

STAR Conference
London, 6 October 2016
Company Presentation

RenoDeMedici



Agenda



1. **Overview**
2. Performance
3. La Rochette mill acquisition
4. RDM shares

Cartonboard products

Packaging applications and, to a lesser extent, **graphic purposes** drive cartonboard production.

SBB - Solid Bleached Sulphate Board (GZ/UZ)

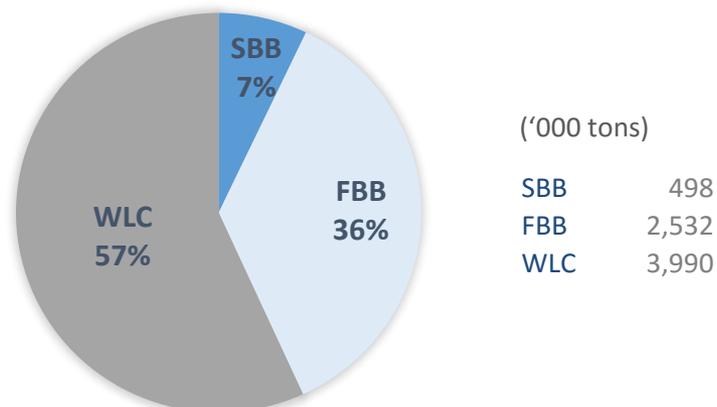
FBB - Folding Boxboard (GC/UC);

WLC - White Lined Chipboard (GD/UD) and
Triplex Board (GT/UT).

Based on virgin fiber

Based on recycled fiber

European cartonboard production (2015)

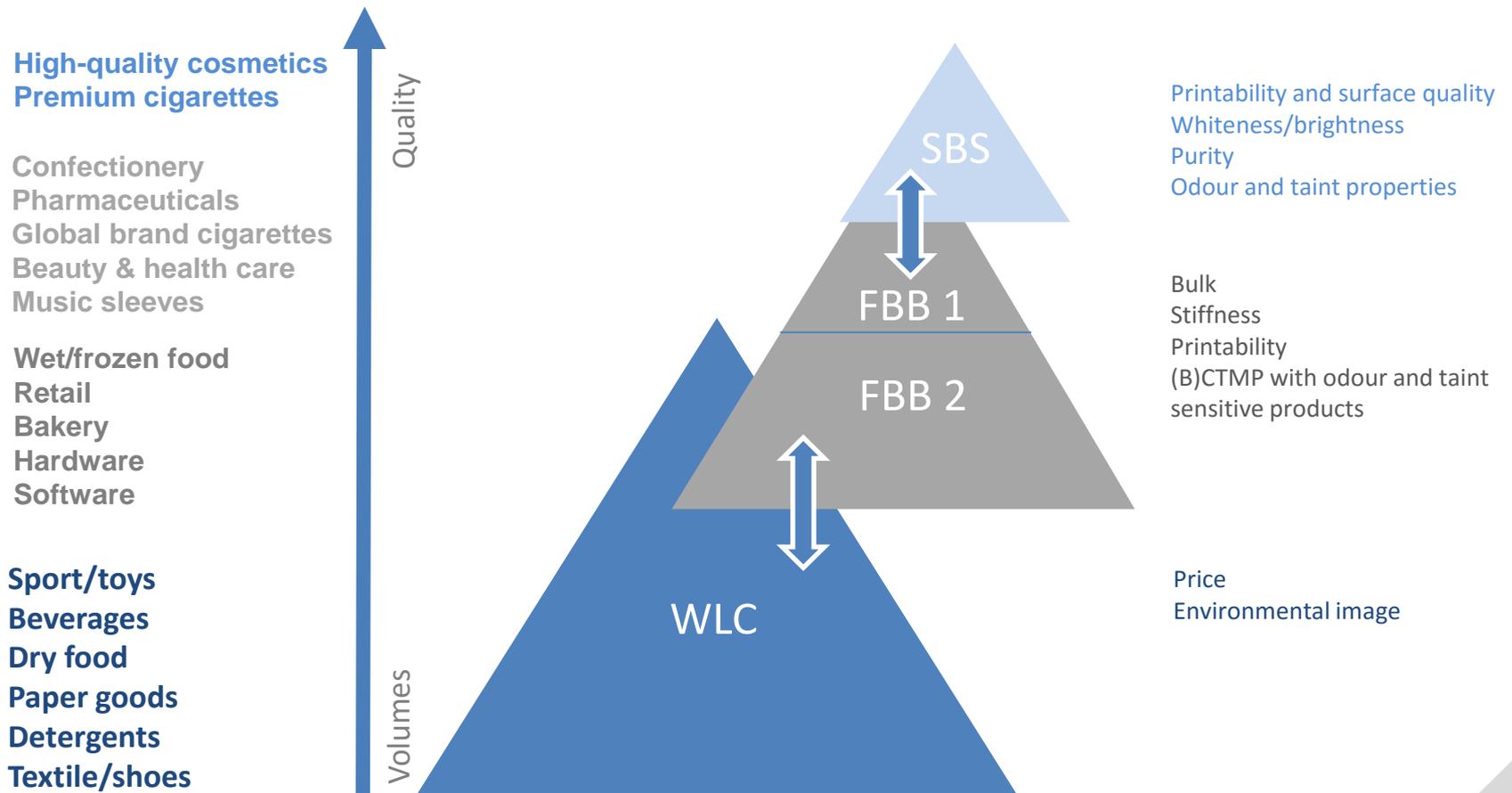


Source: Company's elaborations on market data

In the last few years, until H1 2016, RDM production was focused on **one business segment**: White Lined Chipboard, "**WLC**".

Following to the acquisition of Cascades sas (30 June 2016), RDM is also involved in the "**FBB**" business.

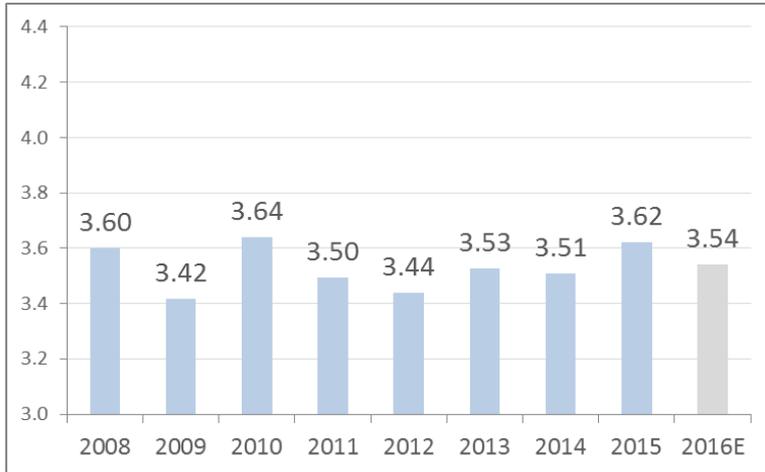
Different grades for different end-uses



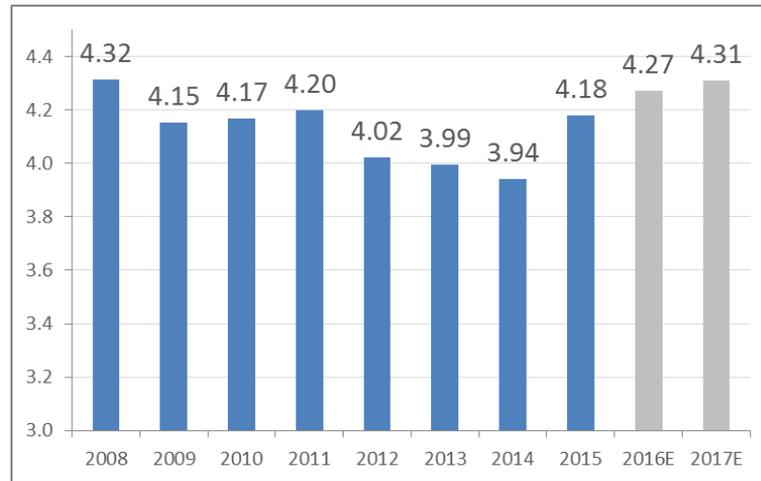
Source: Company's elaborations on market data

European demand and capacity

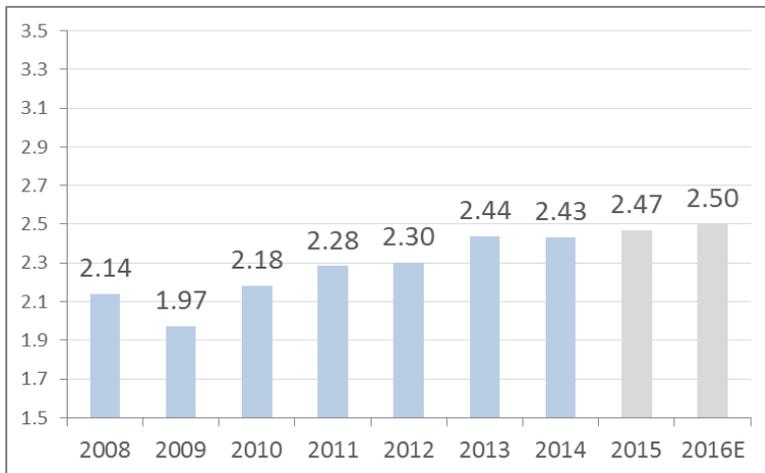
WLC demand in Europe (mn tons)



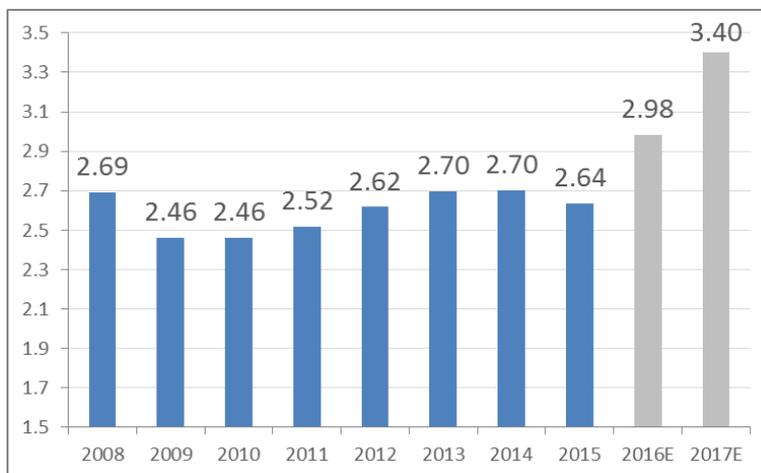
WLC capacity in Europe (mn tons)



FBB demand in Europe (mn tons)



FBB capacity in Europe (mn tons)



WLC competition – two key players

Mayr Melnhof and **Reno De Medici** as a whole represent over 55% of total production capacity in WLC.

The rest of competition is fragmented in terms of size. Differently from MM and RDM, minor players in the WLC market do not have a PanEuropean asset base.

No. of mills	Current installed capacity (mn tons/y)	FY15 ('000 tons sold)	FY15 Revenues (€mn)	H1 2016 ('000 tons sold)	H1 2016 Revenues (€mn)
7	ca. 1,710 (including virgin fiber)	1,710	1,046.7	844	521.9
5	ca. 885	824	438.0	417	216.3

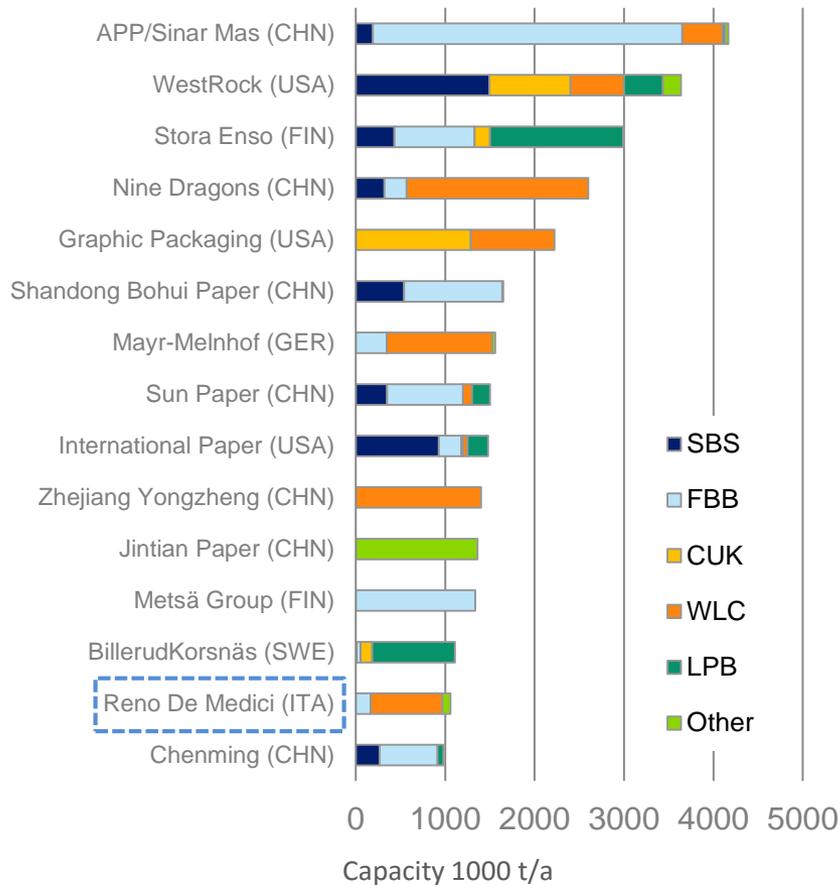


Source: MM and RDM Annual and Interim Reports

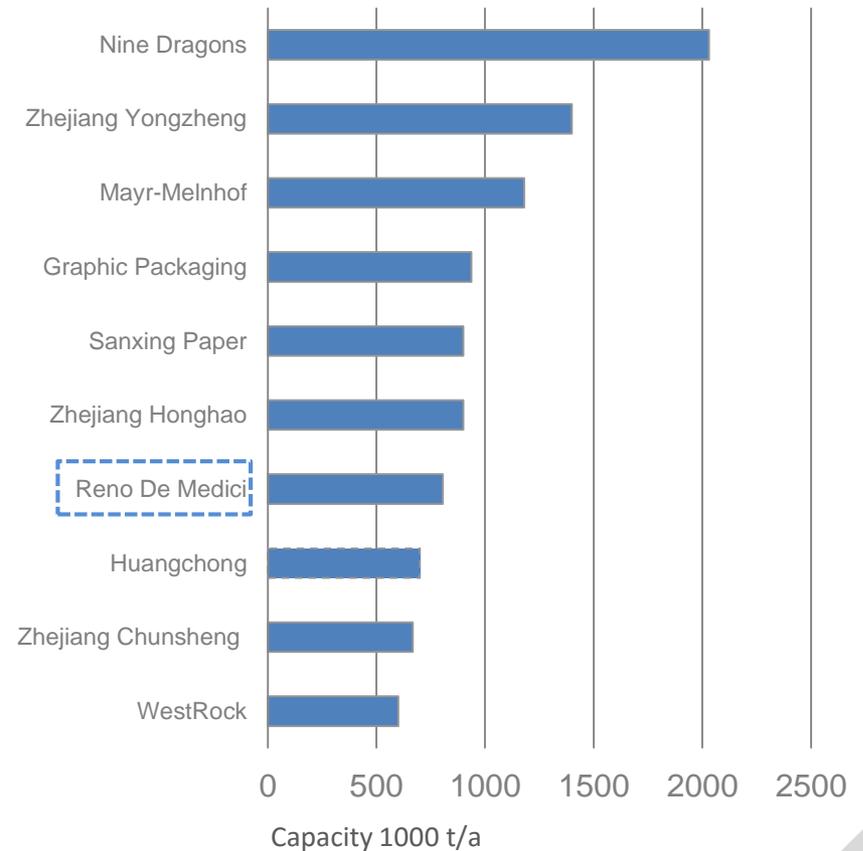


Leading cartonboard producers globally

Cartonboard producers by grade



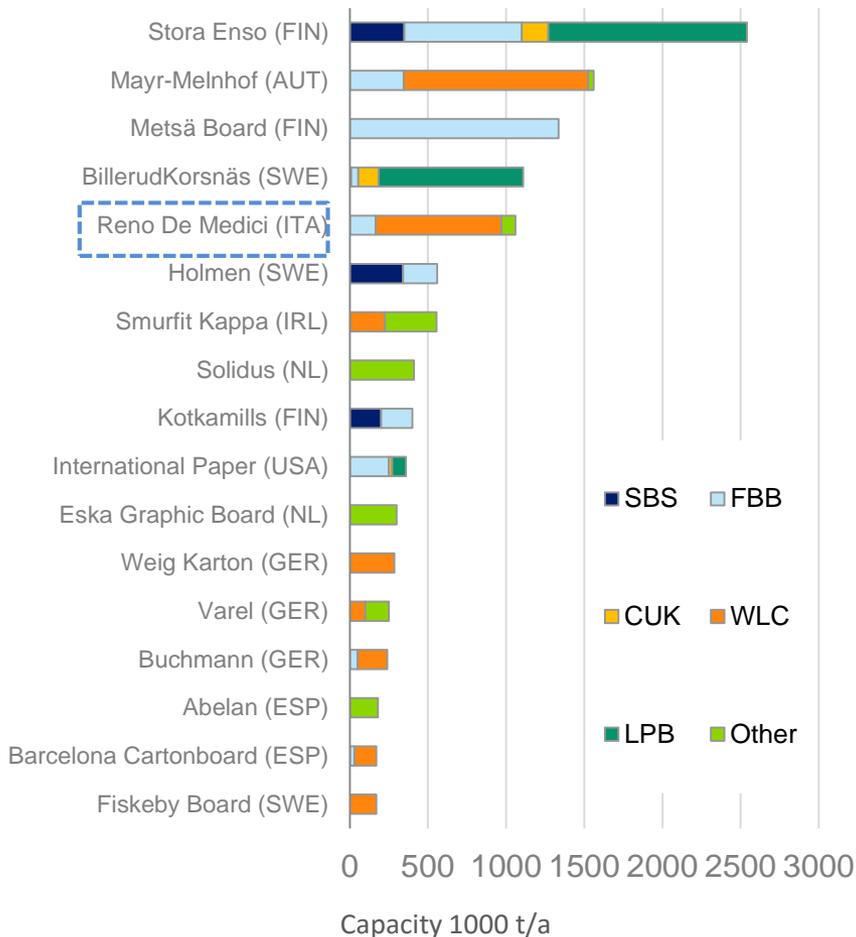
WLC producers



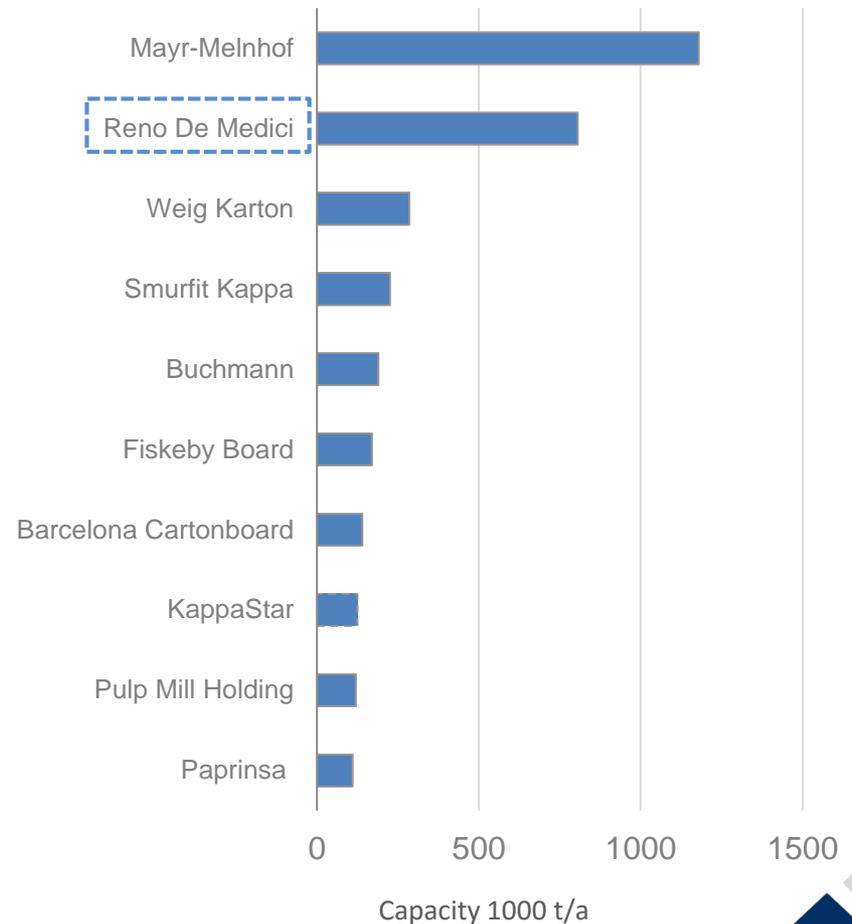
Source: PÖYRY

Leading cartonboard producers in Europe

Cartonboard producers by grade



WLC producers

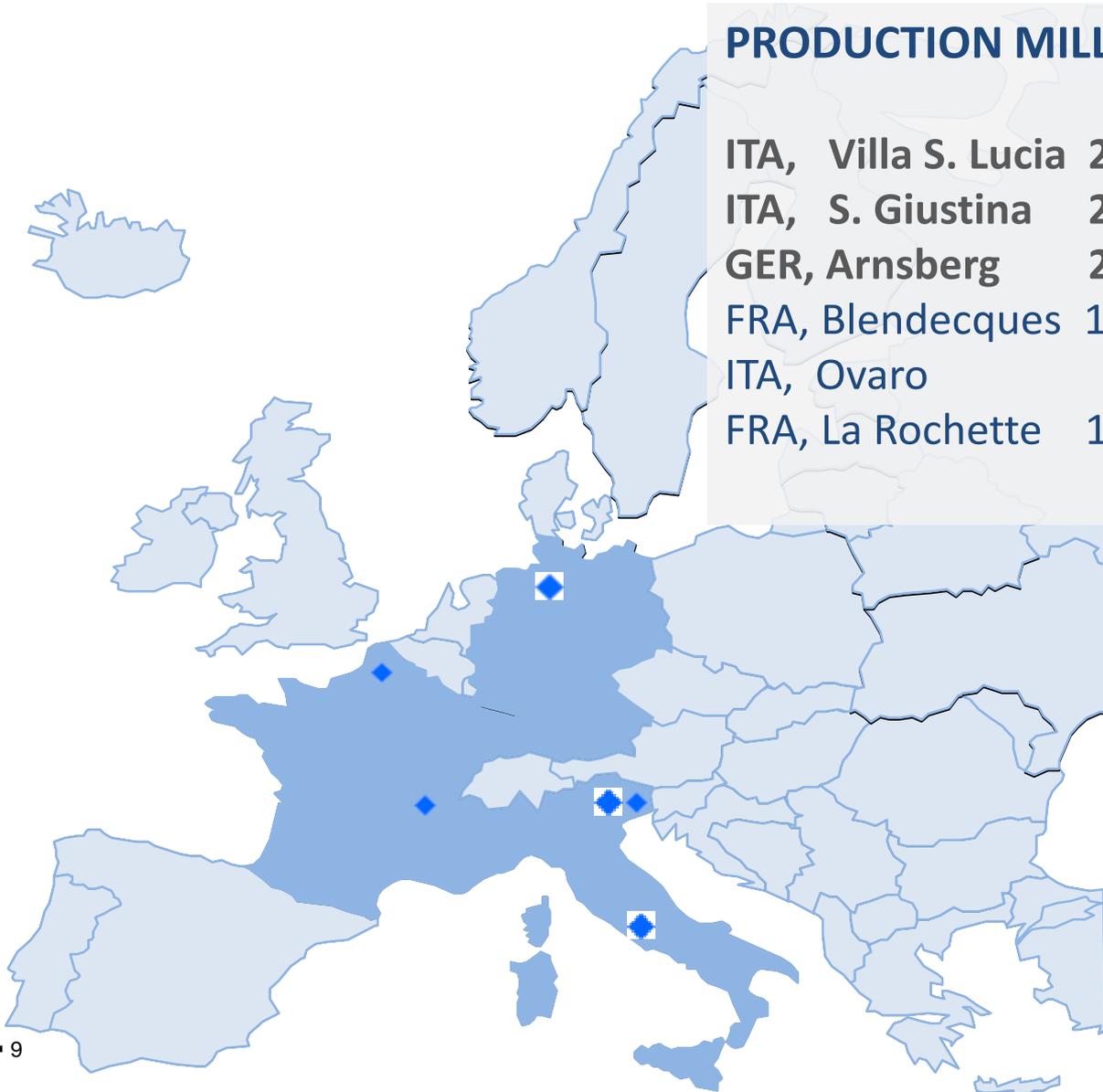


Source: PÖYRY

Three European top-class assets

PRODUCTION MILLS

ITA, Villa S. Lucia	220k tons	LINER WLC
ITA, S. Giustina	240k tons	WLC
GER, Arnsberg	220k tons	LINER/GD WLC
FRA, Blendecques	110k tons	WLC
ITA, Ovaro	95k tons	OG-GK
FRA, La Rochette	165k tons	GC-FBB



Organizational chart



2 Operating Plants:

- S. Giustina
- Villa S. Lucia

Reno De Medici SpA
(operating holding)

Operations

RDM Arnsberg GmbH (*)
100%

RDM. Ovaro SpA 80%

RDM Blendecques Sas
100%

ZAR Srl
33.33%

Manucor SpA
22.75%

Cascades Sas
La Rochette
100%

Marketing

RDM Marketing srl
100%

Sheeting & Distribution

RDM Magenta Srl
100.00%

Emmaus Pack Srl
34.39%

Pac Services SpA
33.33%

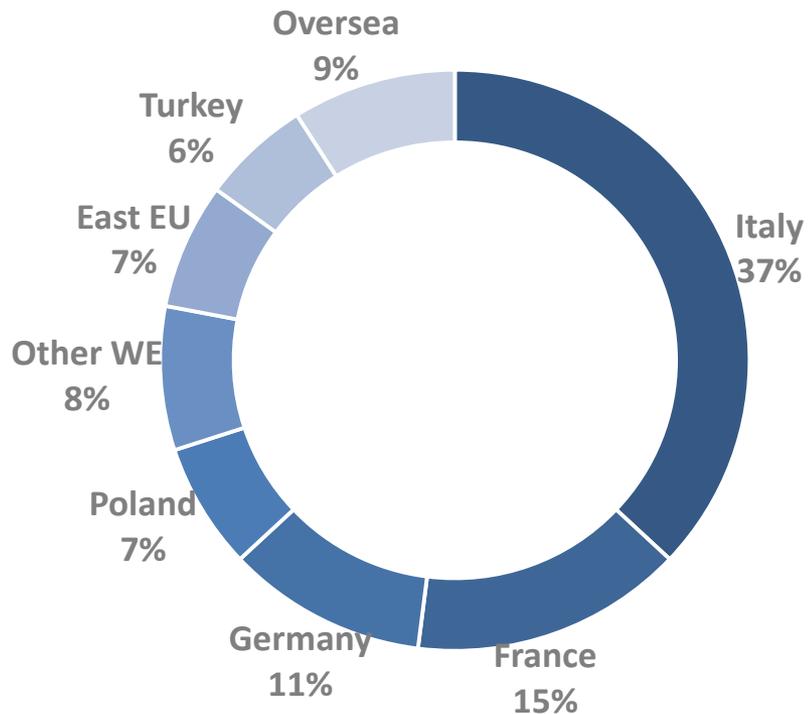
(*) Company owned 94% by Reno De Medici SpA and 6% by Cascades Grundstück GmbH & Co.KG.

(*) Company owned 70% by Reno De Medici SpA and 30% by Cascades Sas.



Western Europe is our core market

H1 2016 Revenues by geography



RDM boasts a robust position in core European countries.

Strong geographic reach leverages on a well-diversified asset base.

1,400+ converting companies in RDM client portfolio



Low-risk concentration

Market share of **top ten converters** is around **30%**.

First 10 RDM clients account for approx. **22.5%** of tons sold.

First RDM 100 clients account for **68%** of tons sold.

Agenda



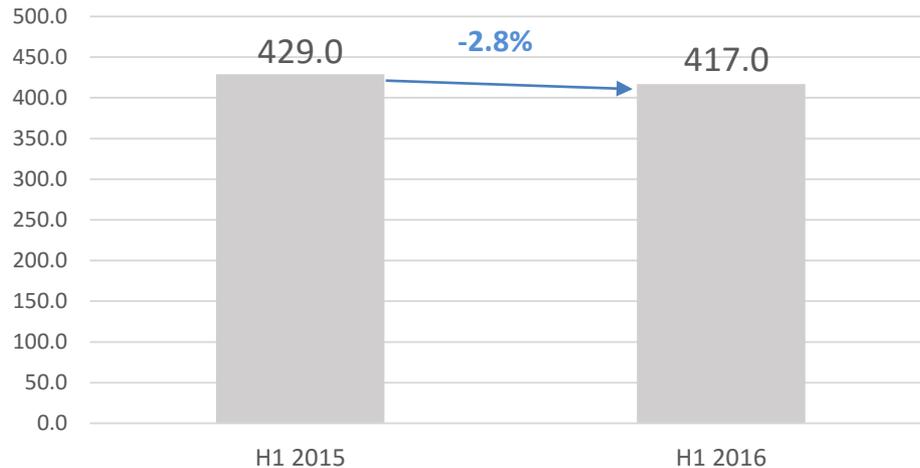
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RDM Group – P&L

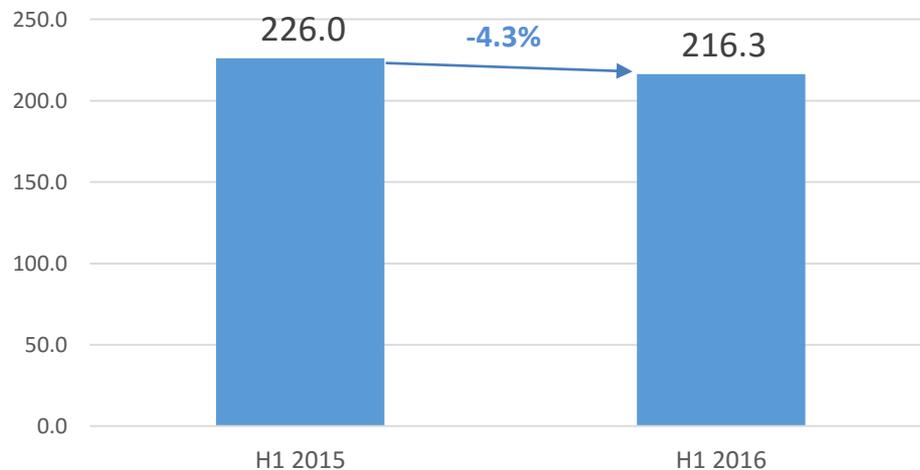
Consolidated P&L ('000 euro)	H1 2016	H1 2015	Change	
Revenues from sales	216,292	226,037	-4.3%	
Other revenues and income	2,337	3,116	-25.0%	
Change in inventories of finished goods	2,012	-2,580	-178.0%	
Cost of raw materials and services	-169,216	-168,480	0.4%	
Personnel cost	-32,396	-32,385	0.0%	
Other operating costs	-1,656	-2,667	-37.9%	
Gross operating profit	17,373	23,041	-24.6%	
Depreciation and amortization	-10,710	-11,143	-3.9%	
Write-downs		-1318	n.m.	
Operating profit	6,663	10,580	-37.0%	
	<i>Financial expense</i>	-1,666	-2,122	-21.5%
	<i>Gains (losses) on foreign exchange</i>	-73	429	-117.0%
	<i>Financial income</i>	17	11	54.5%
Net financial income (expense)	-1,722	-1,682	2.4%	
Gains (losses) from investments	680	531	28.1%	
Taxes	-715	-2,133	-66.5%	
Profit (loss) for the period before net result from discontinued operations	4,906	7,296	-32.8%	
Net result from discontinued operations	-188	-391	n.m.	
Profit (loss) for the period	4,718	6,905	-31.7%	
Total profit (loss) for the period attributable to:				
- Group	4,660	6,842		
- Minority interests	58	63		

Revenues from Sales

Volumes sold ('000 tons)



Revenues from sales (€ mn)



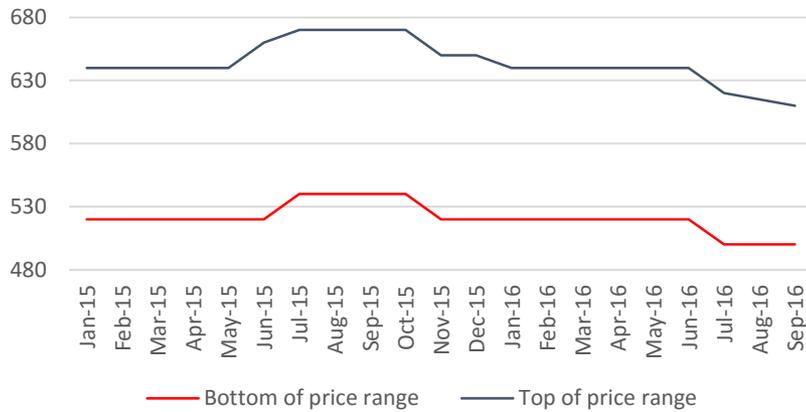
Dynamics of RDM Volumes Sold in H1 2016 reflect a scenario of weaker demand in Europe vs. H1 2015, with the exception of Germany, where demand remained quite stable.

Overseas demand partly compensated for the European market weakness.

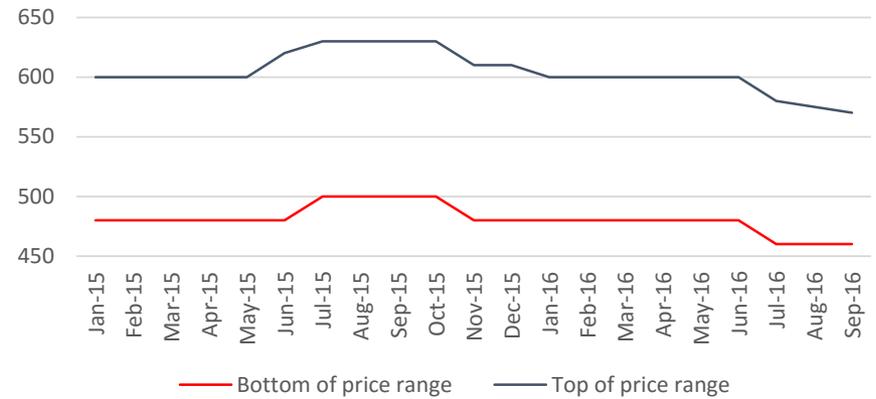
In H1 2016 Revenues from Sales declined more than volumes. Higher overseas sales lowered average selling prices.

Selling prices

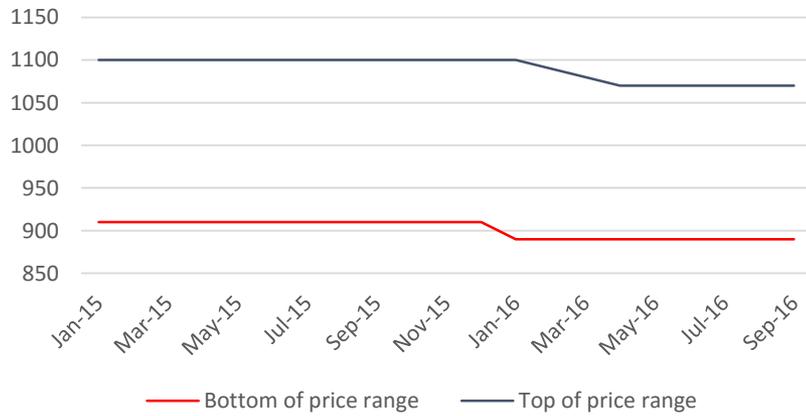
GDII



GDIII



GCI

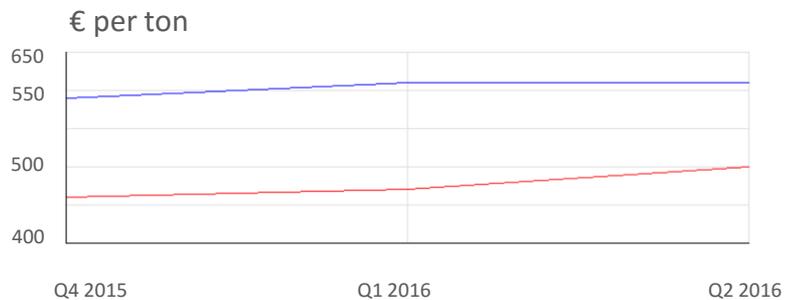


Source: Company's elaborations on market data

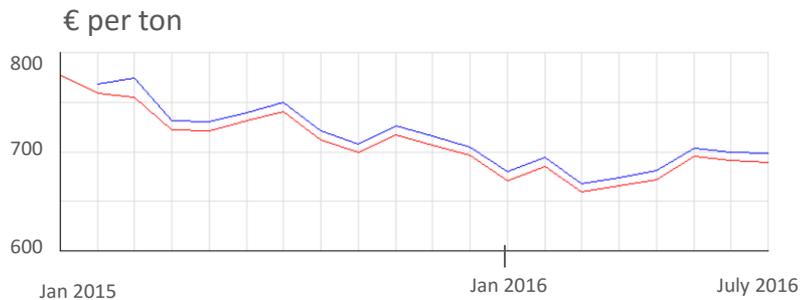


Prices of non-energy raw materials

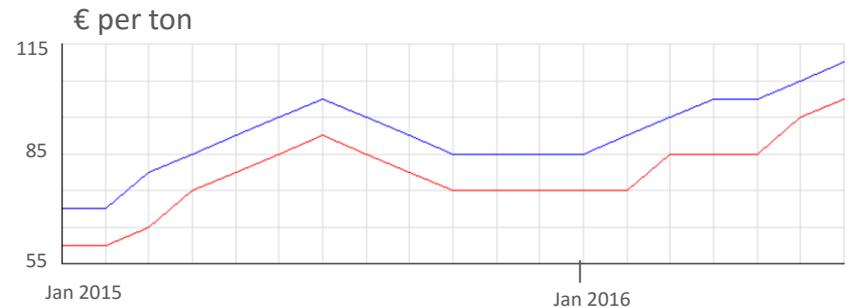
Potato starch – Western Europe



Bleached softwood pulp



Mixed paper and board



— Top of price range
— Bottom of price range

Source: Company's elaborations on market data

Energy prices

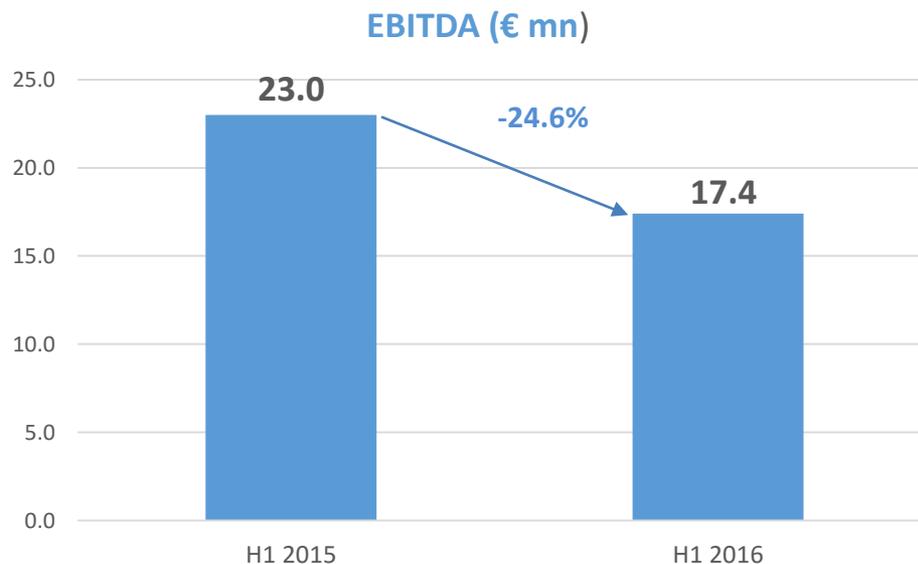
Hub gas price – calendar year 2017 (TTF otc)

€/MWh



Source: Company's elaborations on market data

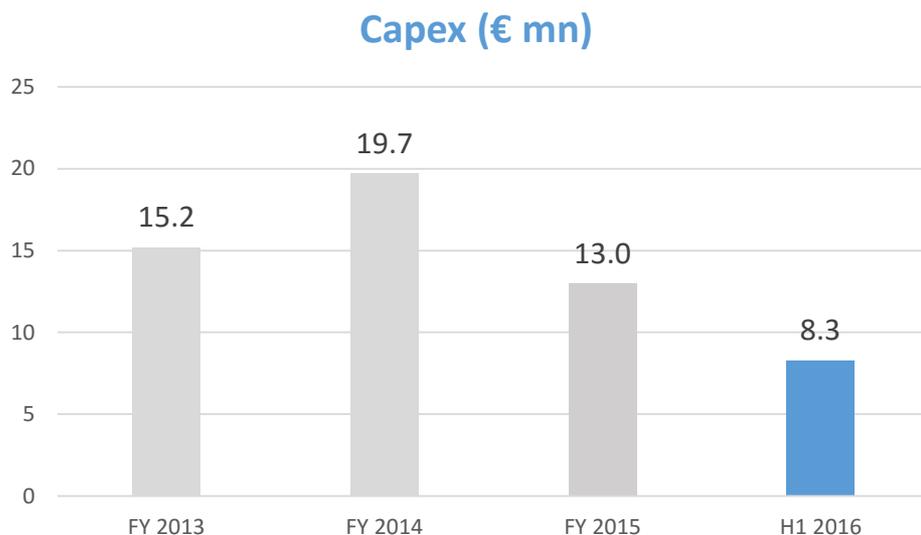
EBITDA



The **EBITDA change** is basically due to three drivers:

- **weaker market scenario** compared to the H1 2015 (putting pressure also on selling prices);
- lower production at the **Arnsberg** mill, due to the **investment** carried out in April 2016;
- Higher cost of **non-energy raw materials**.

Investing to improve efficiency



Cumulated capex of **144.2 million euro** over the 2008-2015 period, i.e. **18.0 million euro on average per year**.

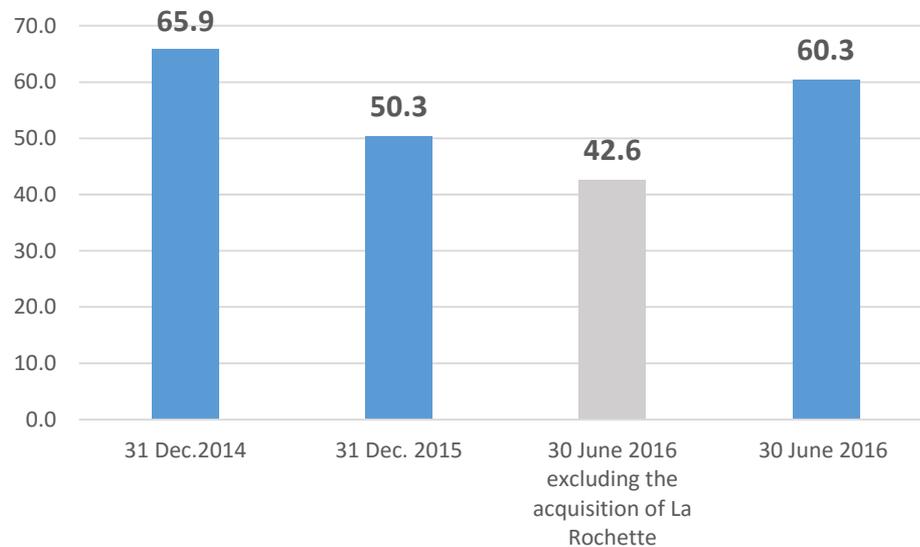
Typically, over the last eight years, RDM investments have been mainly concentrated in upgrading **one plant** at a time.

In H1 2016 Capex was mainly focused on the **Arnsberg mill**.

D&A pretty stable/declining in the meantime (-3.9% in H12016 vs. H1 2015).

Net financial debt

Net financial indebtedness (€ mn)



The change in Net Debt in **H1 2016** reflects the benefits of:

- ✓ Iberica sale: 800K €
- ✓ Deconsolidation of Iberica debt: 3.4 mn €
- ✓ Emmaus 17% stake sale: 700k €
- ✓ Deconsolidation of Emmaus debt: 2.3 mn €

... while it reflects the negative contribution from:

- ✓ High Capex: 8.3 € mn vs. 3.1 € mn in H1 2015
- ✓ Overall financial impact of the Cascades sas (La Rochette) acquisition: 19.9 € mn

Strong cash flow generation drove the continuous decrease in Net Financial Debt.

2016 capex: Arnsberg mill upgrade

As usual, RDM focuses its capital expenditure just on a single mill each year.

In April 2016, RDM carried out a **6.2 million euro** investment at Arnsberg (close to Dortmund) to rebuild **the Middle Layer and Post drying section**



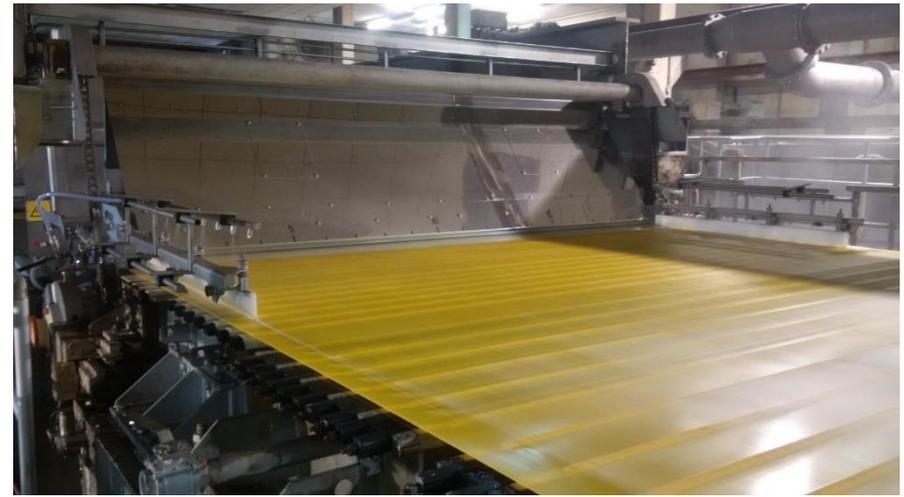
The objective is to increase production capacity thanks to:

- ✓ higher process speed
- ✓ improved efficiency
- ✓ lower consumption of energy and raw materials.

2016 capex: Arnsberg mill upgrade



New EcoMizer Cleaners
in approach flow system



New headbox



Fabric extension + Edge Master

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Cascades S.A.S. – Key features



Assets located in La Rochette (140 km east of Lyon)



Site capacity of 165,000 tons; two board machines



Cartonboard products based on pulp

**Strategic location to serve customers throughout Europe
–10 minutes away from highway**



Clients and end-users

A focused and consolidated client portfolio

Cascades S.A.S. clients are mainly professional printers

Top 10 clients account for 55% of total yearly sales



A wide range of applications

Food
Cosmetics
Pharma
Displays
Publishing
Toys
Detergents

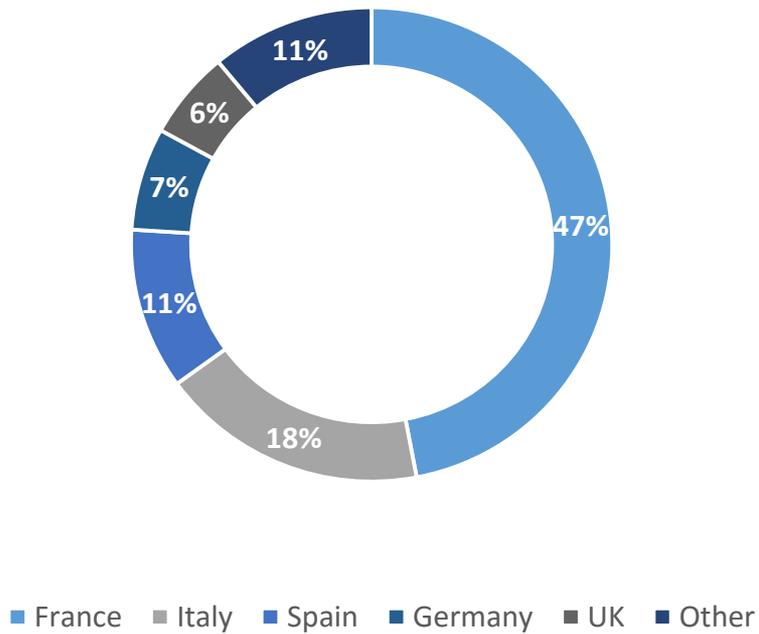


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Acquisition features

Breakdown of H1 2016 revenues



RDM - new Group profile



European scale

Strategic locations of assets across Europe
Strengthened presence in France



Integrated cartonboard offer

Products based both on recycled wastepaper and virgin fiber enhance RDM leading position in the European cartonboard market



Size

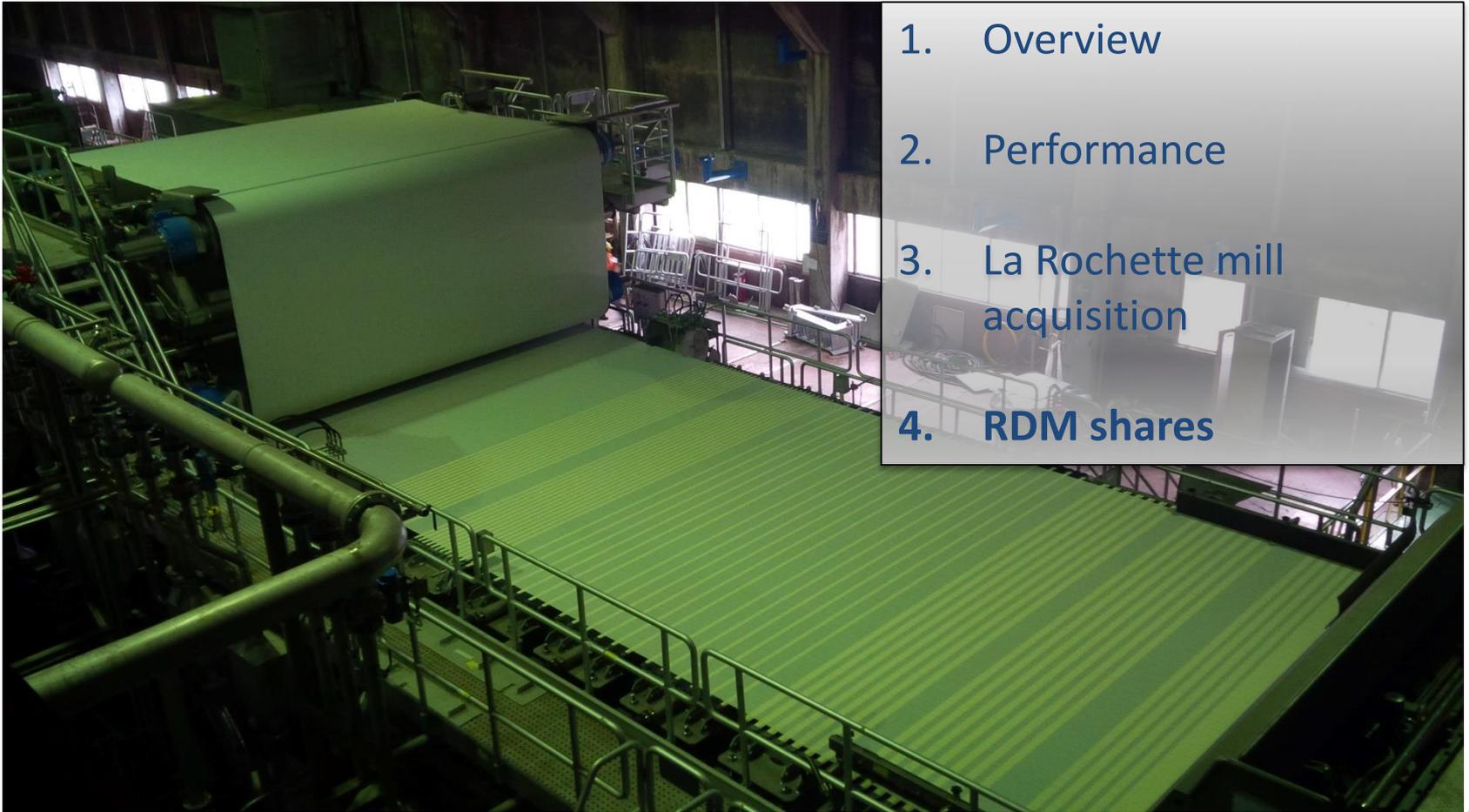
Installed capacity well above 1 million tons
Revenues exceeding 550 million euro
Additional EBITDA (well above 3 mn euro)

Marketing opportunities

Cartonboard based on pulp provides access to a growing market with valuable clients
More effective marketing effort through a simplified branding policy



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RDM and the Stock Exchange

Share Capital: 140,000,000.00 €

Outstanding shares: 377,800,994, o/w
377,530,359 ordinary shares
270,635 convertible savings shares

Listing markets

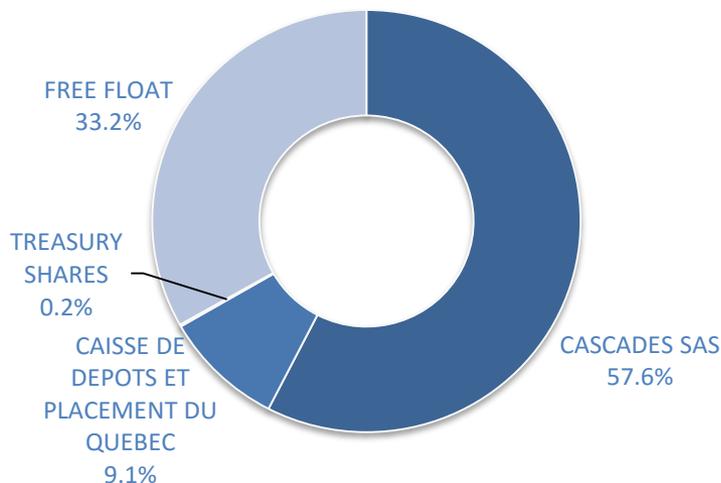
Milan Stock Exchange – MTA (STAR segment)
Madrid Stock Exchange

Codes

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

Mkt cap.: 105.7 € mn (@0.28 € p.s. as of 3 Oct 2016)

Main shareholders



Source: RDM shareholder register as of 30 June 2016

ORDINARY SHARE: DIVIDEND OF 0.0052 €

Payment date: **11 May 2016**

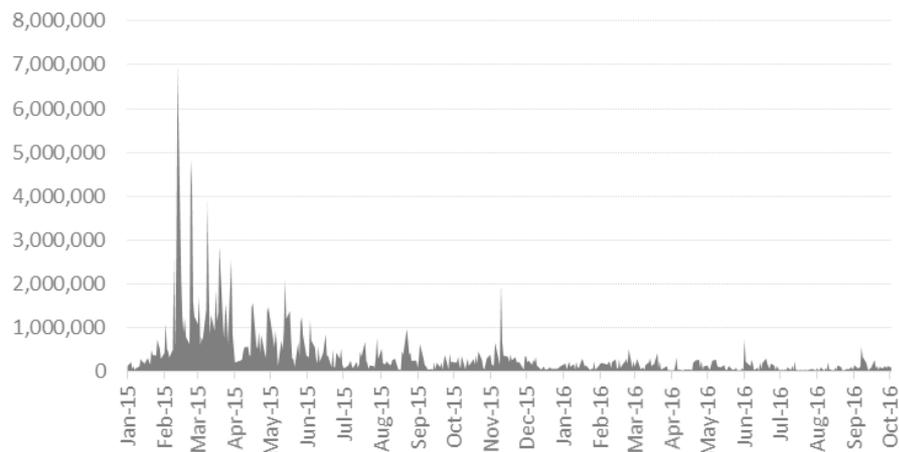
Dividend yield: **1.4%** (YE price of 0.3679 €)

Share performance

RDM share price



RDM traded volumes



RDM vs FTSE Italy All-share Index



SHARE BUYBACK

Started on **1 June 2016**.

Shares bought back to date: **581,600**, ie. **0.15%** of outstanding shares.

Average purchase price: **0.31 euro**.

Lean and effective Governance

Traditional administration and control system (BoD, Statutory Auditors and Shrs' Meeting).
Adoption of the **Code of Corporate Governance** of Listed Companies promoted by Borsa Italiana.

Board of Directors



Robert Hall, Chairman

VP, Legal Affairs and Corporate Secretary at Cascades. Part of the senior management team, he works for Cascades since 1994.



Laurent Lemaire, Executive Vice President

Founder, shareholder and past-CEO of Cascades. Presently Executive Vice President of the Company.

Allan Hog, Non-Executive Director



CFO of Cascades Group since 2010 – Bachelor's Business Administration in Accounting.
Co-opted on 29 June 2016.

Matteo Rossi, Independent Director



Lawyer boasting deep expertise in M&A and International Affairs.
Co-opted on 19 Nov. 2015.

Laura Guazzoni, Independent Director



Chartered accountant and business consultant. Bocconi University professor.

Board appointed on 29 April 2014. Term of office: 3 financial years.