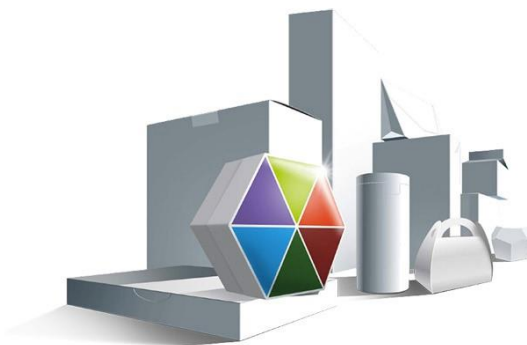


Reno De Medici

Paris MidCap Partners Conference

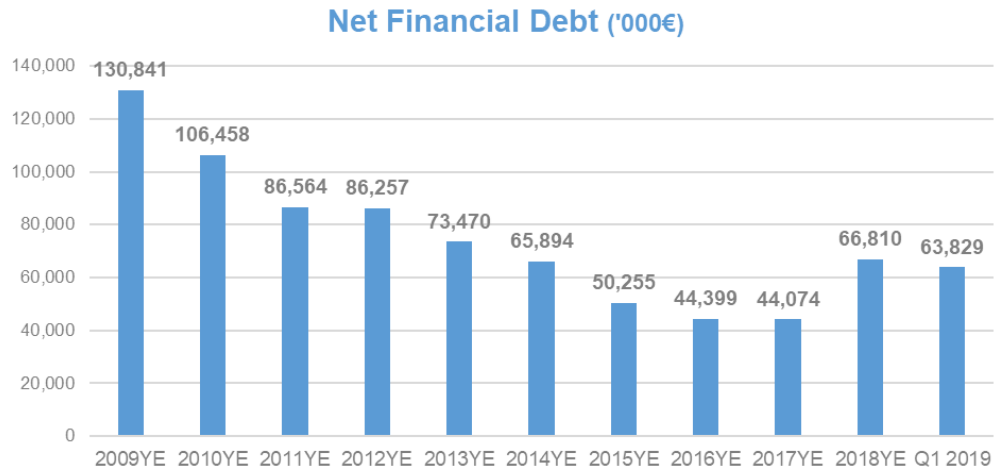
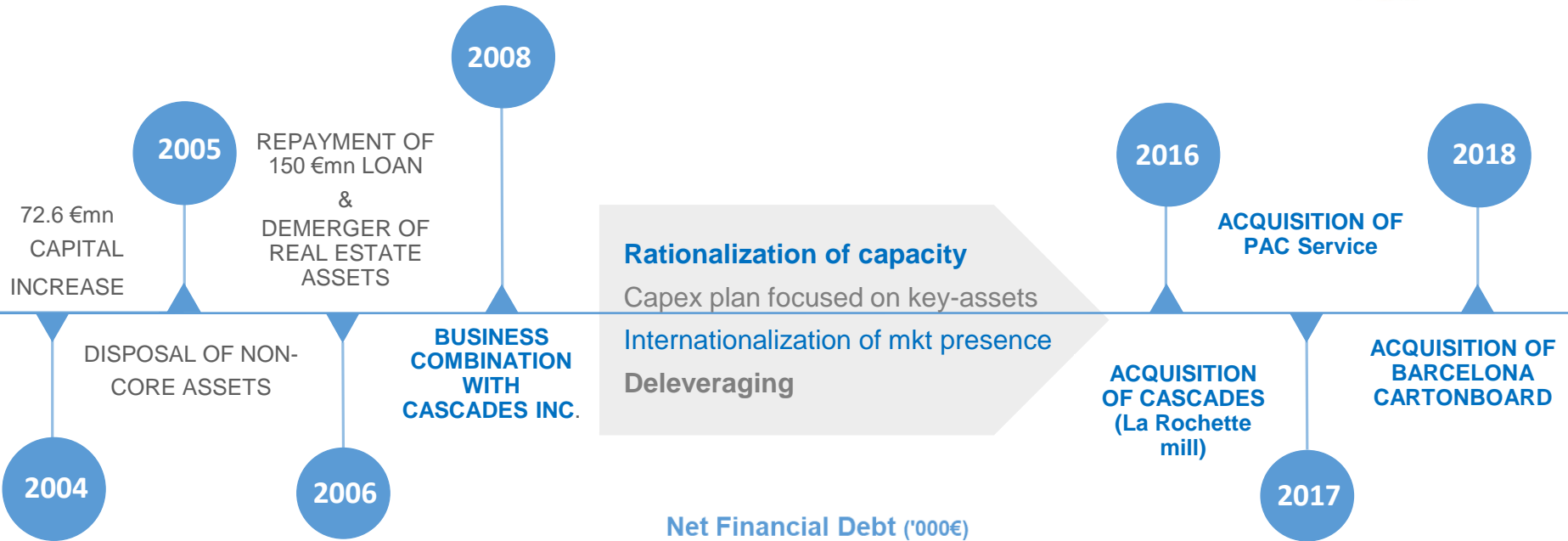
May 14, 2019



Born to be
converted

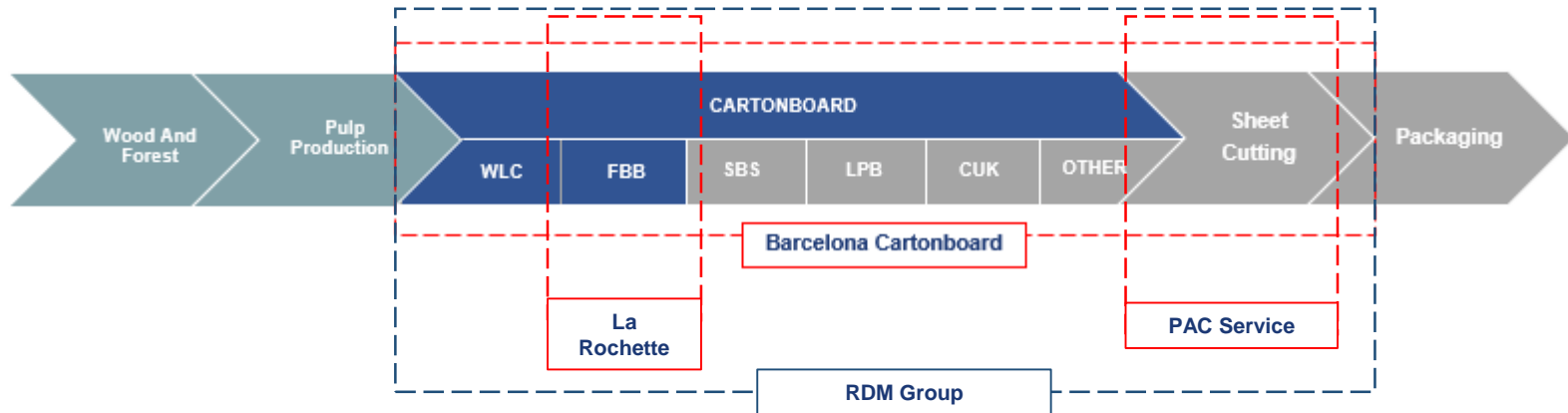


- 1 Strengths**
- 2 Delivering on Strategy
- 3 RDM Shares





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

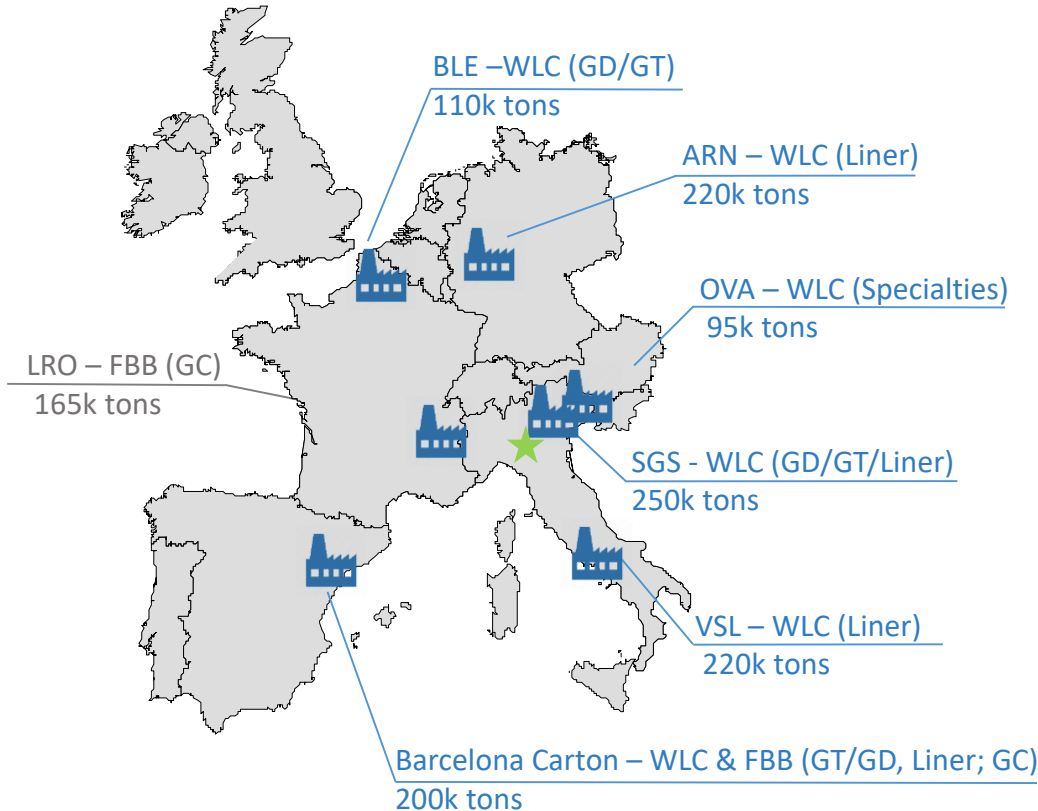


Total production capacity 1.26 mil tons/p.a.

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



Santa Giustina's plant

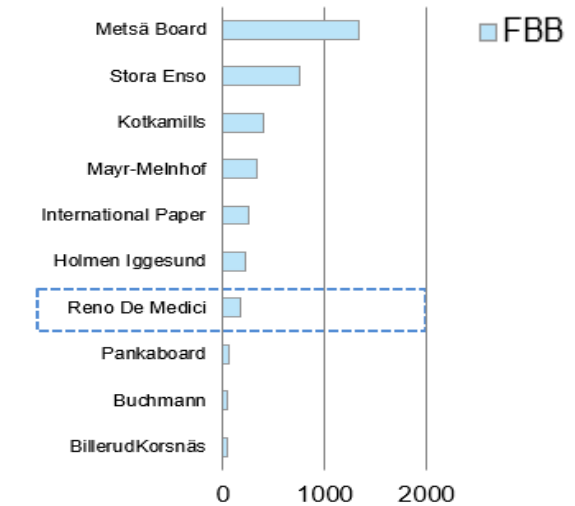
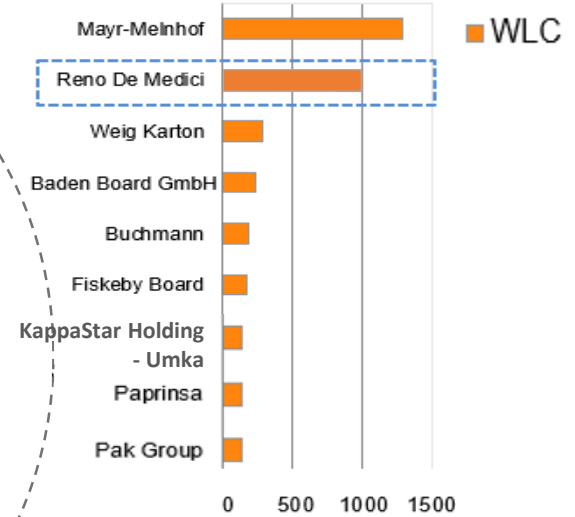
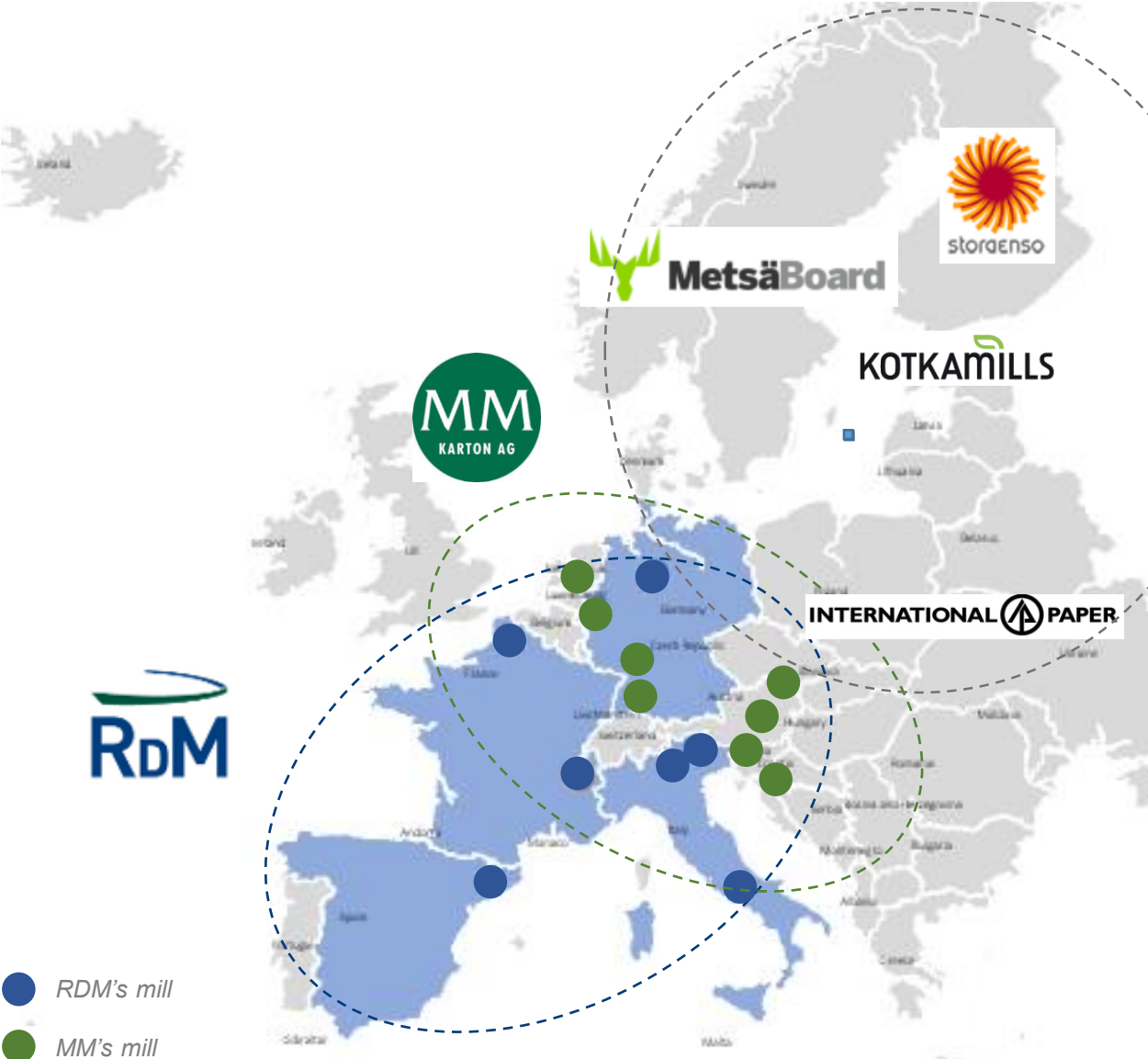


WLC

White Lined Chipboard
Based on **recycled fibers**

FBB

Folding Boxboard
Based on **virgin fibers**



● 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 (+11% from 2015 to 2018)

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

3rd **Customers survey** (March 2019)

47 markets surveyed (EMEA).

1076 accounts of which **25** are Key accounts.

Good and stable response rate (51%).

59% added **feedback**.

Customer Contact Rating of **7.55** (7.49 in July 2018).



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**

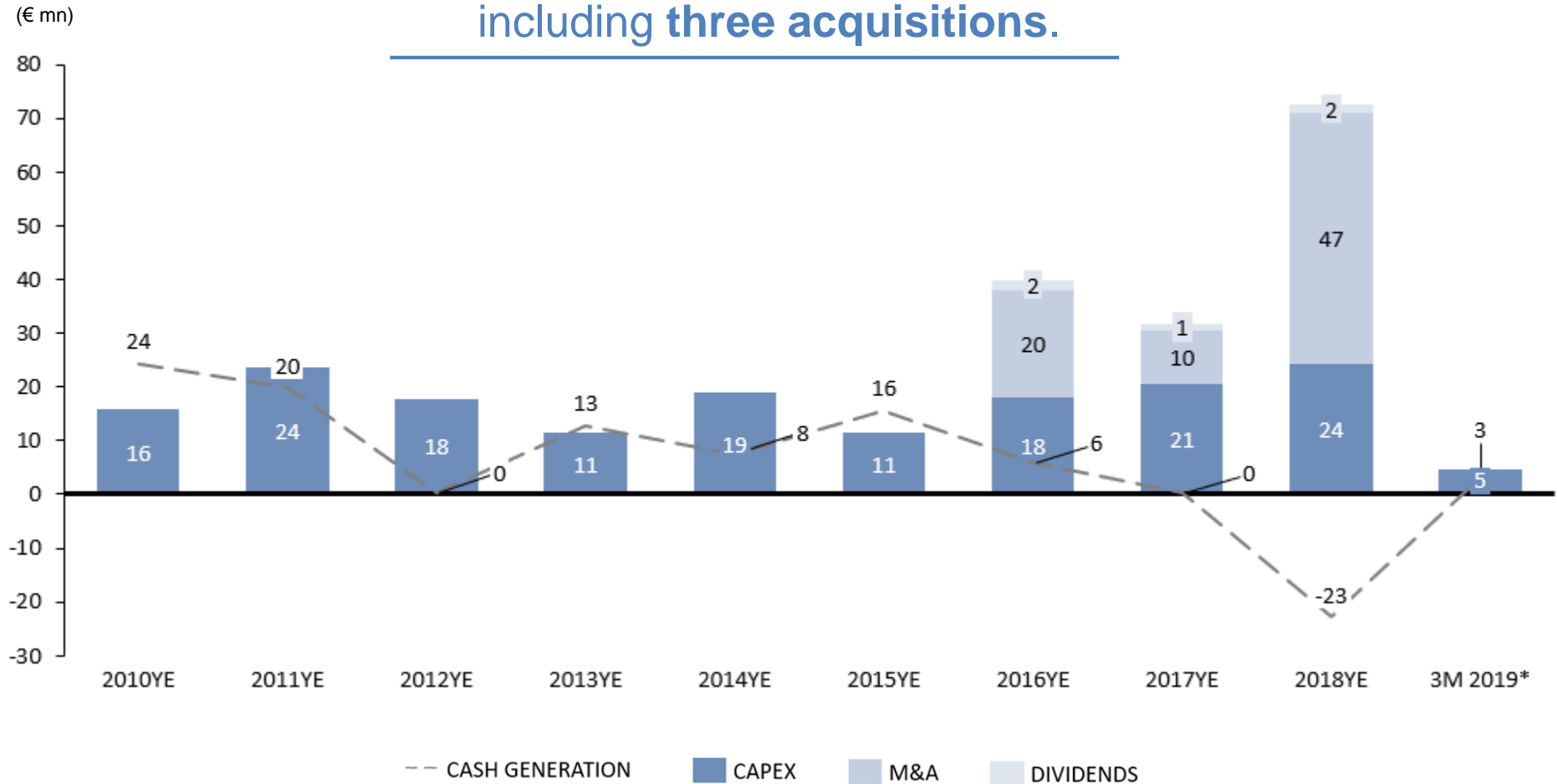
“I’d like to make my contribution to the changes required” **1.03**

Next people survey: spring 2020





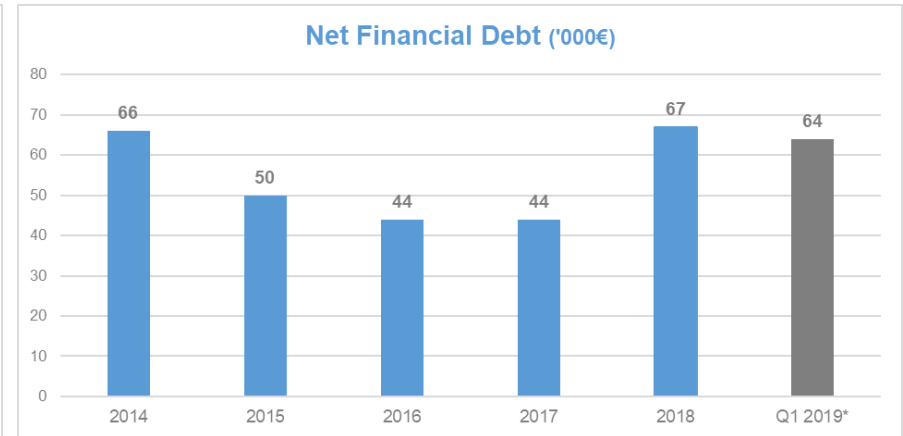
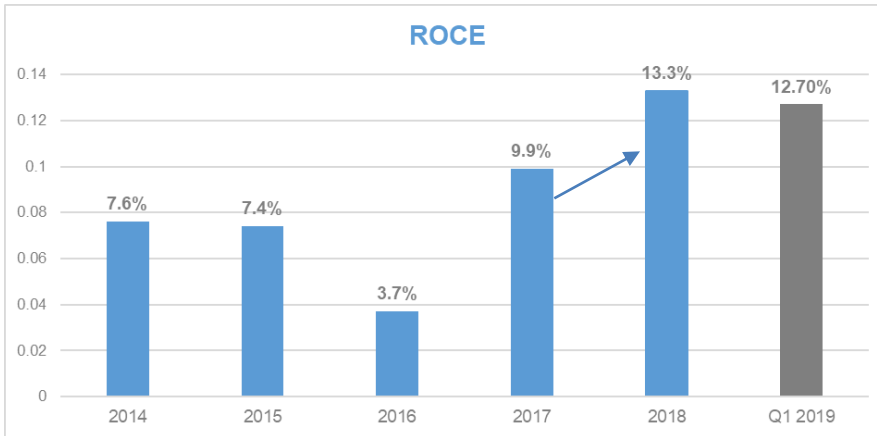
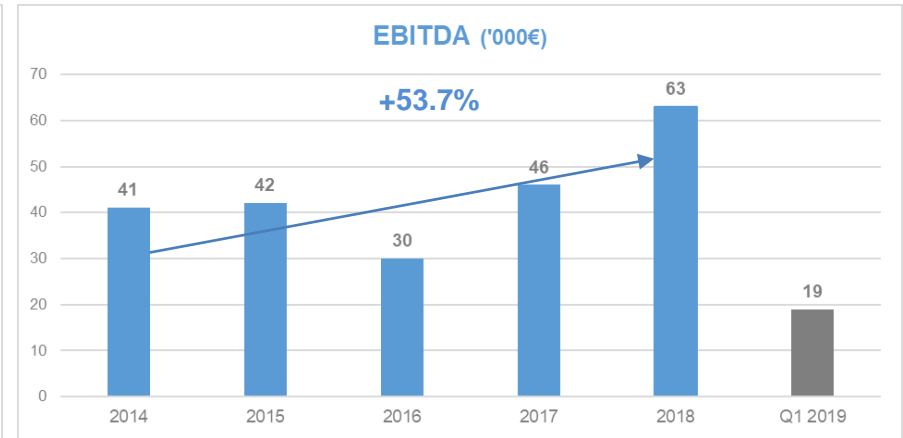
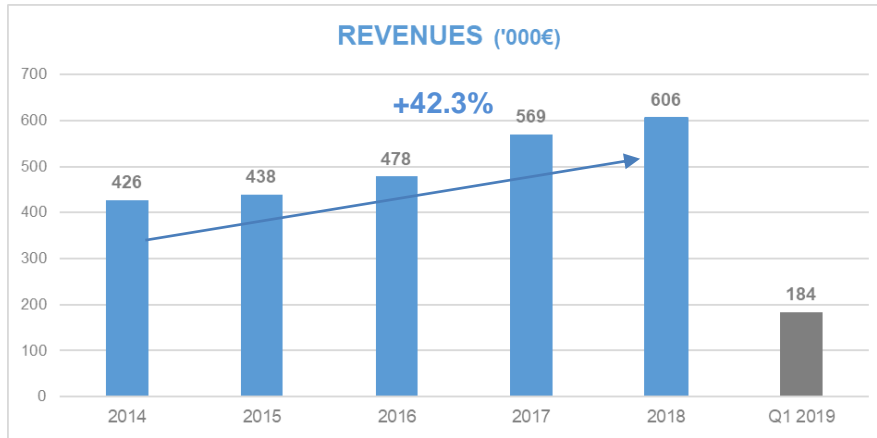
Over 67 € mn generated in less than 9 years and 3 months, including three acquisitions.



*Including 6.8 € mn due to the adoption of the new IFRS 16 "Leases".

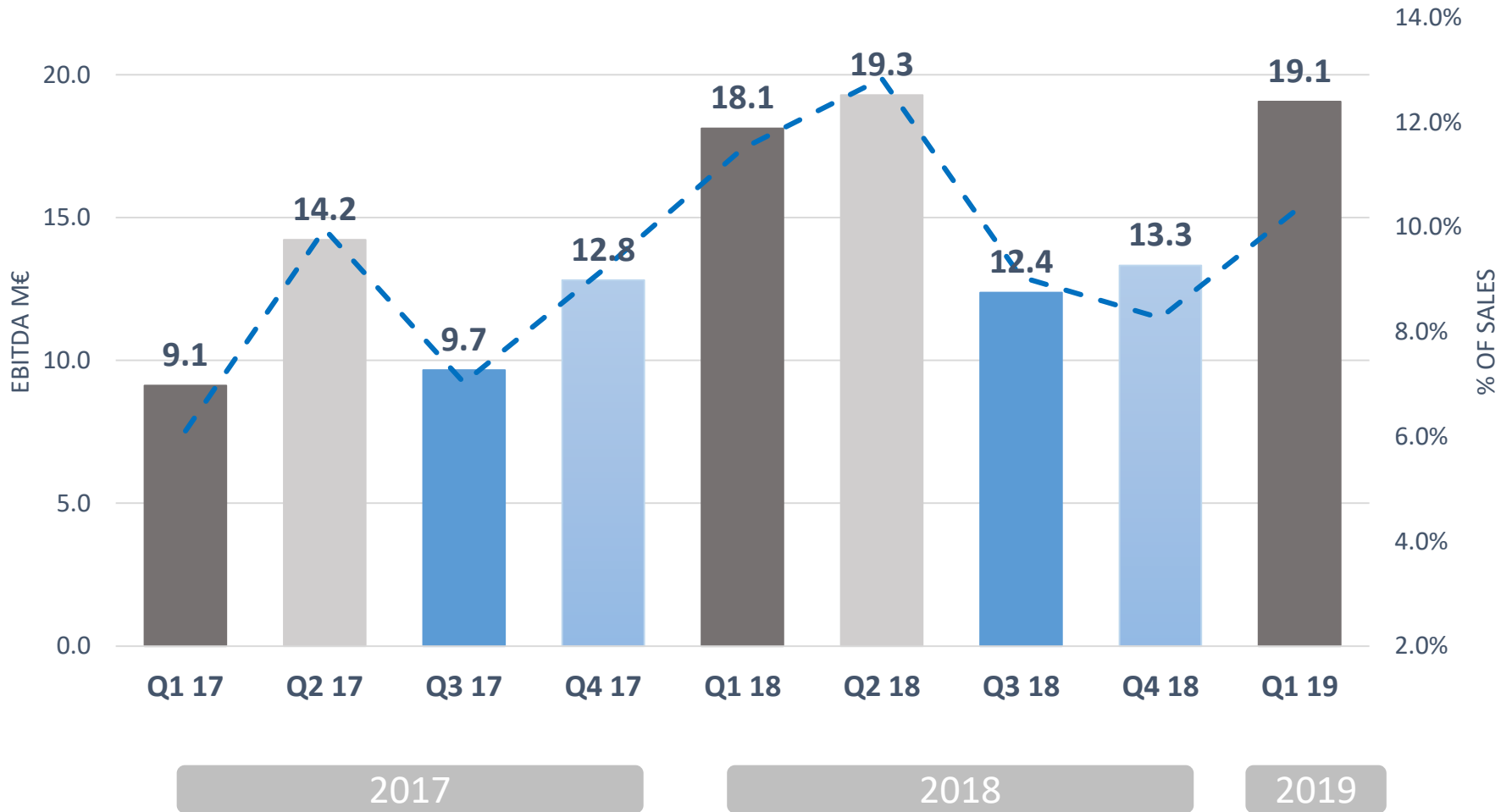


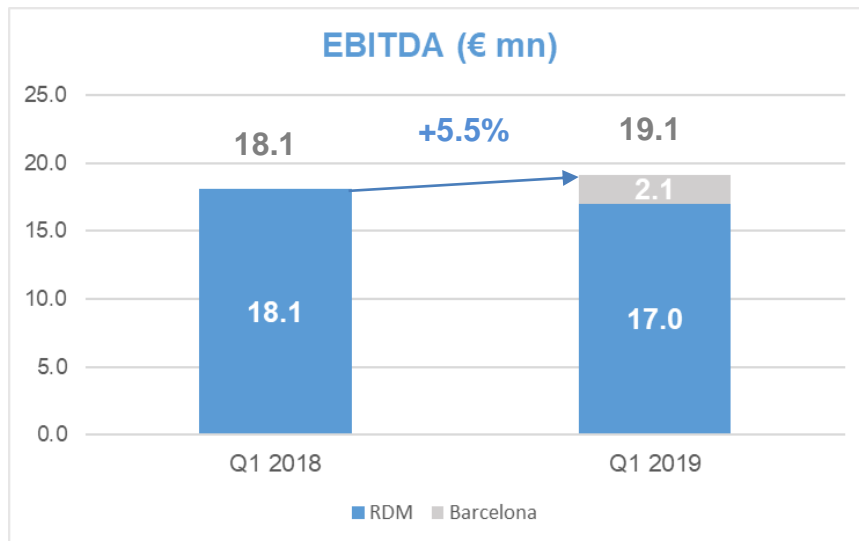
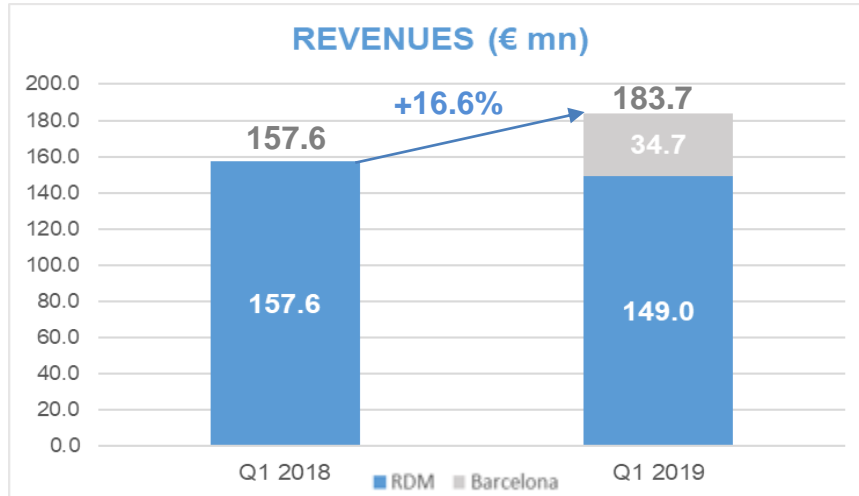
- 1 Strengths
- 2 **Delivering on Strategy**
- 3 RDM Shares



2018 Net Debt reflects the costs of three acquisitions over the 2016-2018 period.

*Net Debt as at 31 March 2019 includes 6.8 € mn liabilities due to the adoption of the new IFRS 16 "Leases".





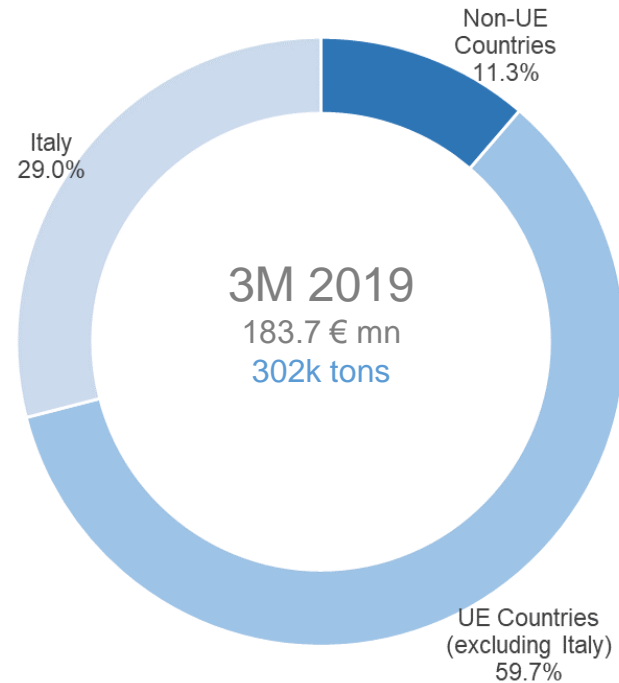
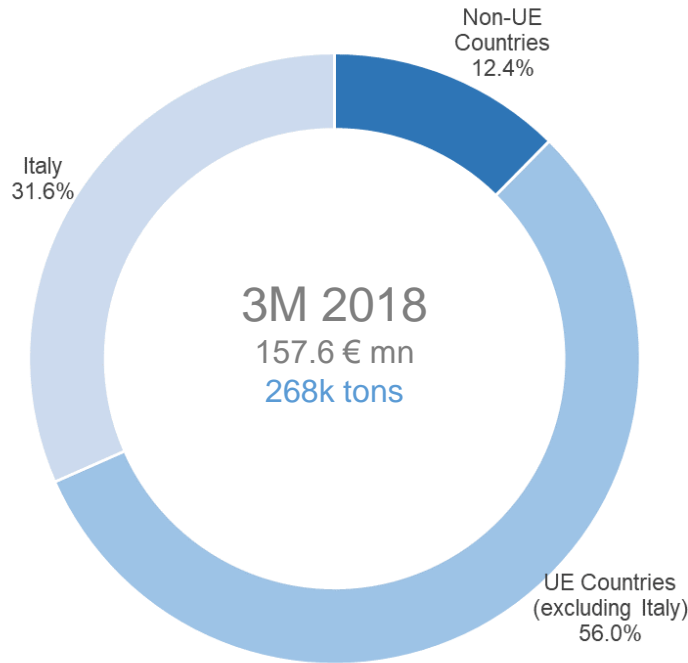
The **EBITDA change** (+5.5%) reflects the following drivers:

- + **Revenues** increase (+16.6%) led by the Barcelona Cartonboard acquisition;
- **Weaker demand** (-0.4%) in overseas and European markets, partly counterbalanced by strong Turkish demand;
- + **Selling prices increase in FBB** and slight decrease in those of WLC products;
- **Lower dispatched volumes** at Villa Santa Lucia (WLC) and La Rochette (FBB) mills;
- Higher cost of energy;
- + Lower prices for recycled and virgin fibers.

Increase in Q1 EBITDA leverages on:

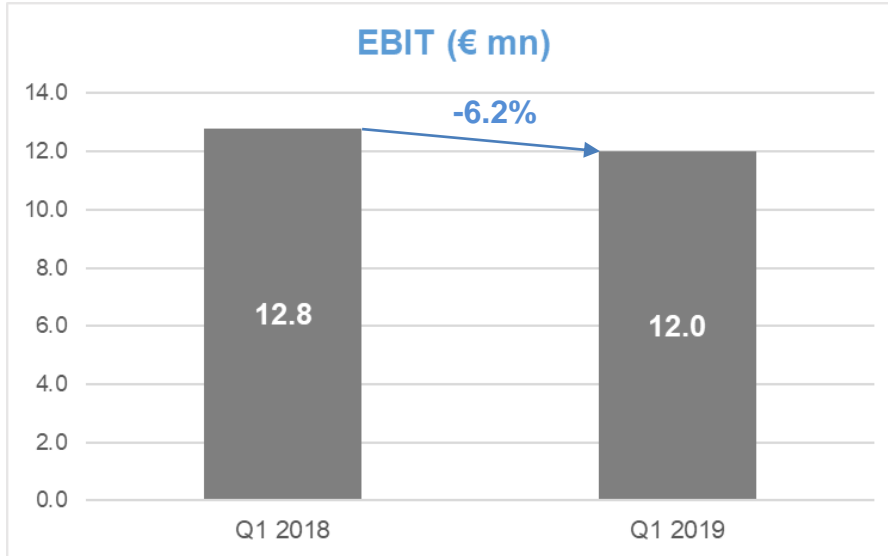
- **Recent M&A** driving the **top line** growth
- **RDM sticking to remunerative prices** despite reflective demand, to safeguard **operating profitability**.

Q1 EBITDA margin of 10.4% is in line with that of FY2018.

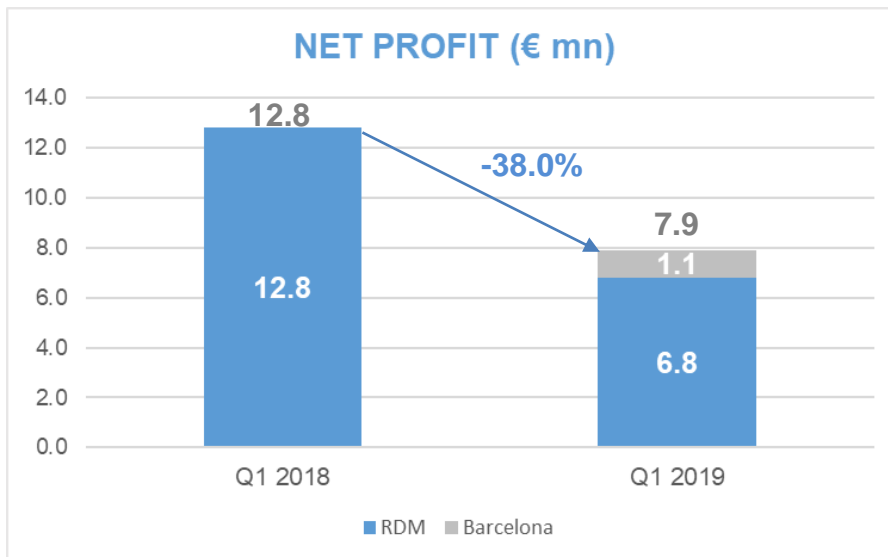


Revenue growth of **16.5%** reflecting the larger scope of consolidation (Barcelona Cartonboard).

Strategic decision to **reduce exposure to overseas markets**, given the significant reduction of both prices and demand in those markets.



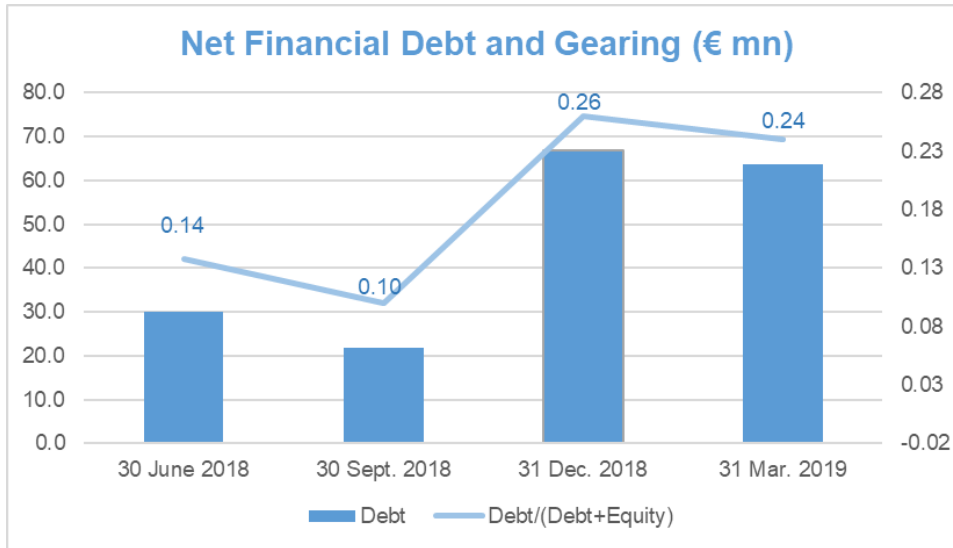
Higher D&A costs (5.3 € mn in Q1 2018 vs. 7.1 € mn in Q1 2019) resulted in an **EBIT decrease (-6.2%)**.



Net Profit decrease (-4.9 mn€ vs. Q1 2018) mainly due to lower income from equity investments **(-3.1 mn€ vs. Q1 2018)**.

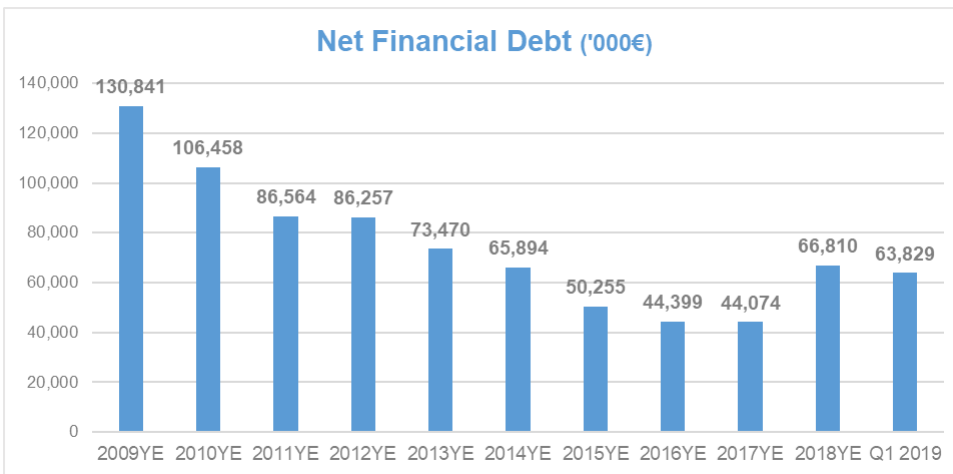
In Q1 2018, the acquisition of 100% of PAC Service, previously consolidated with the equity method, led to an income from equity investments of 3.2 mn€ .

Net Profit decline also reflects an **increase in taxes (+0.8 € mn vs. Q1 2018)**, as a result of higher taxable profit and termination of tax loss carried forward in the Italian perimeter.



Operational net cash-flow positive by 17 € mn with a working capital substantially unchanged.

Net Debt as at 31 March 2019 includes **6.8 € mn liabilities** due to the adoption of the **new IFRS 16 “Leases”**.



2018 Net Debt reflects the costs of **three acquisitions** over the 2016-2018 period.



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

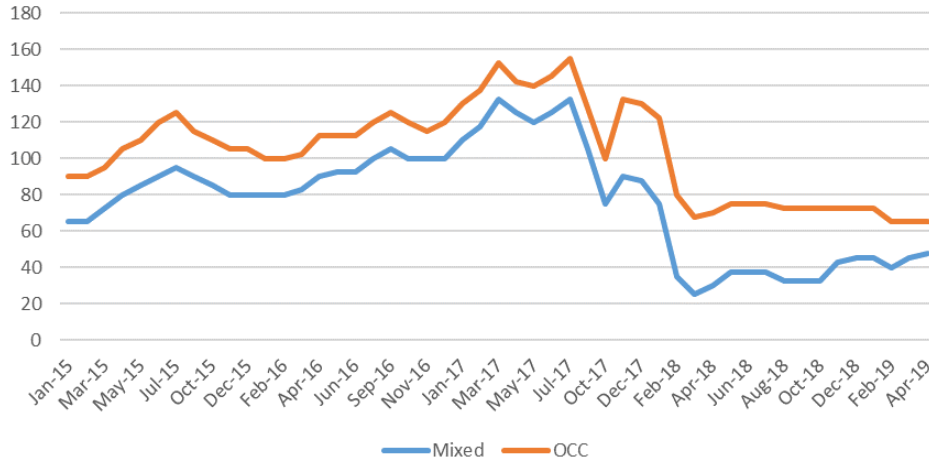
Reaction to the new standard

Continuous increase in virgin pulp prices

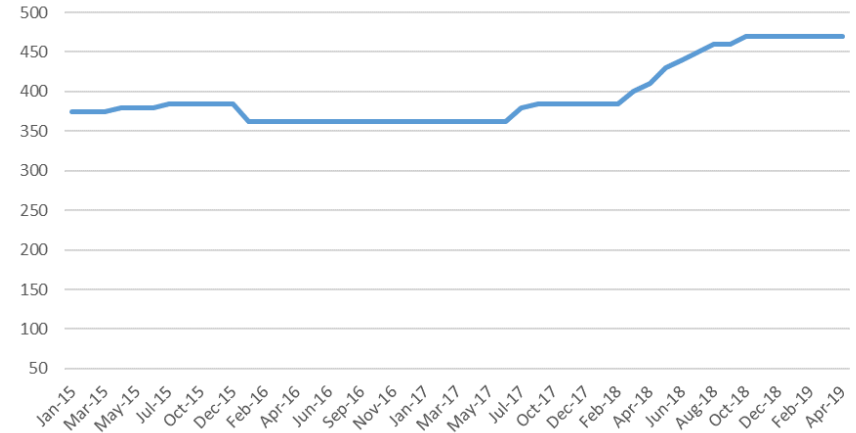
Finished products **export** opportunities



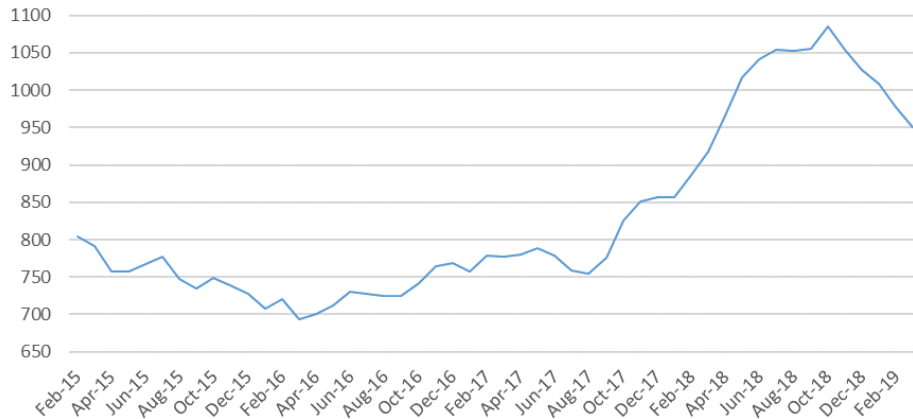
Brown Recycled Fibers (€ per ton)



White Recycled Fibers (€ per ton)



Bleached Softwood Pulp (€ per ton)

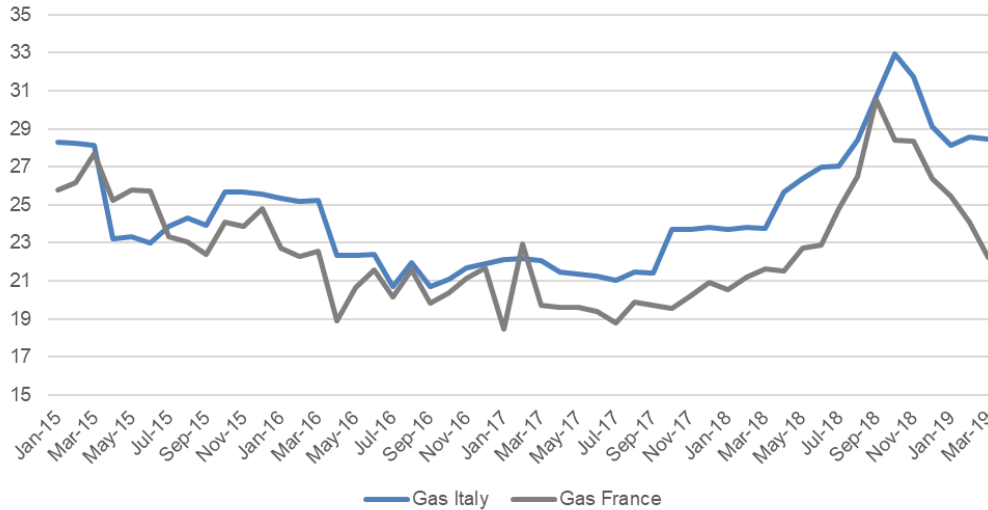


Prices for PFR have stabilized at levels higher than the minimum reached in March 2017.

Pulp prices reached top values in October 2018.



Natural gas (€/MWh)

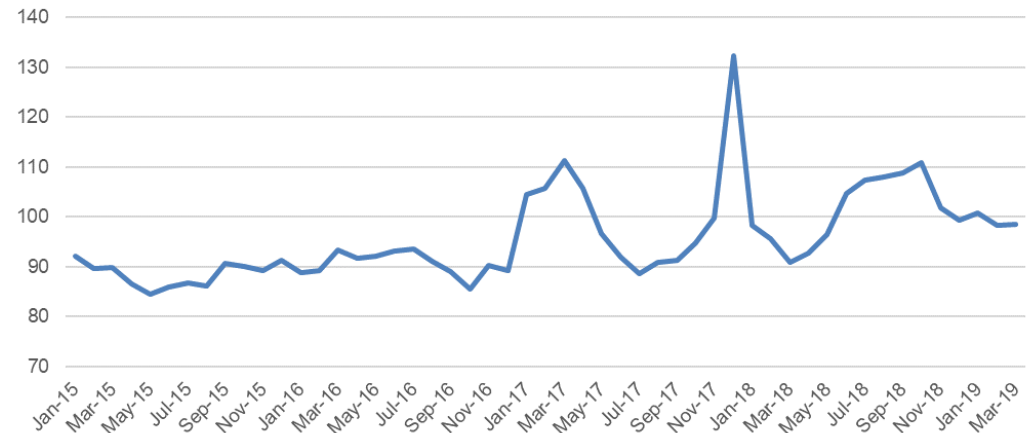


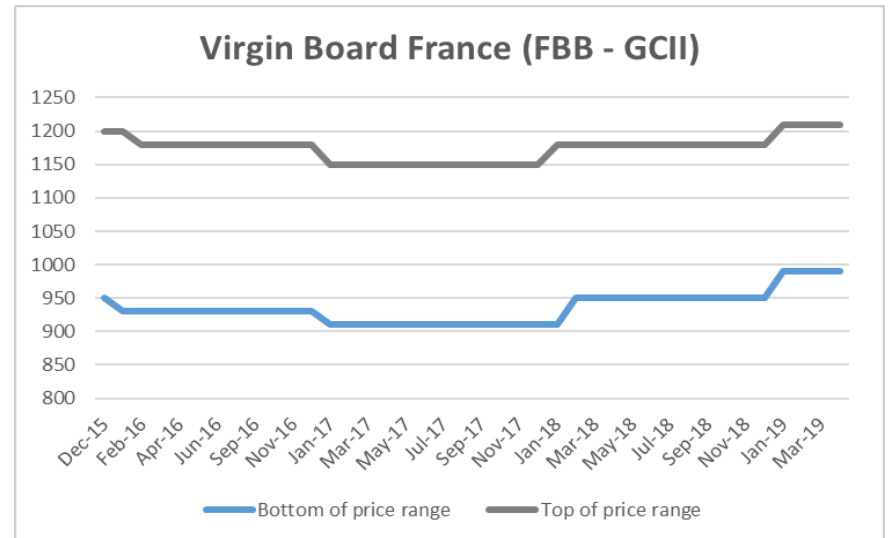
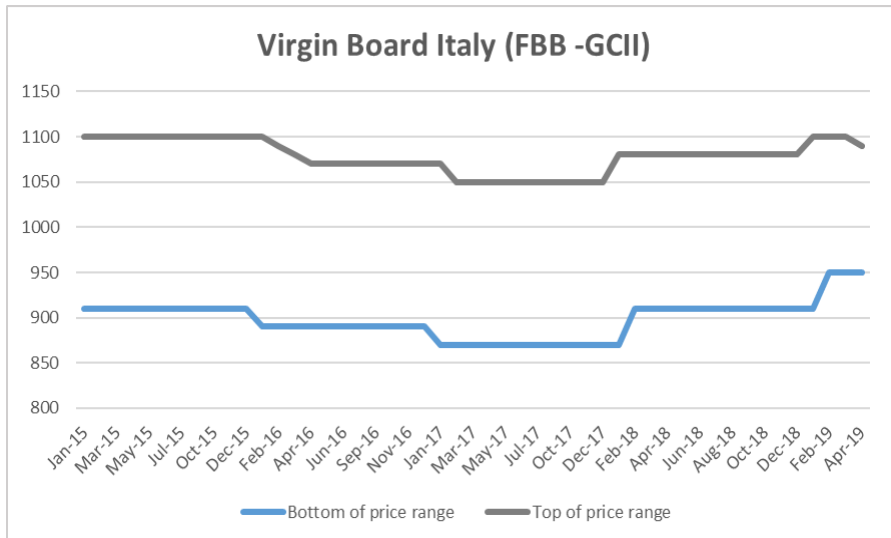
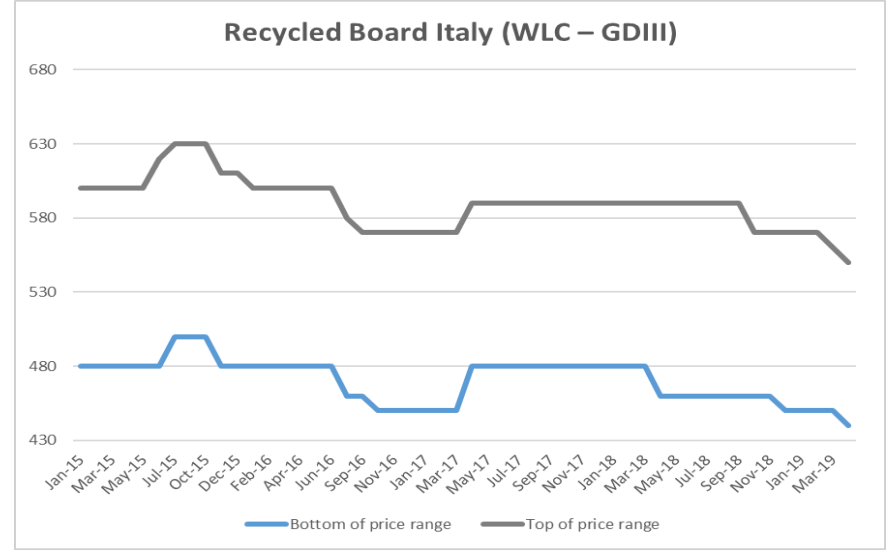
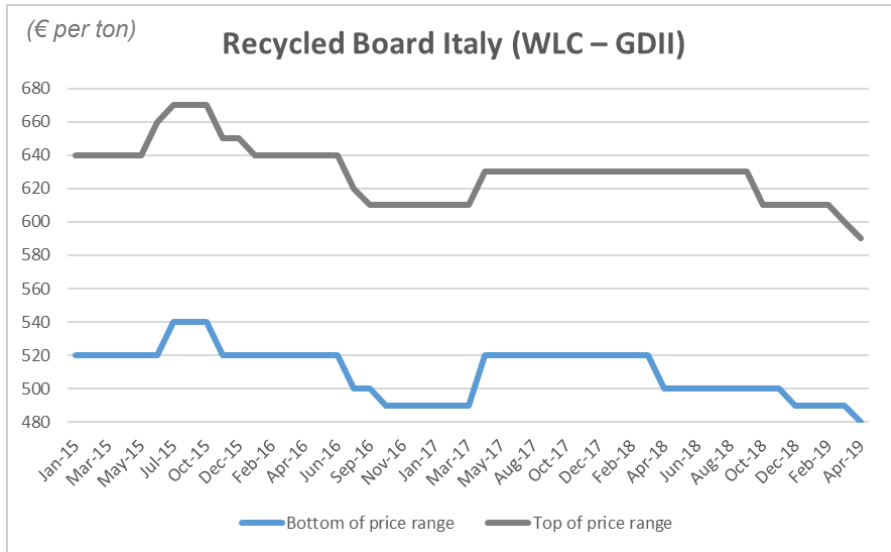
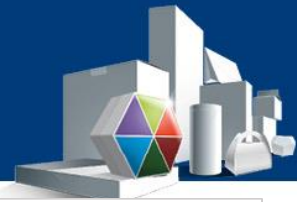
RDM smooths the volatility through a **portfolio** of contracts with **different maturities**.

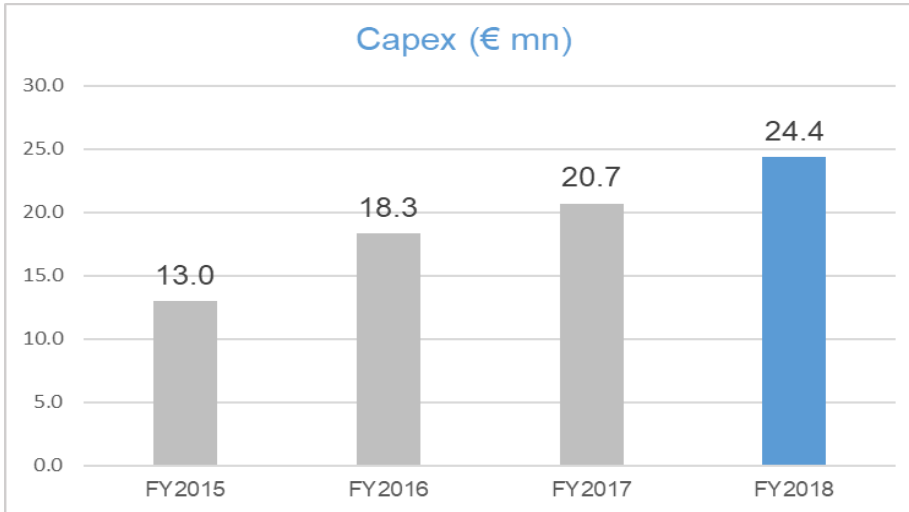
Lower consumption thanks to the **efficiency gains in WLC** facilities.

New steam turbine installed at Santa Giustina in Dec. 2017 paved the way to a reduction of -9.4% in Gas consumptions.

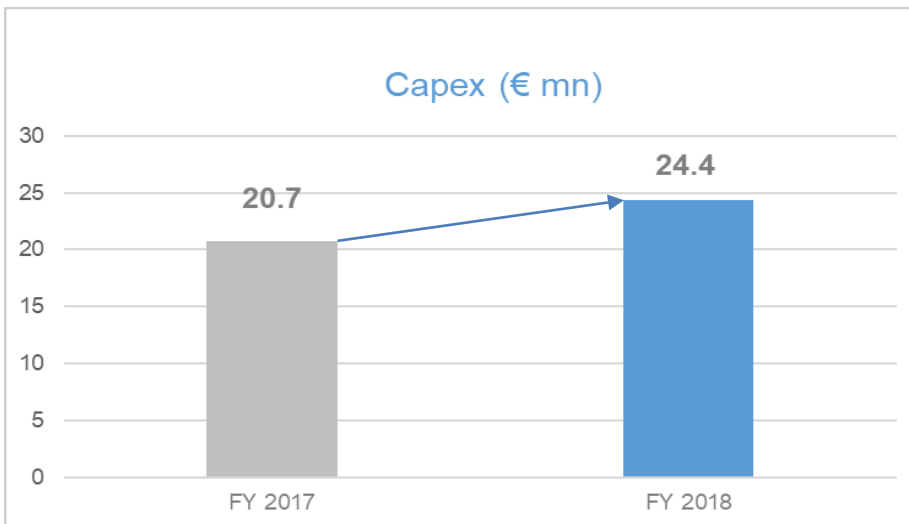
Coal price in Germany (€/ton)







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

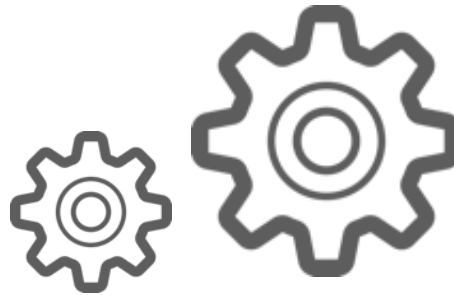
Optimization of recipes

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

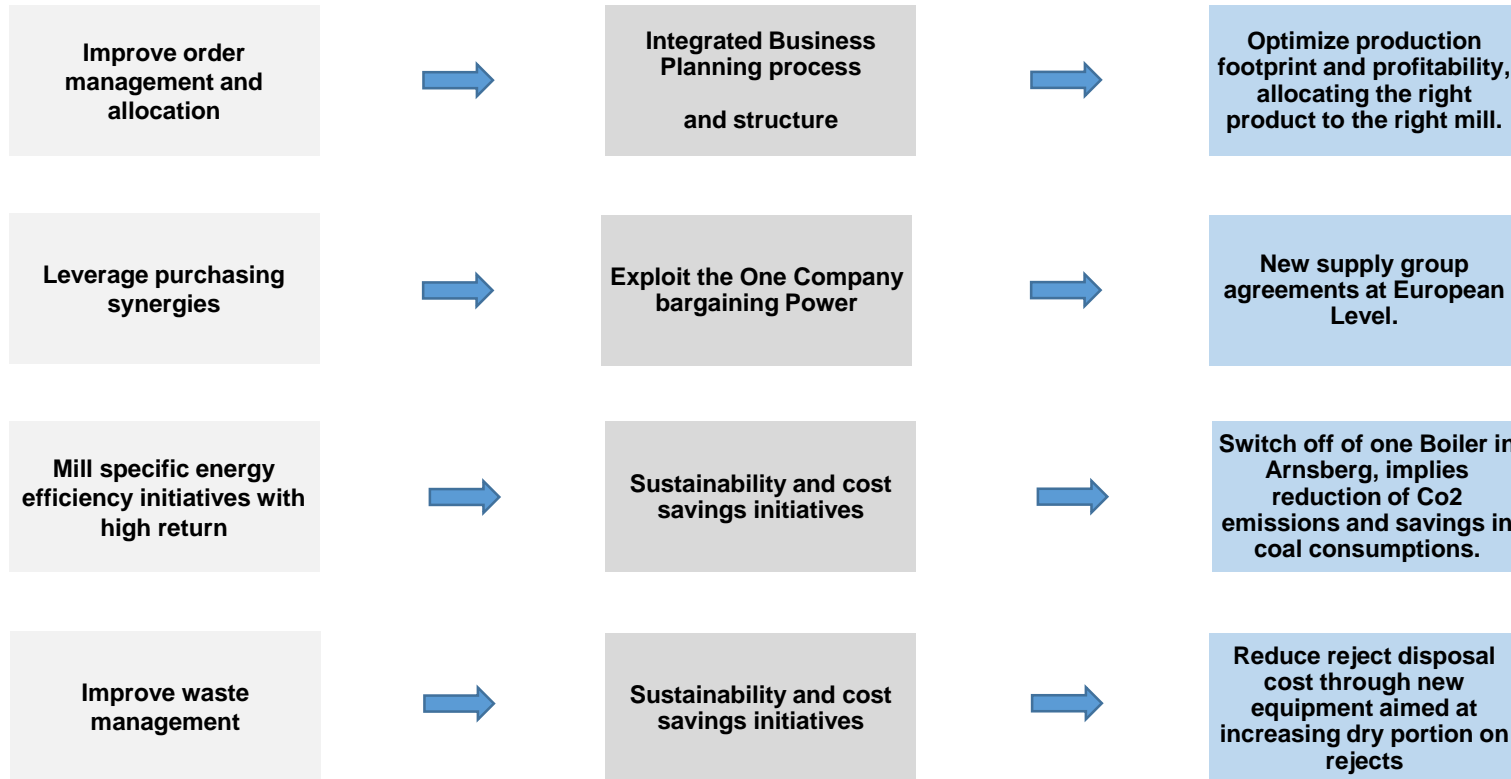
Reallocation of customers' portfolio

Benefit from an enhanced economy of scale

Synergies to be fully achieved as of 2021



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.





- 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

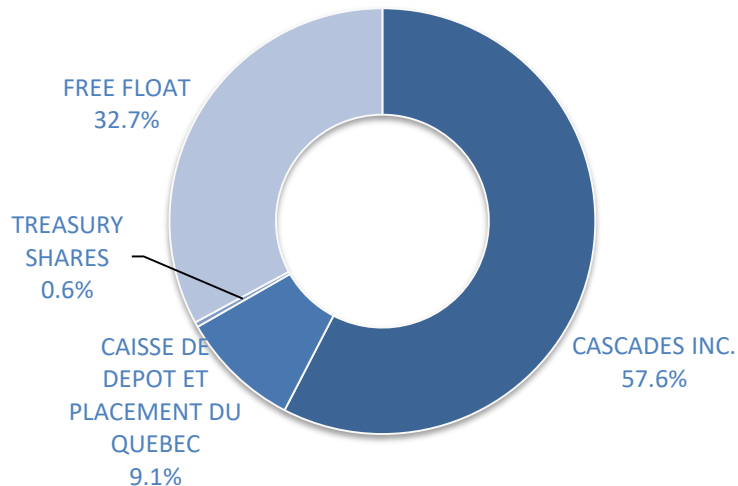
Codes

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

Mkt cap: 257.7 € mn

Free float mkt cap: 84.3 € mn
 (@0.682 € p.s. as of 8 May 2019)

Main shareholders



Source: RDM shareholder register

FY2018 dividend

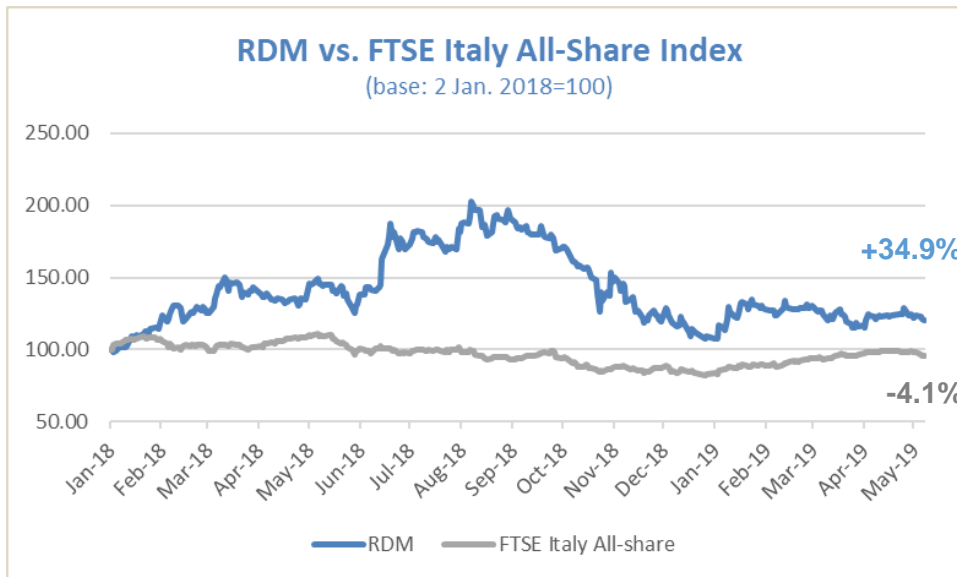
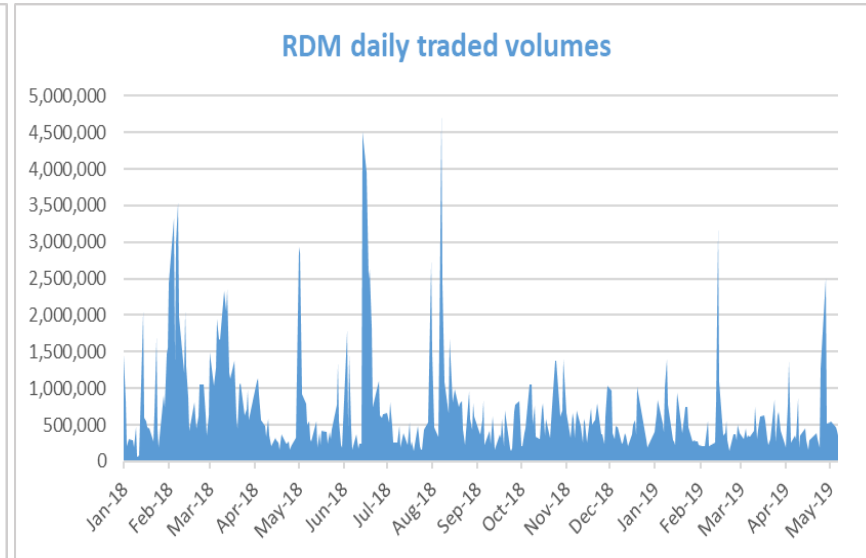
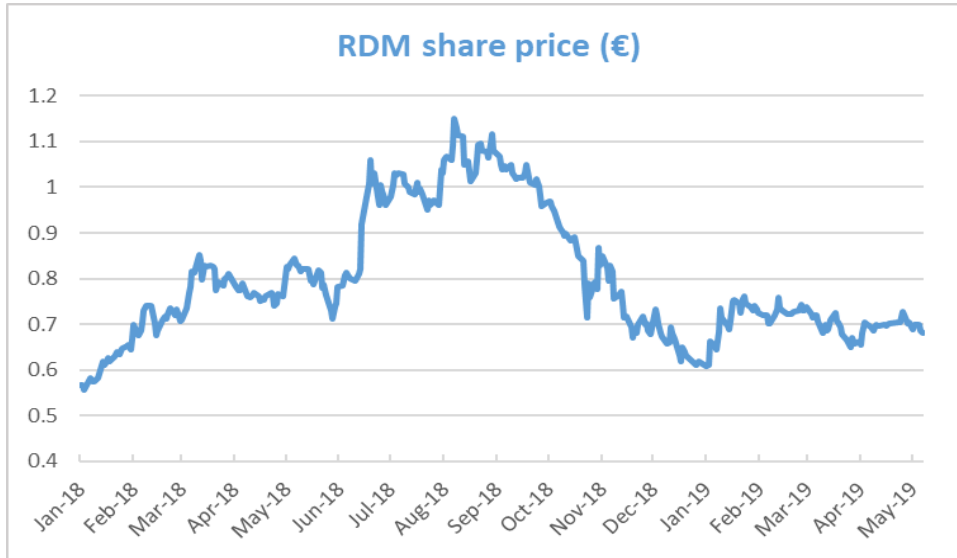
ORDINARY SHARE:

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

Q1 2018: 1,097,588

Q1 2019: 518,846

1 Apr. – 8 May 2019: 543,188



BROKER	CITY	ANALYST	TARGET PRICE (€)	RECOMMENDATION	DATE
Intermonte	Milan - IT	Carlo Maritano	1.10	OUTPERFORM	30 Apr. 2019
MidCap Partners	Paris - FR	Pierre Buon	0.85	BUY	30 Apr. 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.