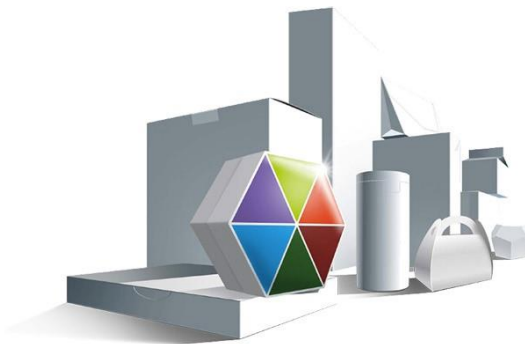


Reno De Medici

Milan Industrial Day

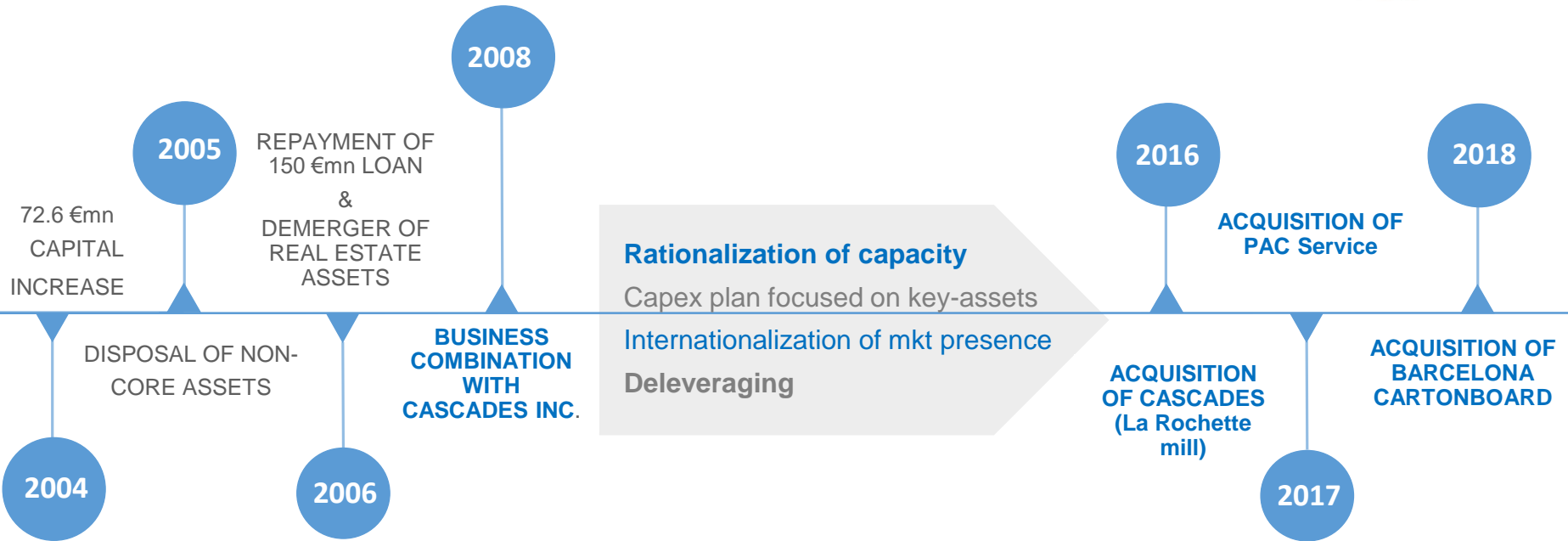
4 September 2019



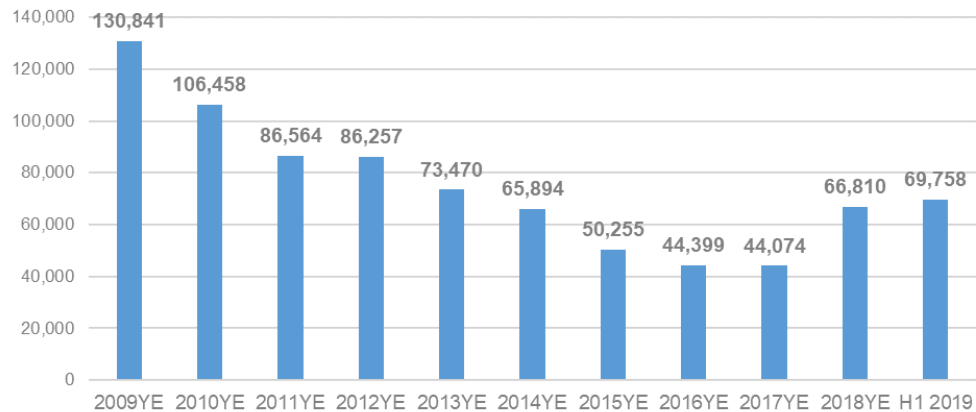
Born to be
converted



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

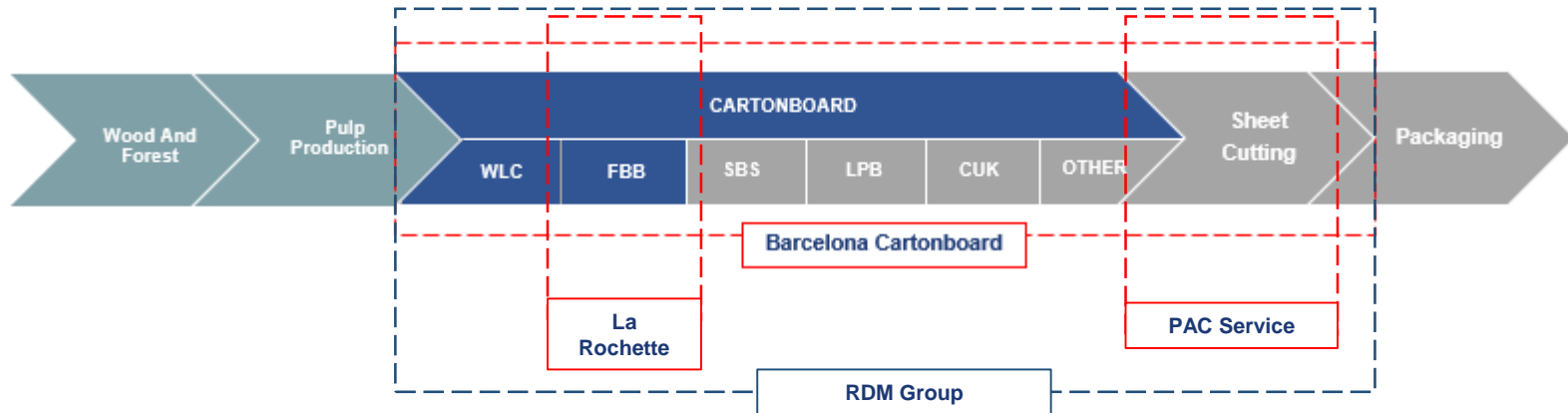


Net Financial Debt ('000€)





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. No.1 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 mn tons/p.a.**

Four assets with capacity over **200k tons/p.a.**



Santa Giustina's plant

WLC

White Lined Chipboard
Based on **recycled fibers**

No. of mills: **6**

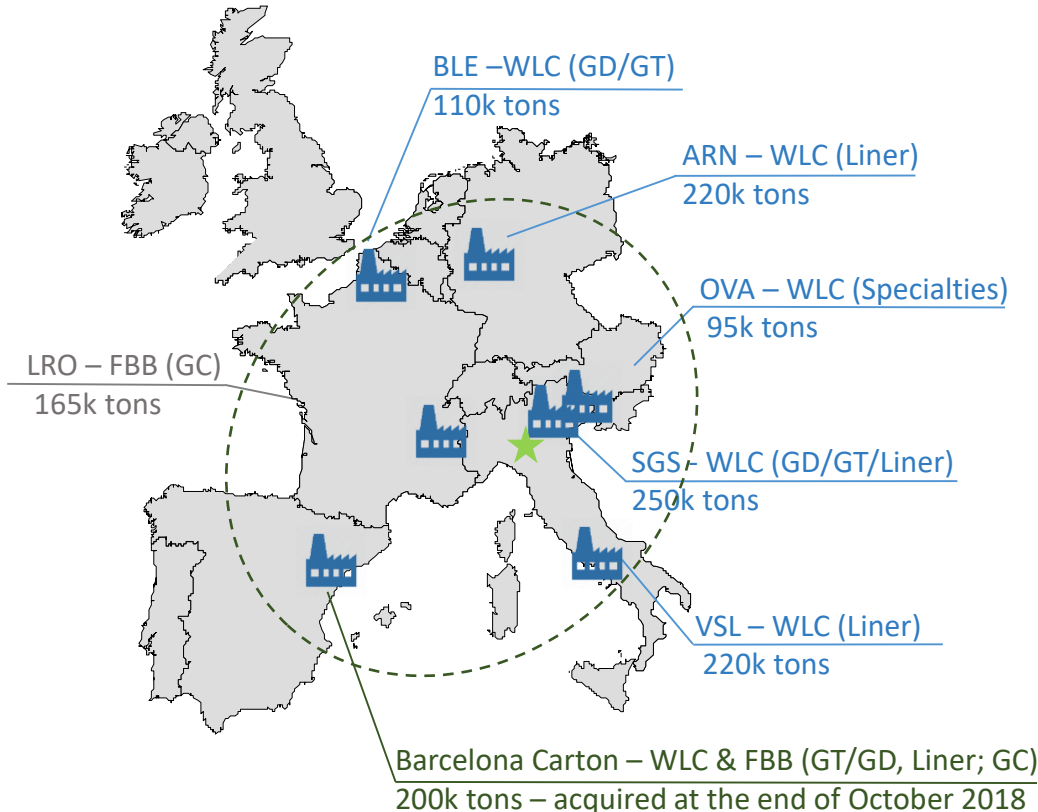
Production capacity: **1.1 mn tons/p.a.**
equal to **87%**

FBB

Folding Boxboard
Based on **virgin fibers**

No. of mills: **1**

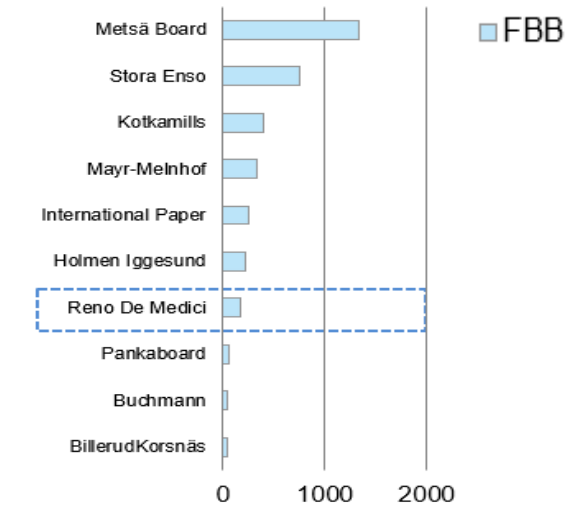
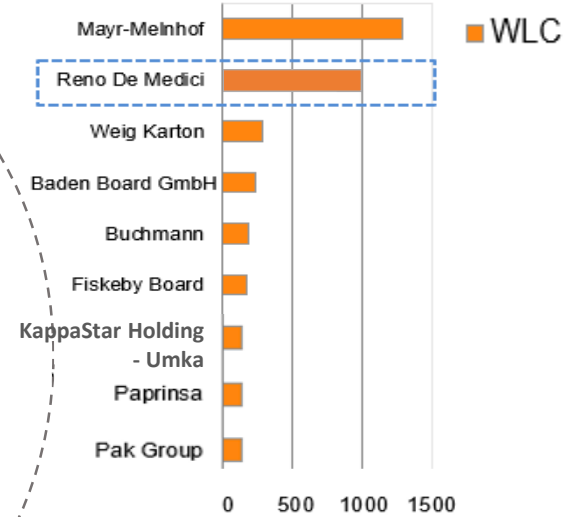
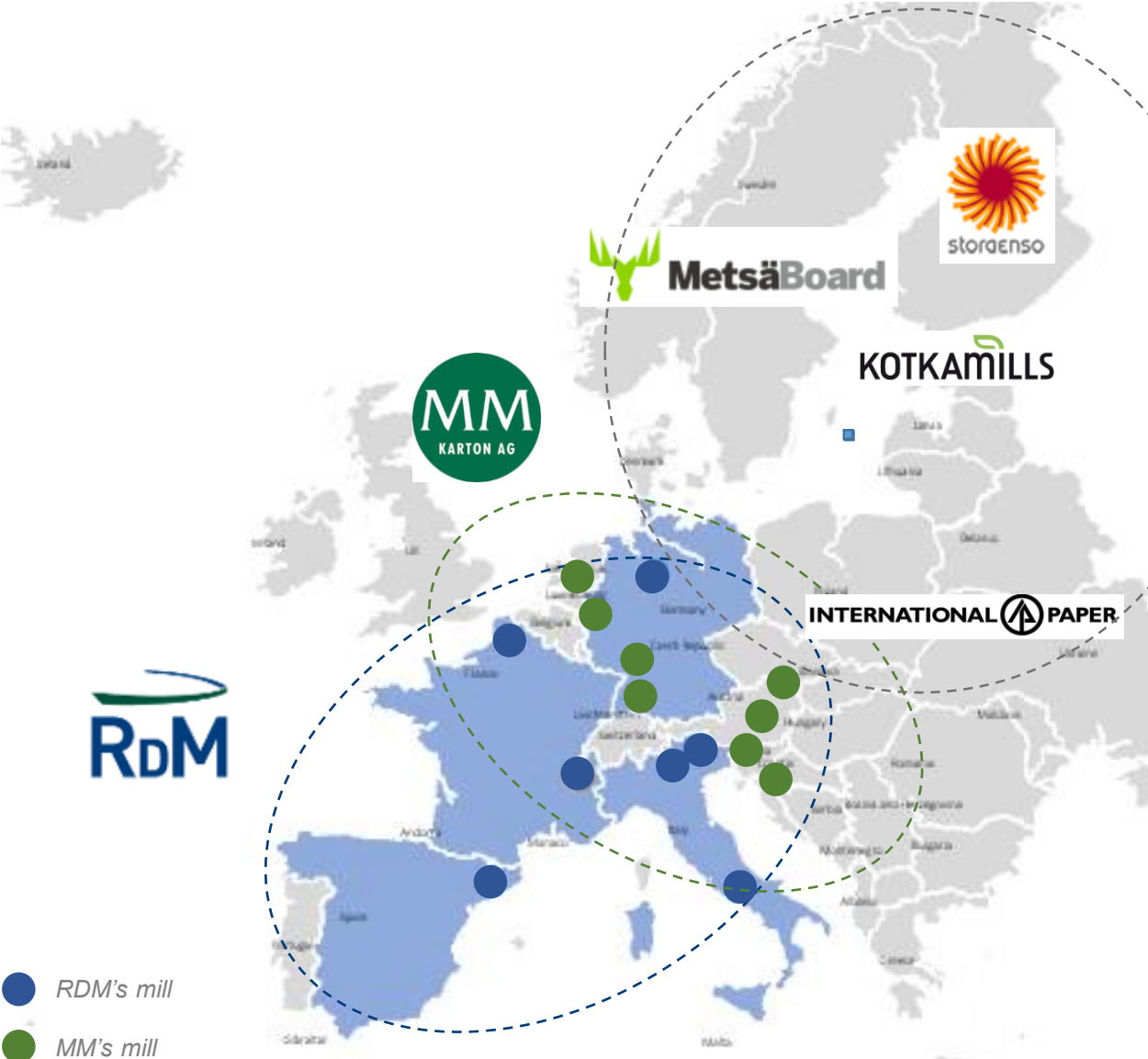
Production capacity: **0.165 mn tons/p.a.**
equal to **13%**



★ Headquarters in Milan



Mill



Capacity 1000 t/a 7

Source: Company data



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
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





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

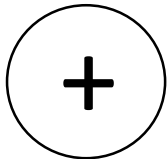


10.7%

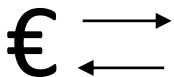
Double-digit EBITDA margin driven by efficiencies



Mixed-bag scenario. Weak demand but favorable fiber costs



Additional sales and EBITDA from Barcelona Cartonboard consolidation, synergies to be extracted in coming quarters



Continued cash flow generation funding capex and shareholder remuneration



WLC - Coated board made from recycled fibers

FBB – Cardboard for folding boxes made from virgin fibers

RDM GROUP

	WLC H1 2019*	WLC H1 2018	FBB H1 2019*	FBB H1 2018		RDM** H1 2019*	RDM** H1 2018
Net Sales ('000 €)**	303,165	246,075	59,070	61,842	➔	362,235	307,917
EBITDA ('000 €)	36,096	35,949	2,798	1,782		38,916	37,410
EBITDA margin %	11.9%	14.6%	4.7%	2.9%		10.7%	12.1%
NET PROFIT ('000 €)	15,375	17,987	1,224	709		16,658	21,257

*including BC

** without intercompany

EXTERNAL DRIVERS in WLC

Weaker demand

Lower organic volumes
Pressure on selling prices

Stable raw materials costs

Higher cost of energy
(expected to offset in H2 2019)

EXTERNAL DRIVERS In FBB

Weaker demand

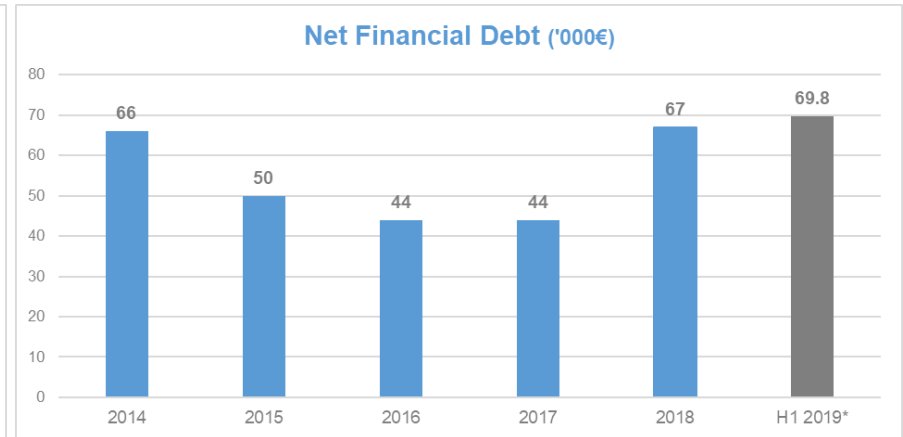
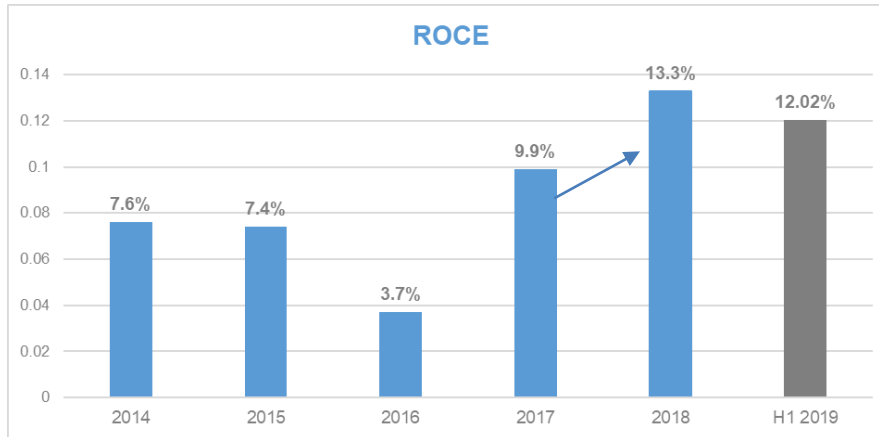
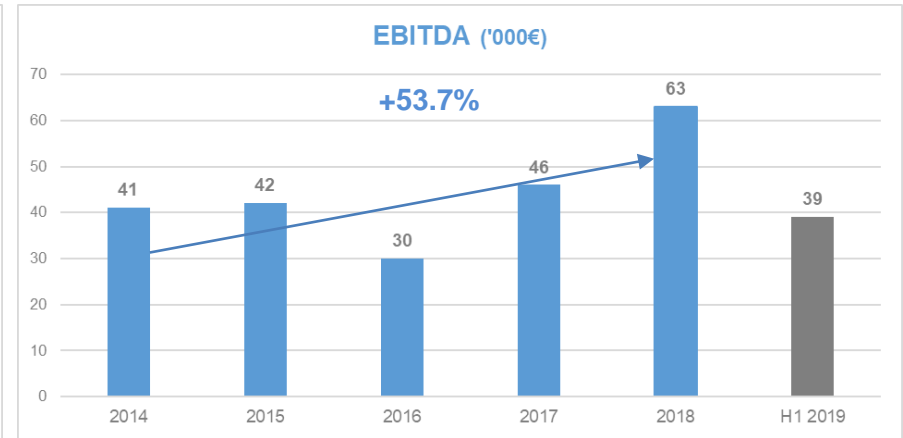
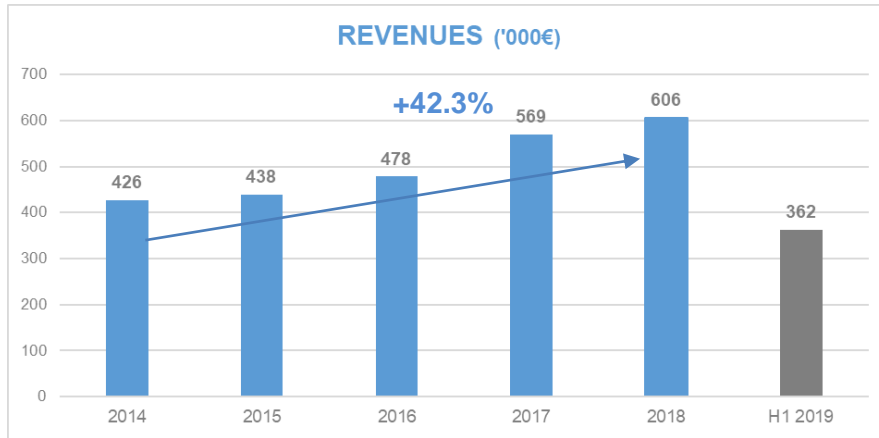
Lower organic volumes
Higher selling prices

Higher raw materials costs
(forecasted to reduce in H2 2019)

BARCELONA CARTONBOARD

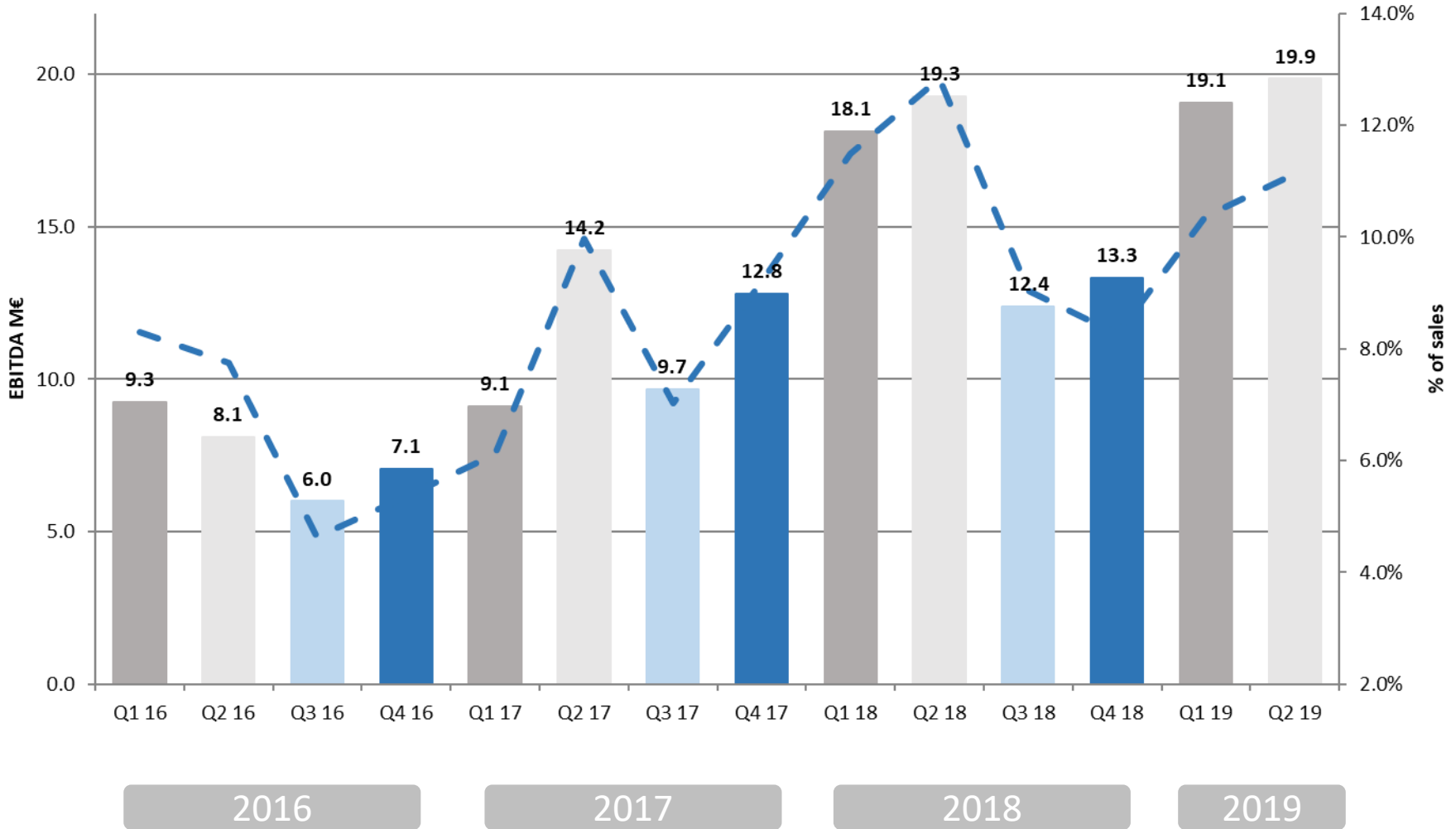
Before intercompany eliminations, BC contributed **€67 million** to consolidated sales, **€4.5 million** to EBITDA, and **€2.4 million** to net profit.

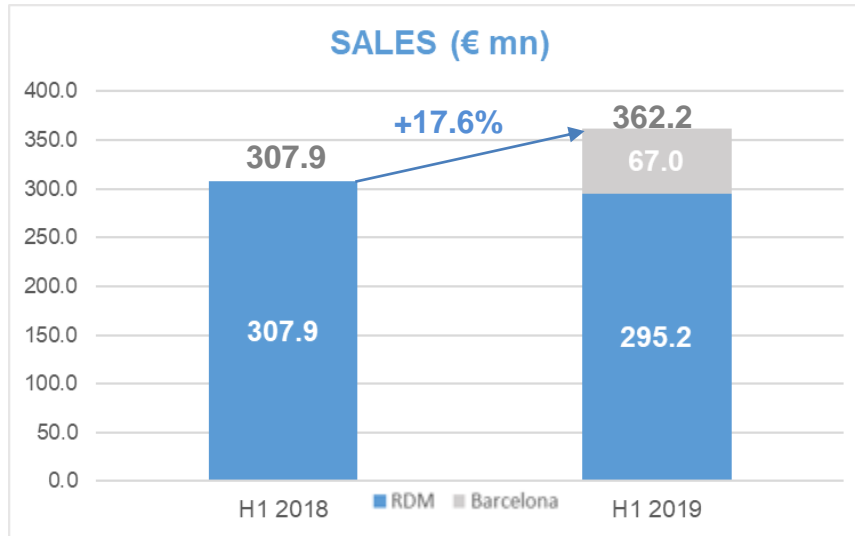
The **EBITDA margin** is **6.7%**.



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

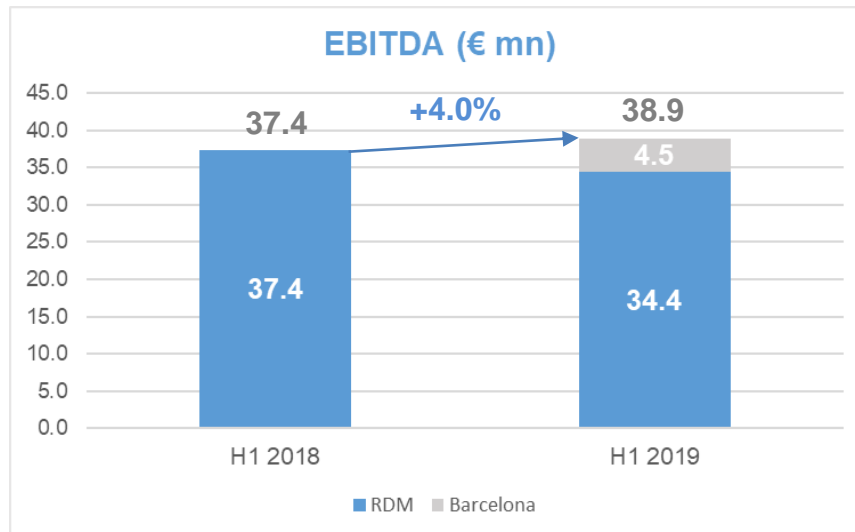
*Net Debt as at 30 June 2019 includes 12.7 € mn liabilities due to the adoption of the new IFRS 16 “Leases”.





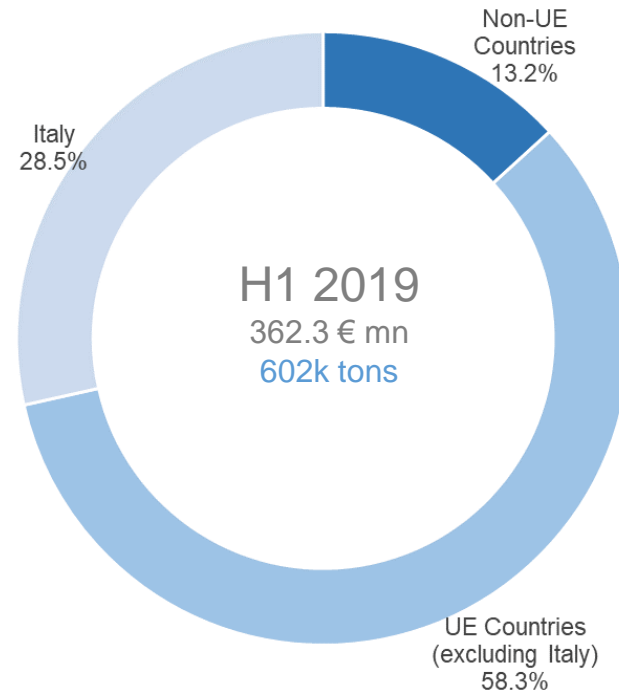
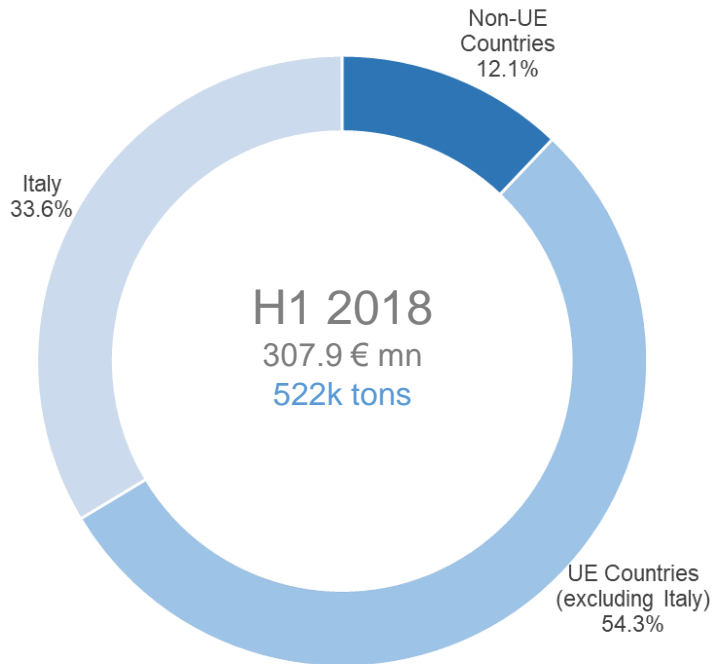
The **EBITDA change** (4.0%) reflects the following drivers:

- + **Sales** increase (+17.6%) led by the Barcelona Cartonboard acquisition;
- **WLC weaker demand** (-0.7%) in overseas and European markets;
- + **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**;
- **Higher prices for virgin fibers**.



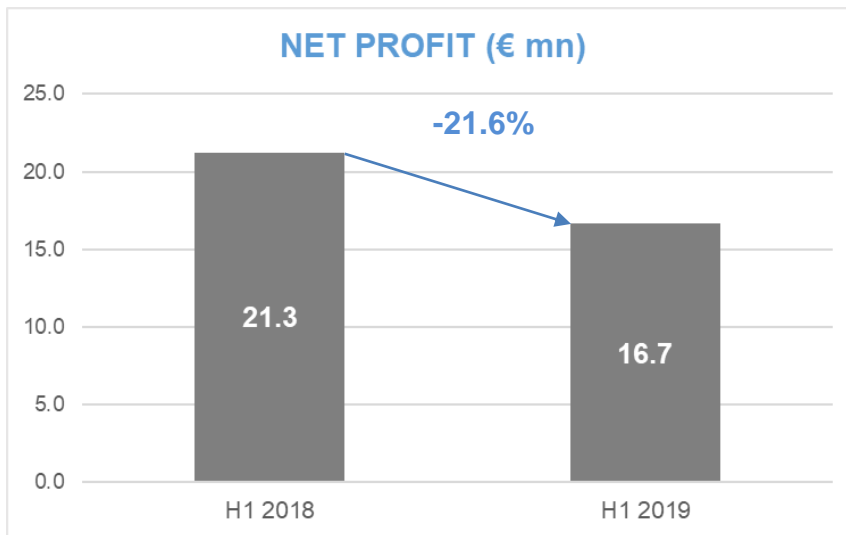
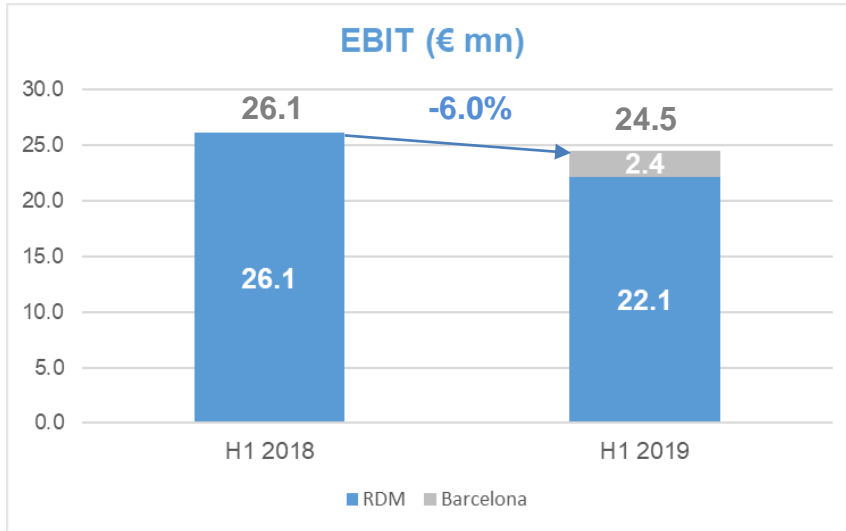
Increase in H1 2019 EBITDA leverages on:

- **Recent M&A** driving the **top line** growth
- **RDM** following its transformation plan **to achieve operating efficiencies**, in the use of energy and raw materials to safeguard **operating profitability**.



Sales growth of **17.6%** reflecting the larger scope of consolidation (Barcelona Cartonboard).

The **lower weight of Italian market** reflects the recent M&A deal in Spain.



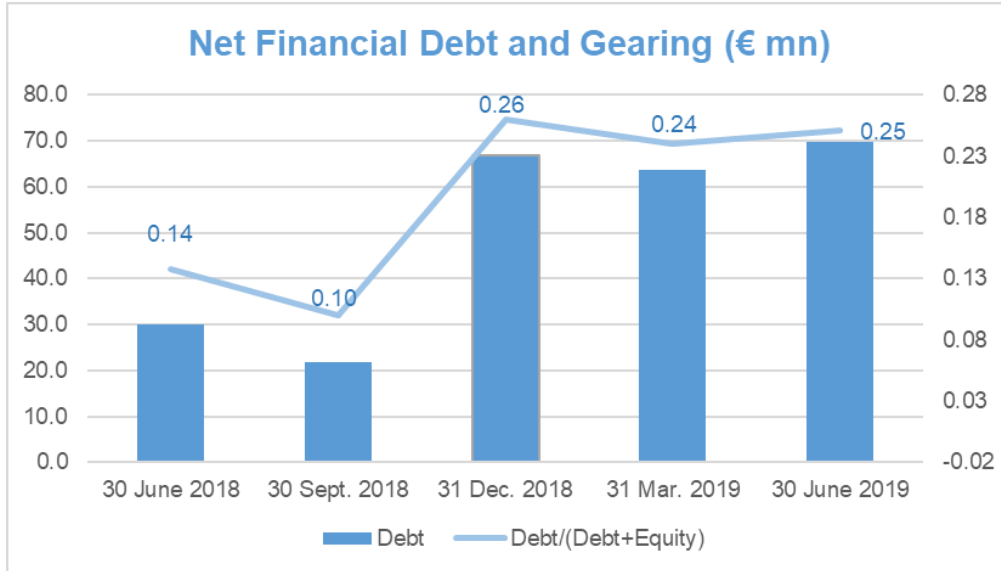
Higher D&A costs (€ 11.3 mn in H1 2018 vs. 14.4 € mn in H1 2019) resulted in an **EBIT decrease (-6.0%)**.

Net Profit decrease (-4.6 € mn vs. H1 2018) mainly due to lower income from equity investments (**-3.1 € mn** vs. H1 2018) and higher interest costs (**+1.3 € mn**).

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 mn€.

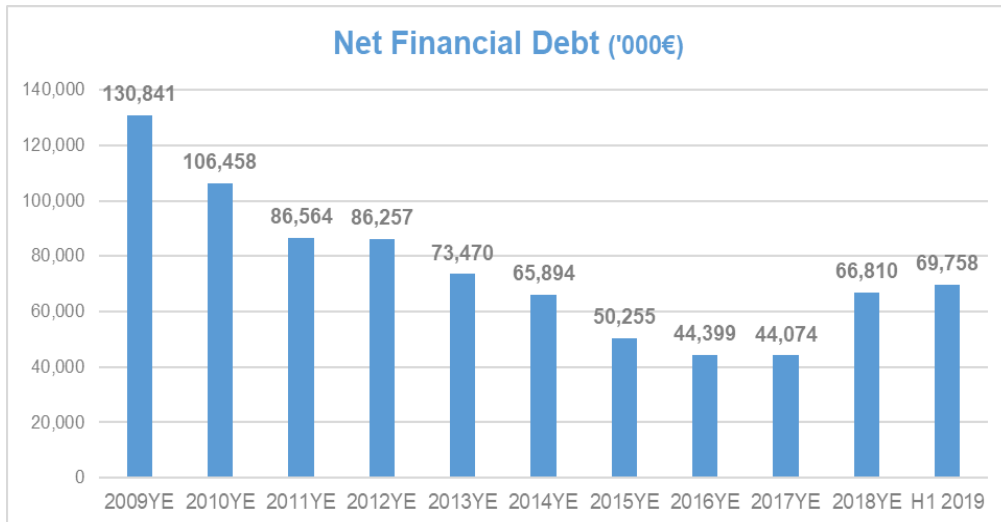
Interest costs were higher due to Barcelona debt, new IFRS 16, higher losses on foreign exchange.

Net Profit decline was partially offset by a **lower taxes (-1.4 € mn vs. H1 2018)**, as a result of lower taxable profit.

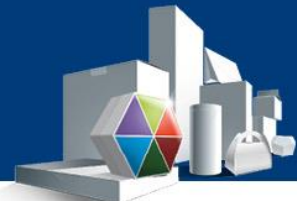


Operational net cash-flow positive by **22.5 € mn** despite **higher net working capital** (increases in volume of **finished products** and **receivables**, reflecting sales seasonality).

Net Debt as at 30 June 2019 includes **12.7 € 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

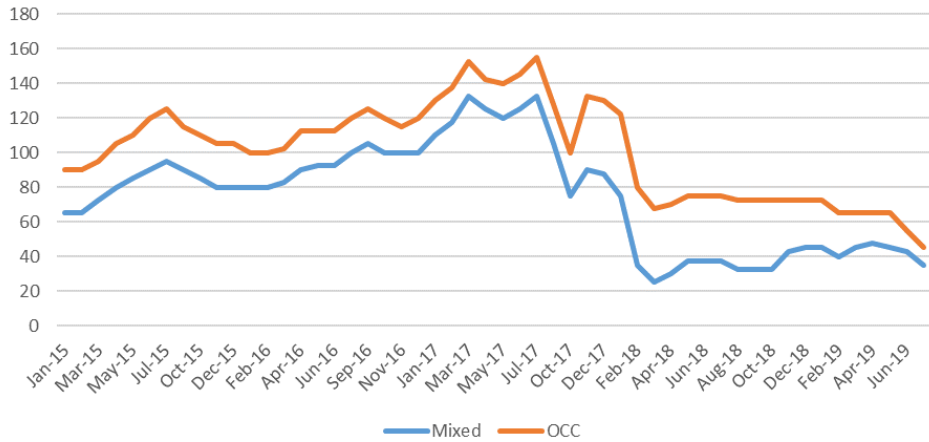
Reaction to the new standard

Continuous increase in virgin pulp prices

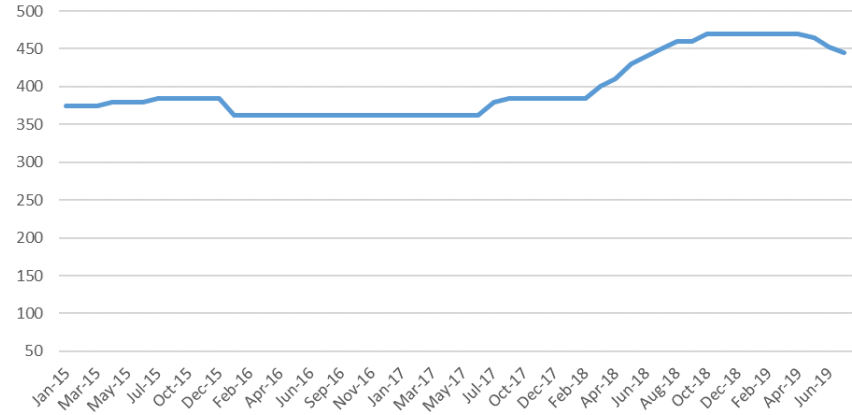
Finished products export opportunities



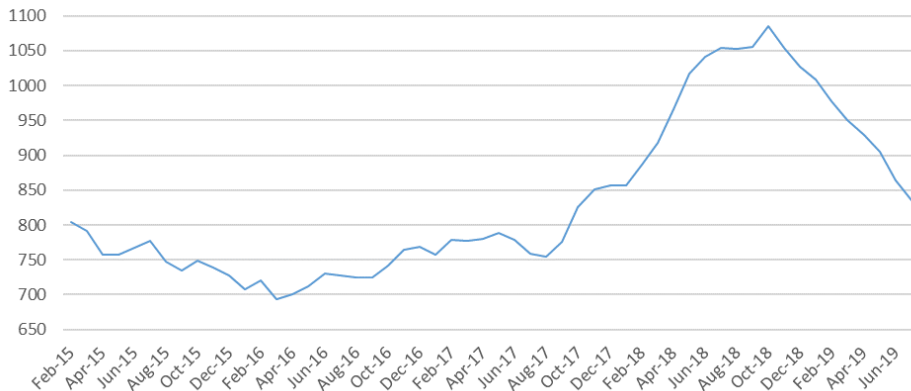
Brown Recycled Fibers (€ per ton)



White Recycled Fibers (€ per ton)



Bleached Softwood Pulp (€ per ton)



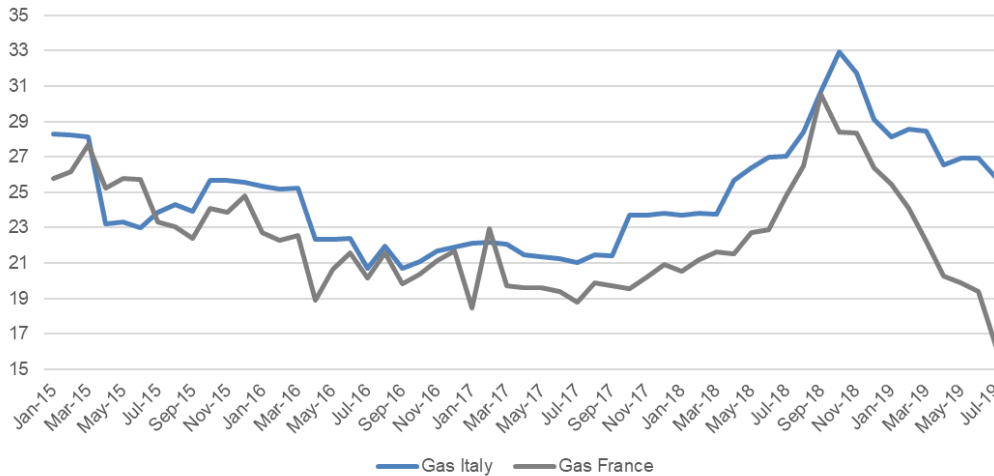
Prices for PFR* have stabilized at levels higher than the minimum reached in March 2017.

Pulp prices reached top values in October 2018.

*Brown and white recycled fibers are part of the "Paper For Recycling"



Natural gas (€/MWh)

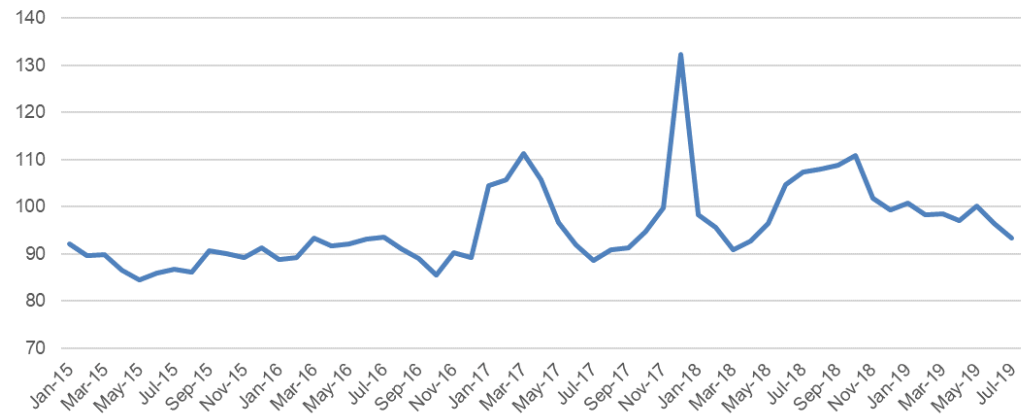


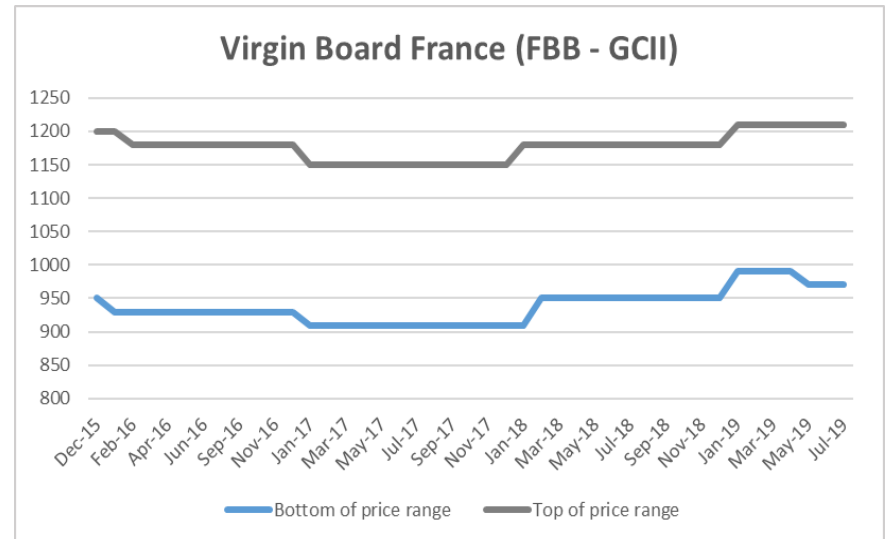
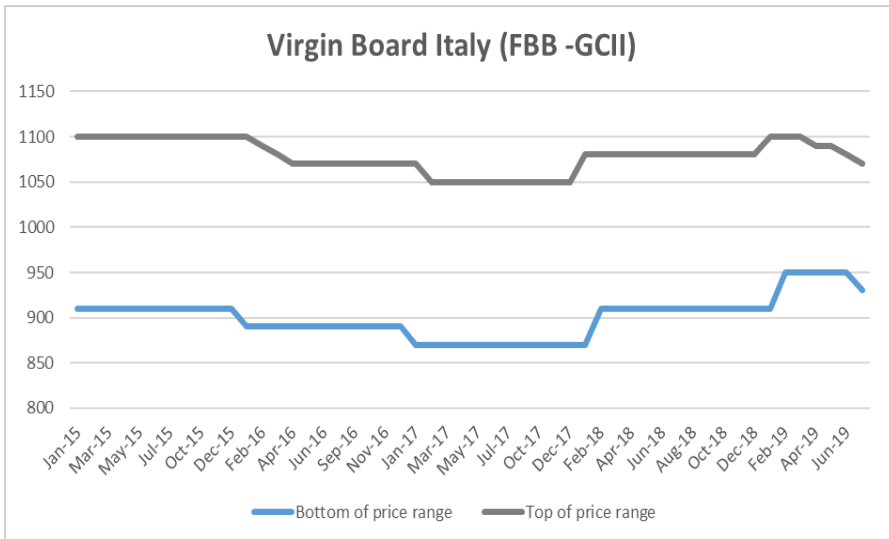
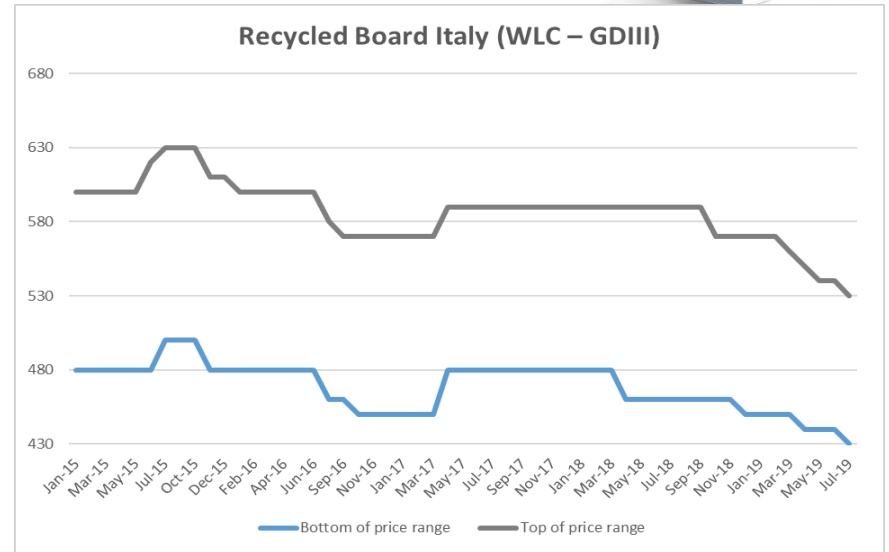
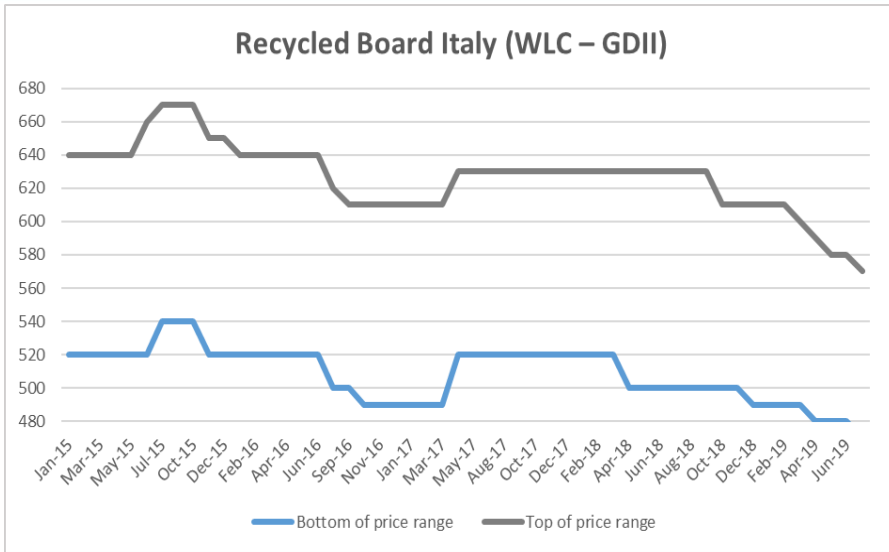
RDM smooths the volatility of gas prices through a portfolio of contracts with different maturities.

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 2018 Gas consumptions.

Coal price in Germany (€/ton)







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./Oct.)**
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

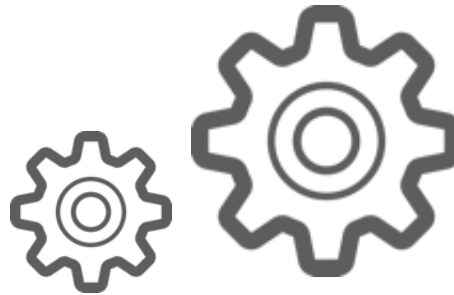
Optimization of recipes

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

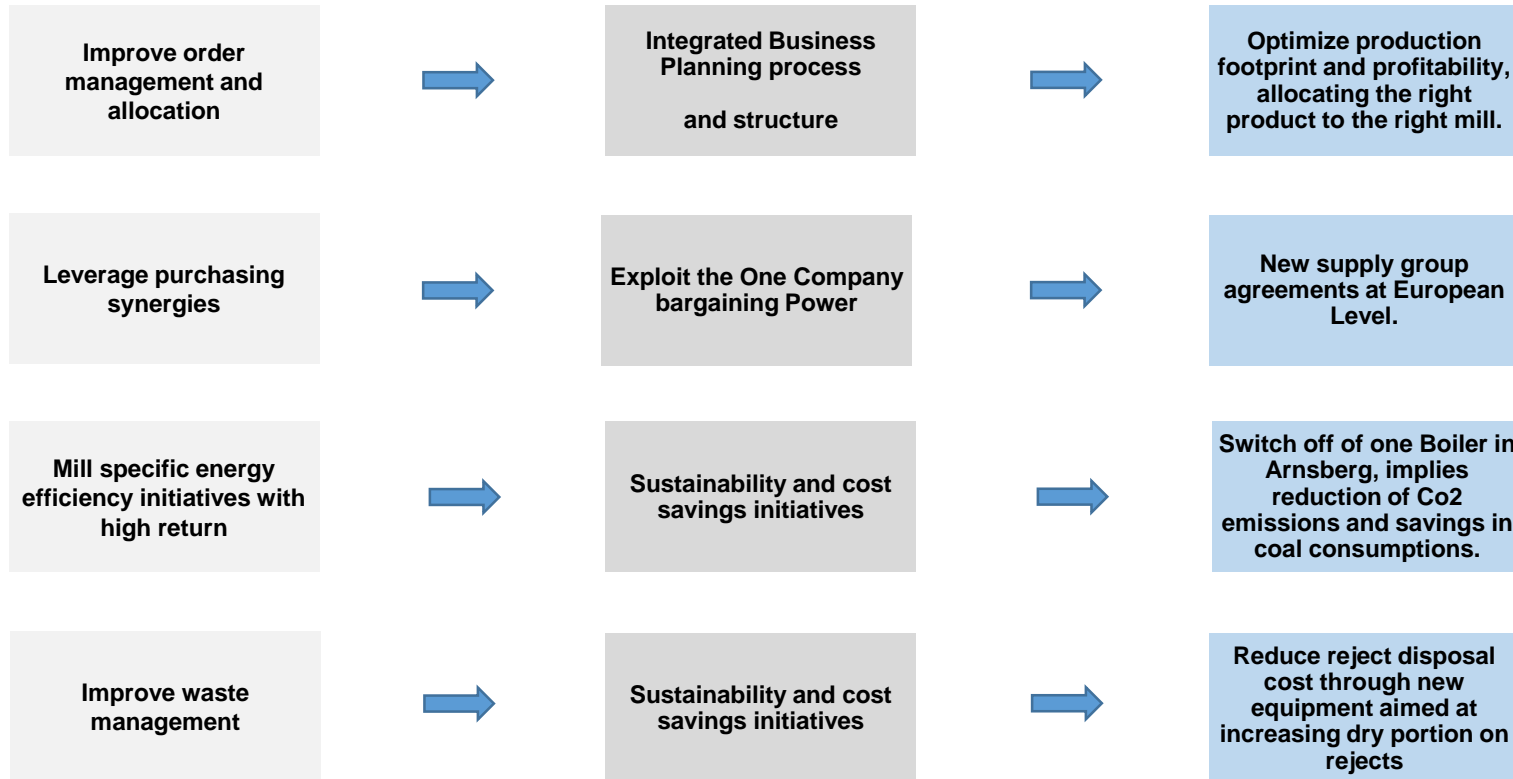
Reallocation of customers' portfolio

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

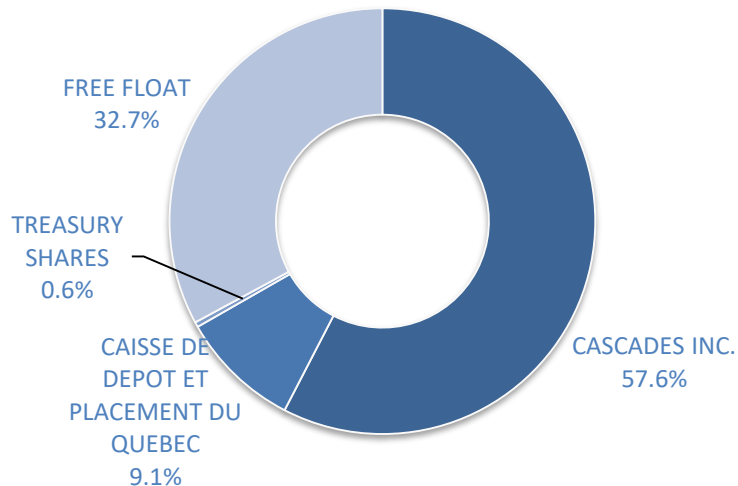
Codes

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

Mkt cap: 223.3 € mn

Free float mkt cap: 73 € mn
 (@0.591 € p.s. as of 29 August 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**

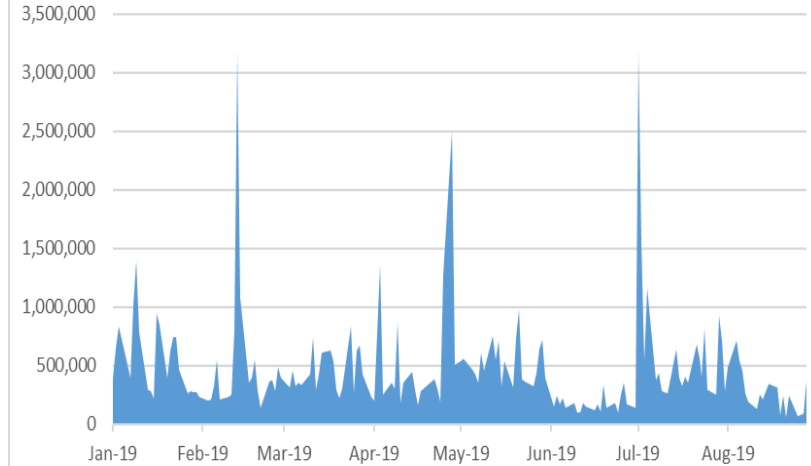
Dividend yield: **1.1%** (@YE2018 price of 0.62 €)



RdM share price (€)



RdM daily traded volumes



RdM vs. FTSE Italy All-Share Index (base: 2 Jan. 2019=100)



Average daily traded volumes

FY 2018: 783,458

Q1 2018: 1,097,588

Q1 2019: 518,846

Q2 2019: 471,244

1 July 2019 – 29 Aug. 2019: 474,831



BROKER	CITY	ANALYST	TARGET PRICE (€)	RECOMMENDATION	DATE
Intermonte	Milan - IT	Carlo Maritano	1.10	OUTPERFORM	5 Aug. 2019
MidCap Partners	Paris - FR	Pierre Buon	0.85	BUY	5 Aug. 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.



Stronger leadership

Higher operating efficiency

Better customer service

RdM outlook for 2019:

Weaker **demand**

Pressure on **WLC selling price**

Stabilization of **FBB selling price**

Stable/lower **fiber costs**

Decrease in **energy costs**

Addressing external drivers

Steady-state double-digit EBITDA margin from 2021 onwards

BC integration

Optimization of **asset base** and **product portfolio**

TRANSFORMATION PLAN IN PLACE

