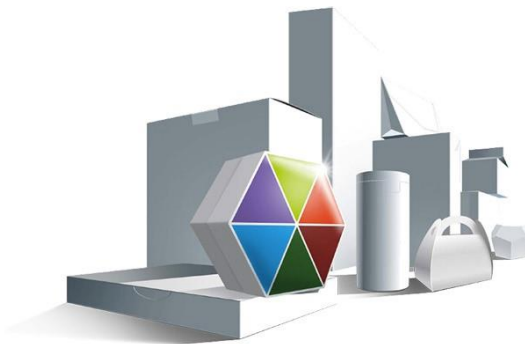


# Reno De Medici

## Company Presentation

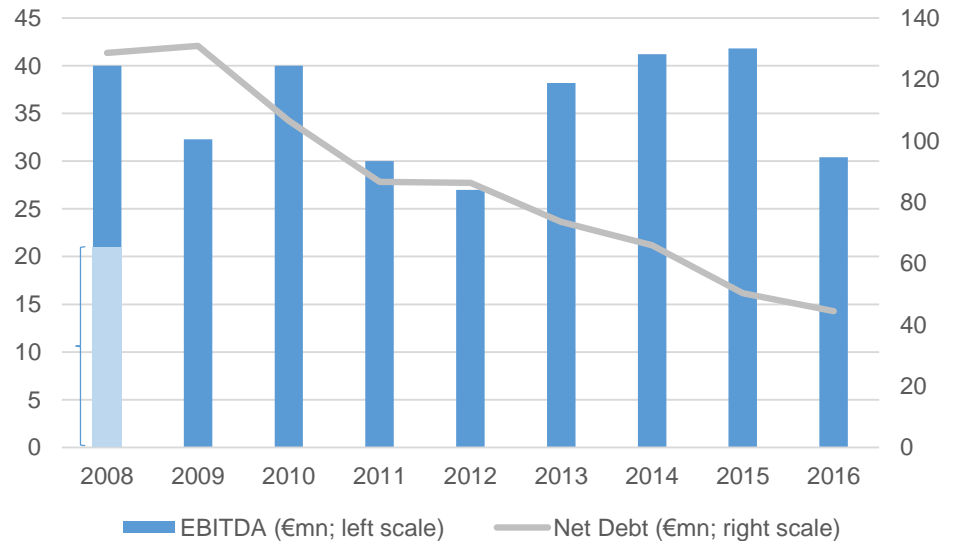
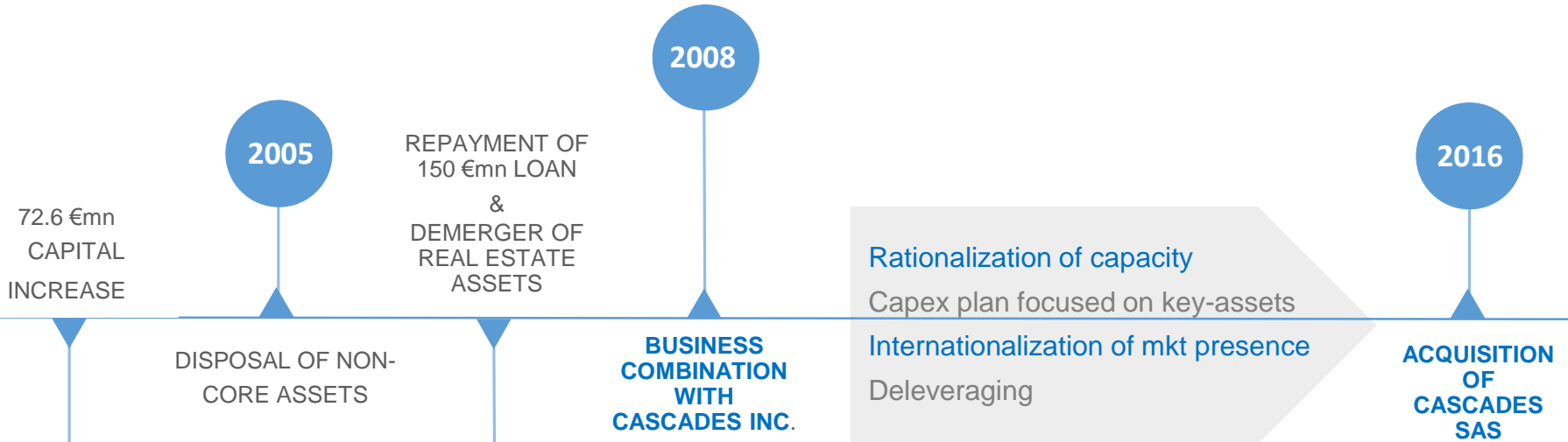
Paris, MidCap Conference – 28 June 2017



Born to be  
converted



- 1 RDM Features and Strategic Guidelines**
- 2 Delivering on Strategy
- 3 RDM Shares and Final Remarks



Total 2008 EBITDA was 40 €mn, of which 21.2 €mn from badwill generated by the business combination.



## CAPEX PROJECT AT ARNSBERG

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**



Increase in production capacity thanks to:

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

## CASCADES S.A.S. ACQUISITION

On 30 June 2016 RDM has bought from Cascades Inc. 100% of Cascades sas (FBB business, i.e. cartonboard based on pulp).

The deal brings all assets from the Business Combination carried out in 2008 under one Group and Leadership, with the opportunity to offer a complete product portfolio



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

Strategic location to serve customers throughout Europe

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.

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

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



## European scale

Strategic locations of assets across Europe  
 Unique position of virgin cartonboard production in South Europe

## 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





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

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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.

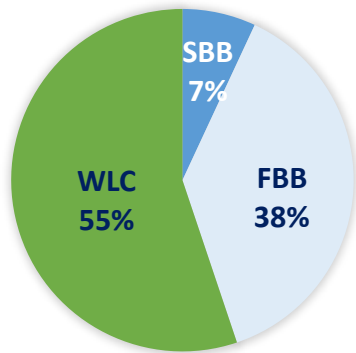
**SBB** - Solid Bleached Sulphate Board (GZ/UZ)  
**FBB** - Folding Boxboard (GC/UC);

Based on virgin fiber

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

Based on recycled fiber

## European cartonboard production (2016)



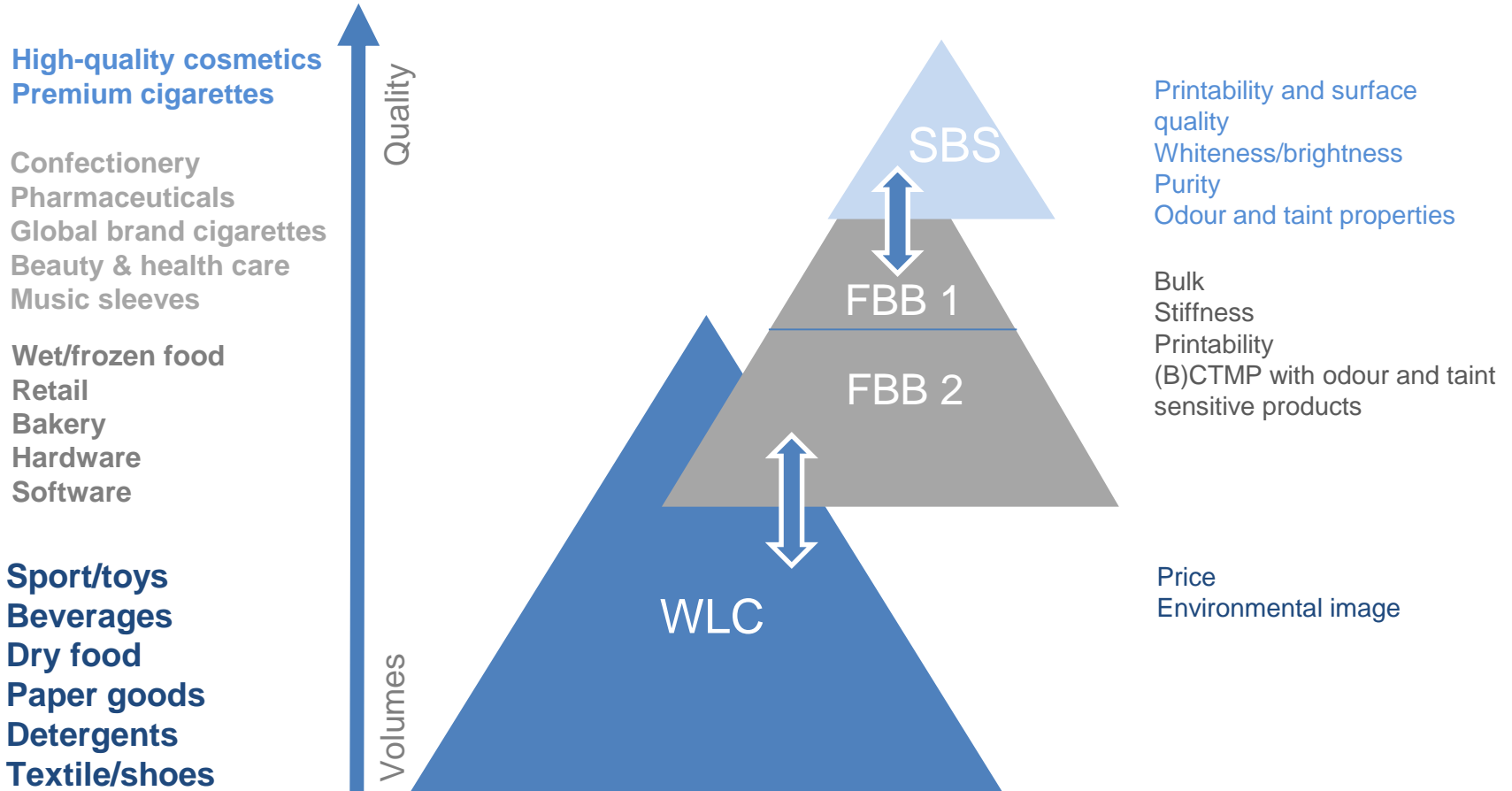
(‘000 tons)

SBB	500
FBB	2,731
WLC	3,974



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.

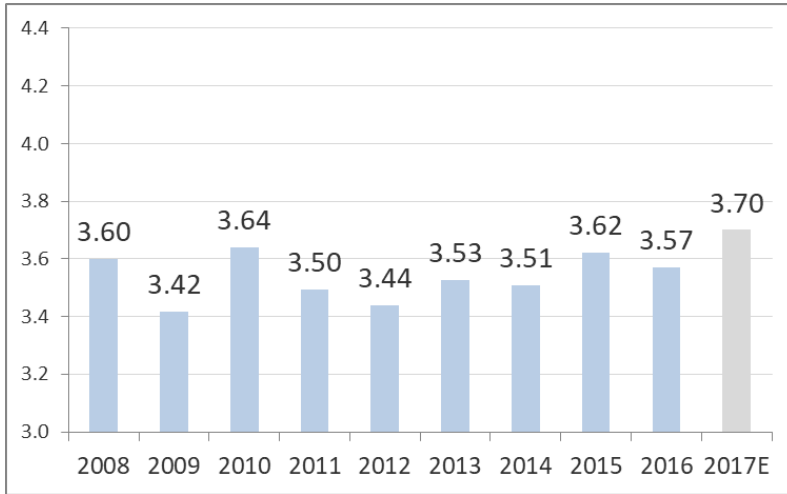




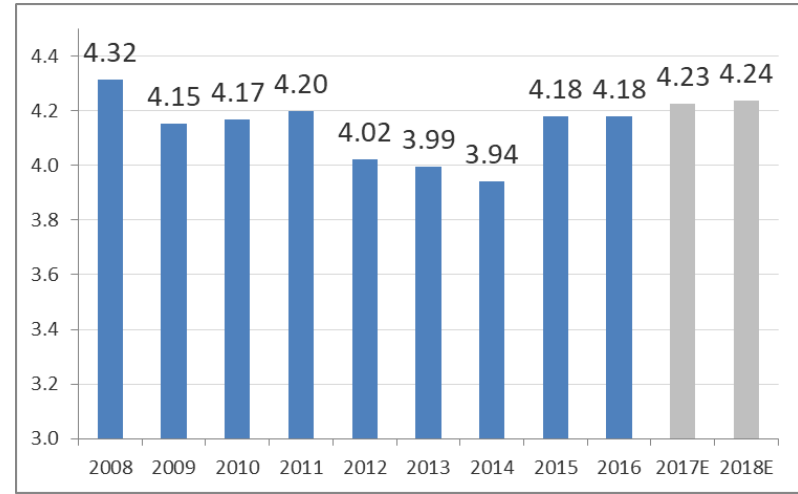
Source: Company's elaborations on market data



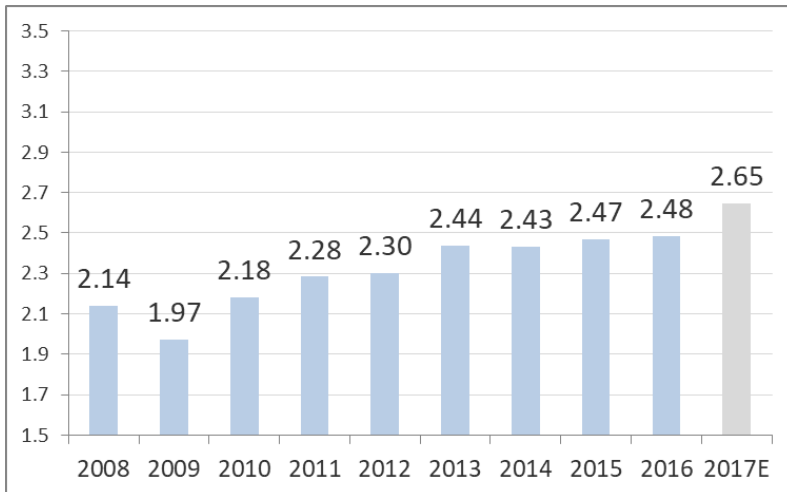
### WLC demand in Europe (mn tons)



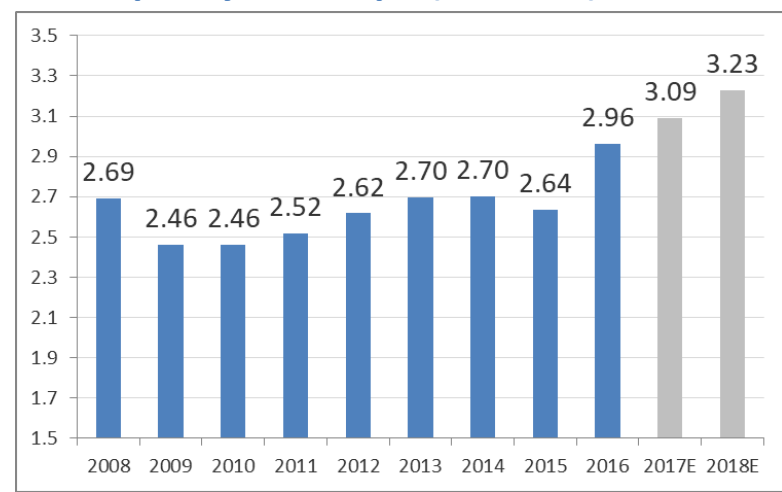
### WLC capacity in Europe (mn tons)



### FBB demand in Europe (mn tons)



### FBB capacity in Europe (mn tons)



Source: Company's estimates



**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	FY 2016 ('000 tons sold)	FY 2016 Revenues (€mn)	Q1 2017 ('000 tons sold)	Q1 2017 Revenues (€mn)
7	1,671*	1,023.0*	426*	261.9*
6	890**	477.8**	268**	149.5**



Source: MM and RdM Annual and Quarterly Reports.

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

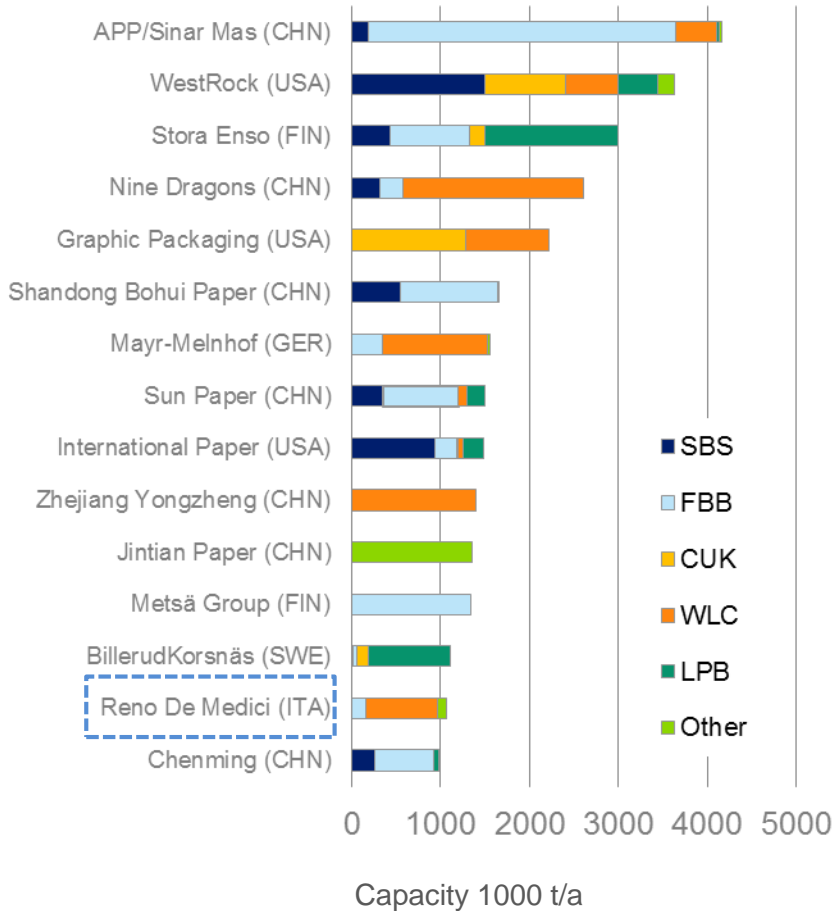
\*\* RdM Group data include the FBB business (RdM La Rochette sas), consolidated starting from Q32016.

**Q1 2017 FBB volumes sold were 42K tons, while Revenues were 33 €mn.**

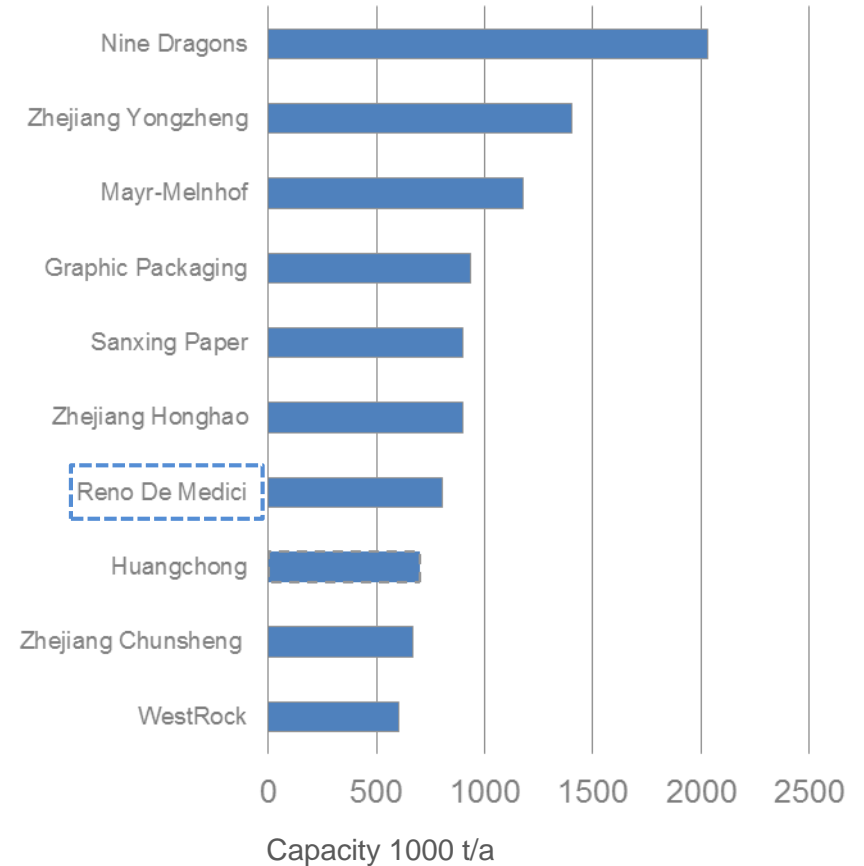
Quarterly data are unaudited.



## Cartonboard producers by grade



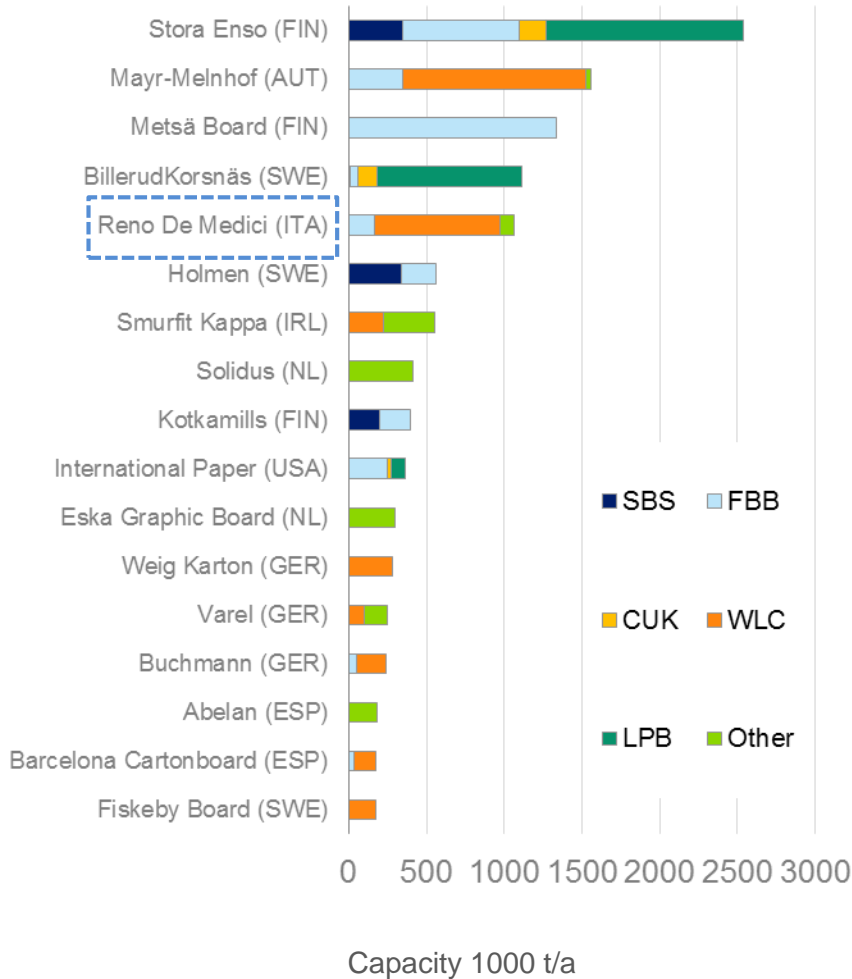
## WLC producers



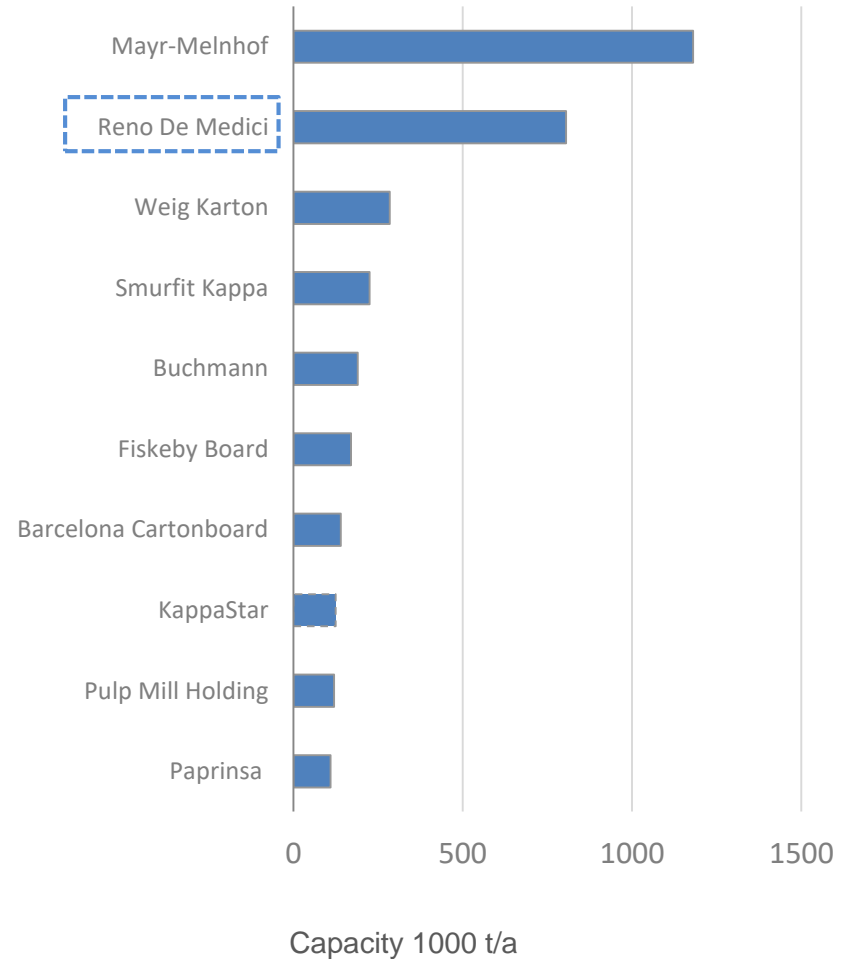
Source: PÖYRY, 2016



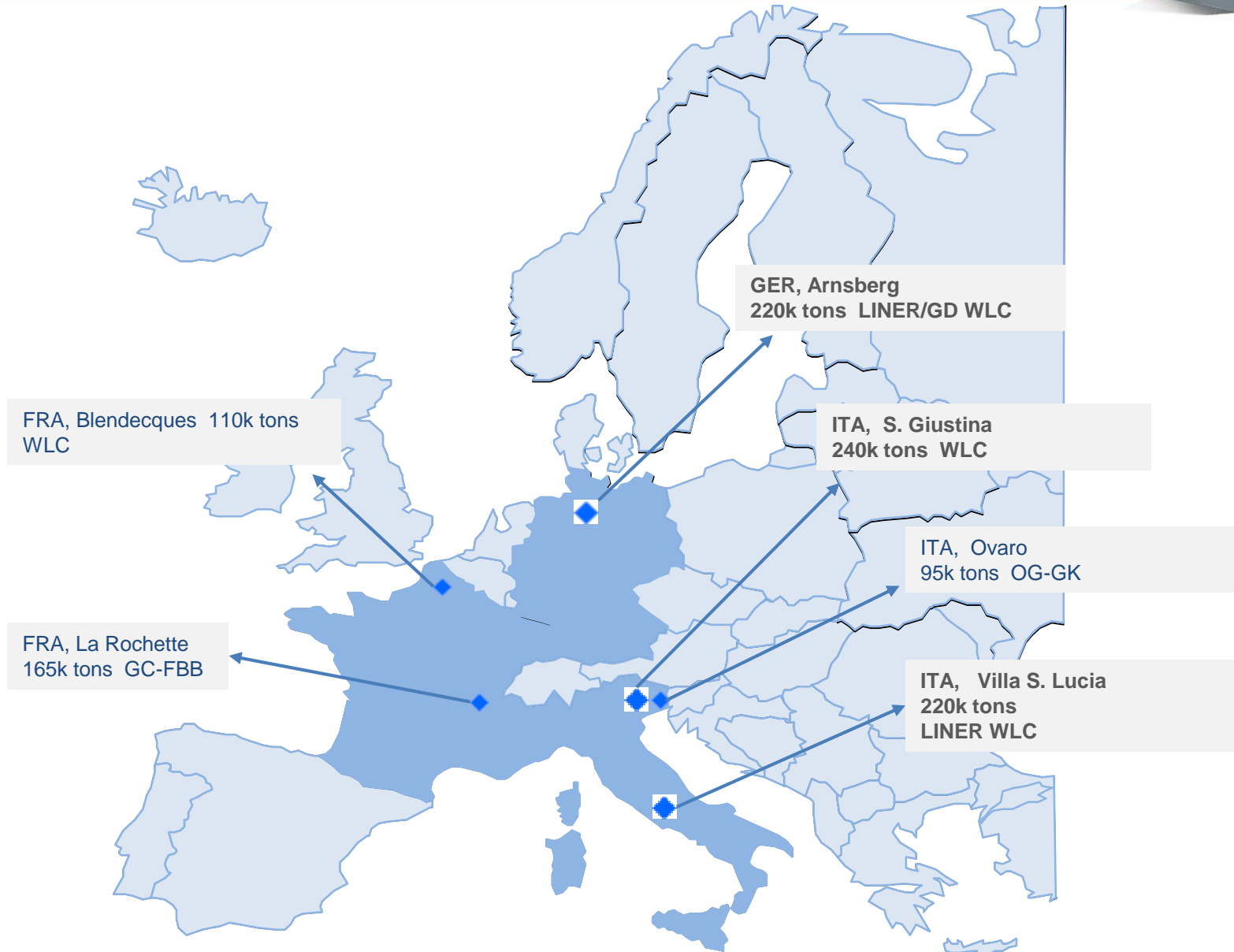
## Cartonboard producers by grade

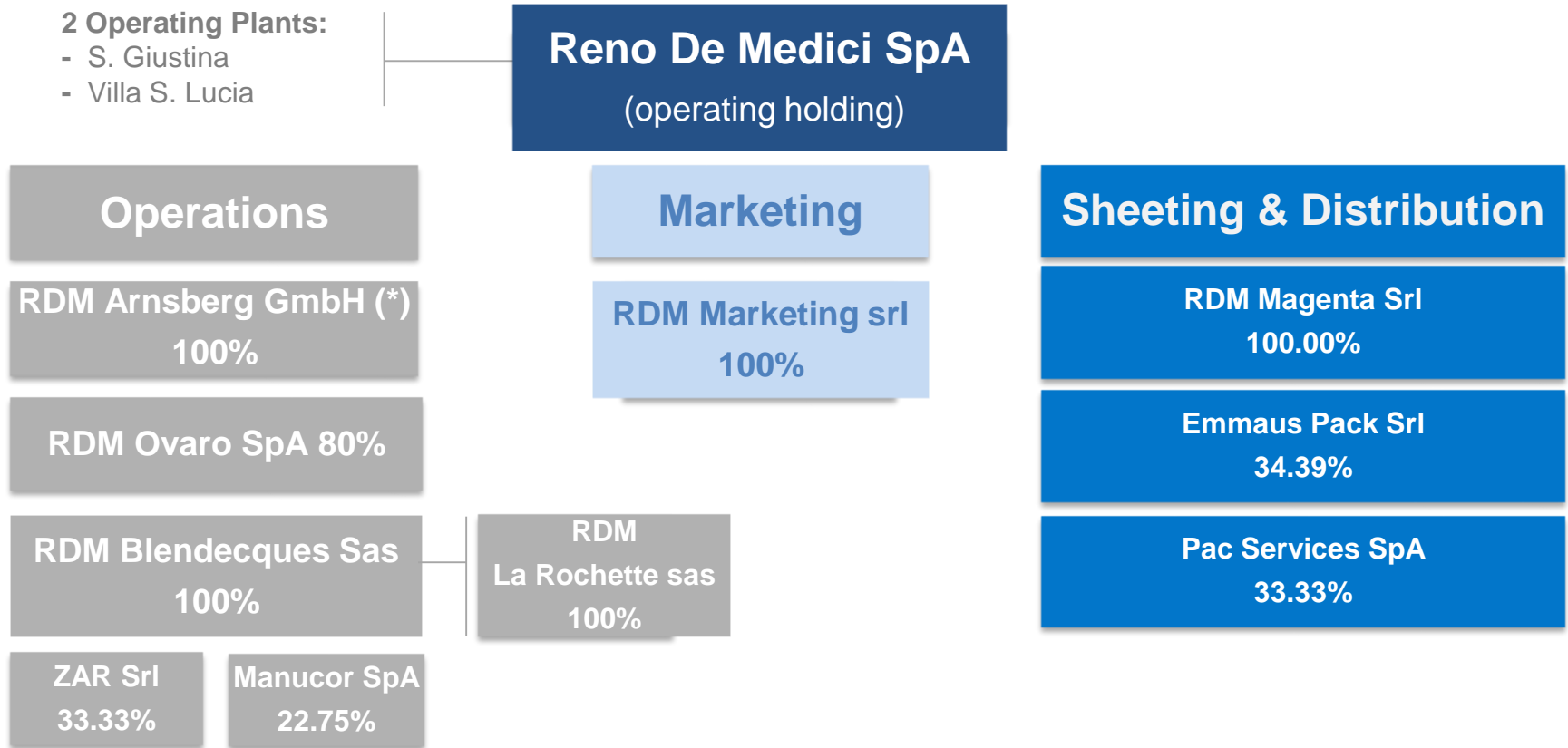


## WLC producers



Source: PÖRY, 2016

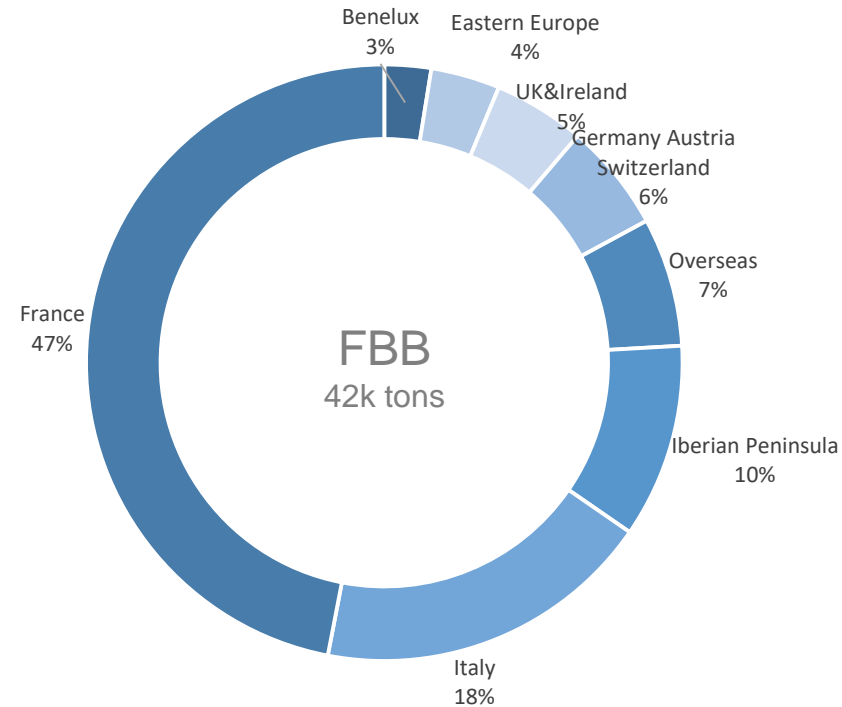
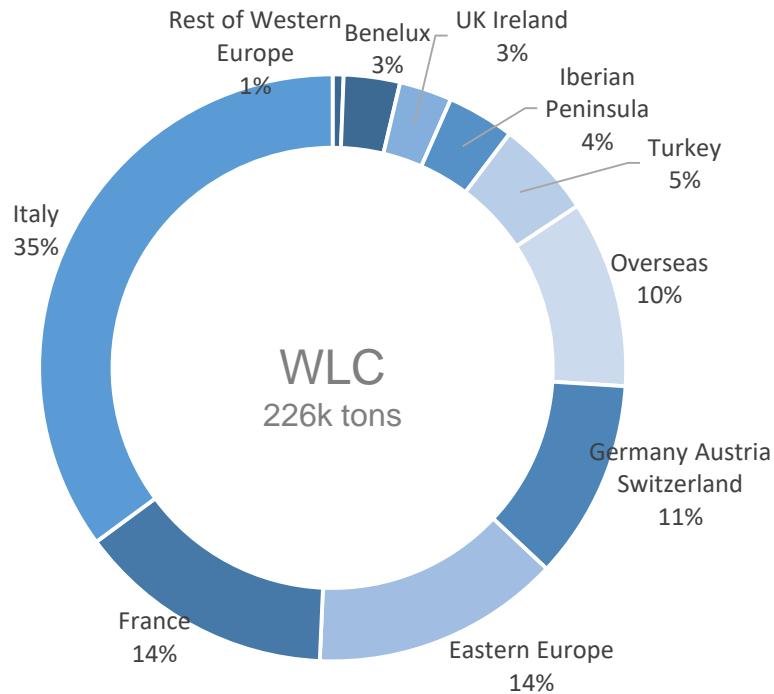




(\*) Company owned 94% by Reno De Medici SpA and 6% by Cascades Grundstück GmbH & Co.KG.



## Q1 2017 Volumes sold by geography



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 **Delivering on Strategy**
- 3 RDM Shares and Final Remarks



## Key actions on strategy

New  
**organizational  
design** in place



Smarter **use of  
technology** in  
planning and  
production

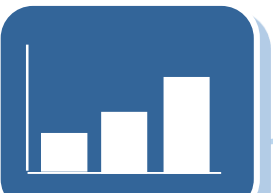


Best practice  
sharing within the  
**One-Company**  
approach



## Early deliveries

Optimized portfolio  
management on a  
high **order  
backlog**



RDM **mkt shares**  
increasing almost  
anywhere



Higher **operating  
rates** at key-mills



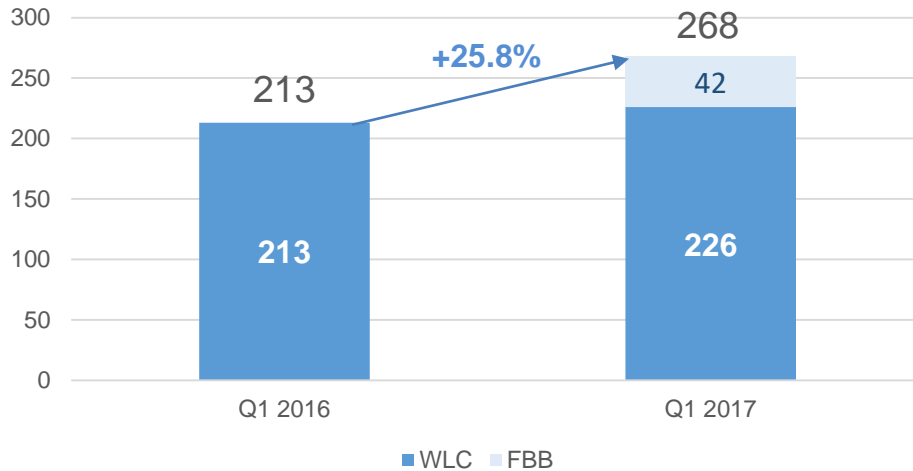


In 2016 the FBB business (RDM La Rochette sas), was consolidated starting from Q3.

Consolidated Income Statement	03.31.2017	03.31.2016
<b>(thousands of Euros)</b>		
Revenues from sales	149,453	111,617
Other revenues and income	1,463	1,256
Change in inventories of finished goods	(7,085)	(3,913)
Cost of raw materials and services	(110,499)	(82,712)
Personnel costs	(23,167)	(16,096)
Other operating costs	(1,042)	(897)
<b>Gross operating profit</b>	<b>9,123</b>	<b>9,255</b>
Depreciation and amortization	(5,513)	(5,210)
Write-downs and revaluations		
<b>Operating profit</b>	<b>3,610</b>	<b>4,045</b>
<i>Financial expense</i>		
<i>Gains (losses) on foreign exchange</i>	(755)	(850)
<i>Financial income</i>	26	(225)
Net financial income/(expense)	2	19
	(727)	(1,056)
Gains (losses) from investments		
Taxes	378	729
	(768)	(796)
<b>Profit (loss) for the period before discontinued operations</b>	<b>2,493</b>	<b>2,922</b>
Discontinued operations		(188)
<b>Profit (loss) for the period</b>	<b>2,493</b>	<b>2,734</b>
attributable to:		
Group's share of profit (loss) for the period		
Minority interest in profit (loss) for the period	2,493	2,676
		58



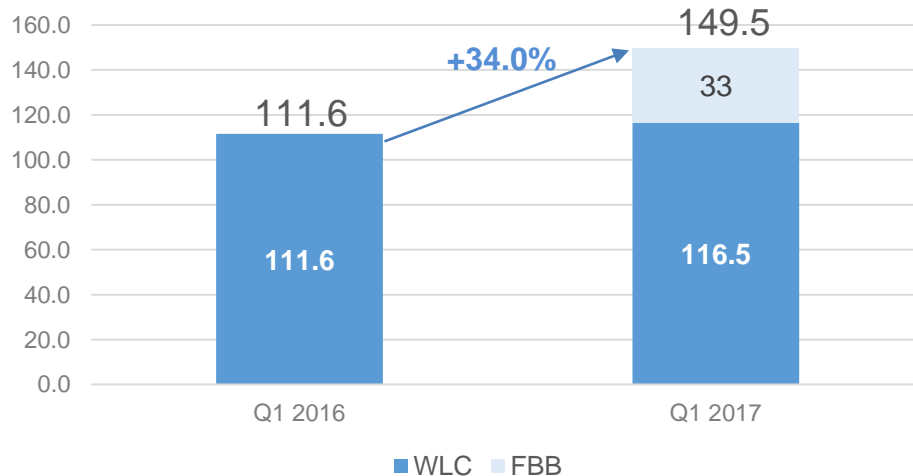
Volumes sold ('000 tons)



The increase in Q1 2017 volumes mainly reflects the **benefits of the RDM La Rochette consolidation.**

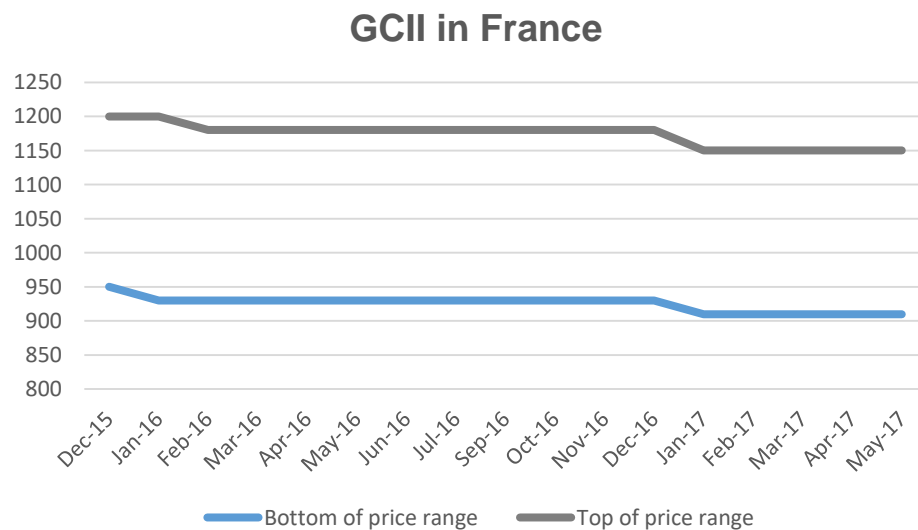
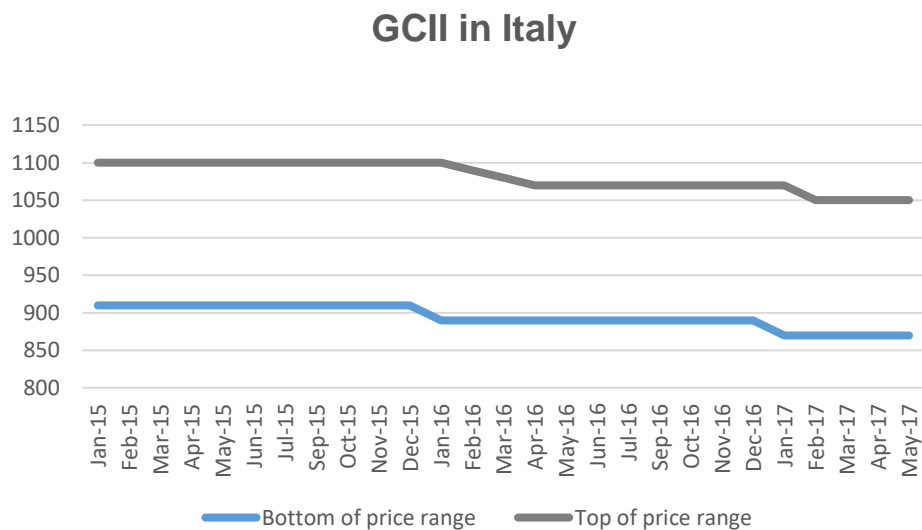
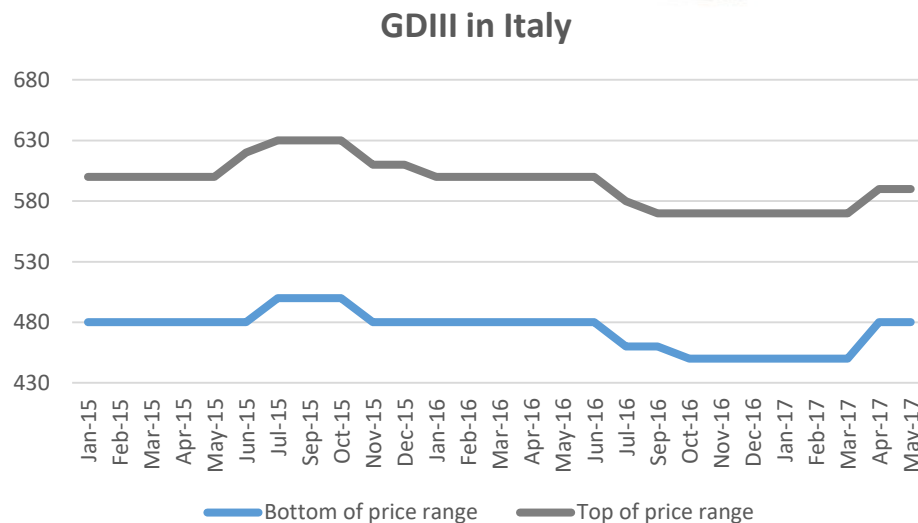
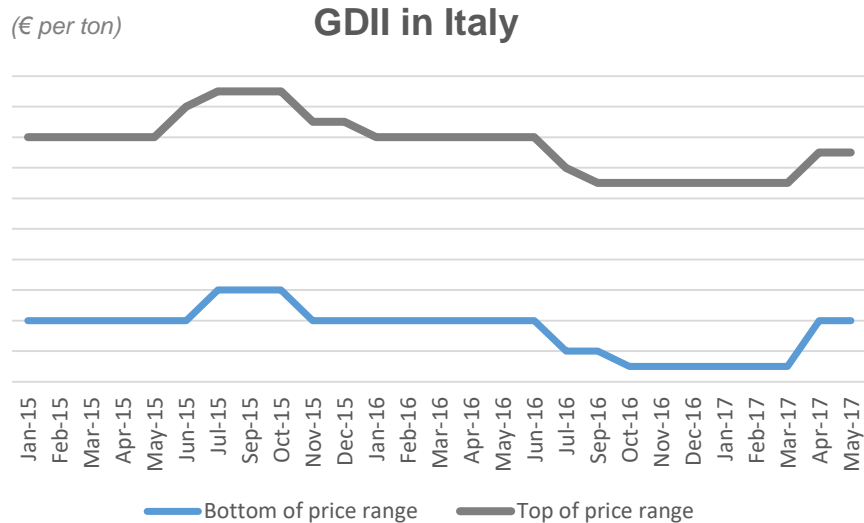
**WLC** volumes increased by **6.1%**.

Revenues from sales (€ mn)



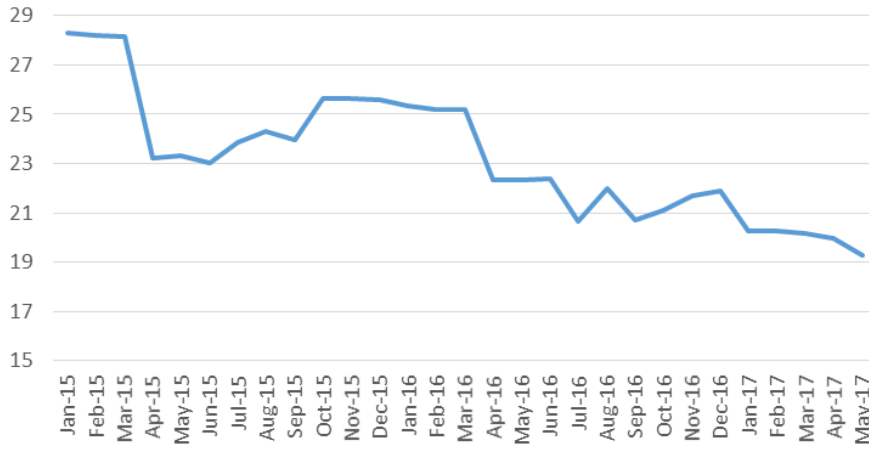
The increase in Group revenues was driven by the positive impact of the **consolidation of RDM La Rochette.**

**WLC** revenues increased at a lower pace than volumes, i.e. by **4.1%**.

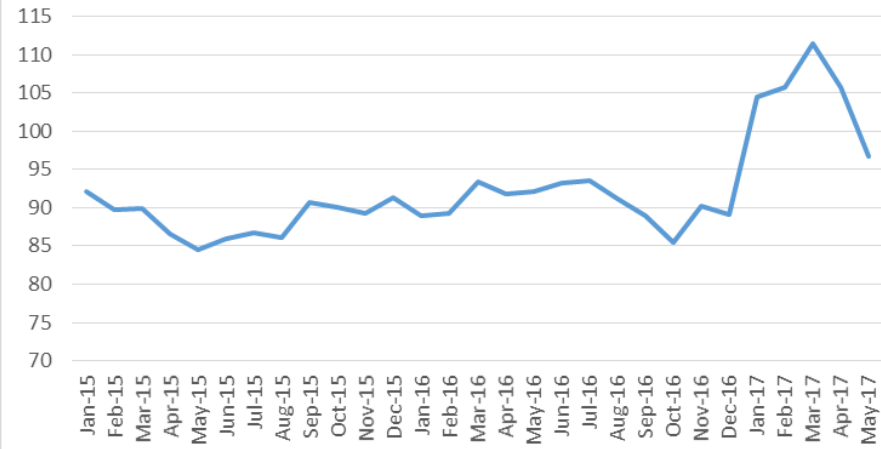




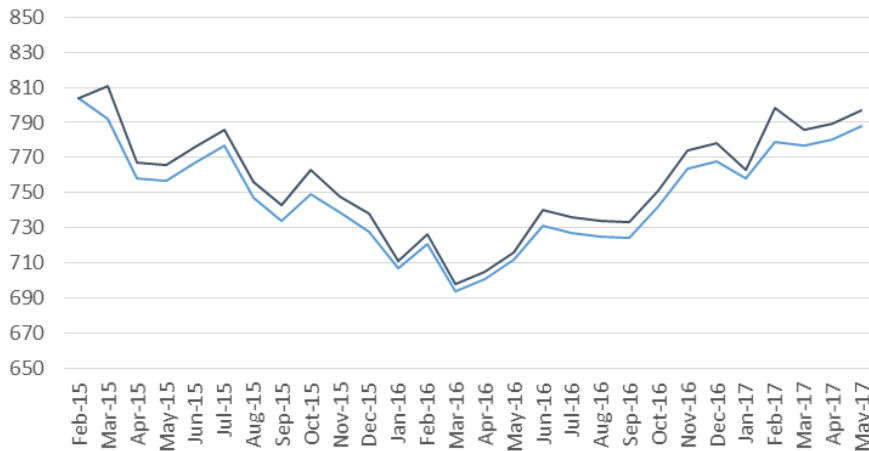
### Natural gas (€/MWh)



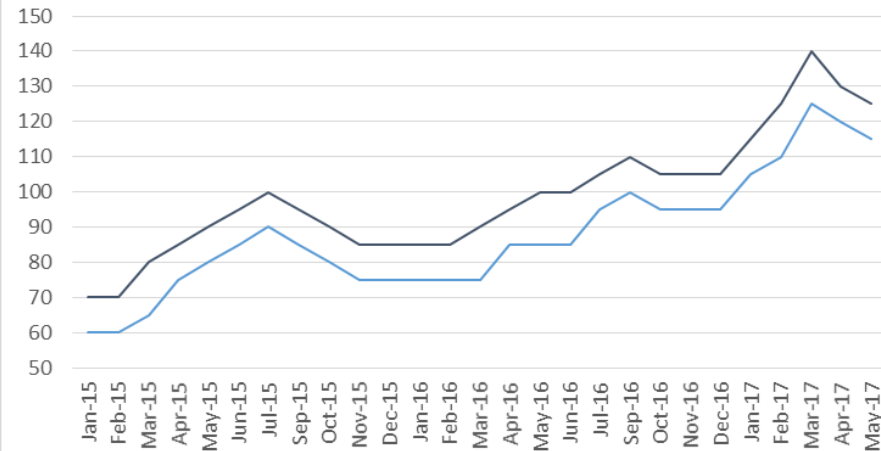
### Coal in Germany (€ per ton)



### Bleached softwood pulp (€ per ton)



### Mixed paper and board (€ per ton)

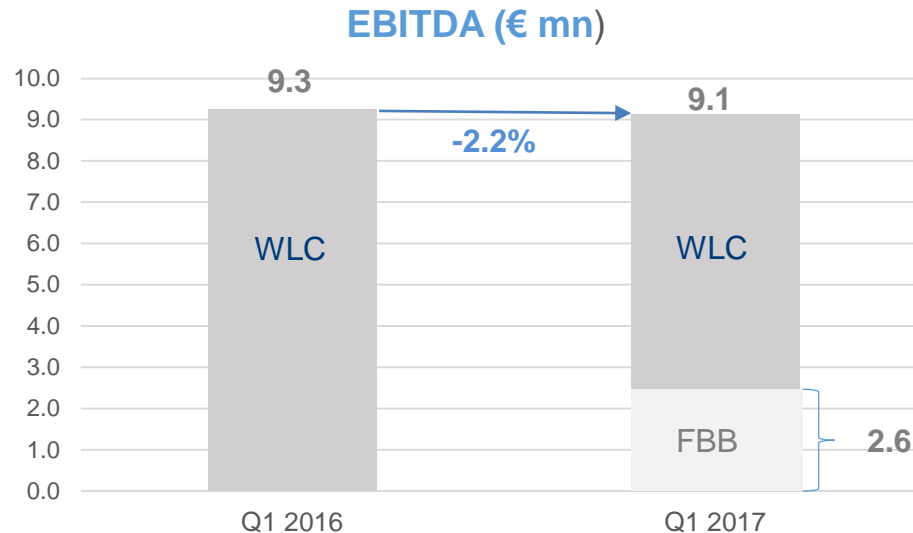


Top of price range

Bottom of price range

Top of price range

Bottom of price range



RDM La Rochette was not in the RDM Group consolidation perimeter in Q1 2016.

The **WLC EBITDA change** (from 9.3 mn€ in Q1 2016 to 6.5 mn€) is basically due to following drivers:

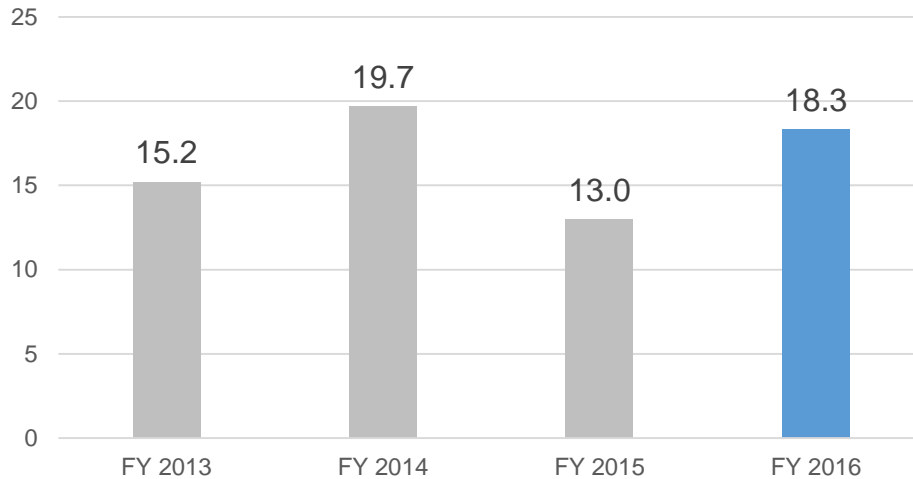
- Lower average **selling prices**;
- Higher cost of **non-energy raw materials**.

Q1 2017 EBITDA also reflects an **extraordinary item: 1.2 € mn restructuring costs** for the reorganization.





Capex (€ mn)

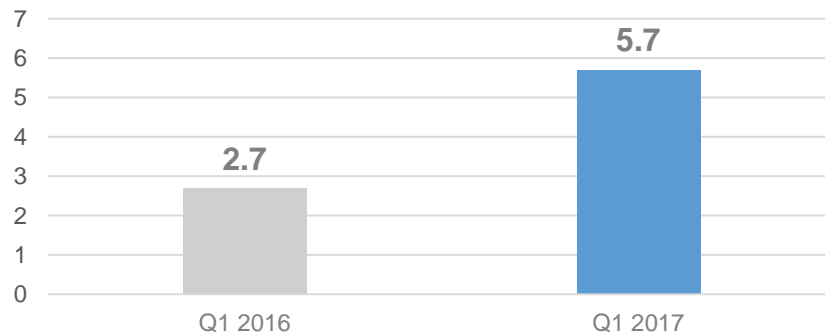


Typically, over the last eight years, RDM investments have been mainly concentrated in upgrading **one plant** at a time.

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

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

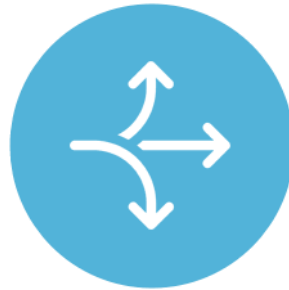
Capex in Q1 (€ mn)



In Q1 2017 capex was mainly focused on the Blendecques mill press section rebuild.



Impacts of **efficiency gains** achieved through last 3 years investments



**WHAT?**

**Higher output volumes** at constant installed capacity

**WHERE?**

Santa Giustina, Arnsberg and Villa S.Lucia Mills



**WHAT?**

**Decreased energy consumption** per ton of production

**WHERE?**

Santa Giustina and Ovaro Mills



**WHAT?**

**Reduced fibers consumption** per ton of production

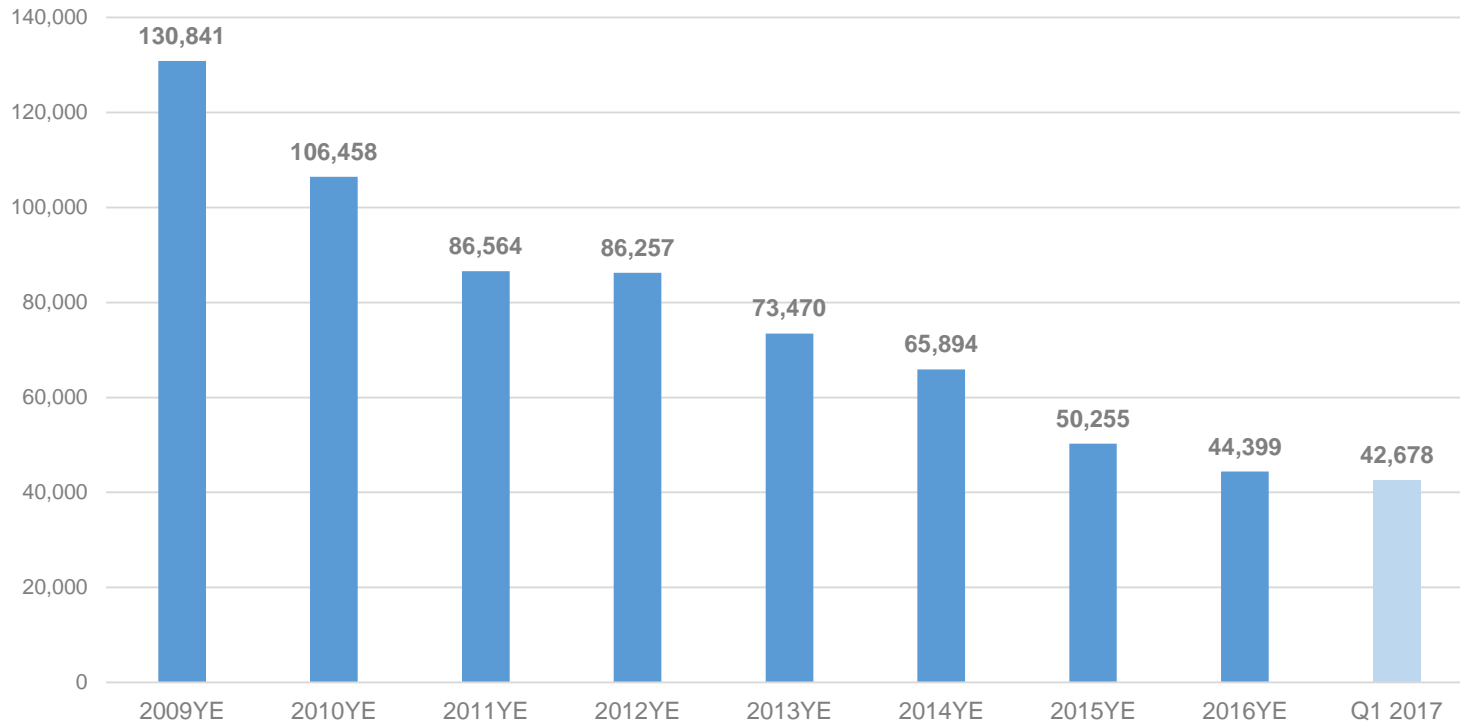
**WHERE?**

Santa Giustina Mill





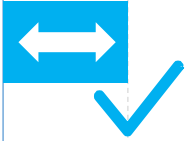
Net Financial Debt over time ('000€)



**Strong cash flow generation, driving the decrease in Net Financial Debt, continued in Q1 2017.**



**Blendecques**  
shoepress section



**La Rochette**  
power plant



**Ovaro**  
converting machine



**Santa Giustina**  
steam turbine



**New ERP**



**Health & Safety projects**



Jan

Aug

Dec

2017 planned capex in line with previous years range.



- 1 RDM Features and Strategic Guidelines
- 2 Delivering on Strategy
- 3 RDM Shares and Final Remarks**



**Share Capital: 140,000,000.00 €**

**Outstanding shares: 377,800,994**, o/w  
 377,531,366 ordinary shares  
 269,628 convertible savings shares

## Listing markets

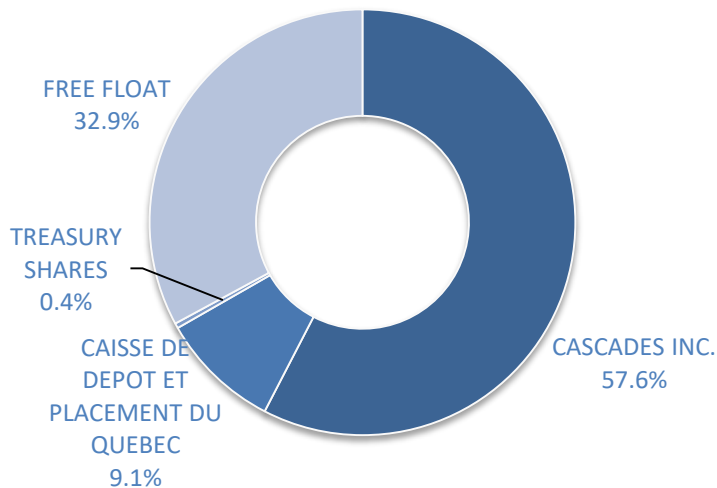
Milan Stock Exchange – MTA (STAR segment)  
 Madrid Stock Exchange

## Codes

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

**Mkt cap.:** 130.3 € mn (@0.345 € p.s. as of 23 June 2017)

## Main shareholders



Source: RdM shareholder register

## Last dividend paid

**ORDINARY SHARE: Dividend of 2.65 € cents**

Payment date: **10 May 2017**

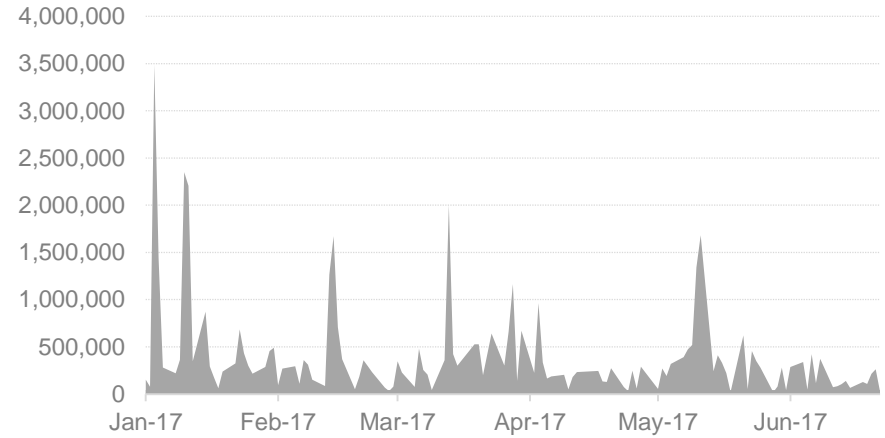
Dividend yield: **0.9%** (YE2016 price of 0.3055 €)



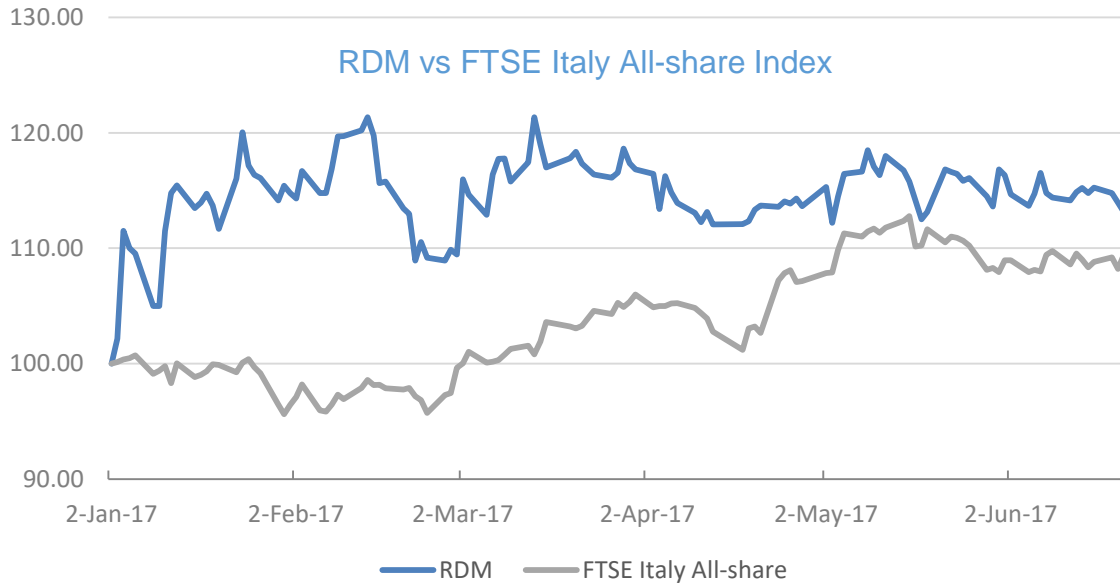
RdM share price



RdM traded volumes



RdM vs FTSE Italy All-share Index





Board appointed on 28 April 2017. Term of office: 3 financial years.  
The CEO is the only executive member of the Board.



**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 18 years of experience in the European packaging industry. Coopted on 3 November 2016.



**Laura Guazzoni, Independent Director**

Chartered accountant and business consultant. Bocconi University professor.



**Sara Rizzon, Director**

Lawyer at the Jones Day Milan office. Expert in M&A and corporate compliance



**Gloria F. Marino, Independent Director**

Chartered accountant and statutory auditor.



**Allan Hogg, Director**

CFO of Cascades Group since 2010 – Bachelor's Business Administration in Accounting.



**Giulio Antonello, Independent Director**

In the past, investment banker and CEO of a listed Company. Presently, strategic advisor in the asset management field.





We remain focused on executing the stated strategy:

- 1 Enhance **efficiency** and **competitiveness** in both operations and customer services
- 2 Strengthen the **One-Company** culture, by sharing best practices across RDM
- 3 Invest in **sustainable** solutions to maximize value generation to all our stakeholders

2017 YTD achievements prove that we are on the right track:

**Growing performance in Q1 2017 vs Q4 2016**  
in spite of:

- Fierce mkt competition
- Peaks in input prices
- 1.2 €mn restructuring costs

**Mid-April selling price increase:**

effective with orders confirmed from May 2017, full impact in July 2017, to partially recover the higher costs in raw materials.

*Continue building on solid foundations*

*means*

*Getting ready for new opportunities*