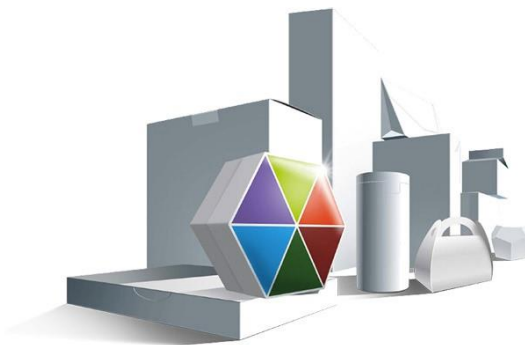


Reno De Medici

STAR Conference – Milan

March 28, 2018



Born to be
converted



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



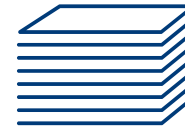
**2017 net
revenues of
€569 million**



**Milan and Madrid
Stock Exchange**



**1,487
employees
(2017YE)**



**Annual capacity of
1,050,000 tons**



**6 mills
2 sheeting
centers**

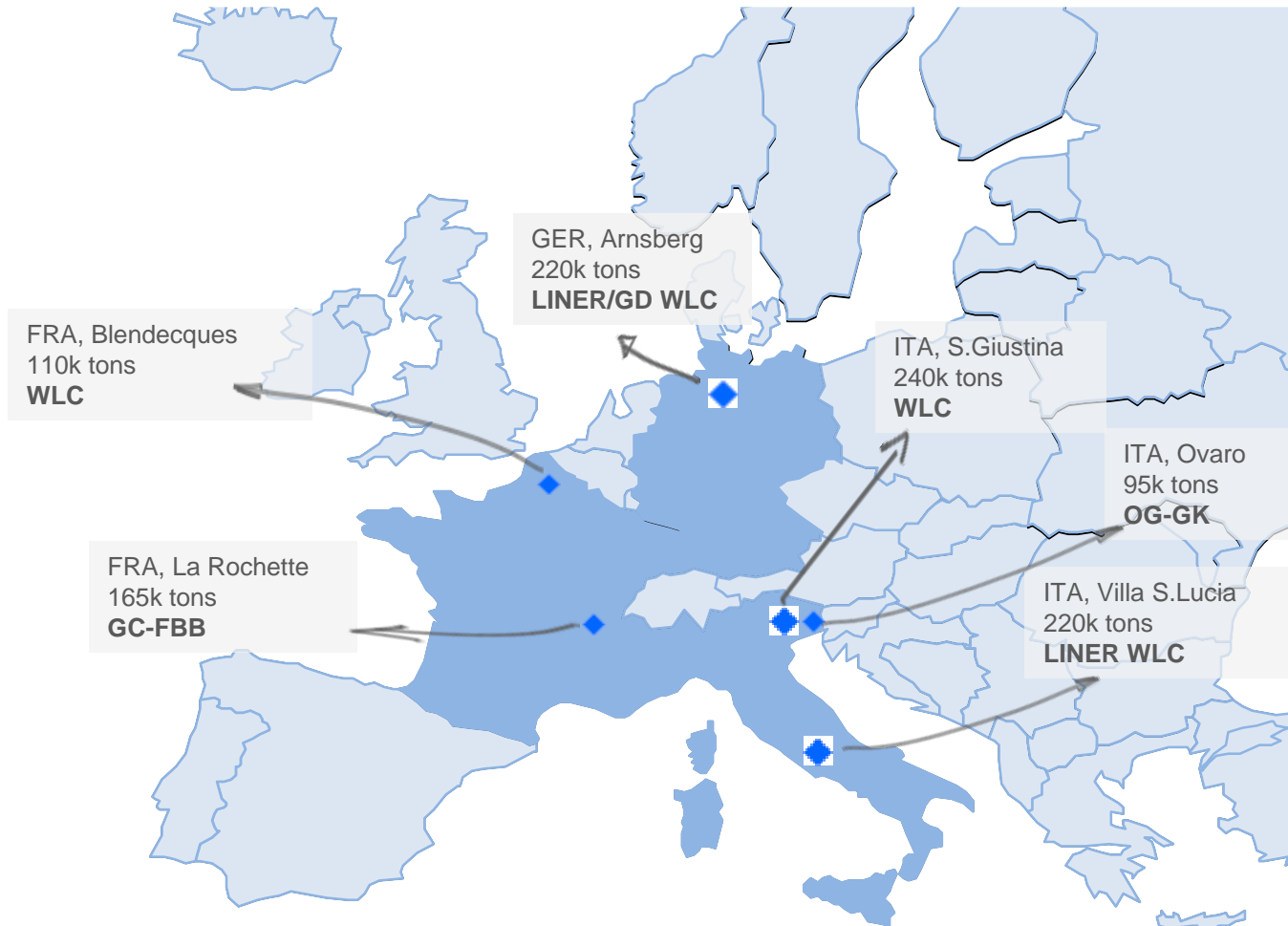


**Commercial
network in 70
Countries**



Three assets with capacity well above 200k tons/p.a.

Ovaro mill focused on high-margin specialties.



WLC
White Lined Chipboard

FBB
Folding Boxboard

RDM La Rochette (FBB business) included in the P&L consolidation perimeter of RDM starting from H2 2016.



Consumers



Recycled paper collectors



Carton board producers



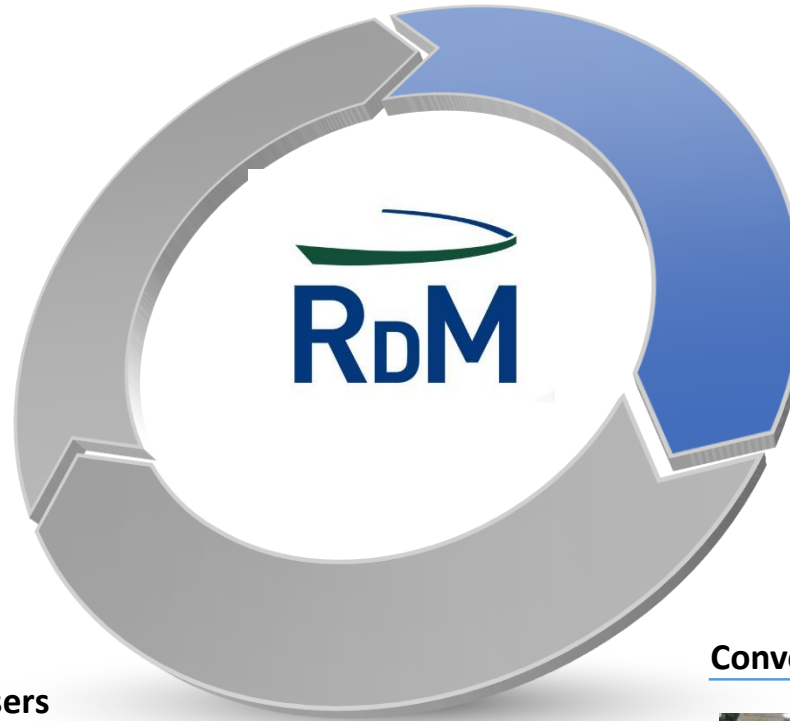
Distributors



End users



Converters



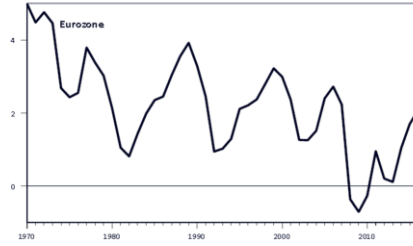


Our cartonboard is used to produce a huge quantity of product we use every day. Any examples?





WESTERN EUROPE - GROWTH OF GDP
(three years moving averages)



Overall economic trend

E-commerce

Brand recognition

Plastic substitutions

Cartonboard demand

Care for planet

Changes in lifestyles





OCC world flows



China is the **world's biggest consumer** and is **dependent on US (45.5%) and EU (29.4%) flows**

Announced **new Chinese regulation** about imports of unsorted waste paper (mostly mixed paper)

Drop of PFR import

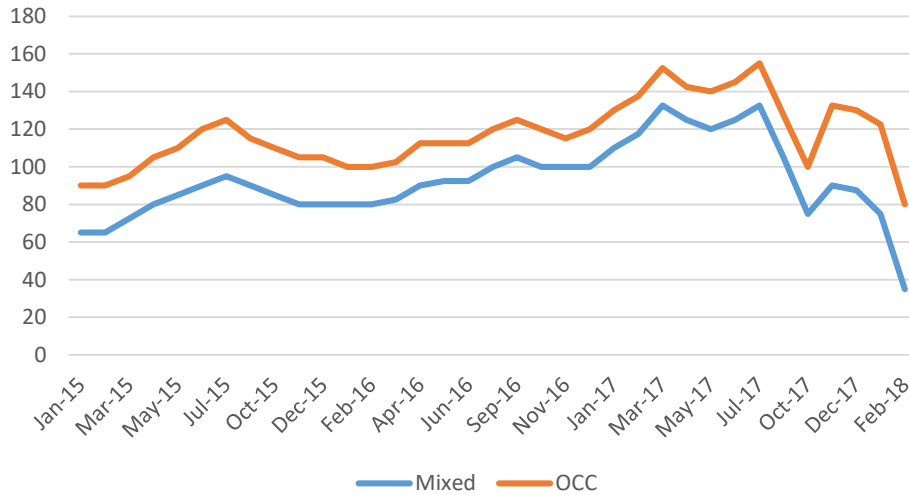
React to the new standard

Increase in virgin pulp

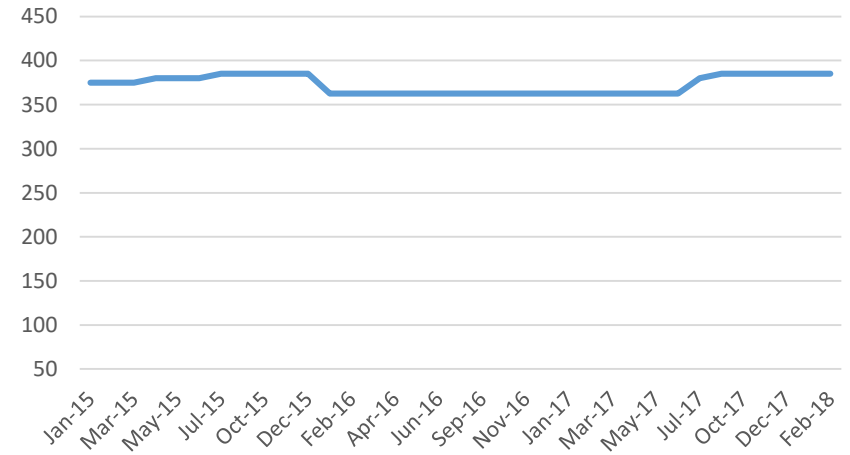
Finished products **export** opportunities



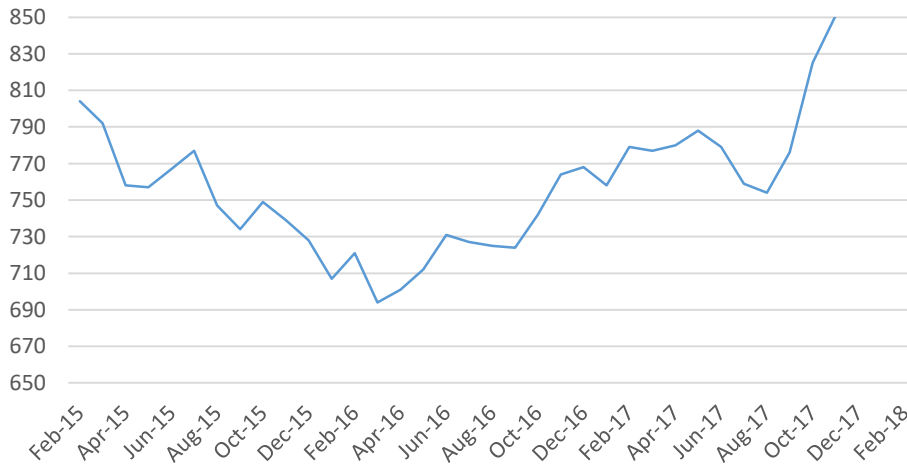
Brown Recycled fibers (€ per ton)



White Recycled Fibers (€ per ton)



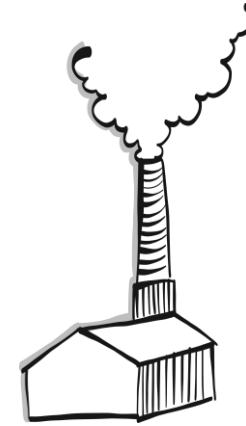
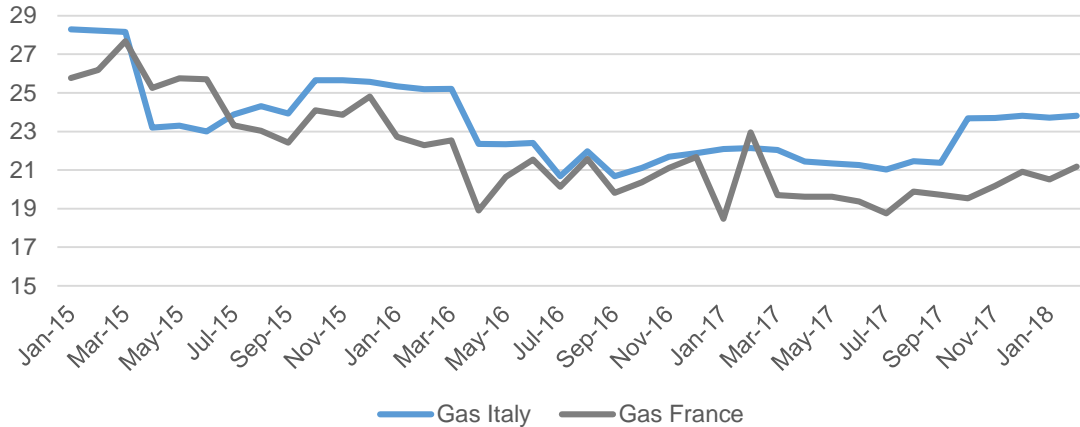
Bleached Softwood Pulp (€ per ton)



Despite this downward pressure since Sept., the average price per ton in 2017 was **higher** than in 2016

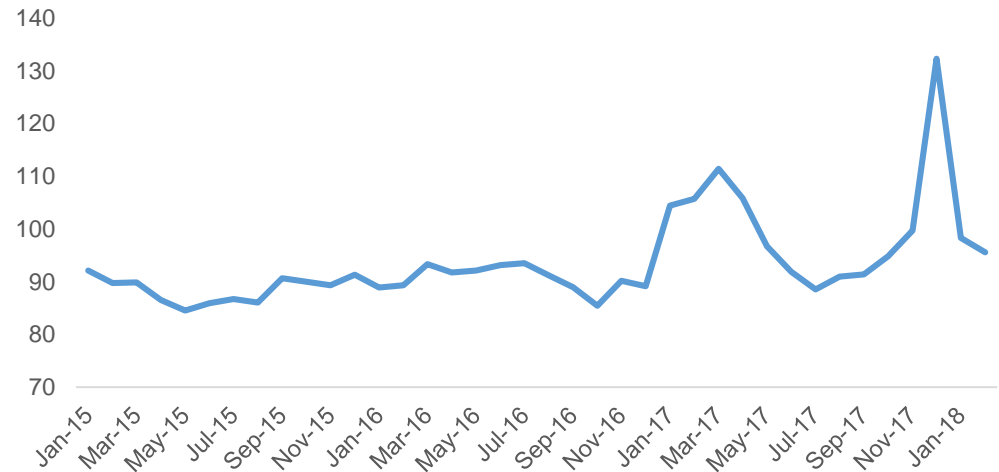


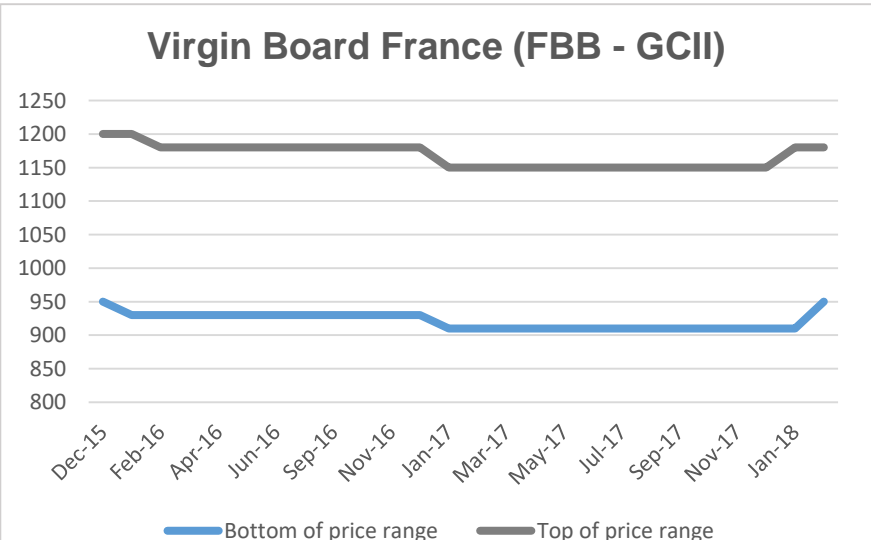
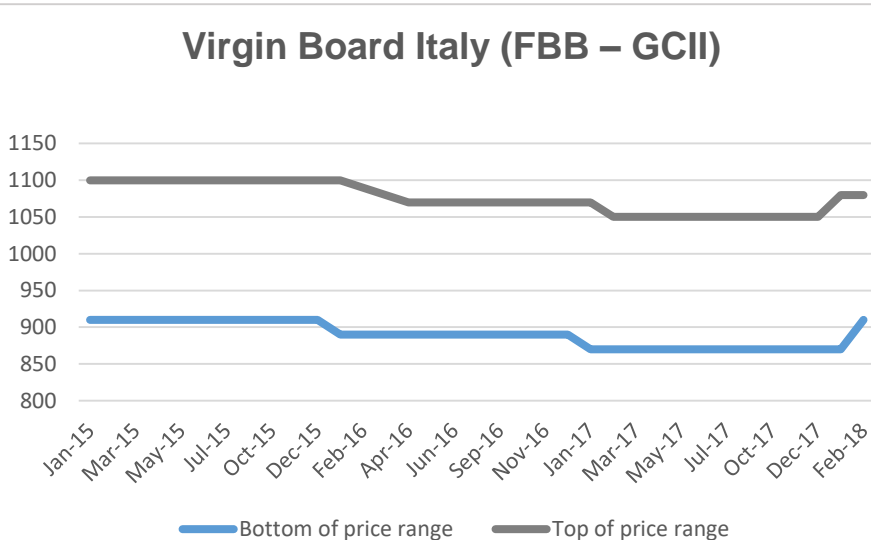
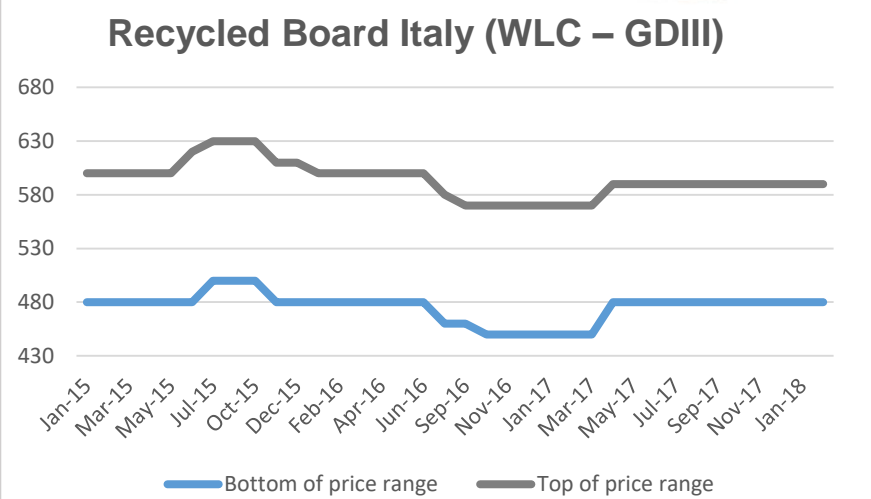
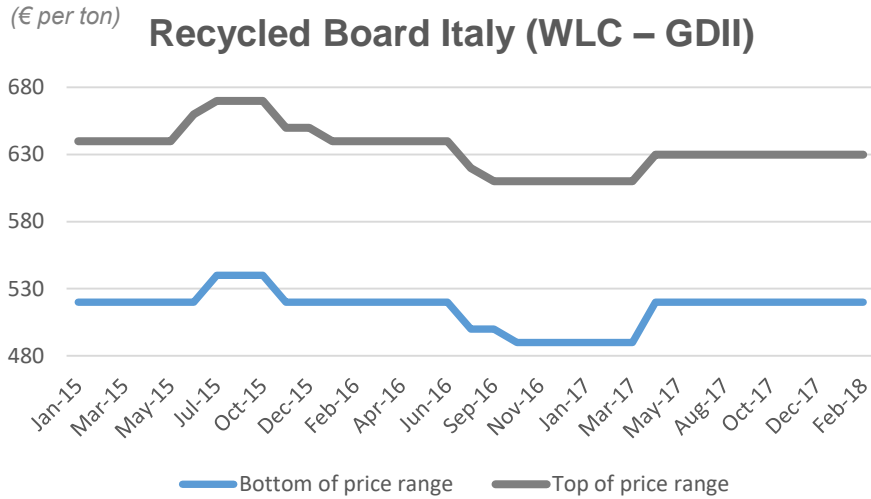
Natural gas (€/MWh)



The trends are basically dependent to the improved macroeconomic scenario

Coal price in Germany (€/ton)



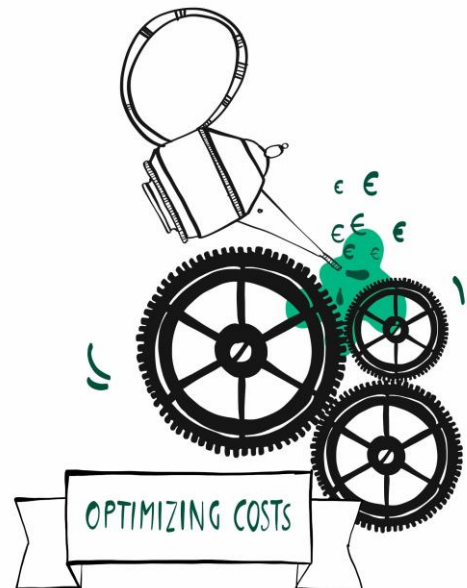




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Partner of Choice







RDM leverages on **clear strengths** to deliver strategy:



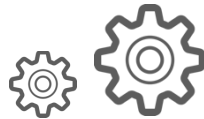
MULTICOUNTRY

PanEuropean asset base
and sales network



BROAD OFFER

Cartonboard portfolio
based on recycled, virgin
fibres and specialties,
meeting the full range of
customer needs



SIZE

Strong position on the
European market
making RDM the **partner
of choice** for key brands
and multinational
corporations



GROWING BUSINESS

Presence in the packaging
business, sector in which
organic growth can be
healthy as returns on
investment prove to be high



ONE-COMPANY CULTURE

*Spread the new culture across RDM
Benchmark internal/external activities
Foster best-practice sharing and synergies*



INTEGRATED SUPPLY CHAIN

*Enhance service and product quality
Optimize volume allocation through customer segmentation
Develop Integrated Business Planning*



HEALTH & SAFETY

*Target “Zero Accident” vision
Promote well-being mindset
Encourage improvements in working environment*



NEW ERP SYSTEM

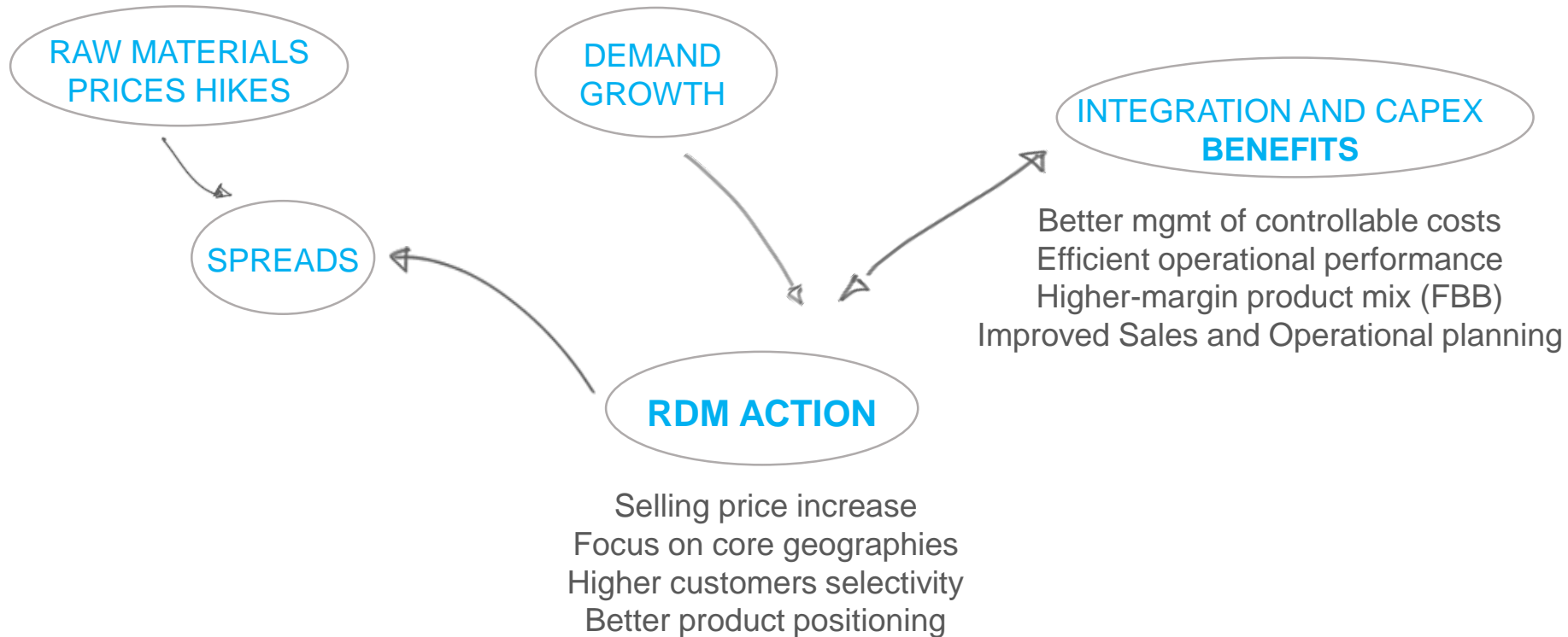
*Close prototype phase
Go-live in Italian mills*



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Increasing margins in a tough input-cost scenario



Demand trend helped, but **in-house levers** put into play were crucial.

We successfully adapted response to spread challenges, while increasing mkt share in core countries.

12-month 2017 highlights



(% changes: FY 2017 vs. FY 2016)

569.1 € mn

Net Revenues
from Sales
(+19.1%)

45.8 € mn

EBITDA
(+50.5%)

23.5 € mn

EBIT
(+168.2%)

14.6 € mn

Net Profit
(4.6x)

0.21

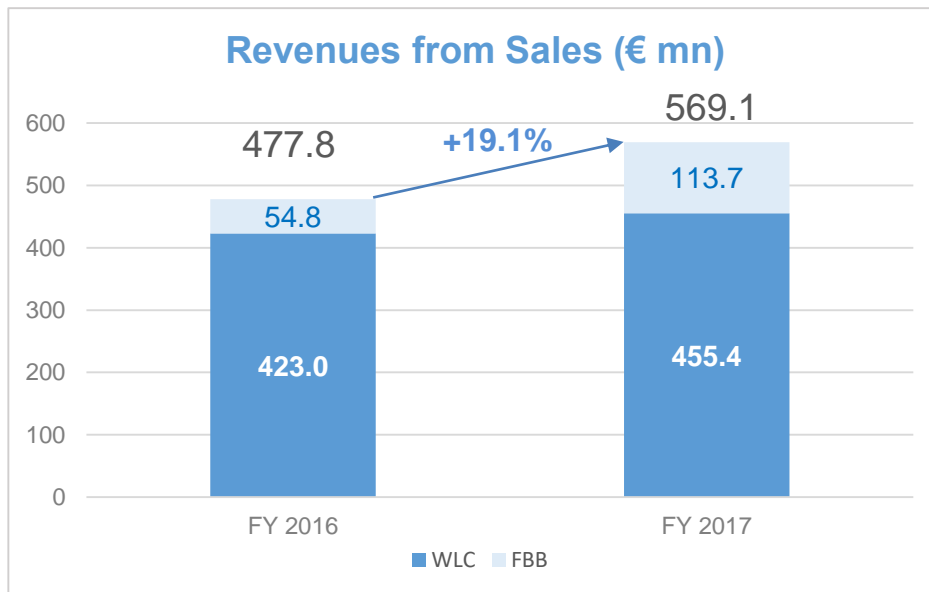
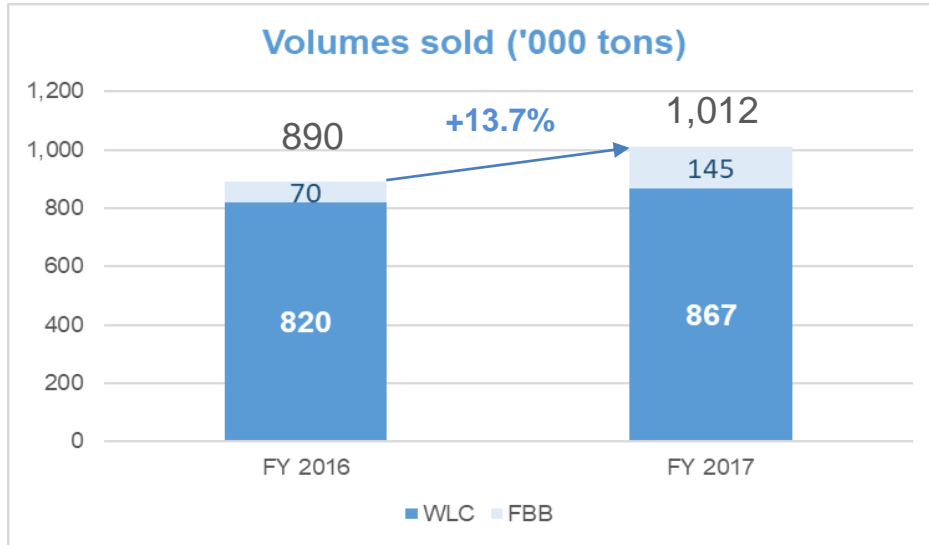
Gearing*
(0.22x @ 2016YE)

9.9%

ROCE**
(3.7% @ 2016YE)

*Gearing: Debt/(Debt+Equity)

**ROCE: Last 12-month EBIT/Capital Employed Adjusted (for Equity Investments & LT Liabilities)



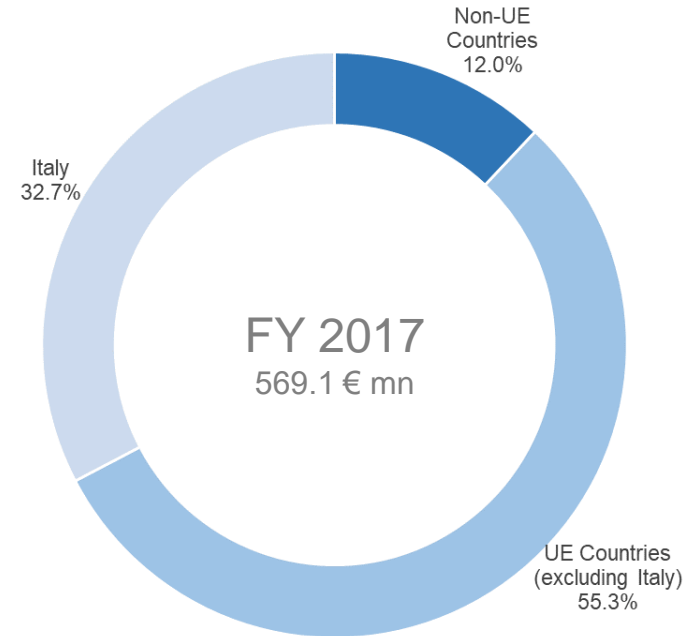
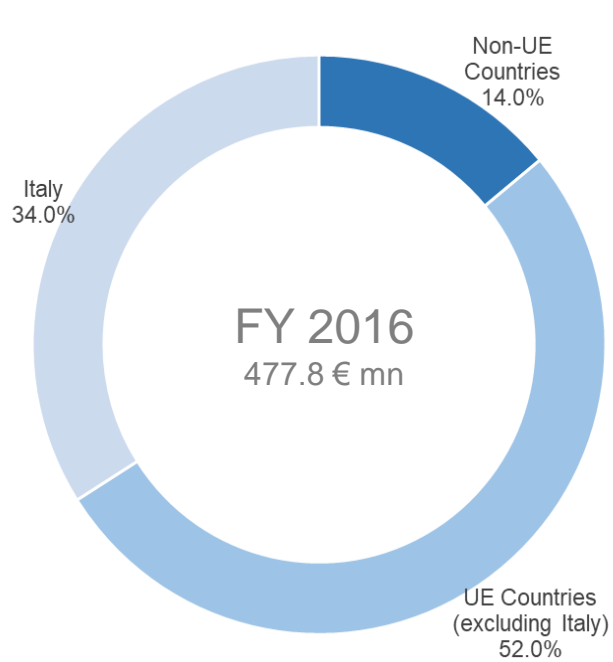
The increase in volumes reflects:

- The **consolidation of the RDM La Rochette** (FBB business) for 12 months in 2017 (while in 2016 it contributed just in Q3 and Q4);
- The **5.7% increase in WLC** volumes (+47k tons).

Revenue growth outpaced volume increase

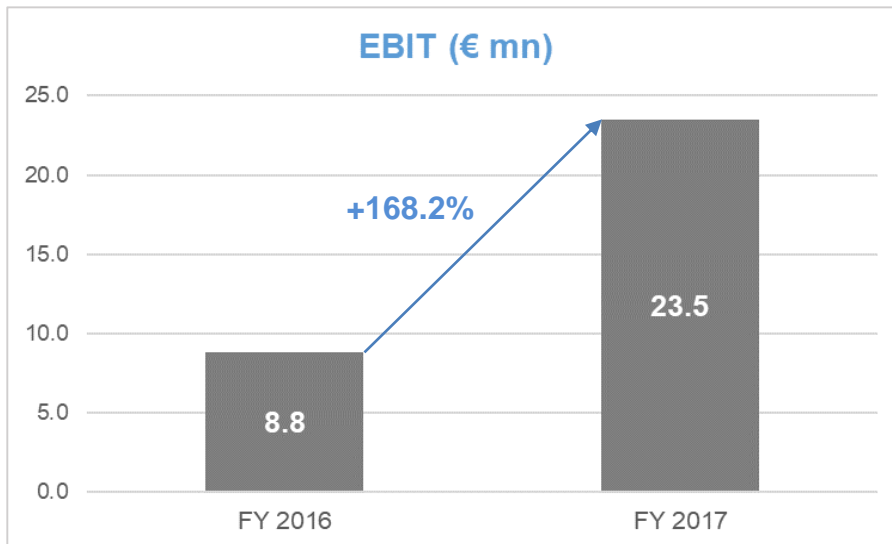
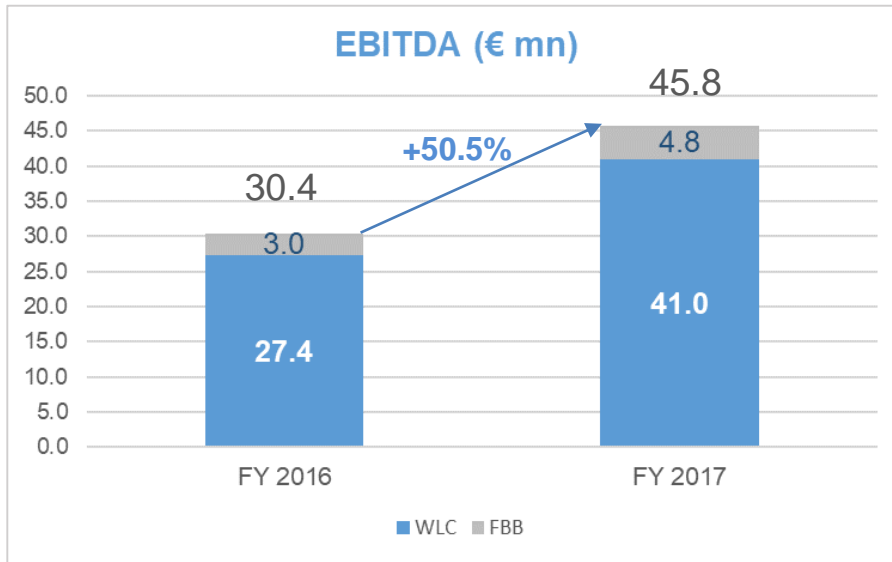
The topline growth was driven by the positive impact of the **RDM La Rochette consolidation**.

WLC revenues increased by **7.7%**, at a higher pace than WLC volumes.



FFB (La Rochette) products were not part of the RDM portfolio in H1 2016.

Strong position in core European countries



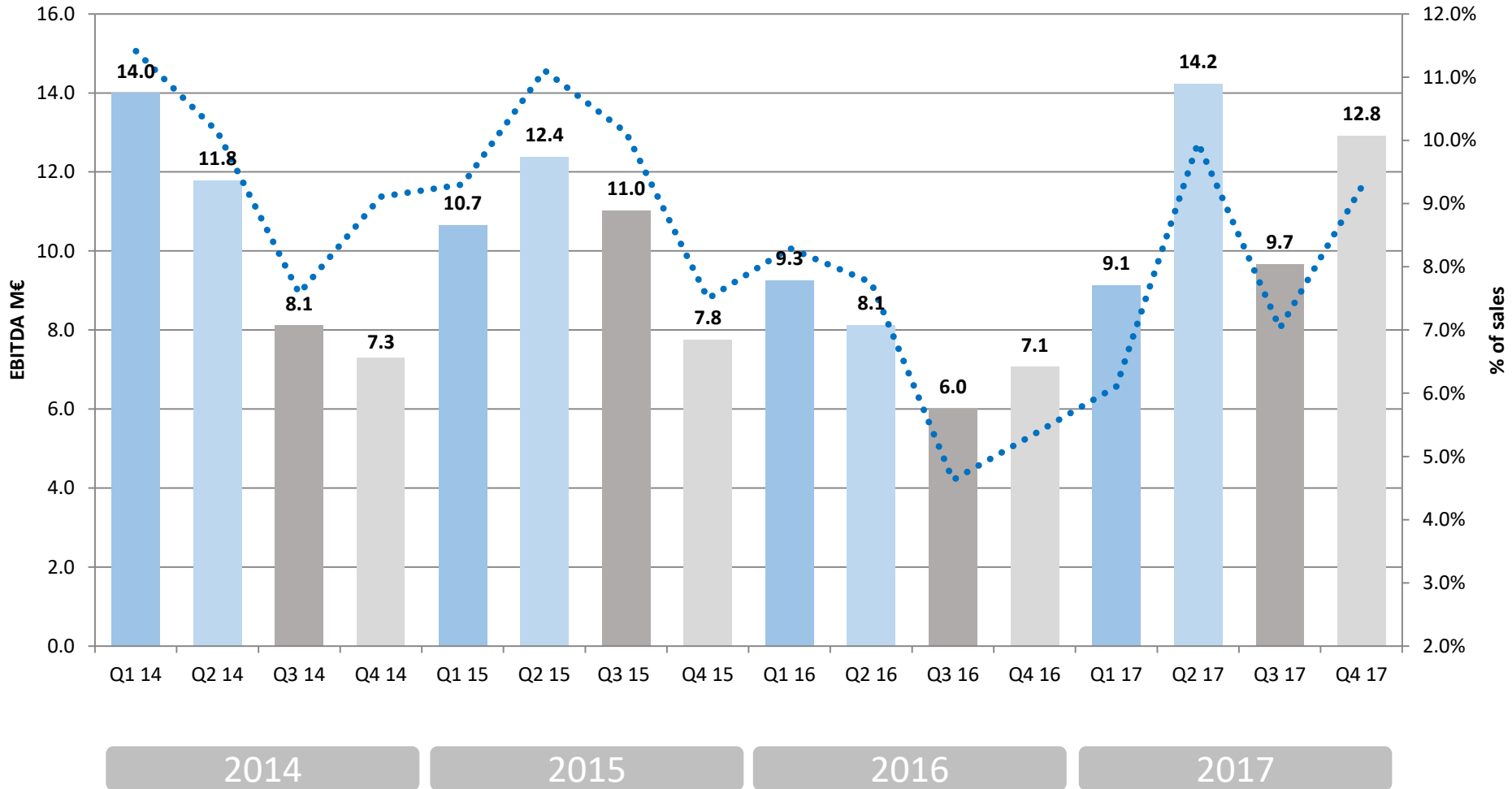
The **WLC EBITDA change (+49.6%)** reflects the following drivers:

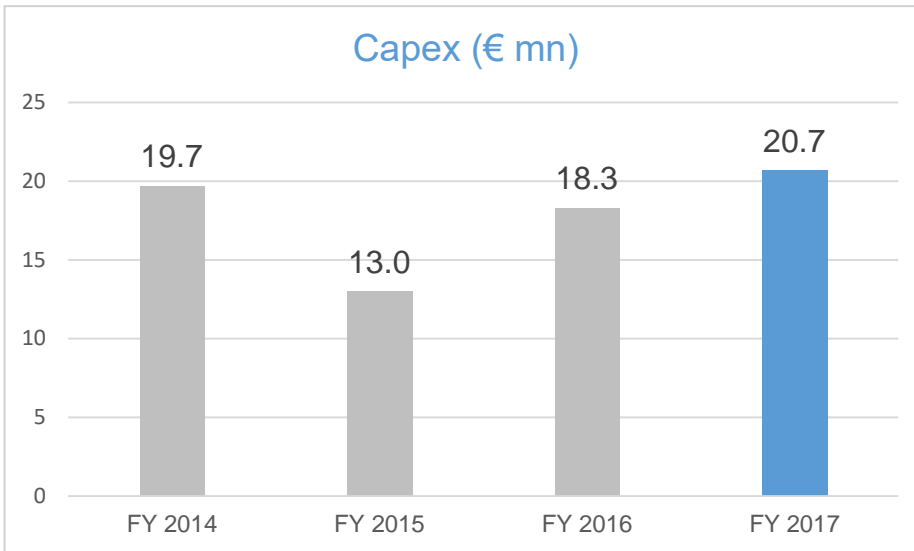
- + **WLC Revenues** increase (+7.7%) led by **volume** growth (+5.7%) and selling price increase;
- Increase in input costs;
- + Production increase (+12.5%).

In FY 2017 the **contribution from the FBB business** to consolidated EBITDA was **positive (+1.8 € mn)** due to the different consolidation period.

FY 2017 EBITDA also reflects an **extraordinary item: 1.2 € mn restructuring costs** for the reorganization of the sales team.

EBIT increase (+168.2%) resulted in being even stronger than EBITDA increase (+50.5%), due to limited D&A growth (+3.0%, up to 22.30 € mn from 21.7 € mn in FY 2016).





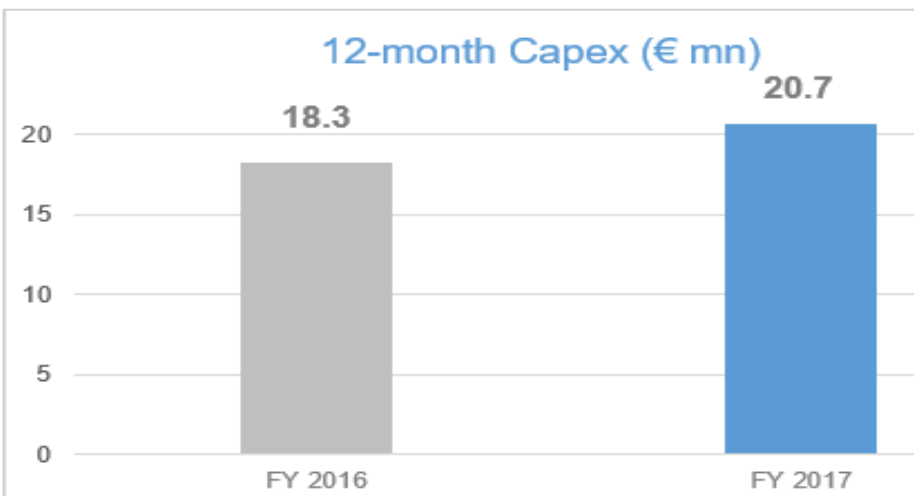
Typically, over the last ten years, RDM investments have been mainly concentrated in upgrading **one plant** at a time.

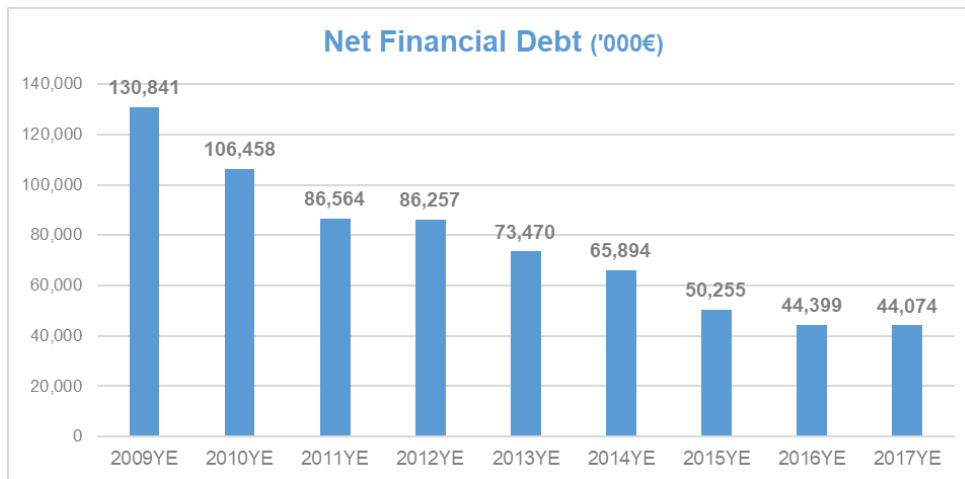
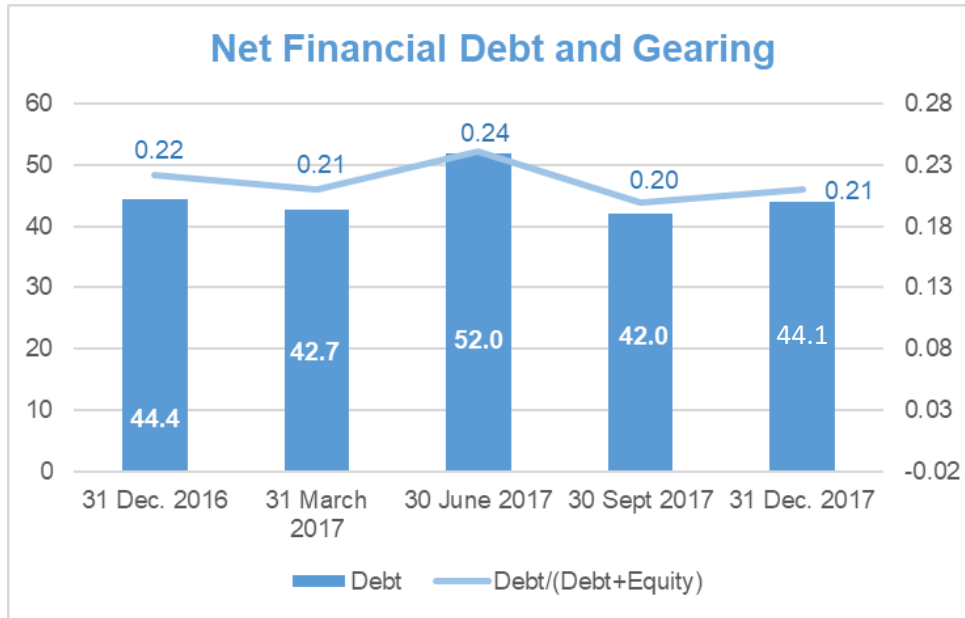
In 2016, Capex was mainly focused on the **Arnsberg mill** rebuild.

In FY 2017 the three main capex projects were:

- The rebuild of the press section at **Blendecques (Jan.)**
- The replacement of the power plant at **La Rochette (Aug.)**
- Steam turbine at **Santa Giustina (Dec.)**

Cumulated capex of **179.3 million euro** over the 2008-2017 period, i.e. **17.9 million euro on average per year**.



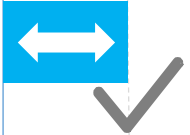


Operational net cash-flow positive by 17.3 € mn and absorbed by a number of specific outflows (17.0 € mn):

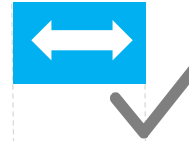
- Acquisition of 66.67% of PAC Service S.p.A. (10.4 € mn).
- 2016 dividends paid and shares buyback (1.3 € mn).
- Equity investment in Paper Interconnector (1.7 € mn).
- Restructuring costs (1.0 € mn).
- RDM Arnsberg GmbH deposit on the 'logo fee' tax case (2.6 € mn).



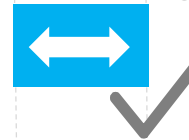
Blendecques
shoepress section



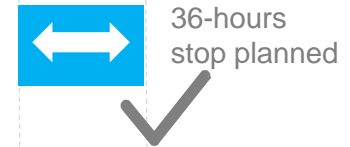
La Rochette
power plant



Ovaro
converting machine



Santa Giustina
steam turbine



New ERP



Health & Safety projects



Jan

Aug

Dec

2018: sheeter at PAC Service, winder machine in Villa Santa Lucia and pope reel in Santa Giustina



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Share Capital: 140,000,000.00 €

Outstanding shares: 377,800,994, o/w
 377,537,497 ordinary shares
 263,497 convertible savings shares

Conversion period: in February and
 September, each year

Listing markets

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

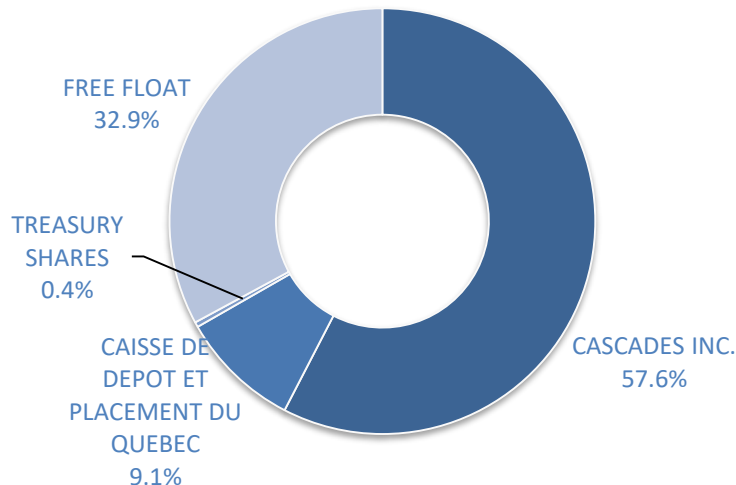
Codes

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

Mkt cap: 299.2 € mn

Free float mkt cap: 98.4 € mn
 (@0.792 € p.s. as of 23 March 2018)

Main shareholders



Source: RDM shareholder register

FY2017 proposed dividend

ORDINARY SHARE:

Dividend of 3.1 € cents
 (FY2016 dividend was 2.65 € cents)

Payment date: **16 May 2017**

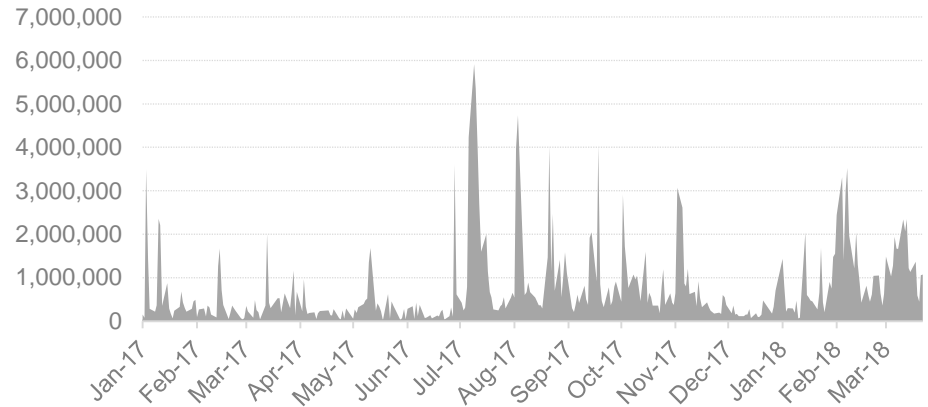
Dividend yield: **0.6%** (YE2017 price of 0.5055 €)



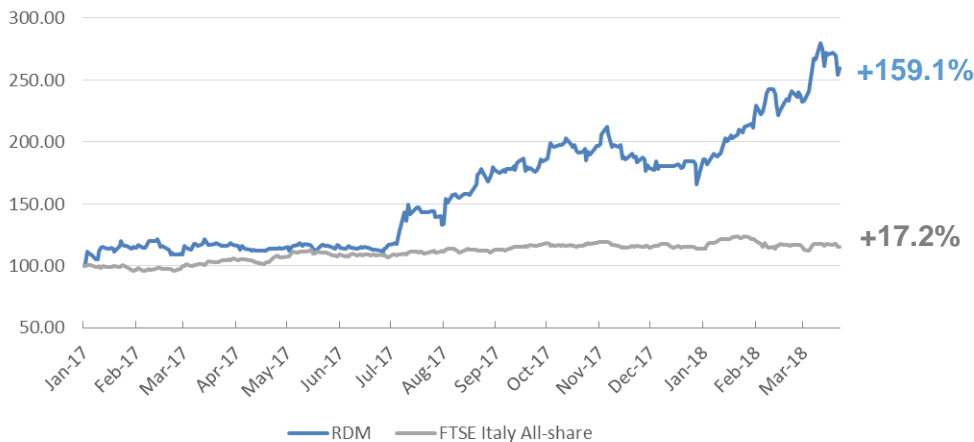
RdM share price



RdM traded volumes



RdM vs FTSE Italy All-share Index



Average daily traded volumes

Q1 2017: 512,773

Q2 2017: 362,208

Q3 2017: 1,270,890

Q4 2017: 621,645

2 Jan.18-23 Mar.18: **1,123,045**

(Last update: 23 March 2018)



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



Eric Laflamme, Chairman

Entrepreneur (packaging business) since 2013. COO of Cascades Group in Montreal (2002-2008). Previously at Cascades SA Europe.



Michele Bianchi, CEO

Chemical engineer, with more than 19 years of experience in the European packaging industry.



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.



SHAREHOLDERS

+357%: EpS increase in FY2017 vs. FY2016
 2017 proposed dividend: 3.1 €c (2.65 €c FY16)
 +65.4%: price increase in 2017
 +56.7%: price increase in 2018 YTD
 96 investors met in 2017
 25 investors met in 2018 YTD



SUPPLIERS

Procurement integrated on a single platform
 Smarter planning



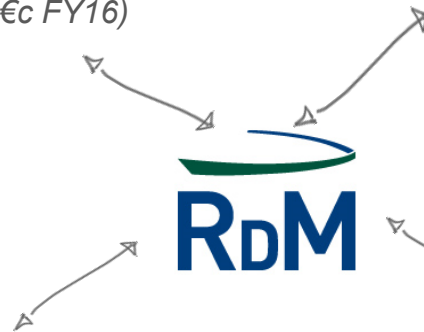
EMPLOYEES

Cultivation of the “One-Company” culture
 Promotion of a digitalized mindset
 New MBO system also based on Co.’s EBIT
 New incentivizing remuneration policy
 Satisfaction survey (entire staff) in 2018



CUSTOMERS

Tailored solutions in response to specific needs
 Improved quality and service of products
 Differentiation through converting and finishing services
 Satisfaction survey in Nov. 2017



Listening, engaging and creating value for stakeholders



We will continue to deploy our plan to pursue **organic growth** and **improve profitability**

- 1 Thorough evaluation and management of **capex**.
Priorities: higher EBIT margin, ROCE expansion and sustainability improvements.
- 2 Optimization of **the way we produce and sell**, through further integration and by leveraging on digitalization.

We are selectively exploring **M&A opportunities**

to strengthen profitability and to improve resilience to cyclicity



Increase Company's **returns** in a reasonable time span



Contribute to **smooth volatility** over the cycle
Even through vertical integration