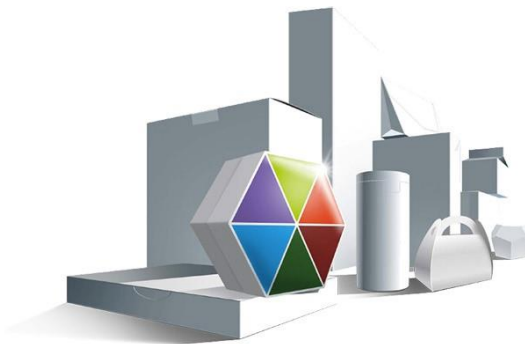


Reno De Medici

Madrid - European Midcap Event

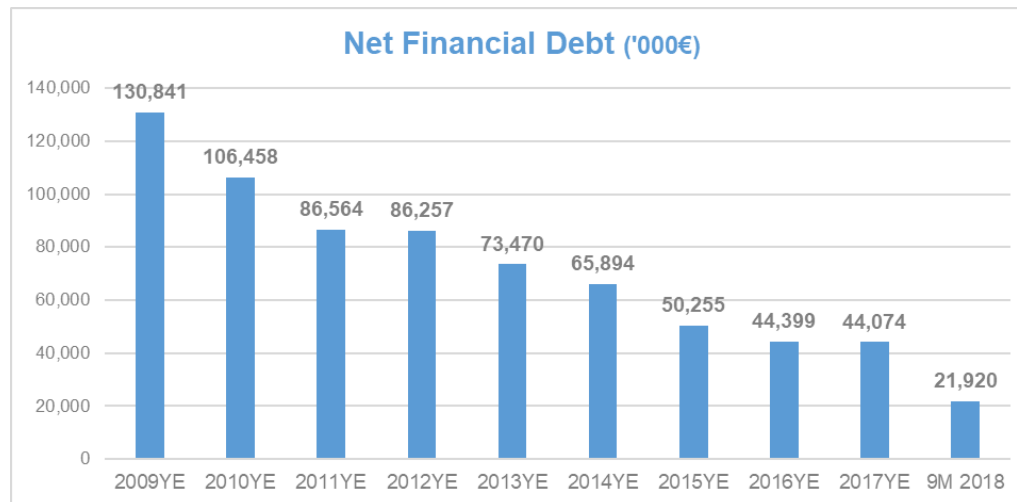
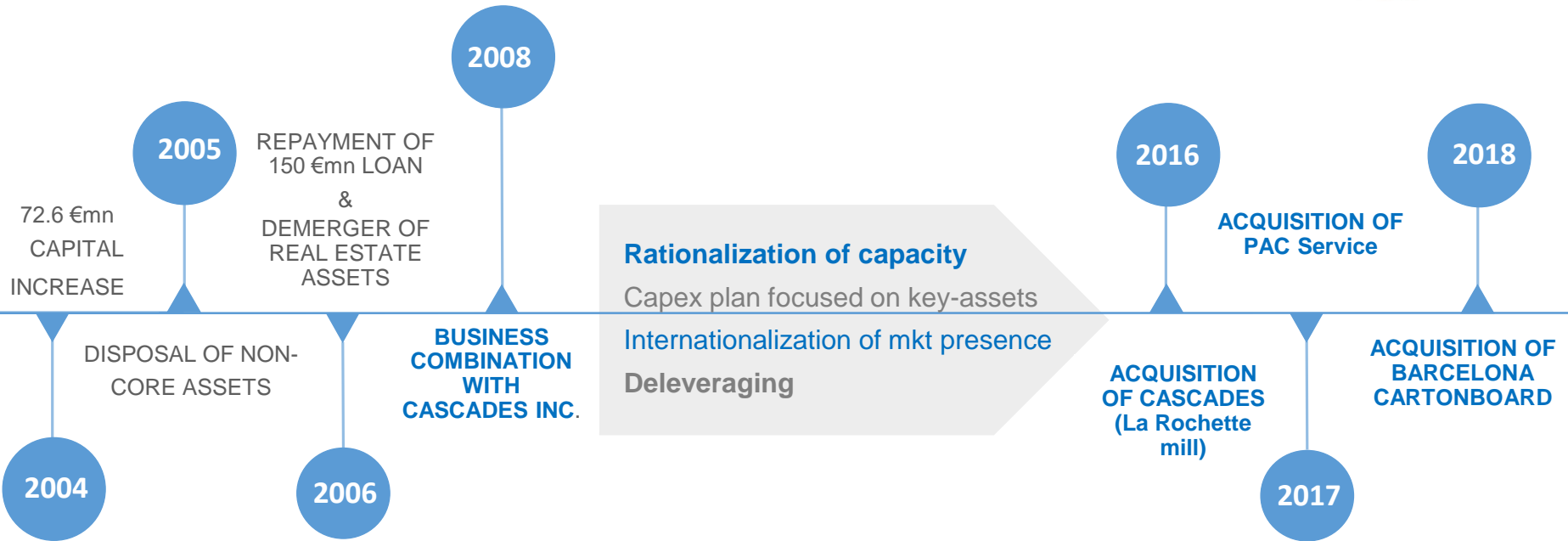
14 November 2018



Born to be
converted

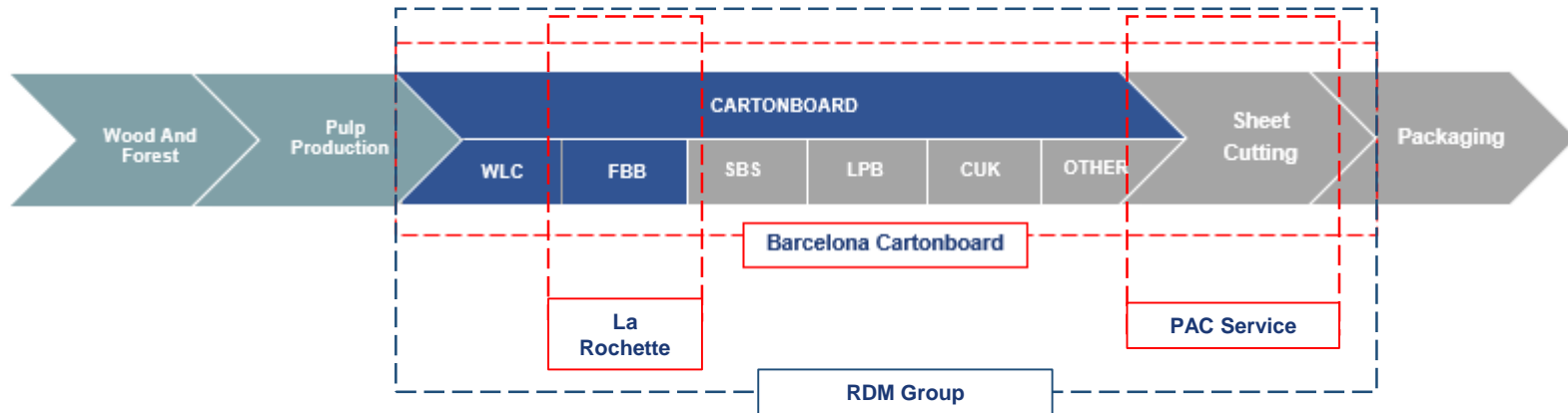


- 1** **Strenghts**
- 2** Delivering on Strategy
- 3** RDM Shares





Value Chain Positioning of acquired companies:



Based in Spain (Barcelona), the company is involved in the production of Cartonboard from both recycled (WLC) and virgin fibers (FBB), serving the packaging industry in Spain and abroad. The acquisition is effective from 1 Nov. 2018.



Based in Italy, the company operates in the sheet cutting business. RDM has long been a strategic supplier of PAC Service. The acquisition is effective from 1 Jan. 2018.



Based in the South of France, the company (La Rochette mill) is involved in the production of Cartonboard from virgin fibers (FBB). The acquisition is effective as of 30 June 2016.



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

PORTFOLIO

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

INTANGIBLE ASSETS

One-Company approach unlocking potential and allowing for best-in-class performance.

ASSETS BASE

PanEuropean asset base and sales network

CLIENTS

Strong position in European markets. N1 producer of Recycled grades in Italy, France, Spain; second in Europe. Making RDM the **partner of choice** for key brands and multinational corporations

STRONG CASH GENERATION

Presence in the packaging business, sector in which healthy organic growth generates high return on investments

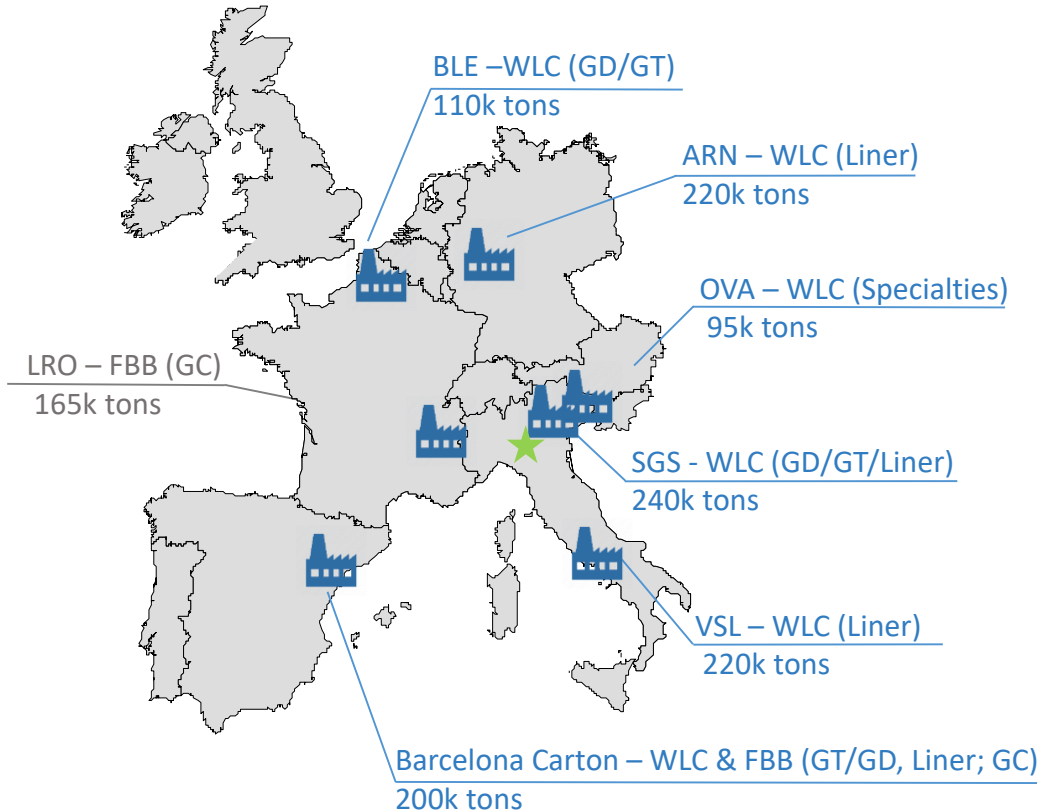


Total production capacity 1,25 mil tons/p.a.

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



Santa Giustina's plant

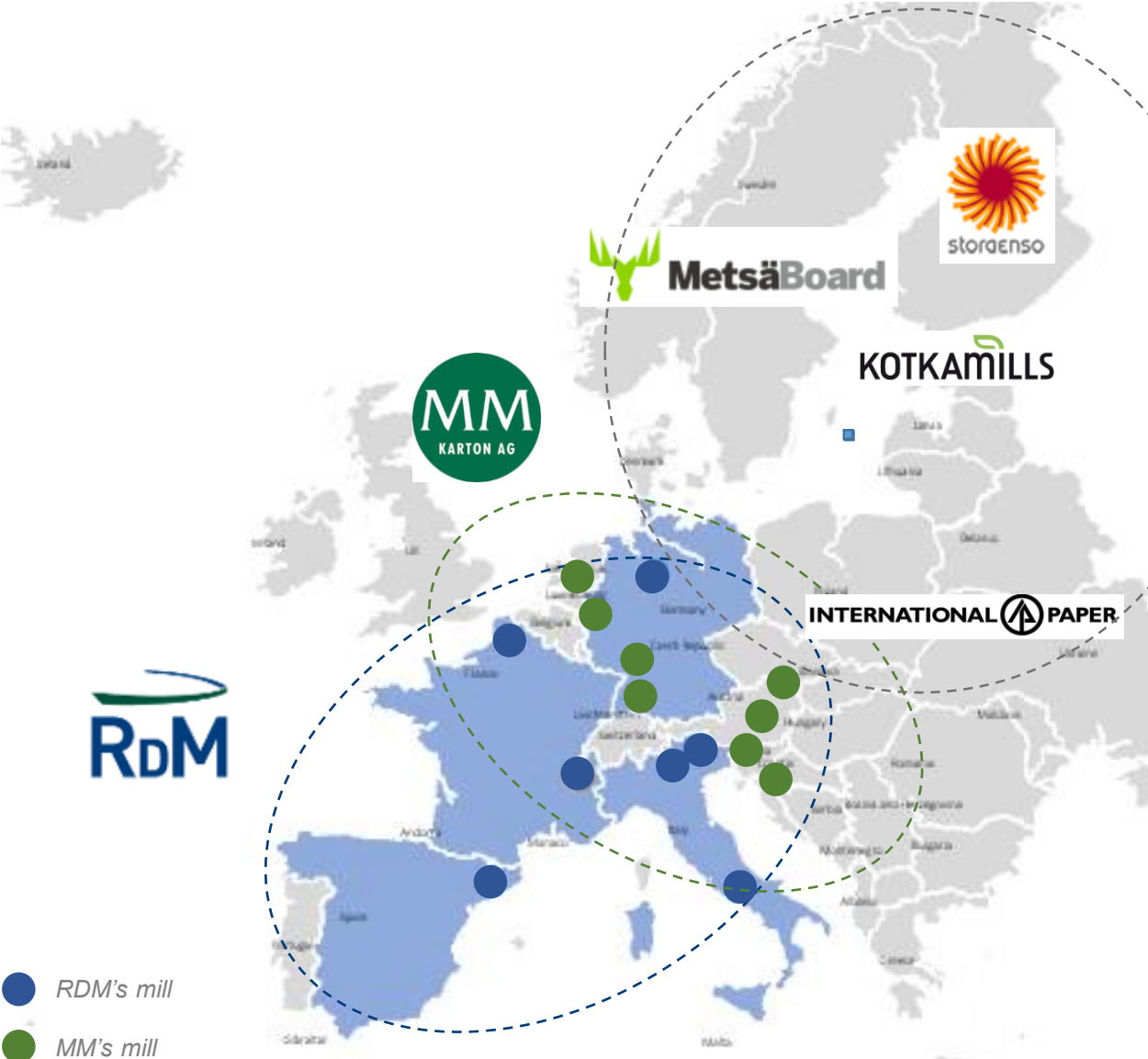


WLC

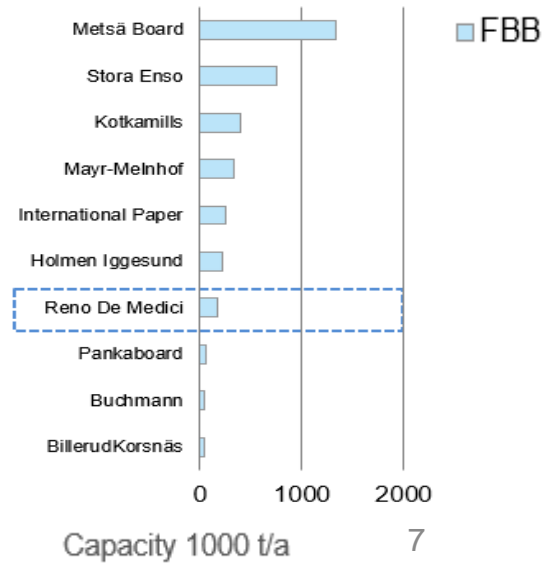
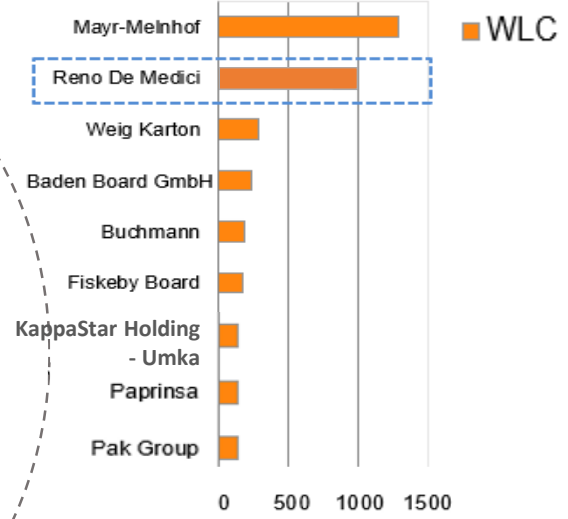
White Lined Chipboard
Based on **recycled fibers**

FBB

Folding Boxboard
Based on **virgin fibers**



Source: Company data



Capacity 1000 t/a 7



RdM production volume is based on **client orders**.
We **innovate** the way we operate through:

IBP (Integrated Business Planning)

Integrate and align the supply
and demand planning

Service improvements

Reduce delivery lead times
Offer bespoke production runs

Asset optimization

Optimize plant production mix
Customize capex plan

Transformation

Launch a portfolio of value-
added initiatives to support the
strategic goals as a One
Company





WLC (recycled fibers)

Price
Environmental image

FBB (virgin fibers)

Printability
Bulk & Stiffness

RECYCLED BOARD (GD)

LINER

SPECIALTIES (GT)

VIRGIN BOARD (GC)

Sport/toys
Food
Detergentes
Beverage

Hardware
Software
Display
Microflute laminate

Textile / shoes
Paper Goods

Pharmaceuticals
Beauty & Health care
Food
Retail
Bakery

Overall economic trend along with specif drivers:

Brand recognition
E-commerce (protezione)
Plastic substitution
Care for planet
Changes in lifestyles

Brand recognition
Microcorrugated
Growing market (+17% from 2014 to 2017)

Luxury package

Overall economic trend

Brand recognition
Changes in lifestyles





Our clients come in two types: converters and distributors.

Our clients look for **security of supply**.
Which **we guarantee** as we are the 2nd
largest WLC producer in Europe.
Our **key assurances** are:

CUSTOMER
SERVICES

RESPONSIVENESS

QUALITY

DIVERSIFIED
PORTFOLIO

DELIVERIES / LEAD
TIMES

2nd **Customers survey** (July 2018)

33 markets surveyed (EMEA).

934 accounts of which **25** are Key accounts.

Good response rate (51% vs. 48% in Nov.2017)

Key accounts responses (**71%**).

85% added **feedback**.

Customer Contact Rating of **7.49**.



RDM assures the transformation through **result delivery approach**.

Communication

Effective communication to get people involved

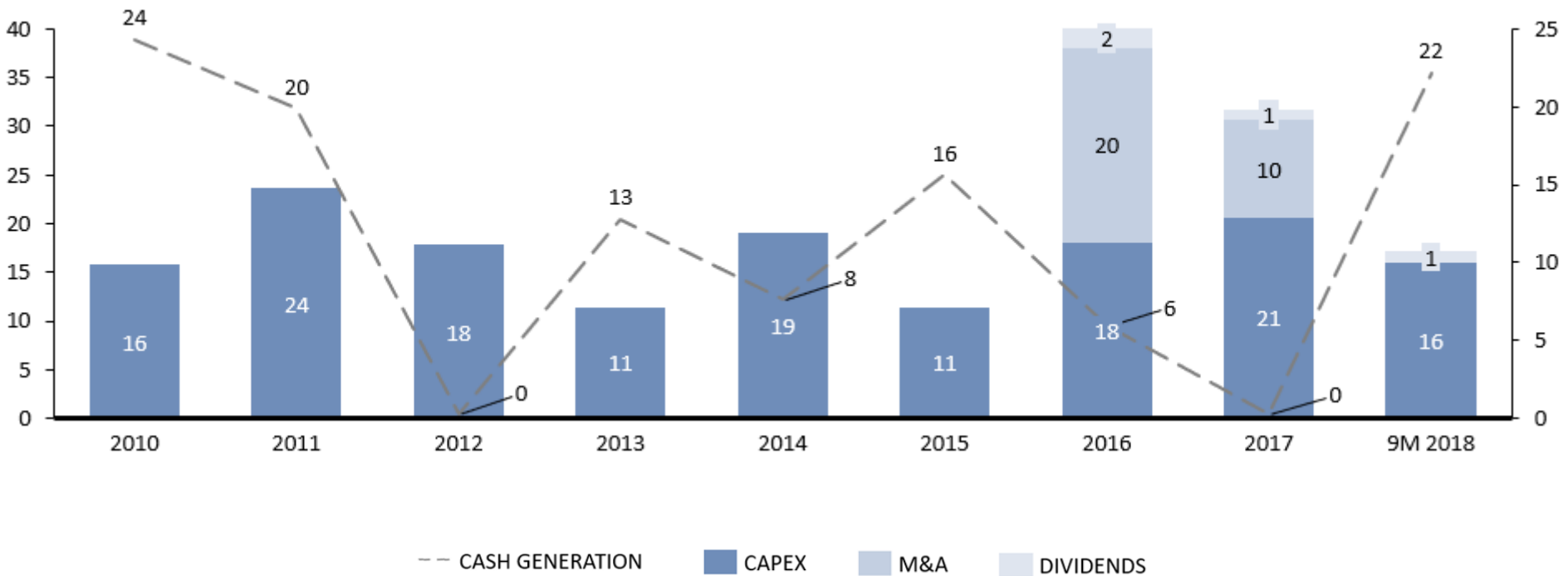
People Management

Talent and job mapping
Personality assessment
Review soft skills guide
Performance mgmt





Over **108.9 € mn** generated in **less than 9 years**, including **two acquisitions**.





RDM leverages on clear strengths to deliver strategy:



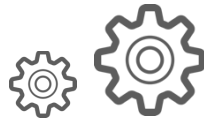
CUSTOMER CENTRICITY

- Improve service
- Bespoke offer
- Wide portfolio
- Multi mill concept



COST OPTIMIZATION

- Efficiency
- Continuous improvement
- Lean manufacturing



DIGITALIZATION

- ERP System
- Traceability
- EDI



GROWTH

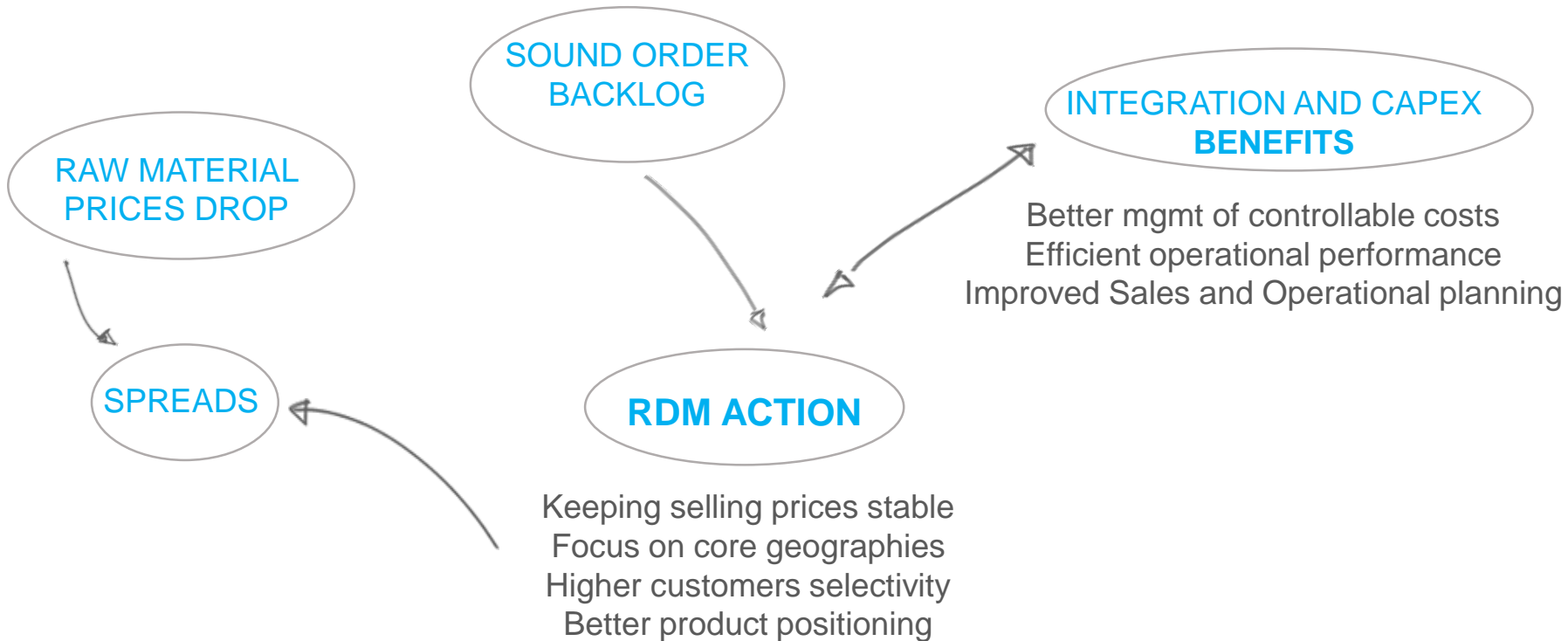
- Capex plan
- M&A
- Transformation project



- 1 Strengths
- 2 **Delivering on Strategy**
- 3 RDM Shares



Increasing margins in a quite favorable environment



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



(% changes: 9M 2018 vs. 9M 2017)

444.8 € mn

Net Revenues
from Sales
(+3.5%)

49.8 € mn

EBITDA
(+50.9%)

32.9 € mn

EBIT
(2x)

24.7 € mn

Net Profit
(2x)

0.10

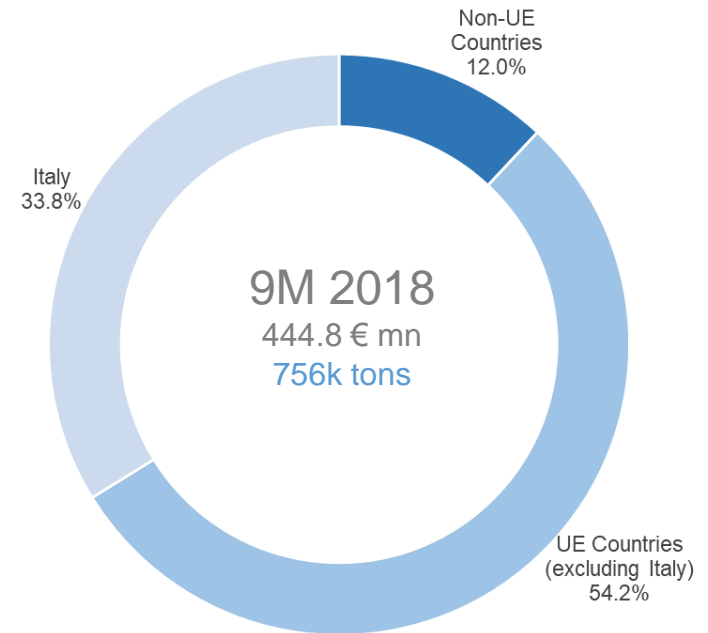
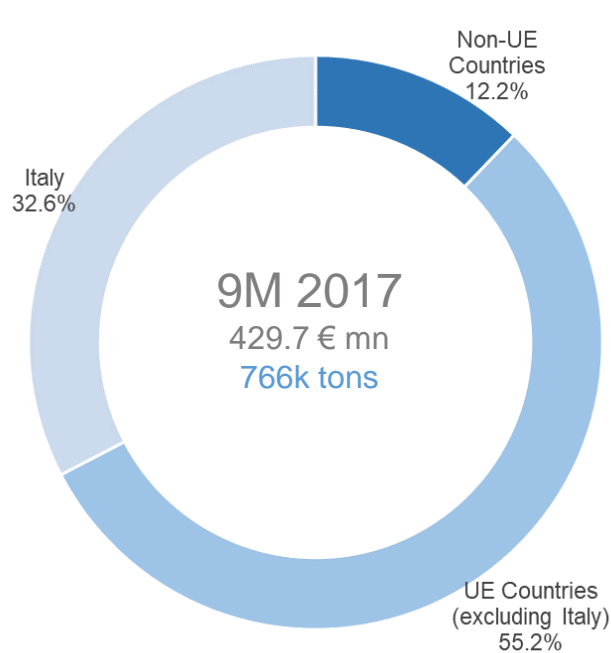
Gearing*
(0.21x @ 2017YE)

16.6%

ROCE**
(9.9% @ 2017YE)

*Gearing: Debt/(Debt+Equity)

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

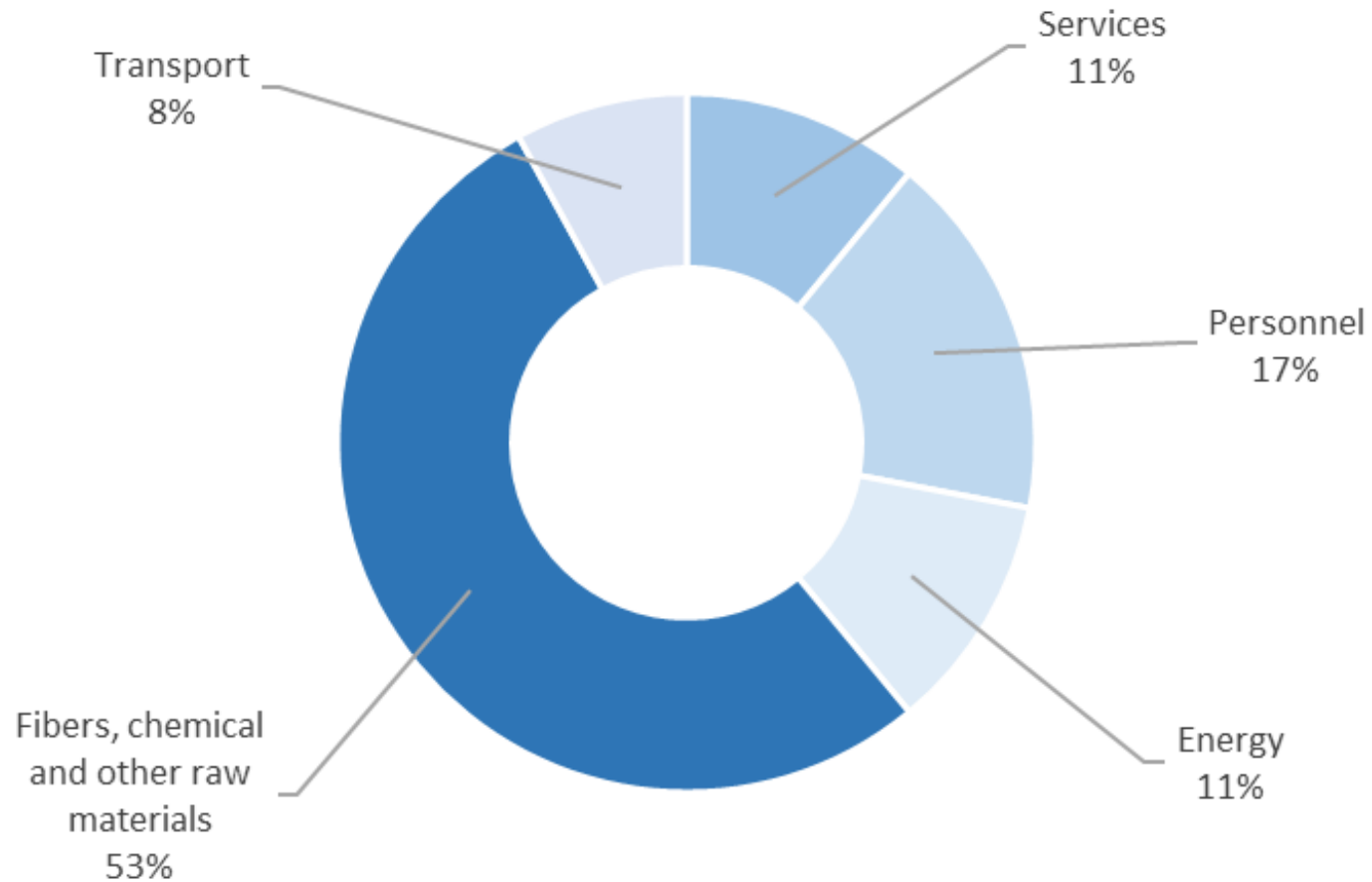


Revenue growth of **3.5%** due to the increase in average sales prices and PAC Service consolidation (revenues of **12.0 € mn**).

Cost breakdown



Data as at 31 December 2017





OCC world flows



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

Sept. 2017: Announcement of **new Chinese regulation** about imports of unsorted waste paper (mostly mixed paper)

Drop of Paper For Recycling (PFR) import until March 2018

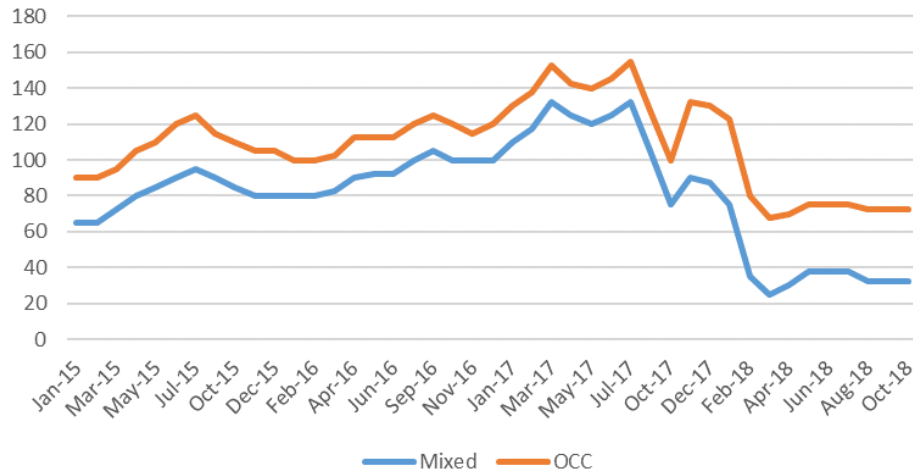
Reaction to the new standard

Continuous increase in virgin pulp prices

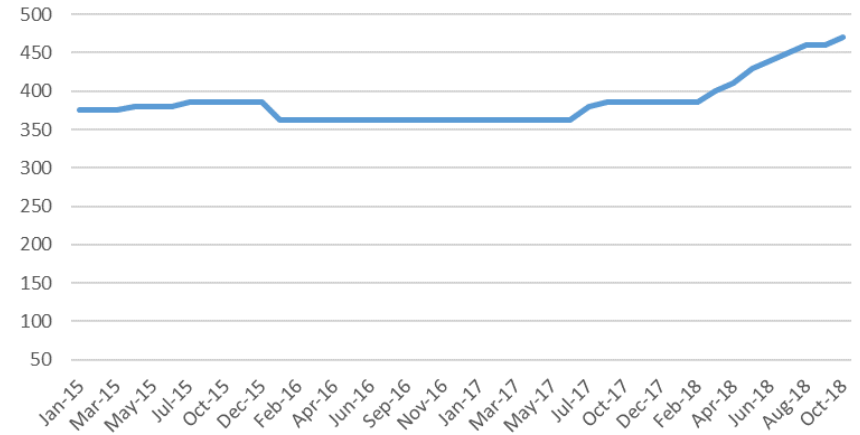
Finished products **export** opportunities



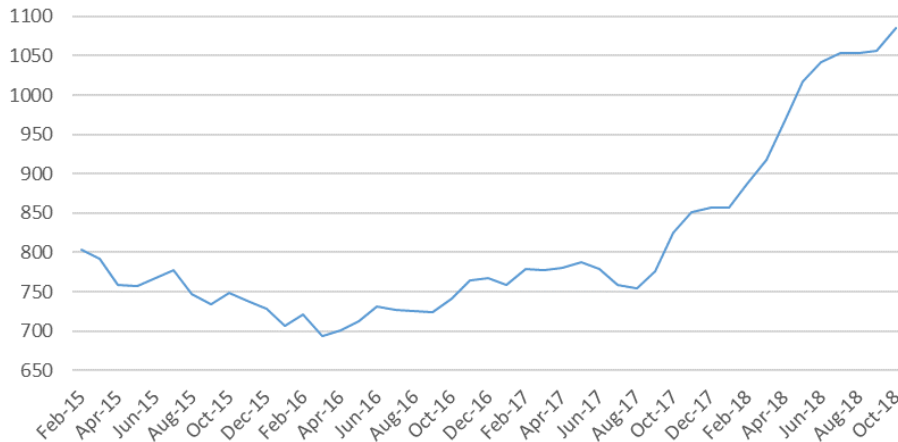
Brown Recycled Fibers (€ per ton)



White Recycled Fibers (€ per ton)



Bleached Softwood Pulp (€ per ton)

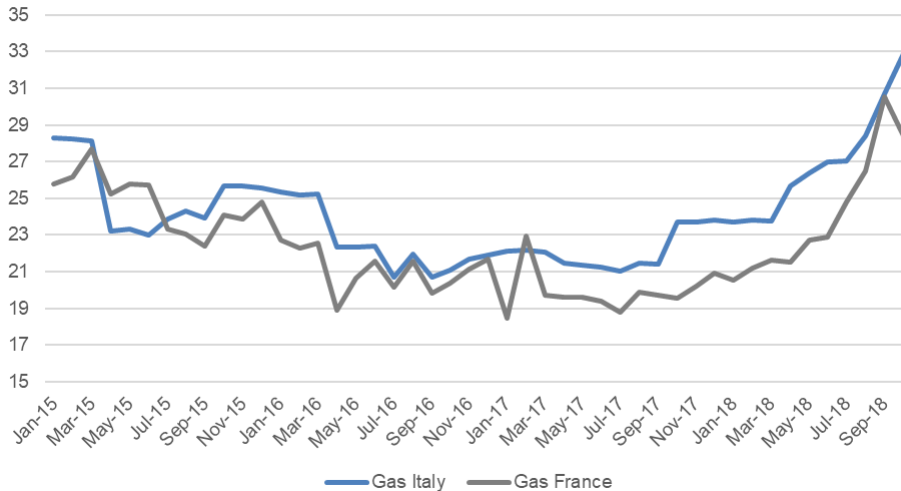


Prices for PFR have stabilized at levels higher than the minimum reached in March 2017.

Pulp prices have reached top values.



Natural gas (€/MWh)

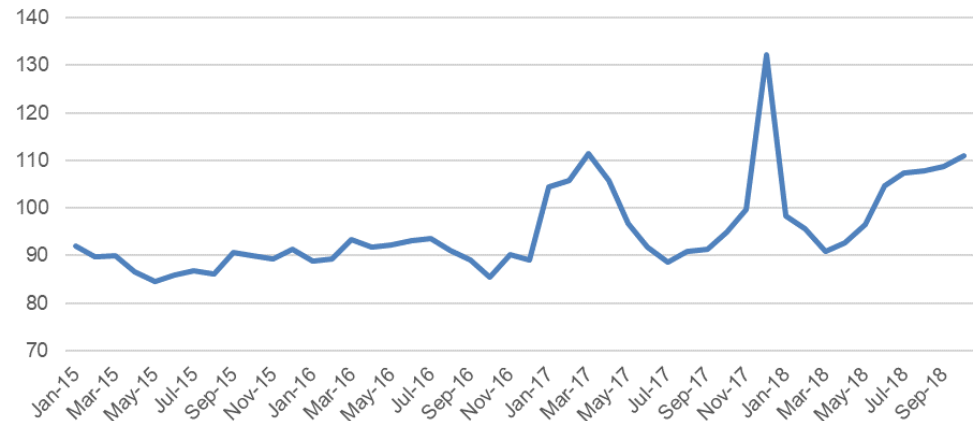


RDM smooths the volatility through a **portfolio** of contracts with **different maturities**.

Lower consumption thanks to the **efficiency gains in WLC** facilities.

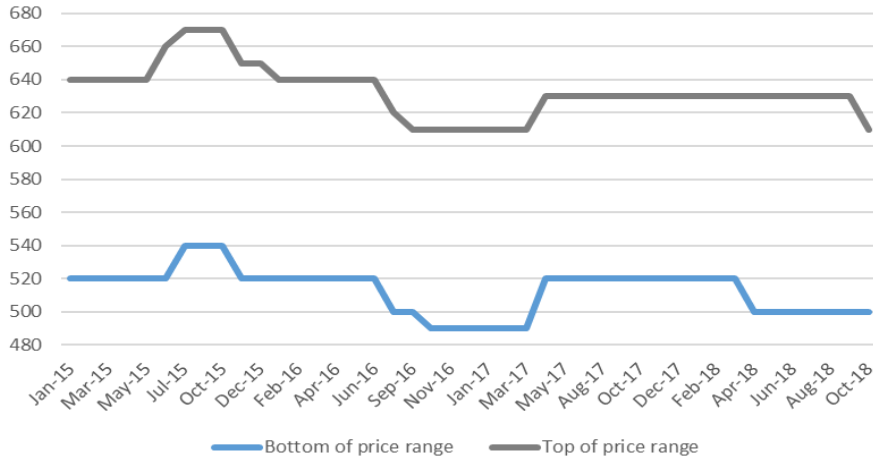
New steam turbine installed at Santa Giustina in Dec. 2017 paved the way to a reduction of -15.0% in Gas consumptions.
 The ratio of electricity conso PDM is pretty stable (+0.8%) due to lower production efficiency (9M 2018 vs. 9M 2017).

Coal price in Germany (€/ton)

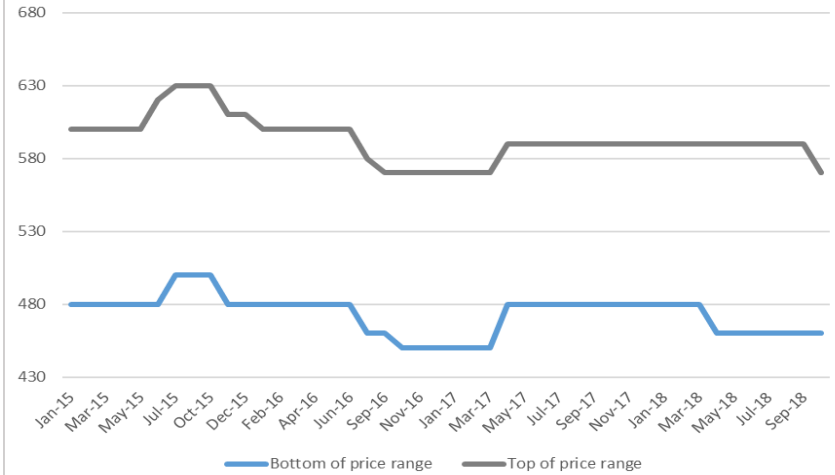




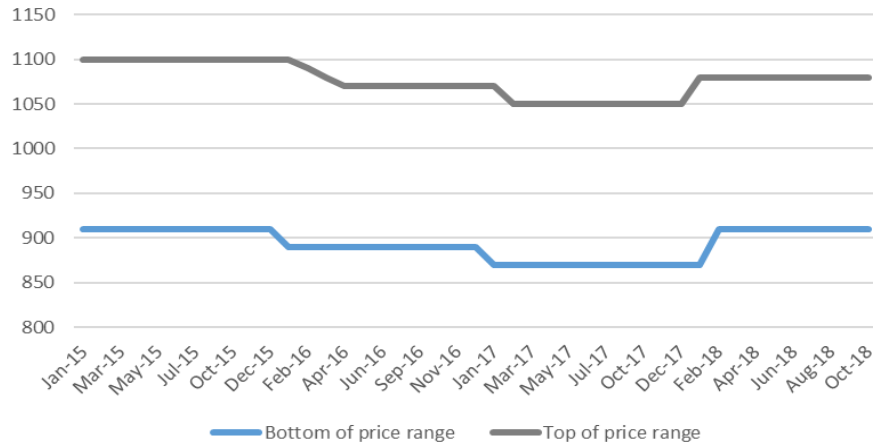
Recycled Board Italy (WLC – GDII)



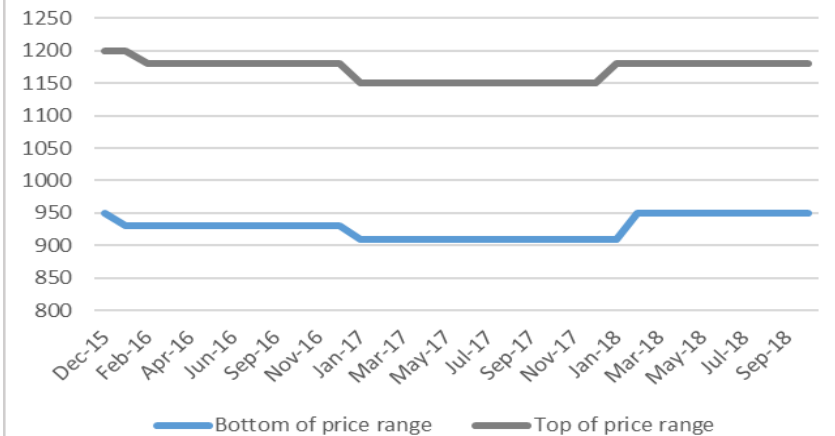
Recycled Board Italy (WLC – GDIII)

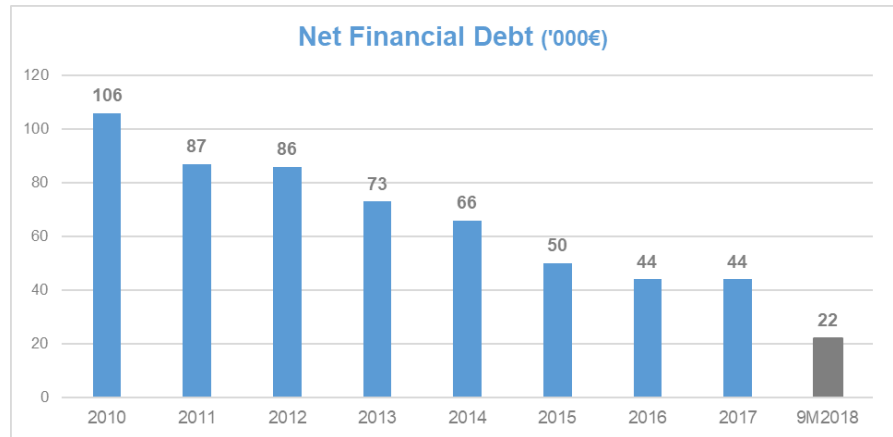
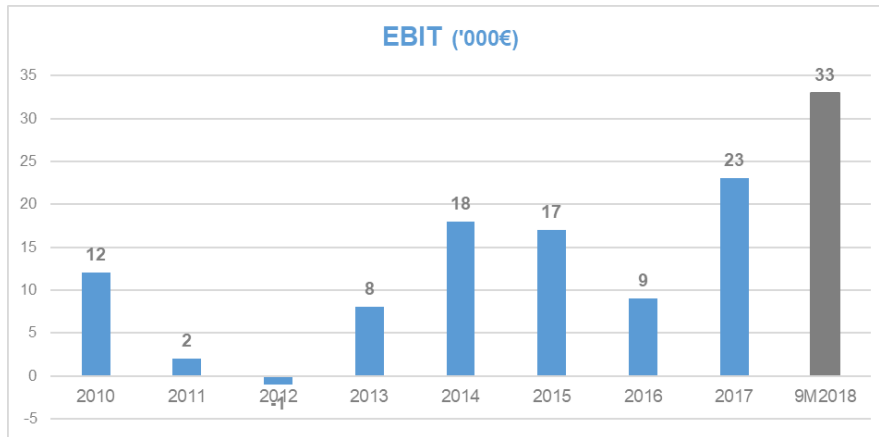
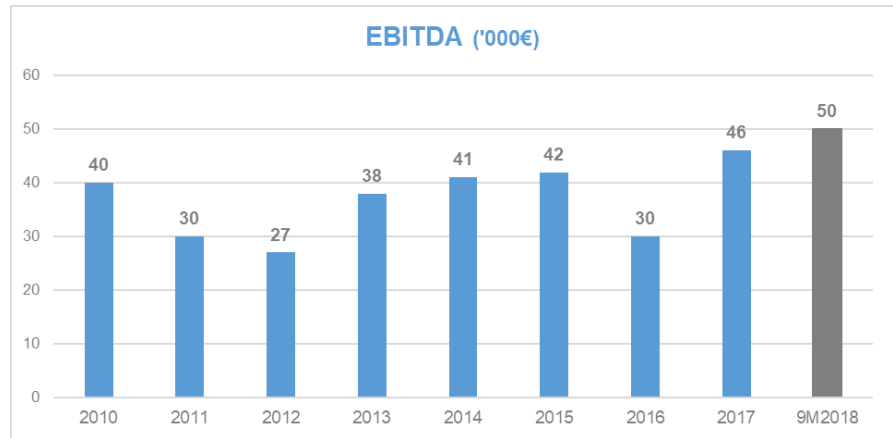
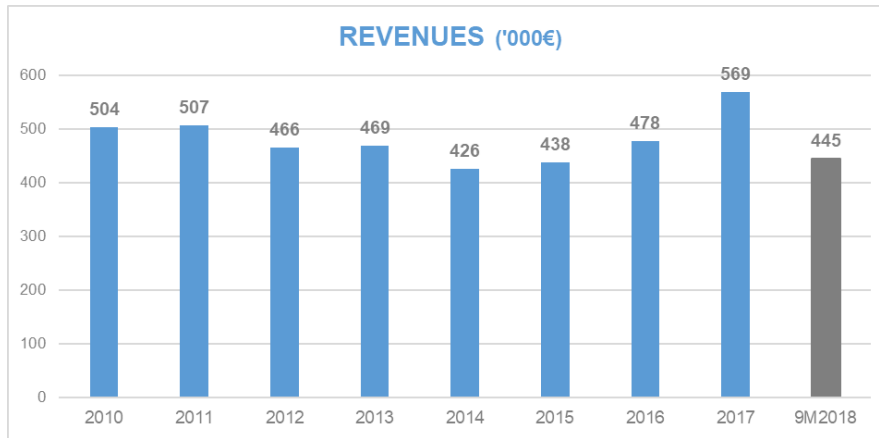


Virgin Board Italy (FBB - GCII)



Virgin Board France (FBB - GCII)







2018 capital expenditure: 24 € mn
 Of which maintenance investments are 10.6 € mn

CAPACITY

4.6 € mn

PAC Service (Mar.) ✓
 Sheeter
Villa Santa Lucia (Aug.) ✓
 Winder Machine

COST SAVINGS

4.7 € mn

Santa Giustina (Aug.) ✓
 Pope reel
Arnsberg (Dec.)
 New Headbox

ENERGY EFFICIENCY

1.5 € mn

La Rochette (Aug.) ✓
 2nd step power plant

DIGITALIZATION

2.6 € mn

All
 New ERP System



- 1 Strengths
- 2 Delivering on Strategy
- 3 **RDM Shares**



Share Capital: 140,000,000.00 €

Outstanding shares: 377,800,994, o/w
 377,542,567 ordinary shares
 258,427 convertible savings shares

Conversion period: in February and
 September, each year

Listing markets

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

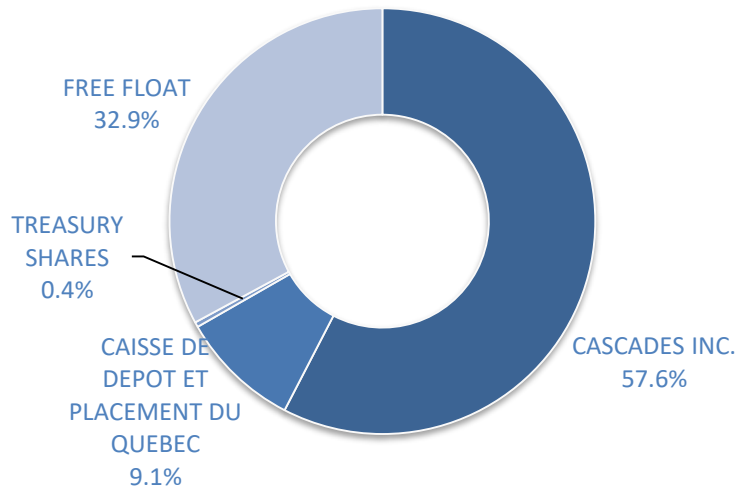
Codes

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

Mkt cap: 285.2 € mn

Free float mkt cap: 93.8 € mn
 (@0.755 € p.s. as of 9 Nov. 2018)

Main shareholders



Source: RDM shareholder register

FY2017 dividend

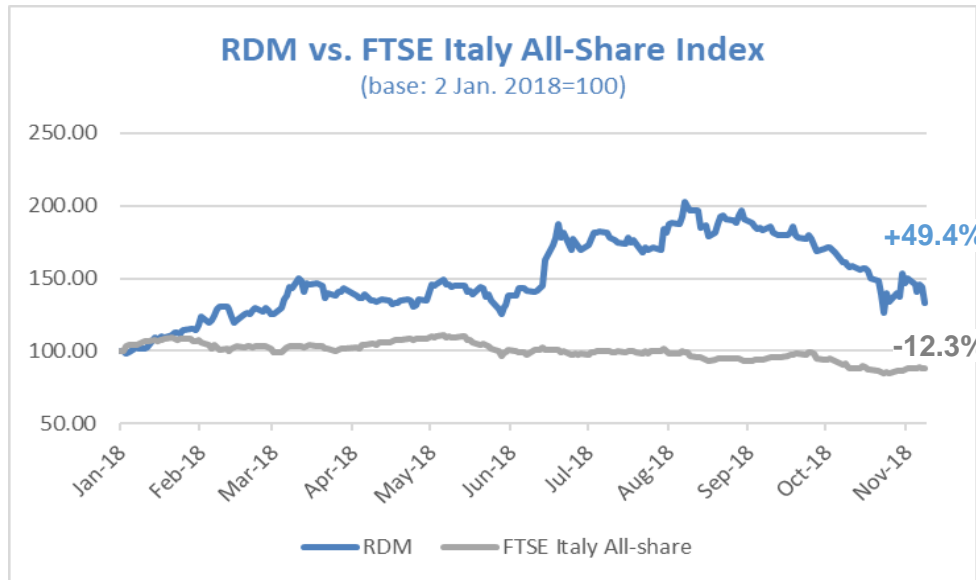
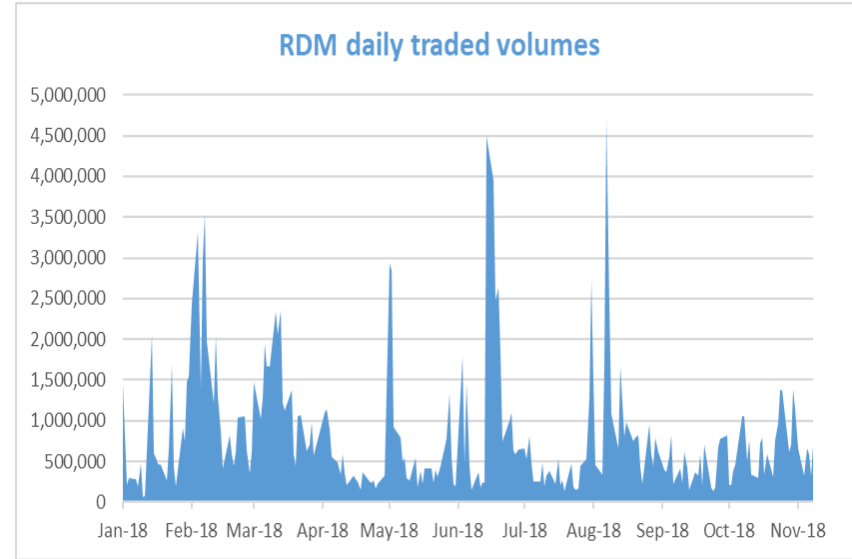
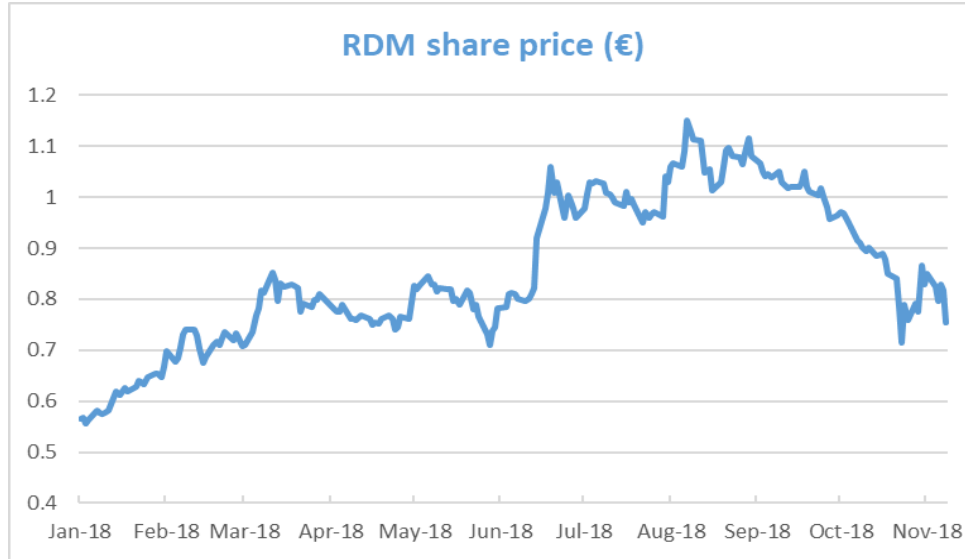
ORDINARY SHARE:

Dividend of 3.1 € cents

(FY2016 dividend was 2.65 € cents)

Payment date: **16 May 2018**

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



Average daily traded volumes

FY 2018: 830,477 of which

Q1 2018: 1,097,588

Q2 2018: 789,615

Q3 2018: 668,867

1 Oct. 18 – 9 Nov.18: 682,835



BROKER	CITY	ANALYST	TARGET PRICE (€)	RECOMMENDATION	DATE
Intermonte	Milan - IT	Carlo Maritano	1.25	OUTPERFORM	7 Aug. 2018
MidCap Partners	Paris - FR	Pierre Buon	1.10	BUY	2 Nov. 2018
Alantra	Milan - IT	Jacopo Tagliaferri	1.10	HOLD	18 Sept. 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.