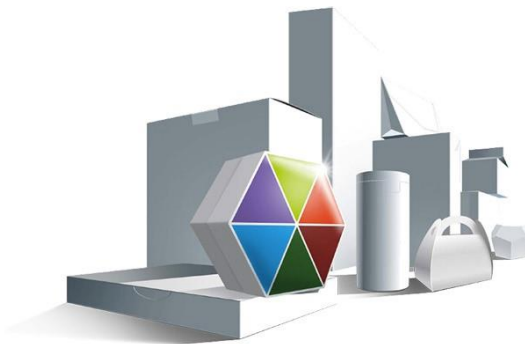


Reno De Medici

STAR Conference - Milan

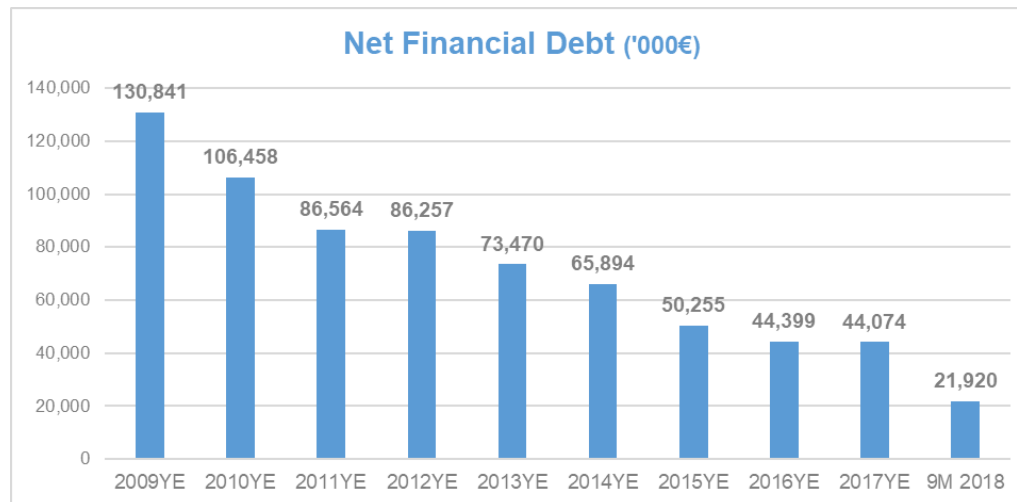
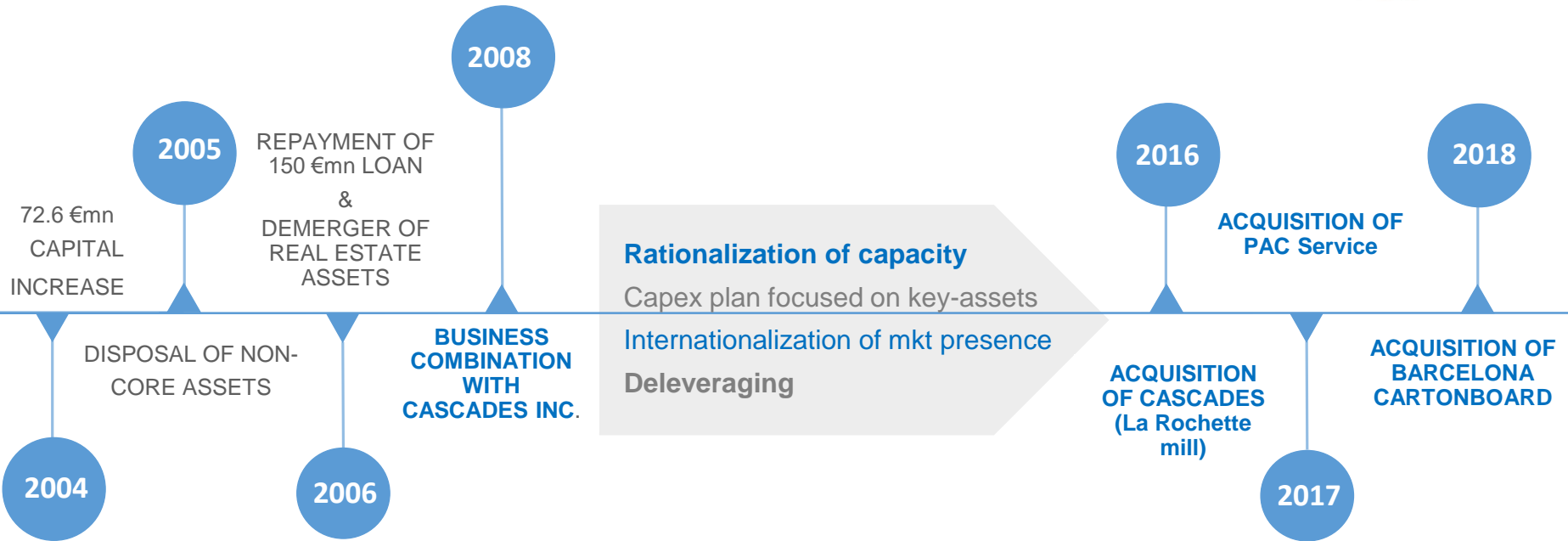
March 20 - 21, 2019



Born to be
converted

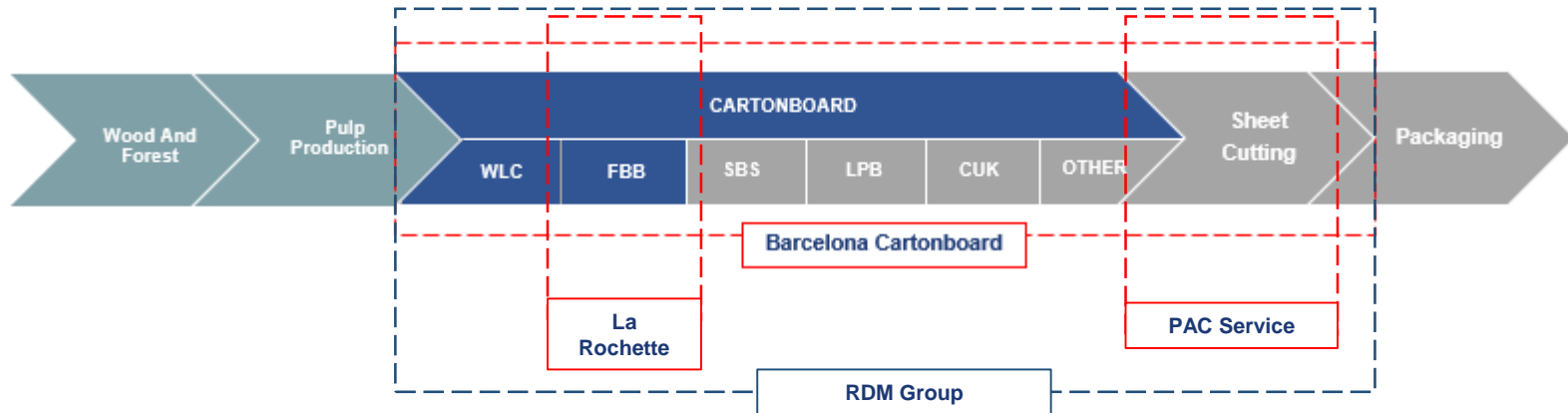


- 1 Strengths**
- 2 Delivering on Strategy
- 3 RDM Shares





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

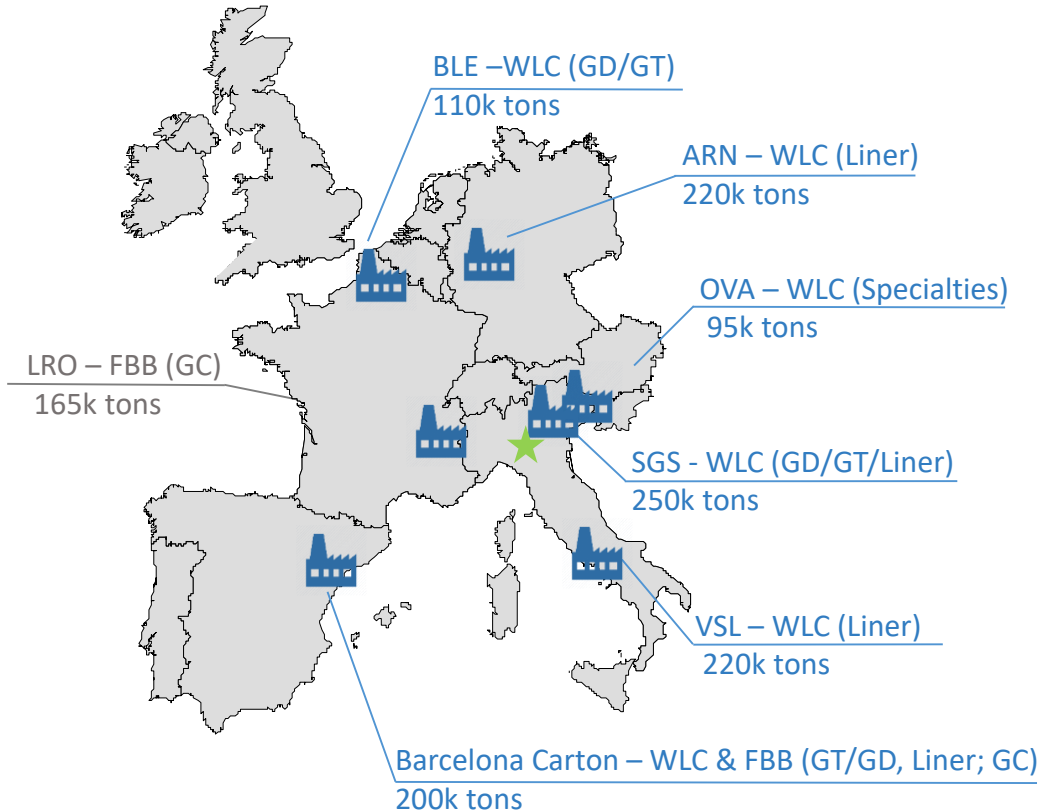


Total production capacity 1.26 mil tons/p.a.

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



Santa Giustina's plant



WLC

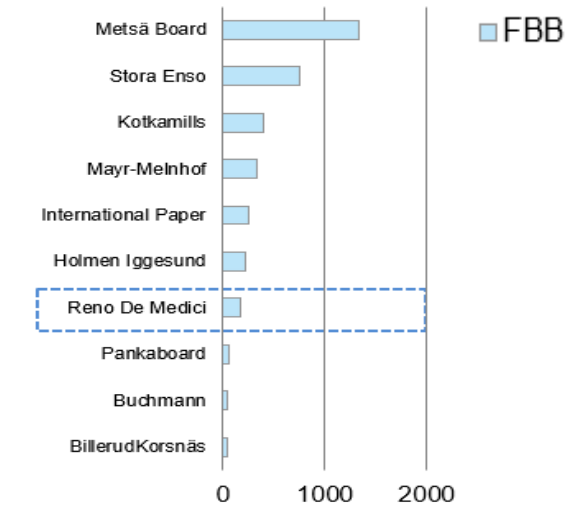
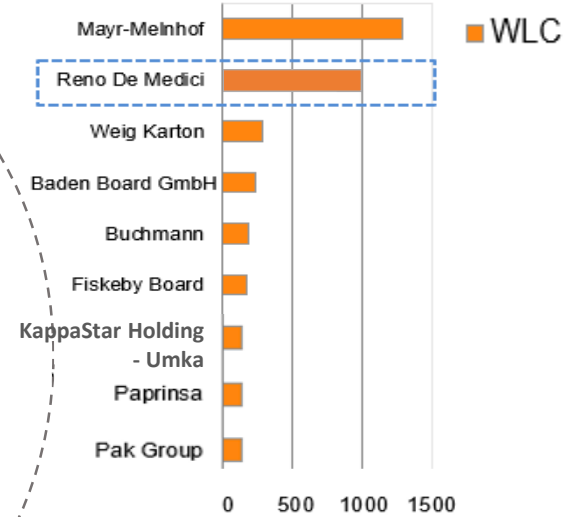
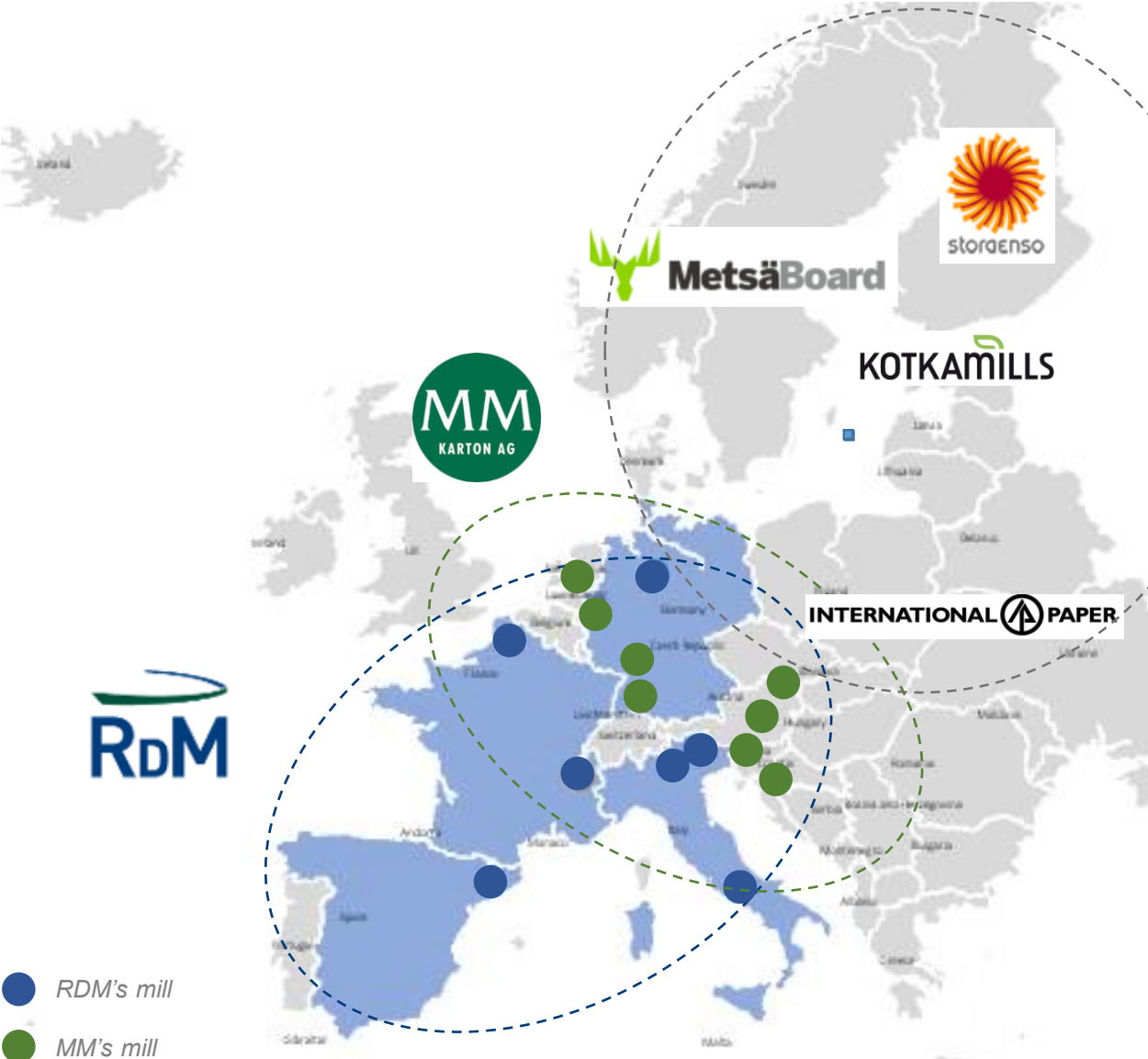
White Lined Chipboard
Based on **recycled fibers**

FBB

Folding Boxboard
Based on **virgin fibers**

★ Headquarter in Milan





● RDM's mill
● MM's mill

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
Eco friendly image

FBB (virgin fibers)

Printability
Bulk & Stiffness

RECYCLED BOARD (GD)

LINER

SPECIALTIES (GT)

VIRGIN BOARD (GC)

Sport/toys
Food
Detergents
Beverage

Hardware
Software
Display
Microflute laminate

Textile / shoes
Paper Goods

Pharmaceuticals
Beauty & Health care
Food
Retail
Bakery

Overall economic trend along with specific 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

CHANGE MANAGEMENT

People Engagement

Listening to people
Leadership event

BRAND AWARENESS

KNOW-HOW

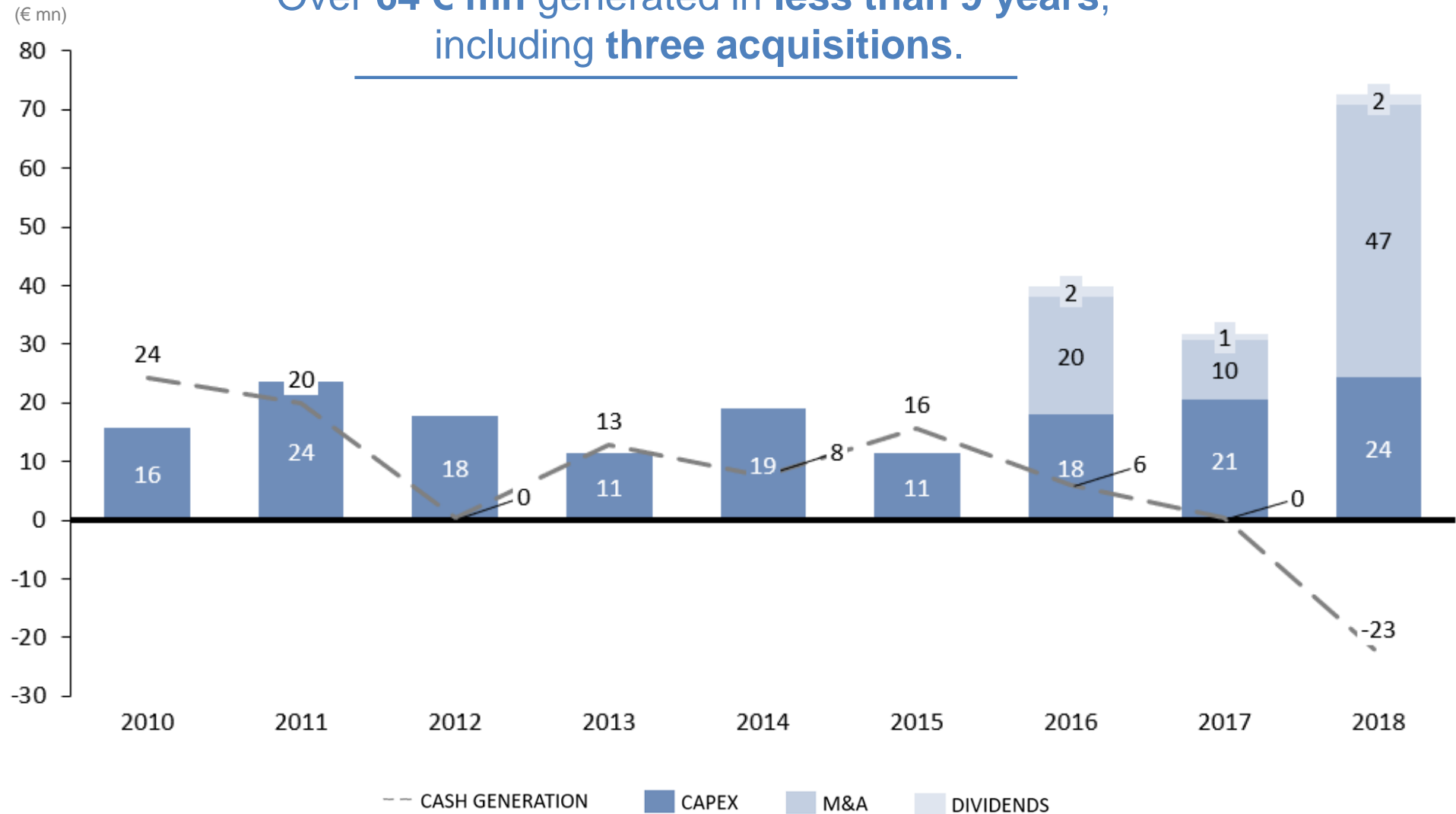
Optimization of recipes
Sharing Knowledge

1st **People survey** (spring 2018)
Most people thing that:
"I am proud of working at RDM" **0.88**.
"RDM is facing important competitive challenges" **1.21**
"I'd like to make my contribution to the changes required" **1.03**
Next people survey: spring 2020





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





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



Record Results

EBITDA 63.1 € mn (+37.8%)
EBITDA Margin 10.4%
Net profit 27.2 € mn (+86.5%)

M&A

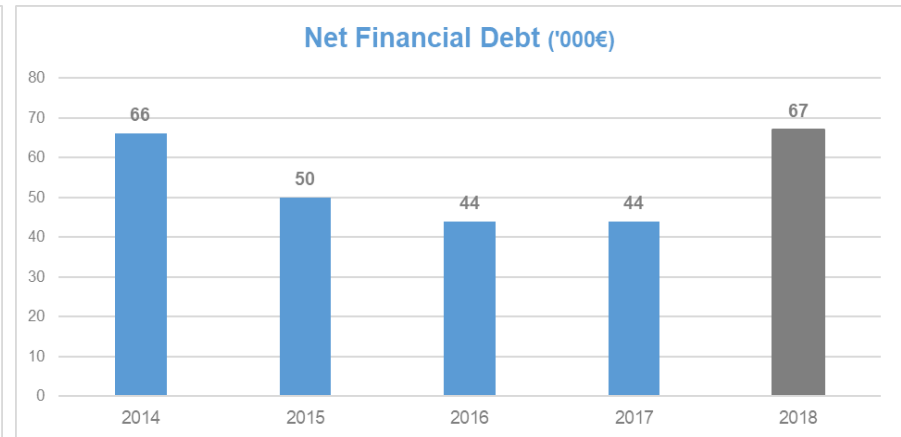
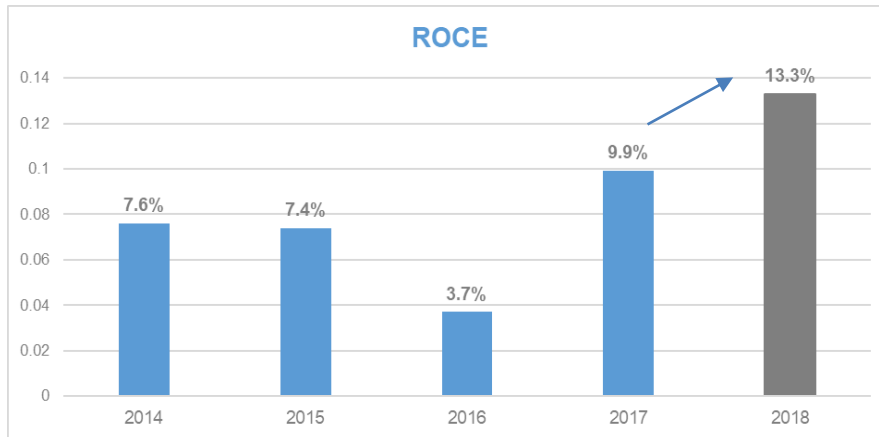
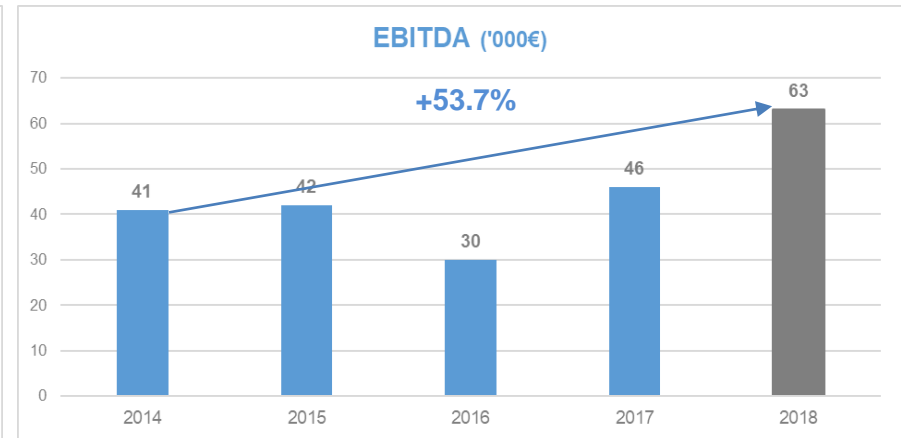
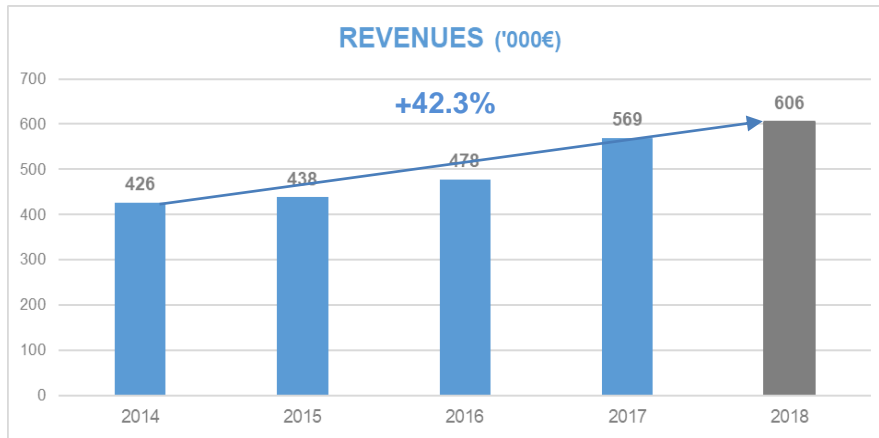
Barcelona Cartonboard S.A.U.
Biggest cartonboard producer
in Iberian Peninsula
Enterprise Value: 46.4 € mn

Business Strategy

Partner of choice vision
Optimization of cost
structure
Enlarged production
flexibility

Cash Generation

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



The NFP includes three acquisitions.

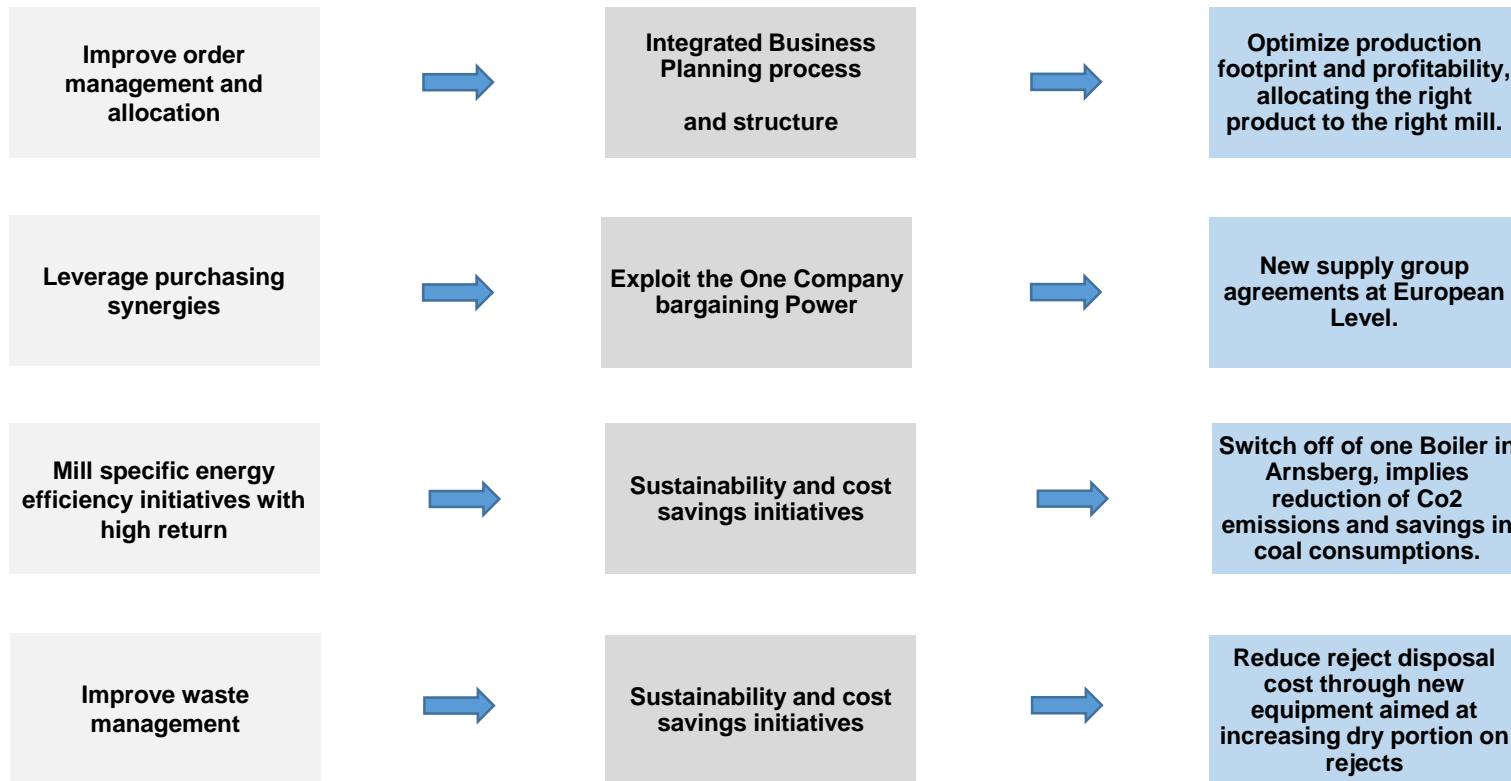


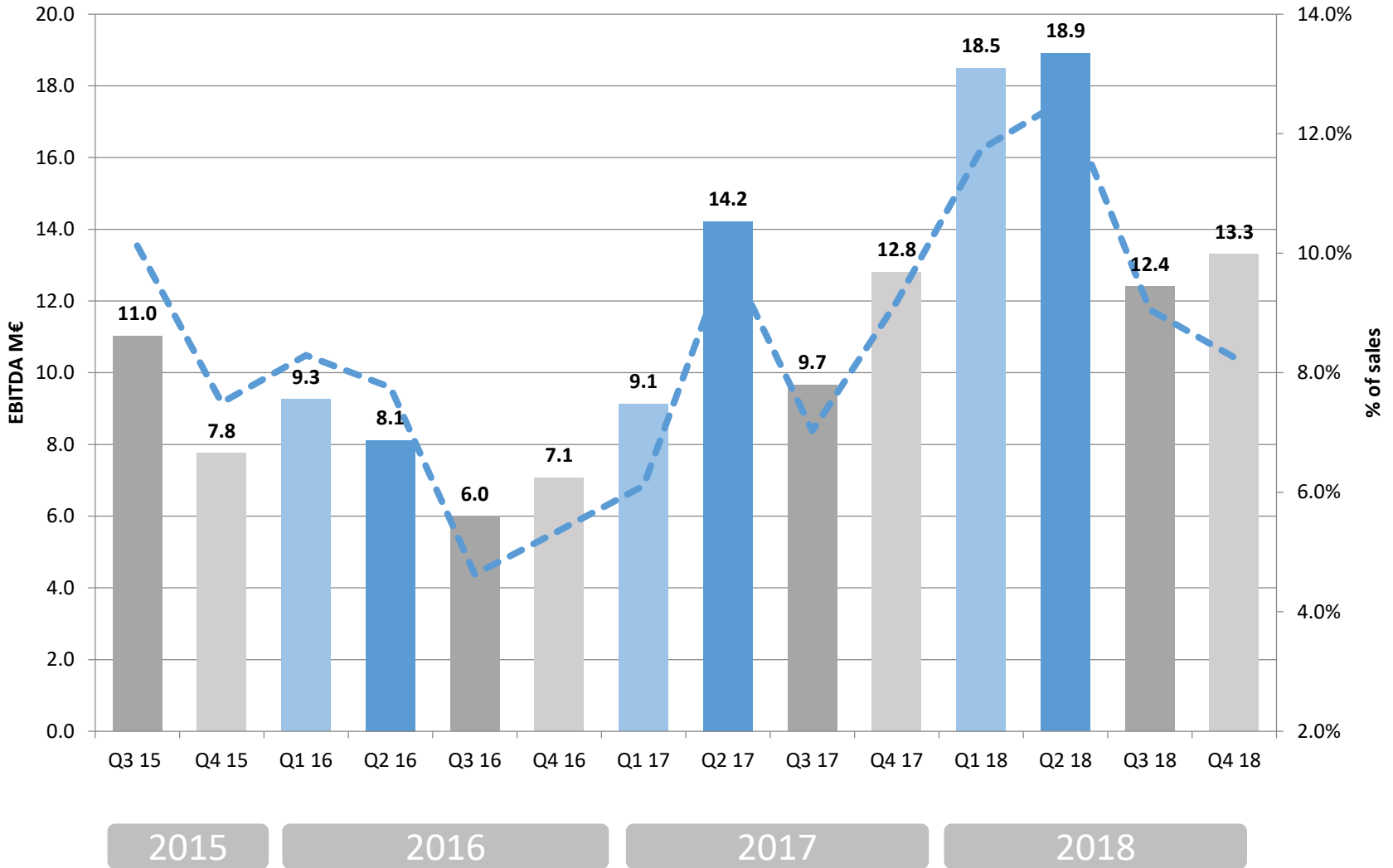
	€ mn	
2017 EBITDA	45.8	NOTES
INPUT COSTS		
Raw materials	++	Favourable environment after China Ban, partially offset by pulp price increase
Energy costs	--	Higher costs in all sources of energies and in CO2 costs
Other variable costs	-	Increase in disposal costs due to lower availability of waste recovery plants
DEMAND		
Sales price & Mix	++	Price increases and portfolio optimization
Volumes	-	In Q4 2018 decrease in volume shipped due to customer destocking policy
TRANSFORMATION	+	Launch of Portfolio of value added initiatives
M&A (PAC service & Barcelona)	+	PAC Service since 1 January 2018 , Barcelona since 1 November 2018
OTHERS	-	Decrease of white certificates and other energy income. Barcelona acquisition costs
2018 EBITDA	63.1	

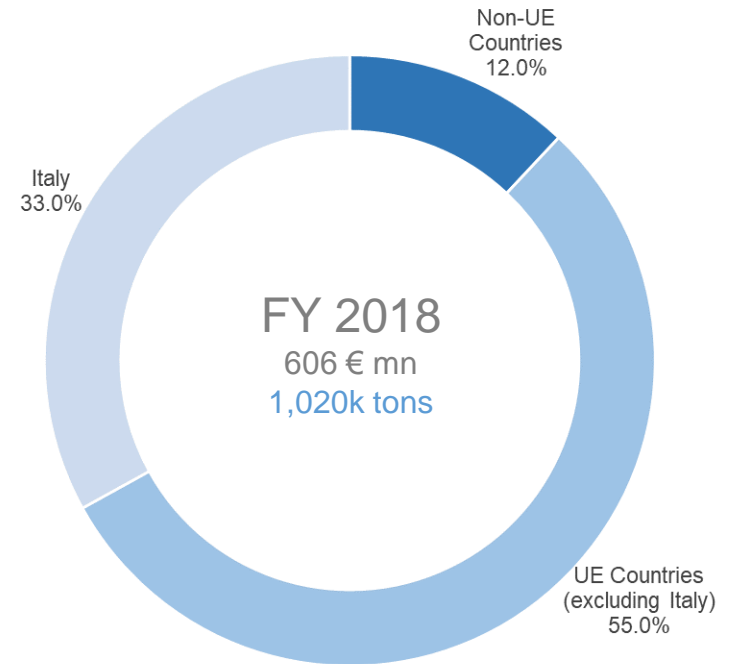
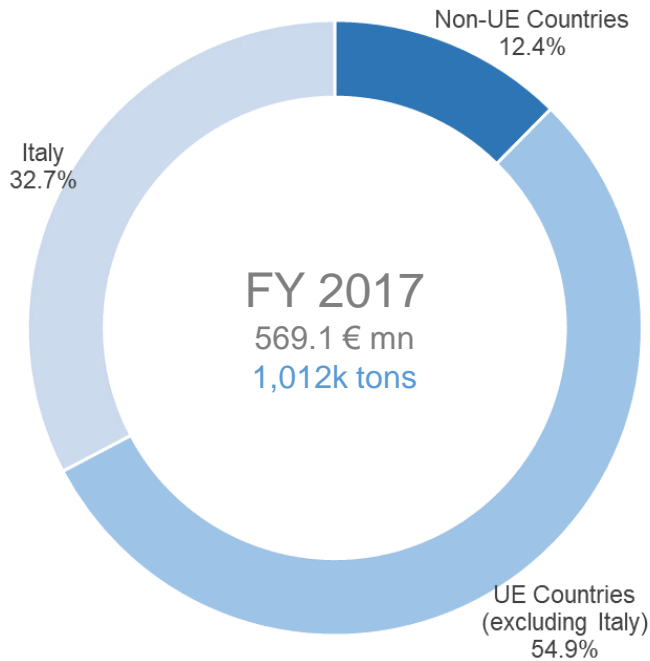
In 2018 Transformation Project contributed to EBITDA improving mix and selling prices, optimizing recipes and increasing the production days.



In 2019-20 RDM will continue to pursue the transformation project in order to make the profitability levels achieved in 2018 structurally stable over the economic business cycle.







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



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

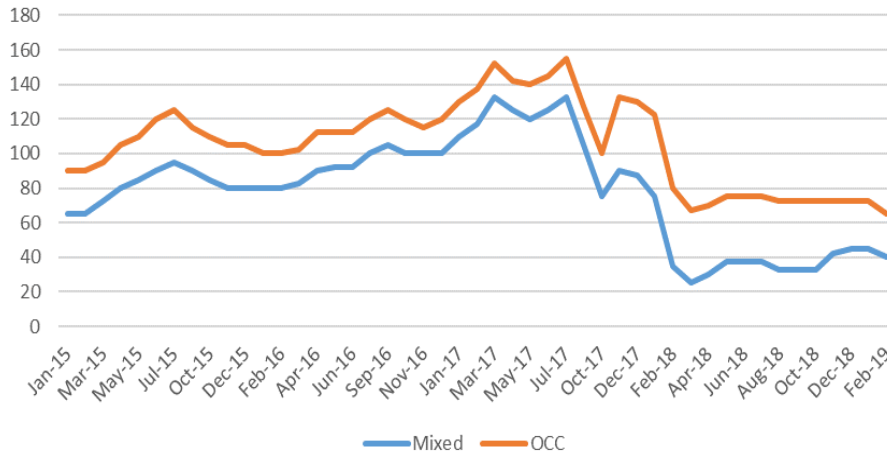
Reaction to the new standard

Continuous increase in virgin pulp prices

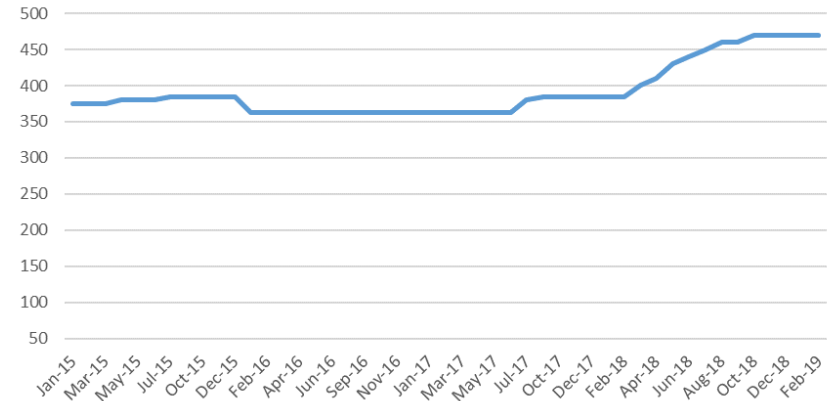
Finished products **export** opportunities



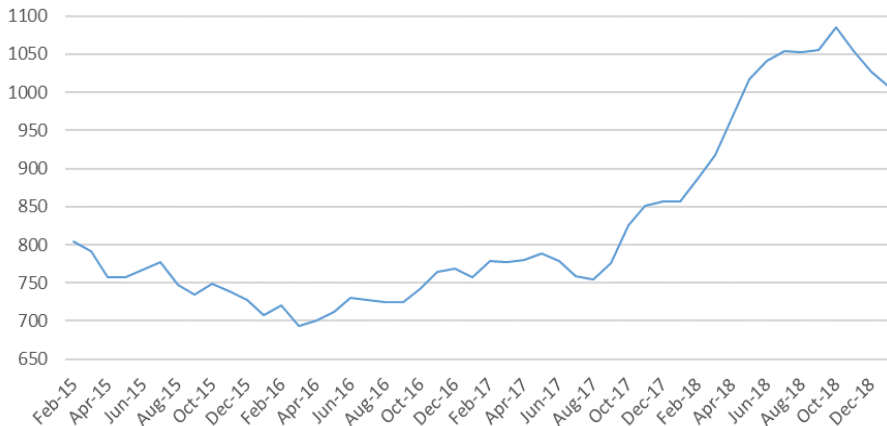
Brown Recycled Fibers (€ per ton)



White Recycled Fibers (€ per ton)



Bleached Softwood Pulp (€ per ton)

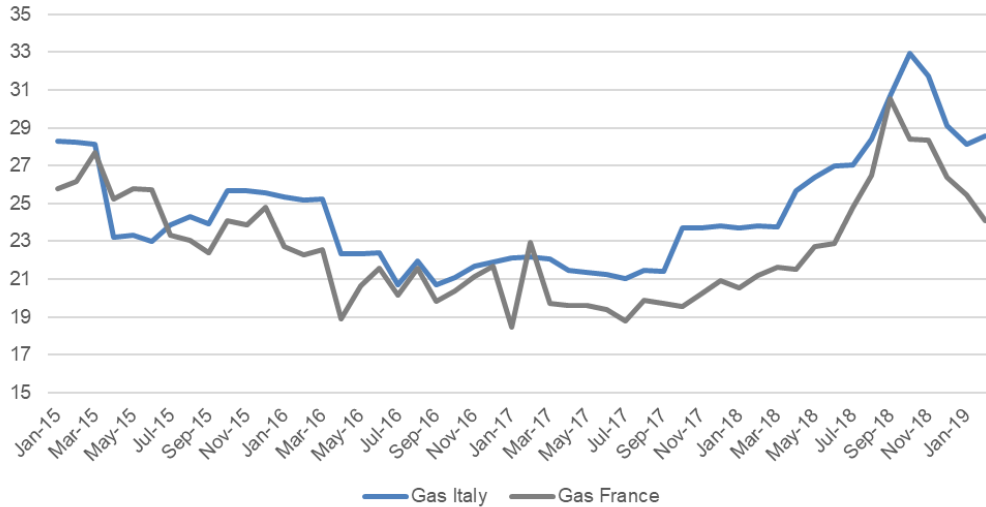


Prices for PFR have stabilized at levels higher than the minimum reached in March 2017.

Pulp prices reached top values in October 2018.



Natural gas (€/MWh)

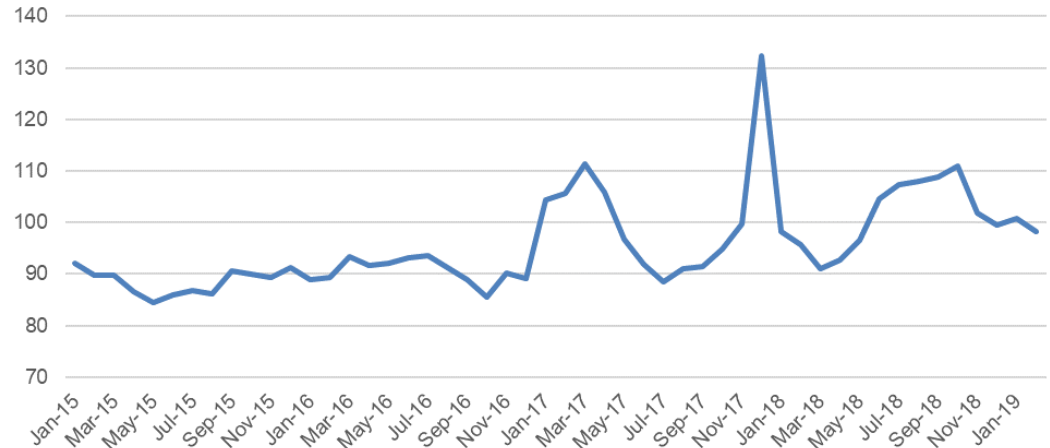


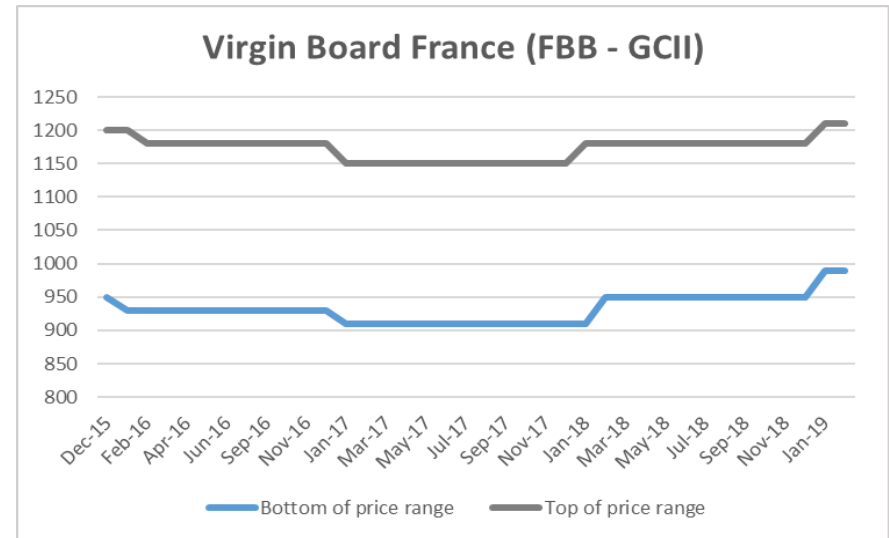
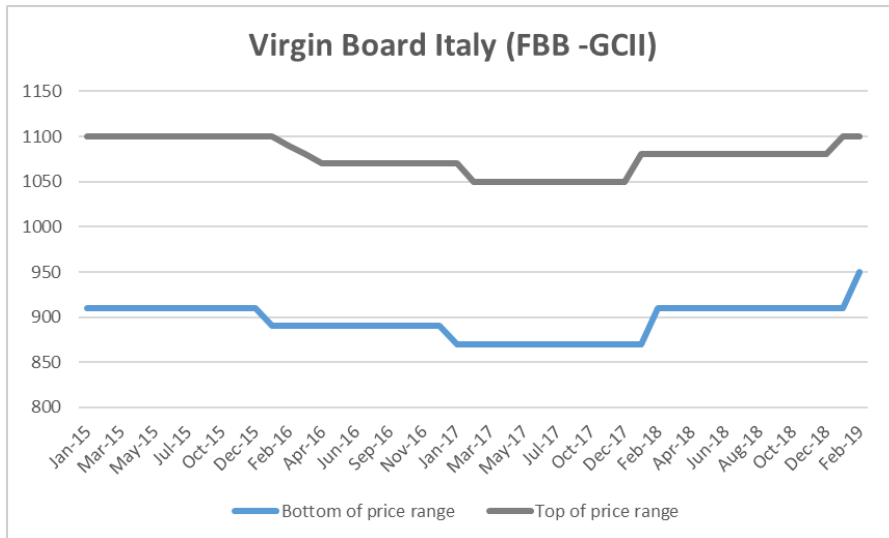
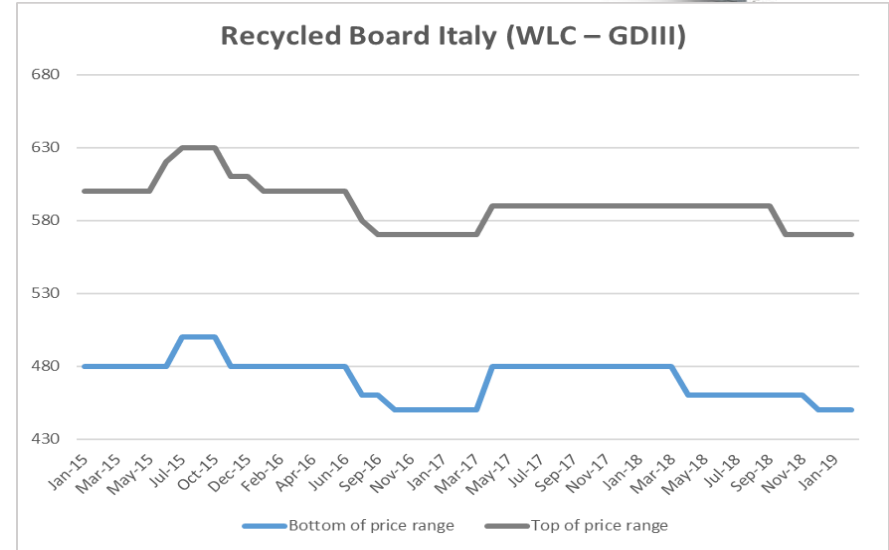
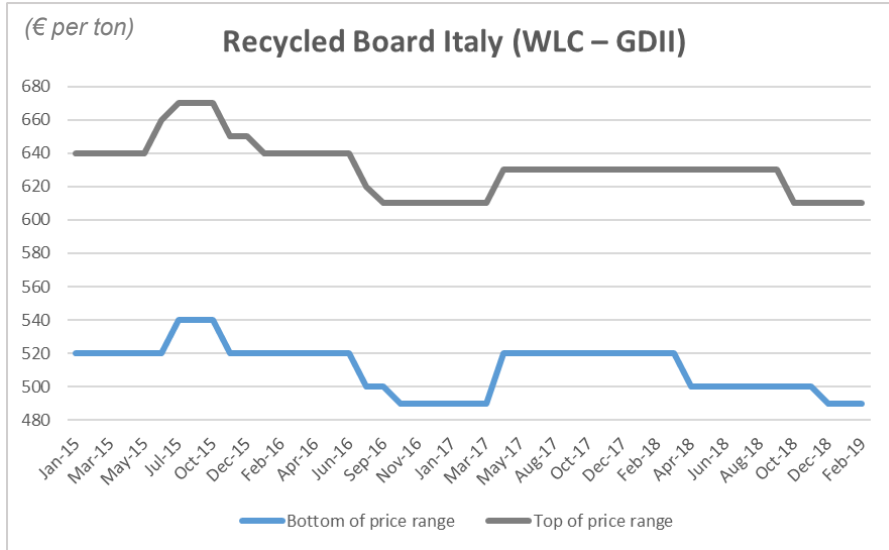
RDM smooths the volatility through a **portfolio** of contracts with **different maturities**.

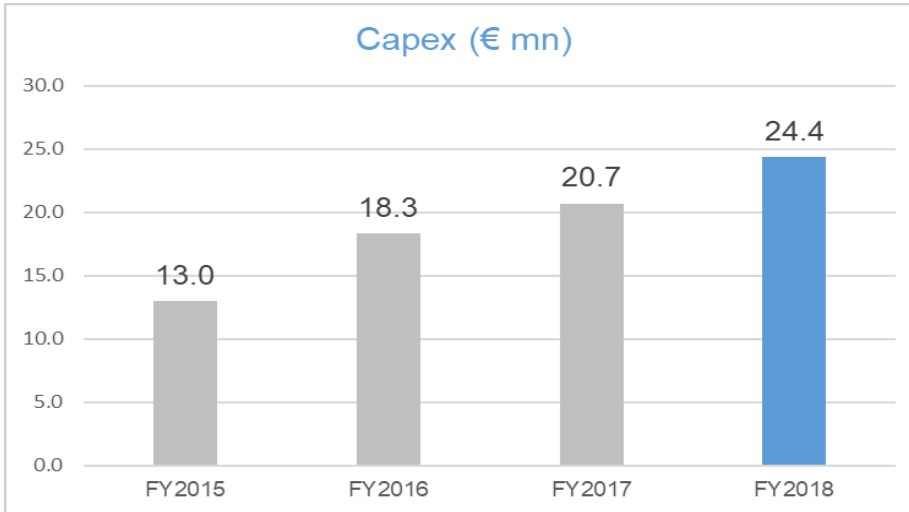
Lower consumption thanks to the **efficiency gains in WLC** facilities.

New steam turbine installed at **Santa Giustina** in Dec. 2017 paved the way to a **reduction of -9.4%** in Gas consumptions. The ratio of electricity PDM is pretty stable (**-0.3%**) due to lower production efficiency (FY2018 vs. FY2017).

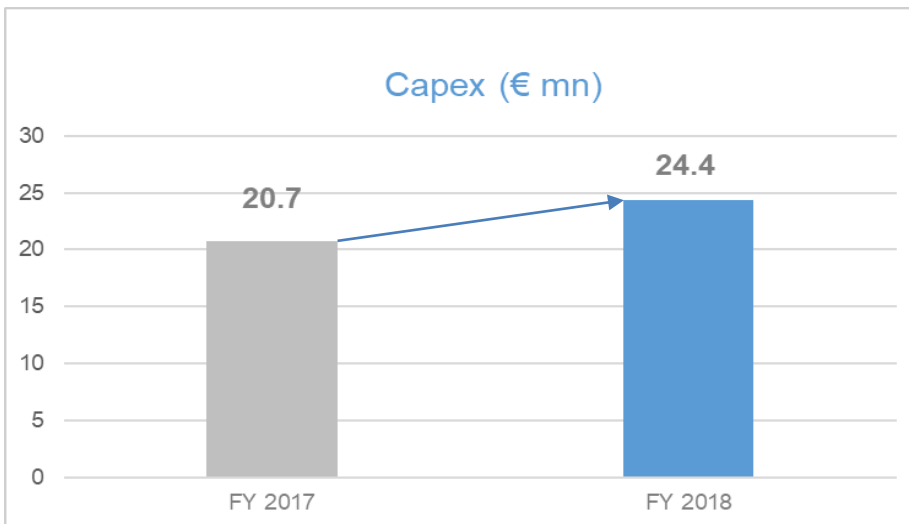
Coal price in Germany (€/ton)







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



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 - 2nd 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**.

2019 Capex Overview



2019 capital expenditure: 26-28 € mn
Of which maintenance + H&S investments are 10 € mn

CAPACITY

4 € mn

Magenta (Apr.)

Sheeter

S. Giustina (Aug.)

Board Machine Speed Up

Barcelona (Dic.)

Winder Machine

COST SAVINGS

5 € mn

Italian Mills (Aug.)

Fiber Recovery System

La Rochette (Aug.)

New Headbox

ENERGY EFFICIENCY

5 € mn

Barcelona (May.)

Overhaul Hot Section

Cogeneration Plant

Others Mills (Aug.)

Power Plants extraordinary maintenance

DIGITALIZATION

3 € mn

All

New ERP System



Strengthening our leadership position through two pillars:

MAXIMIZING THE PROFITABILITY OF BC INTEGRATED IN RDM

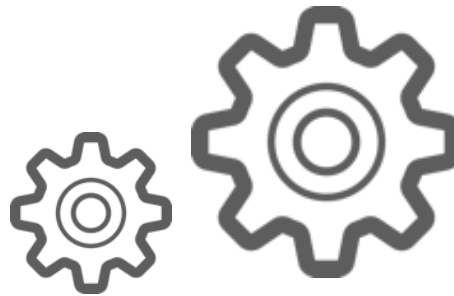
Optimization of recipes

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



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



Share Capital: 140,000,000.00 €

Outstanding shares: 377,800,994, o/w
 377,546,217 ordinary shares
 254,777 convertible savings shares

Conversion period: in February and
 September, each year

Listing markets

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

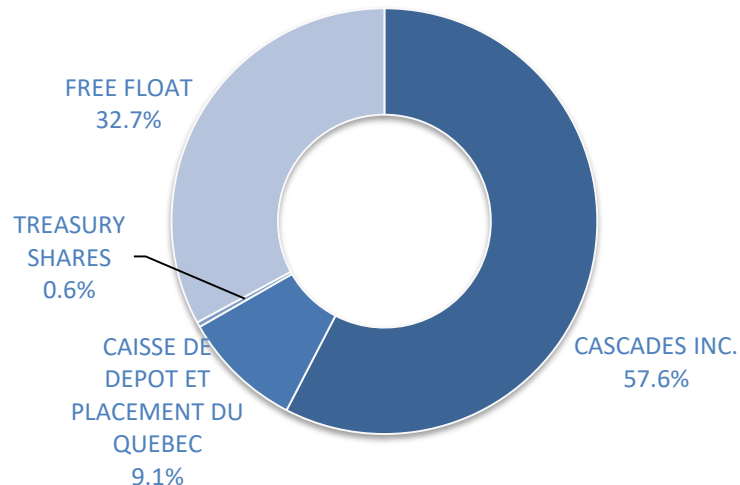
Codes

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

Mkt cap: 258.8 € mn

Free float mkt cap: 84.6 € mn
 (@0.685 € p.s. as of 13 March 2019)

Main shareholders



Source: RDM shareholder register

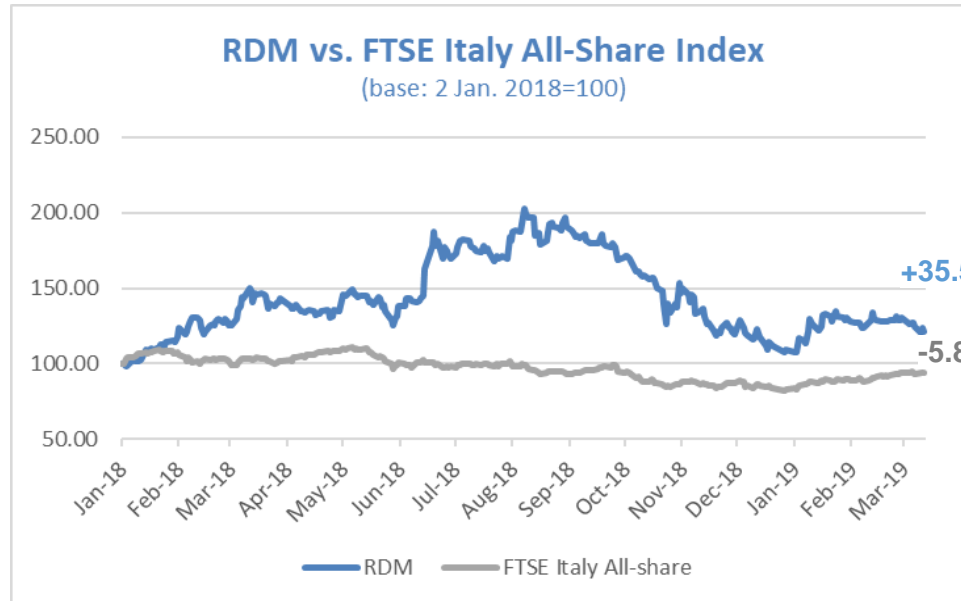
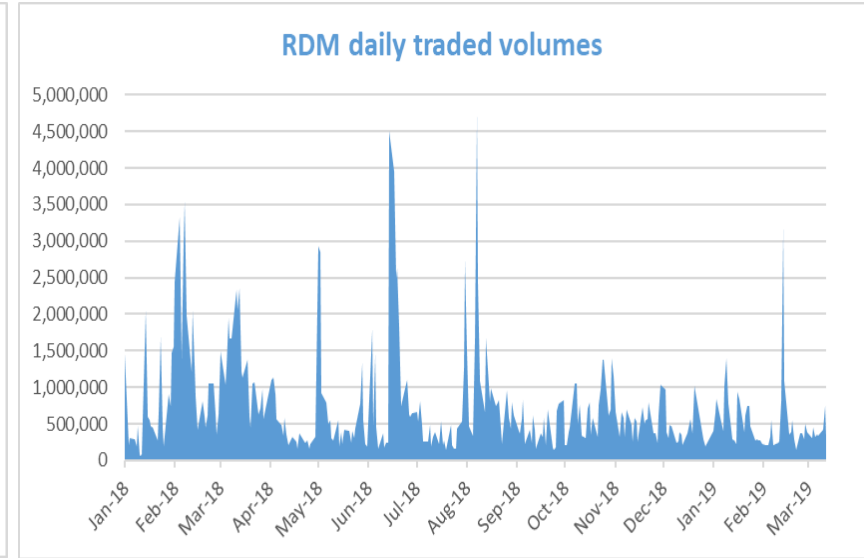
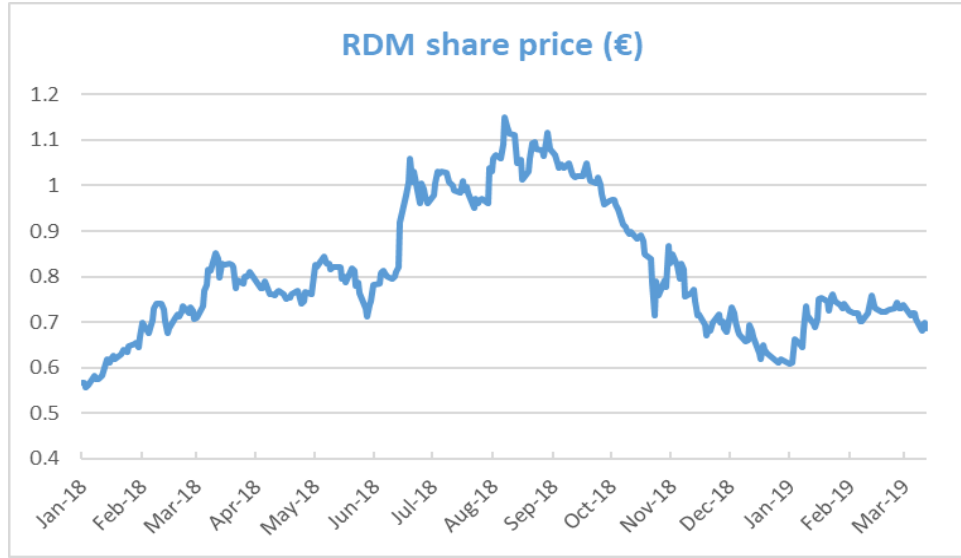
FY2018 proposed dividend

ORDINARY SHARE:

Dividend of 0.7 € cents
 (FY2017 dividend was 0.31 € cents)

Payment date: **15 May 2019**

Dividend yield: **1.1%** (YE2018 price of 0.62 €)



Average daily traded volumes

FY 2018: 783,458 of which

- Q1 2018: 1,097,588**
- Q2 2018: 789,615
- Q3 2018: 668,867
- Q4 2018: 576,293

1 Jan. 19 – 13 Mar.19: 525,448

(Last update: 13 March 2019) 29



BROKER	CITY	ANALYST	TARGET PRICE (€)	RECOMMENDATION	DATE
Intermonte	Milan - IT	Carlo Maritano	1.10	OUTPERFORM	18 Feb. 2019
MidCap Partners	Paris - FR	Pierre Buon	0.97	BUY	15 Feb. 2019
Alantra	Milan - IT	Jacopo Tagliaferri	0.85	HOLD	8 Mar. 2019



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.