



TOGETHER WE SHAPE THE FUTURE

H1 2020 Results – Investor call

Milan, 31 July 2020

AGENDA

- 1** Operating scenario and strategy at work
- 2** Half-year 2020 financial results
- 3** Final Remarks

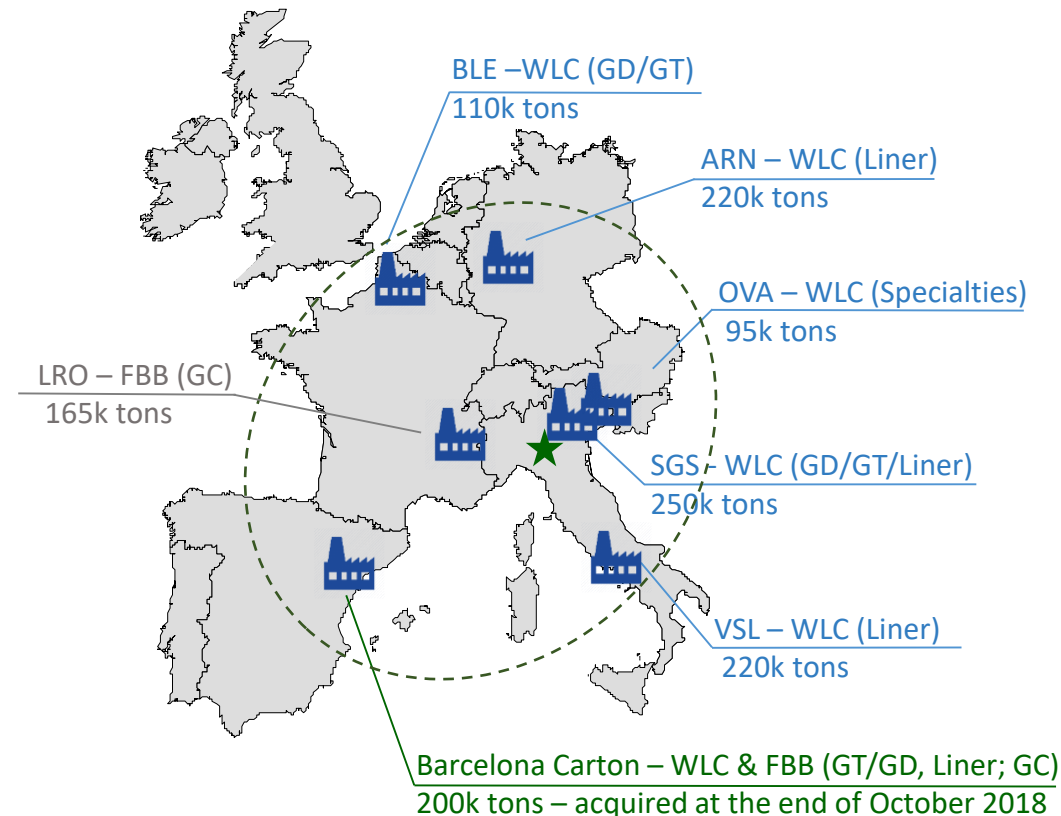


Michele Bianchi - CEO

PROXIMITY TO CUSTOMERS IS KING IN THESE DAYS

A MULTI-COUNTRY PLATFORM

Total production capacity **1.26 M tons/y**
Four assets with capacity over **200 k tons/y**



Santa Giustina 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*

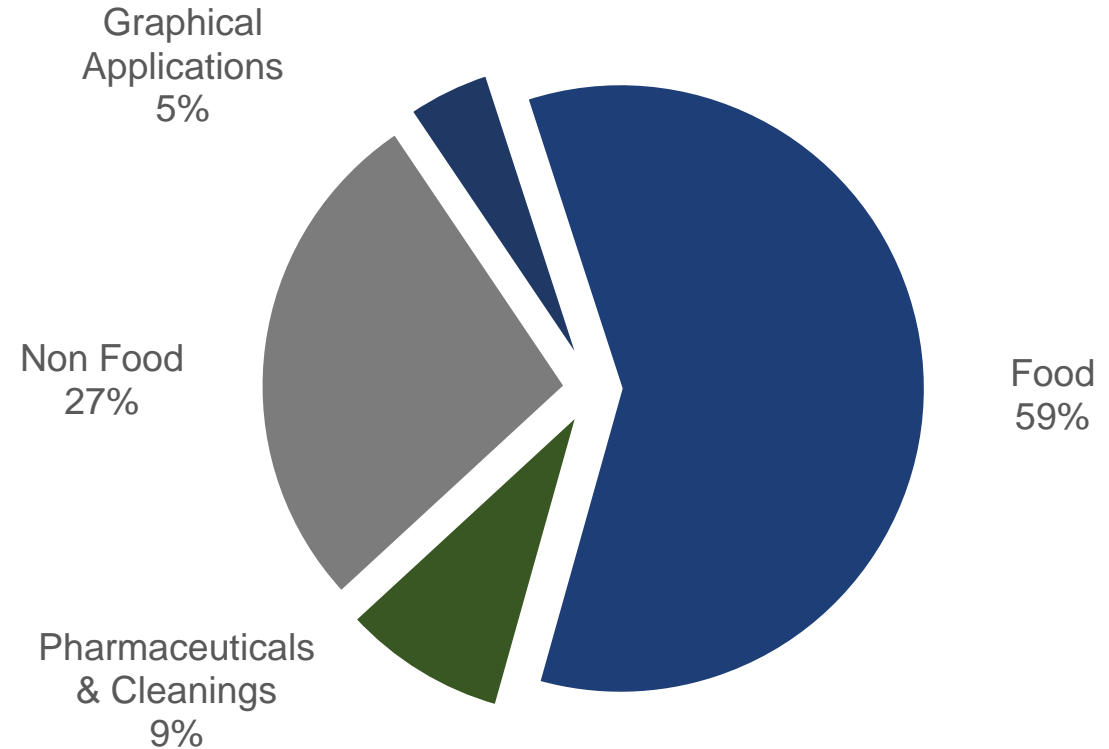
 *Mill*

RDM END-USES

Source: RDM internal analysis on 2020 data.

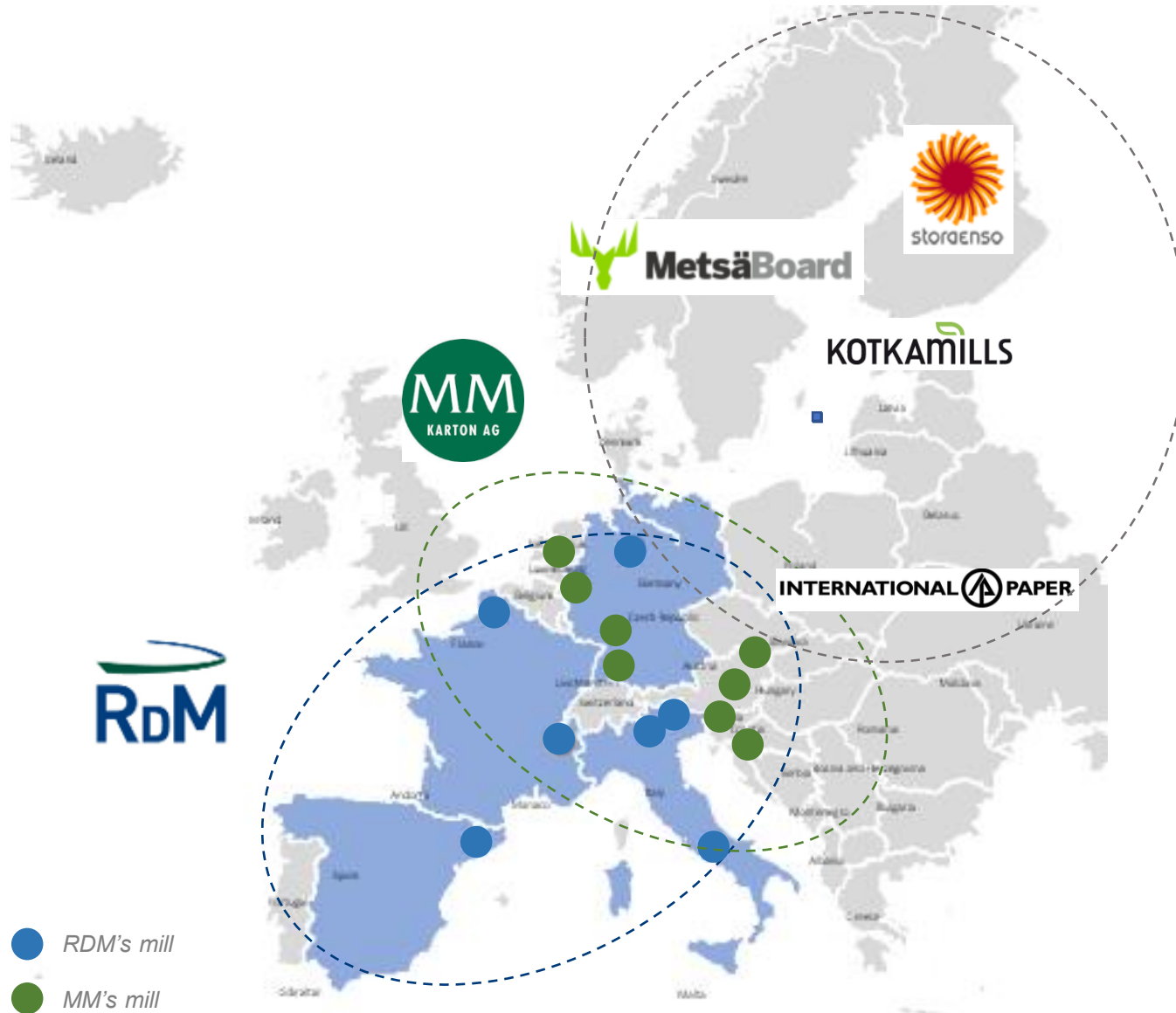
Resilient end-use exposure proven during Covid-19 outbreak, due to the **essentiality features** of both Food and Pharma (68% weight).

As counterevidence, weakening demand of **specialties** affected the production of Ovaro mill.

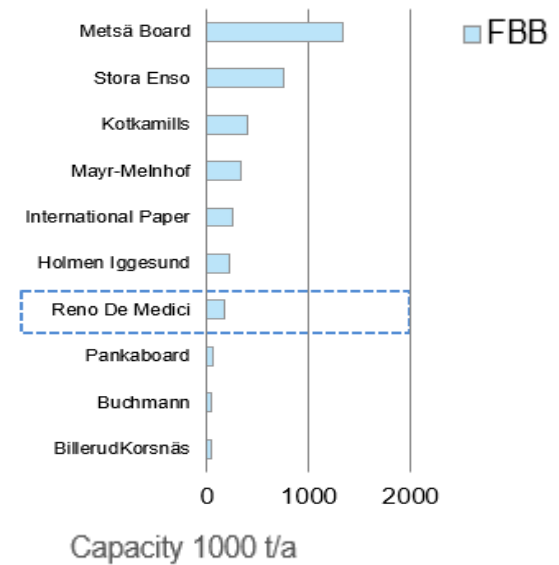
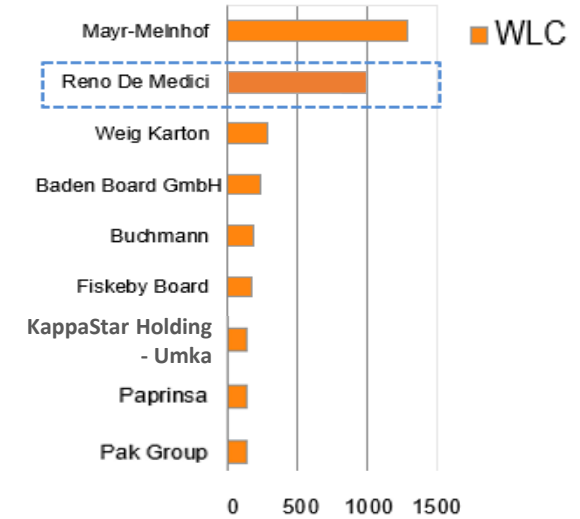


Value of fiber-based packaging recognized by governments, retailers and consumers during Covid-19 emergency.

LEADING PRODUCERS IN EUROPE



Source: Company data

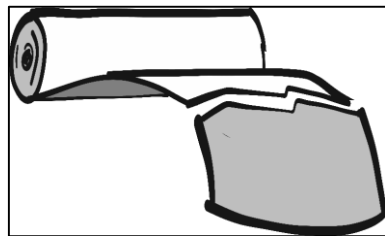


TRANSFORMING THE COMPANY



Becoming a stronger and larger player

- Rationalization of capacity
- Focused capex plan in strategic assets
- Internationalization
- Deleveraging



Becoming more resilient through higher integration and efficiency

2018- 2021 TRANSFORMATION PLAN

- Integrating the Pan-European asset base and recent acquisitions
 - La Rochette – 2016
 - PAC Service – 2017
 - Barcelona Cartonboard – 2018
- through a portfolio of value-added initiatives to achieve goals as a One Company.
- Strategically transforming the cost structure

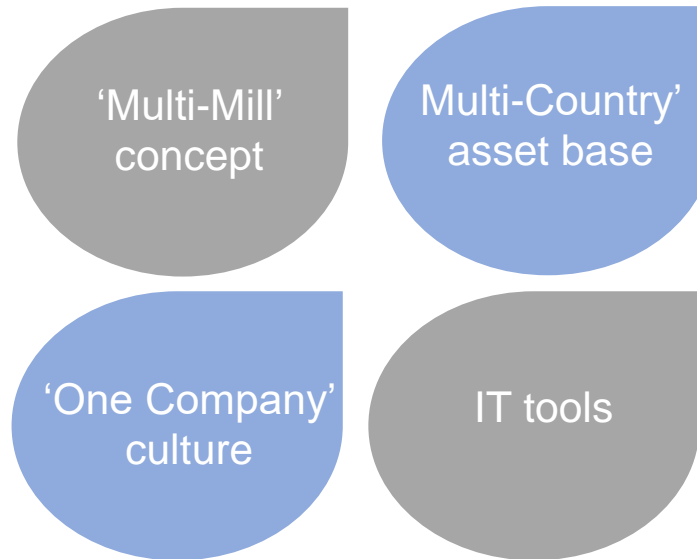
OPERATING UNDER THE 'MULTI-MILL' CONCEPT

Higher interchangeability

Specific types of RDM cartonboard can be produced in multiple mills

Benefits

Flexibility in operations
Timeliness in delivery



- ✓ Balancing the **availability of finished products** at the individual plant
- ✓ Minimizing **risks**
- ✓ Ensuring greater **proximity to customers** and **Security of Supply**

Mitigating market **volatility** that may arise from changes in:

- **demand** across markets
- **tons produced** across assets

BENEFITS FROM TRANSFORMATION

OUTCOME FROM THE THREE-YEAR PLAN

↑ **RESILIENCE** in operational performance
in consolidated EBITDA margin

↑ **SPEED** in capturing signals and promptly
turning them into:
1. Better solutions for the client
2. Higher margins for the Company

COVID-19 OUTBREAK, AFTER THREE YEARS OF WORK...



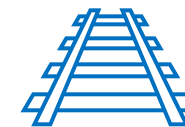
...PROVED THE **RESILIENCE** and **SUCCESS**
ACHIEVED

FROM 2021 ONWARDS, MOVING TOWARD CONTINUOUS IMPROVEMENT APPROACH



Capitalizing on

A maintained portfolio of focused initiatives
An established network of teams and committees
A plan-ahead attitude gained
An evolved management of operations
A more sophisticated demand/supply integration and optimization



To improve further

Optimization of sourcing and procurement
Management of operations, unlocking growth and reducing costs per ton
Exploitation of new recipes and energy efficiency solutions
Optimization of price-mix
Completion of Barcelona Cartonboard integration
Accelerate Innovation of sustainable products and digitalization of manufacturing and service processes

NURTURING AND LEVERAGING CLIENT LOYALTY



1,400+ CLIENTS

Converters and Distributors



CLIENT TOP PRIORITY

Security of supply

RDM GROUP PERCEIVED AS

a reliable partner, being a European
large WLC producer

RDM GROUP APPRECIATED FOR ITS

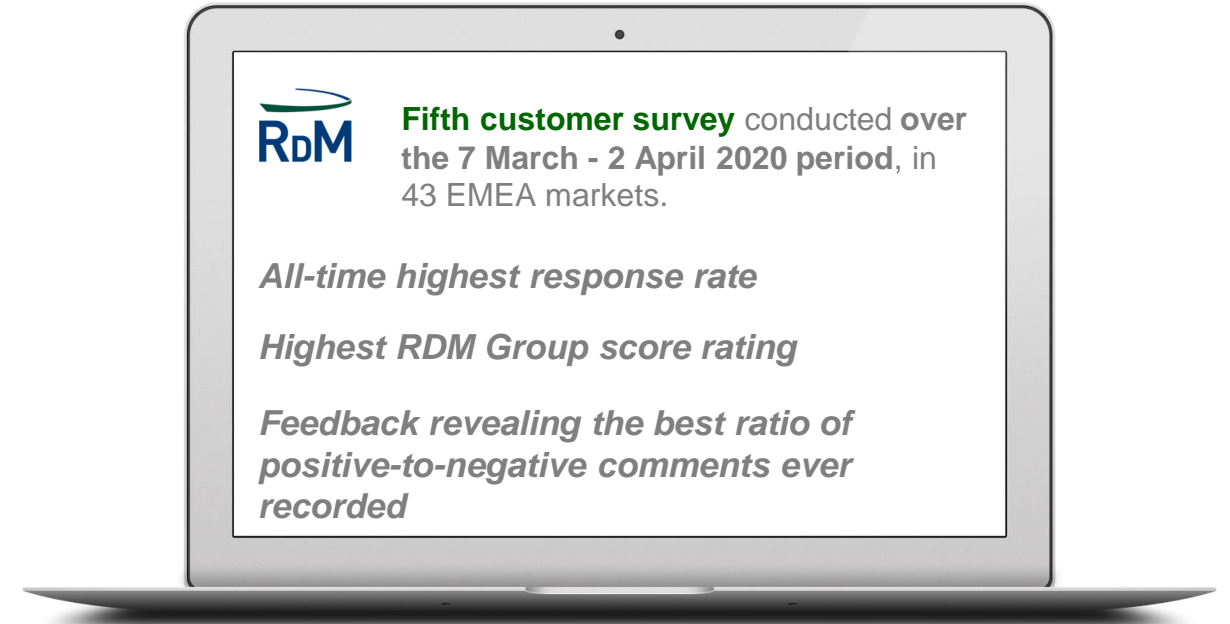
Quality

Customer service

Diversified portfolio

Responsiveness

Deliveries / Lead times



Findings from the last
CUSTOMER SURVEY also prove
professional handling of an
unprecedented situation

EBITDA margin improved in both business segments

EXTERNAL DRIVERS both in WLC and FBB

Higher demand

Higher organic volumes

Decrease in selling prices in H1 2020 compared to H1 2019

Low raw materials costs in Q1 for recycled

Decrease in pulp costs

Lower cost of energy

Solid RDM Group market position

resulting in volumes that outperformed
the pace of market growth

Efficiency and synergy plan

boost a favorable scenario both in demand and input
costs

EBITDA margin at 13.8%

(vs. 10.7% in H1 2019)

High increase in NET PROFIT +49.6%

(€24.9m vs. €16.7 in H1 2019)

Decrease in NFD

(from €52m at December 31, 2019
to €38.5m at June 30, 2020)

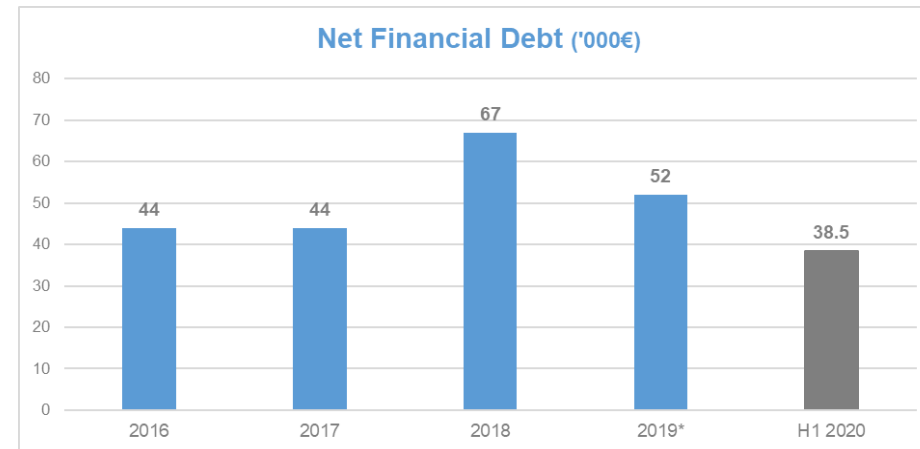
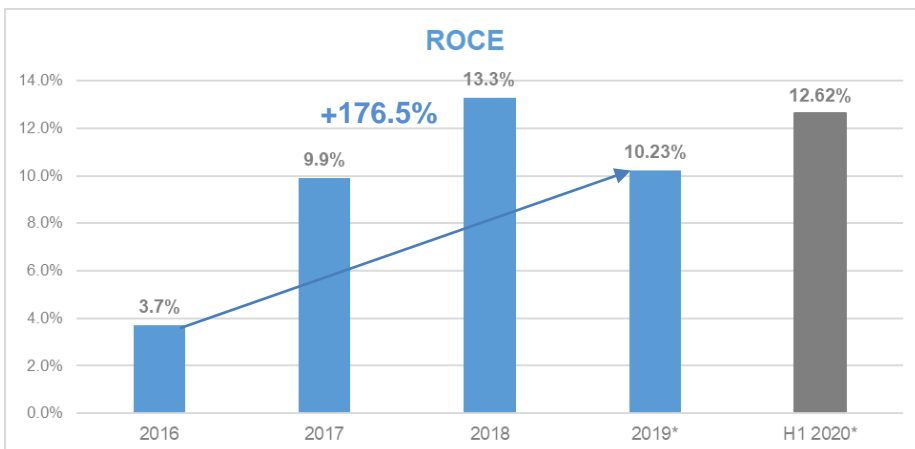
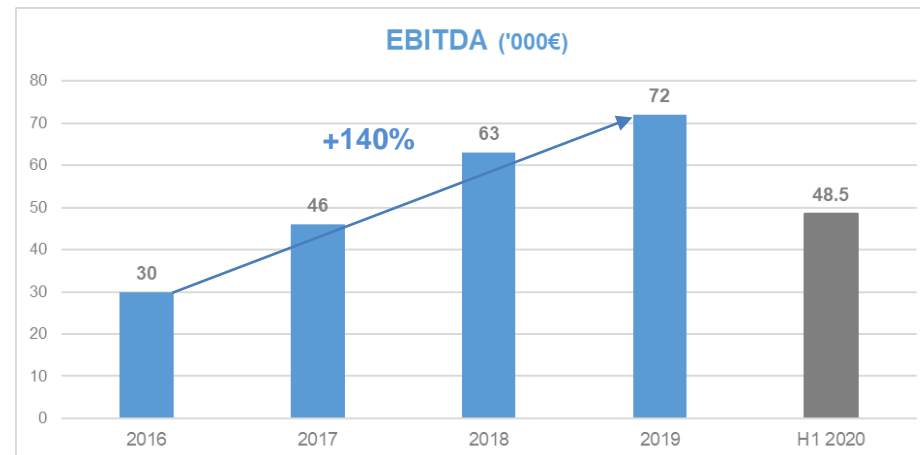
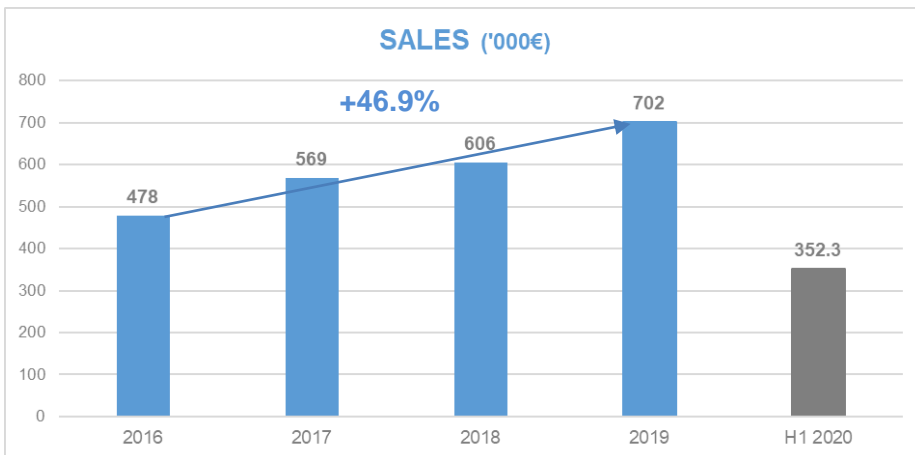
AGENDA

- 1 Operating scenario and strategy at work
- 2 Half-year 2020 financial results**
- 3 Final Remarks



Luca Rizzo - CFO

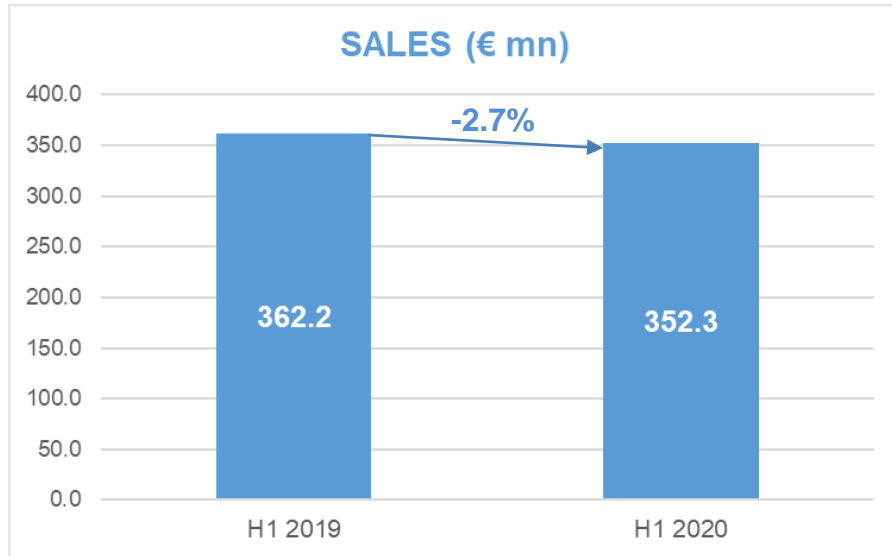
HIGHLIGHTS



*2019 ROCE included the **write-down** of the fixed assets of La Rochette mill for **€9.5m**. Without this write-down, ROCE would have been 13% at December 31, 2019 and 15.31% at June 30, 2020.

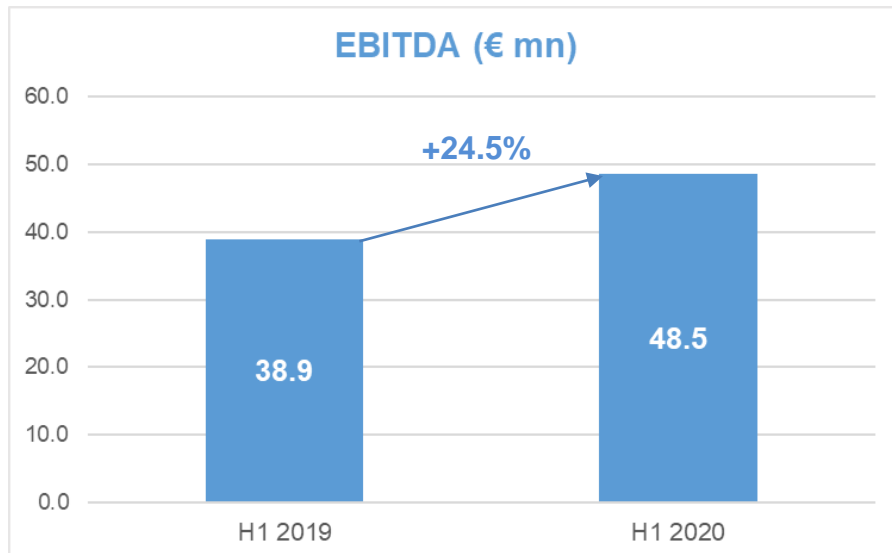
*Net Debt as 31 December 2019 includes €12.5m liabilities due to the adoption of the new IFRS 16 "Leases".

SALES AND EBITDA



The **decrease in SALES** (-2.7%) is due to :

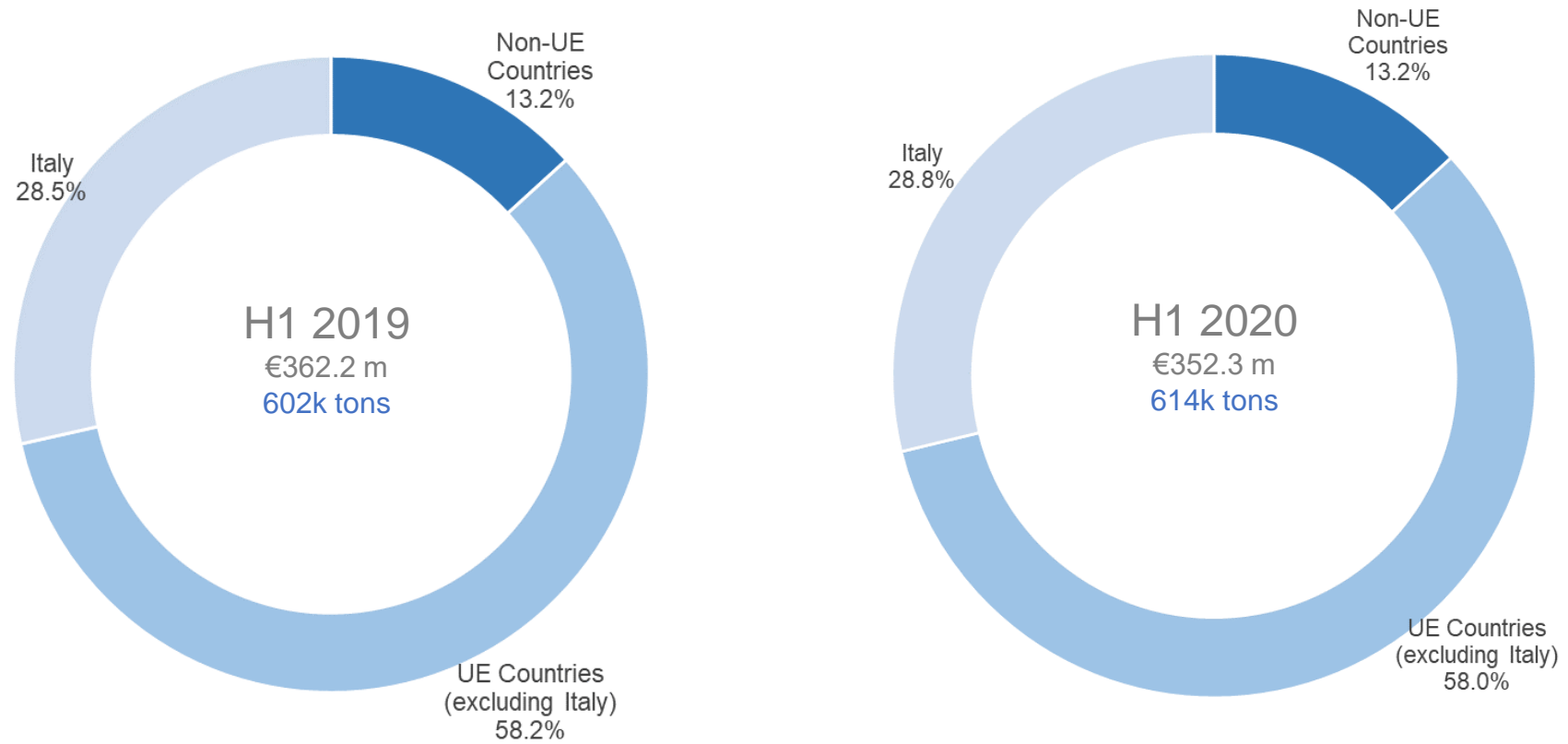
- + **Increase in tons sold**, both in WLC (+1.7%) and FBB (8.3%);
- **Reductions in selling prices**, mainly in WCL compared to H1 2019;
- **Temporary stoppage of production in Villa Santa Lucia plant** following the seizure of the municipal consortium's wastewater treatment plant and **in Ovaro plant due to lower demand for specialties products**.



Higher EBITDA margin (13.8% in H1 2020 compared to 10.7% in H1 2019) reflects the following drivers:

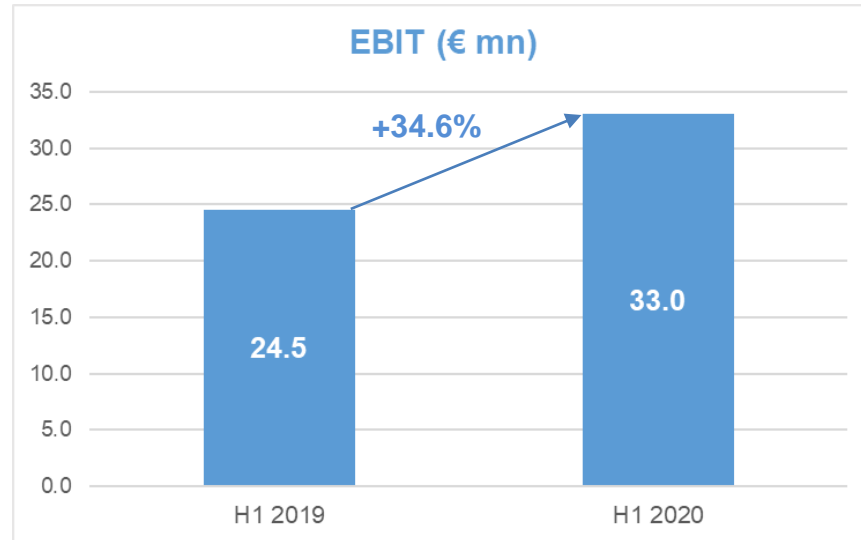
- **Slight decrease in SALES** (-2.7%);
- + **Lower costs of fibers** reflecting **lower prices** and **greater efficiency** in their use;
- + **Decline in energy costs** compared with H1 2019.

SALES BY GEOGRAPHY

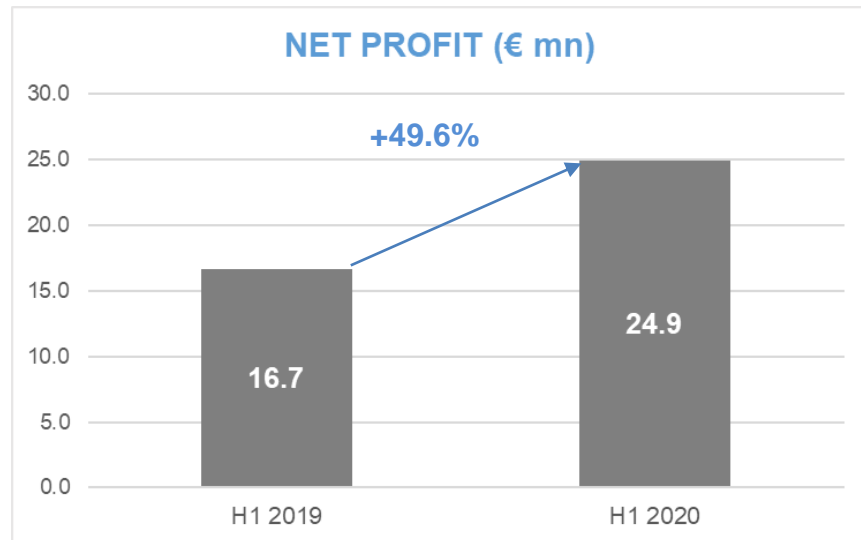


Stable mix in terms of volume and selling prices.

EBIT AND NET PROFIT



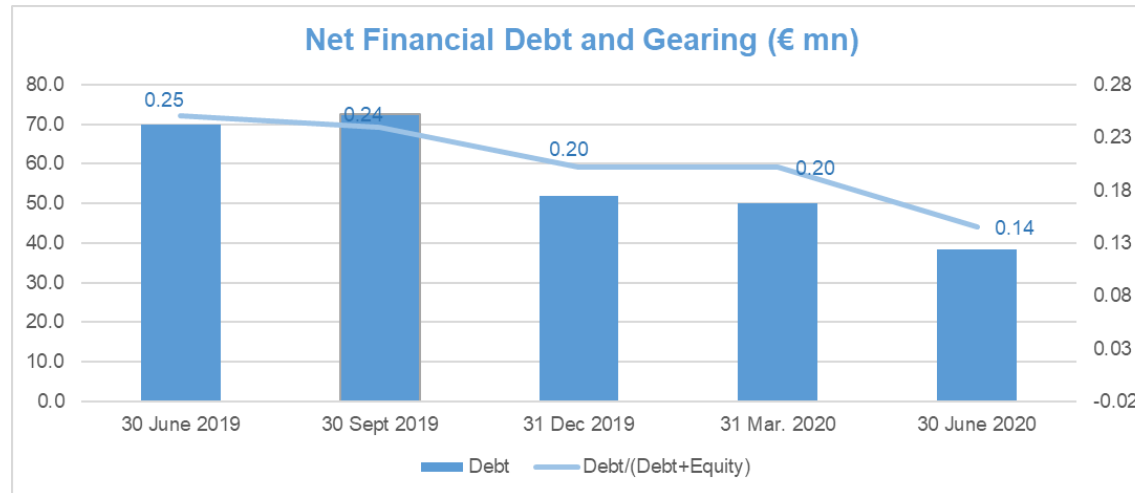
The strong increase in **EBIT (+34.6%)** mainly reflects the increase in EBITDA, partially offset by **higher D&A costs** than those of 2019 (€15.4 in H1 2020 vs €14.4m in H1 2019).



High H1 2020 Net Profit increase (€8.2m vs. H1 2019) combines the impact of higher EBIT (€8.5m vs. H1 2019) with:

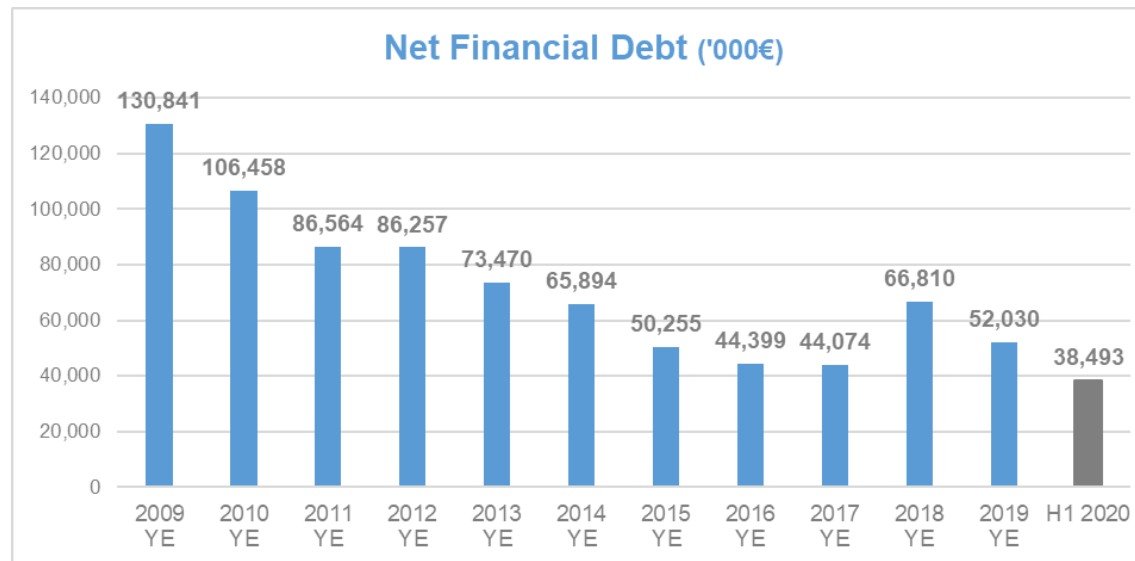
- + a €0.8m decrease in financial expenses vs. H1 2019;
- a €1m increase in taxes even if the tax rate is lower (25.2% vs. 21% in H1 2019).

LOW GEARING RATIO



Decrease in NFD in H1 2020 (from €52m at December 31, 2019 to €38.5m at June 30, 2020).

In H1 2020 **capital expenditure** amounted to **€5.2m** compared with €9.8m in H1 2019.



Over the 2016-2018 period, RDM made **three acquisitions** for a total amount of **€77 m**.

Net Debt as at 31 December 2019 included **€12.5m liabilities** due to the adoption of the **new IFRS 16 “Leases”**.

AGENDA

- 1** Operating scenario and strategy at work
- 2** Q1 2020 Financial Results
- 3** **Final Remarks**



Michele Bianchi - CEO



Andrea Bettinelli – Head of Strategy

2020 CAPEX OVERVIEW

2020 expected capital expenditure: 23-25 € mn
 Of which maintenance + H&S investments are 11-13 € mn

ENERGY EFFICIENCY

€6m

Villa S. Lucia
 Cogeneration Plant Revamping
S. Giustina
 New Steam Boiler
Others Mills
 Power Plants extraordinary
 maintenance

DIGITALIZATION

€2m

All
 New ERP System

COST SAVINGS & QUALITY

€3m

Villa S. Lucia
 Stock Preparation Revamping
Barcelona
 Top and Back Layer Headbox ✓
Barcelona ✓
 Winder Rebuilt
PAC Service
 New Wrapping Line

ENVIRONMENT

€1m

La Rochette
 Wastewater Treatment

LOOKING FORWARD IN A PANDEMIC SCENARIO



Positives

‘**Essentiality**’ of our cartonboard end-uses

Sustainable packaging **LT drivers demand** still in place

Multi-country and multi-mill **model** as valid as ever

Cash liquidity and further financing capacity available

Risks/opportunities under stress scenarios assessed and well under control

Challenges

Scarce availability of **fibers** pushing up prices
Opportunity to revert on final product prices

Converters **destocking** once panicking is over

New lockdowns and restrictions may **weaken consumer and luxury goods demand**

More **flexible operational models** needed

Logistics complexity and cost

RDM Group remains focused on Long Term strategy execution

by relying on operational and financial strengths to address potential challenges

FINAL REMARKS

TOP ON OUR CURRENT AGENDA

- ✓ Interpreting the 'new normal' scenario
- ✓ Continue assessing the impacts of business scenarios to be prepared to react as needed
- ✓ Responsibly managing the costs
- ✓ Remaining a forward-looking Company

EMERGING EXTERNAL PATTERNS

- Greener UE agenda, supported by dedicated budget
- Digitalization challenge
- Growth of home delivery shopping and pickup in store

IMPACTS ON OUR BUSINESS

- Increased demand for packed products
- Enhanced hygiene product protection
- Light and recyclable packaging while preserving physical strenghts

Leverage on

Supporting **mega-trends** and **end-users** demand

Continuous **track record** of metric improvements and **sound financial performances**

Proven **resilience** to external events

Continue to generate strong **CASH FLOW** to **invest** and **grow** the company



TOGETHER WE SHAPE THE FUTURE

Thank you!

For any further information, please contact:
Chiara Borgini – IRO – investor.relations@rdmgroup.com