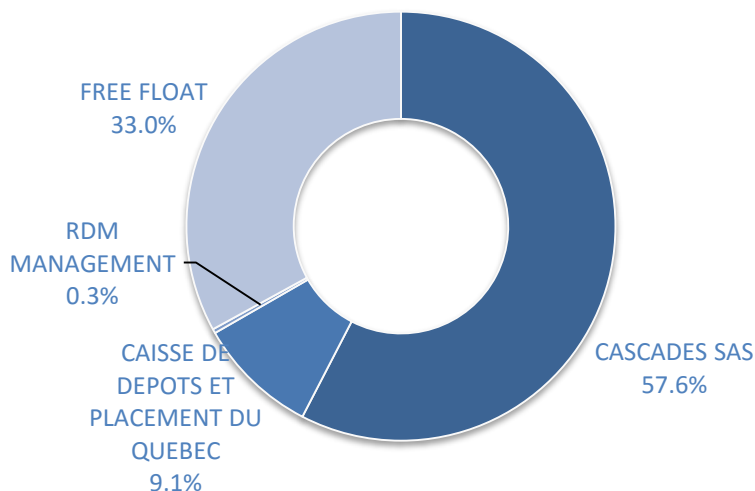
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RDM and the Stock Exchange

Share Capital: 140,000,000.00 €

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

Main shareholders



Source: RDM shareholder register as of 8 June 2016

Listing markets

Milan Stock Exchange – MTA (STAR segment)
Madrid Stock Exchange

Codes

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

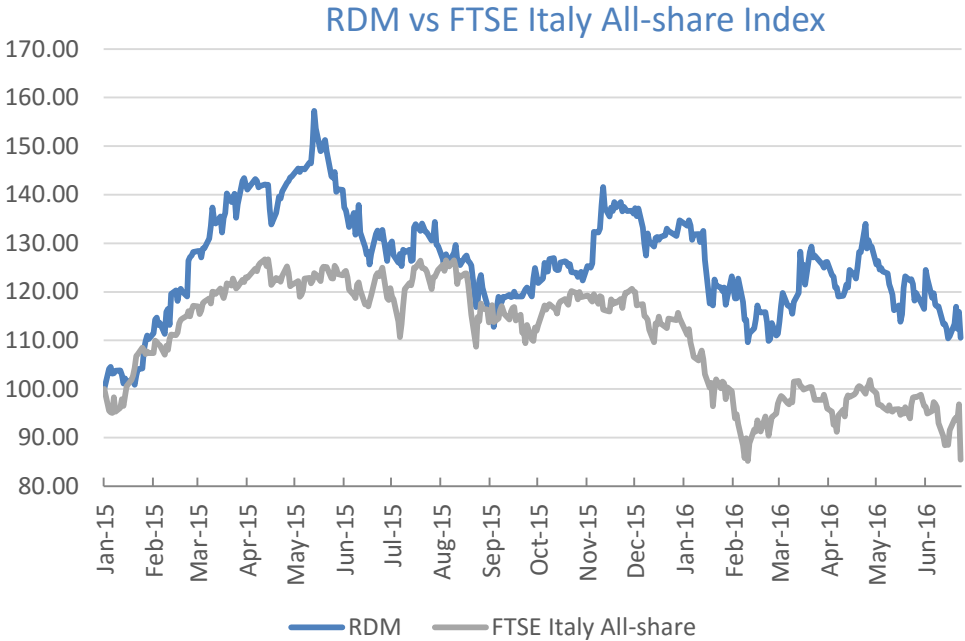
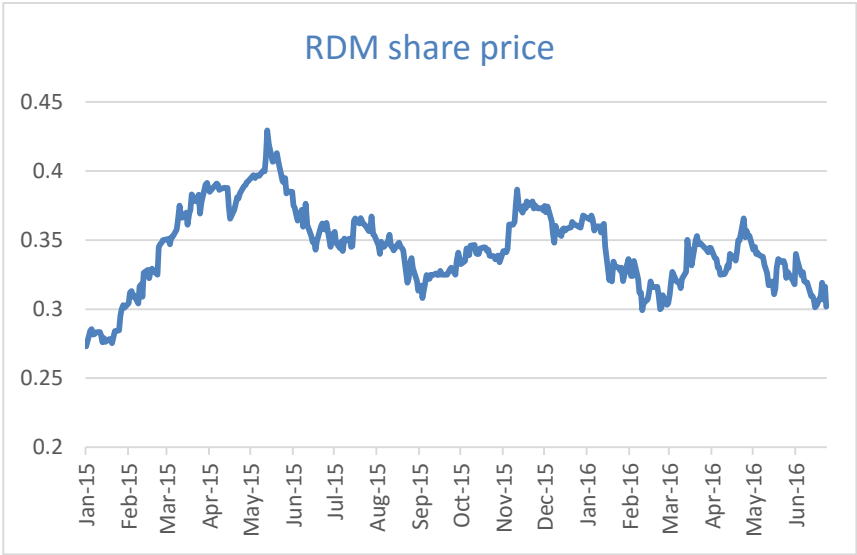
Mkt cap.: 130 € mn (@0.345 € p.s. as of 3 May 2016)

ORDINARY SHARE: DIVIDEND OF 0.0052 EURO

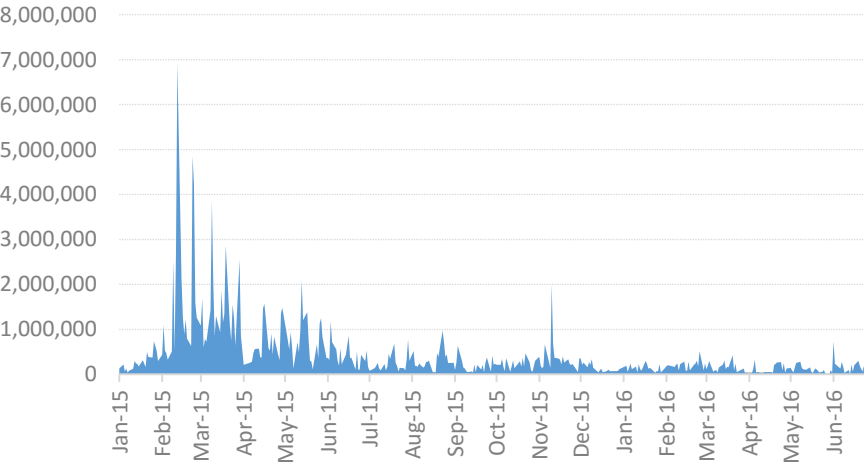
Dividend paid on **11 May 2016**

Dividend yield: 1.4% (YE price of 0.3679 €)

Share performance



RDM traded volumes



SHARE BUYBACK

Started on **1 June 2016**

Shares bought back to date: **466,000, ie. 1.2%** of outstanding shares



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. Resigned on 26 April 2016.

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.