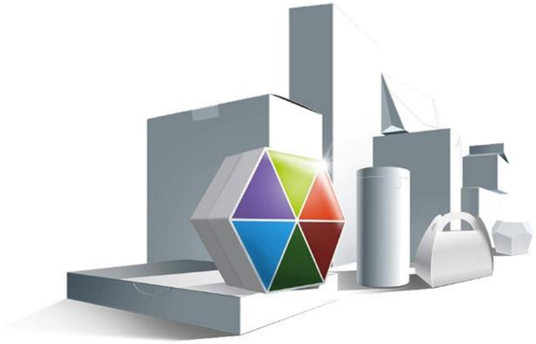
Reno De Medici

STAR Conference – Milan

March 28, 2018

RdM



Born to be converted

Agenda

1 **Overview**

2 RDM Features and Strategic Guidelines

3 Delivering on Strategy

4 RDM Shares and Final Remarks

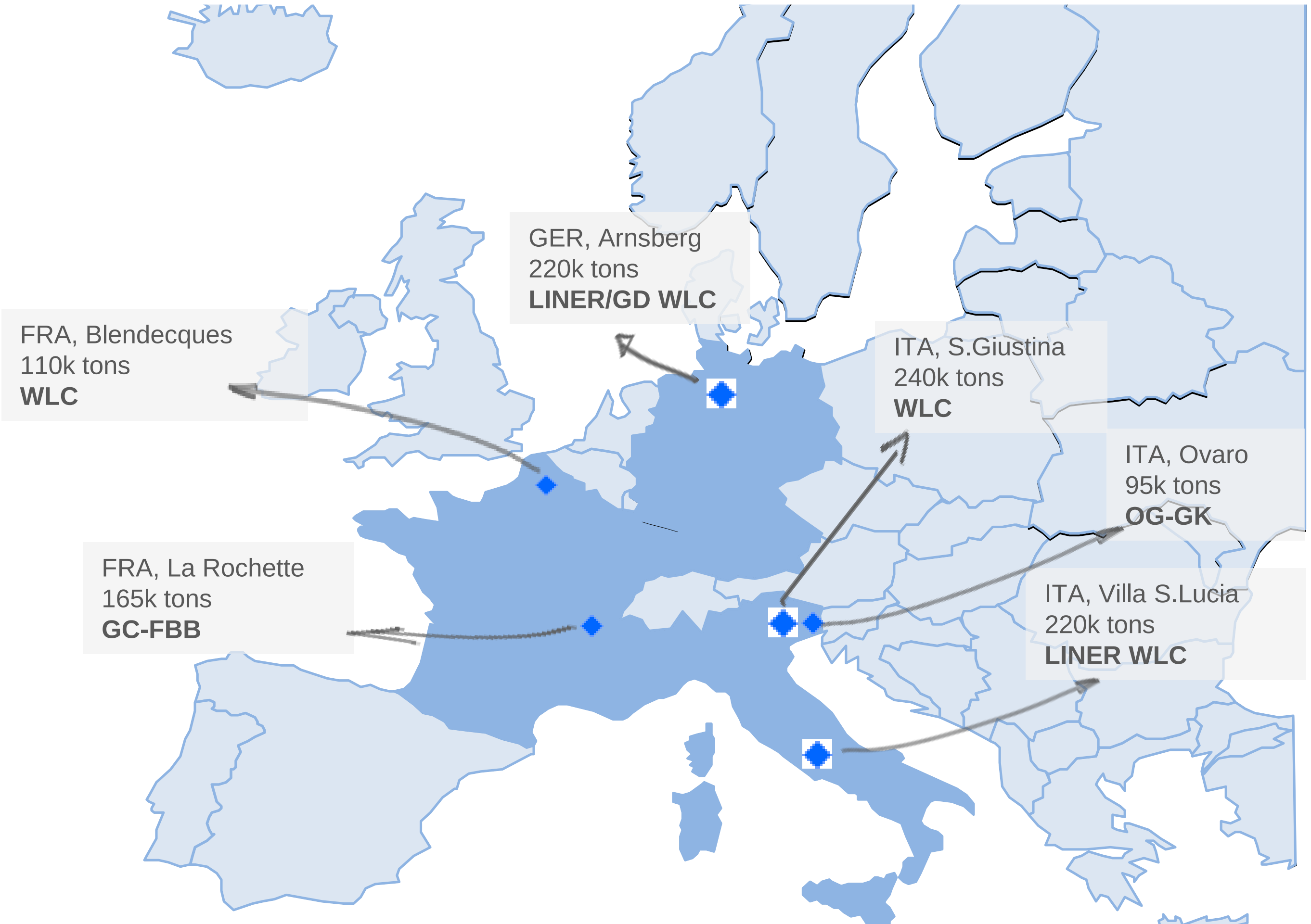
Some numbers…

2017 net revenues of €569 million	Milan and Madrid Stock Exchange
1,487 employees (2017YE)	Annual capacity of 1,050,000 tons
6 mills 2 sheeting centers	Commercial network in 70 Countries

A PanEuropean asset base

Three assets with capacity well **above 200k tons/p.a.**

Ovaro mill focused on **high-margin specialties**.

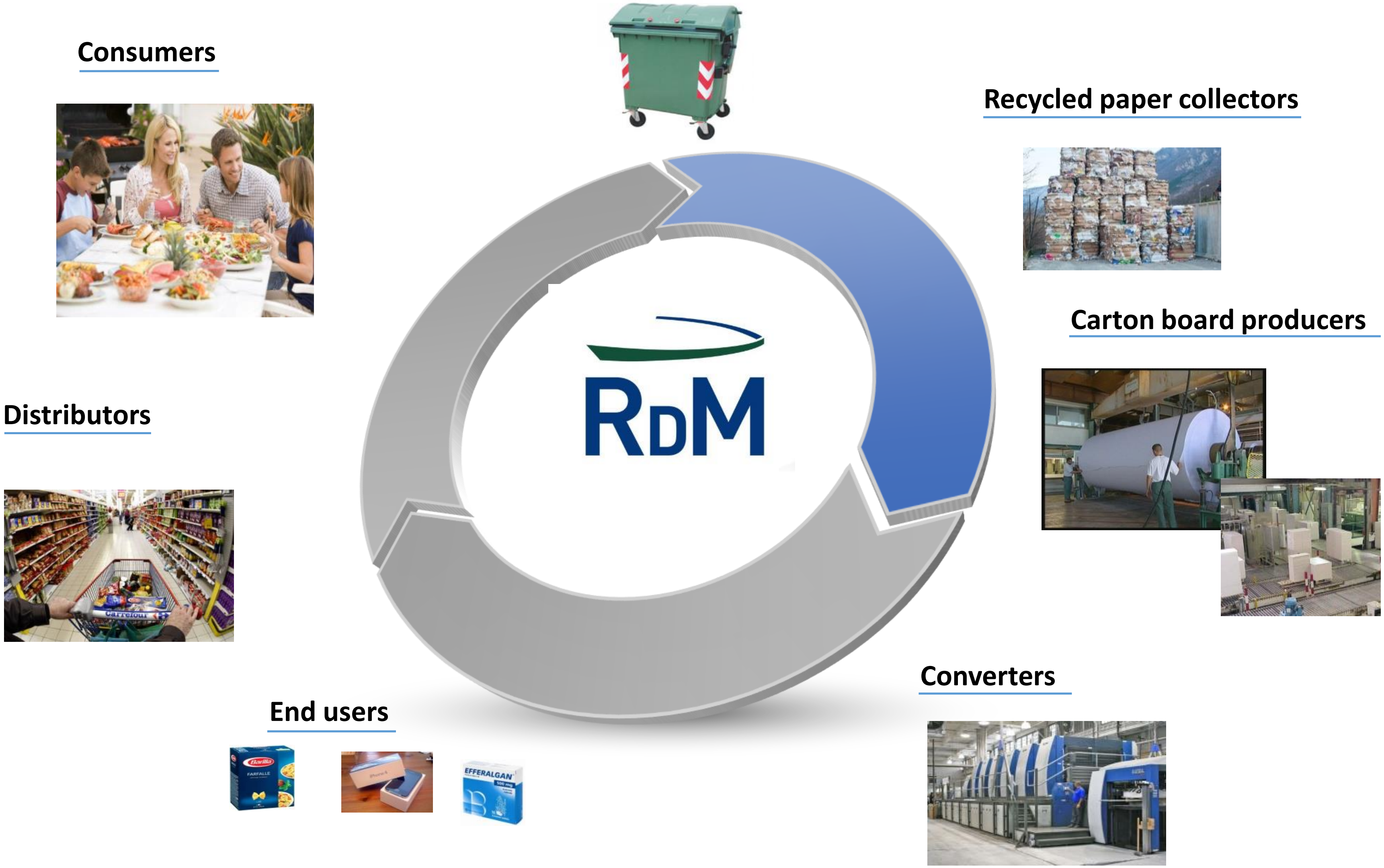


WLC
White Lined Chipboard

FBB
Folding Boxboard

RDM La Rochette (FBB business) included in the P&L consolidation perimeter of RDM starting from H2 2016.

Our virtuous circle



With our cartonboard…

Our cartonboard is used to produce a huge quantity of product we use every day. Any examples?

Business drivers

Overall economic trend

E-commerce

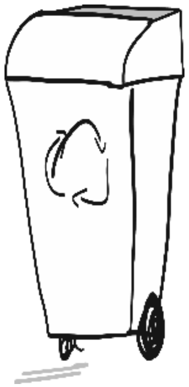
Brand recognition

Plastic substitutions

Cartonboard

demand

Care for planet



Changes in lifestyles

Chinese PFR import trends

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

Announced **new Chinese regulation**
about imports of unsorted waste paper (mostly mixed paper)

Drop of PFR import

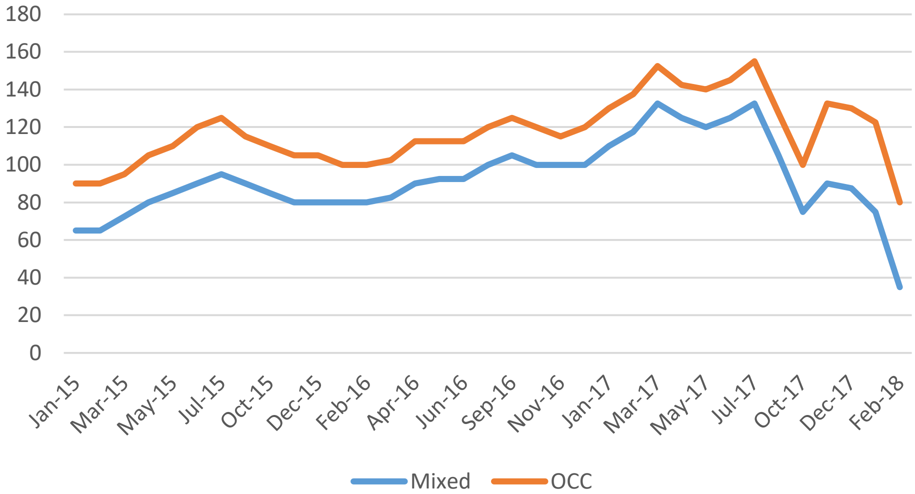
React to the new standard

Increase in virgin pulp

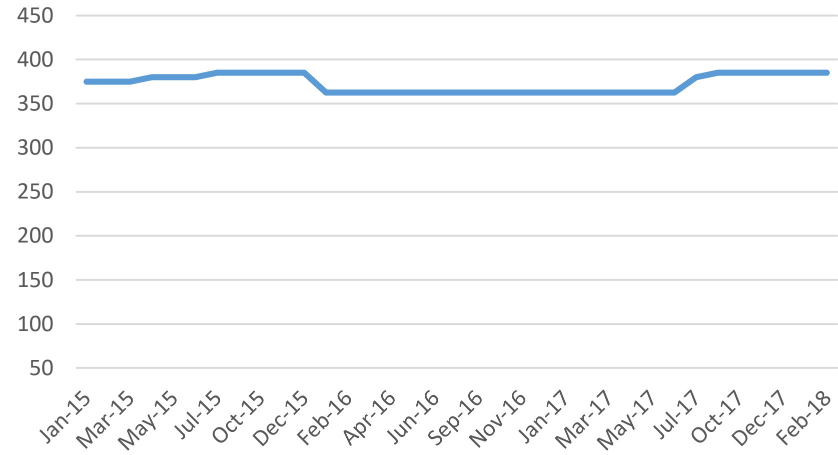
Finished products
export opportunities

Fibers

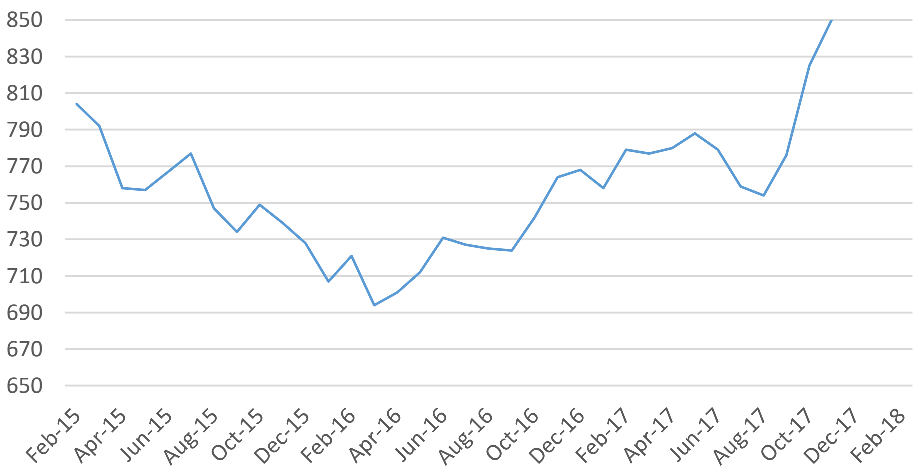
Brown Recycled fibers (€ per ton)



White Recycled Fibers (€ per ton)

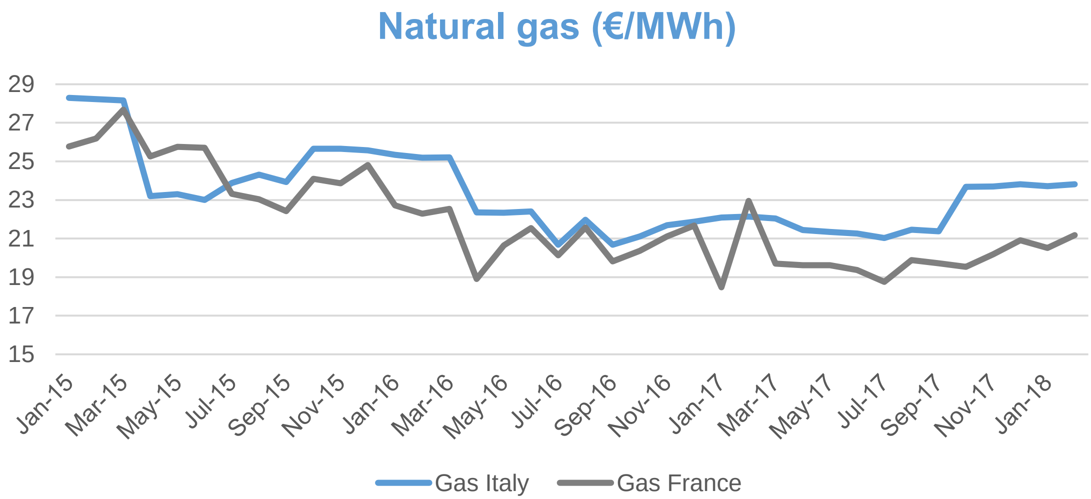


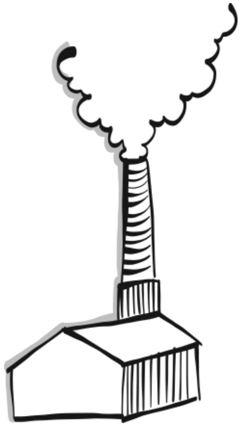
Bleached Softwood Pulp (€ per ton)



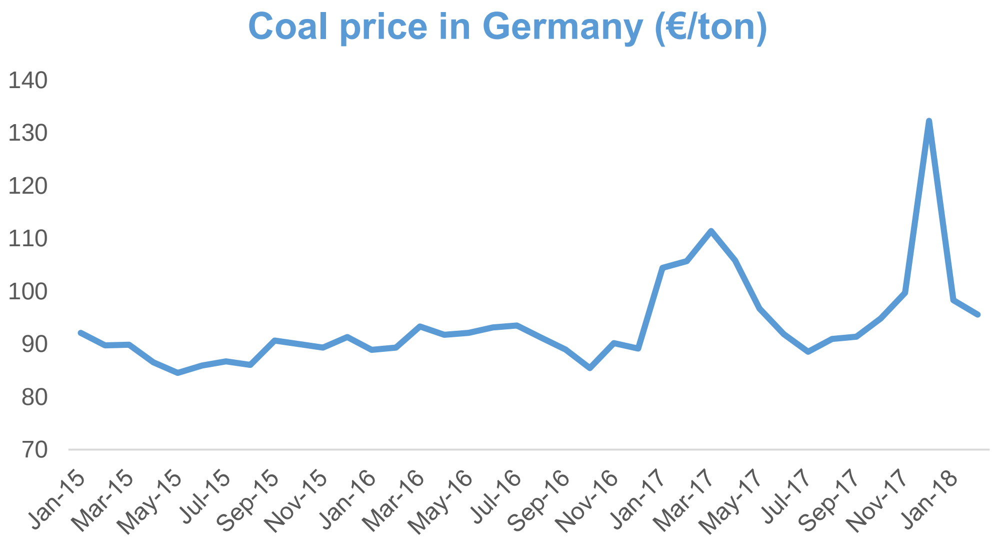
Despite this downward pressure since Sept., the average price per ton in 2017 was **higher** than in 2016

Energy





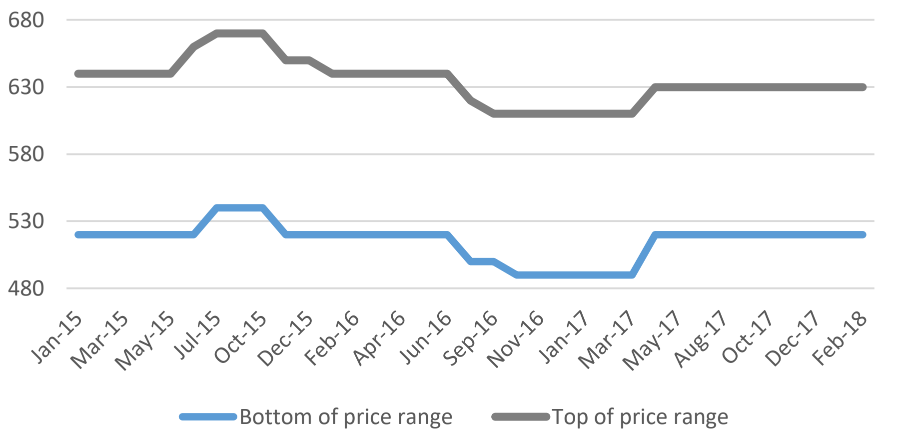
The trends are basically dependent to the **improved macroeconomic scenario**



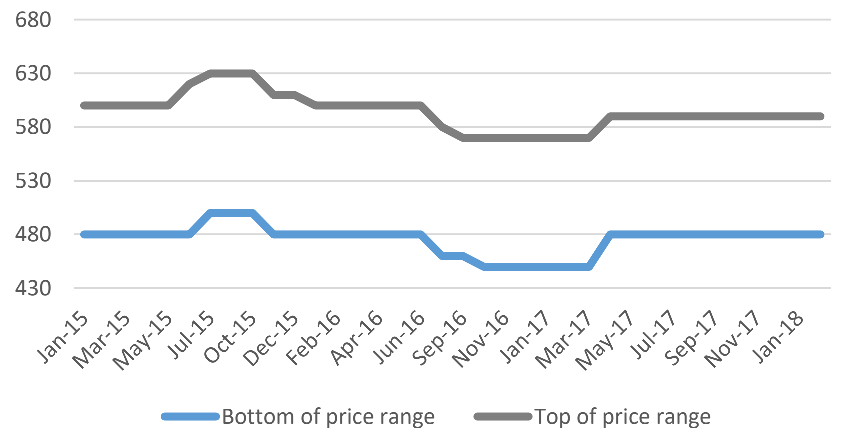
Selling prices

(€ per ton)

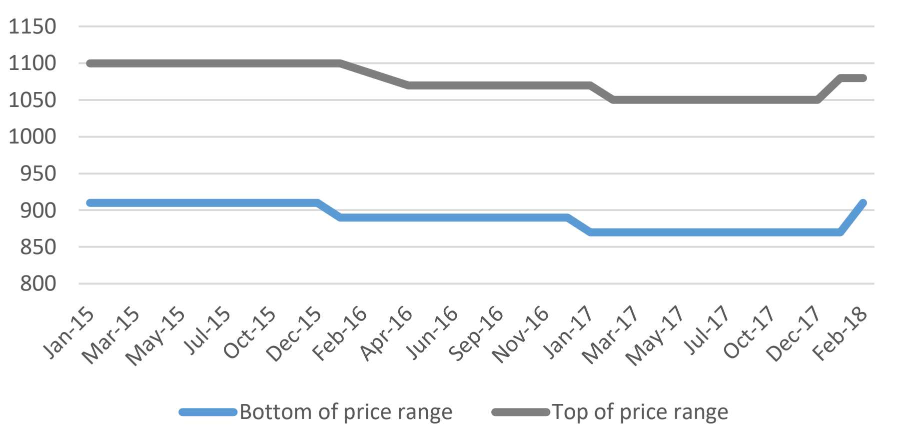
Recycled Board Italy (WLC – GDII)



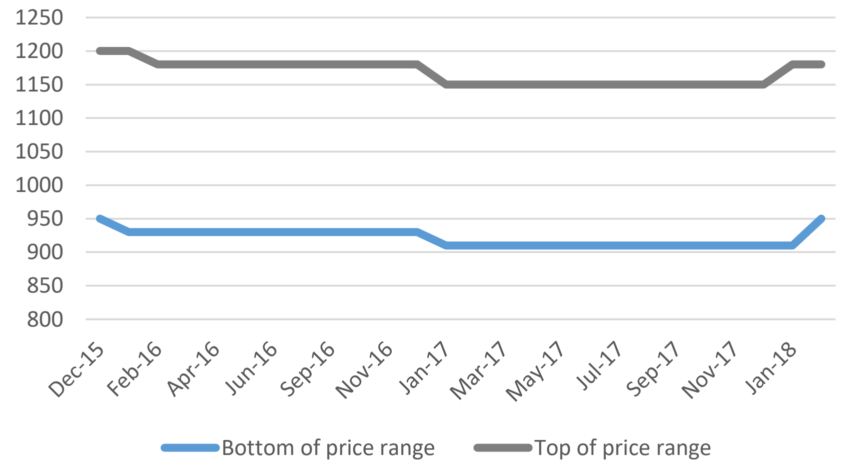
Recycled Board Italy (WLC – GDIII)



Virgin Board Italy (FBB – GCII)



Virgin Board France (FBB - GCII)



Agenda

1 Overview

2 **RDM Features and Strategic Guidelines**

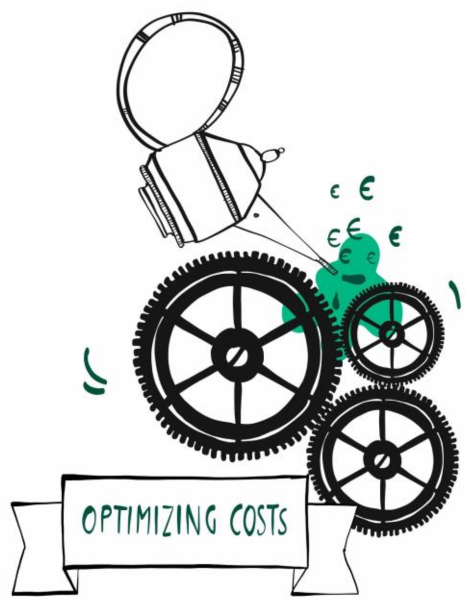
3 Delivering on Strategy

4 RDM Shares and Final Remarks

RDM

Vision

Partner of Choice



Strategic priorities

Enhance SERVICE and PRODUCT QUALITY

High-performance output contributes to overall cost competitiveness

Promote the "ONE COMPANY" culture

The newly-introduced mindset targets continuous improvement inside RDM, with the aim of maximizing the satisfaction of all our stakeholders

Translate operational progress into HEALTHY FINANCIALS

IT investments allow for supply chain optimization and more effective execution of orders

Minimize the ENVIRONMENTAL IMPACT of cartonboard production

RDM is committed to reducing carbon emissions, recycling resources and increasing operational efficiency

Strategy at work

RDM leverages on **clear strengths** to deliver strategy:

MULTICOUNTRY

PanEuropean asset base and sales network

BROAD OFFER

Cartonboard portfolio based on recycled, virgin fibres and specialties, meeting the full range of customer needs

SIZE

Strong position on the European market making RDM the partner of choice for key brands and multinational corporations

GROWING BUSINESS

Presence in the packaging business, sector in which organic growth can be healthy as returns on investment prove to be high

2018 top priorities

ONE-COMPANY CULTURE

Spread the new culture across RDM
Benchmark internal/external activities
Foster best-practice sharing and synergies

INTEGRATED SUPPLY CHAIN

Enhance service and product quality
Optimize volume allocation through customer segmentation
Develop Integrated Business Planning

HEALTH & SAFETY

Target "Zero Accident" vision
Promote well-being mindset
Encourage improvements in working environment

NEW ERP SYSTEM

Close prototype phase
Go-live in Italian mills

Agenda

1 Overview

2 RDM Features and Strategic Guidelines

3 **Delivering on Strategy**

4 RDM Shares and Final Remarks

FY 2017 achievements

Increasing margins in a tough input-cost scenario

RAW MATERIALS PRICES HIKES

DEMAND GROWTH

INTEGRATION AND CAPEX **BENEFITS**

Better mgmt of controllable costs
Efficient operational performance
Higher-margin product mix (FBB)
Improved Sales and Operational planning

SPREADS

RDM ACTION

Selling price increase
Focus on core geographies
Higher customers selectivity
Better product positioning

Demand trend helped, but **in-house levers** put into play were crucial.

We successfully adapted response to spread challenges, while increasing mkt share in core countries.

12-month 2017 highlights

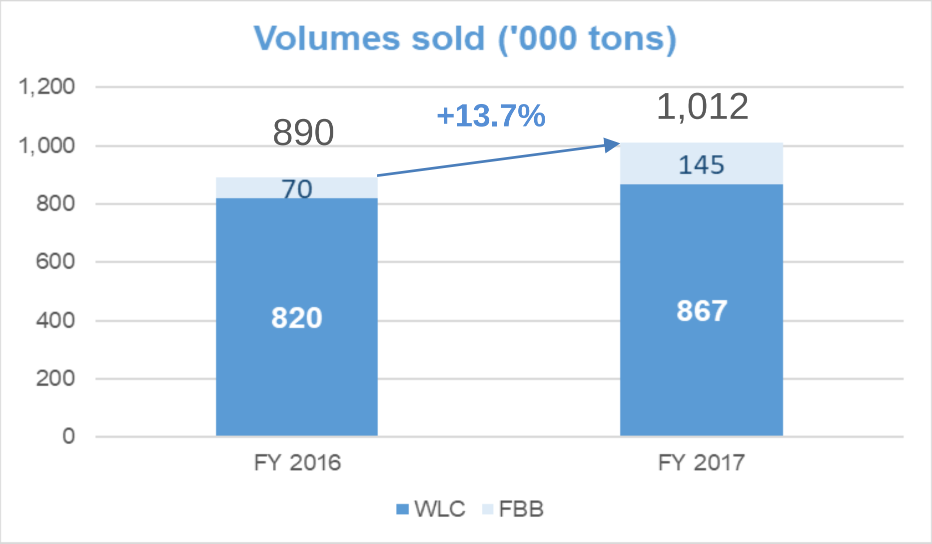
(% changes: FY 2017 vs. FY 2016)

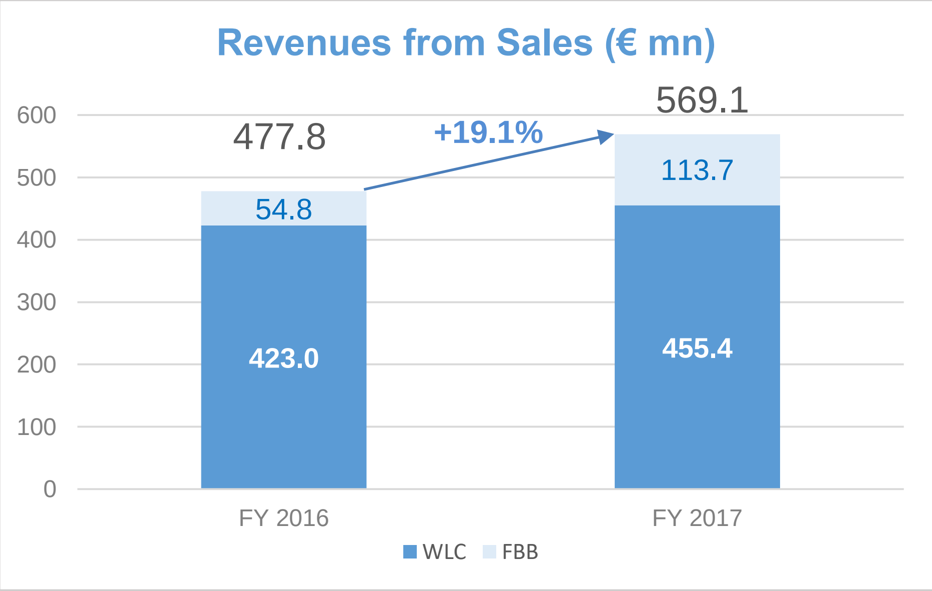
569.1 € mn	45.8 € mn	23.5 € mn
Net Revenues from Sales	EBITDA	EBIT
+19.1%	**+50.5%**	**+168.2%**

14.6 € mn	0.21	9.9%
Net Profit	Gearing*	ROCE**
4.6x	**0.22x @ 2016YE**	**3.7% @ 2016YE**

***Gearing**: Debt/(Debt+Equity)
****ROCE:** Last 12-month EBIT/Capital Employed Adjusted (for Equity Investments & LT Liabilities)

Revenues from Sales





The increase in **volumes** reflects:

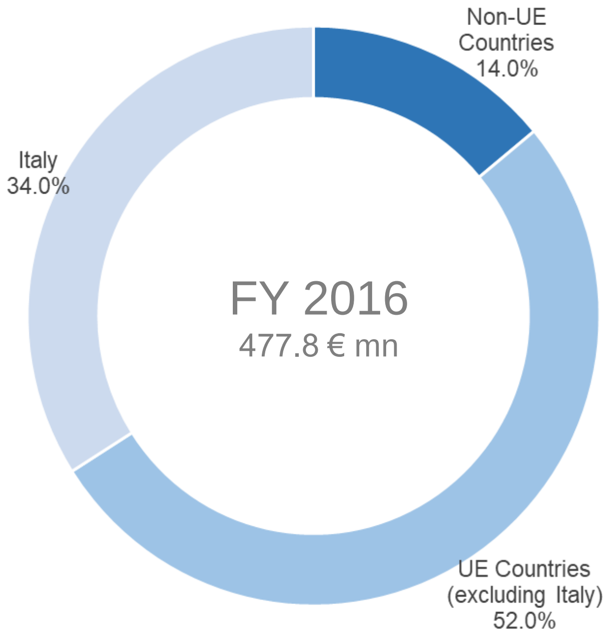
- The **consolidation of the RDM La Rochette** (FBB business) for 12 months in 2017 (while in 2016 it contributed just in Q3 and Q4);
- **The 5.7% increase in WLC** volumes **(+47k tons).**

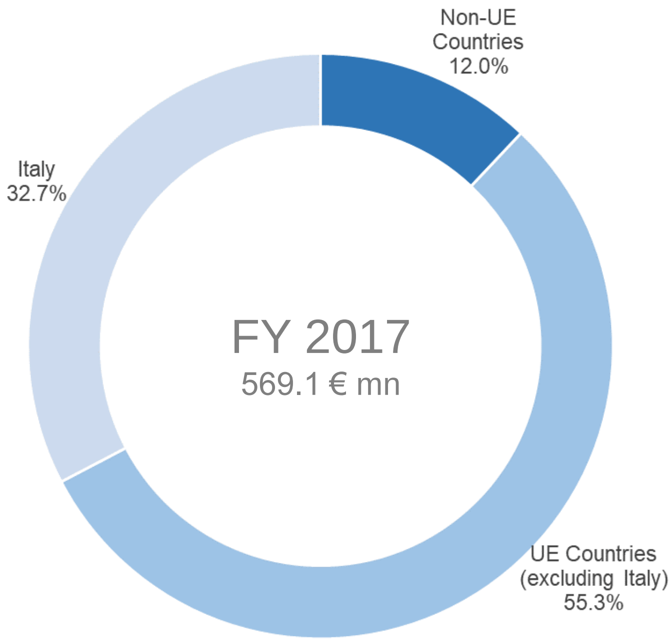
Revenue growth outpaced volume increase

The topline growth was driven by the positive impact of the **RDM La Rochette consolidation**.

WLC revenues increased by **7.7%,** at a higher pace than WLC volumes.

Revenues by geography

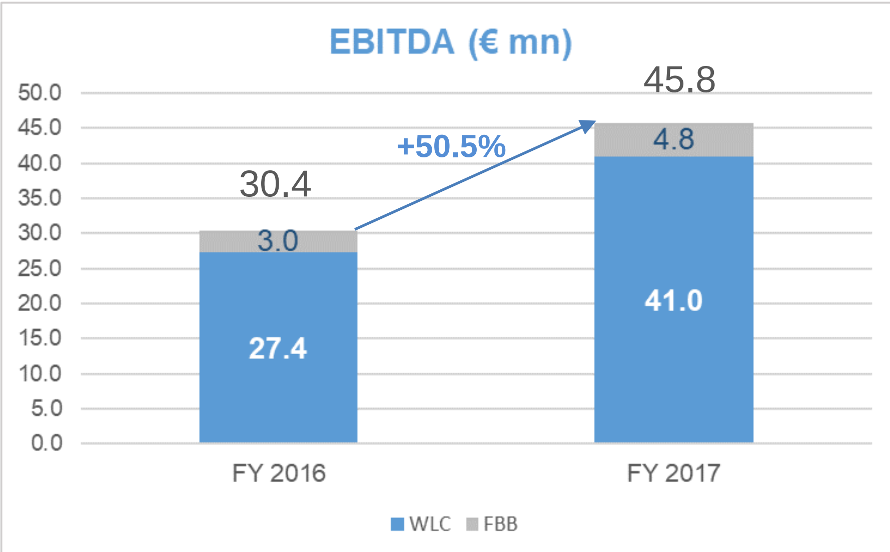


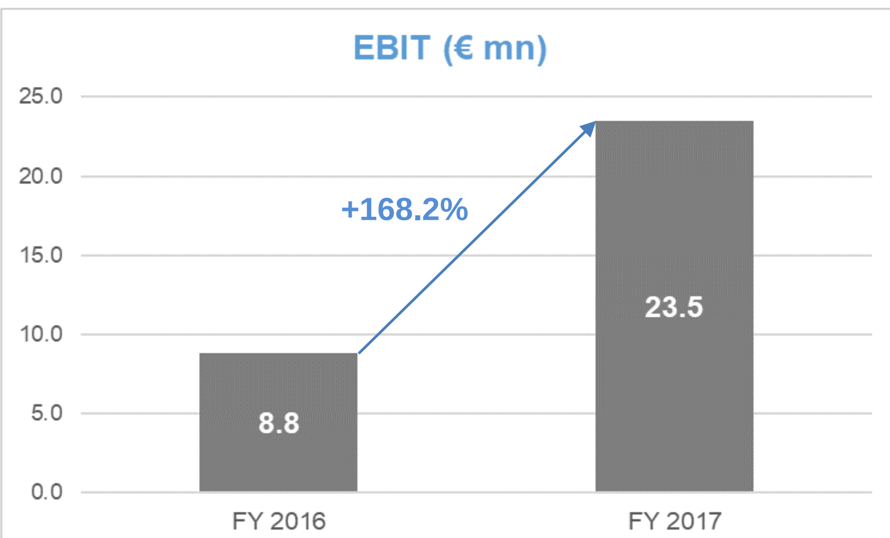


FFB (La Rochette) products were not part of the RDM portfolio in H1 2016.

Strong position in core European countries

EBITDA and EBIT





The **WLC EBITDA change** (+49.6%) reflects the following drivers:

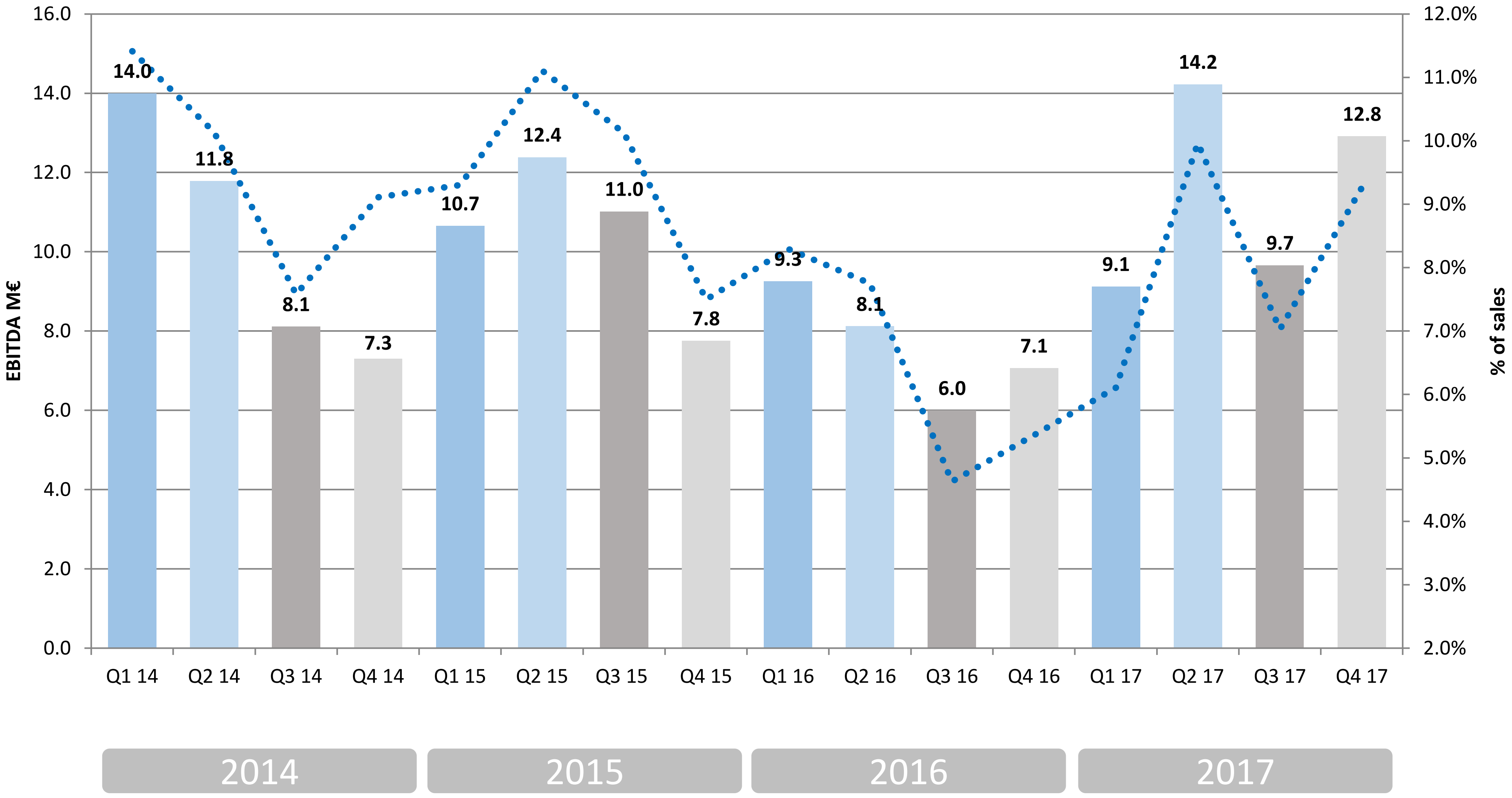
- \+ WLC **Revenues** increase (+7.7%) led by **volume** growth (+5.7%) and selling price increase;
- — Increase in input costs;
- \+ Production increase (+12.5%).

In FY 2017 the **contribution from the FBB business** to consolidated EBITDA **was positive (+1.8 € mn)** due to the different consolidation period.

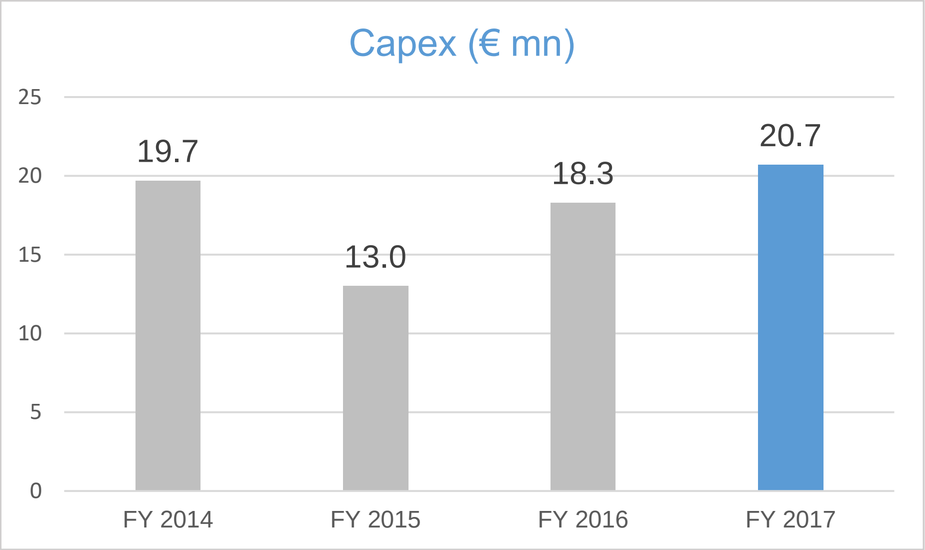
FY 2017 EBITDA also reflects an **extraordinary item**: **1.2 € mn restructuring costs** for the reorganization of the sales team.

EBIT increase (+168.2%) resulted in being even stronger than EBITDA increase (+50.5%), due to limited D&A growth (+3.0%, up to 22.30 € mn from 21.7 € mn in FY 2016).

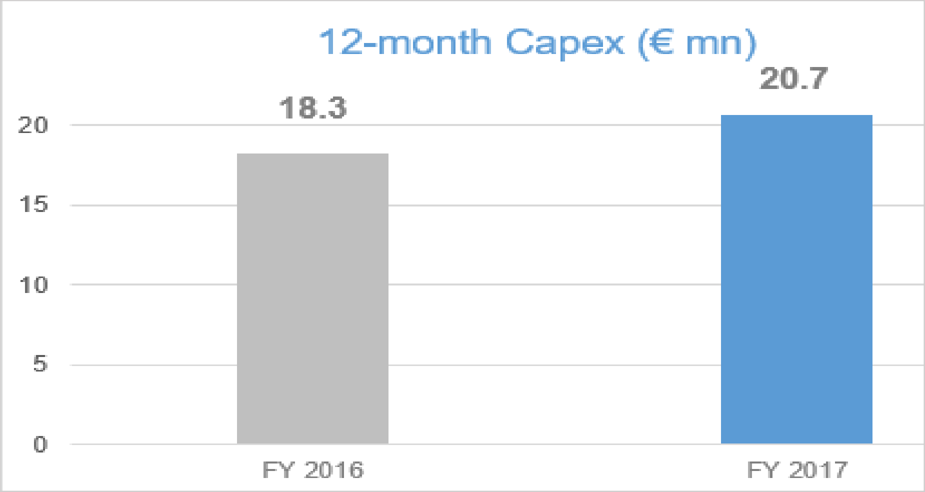
EBITDA leap in Q2 and Q4 2017



Investing to improve efficiency



Cumulated capex of **179.3 million euro** over the 2008-2017 period, i.e. **17.9 million euro on average per year**.



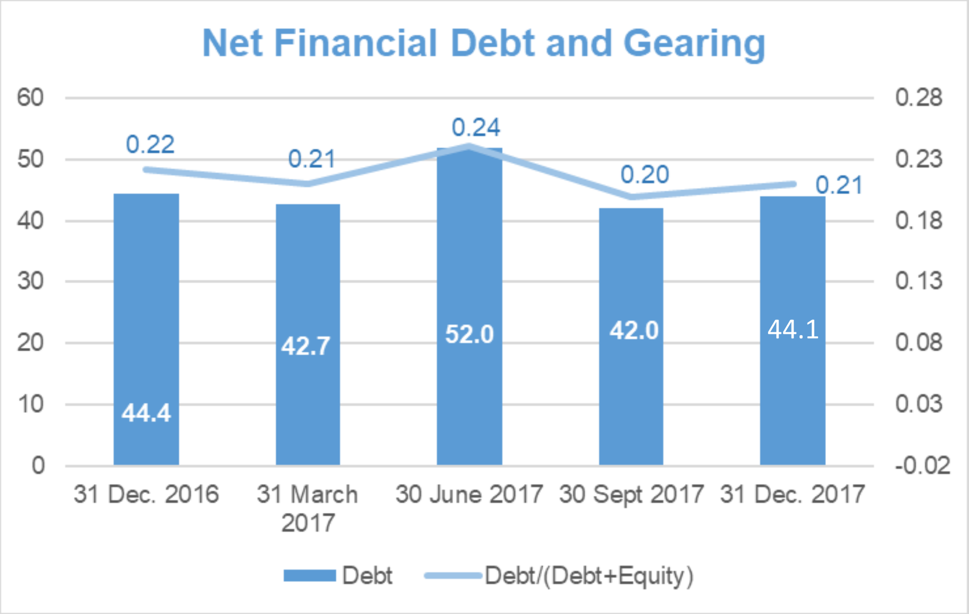
Typically, over the last ten years, RDM investments have been mainly concentrated in upgrading **one plant** at a time.

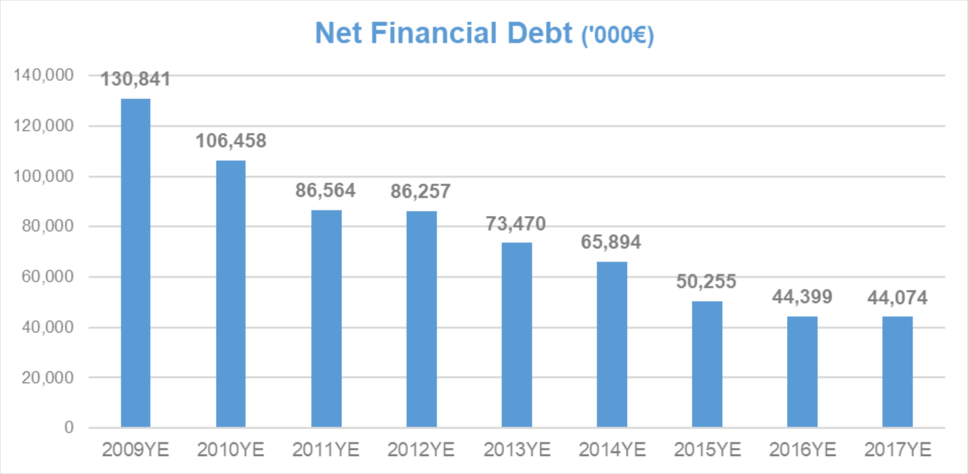
In 2016, Capex was mainly focused on the **Arnsberg mill** rebuild.

In FY 2017 the three main capex projects were:

- The rebuild of the press section at **Blendecques (Jan.)**
- The replacement of the power plant at **La Rochette (Aug.)**
- Steam turbine at **Santa Giustina (Dec.)**

Low gearing ratio

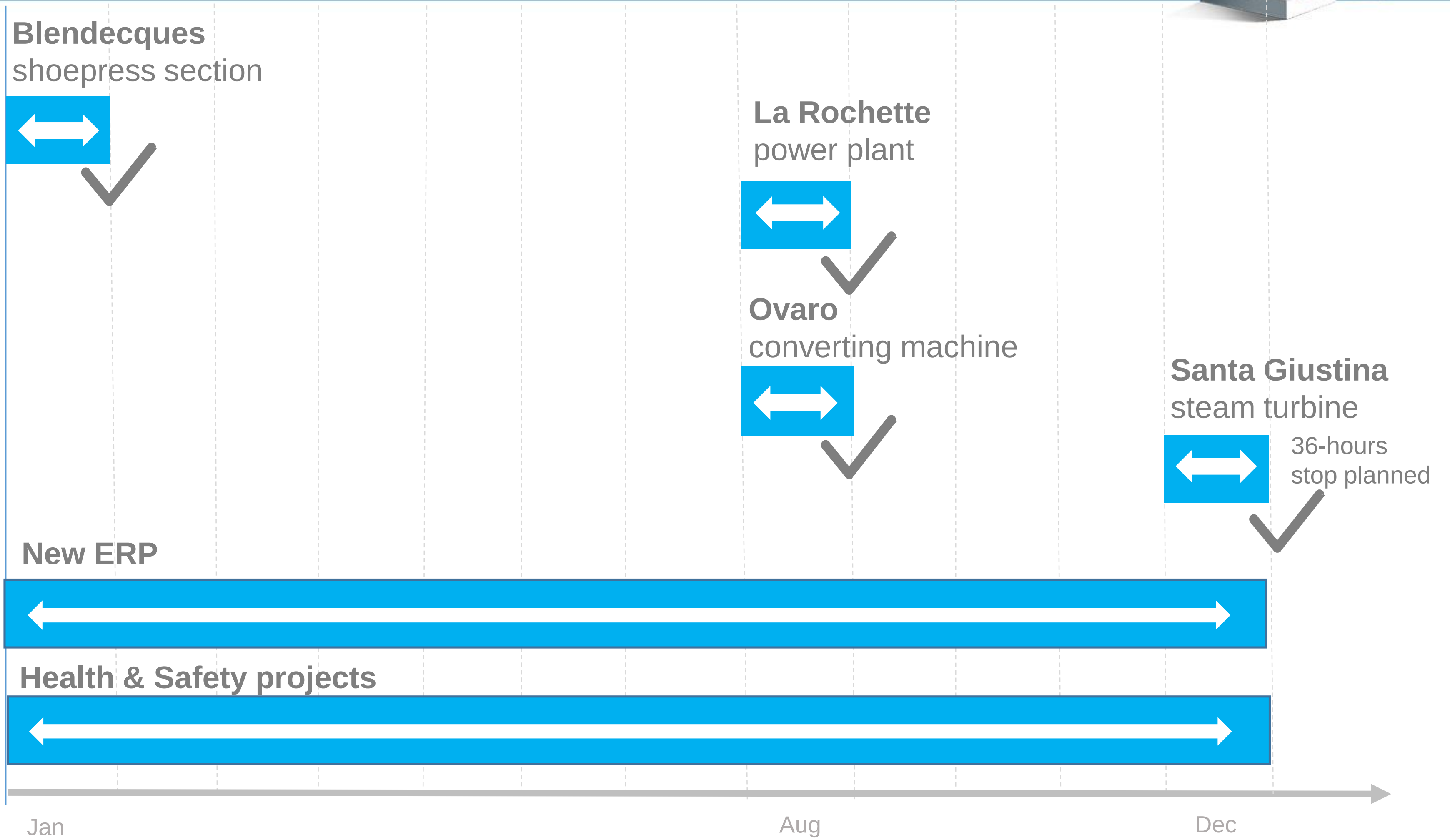




Operational net cash-flow positive by 17.3 € mn and absorbed by a number of specific outflows (17.0 € mn):

- Acquisition of 66.67% of PAC Service S.p.A. (10.4 € mn).
- 2016 dividends paid and shares buyback (1.3 € mn).
- Equity investment in Paper Interconnector (1.7 € mn).
- Restructuring costs (1.0 € mn).
- RDM Arnsberg GmbH deposit on the 'logo fee' tax case (2.6 € mn).

Investment pipeline



2018: sheeter at PAC Service, winder machine in Villa Santa Lucia and pope reel in Santa Giustina

Agenda

RDM and the Stock Exchange

Share Capital: 140,000,000.00 €

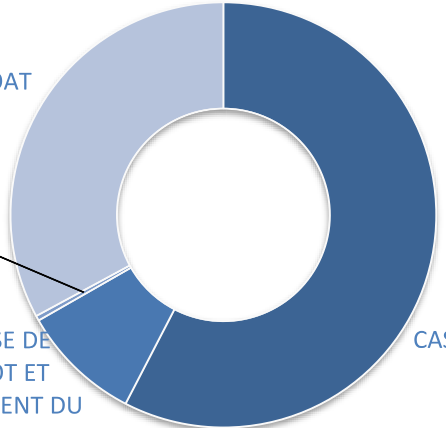
Outstanding shares: 377,800,994, o/w
377,537,497 ordinary shares
263,497 convertible savings shares

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: 299.2 € mn
Free float mkt cap: 98.4 € mn
(@0.792 € p.s. as of 23 March 2018)

Main shareholders



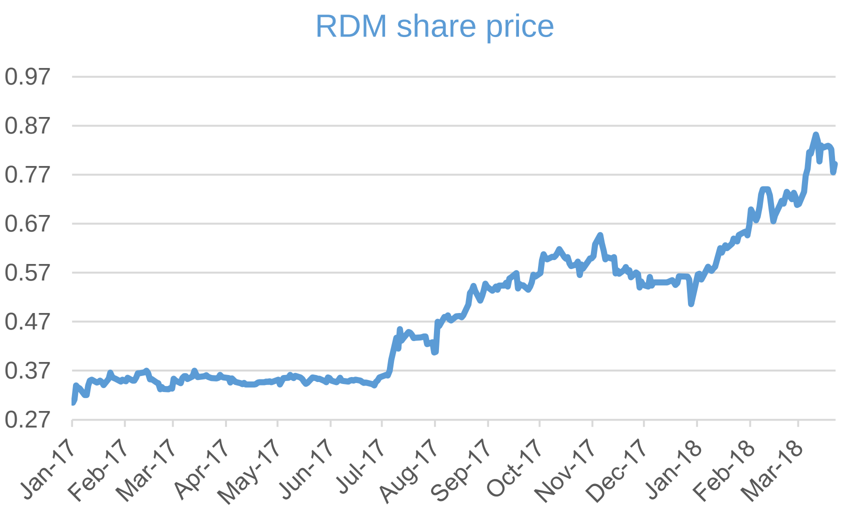
Source: RDM shareholder register

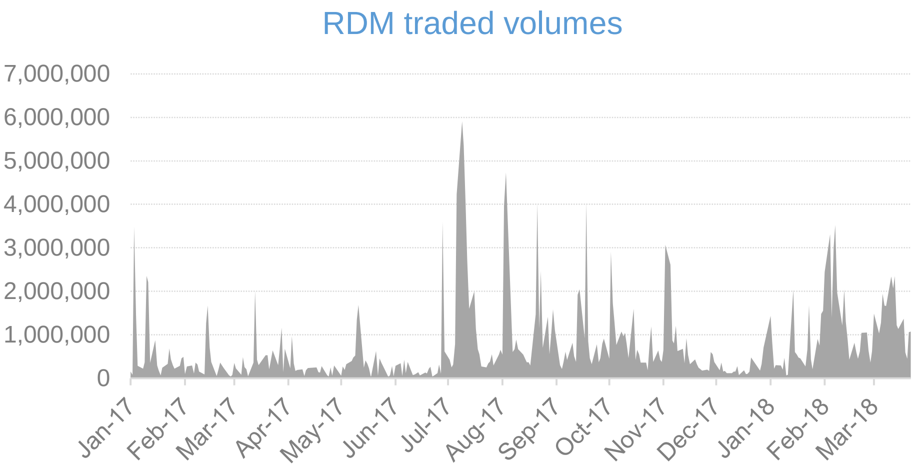
FY2017 proposed dividend

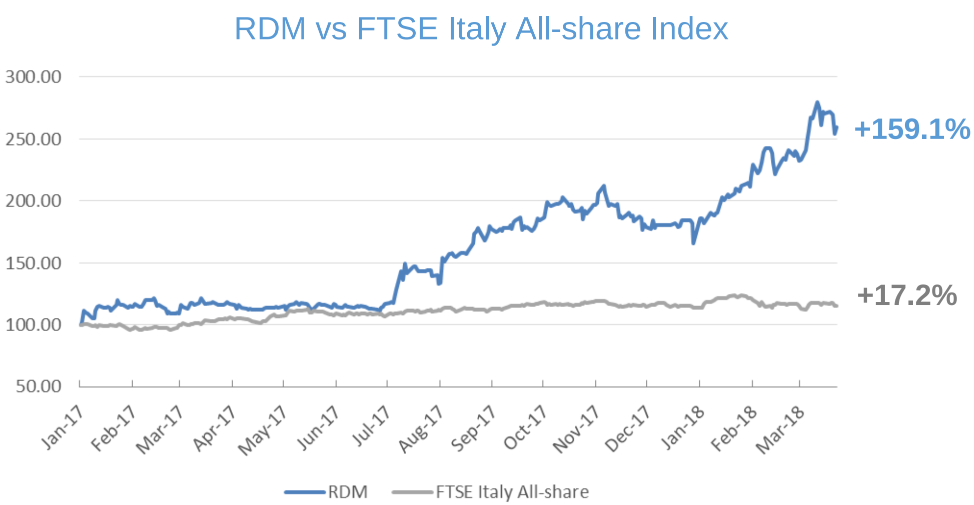
ORDINARY SHARE:
Dividend of 3.1 € cents
(FY2016 dividend was 2.65 € cents)

Payment date: **16 May 2017**
Dividend yield**: 0.6%** (YE2017 price of 0.5055 €)

Share performance







Average daily traded volumes

Q1 2017: 512,773

Q2 2017: 362,208

Q3 2017: 1,270,890

Q4 2017: 621,645

2 Jan.18-23 Mar.18: **1,123,045**

(Last update: 23 March 2018)

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.

Stakeholder map

SHAREHOLDERS

+357%: EpS increase in FY2017 vs. FY2016
2017 proposed dividend: 3.1 €c (2.65 €c FY16)
+65.4%: price increase in 2017
+56.7%: price increase in 2018 YTD
96 investors met in 2017
25 investors met in 2018 YTD

SUPPLIERS

Procurement integrated on a single platform
Smarter planning

EMPLOYEES

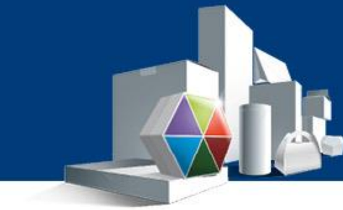
Cultivation of the "One-Company" culture
Promotion of a digitalized mindset
New MBO system also based on Co.'s EBIT
New incentivizing remuneration policy
Satisfaction survey (entire staff) in 2018

CUSTOMERS

Tailored solutions in response to specific needs
Improved quality and service of products
Differentiation through converting and finishing services
Satisfaction survey in Nov. 2017

Listening, engaging and creating value for stakeholders

Final remarks



We will continue to deploy our plan
to pursue **organic growth** and **improve profitability**

1. Thorough evaluation and management of **capex.**
   Priorities: higher EBIT margin, ROCE expansion and sustainability improvements.

2. Optimization of **the way we produce and sell**, through further integration and by leveraging on digitalization.

We are selectively exploring **M&A opportunities**

to strengthen profitability and to improve resilience to cyclicality

Increase Company's **returns** in a reasonable time span

Contribute to **smooth volatility** over the cycle
Even through vertical integration