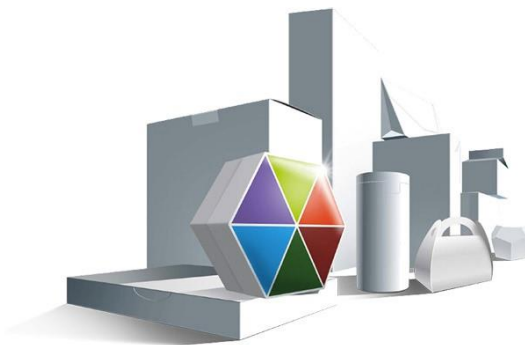


# Reno De Medici

FY2018 Results

Milan, 14 February 2019



Born to be  
converted



## Record Results

EBITDA 63.1 € mn (+37.8%)

**EBITDA Margin 10.4%**

Net profit 27.2 € mn (+86.5%)

## Business Strategy

Partner of choice vision  
Optimization of cost structure  
Enlarged production flexibility

## M&A

Barcelona Cartonboard S.A.U.  
**Biggest cartonboard producer** in  
Iberian Peninsula  
**Enterprise Value: 46.4 € mn**

## Cash Generation

**NFP/EBITDA 1.06x** including  
Barcelona from 1<sup>st</sup> Nov. 2018  
**ROCE 13.3%**  
**Capex 24.4 € mn**



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

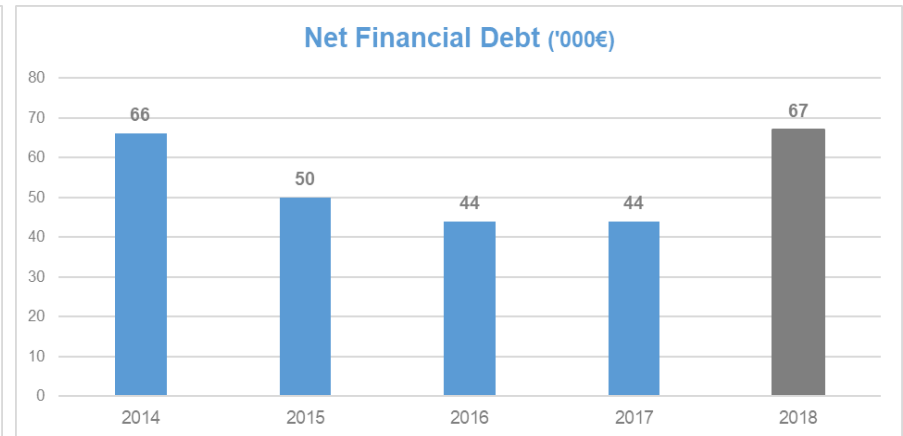
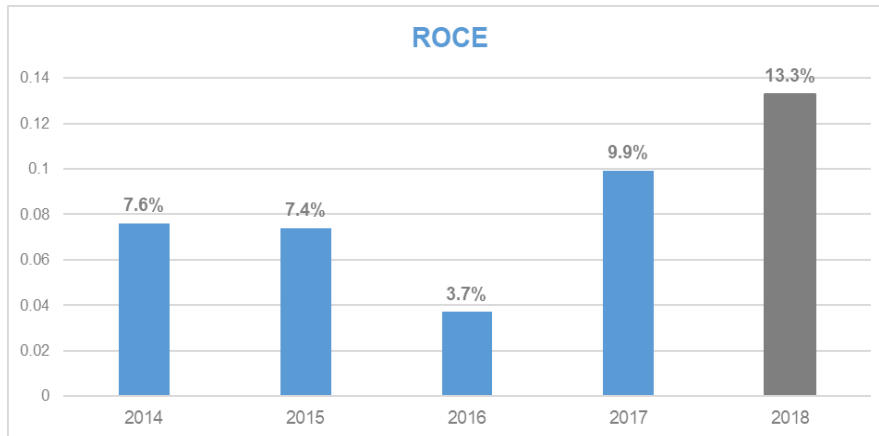
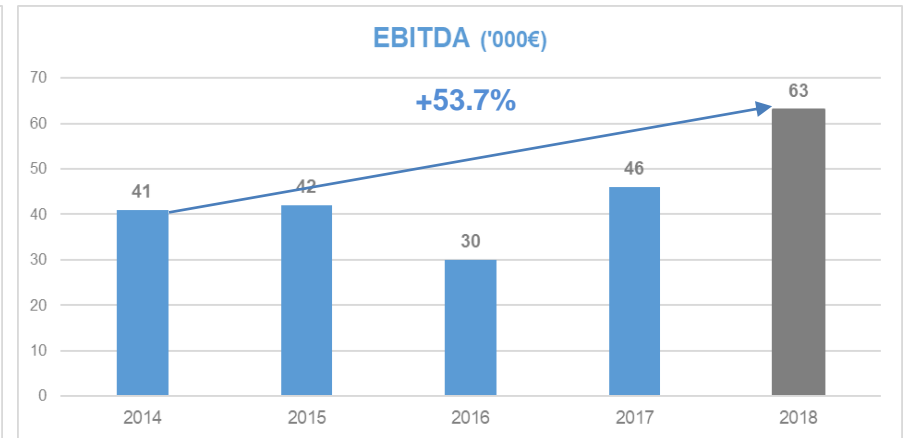
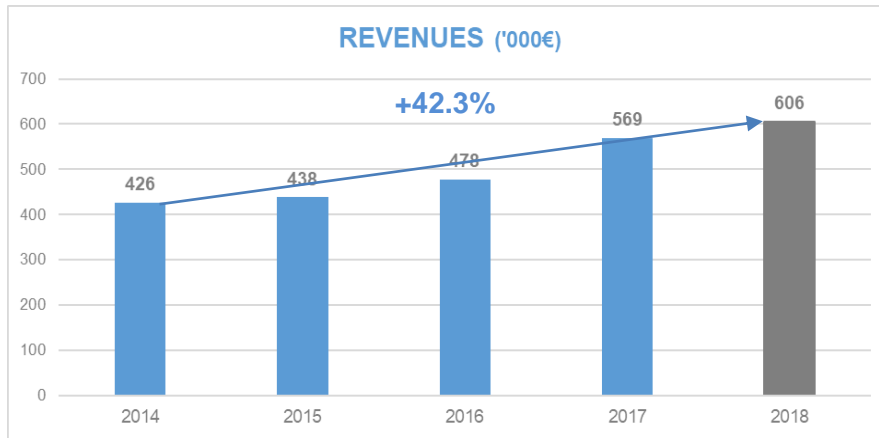
**Asset  
optimization**

Optimize plant production mix  
Customize capex plan

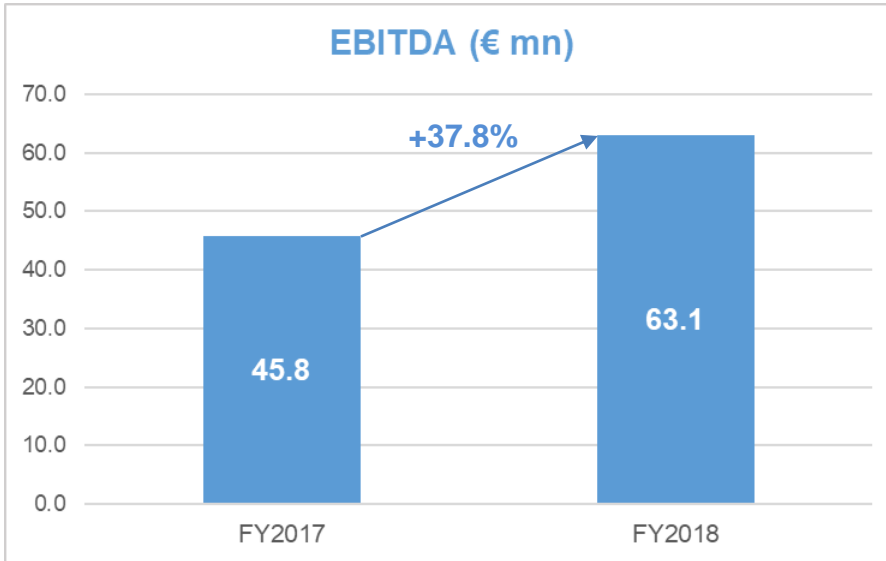
**Transformation**

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





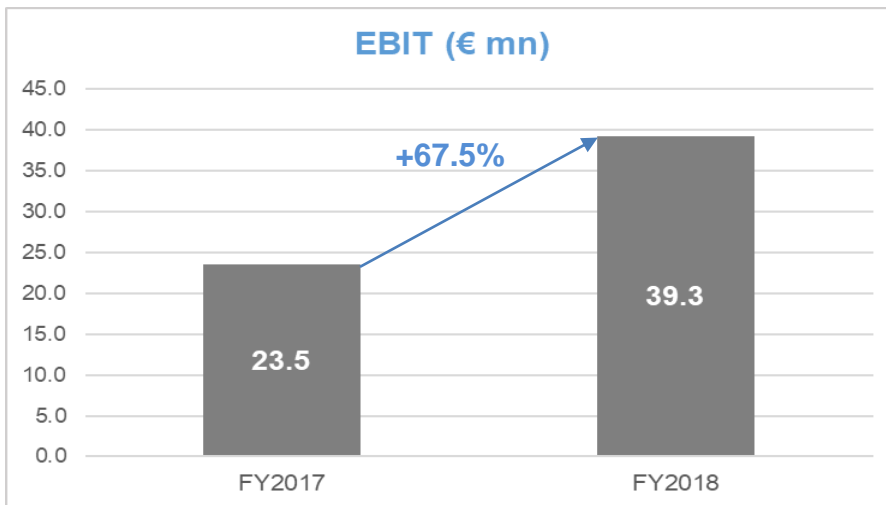
The NFP includes three acquisitions.



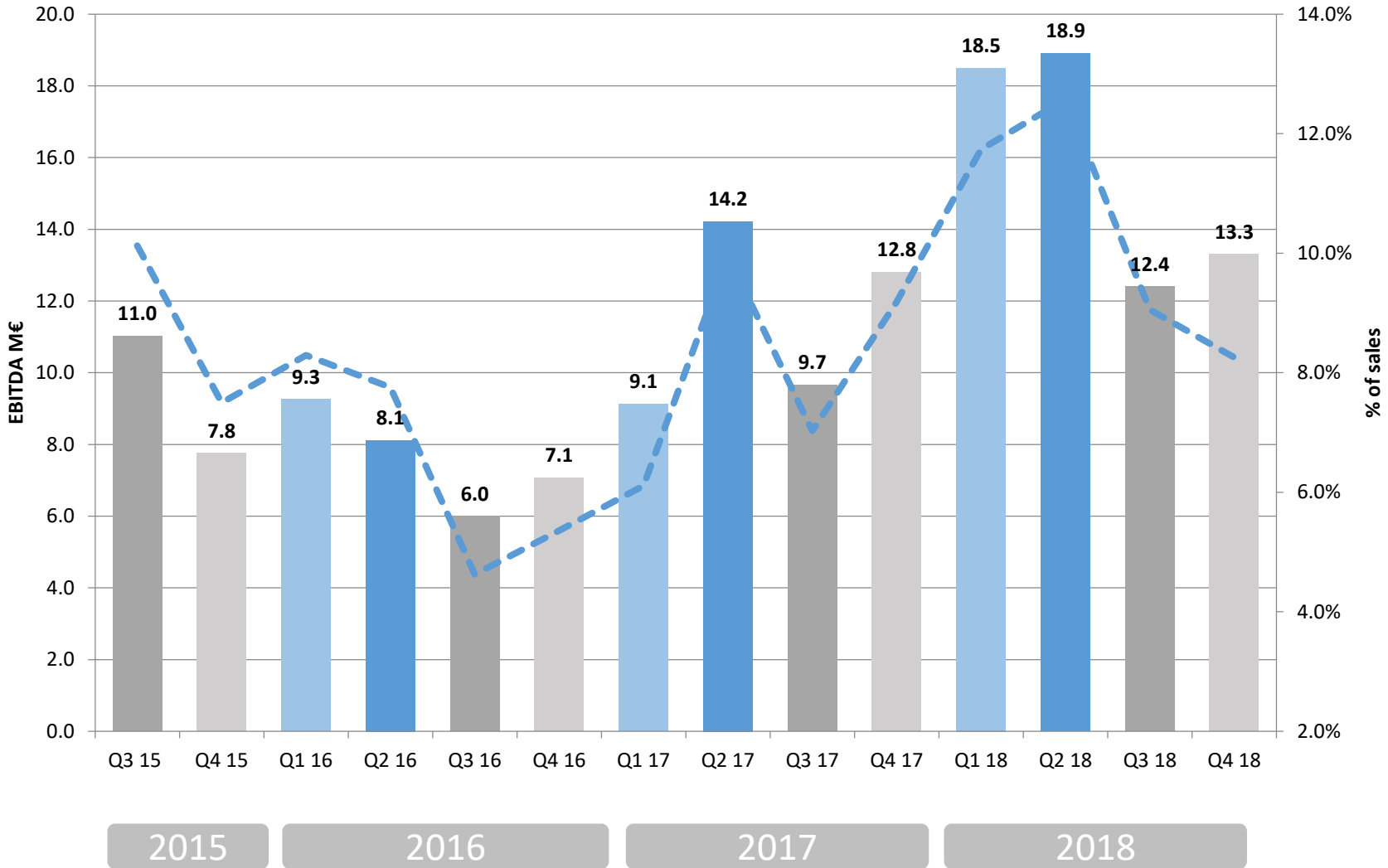
The **EBITDA change** (+37.8%) reflects the following drivers:

- + **Revenues** increase (+6.5%) led by **selling price increase** and **geographical mix improvement**;
- + Lower prices for recycled fibers;
- Higher cost of pulp;
- increase in cost of energy.

PAC Service (from 1 Jan. 2018) and Barcelona Cartonboard (from 1 Nov. 2018) contribution to FY2018 EBITDA was respectively **1.7 € mn** and **1.5 € mn** (before intercompany eliminations).



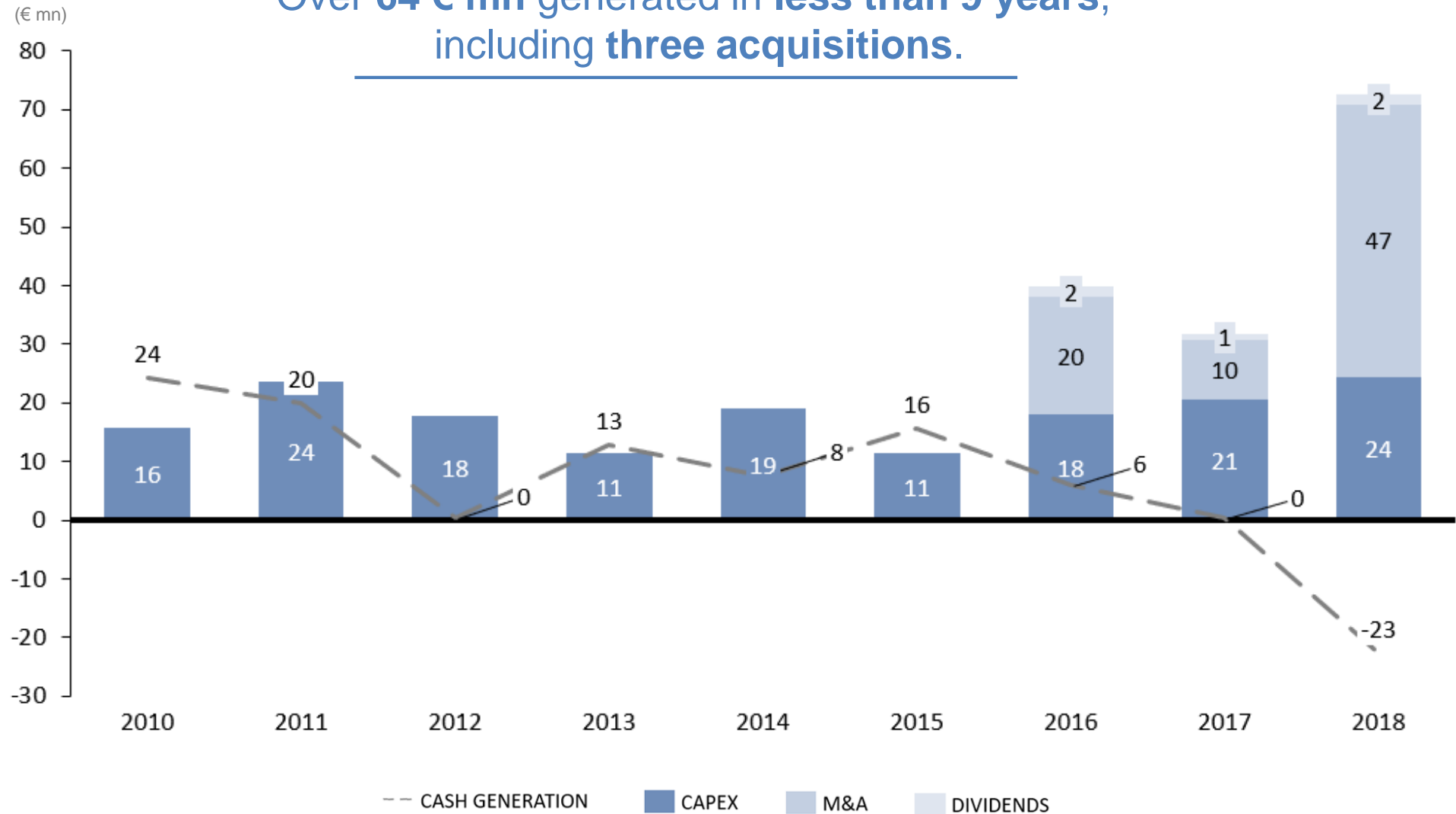
**EBIT increase (+67.5%)** resulted in being even stronger than EBITDA increase (+37.8%), due to the D&A balance (23.7 € mn in FY2017 and 22.3 € mn in FY2018).

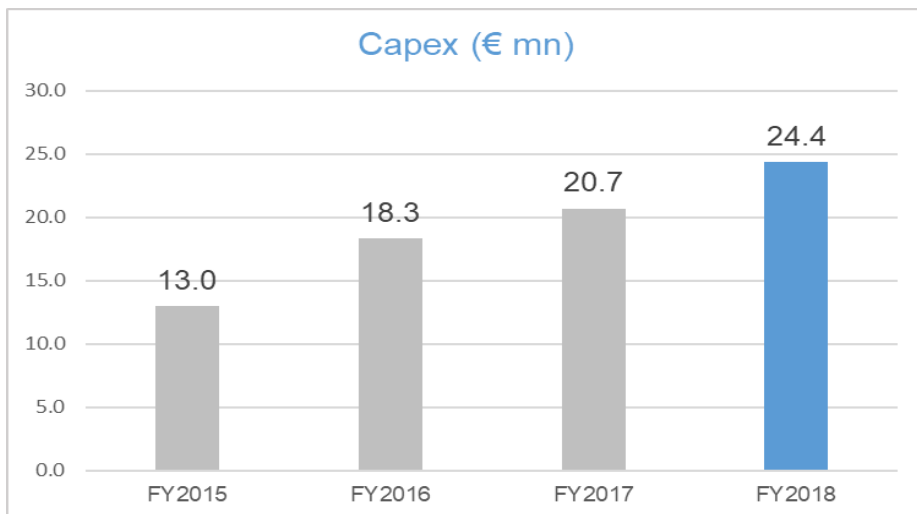


# Strong cash generation



Over **64 € mn** generated in **less than 9 years**, including **three acquisitions**.





In 2018 Capex was focused on:

**Capacity 4.6 € mn**

- PAC Service - Sheeter
- Villa Santa Lucia - Winder Machine

**Energy efficiency 1.5 € mn**

- La Rochette - 2<sup>nd</sup> step power plant

**Cost savings 4.7 € mn**

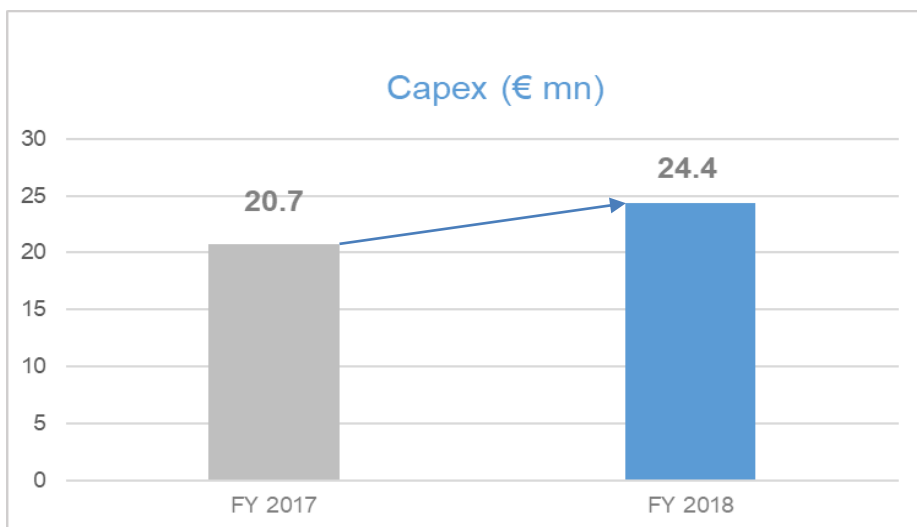
- Santa Giustina - Pope reel
- Arnsberg - New Headbox

**Digitalization 2.6 € mn**

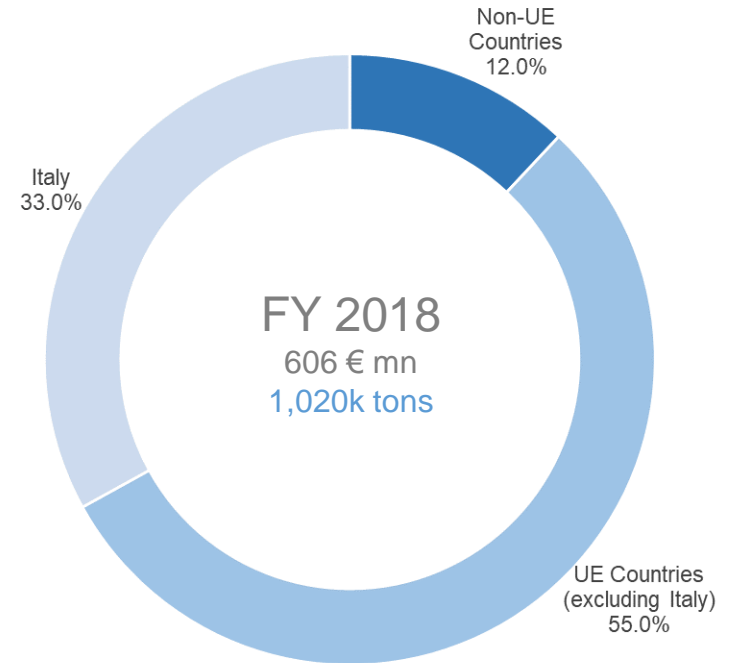
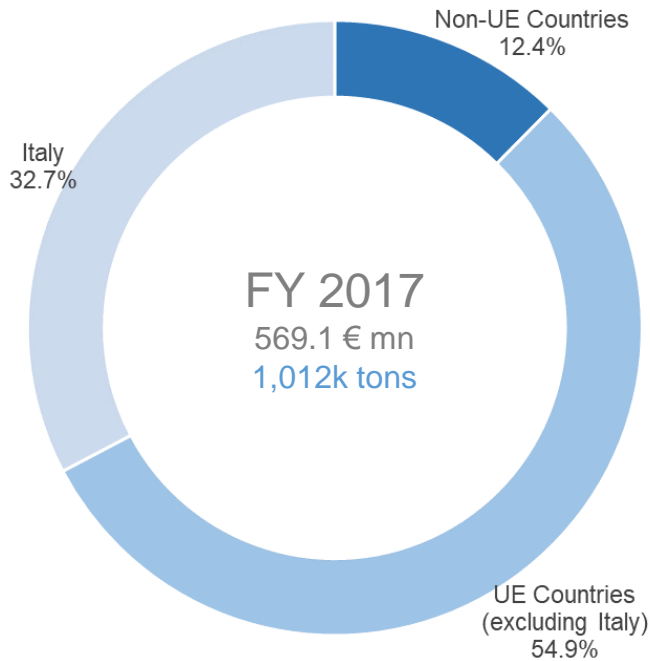
- All – new ERP system

In addition to **11 € mn** of **maintenance investments.**

Cumulated capex of **188.2 € mn** over the 2009-2018 period, i.e. **18.8 € mn** on average per year.







Revenue growth of **6.5%** due to the increase in average sales prices, PAC Service and Barcelona Cartonboard consolidation.



## Strengthening our leadership position through two pillars:

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### MAXIMIZING THE PROFITABILITY OF BC INTEGRATED IN RDM

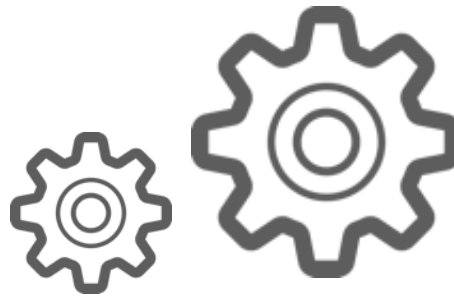
Optimization of recipes

Share of companies' know-how

Maximize the 2016 & 2017 executed strategic investments

Review the next years investment plan

Targeting double digits EBITDA margin as of 2021



### EXTRACTING SYNERGIES

Enhance product portfolio optimization, leveraging on the multi-mill concept

Reallocation of customers' portfolio

Benefit from an enhanced economy of scale

Synergies to be fully achieved as of 2021