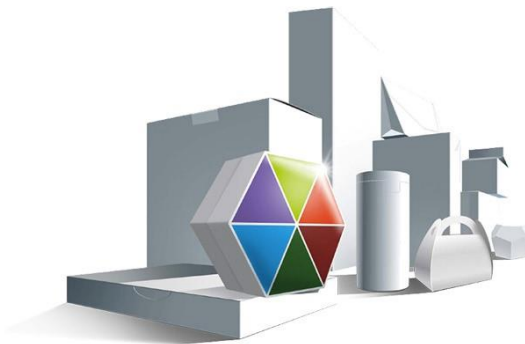


# Reno De Medici

European Midcap Event - Frankfurt

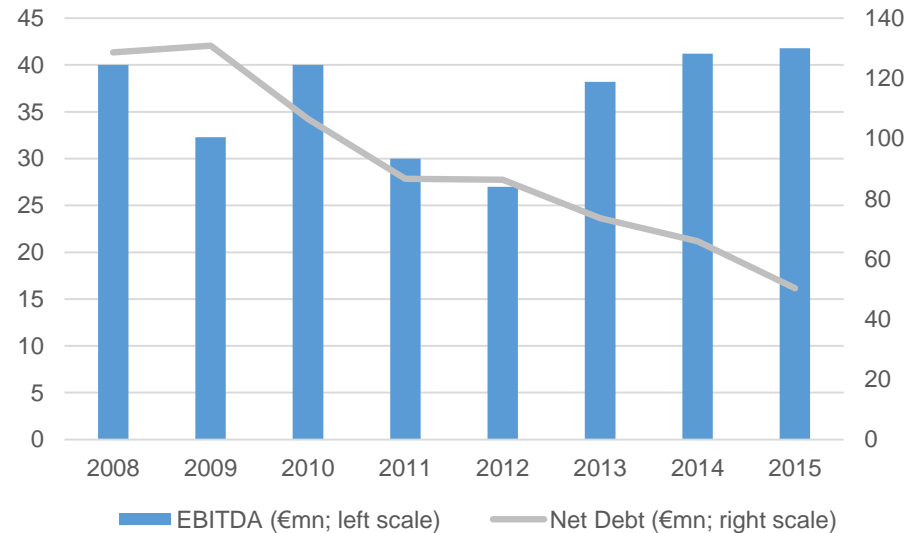
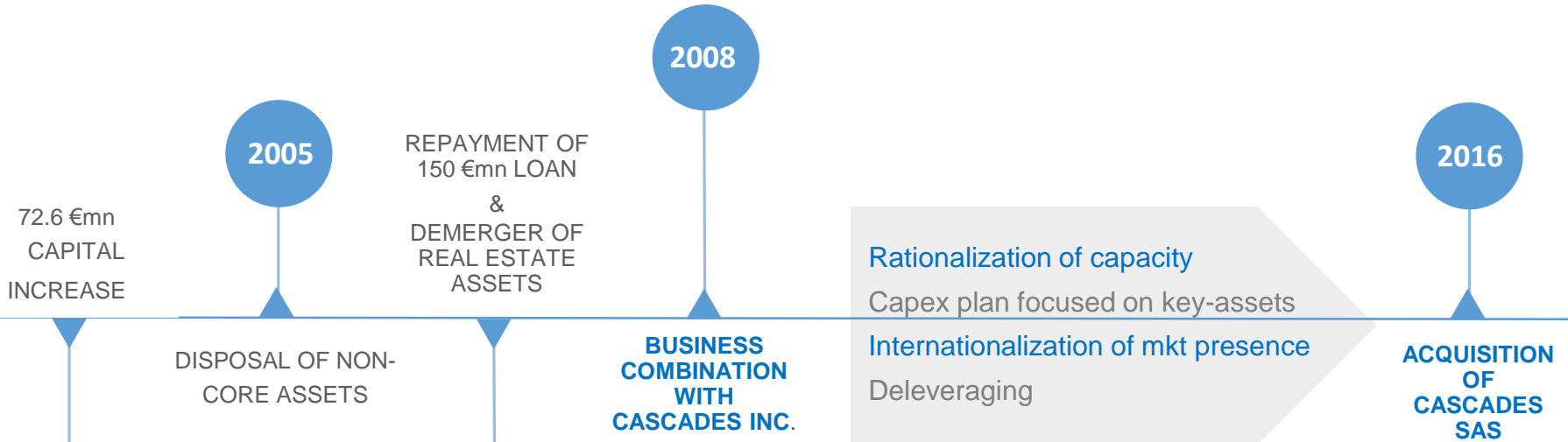
2 February 2017



Born to be  
converted



- 1 RDM Features and Strategic Guidelines**
- 2 9M 2017 Financials
- 3 RDM Shares





Today RDM boasts:



## INTERNATIONAL FOOTPRINT

Strong presence across Europe (3 mills in Italy, 2 in France and 1 Germany)

## RICH PRODUCT PORTFOLIO



Cartonboard products based on recycled and virgin-fiber meeting the full range of end-users' needs



## ONE COMPANY PHILOSOPHY

One brand  
One strategy  
One management team

The new logo reflects the new Group organization and selling proposition.





Packaging applications and, to a lesser extent, graphic purposes drive cartonboard production.

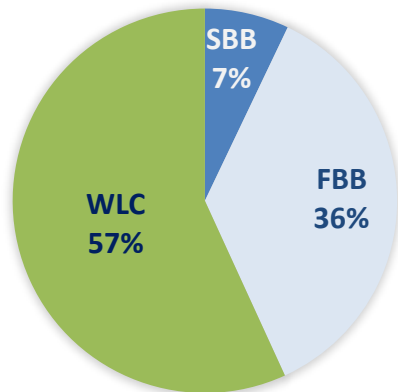
**SBB** - Solid Bleached Sulphate Board (GZ/UZ)  
**FBB** - Folding Boxboard (GC/UC);

Based on virgin fiber

**WLC** - White Lined Chipboard (GD/UD) and  
 Triplex Board (GT/UT).

Based on recycled fiber

## European cartonboard production (2015)



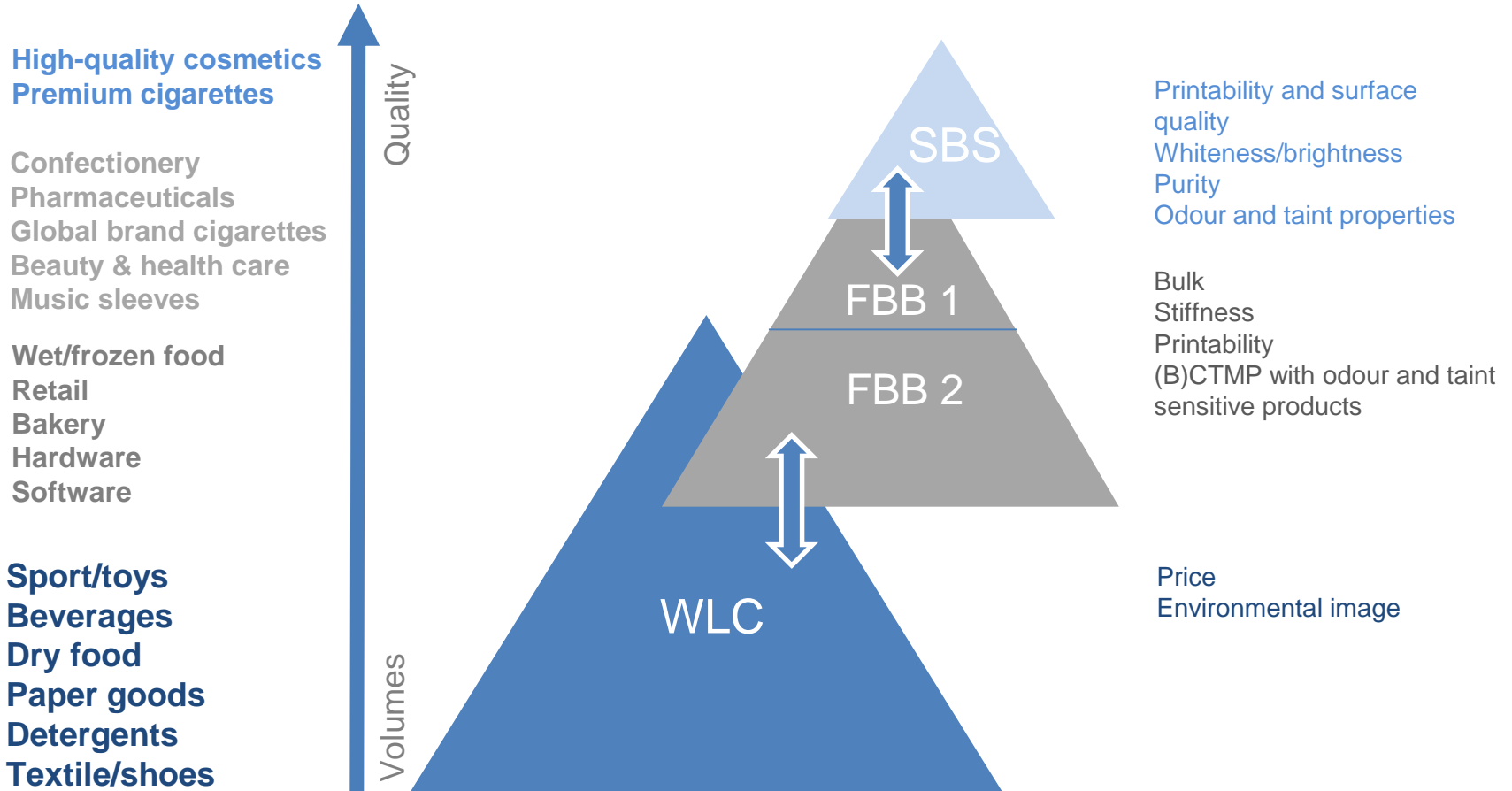
('000 tons)

SBB	498
FBB	2,532
WLC	3,990



In the last few years, until H1 2016, RDM production was focused on **one business segment**: White Lined Chipboard, “WLC”. Following to the acquisition of Cascades sas (30 June 2016), RDM is also involved in the “FBB” business.

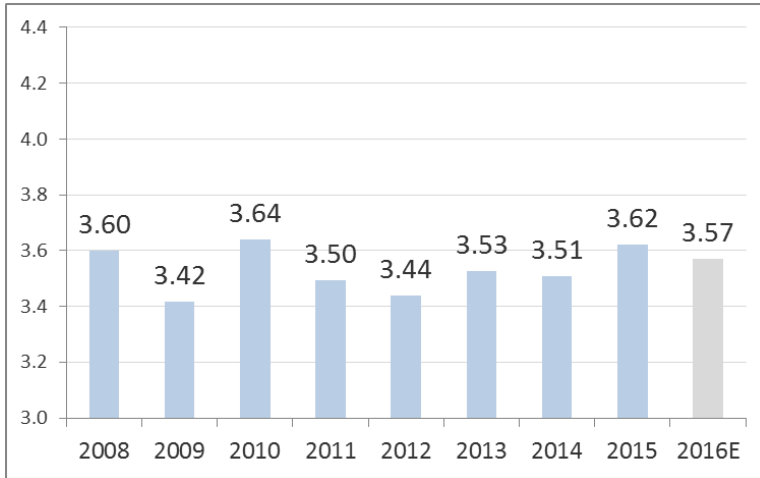
Source: Company's elaborations on market data



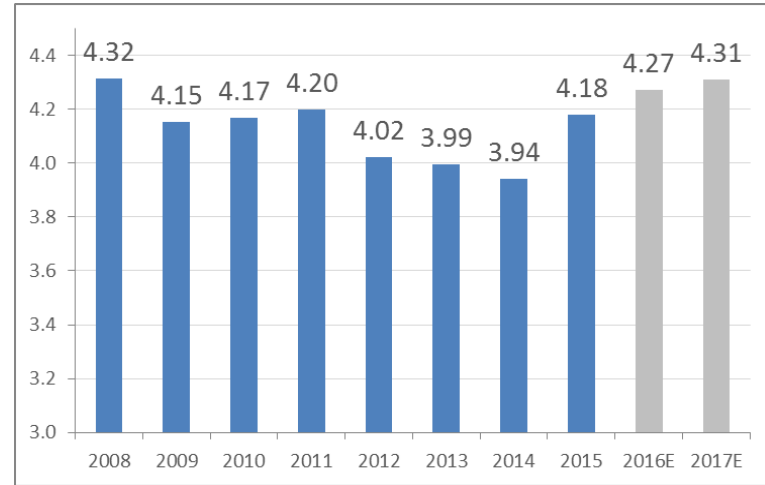
Source: Company's elaborations on market data



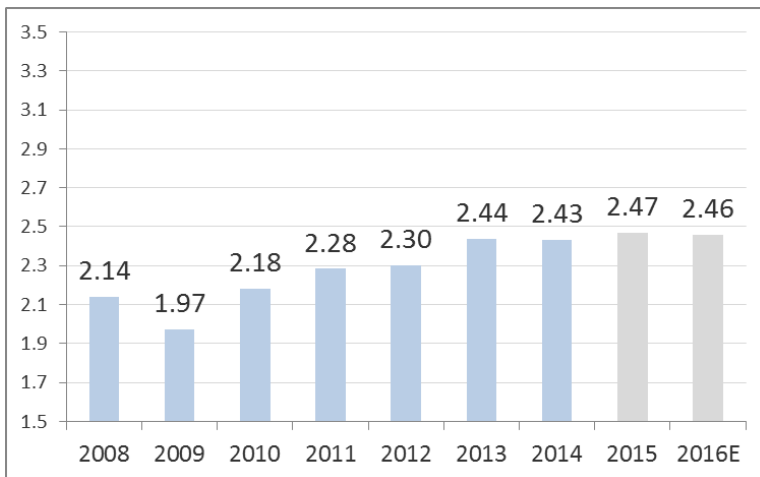
### WLC demand in Europe (mn tons)



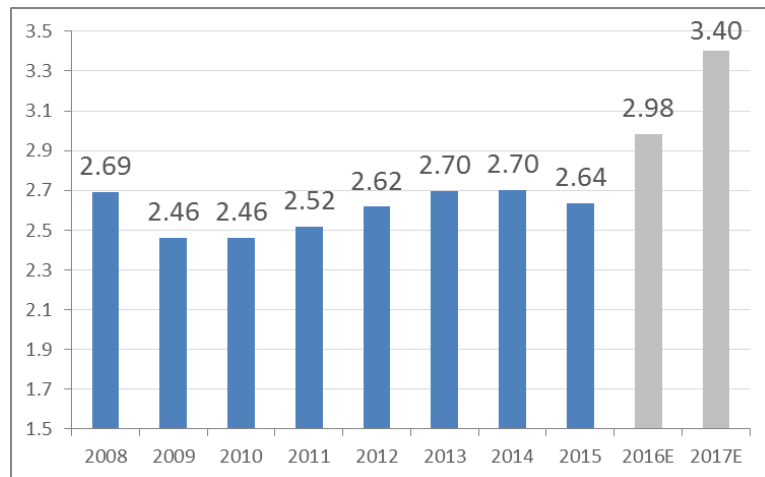
### WLC capacity in Europe (mn tons)



### FBB demand in Europe (mn tons)



### FBB capacity in Europe (mn tons)







**Mayr Melnhof** and **RdM** 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	FY15 ('000 tons sold)	FY15 Revenues (€mn)	9M 2016 ('000 tons sold)	9M 2016 Revenues (€mn)
7	1,710*	1,046.7*	1,258*	777.5*
6	824	438.0	650**	345.9**



Source: MM and RdM Annual and Interim Reports.

\* Approximately 20% of MM Karton production is based on virgin fiber. The rest is WLC.

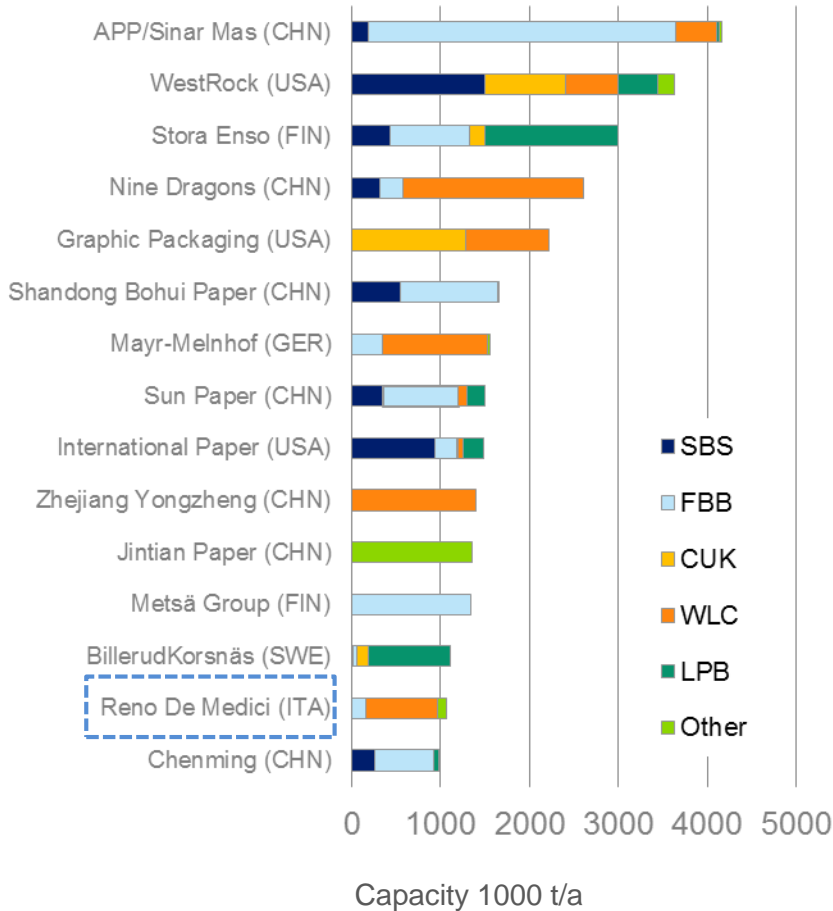
\*\* RdM Group data for 9M2016 include the FBB business (Cascades sas), consolidated starting from Q32016.

**Q3 FBB volumes sold were 34K tons, while Revenues were 26.8 €mn.**

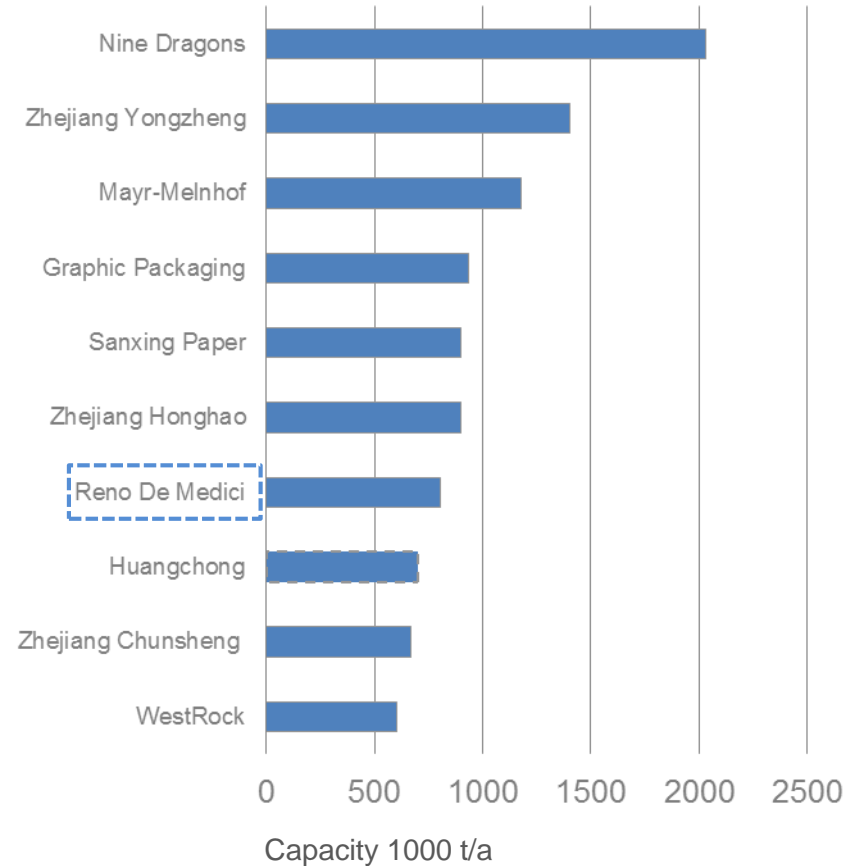
Quarterly data are unaudited.



## Cartonboard producers by grade



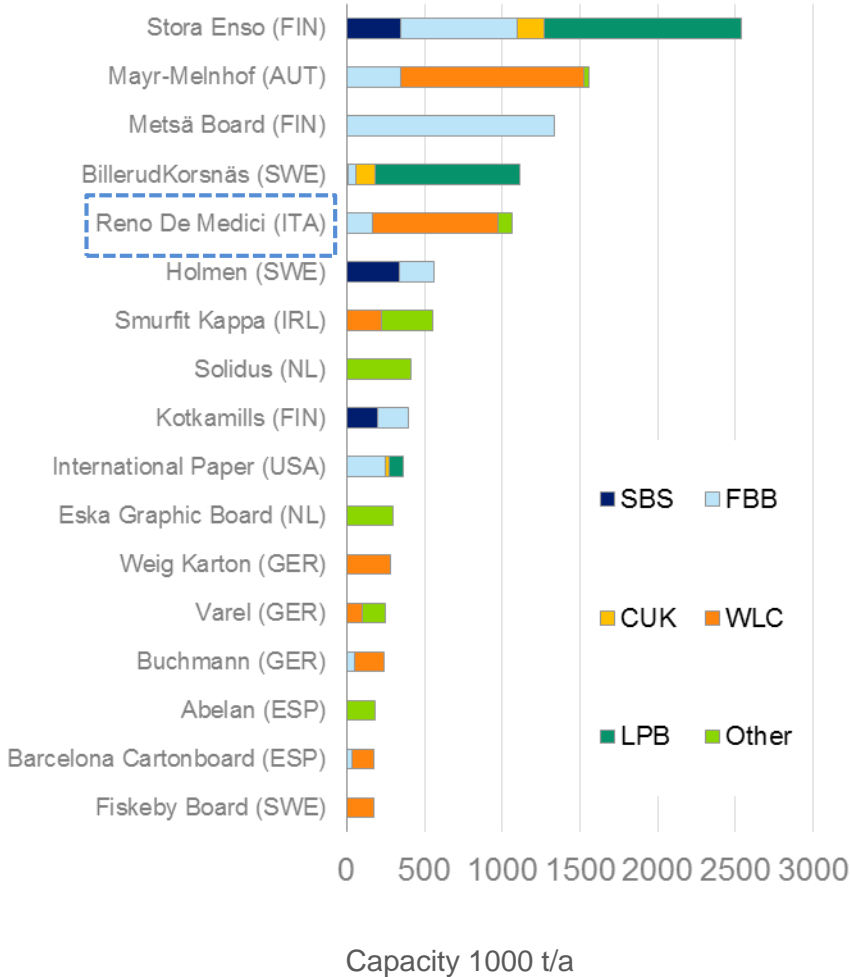
## WLC producers



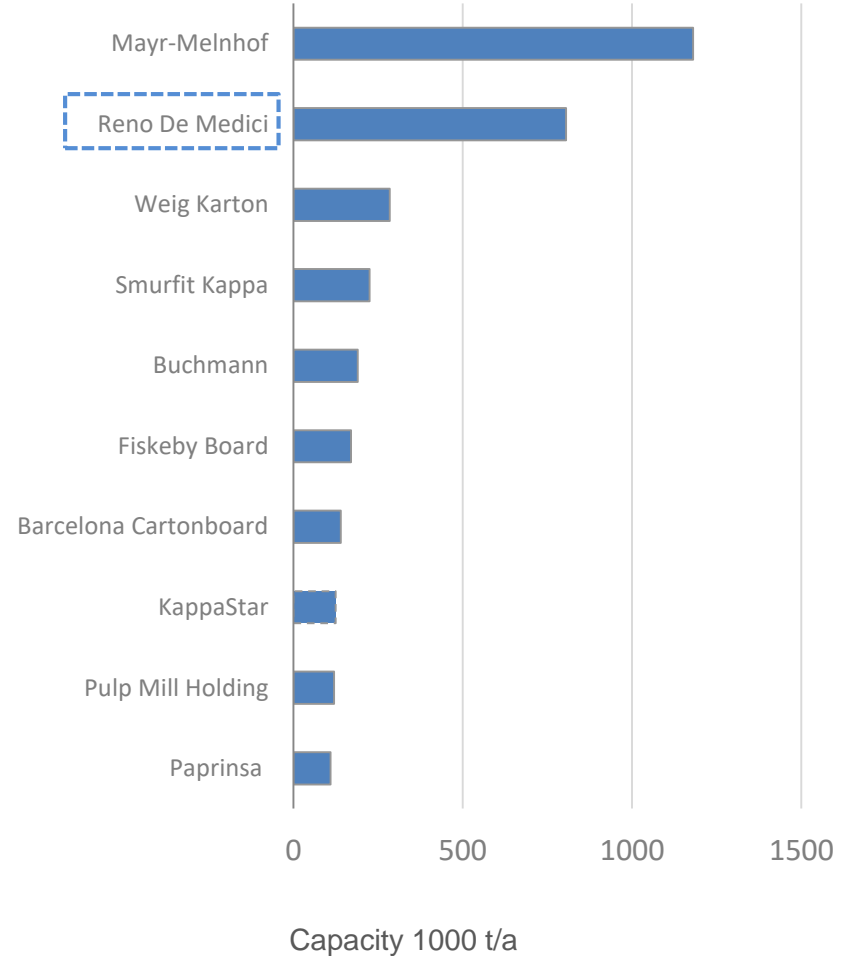
Source: PÖYRY, 2016



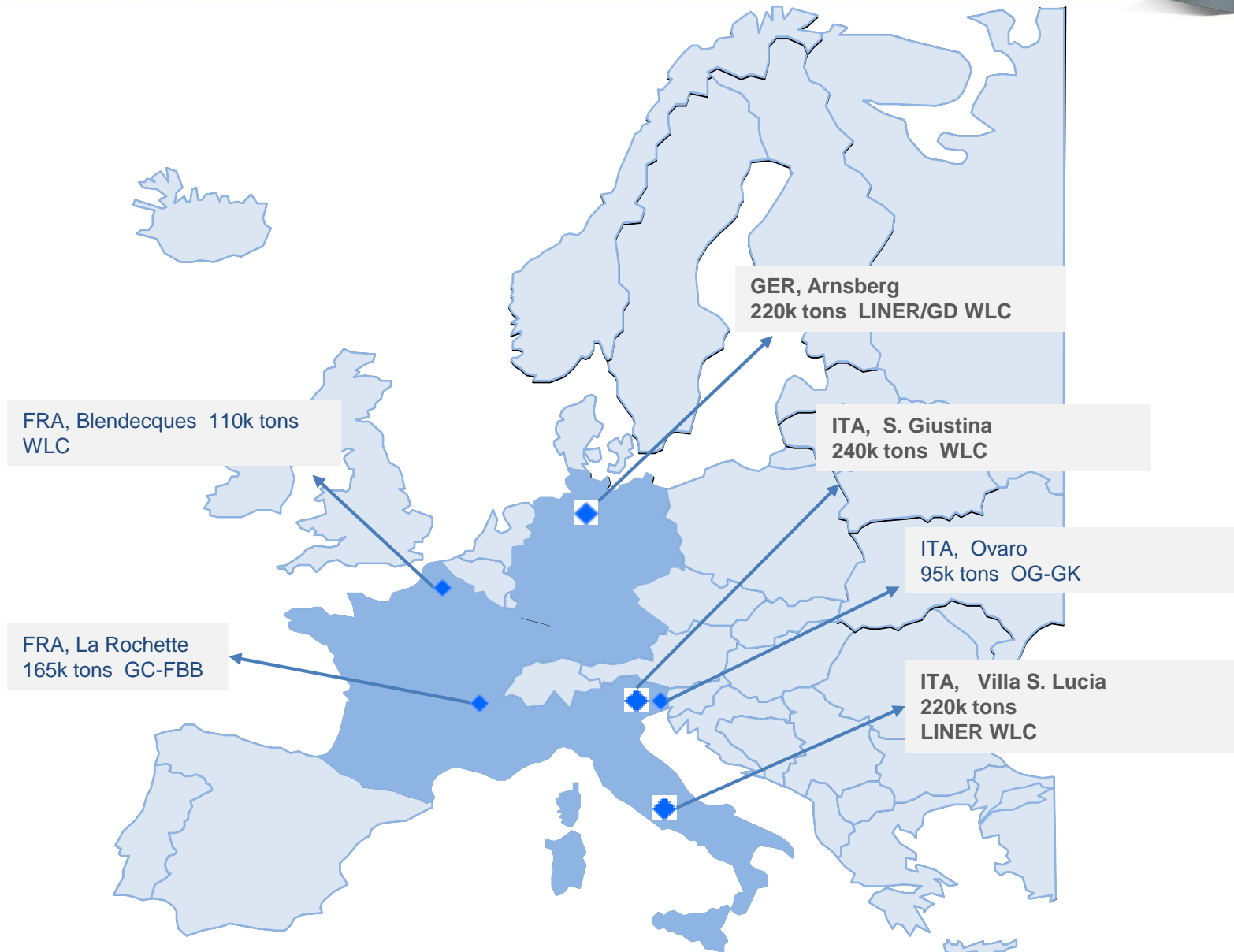
## Cartonboard producers by grade

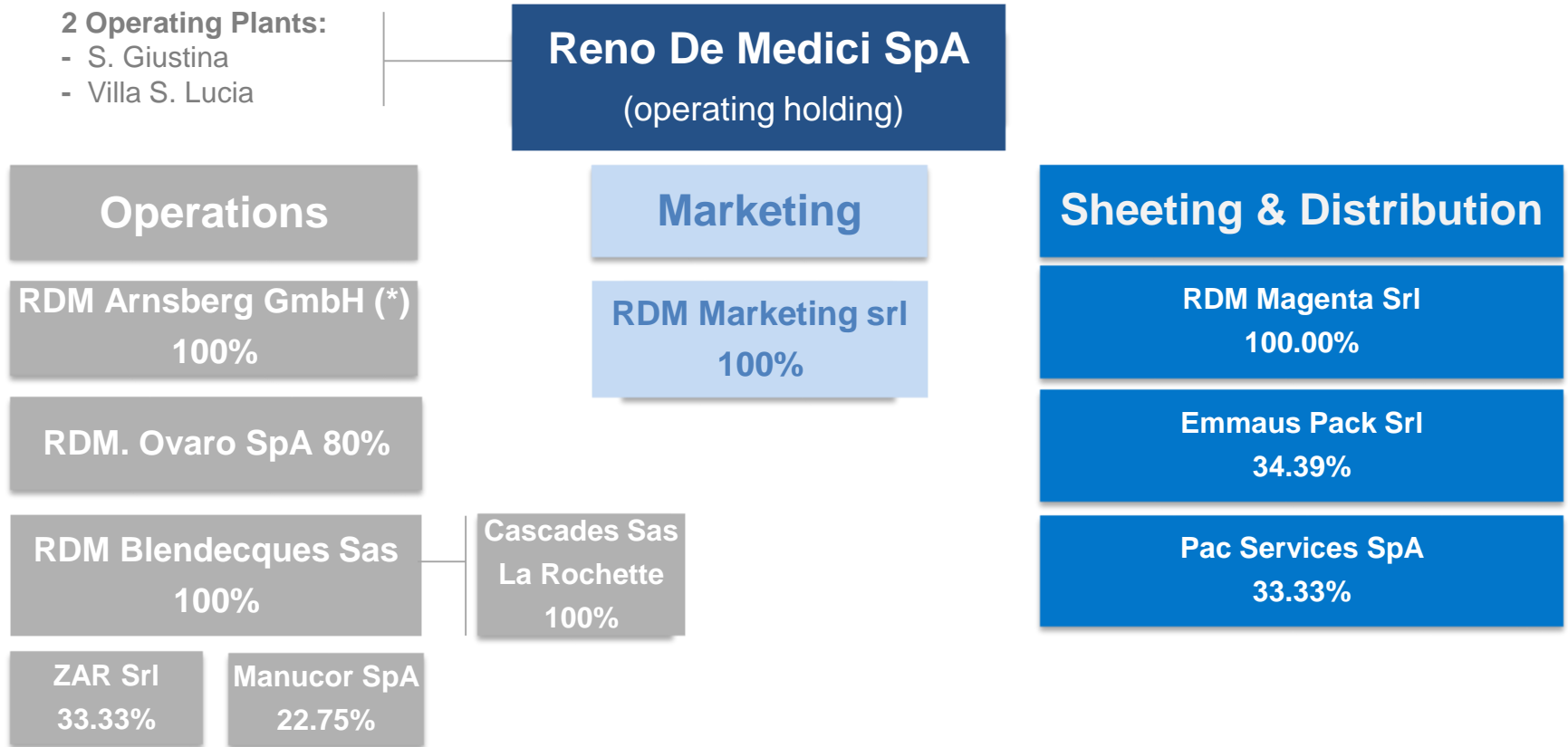


## WLC producers



Source: PÖRY, 2016



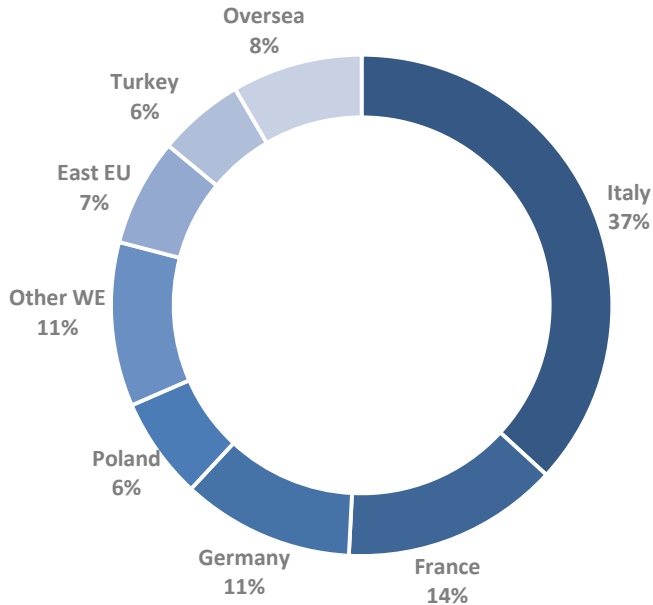


(\*) Company owned 94% by Reno De Medici SpA and 6% by Cascades Grundstück GmbH & Co.KG.

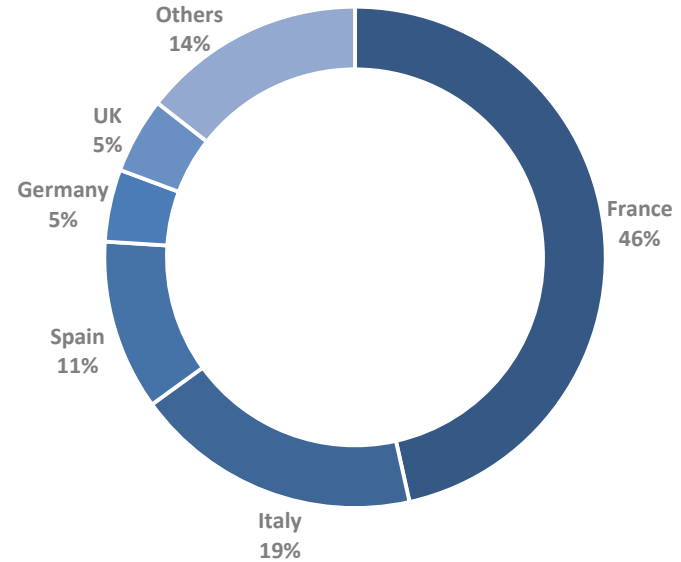


## 9M 2016 Revenues by geography

### RDM - WLC



### RDM - FFB



RDM boasts a robust position in core European countries.

In WLC, strong geographic reach leverages on a well-diversified asset base.

In FFB, La Rochette (Cascades sas) represents the only production site in Southern Europe.



## Low-risk concentration

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Market share of **top ten converters** is around **30%**.

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

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



- 1 RDM Features and Strategic Guidelines
- 2 **9M 2017 Financials**
- 3 RDM Shares

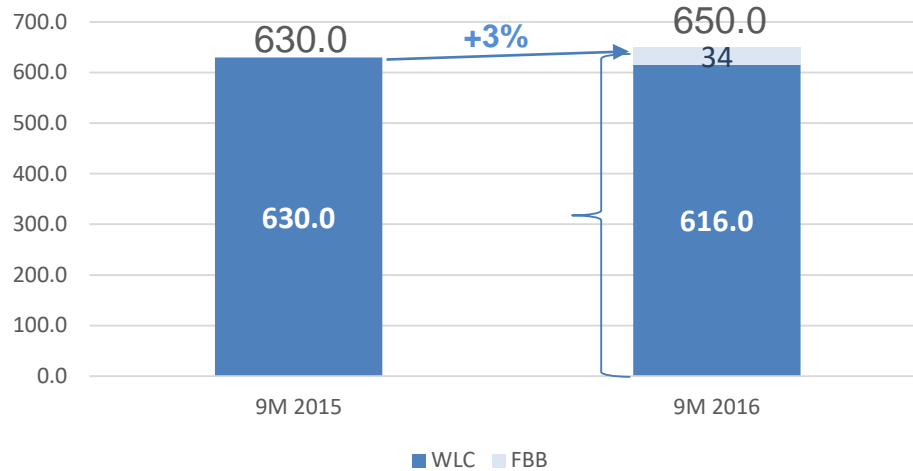




Consolidated Income Statement ('000 €)	9M 2016	9M 2015
Revenues from sales	345,944	334,752
Other revenues and income	3,555	4,544
Change in inventories of finished goods	-2,624	-1,830
Cost of raw materials and services	-267,766	-251,828
Personnel costs	-53,055	-47,612
Other operating costs	-2,685	-3,969
<b>Gross operating profit</b>	<b>23,369</b>	<b>34,057</b>
Depreciation and amortization	-16,279	-16,886
Write-downs and revaluations		-1,317
<b>Operating profit</b>	<b>7,090</b>	<b>15,854</b>
<i>Financial expense</i>	-2,368	-2,864
<i>Gains (losses) on foreign exchange</i>	-165	357
<i>Financial income</i>	23	8
Net financial income/(expense)	-2,510	-2,499
Gains (losses) from investments	708	599
Taxes	-1,557	-3,010
<b>Profit (loss) for the period before discontinued operations</b>	<b>3,731</b>	<b>10,944</b>
Discontinued operations	-188	-857
<b>Profit (loss) for the period</b>	<b>3,543</b>	<b>10,087</b>
attributable to:		
Group's share of profit (loss) for the period	3,485	9,995
Minority interest in profit (loss) for the period	58	92



Volumes sold ('000 tons)



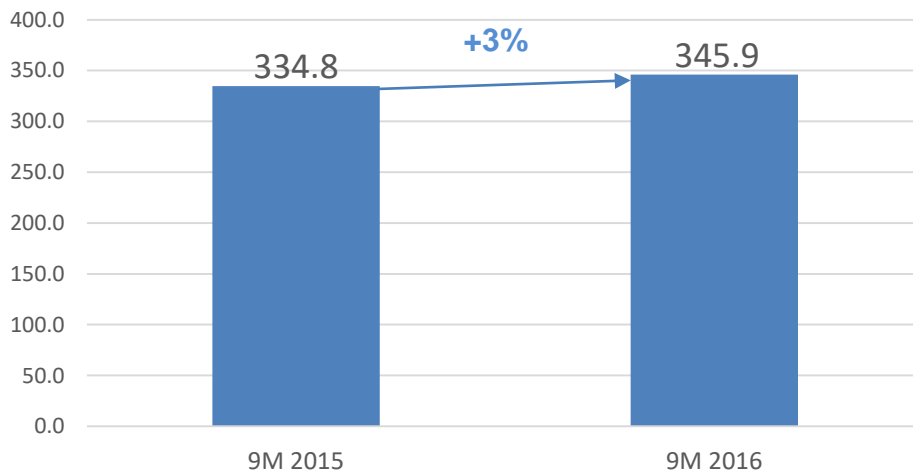
The increase in 9M 2016 Volumes and Revenues reflects the benefits of Cascades sas consolidation, starting from 30 June 2016.

FBB volumes sold in Q 3 2016:

**34,000.**

2% decrease in WLC.

Revenues from sales (€ mn)



Dynamics of WLC Volumes Sold in 9M 2016 reflect a scenario of weaker demand in Europe vs. 9M 2015.

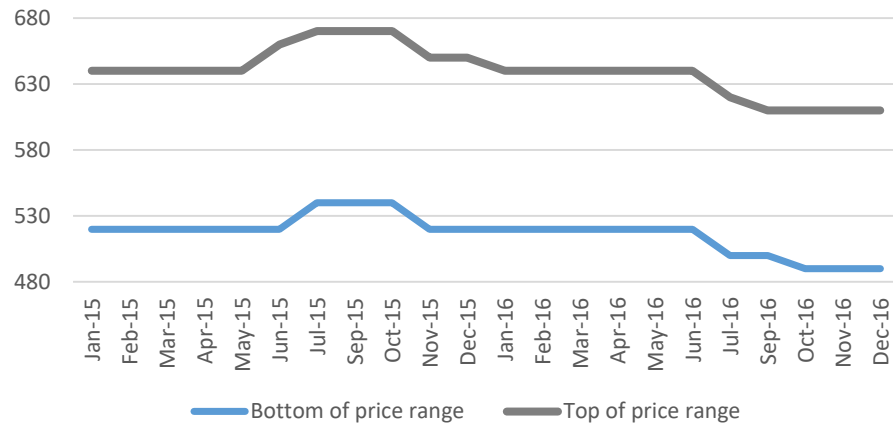
Overseas demand partly compensated for the European market weakness.

Higher overseas sales lowered average selling prices in WLC.

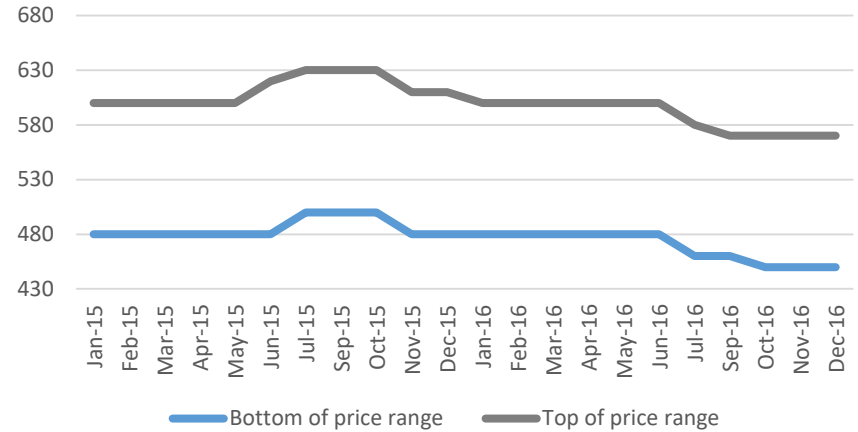


(€ per ton)

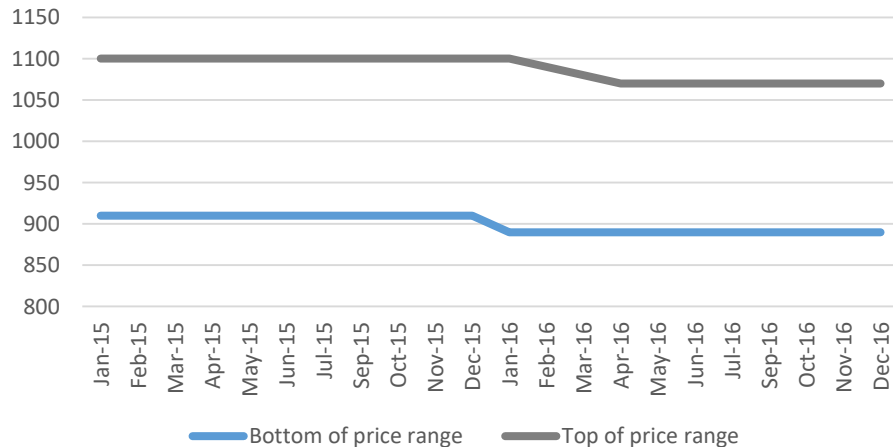
### GDII in Italy



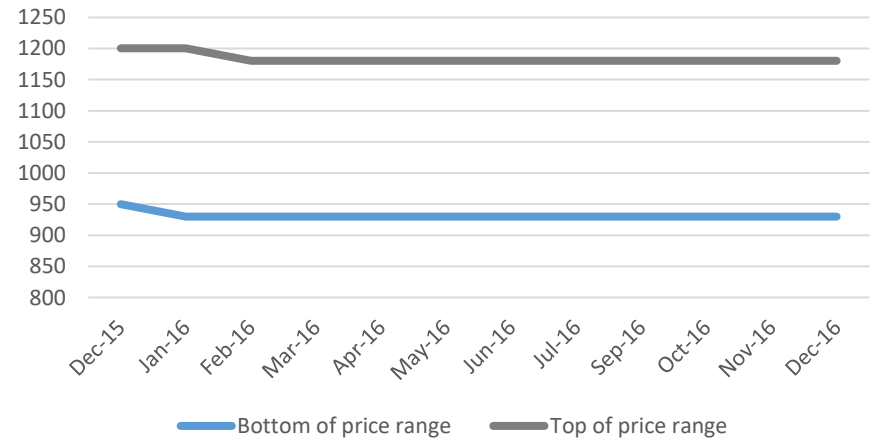
### GDIII in Italy



### GCII in Italy



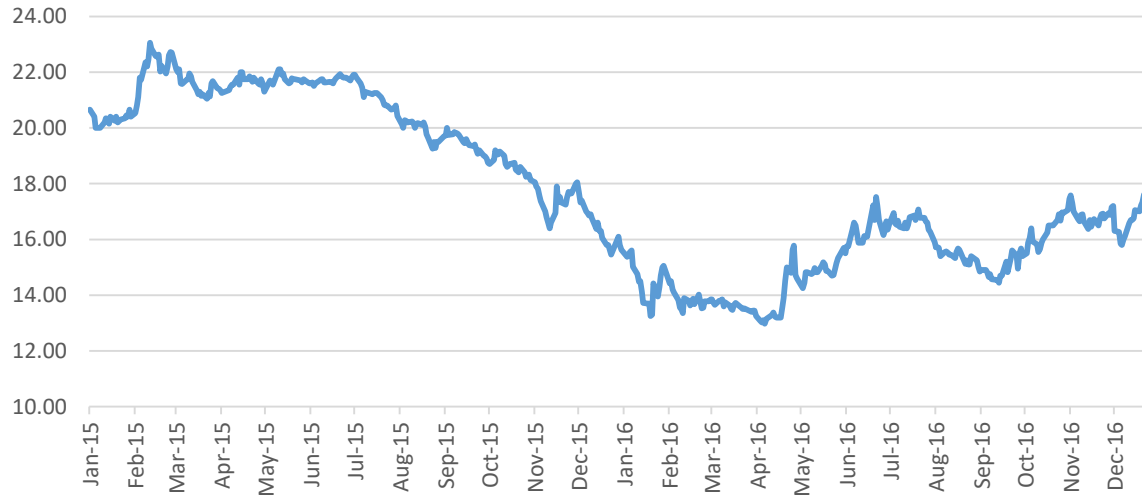
### GCII in France



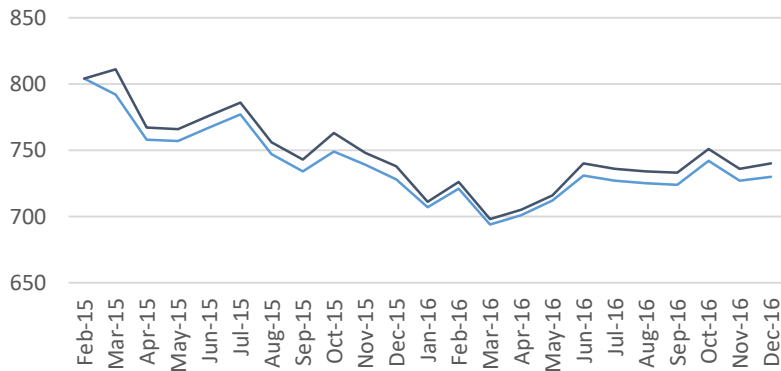
Source: Company's elaborations on market data



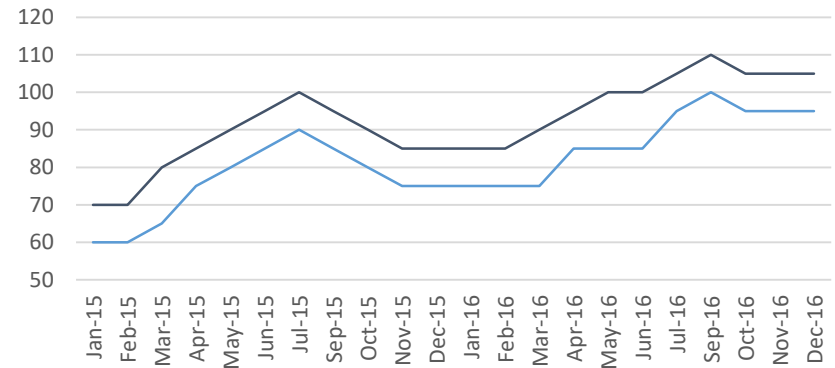
Hub gas price – calendar year 2017 (TTF etc) (€/MWh)



Bleached softwood pulp (€ per ton)



Mixed paper and board (€ per ton)

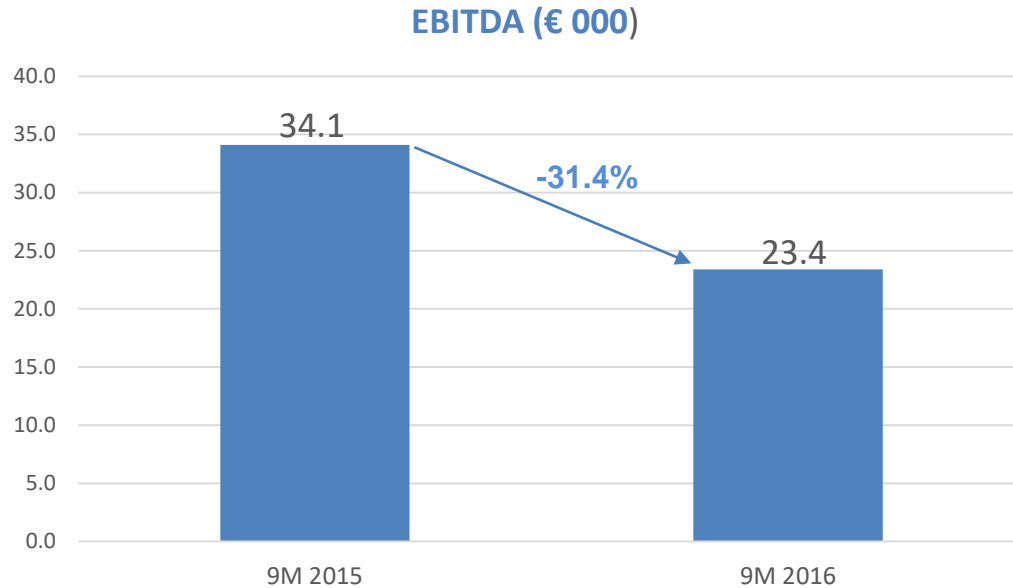


Bottom of price range

Top of price range

Bottom of price range

Top of price range

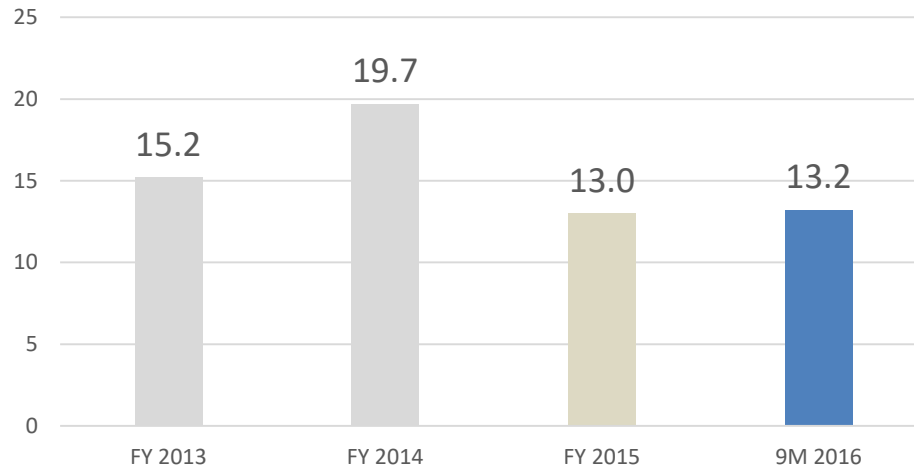


The **EBITDA change** is basically due to following drivers:

- **weaker market scenario** compared to the 9M 2015 (putting pressure also on selling prices);
- lower production at the **Arnsberg** mill, due to the **investment** carried out in April 2016;
- Higher cost of **non-energy raw materials**.



Capex (€ mn)



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

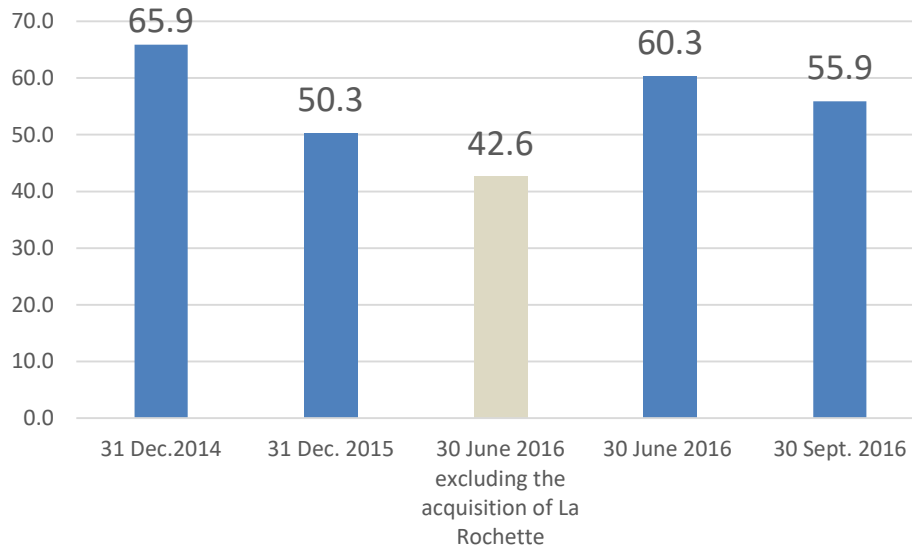
Typically, over the last eight years, RDM investments have been mainly concentrated in upgrading **one plant** at a time.

In 2016, Capex was mainly focused on the **Arnsberg mill**.

**D&A** pretty stable/declining in the meantime (-3.6% in 9M2016 vs. 9M2015).



## Net financial indebtedness (€ mn)



The change in Net Debt in **2016** reflects 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 €

... while it reflects the negative impact of:

- ✓ Higher Capex: 13.2 € mn vs. 6.4 € mn in 9M 2015
- ✓ Overall financial impact of the Cascades sas (La Rochette) acquisition: 19.9 € mn

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



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

In April 2016, RDM carried out a **6.2 million euro** investment at Arnsberg (close to Dortmund) to rebuild the **Middle Layer and Post drying section**



## OBJECTIVE

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Increase production capacity thanks to:

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





On 30 June 2016 RDM has bought **100% of Cascades sas** from Cascades Inc.  
The deal ideally completes the Business Combination carried out in 2008.

## KEY FEATURES

Price of **11.3 m€**, net of **8.7 m€** of net debt of the acquired Company.

Site capacity of **165,000 tons**; two board machines.

Cartonboard products **based on pulp**.

Top **10 clients** – mainly professional printers - accounting for **55%** of total yearly **sales**.

Wide range of **applications** (pharma, food, cosmetics, displays, publishing...).

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

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





## European scale

Strategic locations of assets across Europe  
Strengthened presence in France

## Integrated cartonboard offer

Products based both on recycled wastepaper and virgin fiber enhance RDM leading position in the European cartonboard market



## Size

Installed capacity well above 1 million tons  
Revenues exceeding 550 m€  
Additional EBITDA (well above 3 m€)



## Marketing opportunities

Cartonboard based on pulp provides access to a growing market with valuable clients  
More effective marketing effort through a simplified branding policy





- 1 RDM Features and Strategic Guidelines
- 2 9M 2017 Financials
- 3 **RDM Shares**



**Share Capital: 140,000,000.00 €**

**Outstanding shares: 377,800,994**, o/w  
 377,530,359 ordinary shares  
 270,635 convertible savings shares

## Listing markets

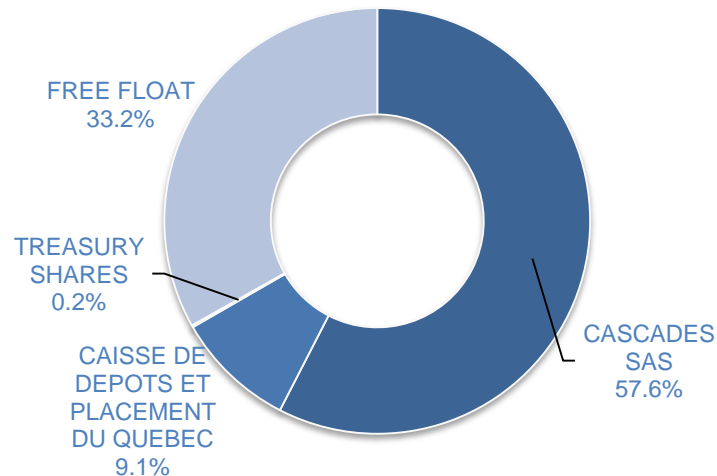
Milan Stock Exchange – MTA (STAR segment)  
 Madrid Stock Exchange

## Codes

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

**Mkt cap.:** 133.7 € mn (@0.3539 € p.s. as of 27 Jan. 2017)

## Main shareholders



**ORDINARY SHARE: DIVIDEND OF 0.0052 €**

Payment date: **11 May 2016**

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

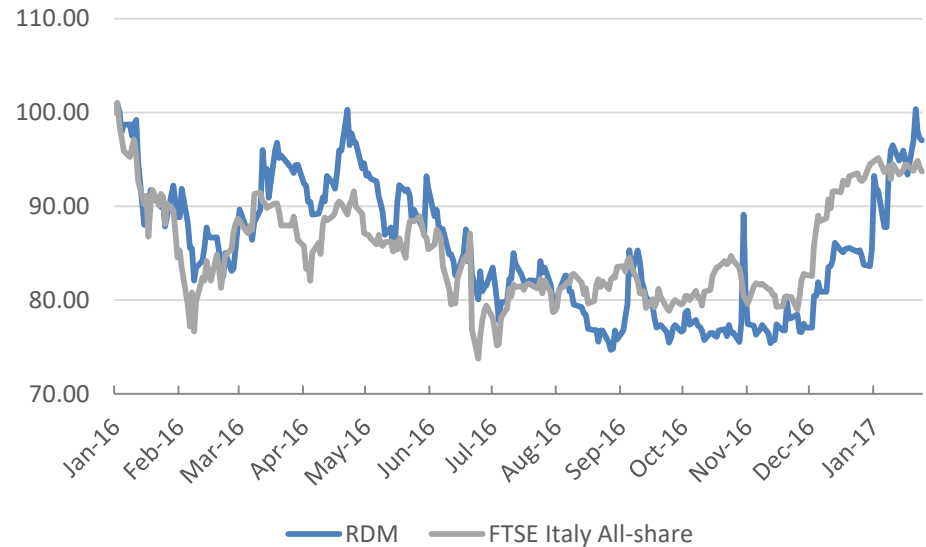
*Source: RDM shareholder register as of 30 June 2016*



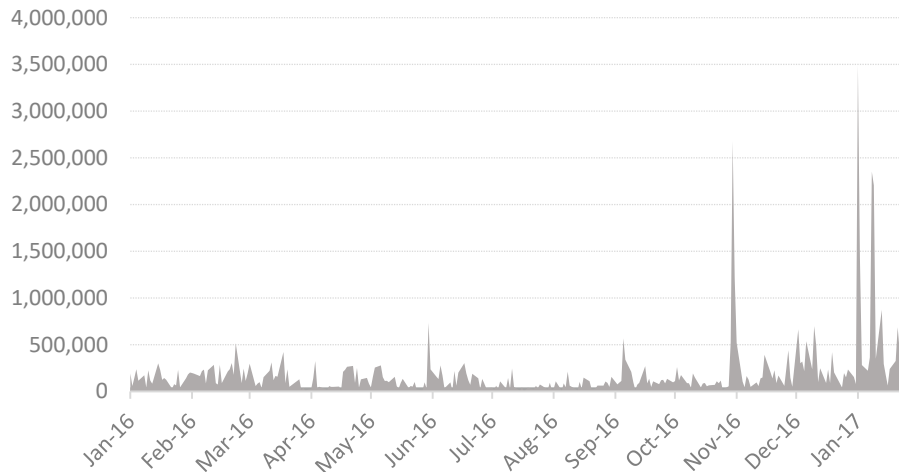
### RdM share price



### RdM vs FTSE Italy All-share Index



### RdM traded volumes



### SHARE BUYBACK

Started on **1 June 2016**.

Shares bought back to date: **581,600**, ie. **0.15%** of outstanding shares.

Average purchase price: **0.31 euro**.



**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.



### **Michele Bianchi, Chief Executive Officer**

Chemical engineer, with more than 17 years of experience in the European packaging industry. Co-opted on 3 November 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.

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