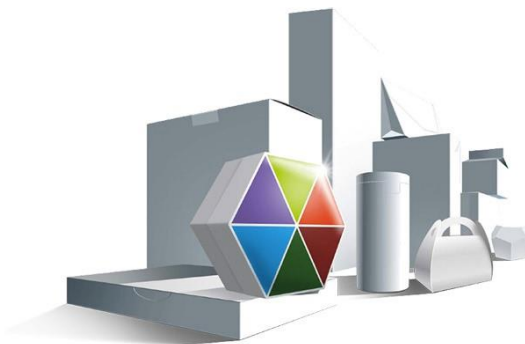


Reno De Medici

Paris Midcap Partners Conference

17 May 2018



Born to be
converted



- 1 Overview**
- 2 RDM Features and Strategic Guidelines
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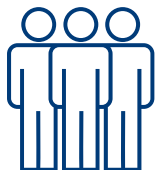
Some numbers...



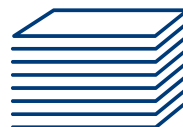
**2017 net
revenues of
€569 million**



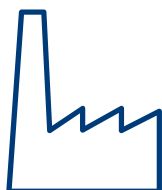
**Milan and Madrid
Stock Exchange**



**1,487
employees
(2017YE)**



**Annual capacity of
1,050,000 tons**



**6 mills
2 sheeting
centers**

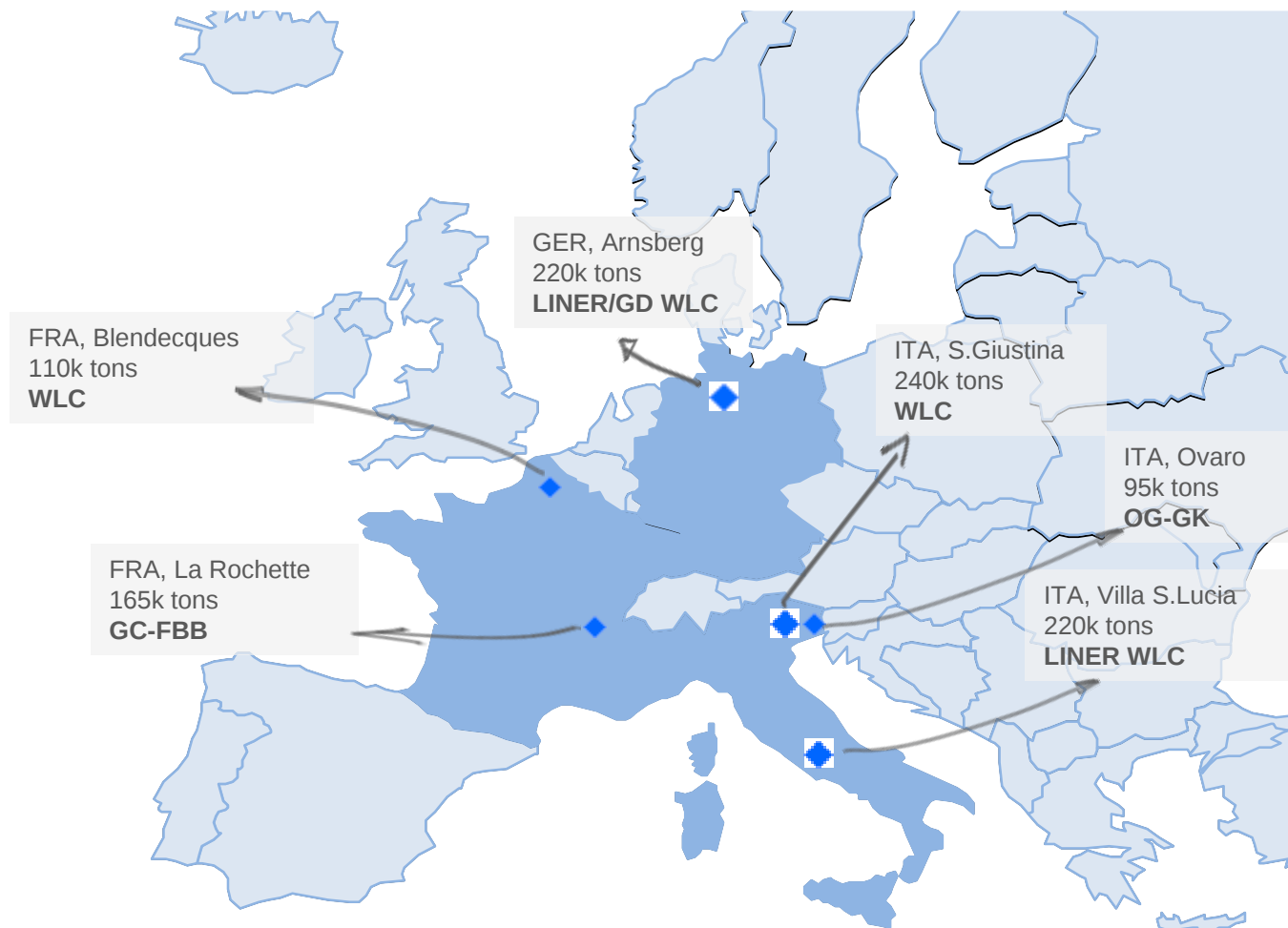


**Commercial
network in 70
Countries**



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.



Consumers



Distributors



End users



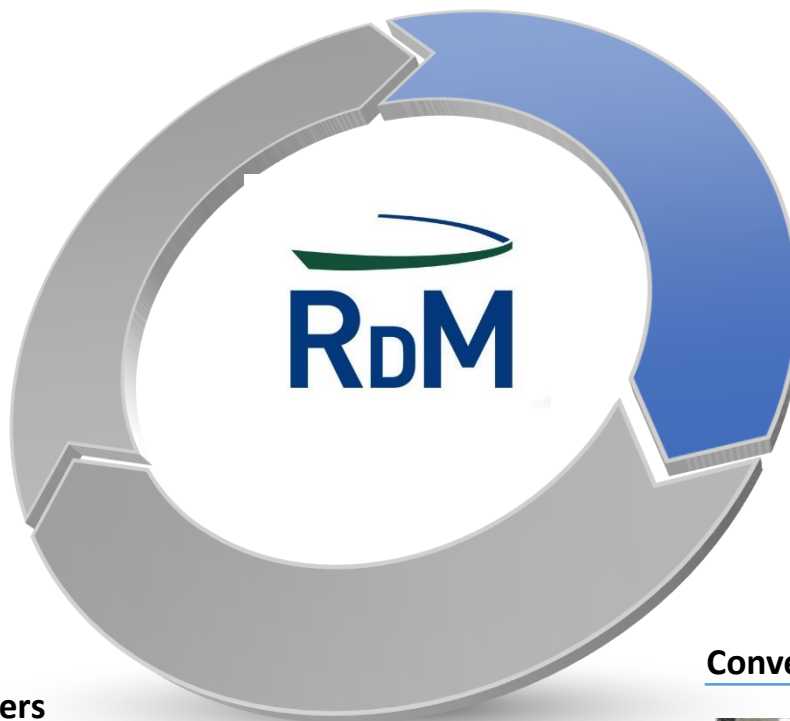
Recycled paper collectors



Carton board producers



Converters





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





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

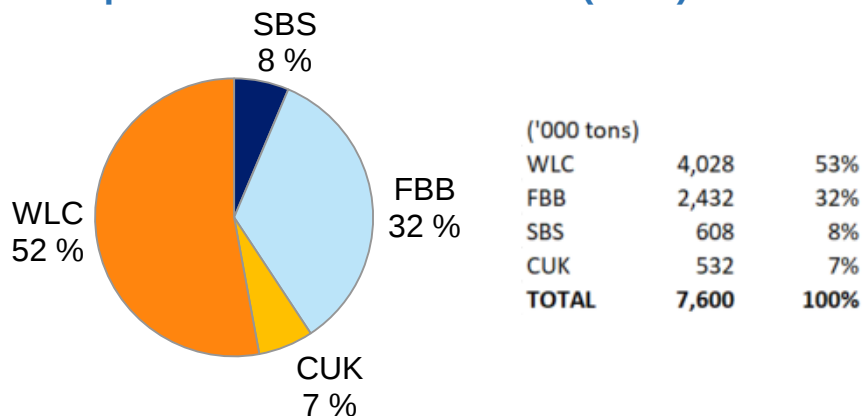
SBB - Solid Bleached Sulphate Board (GZ/UZ)
FBB - Folding Boxboard (GC/UC);

Based on virgin fiber

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

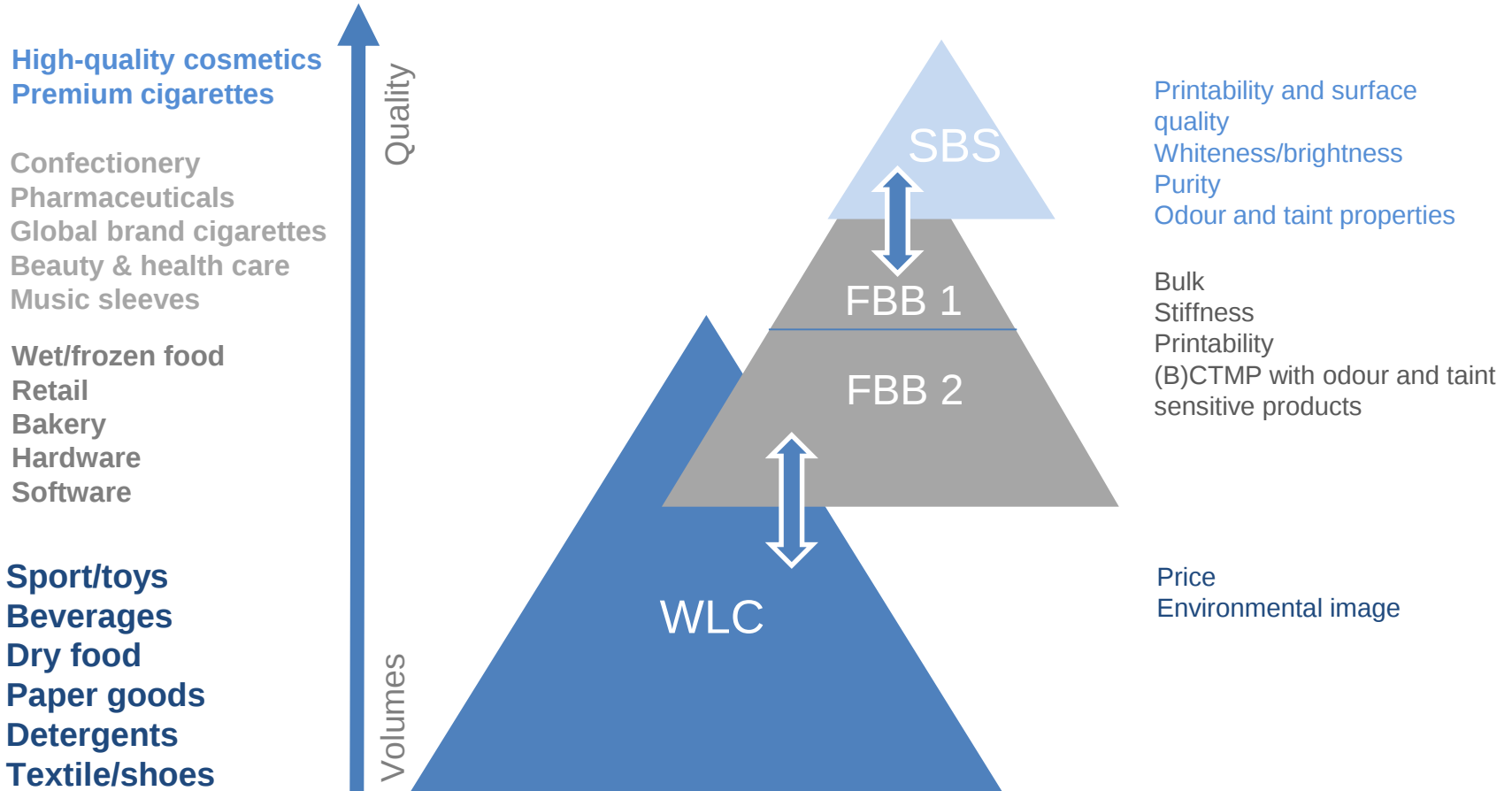
Based on recycled fiber

European cartonboard demand (2016)



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 La Rochette mill (30 June 2016), RDM is also involved in the “**FBB**” business.

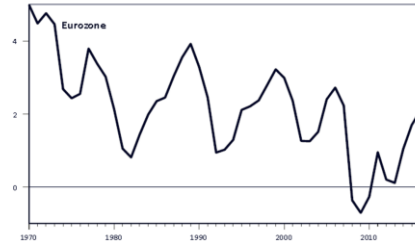
Source: Company's elaborations on market data



Source: Company's elaborations on market data



WESTERN EUROPE - GROWTH OF GDP
(three years moving averages)



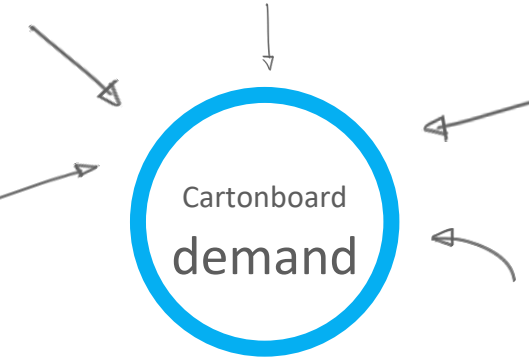
Overall economic trend



Brand recognition

E-commerce

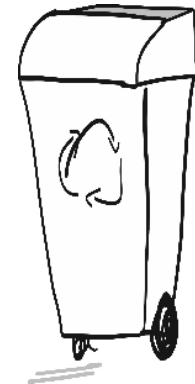
Plastic substitutions



Changes in lifestyles



Care for planet





OCC world flows



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

Increase in virgin pulp

React to the new standard

Finished products export opportunities

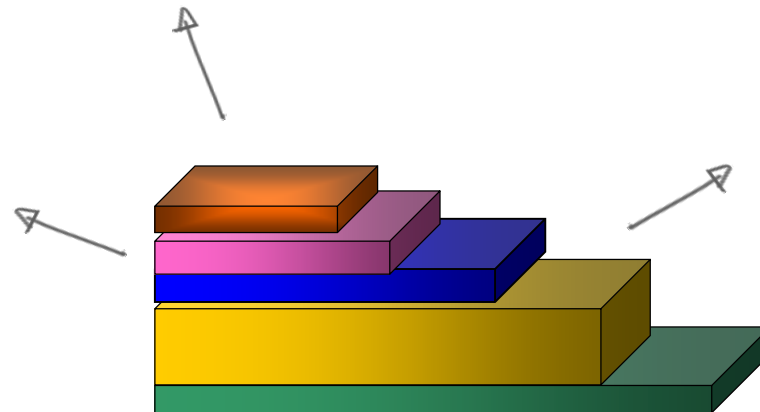
Cardboard layers



Top layer
White grades



Coating
Starch, calcium, carbonte, latex



Back
White or brown grades

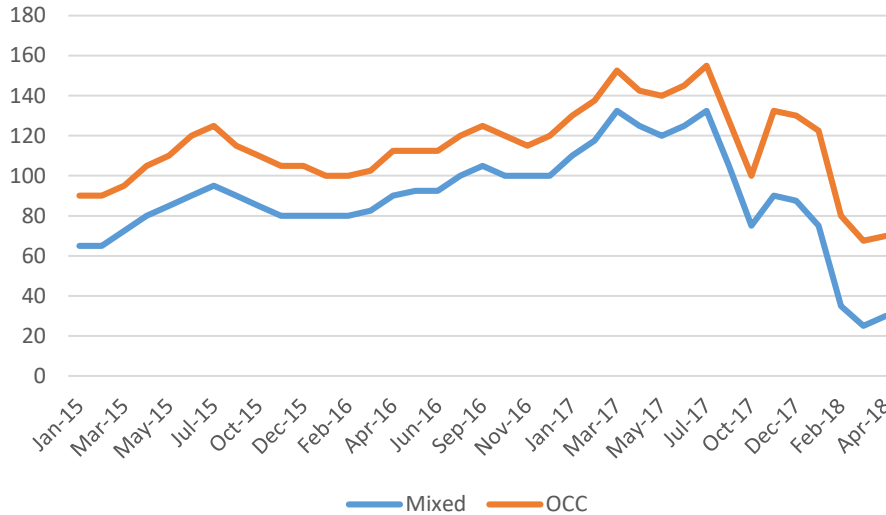


Under top layer
Middle layer
Brown grades (mainly mixed paper and OCC) groundwood

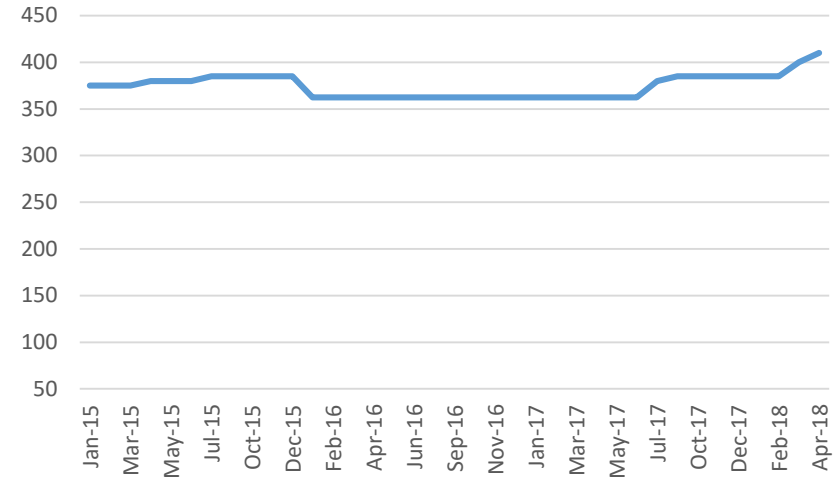




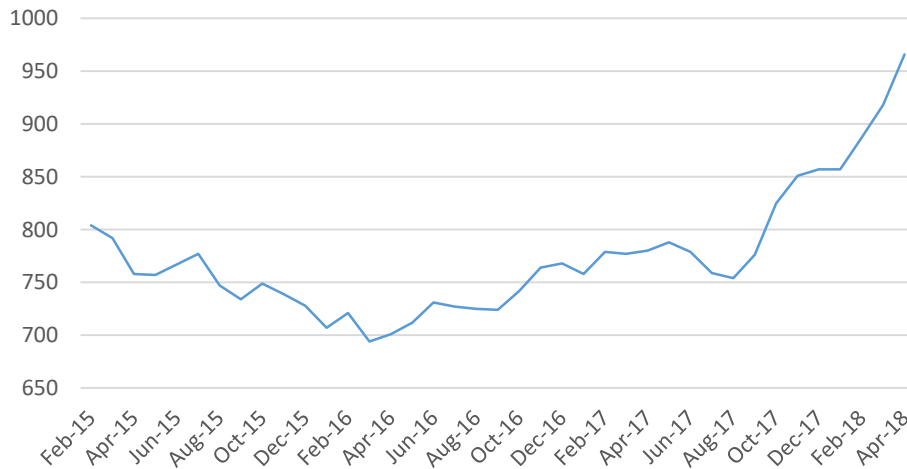
Brown Recycled Fibers (€ per ton)



White Recycled Fibers (€ per ton)



Bleached Softwood Pulp (€ per ton)

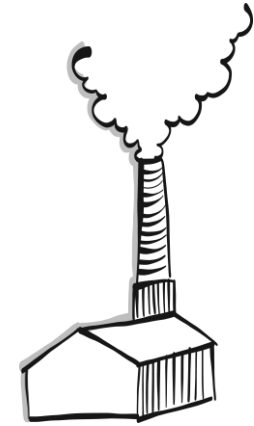
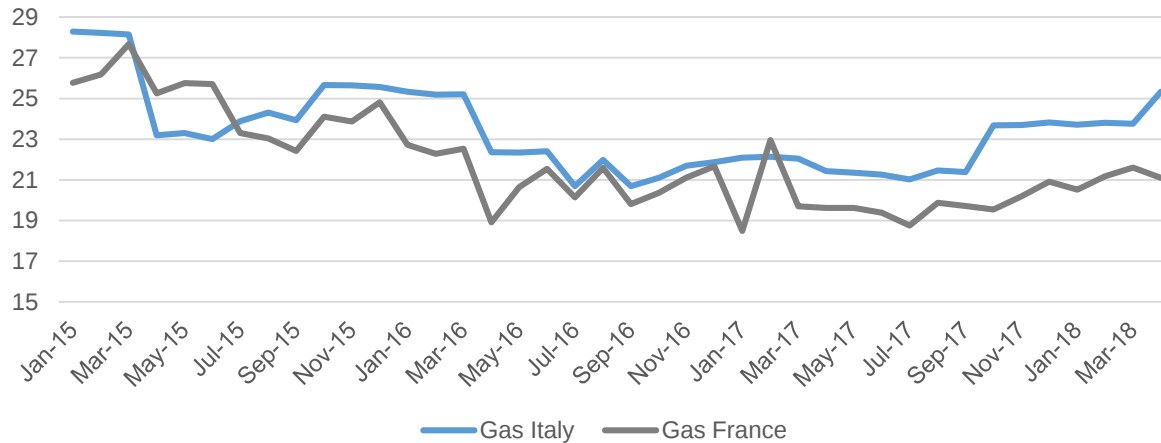


At the end of March, 2018 prices for recycled paper had reached levels defined as minimum.

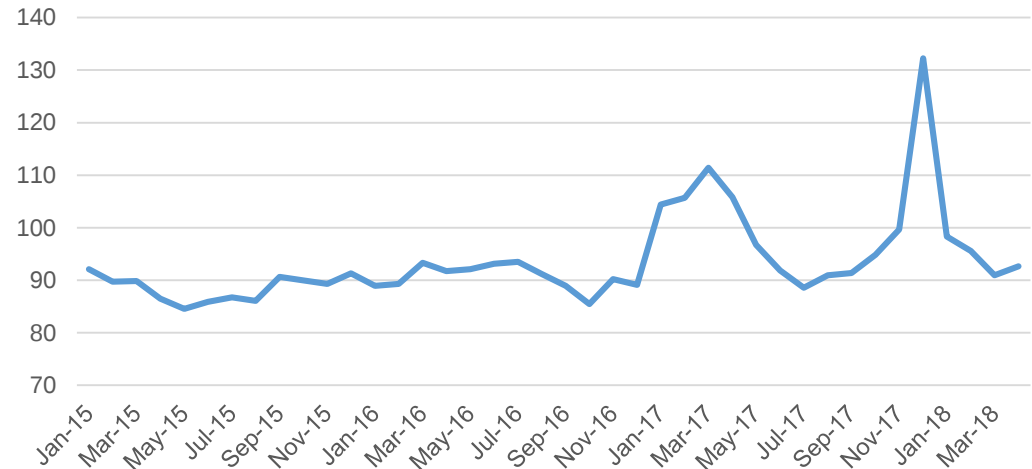
The long period of pulp prices increase continues.



Natural gas (€/MWh)



Coal price in Germany (€/ton)

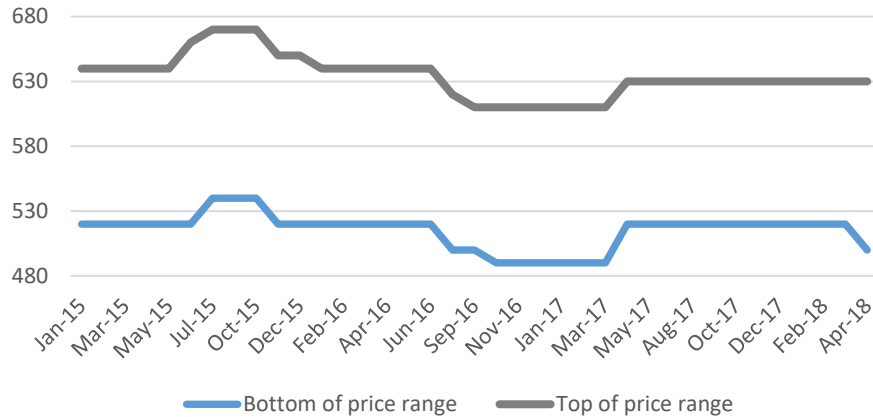


The trends are basically dependent to the improved macroeconomic scenario

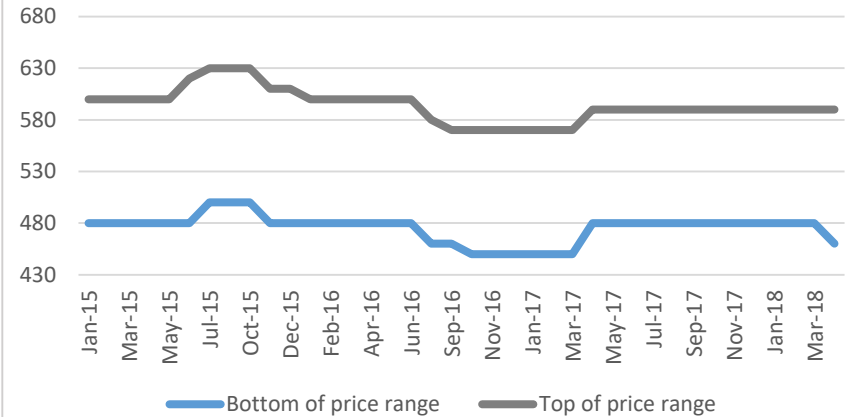


(€ per ton)

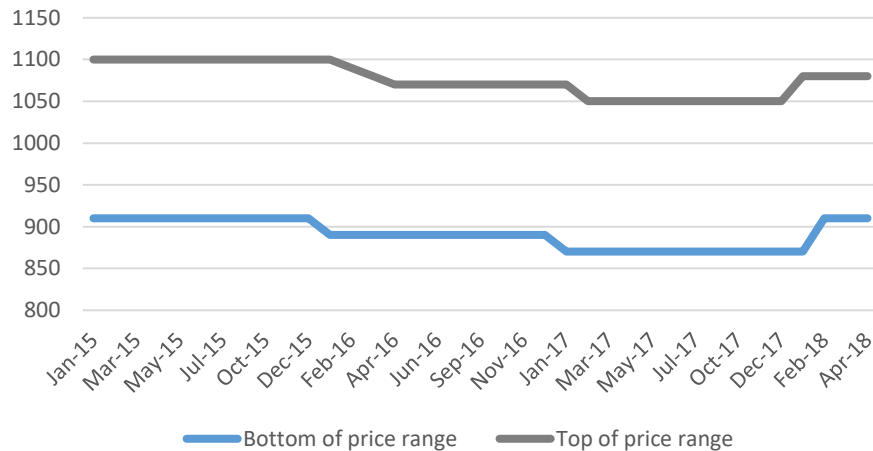
Recycled Board Italy (WLC – GDII)



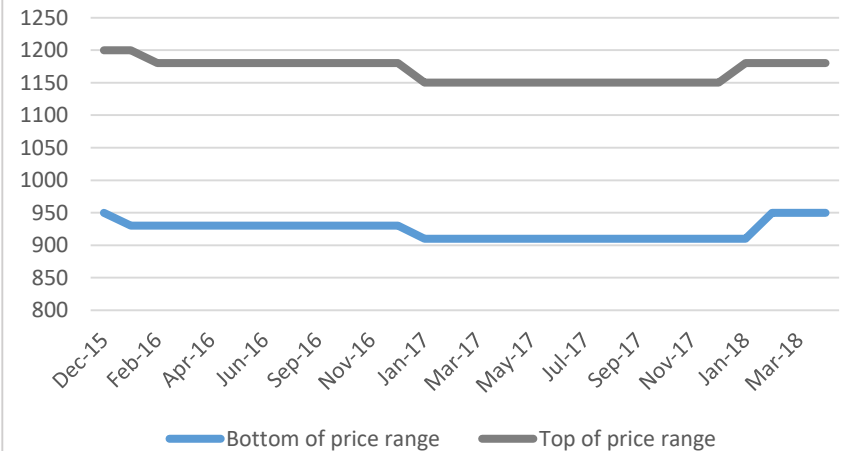
Recycled Board Italy (WLC – GDIII)



Virgin Board Italy (FBB - GCII)



Virgin Board France (FBB - GCII)





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Partner of Choice







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



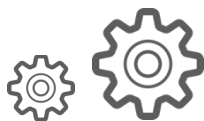
MULTICOUNTRY

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



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*

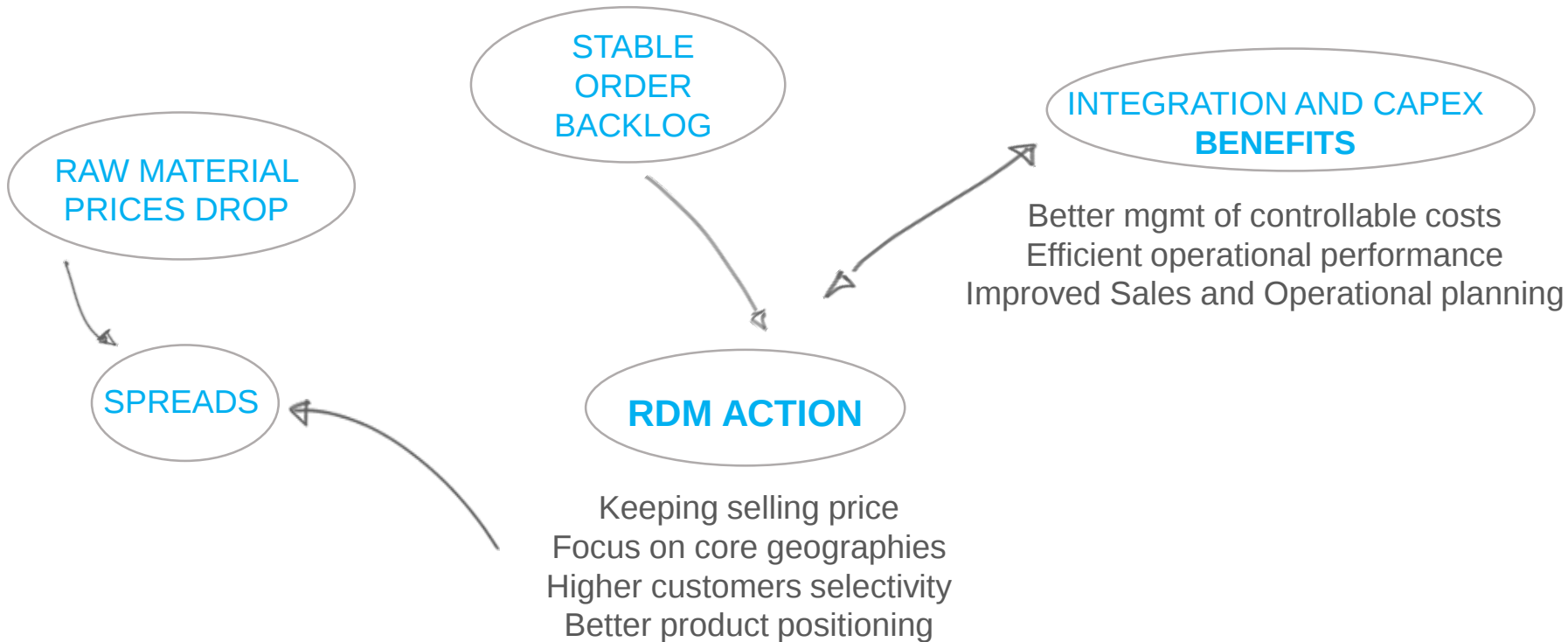


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Q1 2018 achievements



Increasing margins in a favorable market conditions



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



(% changes: 3M 2018 vs. 3M 2017)

157.6 € mn

Net Revenues
from Sales
(+5.5%)

18.1 € mn

EBITDA
(+98.6%)

12.8 € mn

EBIT
(3.5x)

12.8 € mn

Net Profit
(5.1x)

0.19

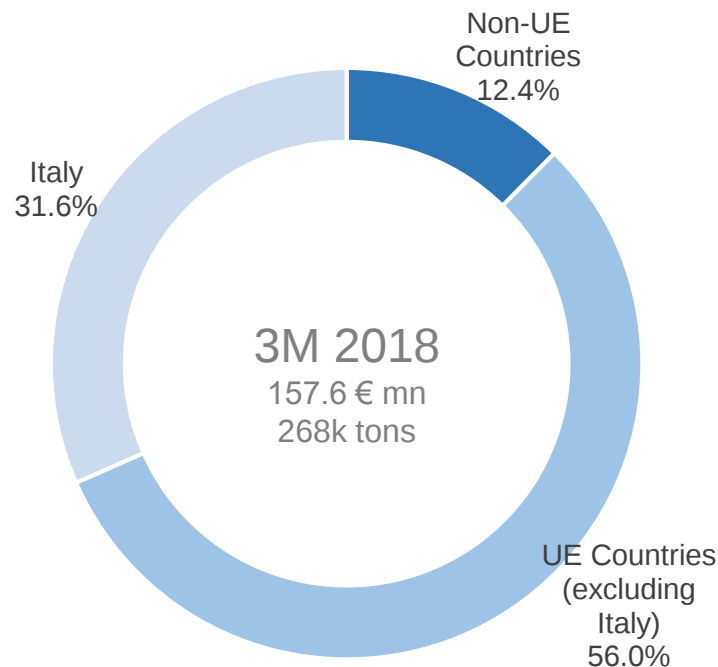
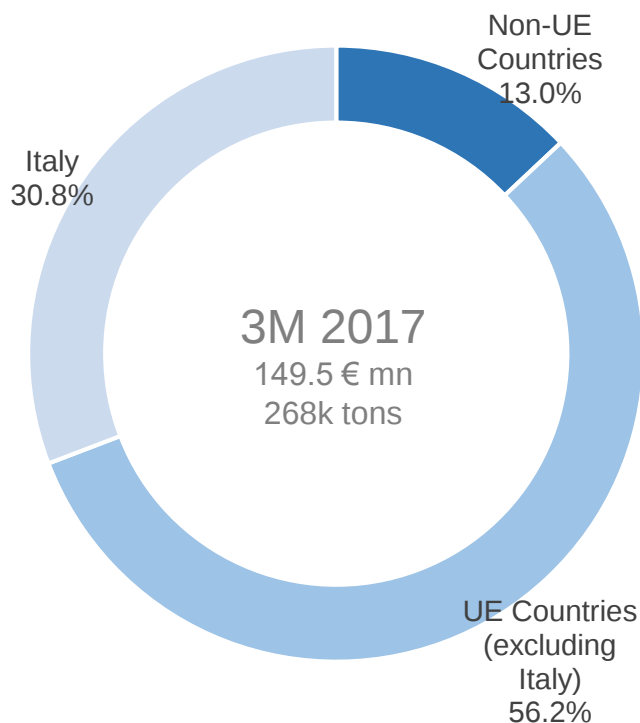
Gearing*
(0.21x @ 2017YE)

12.6%

ROCE**
(9.9% @ 2017YE)

*Gearing: Debt/(Debt+Equity)

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

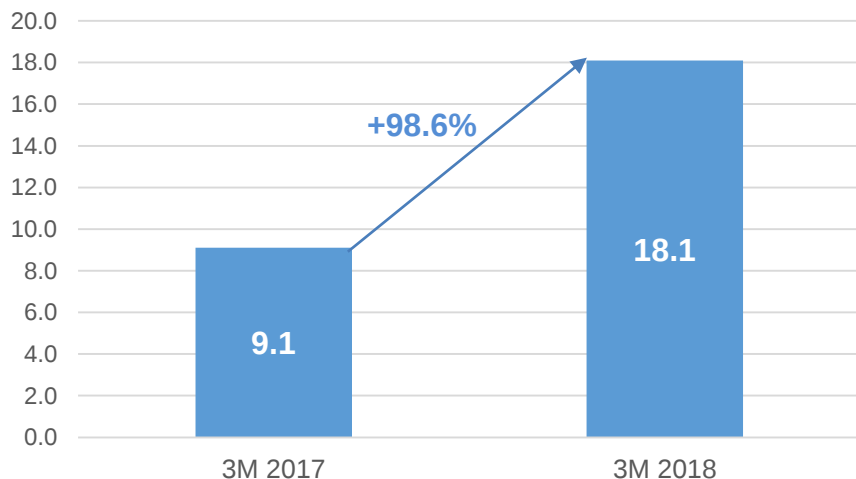


Revenue growth by **5.5%** due to the increase in the average sales prices and PAC Service consolidation that contributed to the result with **5.6 € mn** of revenues (before intercompany eliminations).

EBITDA and EBIT



EBITDA (€ mn)



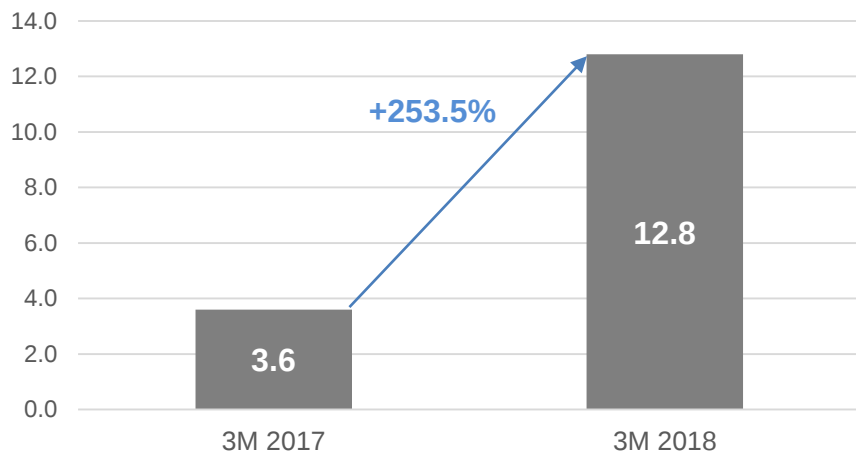
The **WLC EBITDA change (+98.6%)** reflects the following drivers:

- + **Revenues** increase (+5.5%) led by **selling price increase** and **geographical mix improvement**;
- + Lower prices for recycled fibers;
- Higher cost of pulp;
- Slight increase in cost of energy.

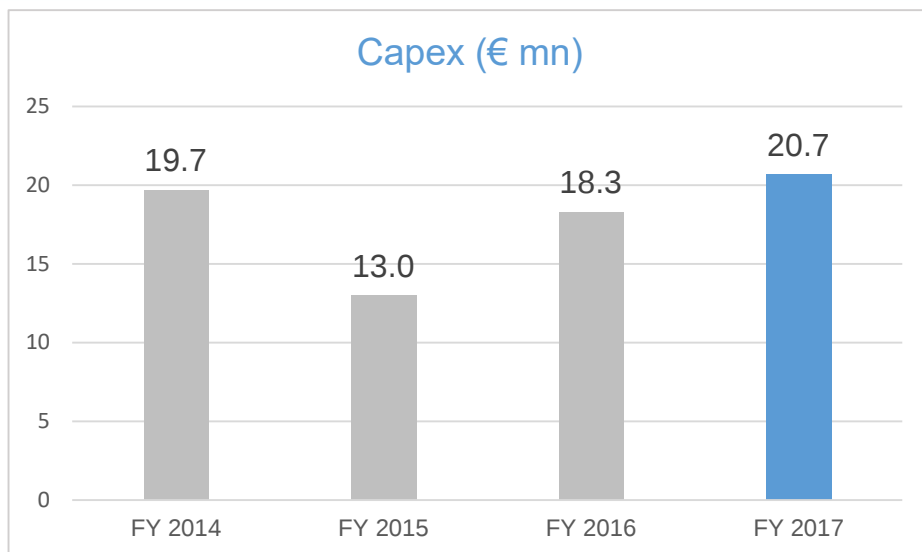
Moreover, 1Q 2017 EBITDA reflected an **extraordinary item: 1.1 € mn restructuring costs** for the reorganization of the sales team.

PAC Service contributed to the result with **0.6 € mn** of EBITDA (before intercompany eliminations).

EBIT (€ mn)



EBIT increase (+253.5%) resulted in being even stronger than EBITDA increase (+98.6%), due to the D&A reduction (-2.8%, up to 5.4 € mn from 5.5 € mn in 1Q 2017).

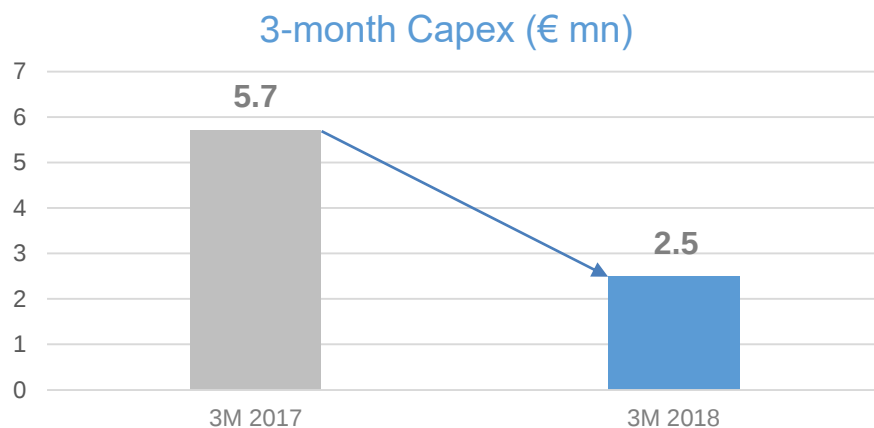


Cumulated capex of **179.3 million euro** over the 2008-2017 period, i.e. **17.9 million euro on average per year**.

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

Instead in 2017, Capex were focused on three mills:

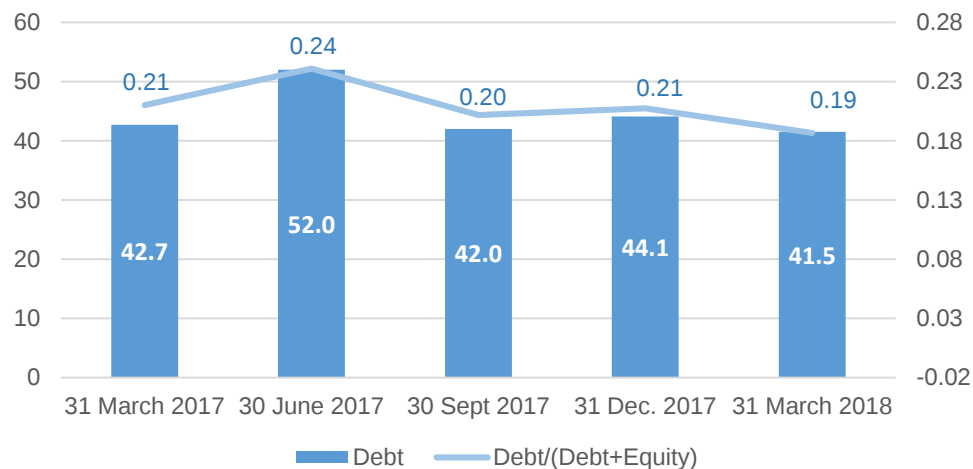
- **Santa Giustina** – steam turbine;
- **Blendecques** – shoe press section;
- **La Rochette** – power plant (1st step).



In Q1 2018 the main capex project was focused on the new sheeter at PAC Service.



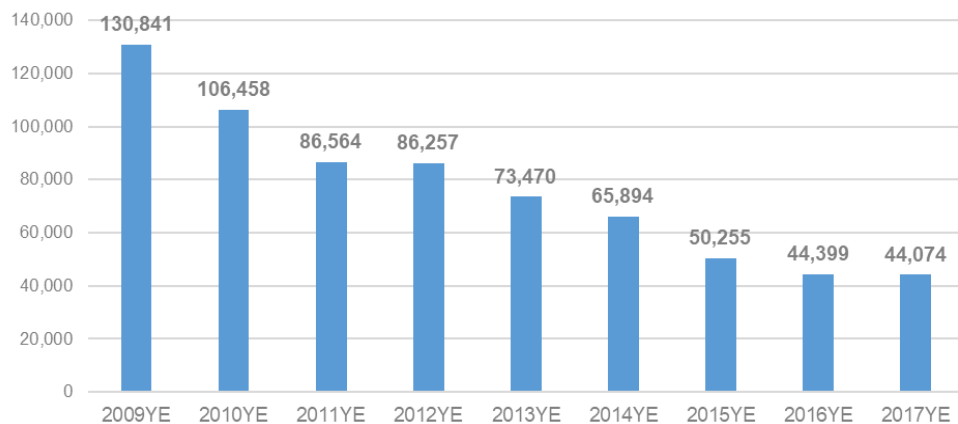
Net Financial Debt and Gearing (€ mn)

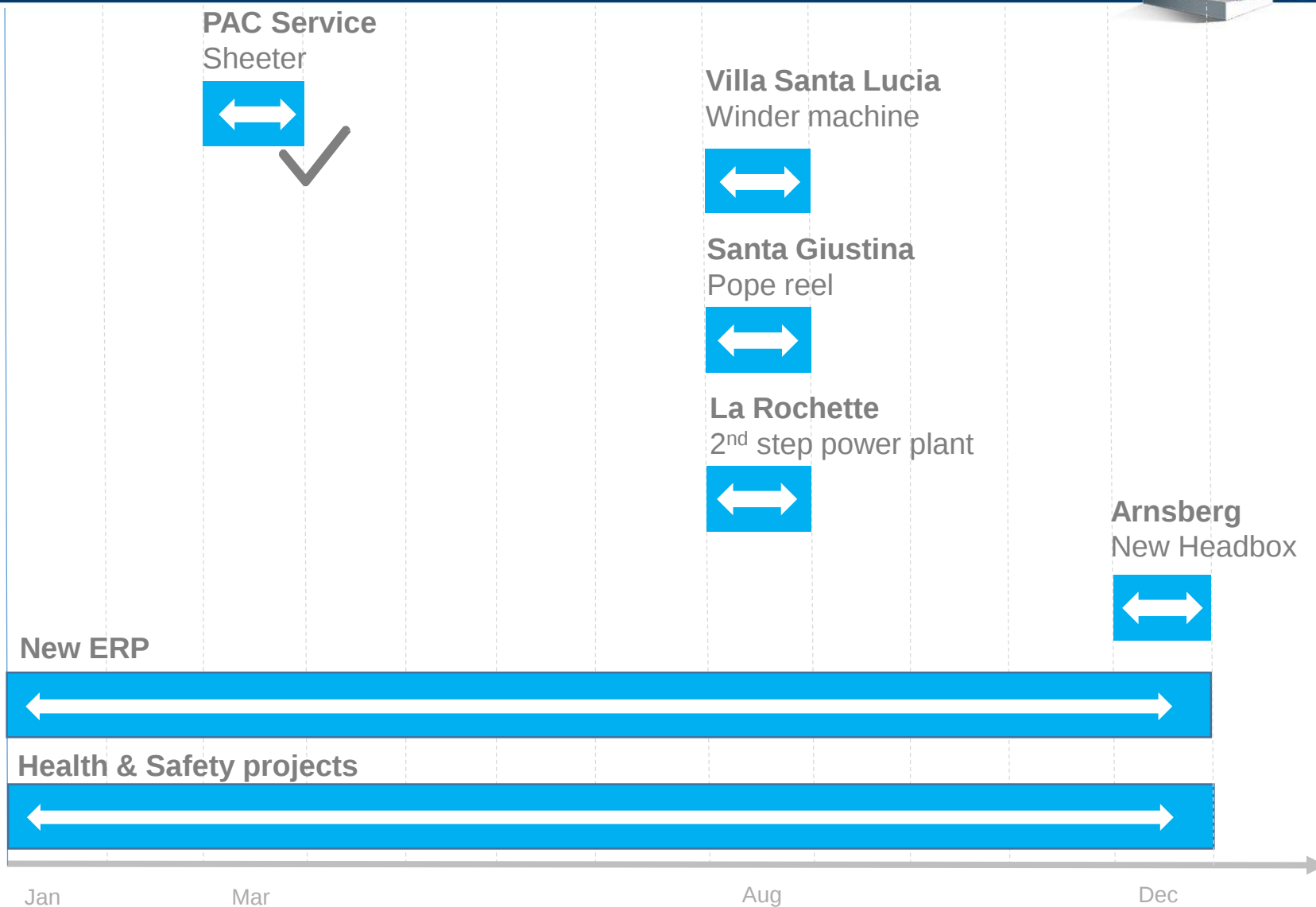


Operational net cash-flow positive by 7.9 € mn and was partially reduced by (5.3 € mn):

- Payment of the final balance of an investment put in place in previous years (2.3 € mn);
- Consolidation of PAC Service (3.0 € mn).

Net Financial Debt ('000€)







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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

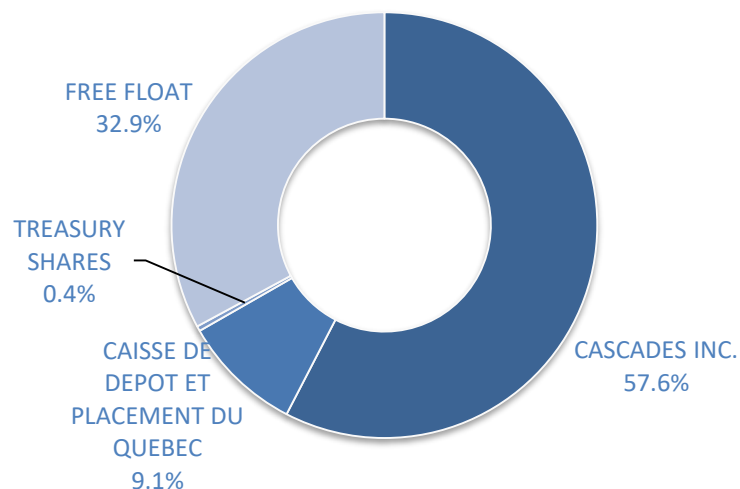
ISIN: IT0001178299

Mkt cap: 310.6 € mn

Free float mkt cap: 102.2 € mn

(@0.822 € p.s. as of 11 May 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**

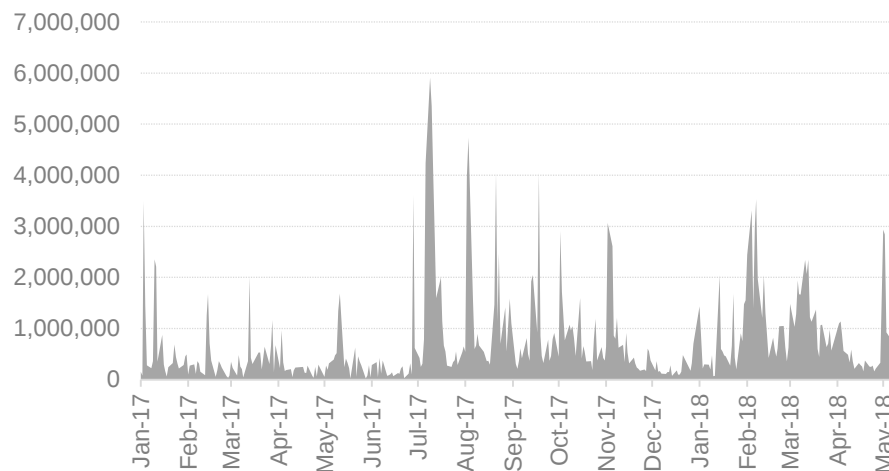
Dividend yield: **0.6%** (YE2017 price of 0.5055 €)



RdM share price

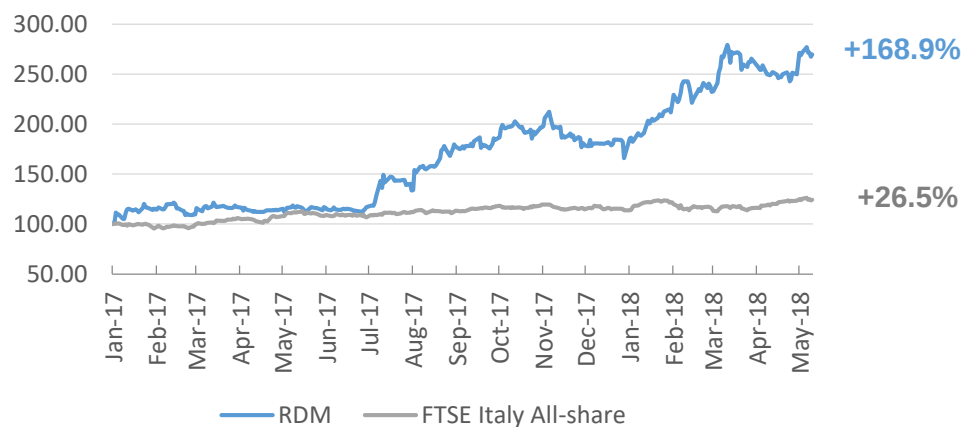


RdM traded volumes



RdM vs FTSE Italy All-share Index

(base: 2 Jan. 2017= 100)



Average daily traded volumes

FY 2017: 686,630 of which

Q3 2017: 1,270,890

Q1 2018: 1,097,588

3 Apr. 18-11 May 18: 630,491

(Last update: 11 May 2018)



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.



SHAREHOLDERS

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



SUPPLIERS

Procurement integrated on a single platform
Smarter planning



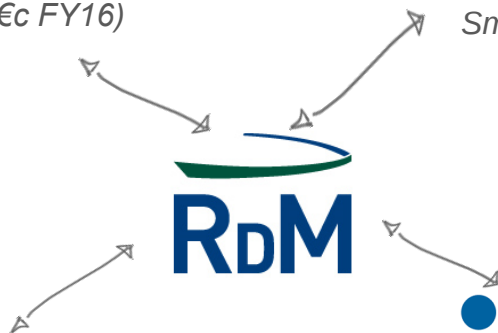
EMPLOYEES

Cultivation of the “One-Company” culture
Promotion of a digitalized mindset
New MBO system also based on Co.’s EBIT
New incentivizing remuneration policy
People survey (entire group) in 2018



CUSTOMERS

Tailored solutions in response to specific needs
Increased focus on products quality and service through
converting and finishing services
Customer survey in Nov. 2017



Listening, engaging and creating value for stakeholders



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 cyclicity



Increase Company's returns in
a reasonable time span



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