



TOGETHER WE SHAPE THE FUTURE

Q1 2021 Results – Investor call

Milan, 29 April 2021

AGENDA

- 1** Q1 2021 Financial Results
- 2** Final Remarks



Michele Bianchi - CEO



Luca Rizzo - CFO

Q1 2021 AT A GLANCE

The inflation of the paper for recycling affects the Group marginality in the ST

La Rochette reclassified as asset held for sale

Demand in WLC (-0.9%)
Increase in RDM volumes (+2.8%)
Decrease in selling prices in Q1 2021 compared to Q1 2020

Significant surge in paper for recycling prices & higher cost of energy

Solid market position

Two subsequent price increases announced in January and March 2021

Lower spread

Time mismatch between the increase in the price of recycled fibers and the implementation of higher selling prices currently underway

RDM Barcelona Cartonboard

Lower contribution from IBE market mainly due to challenging business conditions

EBITDA margin at 8.2%

(vs. 11.7% in Q1 2020)

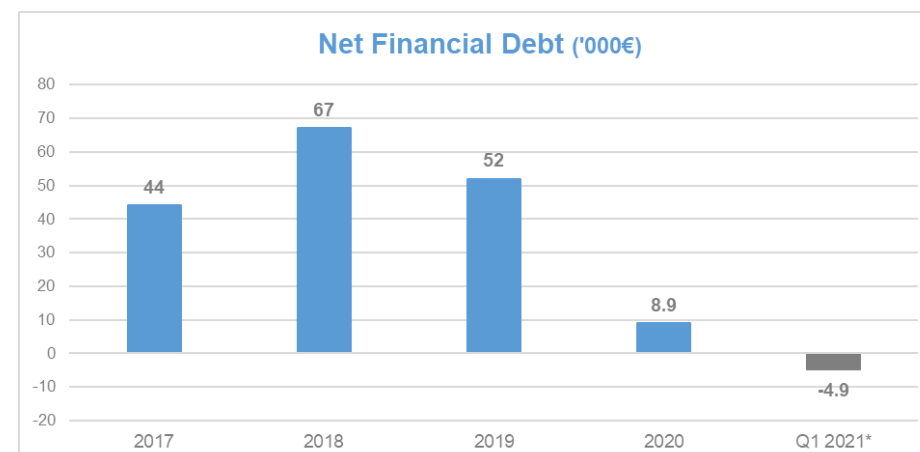
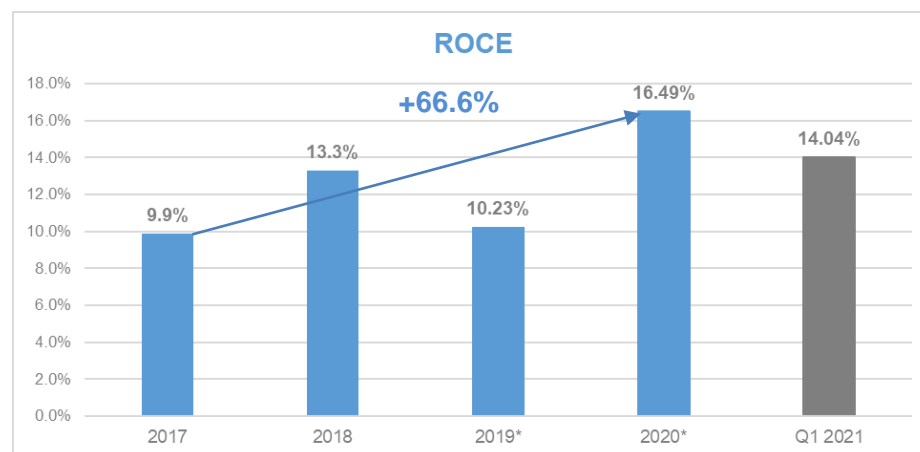
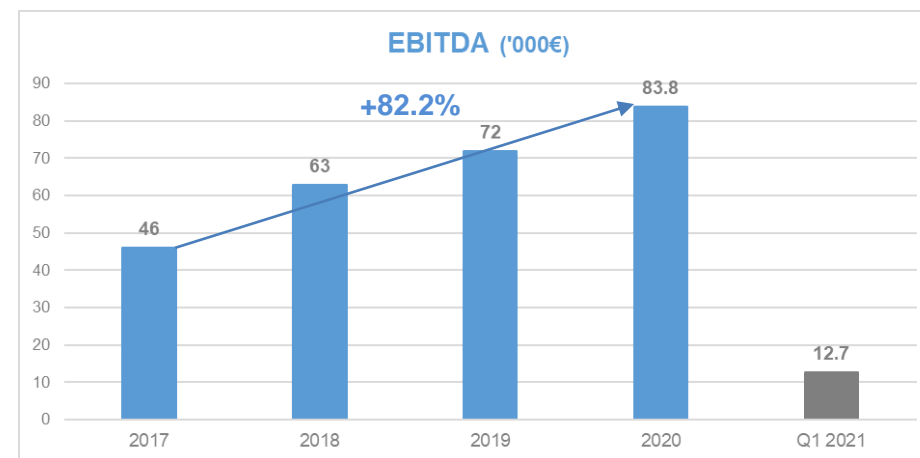
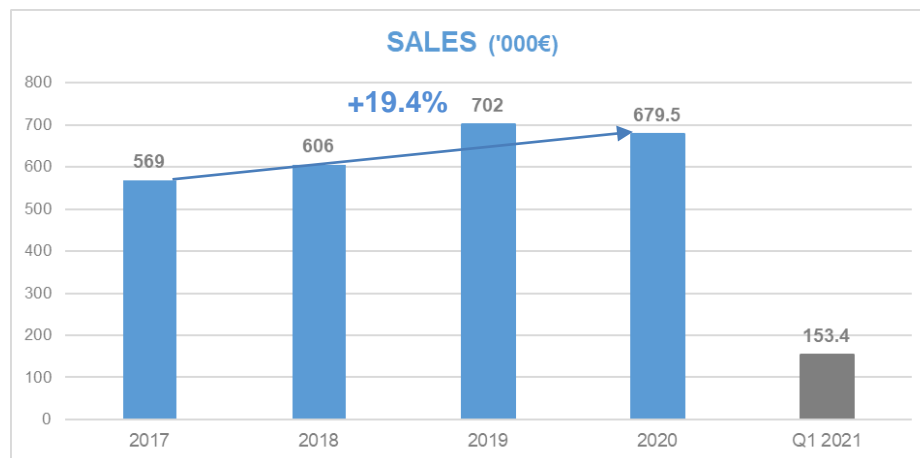
Decrease in NET PROFIT -48.1%

(€4.9m vs. €9.4 in Q1 2020)

NFP turning positive

(from net debt at €8.9m at December 31, 2020 to cash positive at €4.9m at March 31, 2021)

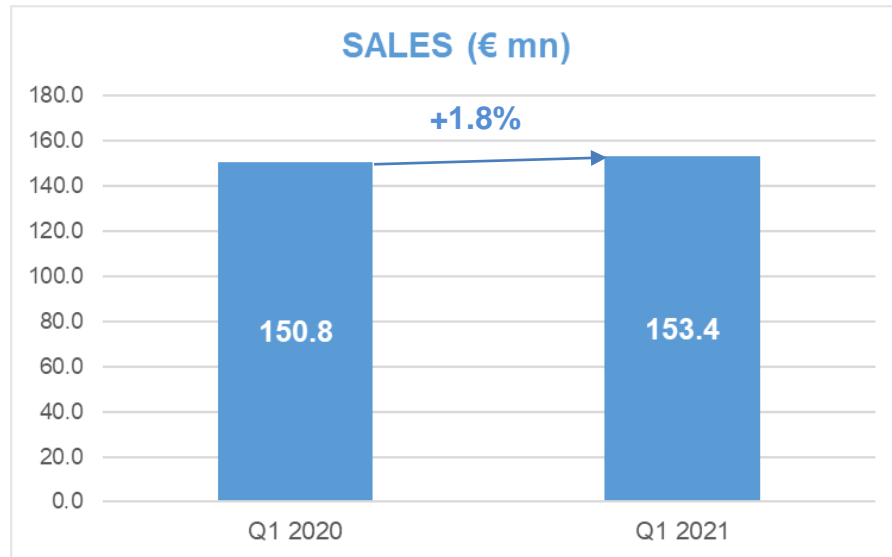
HIGHLIGHTS*



*2019-2020 ROCE included the **write-down** of the fixed assets of La Rochette mill for **€13.2m**. Without these write-downs, ROCE would have been 17.56% at December 31, 2020 and 13% at December 31, 2019.

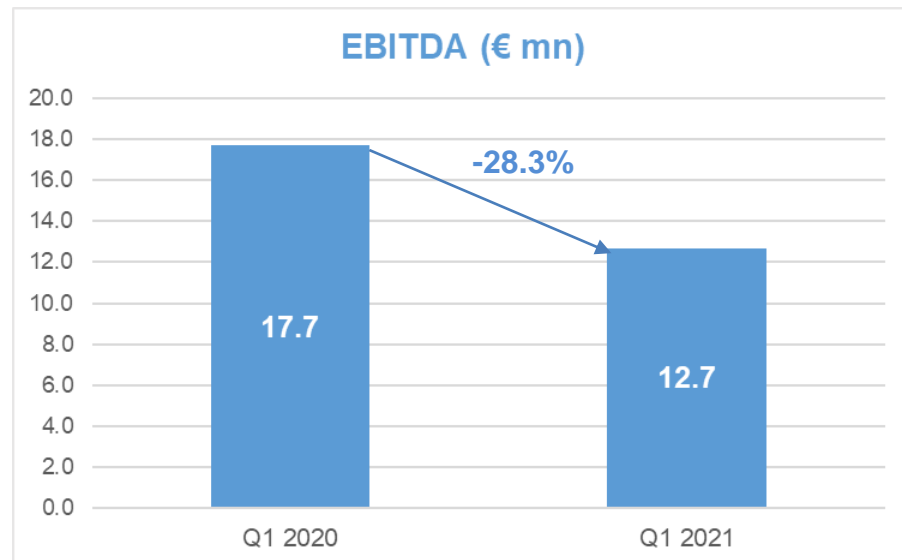
*NFP as 31 March 2021 includes €15.2m liabilities due to the adoption of the new IFRS 16 "Leases".

SALES AND EBITDA*



The **increase in SALES (+1.8%)** is due to :

- + **Increase in tons sold in WLC (+2.8%);**
- **Reductions in selling prices** compared to Q1 2020.

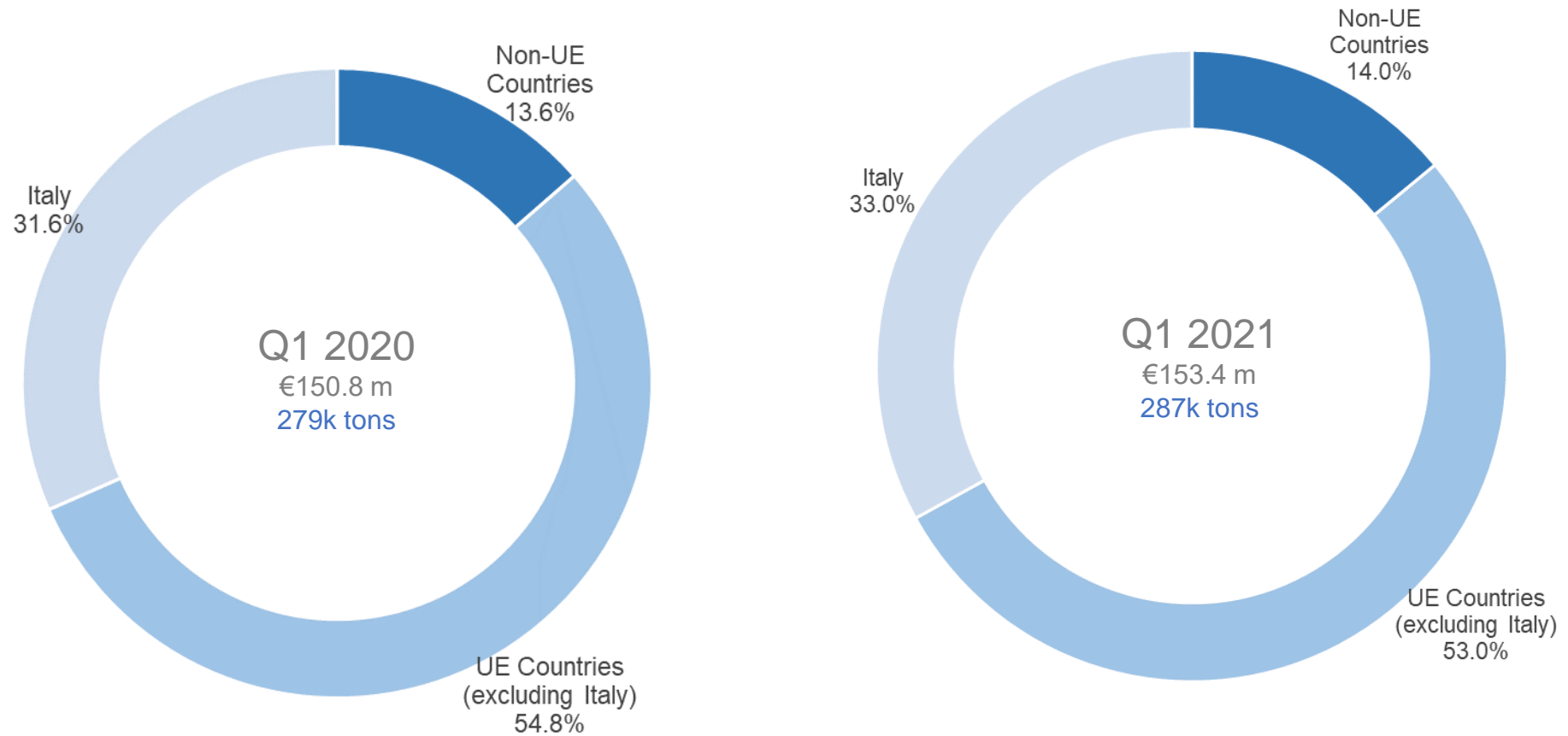


Lower EBITDA margin (8.2% in Q1 2021 compared to 11.7% in Q1 2020) reflects the following drivers:

- + **Increase in SALES (+1.8%);**
- **Significant surge in the costs of fibers;**
- **Increase in energy costs** compared with Q1 2020.

*SALES and EBITDA include the WCL segment alone, as R.D.M. La Rochette S.A.S. was classified as "Asset held for sale" in accordance with IFRS 5, and its operating results were recognized under "Discontinued operations" in the Group's Consolidated Income Statement at March 31, 2021. Accordingly, the figures at March 31, 2021 as well were restated to make them comparable with those at March 31, 2020.

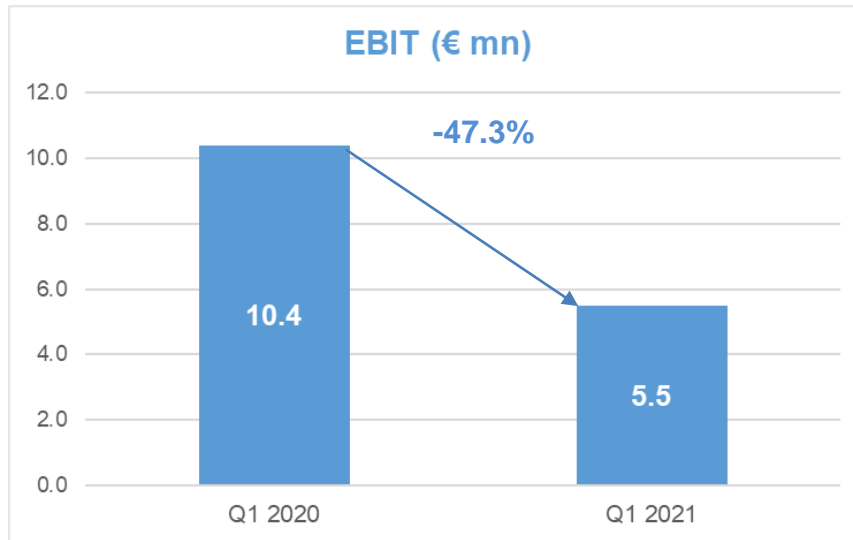
SALES BY GEOGRAPHY*



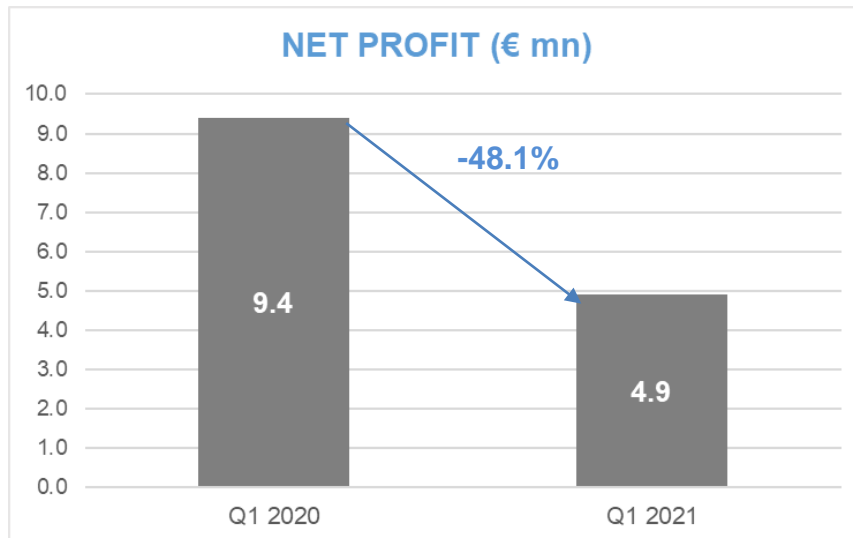
Stable mix in terms of volume and selling prices.

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EBIT* AND NET PROFIT



The decrease in **EBIT (-47.3%)** mainly reflects the decrease in EBITDA. **Lower income taxes (€1.2mn)** fully offset **higher financial expenses (€0.8mn)**.



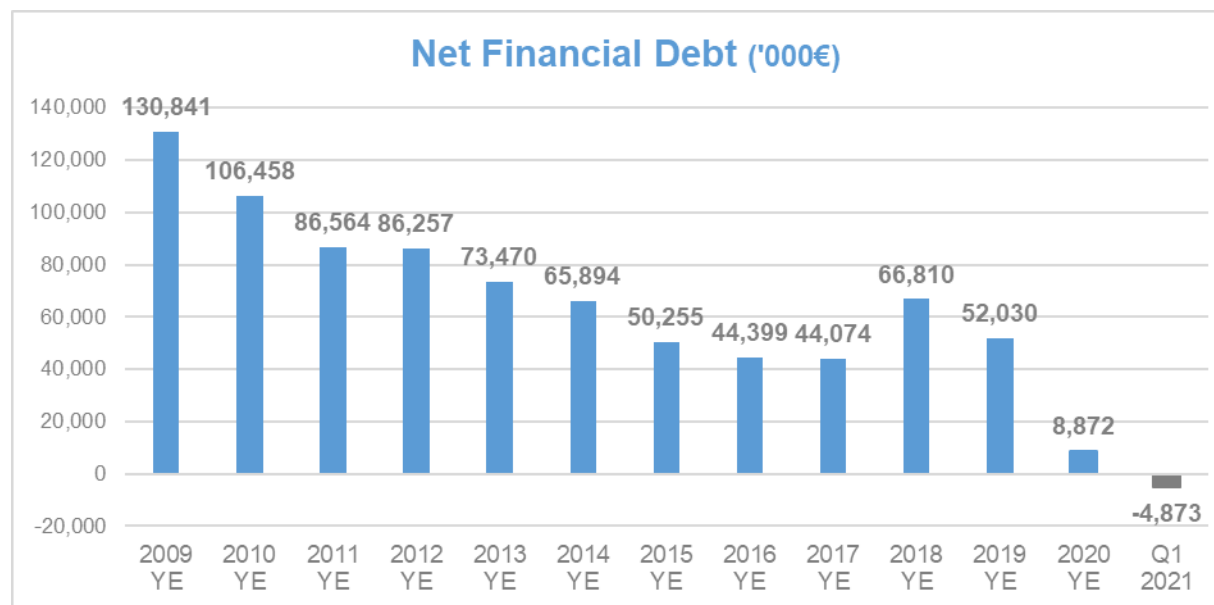
Q1 2021 Net Profit decrease (€4.5m vs. Q1 2020) combines the impact of lower EBIT (€4.9m vs. Q1 2021) with:

- + a €1.2m decrease in taxes;**
- a €0.8m increase in financial expenses vs. Q1 2020.**

R.D.M. La Rochette contributed to the Group's Net Profit for **€1.7mn** in Q1 2021 in line with Q1 2020.

*EBIT includes the WCL segment alone, as R.D.M. La Rochette S.A.S. was classified as "Asset held for sale" in accordance with IFRS 5, and its operating results were recognized under "Discontinued operations" in the Group's Consolidated Income Statement at March 31, 2021. Accordingly, the figures at March 31, 2021 as well were restated to make them comparable with those at March 31, 2020.

CONTINUED DELEVERAGING



Consolidated Net Financial Position at March 31, 2021 was positive at €4.9 million, improving by €13.7 million compared with a net financial debt of €8.9 million at December 31, 2020.

The improved net financial position reflected the positive effect arising from the **€8 million proceeds collected for the sale of the land located in Boffalora sopra Ticino** and the cash generation for the reporting quarter.

In Q1 2021 **capital expenditure** amounted to **€4.6m** compared with €2.6m in Q1 2020.

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

NFP as at 31 March 2021 included **€15.2m liabilities** due to the adoption of the **new IFRS 16 “Leases”**.

2021 CAPEX OVERVIEW

2021 capital expenditure: €27 – 29mn (*)
of which c. 50% are maintenance + H&S investments

ENERGY EFFICIENCY

€8m

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

DIGITALIZATION

€3m

All
New ERP System
Digital Transformation

COST SAVINGS & QUALITY

€4m

Villa S. Lucia & Barcelona
Stock Preparation Revamping
Barcelona
Back Layer Headbox
Barcelona & Blendecques
Washing Machine
PAC Service
New Wrapping Line

ENVIRONMENT

€0.5m

All
Minor Projects

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Michele Bianchi - CEO

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

High demand of **fibers**, combined with lower collecting rates, pushing up prices

Continuing **Covid-19** emergency

Changing lockdowns and restrictions impacting on **consumers’ habits**

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

Stronger business focus

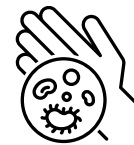
Strategic decision to **exit the FBB segment**

Both management effort and financial resources dedicated to **develop the Recycled Board core business** within the multi-mill concept

Three strategic directions to improve long-term performance:



Reviewing RDM Barcelona Cartonboard's **integration plan** also considering the announced acquisition of Paprinsa in Spain, to fully benefit from the multi-mill approach



Strengthening our operating efficiencies through **Lean Manufacturing plans**, including at the customer service level



Implementing a **digitalization plan** that will transform the Group end-to-end way of working



RdM

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Thank you!

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