



TOGETHER WE SHAPE THE FUTURE

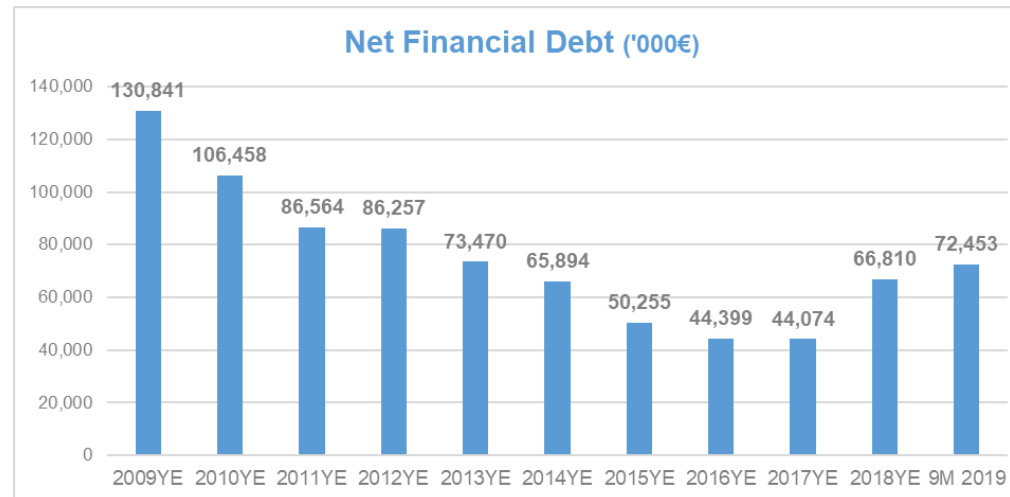
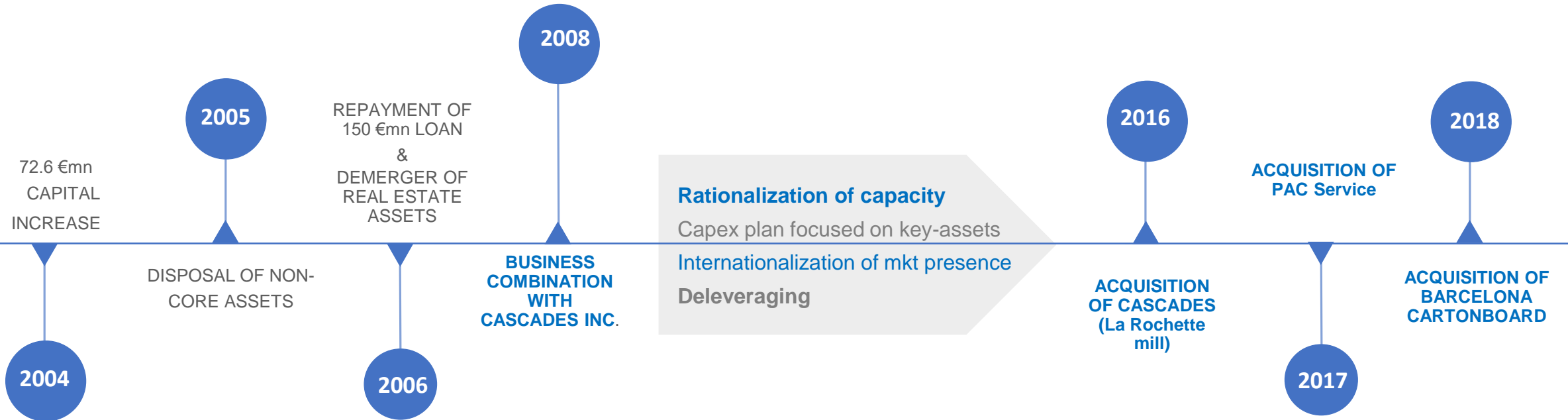
Frankfurt – European Midcap Event

11 February 2020

AGENDA

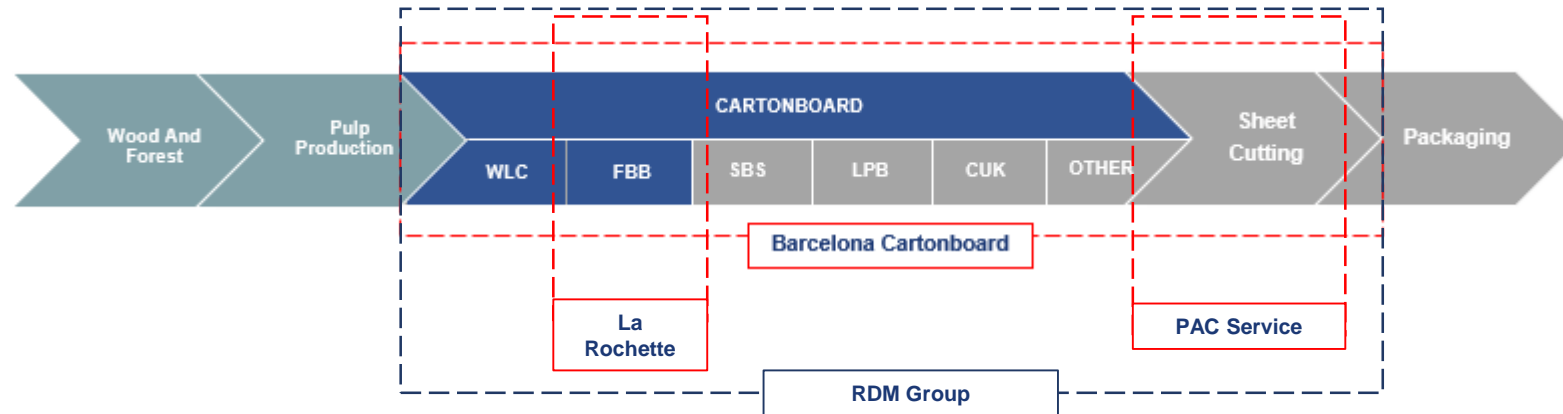
- 1** Strengths
- 2** Delivering on Strategy
- 3** RDM Shares

WHERE WE COME FROM



LATEST M&A DEALS

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.

STRENGTHS

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

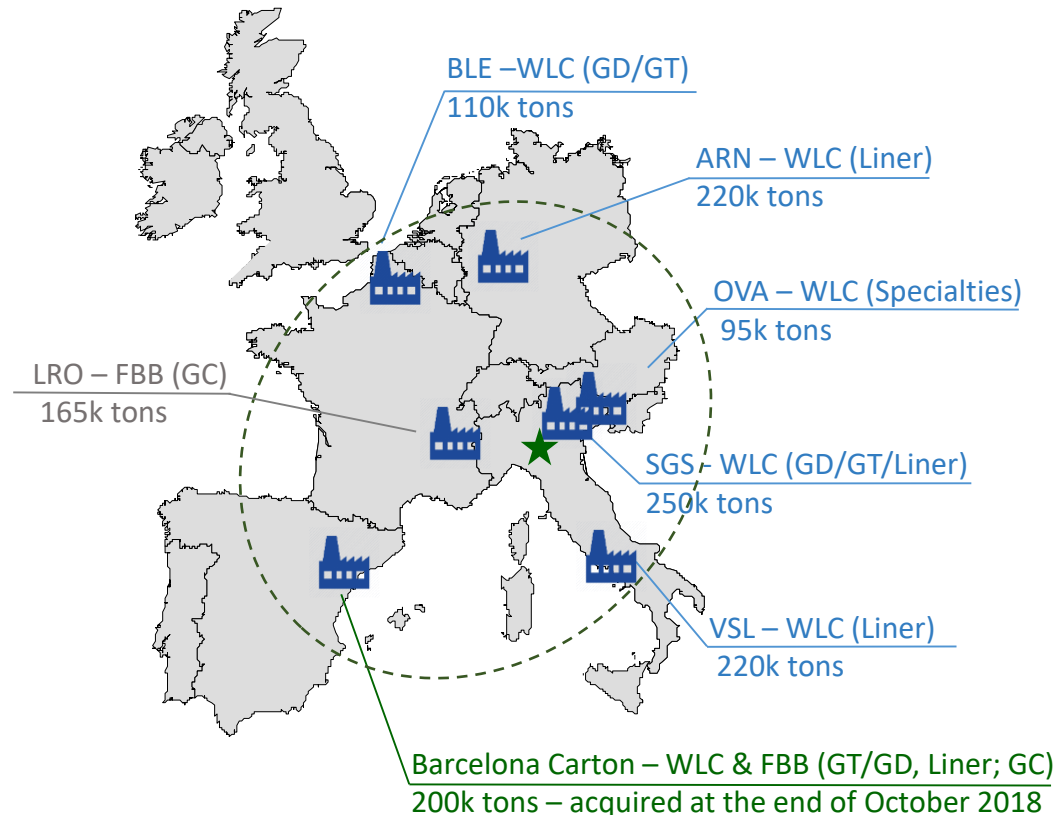
A PANEUROPEAN ASSET BASE

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

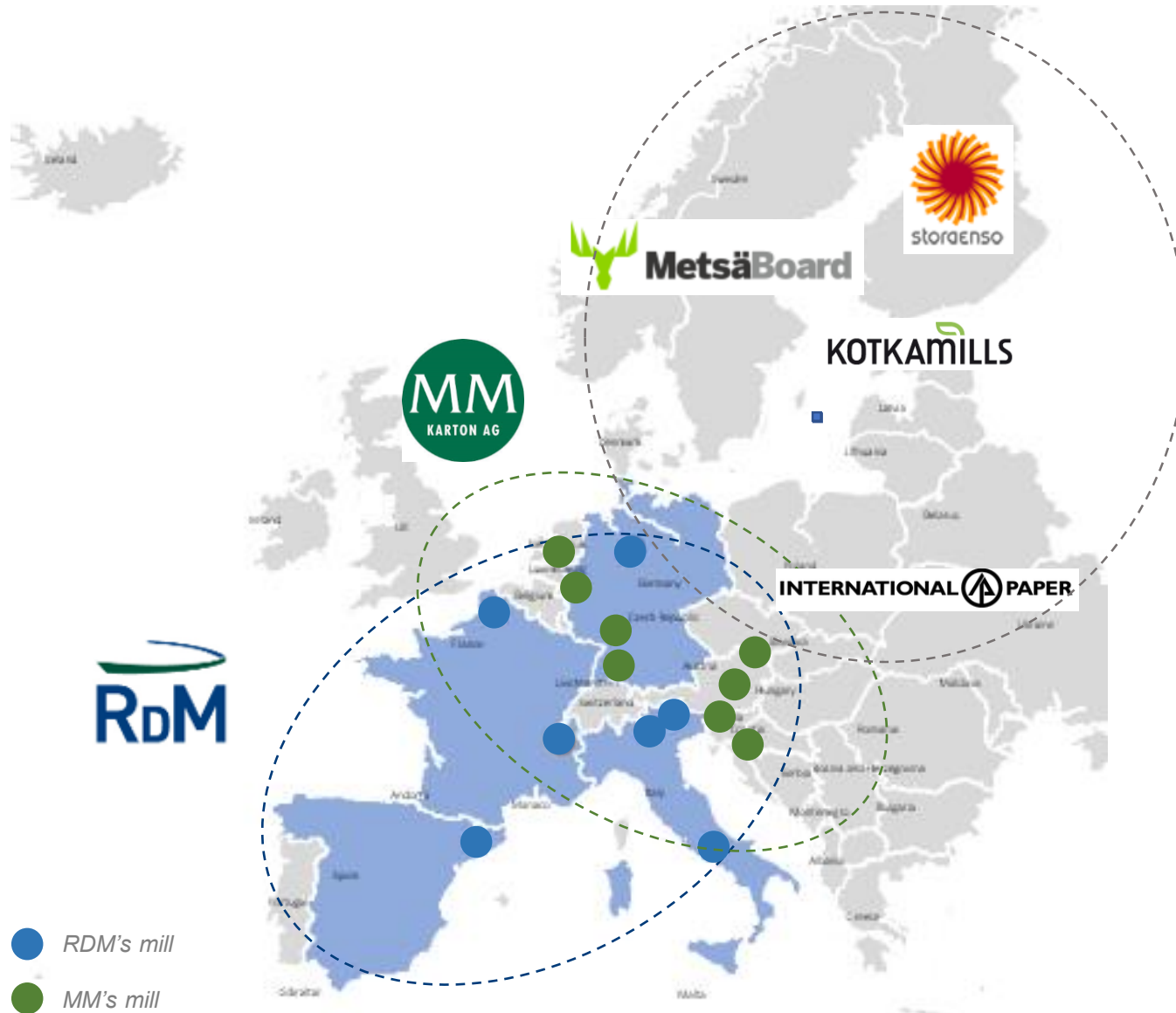
Folding Boxboard
Based on **virgin fibers**

No. of mills: **1**
Production capacity: **0.165 mn tons/p.a.**
equal to **13%**

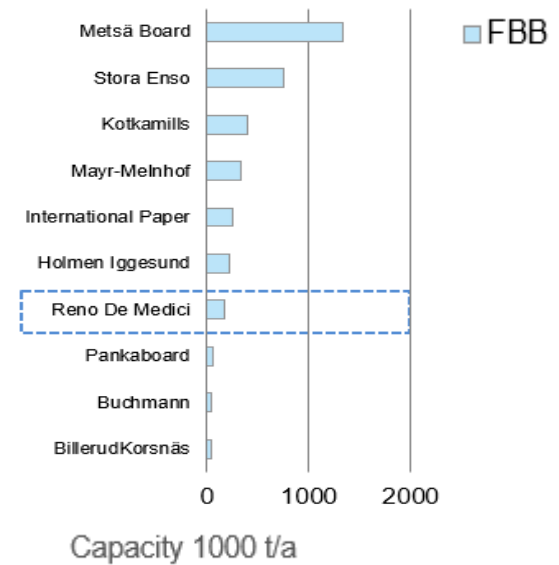
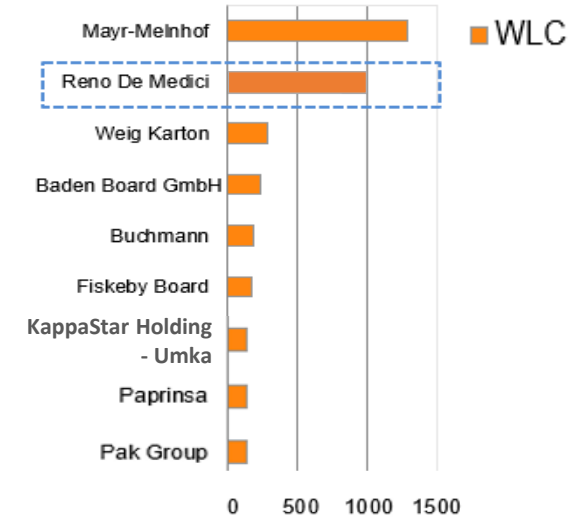
★ *Headquarters in Milan*

🏭 *Mill*

LEADING PRODUCERS IN EUROPE



Source: Company data



INNOVATING THE WAY WE OPERATE

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



Integrate and align the supply and demand planning



Reduce delivery lead times
Offer bespoke production runs



Optimize plant production mix
Customize capex plan



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

PORTFOLIO

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



CLIENT LOYALTY

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

4th **Customers survey** (September 2019)

43 markets surveyed (EMEA).

1206 customer contacts of which **25** are Key accounts.

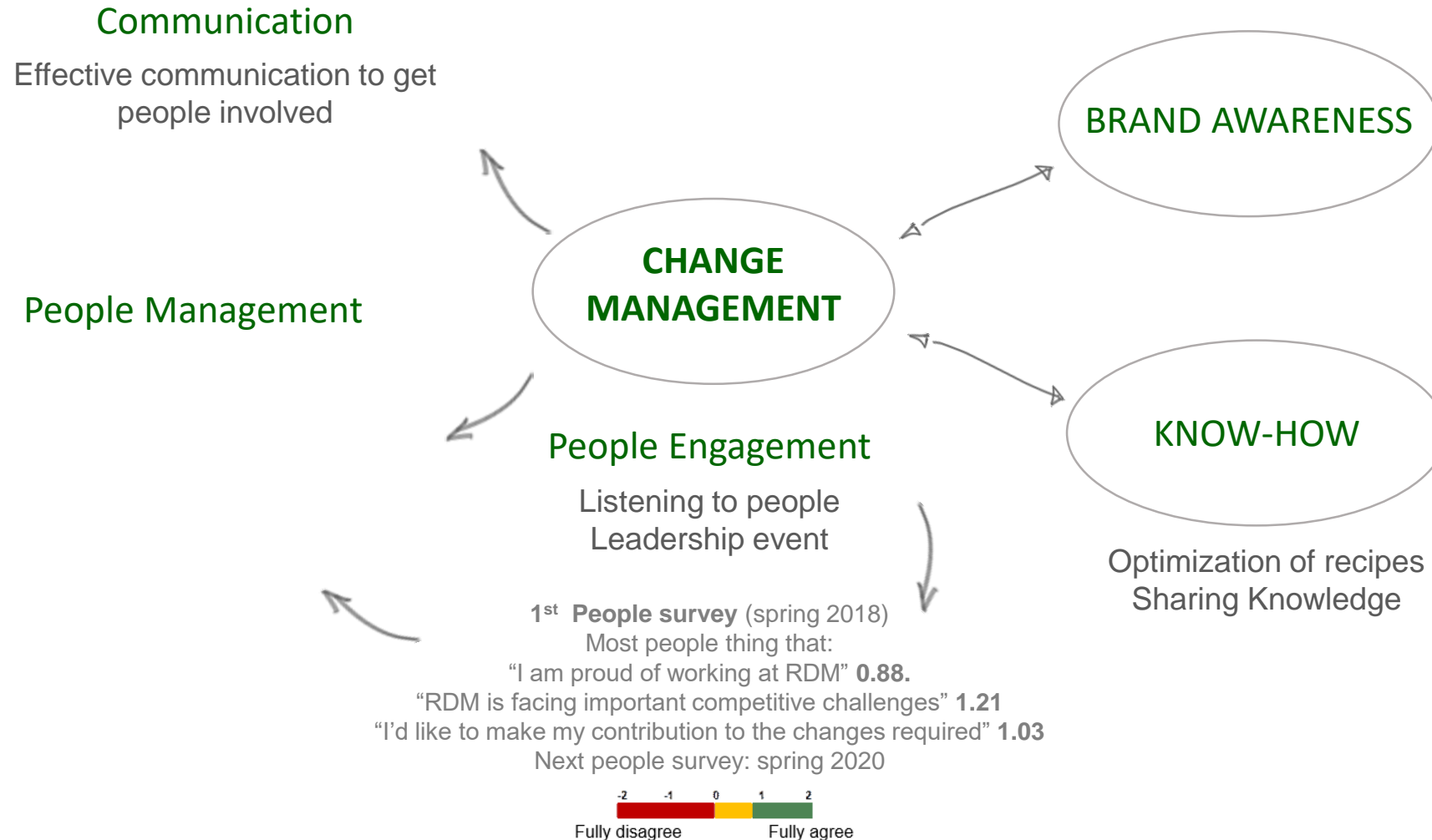
Good and slightly increased response rate (54%
compared to previous round 51%).

76% added **feedback**.

Customer Contact Rating of **7.57** (7.55 in March 2019).

SHAPING INTANGIBLE ASSETS

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



AGENDA

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

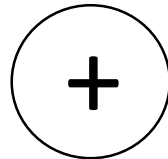
9M AT A GLANCE

10.5%

Double-digit EBITDA margin driven by **efficiencies**



Mixed-bag scenario. More favorable demand in certain European countries and favorable fiber costs

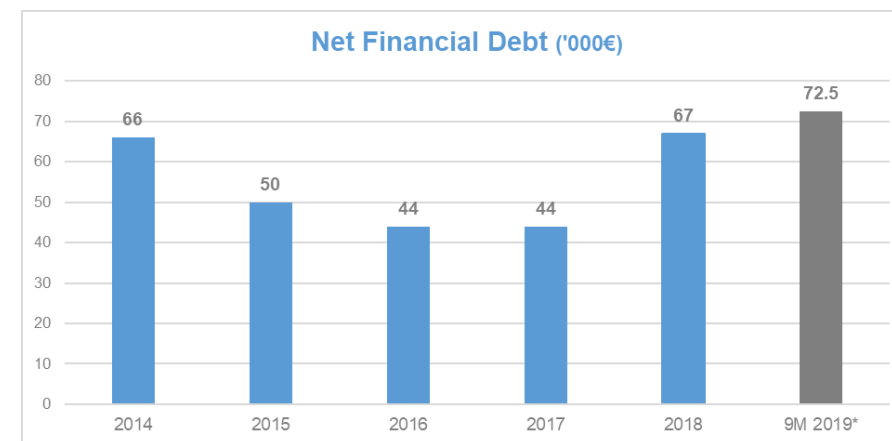
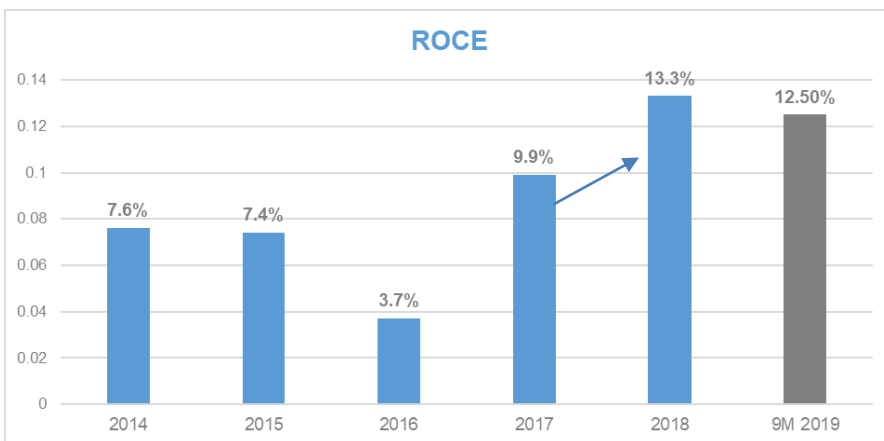
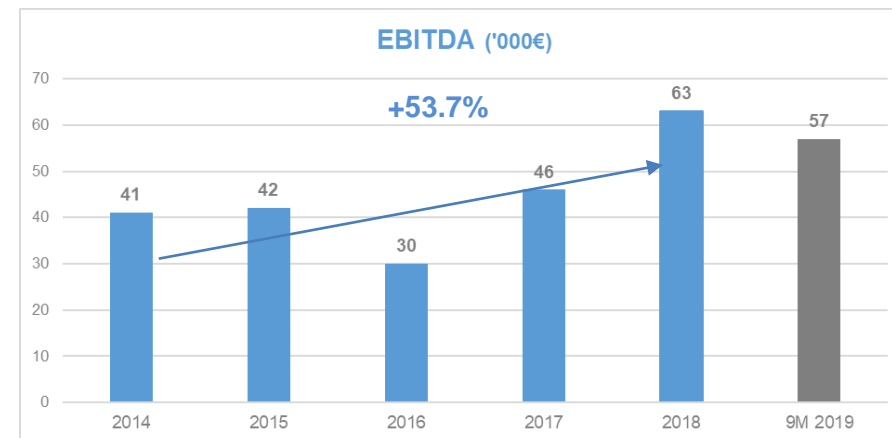
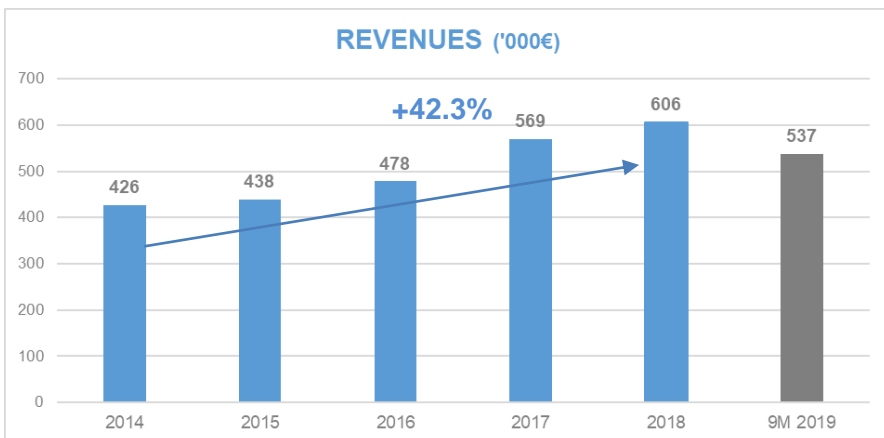


Additional sales and EBITDA from **Barcelona Cartonboard** consolidation, synergies to be extracted in coming quarters



Continued **cash flow generation** funding capex and shareholder remuneration

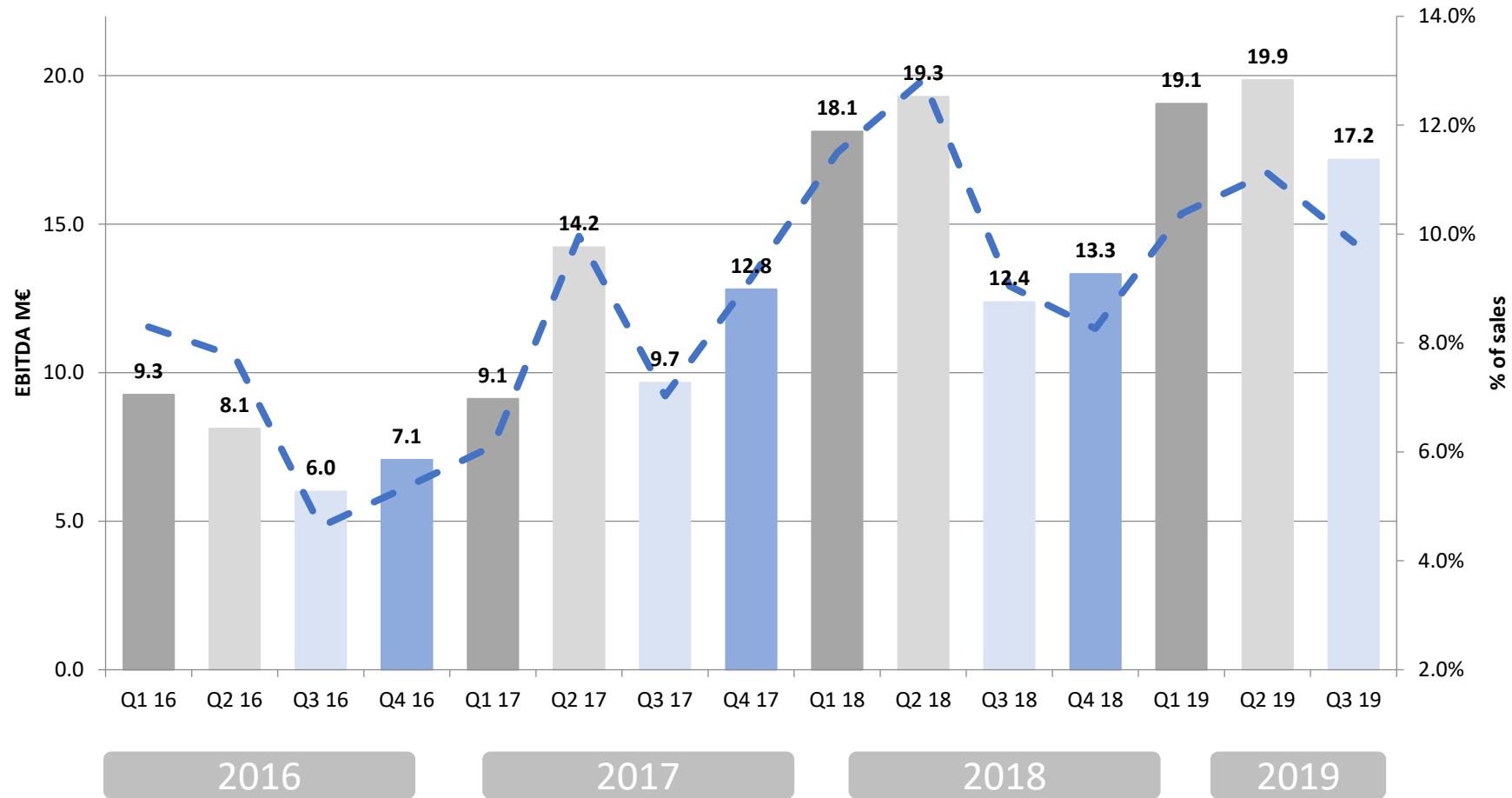
HIGHLIGHTS



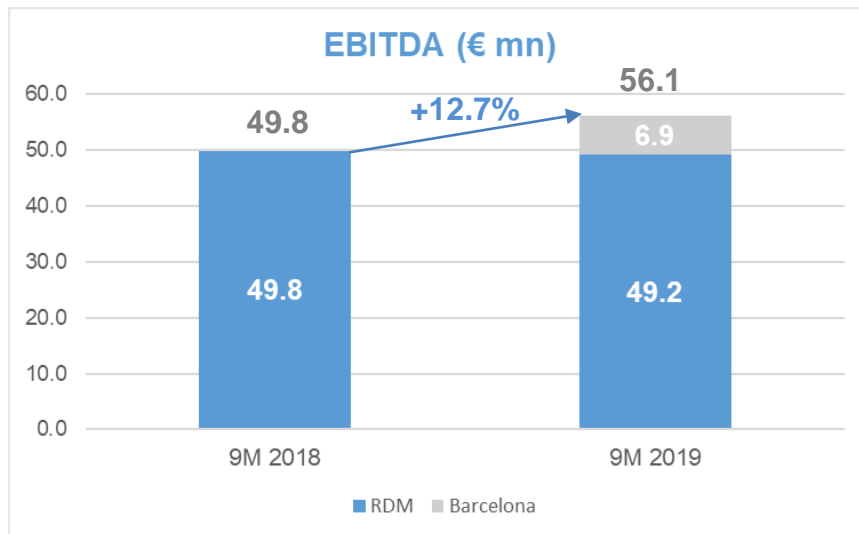
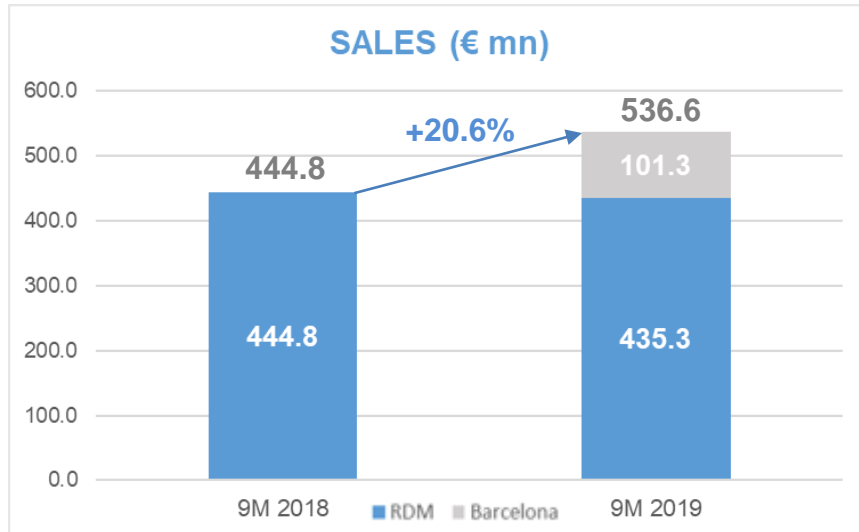
2018 Net Debt reflects the costs of three acquisitions over the 2016-2018 period.

*Net Debt as at 30 September 2019 includes 13 € mn liabilities due to the adoption of the new IFRS 16 "Leases".

EBITDA EVOLUTION PER QUARTER



SALES AND EBITDA



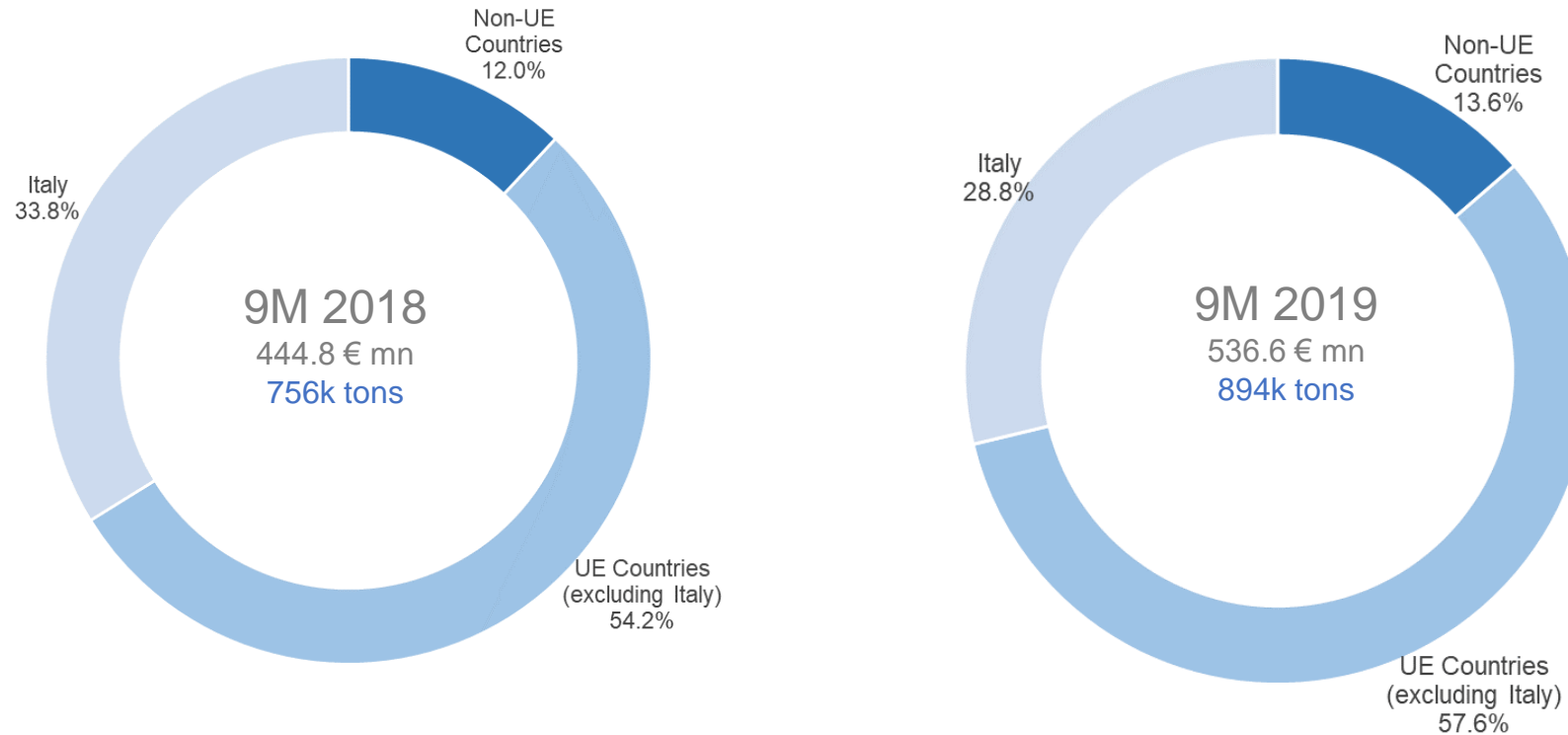
The **EBITDA change** (+12.7%) reflects the following drivers:

- + **Sales** increase (+20.6%) led by the Barcelona Cartonboard acquisition;
- + **WLC more favorable demand** (+0.3%) in overseas and European markets;
- + **Selling prices increase in FBB** and slight decrease in those of WLC products;
- **Higher cost of energy**;
- + **Lower prices for both virgin and recycled fibers.**

Increase in 9M 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.**

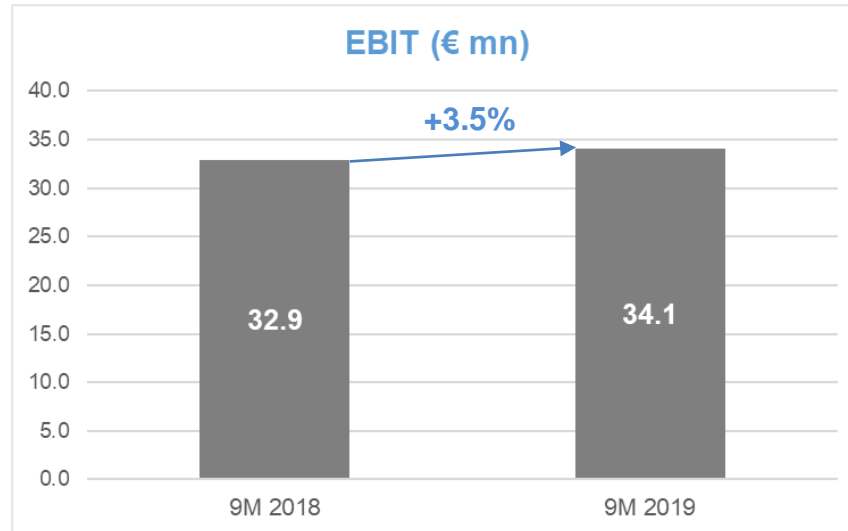
SALES BY GEOGRAPHY



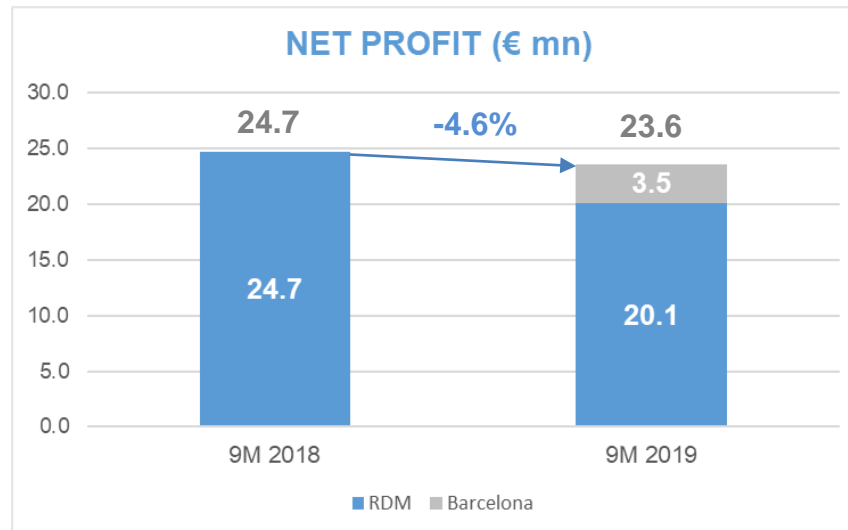
Sales growth of **20.6%** reflecting the larger scope of consolidation (Barcelona Cartonboard).

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

EBIT AND NET PROFIT



EBIT increase (+3.5%) reflects higher EBITDA, partially offset by **higher D&A costs** (€ 22 mn in 9M 2018 vs. 16.9 € mn in 9M 2019).



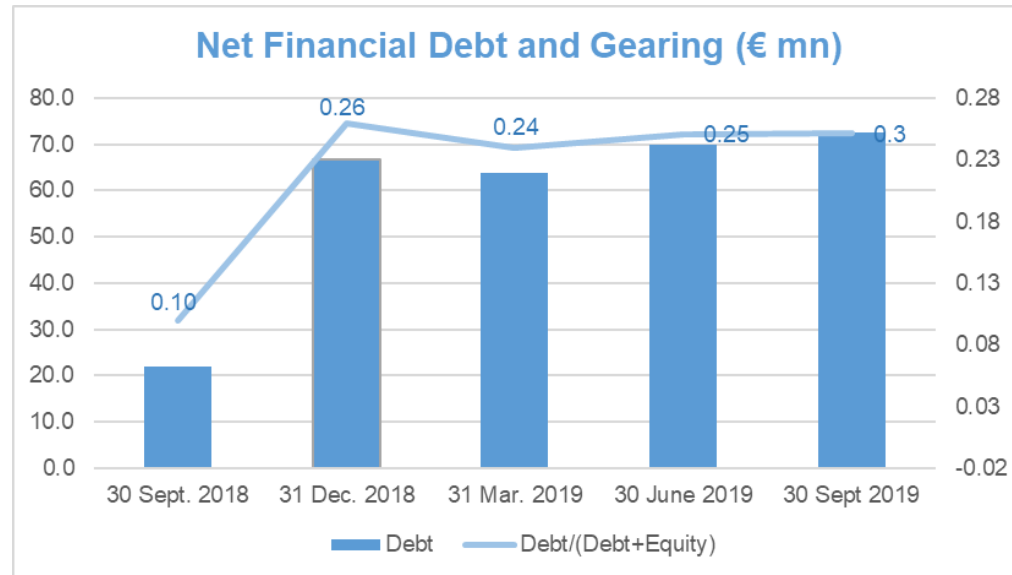
Net Profit slightly decrease (**-1.1 € mn** vs. 9M 2018) mainly due to lower income from equity investments (**-3.1 € mn** vs. 9M 2018) and higher interest costs (**+1.5 € mn**).

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 and new IFRS 16.

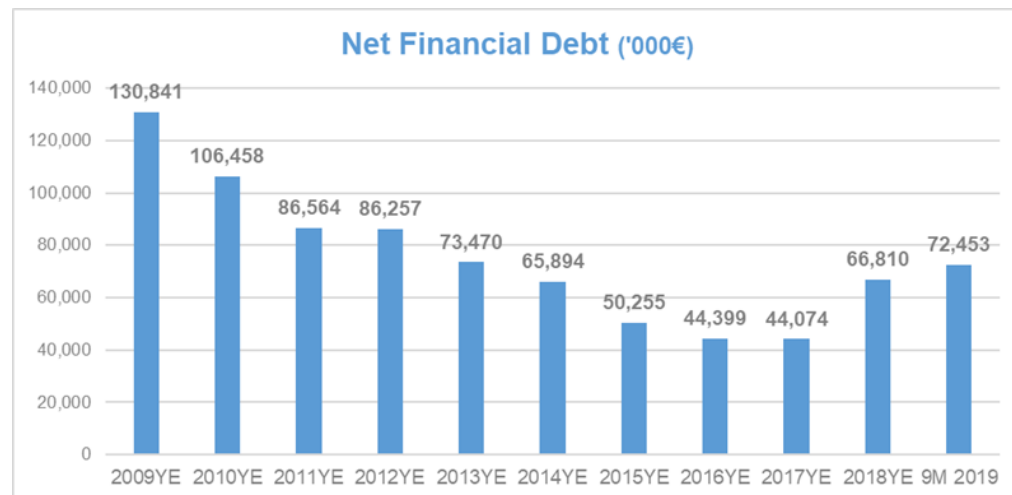
Net Profit decline was partially offset by a **lower taxes (-2.2 € mn** vs. 9M 2018), as a result of lower taxable profit.

LOW GEARING RATIO



Operational net cash-flow positive by **23.3 € mn**, funding capex (18.6 € mn) and dividends (2.6 € mn).

Net Debt as at 30 September 2019 includes **13 € 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**.

CHINA FACTOR

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

OCC world flows

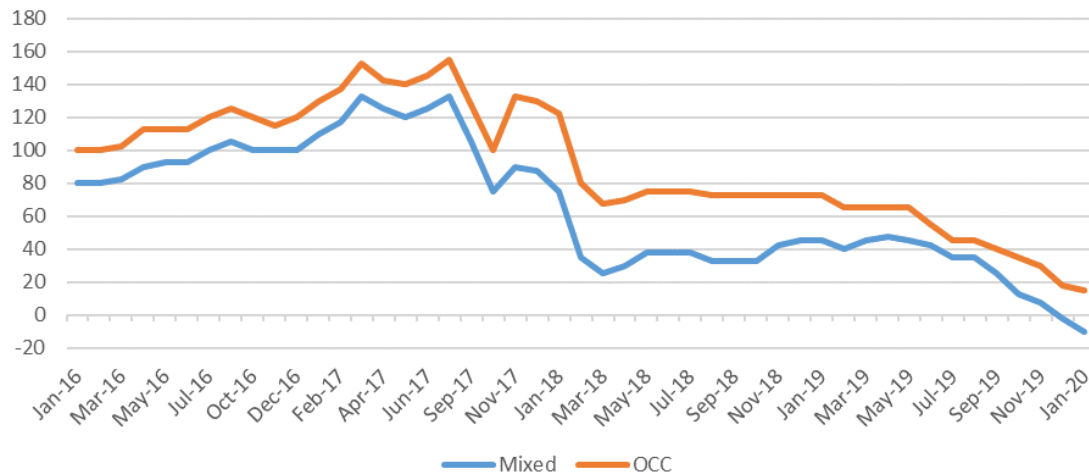


Sept. 2017: Announcement of **new Chinese regulation** about imports of unsorted waste paper (mostly mixed paper)

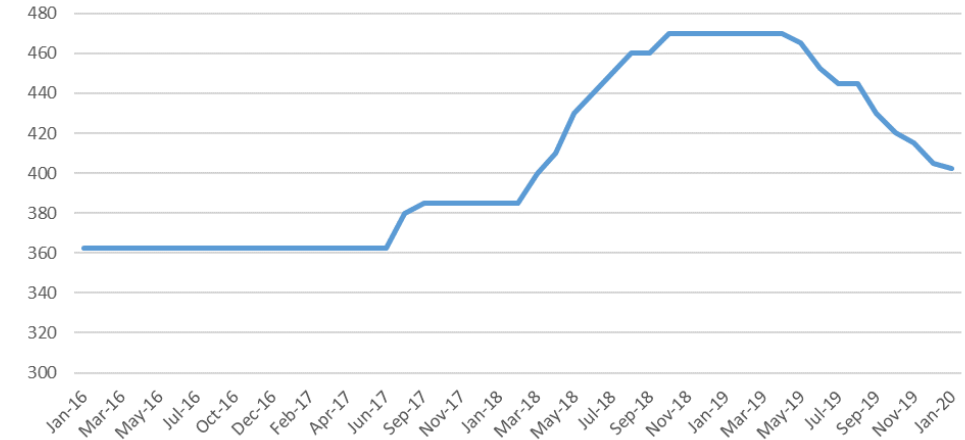


FIBERS – MARKET PRICES

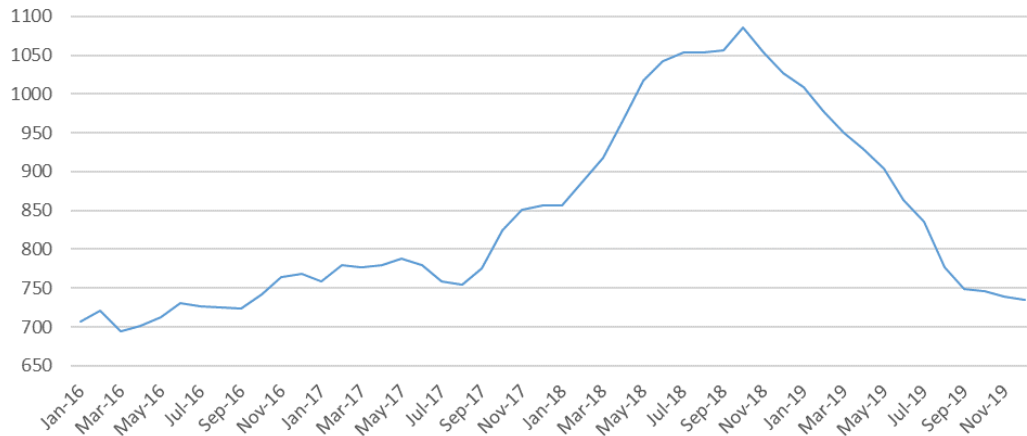
Brown Recycled Fibers in the Italian market (€ per ton)



White Recycled Fibers in the Italian market (€ per ton)



Bleached Softwood Pulp (€ per ton)



Prices for PFR* continued decreasing in Q4 2019.

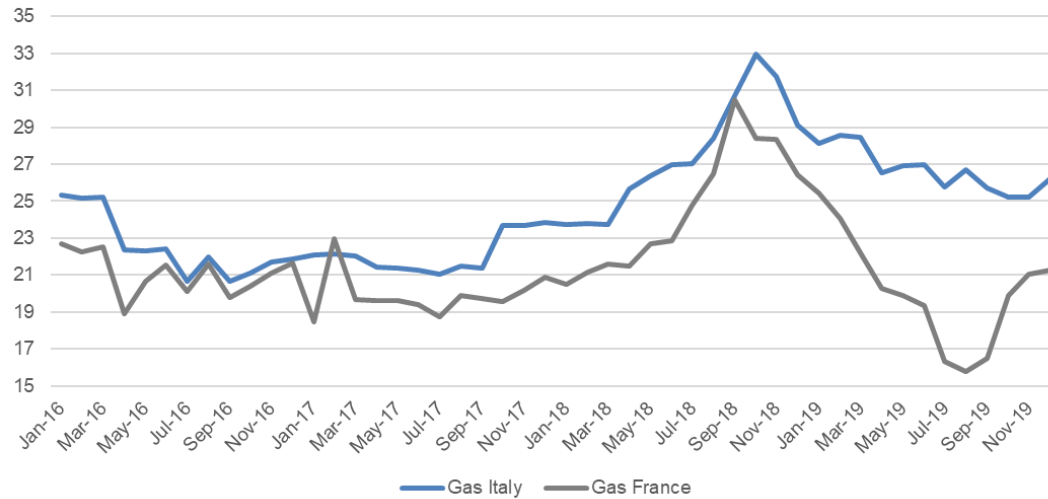
Pulp prices reached top values in October 2018.

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

(Last update: 31 January 2020; 31 Dec. 2019 for pulp)

ENERGY

Natural gas (€/MWh)

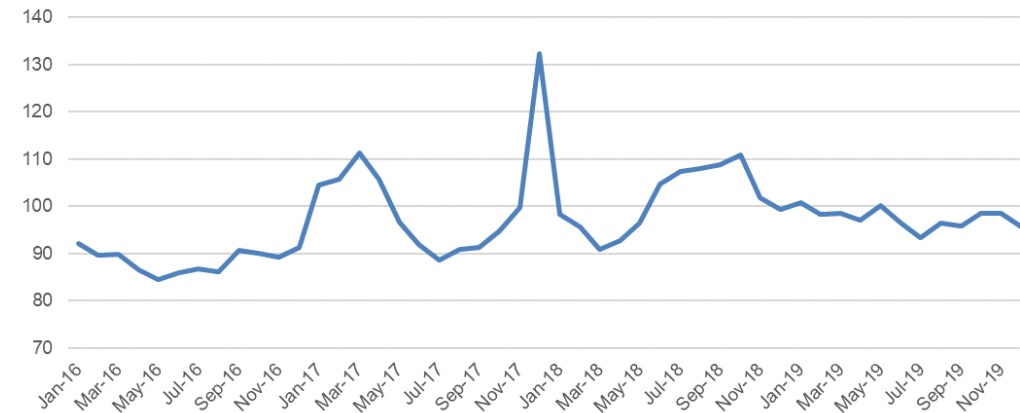


RDM smooths the volatility of gas prices through a portfolio of contracts with different maturities.

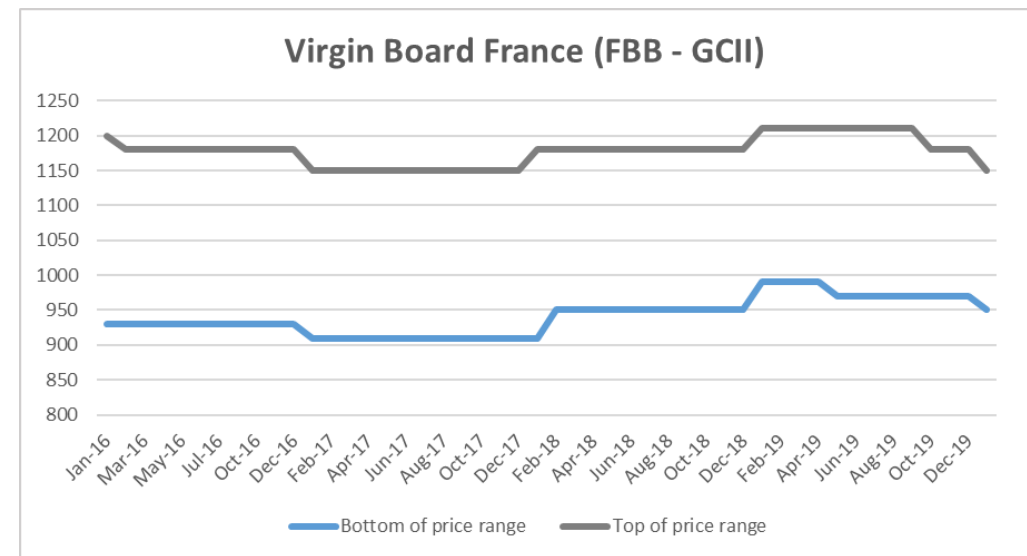
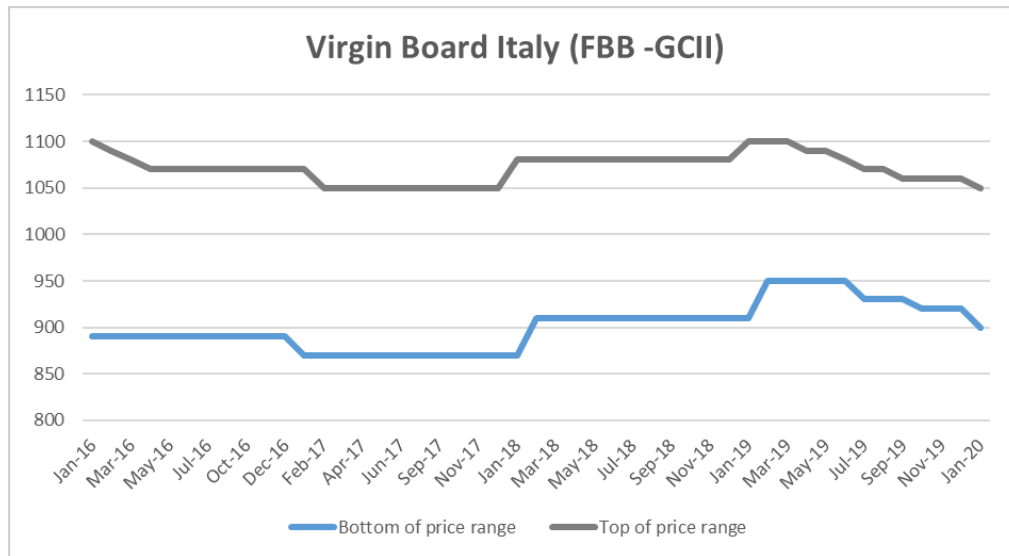
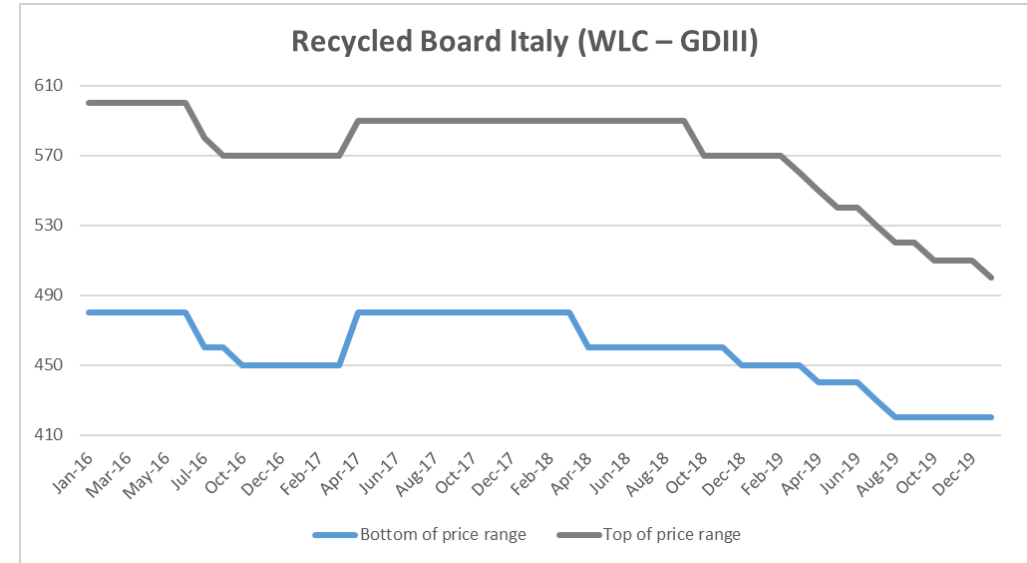
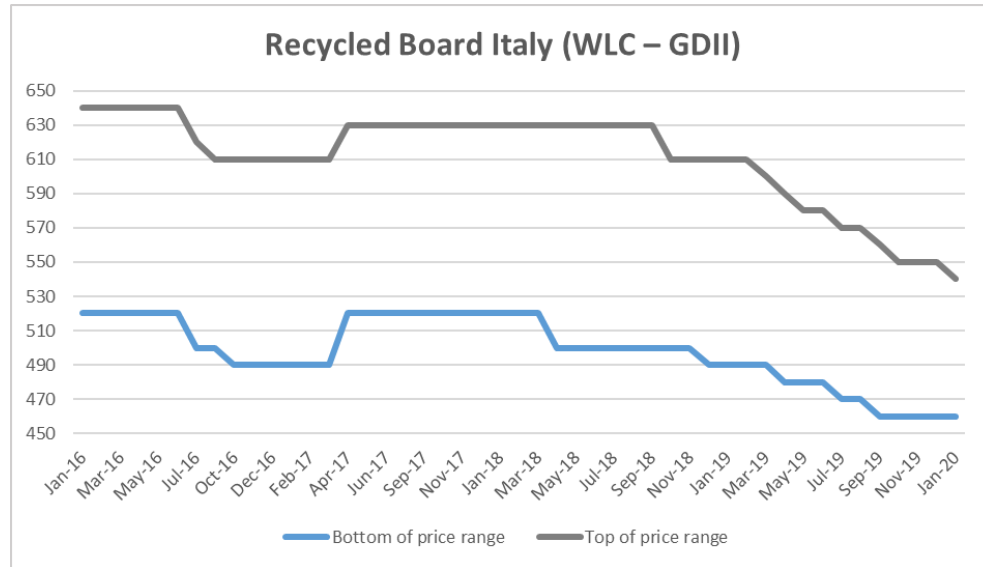
Lower consumption thanks to the efficiency gains in WLC facilities.

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)



MARKET SELLING PRICES



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 (Dec.)
Winder Machine

ENERGY EFFICIENCY

5 € mn

Barcelona (May.) ✓
Overhaul Hot Section
Cogeneration Plant
Others Mills (Aug.) ✓
Power Plants extraordinary
maintenance

COST SAVINGS

5 € mn

Italian Mills (Aug./Oct.)
Fiber Recovery System
La Rochette (Aug.) ✓
New Headbox

DIGITALIZATION

3 € mn

All
New ERP System

BARCELONA CARTON INTEGRATION

Strengthening our leadership position through two pillars:

MAXIMIZING
THE PROFITABILITY
OF BC INTEGRATED
IN RDM

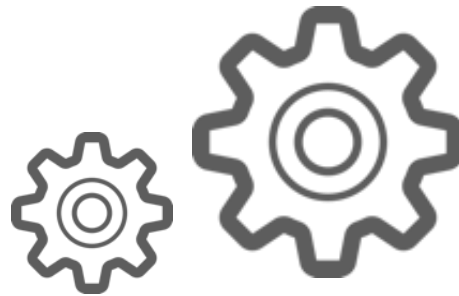
Optimization of recipes

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

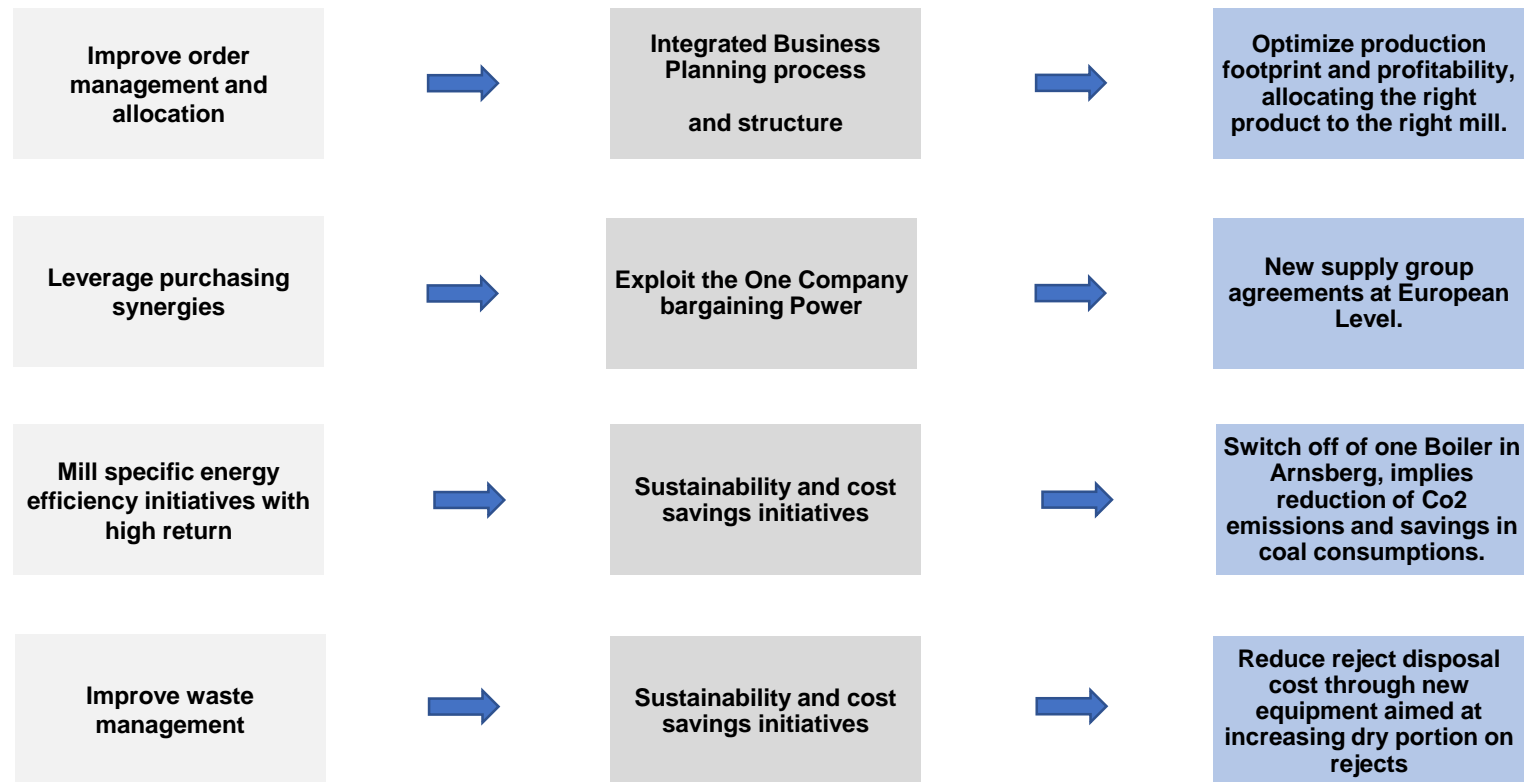
Reallocation of customers' portfolio

Benefit from an enhanced economy of scale

Synergies to be fully achieved as of 2021

WORK IN PROGRESS ON TRANSFORMATION

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.



AGENDA

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

RDM AND THE STOCK EXCHANGE

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

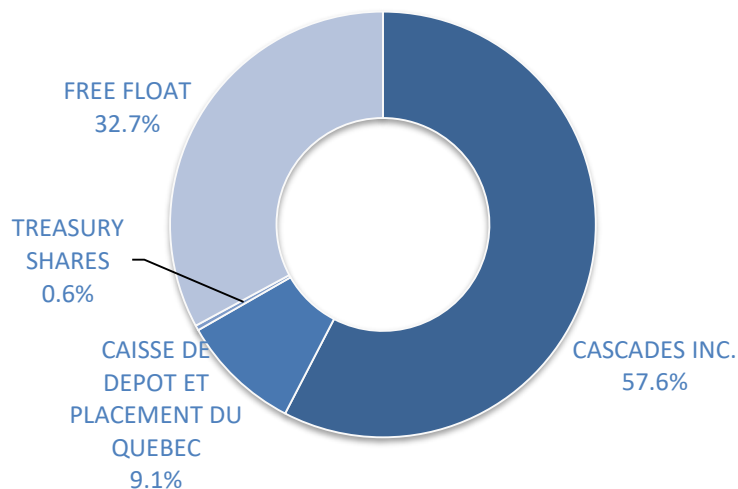
Codes

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

Mkt cap: 298.1 € mn

Free float mkt cap: 97.5 € mn
 (@0.789 € p.s. as of 4 February 2020)

Main shareholders



Source: RDM shareholder register

FY2018 dividend

ORDINARY SHARE:

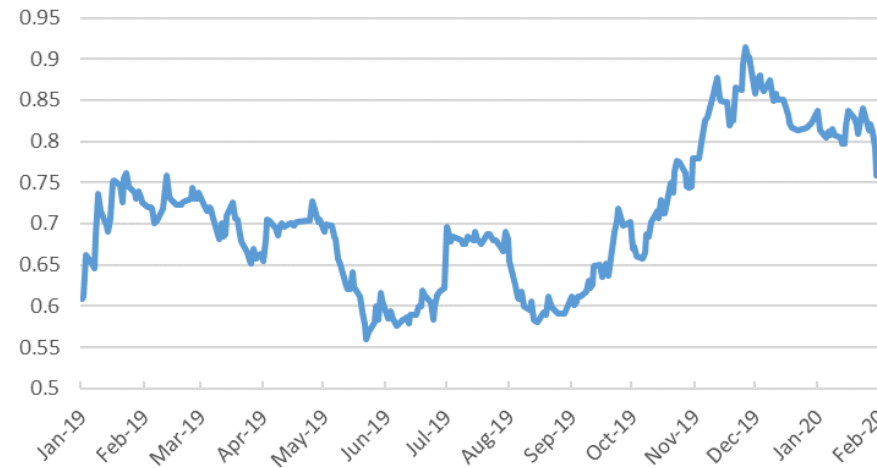
Dividend of 0.7 € cents
 (FY2017 dividend was 0.31 € cents)

Payment date: **15 May 2019**

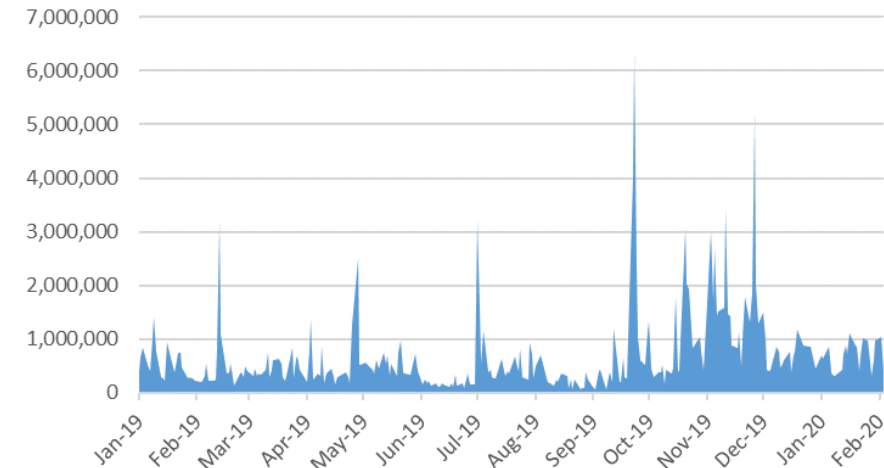
Dividend yield: **1.1%** (@YE2018 price of 0.62 €)

SHARE PERFORMANCE

RDM share price (€)

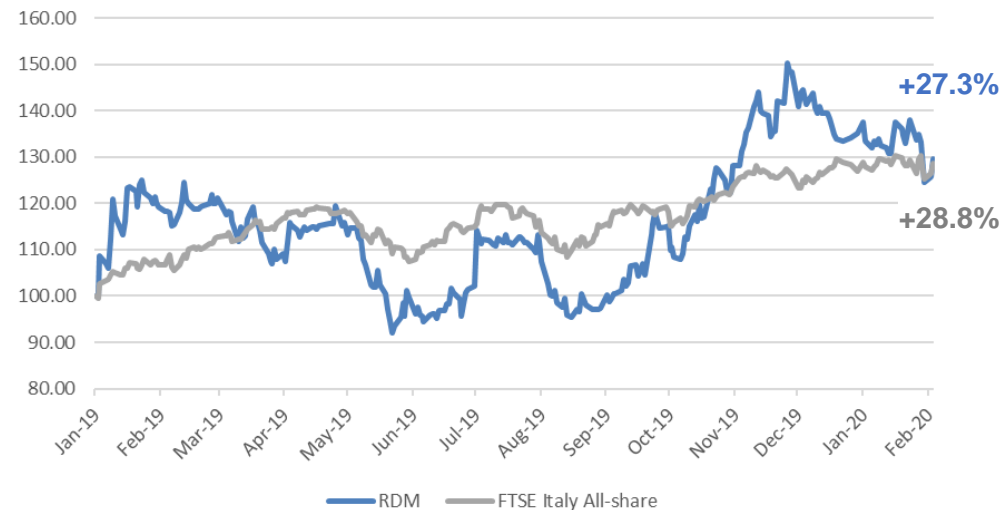


RDM daily traded volumes



RDM vs. FTSE Italy All-Share Index

(base: 2 Jan. 2019=100)



Average daily traded volumes

Q1 2019: 518,846
 Q2 2019: 426,394
 Q3 2019: 620,838
 Q4 2019: 1,149,087
 1 Jan. 2020 – 4 Feb. 2020: 673,201

ANALYST COVERAGE



BROKER	CITY	ANALYST	TARGET PRICE (€)	RECOMMENDATION	DATE
Intermonte	Milan - IT	Carlo Maritano	1.15	OUTPERFORM	7 Nov. 2019
MidCap Partners	Paris - FR	Pierre Buon	0.93	BUY	5 Nov. 2019

BOARD OF DIRECTORS

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.



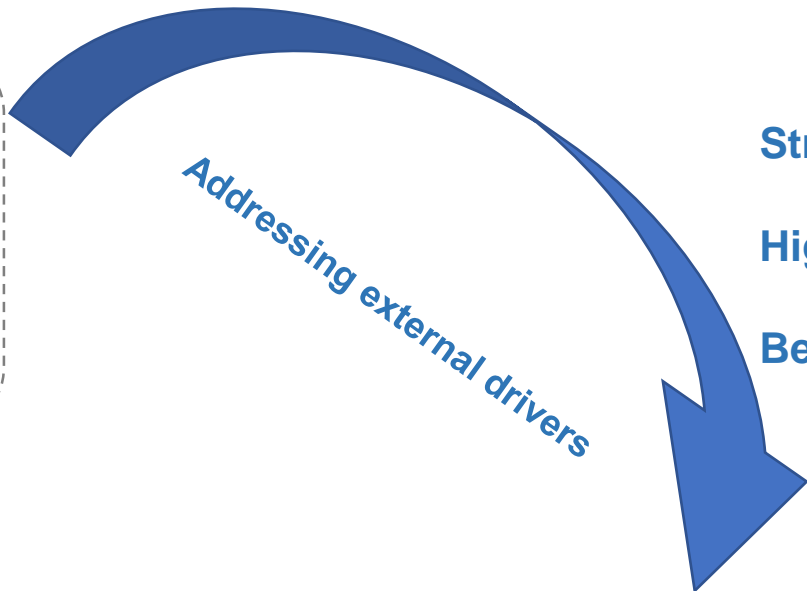
Giulio Antonello, Independent Director

In the past, investment banker and CEO of a listed Company. Presently, strategic advisor in the asset management field.

FINAL REMARKS

RdM outlook for 2019:

- Modest recovery in **demand**
- Pressure on **WLC selling price**
- Stabilization of **FBB selling price**
- Lower **fiber costs**
- Decrease in **energy costs**



- Stronger leadership**
- Higher operating efficiency**
- Better customer service**

TRANSFORMATION PLAN IN PLACE

Steady-state double-digit EBITDA margin from 2021 onwards

BC integration

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





RdM

TOGETHER WE SHAPE THE FUTURE

Thank you!
