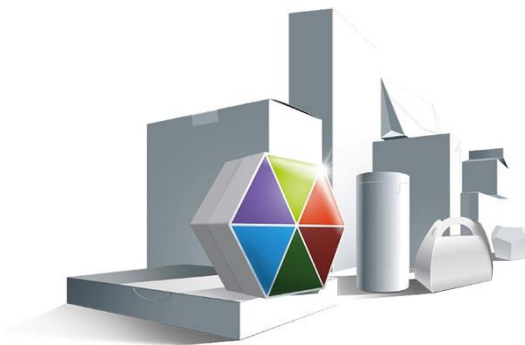


Reno De Medici

Proposal for the acquisition of Barcelona Cartonboard S.A.U.

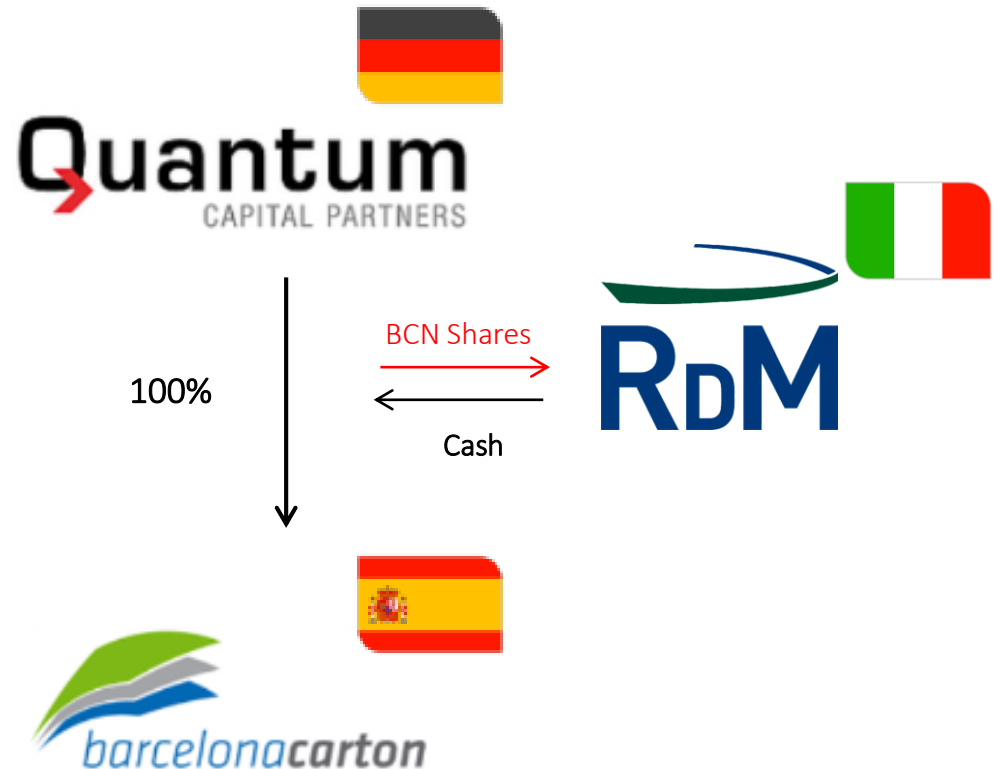
15th June 2018



Born to be
converted



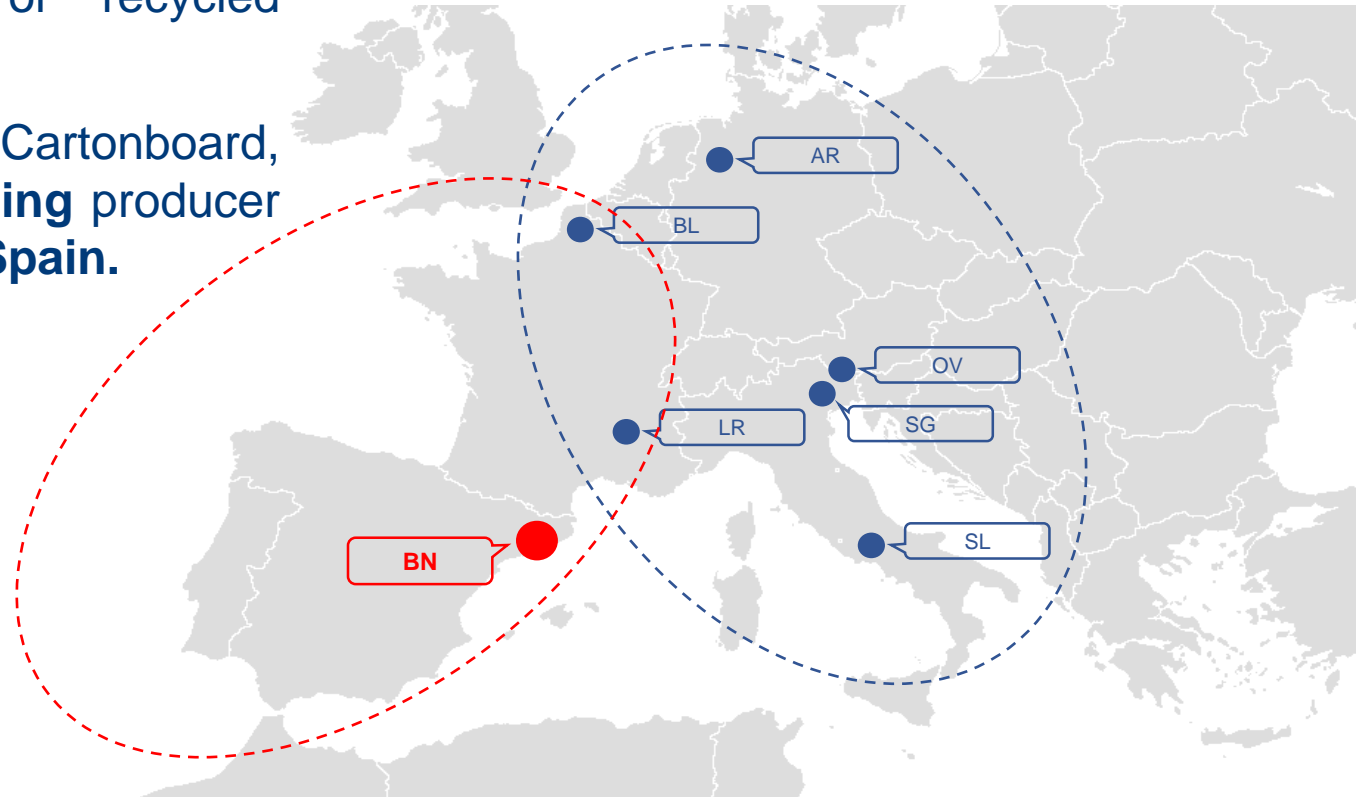
- ✓ The Board of Director of Reno De Medici S.p.A. has approved the project for the **100% acquisition of Barcelona Cartonboard S.A.U.** from the German private equity fund Quantum Capital Partners.
- ✓ The indicative value of the investment is based on an **Enterprise Value of €46.4m**, before NFP and WC adjustments.
- ✓ **The closing is expected by the end of 2018.**
- ✓ The closing of the Transaction is **subject to the Antitrust clearance.**





RdM is the **second European largest producer** of recycled cartonboard.

Including Barcelona Cartonboard, RdM will be the **leading producer in Italy, France and Spain.**



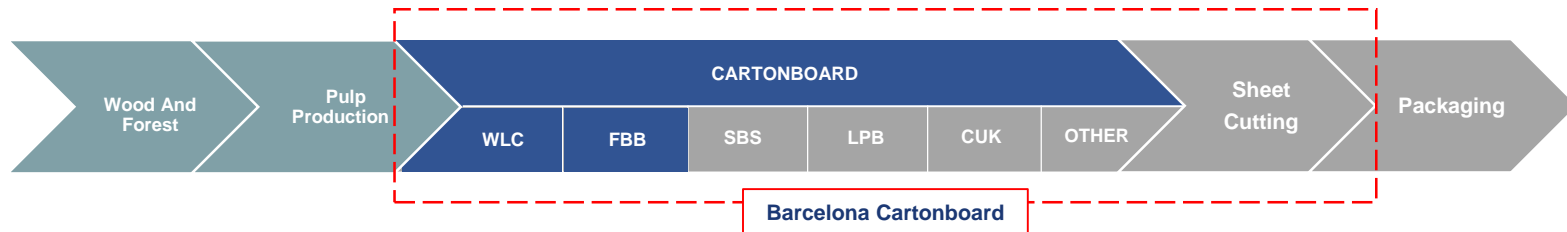
RdM with Barcelona Cartonboard would enlarge its geographic footprint strengthening its leadership in Southern Europe.



The company at a glance

Based in Spain (Barcelona), the company is involved in the production of Cartonboard from both recycled (WLC) and virgin fibres (FBB), serving the packaging industry in Spain and abroad.

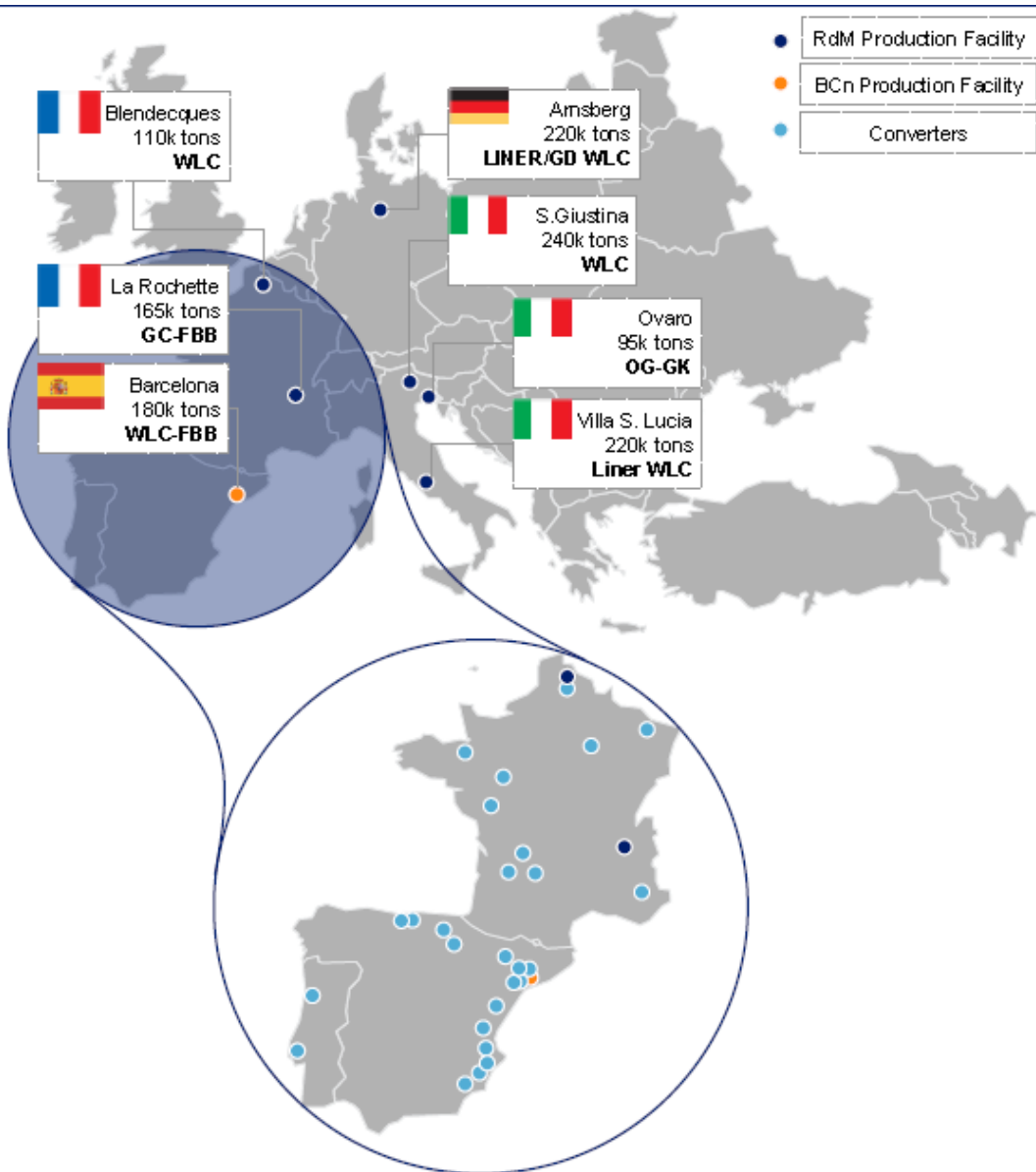
Value Chain Positioning of Barcelona Cartonboard



Barcelona Cartonboard Features

- ✓ One plant, ca. 230 employees, ca. 180k tons / annum production, possibility to grow until 200/230 ktons.
- ✓ Integrated production cycle:
 - Cartonboard production plant
 - Sheet Cutting (5 machines)
 - Energy cogeneration plant
- ✓ Excellent quality and flexibility allow the company to provide customers with quick and reliable solutions
- ✓ Main products offered:
 - Recycled Cartonboard
 - Recycled Linerboard
 - Virgin Folding Boxboard





The Barcelona acquisition provides RDM number of **advantages**:

- ✓ Increase proximity to some key European converters.
- ✓ Become the largest supplier in the Iberian market.
- ✓ Enhance product portfolio optimization, leveraging on the multi-mill concept.
- ✓ Opportunity for capacity expansion.



SHOEPRESS INVESTMENT

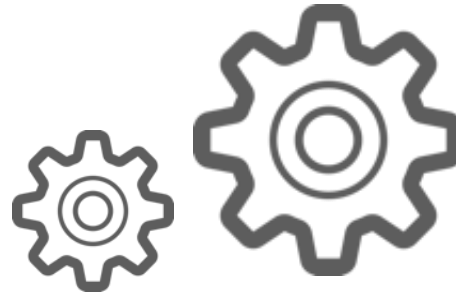
New Shoepress section, installed in January 2017.

The investment contributes to:

- quality
- efficiency
- production increase

POWER PLANT INVESTMENT

Major overhaul in the Power Plant



ADDITIONAL INVESTMENTS

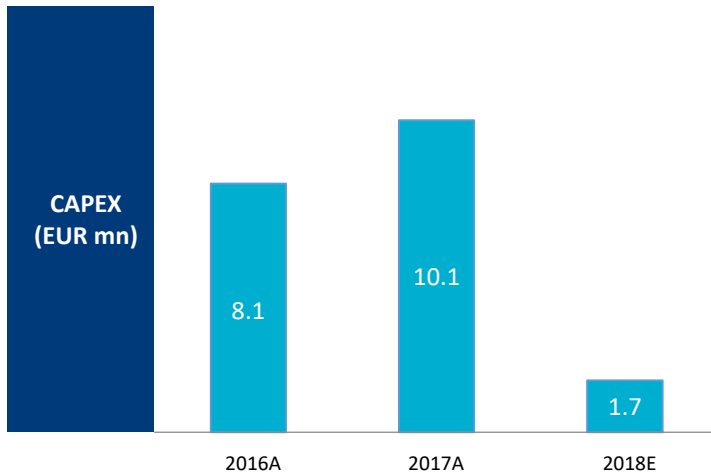
Additional investments into equipment to improve efficiency and quality control:

- pick-up system
- web inspection system
- formation rebuild

More than €18m invested in 2016 & 2017

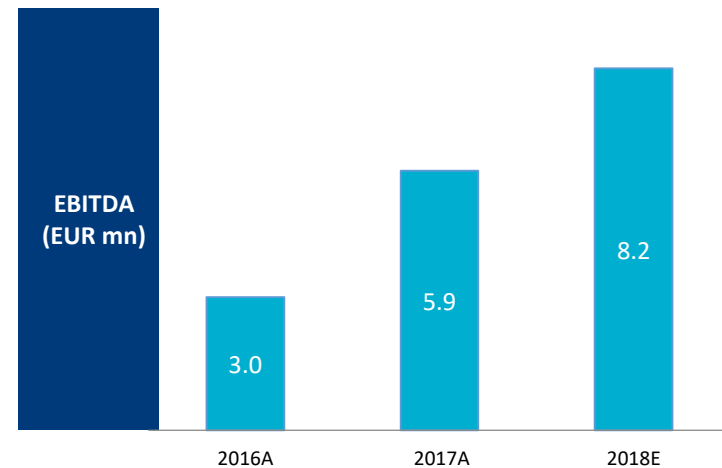


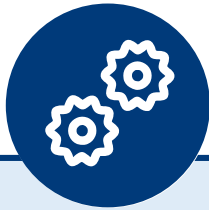
...perfectly fitting into RDM's improvement strategy



- ✓ More than **€18m** invested in 2016 & 2017 (Power Plant, Shoepress and Former rebuild)
- ✓ Well invested mill with no need of extraordinary Capex

- ✓ Increase in EBITDA led by: volume, overall efficiency and cost optimization
- ✓ Increase in Contribution Margin
- ✓ Higher operating leverage thanks to higher capacity utilization over time





Consideration

The transaction envisages the cash acquisition of the entire share capital of BCN by RDM at an **Enterprise Value of €46.4m** (before NFP and WC adjustments)

Ebitda proforma 2018 of €8.2m



Opportunity for value creation

- ✓ **Accretive** transaction: EV multiple lower than RDM's current trading
- ✓ **High quality** of the Barcelona Cartonboard **assets**
- ✓ **Profitability** increase opportunity



Strategically compelling deal

RDM with Barcelona Cartonboard **strengthens its leadership in Southern Europe**, leveraging on proven competences in managing the Cartboard business under a **multi-asset concept**