



TOGETHER WE SHAPE THE FUTURE

Virtual STAR Conference

26-27 May 2020

AGENDA

- 1** Strengths
- 2** Environmental performance
- 3** Delivering on Strategy
- 4** RDM Shares



Michele Bianchi - CEO



Andrea Bettinelli – Head of Strategy



Luca Rizzo - CFO

STRENGTHS

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

PORTFOLIO

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

INTANGIBLE ASSETS

One-Company approach unlocking potential and allowing for best-in-class performance

ASSETS BASE

PanEuropean asset base and sales network

CLIENTS

Strong position in European markets. No.1 producer of Recycled grades in Italy, France, Spain; second in Europe. Making RDM the **partner of choice** for key brands and multinational corporations

STRONG CASH GENERATION

Presence in the packaging business, sector in which healthy organic growth generates high return on investments

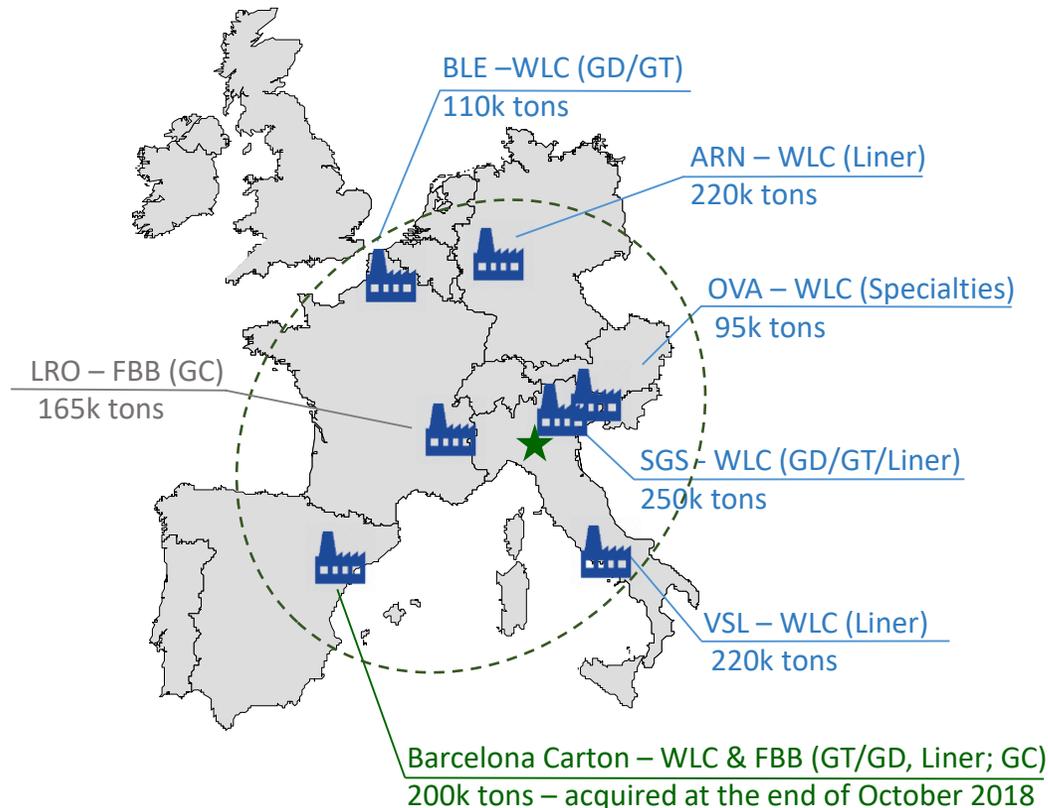
A PANEUROPEAN ASSET BASE

Total production **capacity 1.26 M tons/y**

Four assets with capacity over **200 k tons/y**



Santa Giustina plant



WLC

White Lined Chipboard
Based on **recycled fibers**

No. of mills: **6**
Production capacity: **1.1 mn tons/p.a.**
equal to **87%**

FBB

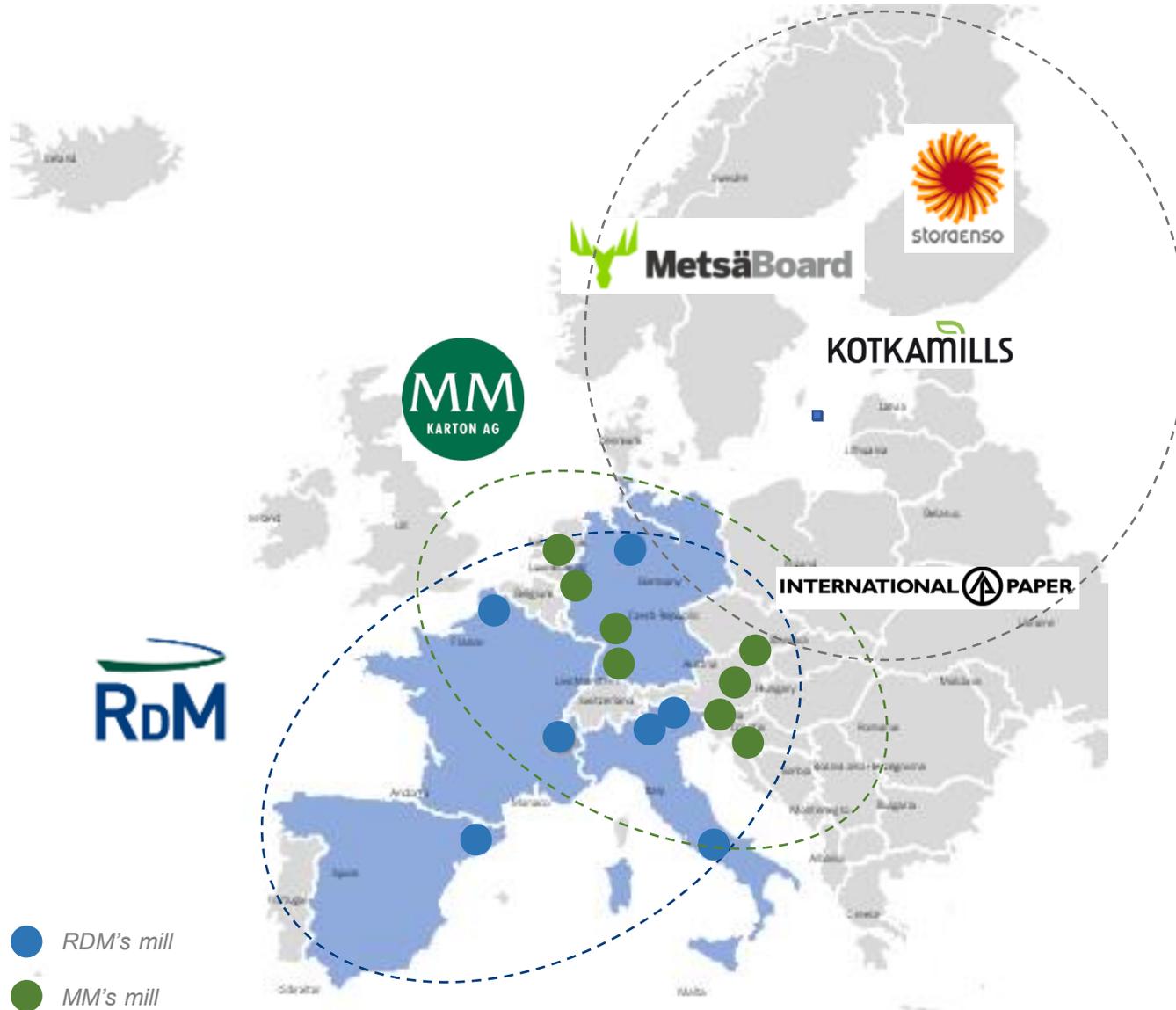
Folding Boxboard
Based on **virgin fibers**

No. of mills: **1**
Production capacity: **0.165 mn tons/p.a.**
equal to **13%**

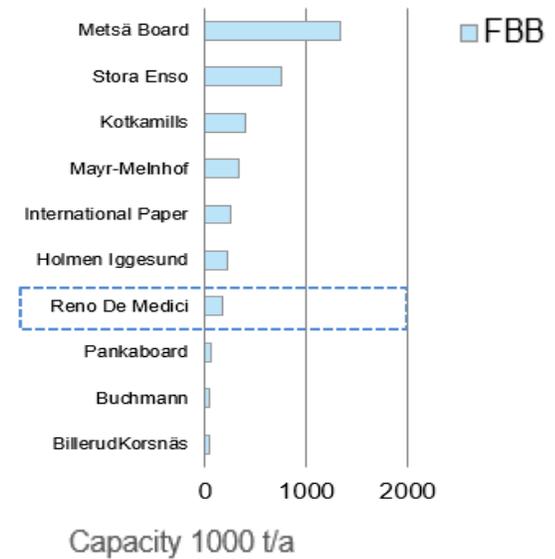
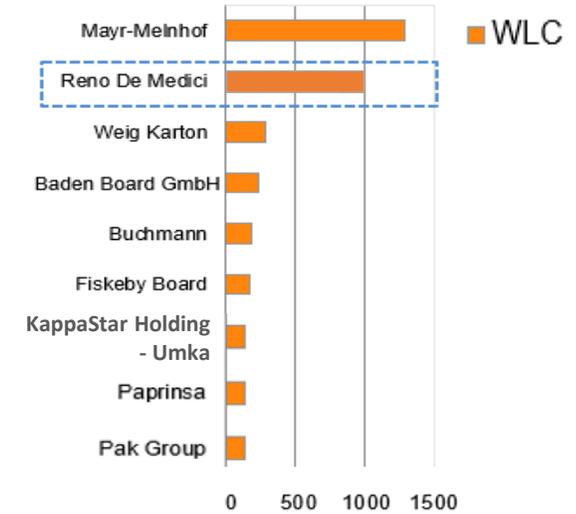
★ *Headquarters in Milan*

🏭 *Mill*

LEADING PRODUCERS IN EUROPE

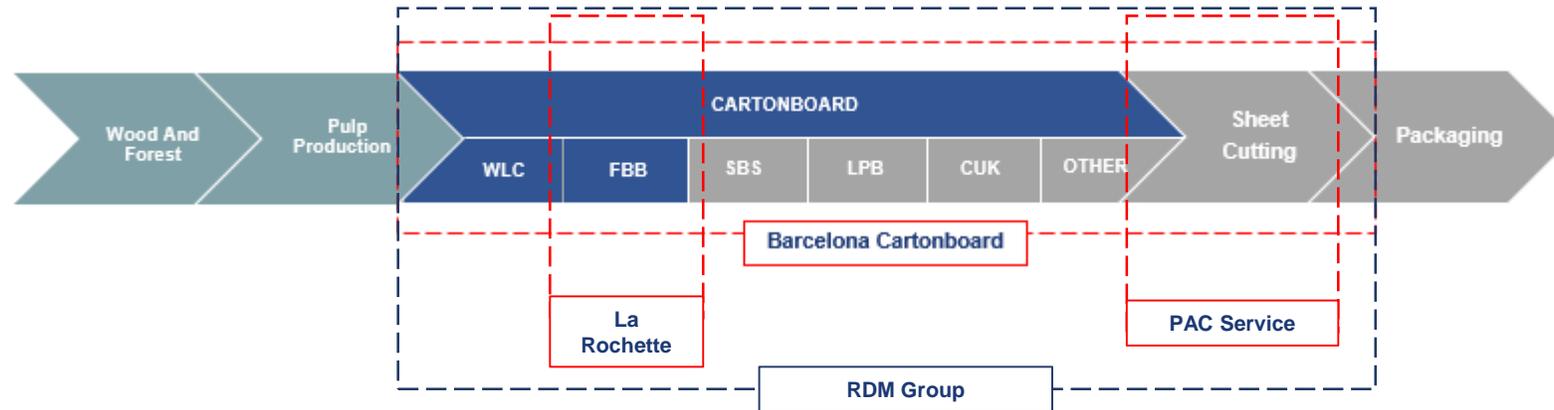


Source: Company data



LATEST M&A DEALS

Value Chain Positioning of acquired companies:



Based in Spain (Barcelona), the company is producing recycled Cartonboard (WLC) and if needed also virgin board (FBB), serving the packaging industry in Spain and abroad.

The acquisition is effective as of 31 Oct. 2018.



Based in Italy, the company operates in the sheet cutting business. RDM has long been a strategic supplier of PAC Service.

The acquisition is effective as of 1 Jan. 2018.



Based in the South of France, the company (La Rochette mill) is involved in the production of Cartonboard from virgin fibers (FBB).

The acquisition is effective as of 30 June 2016.

PORTFOLIO

RECYCLED FIBRES (WLC)

Price
Eco friendly image

VIRGIN FIBRES (FBB)

Printability
Bulk & Stiffness

RECYCLED BOARD (GD)

LINER

SPECIALTIES

VIRGIN BOARD (GC)

Sport/toys
Food
Detergents
Beverage

Hardware
Software
Display
Microflute laminate

Textile / shoes
Paper Goods

Pharmaceuticals
Beauty & Health care
Food
Retail
Bakery

Overall economic trend along with specific drivers:

Brand recognition
E-commerce
Plastic substitution
Care for planet
Changes in lifestyles

Brand recognition
Microcorrugated
Growing market (+11% from 2015 to 2018)

Luxury package

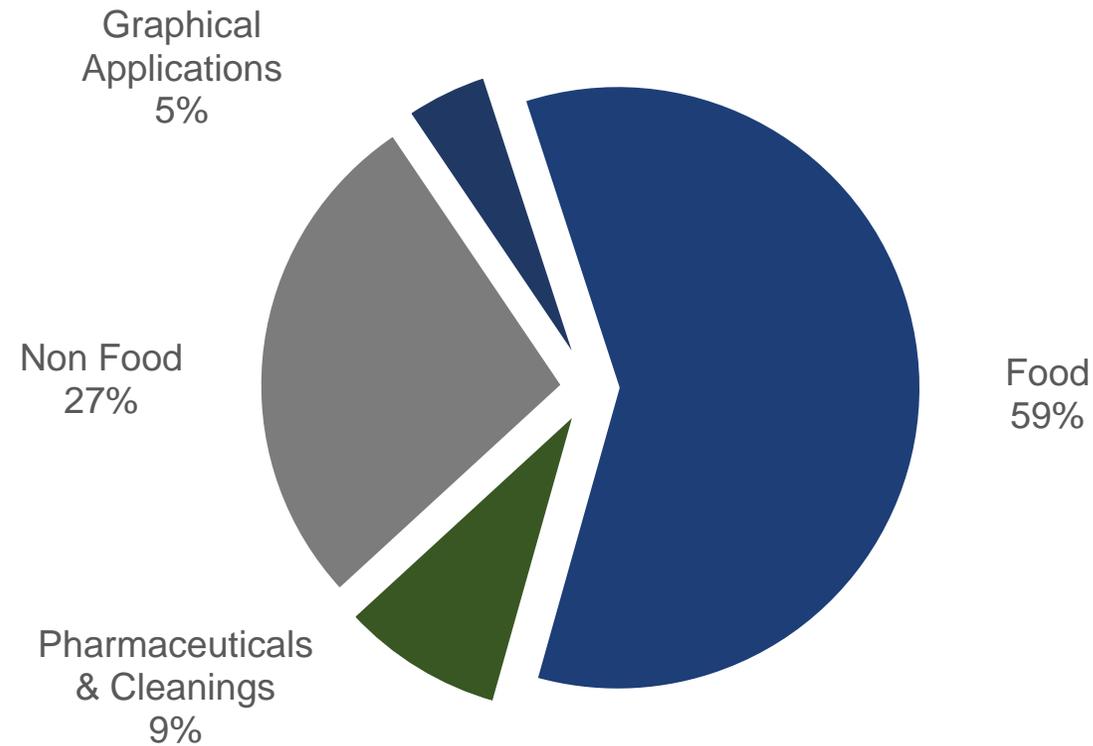
Overall economic trend

Brand recognition
Changes in lifestyles



RDM END-USES

Source: RDM internal analysis on 2020 data.



Value of fiber-based packaging recognized by governments, retailers and consumers during Covid-19 emergency.

CLIENT LOYALTY

Our clients come in two types: converters and distributors.

Our clients look for **security of supply**.
Which **we guarantee** as we are the 2nd
largest WLC producer in Europe.
Our **key assurances** are:

CUSTOMER
SERVICES

RESPONSIVENESS

QUALITY

DIVERSIFIED
PORTFOLIO

DELIVERIES / LEAD
TIMES

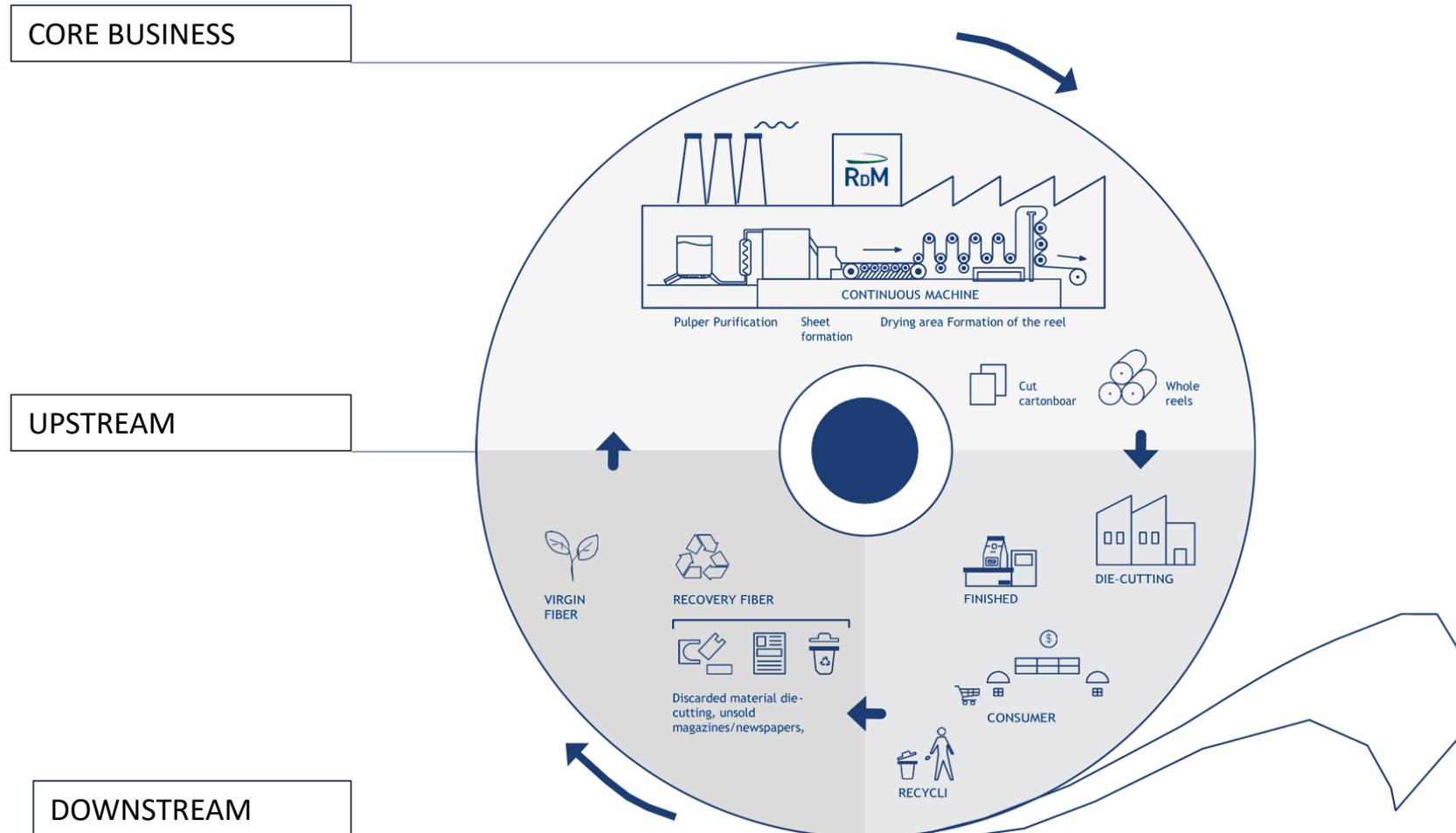
5th **Customers survey** (March 2020)
43 markets surveyed (EMEA).
1229 customer contacts of which **25** are Key accounts.
Higher response rate (52% compared to 1st round
48% in November 2017).
Customer Contact Rating of **7.76** (7.47 in November
2017).

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- 2 **Environmental performance**
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OUR BUSINESS MODEL

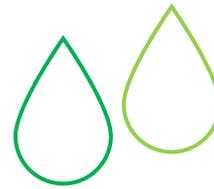
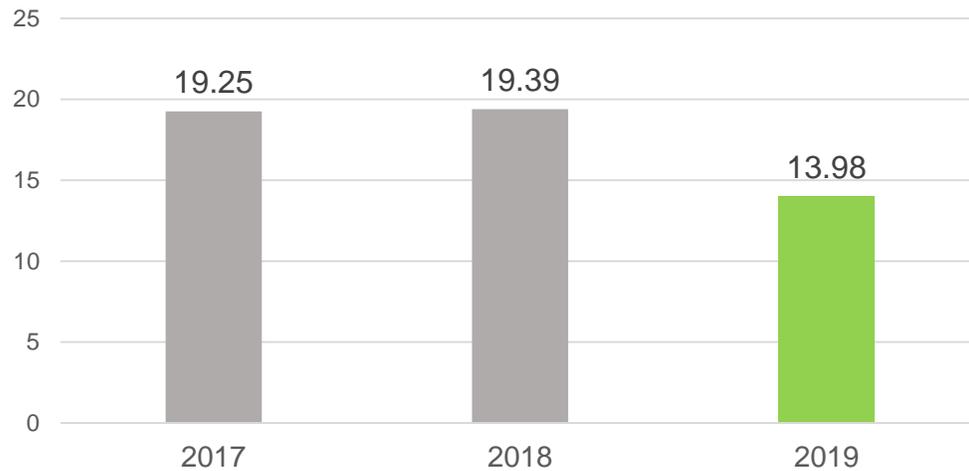
A truly sustainable player with a CIRCULAR ECONOMY vision



COMMITTED TO REDUCE WATER USAGE

Through recovery of process water and reusing water in several production cycles.

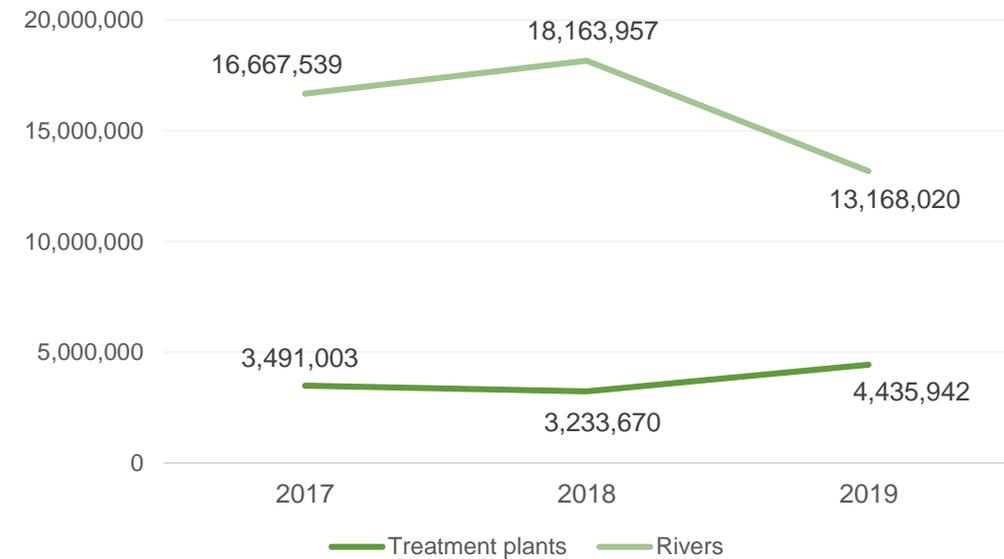
WATER WITHDRAWALS PER TON OF PRODUCTION (m³/ton)



The remaining share evaporates or is incorporated in the cartonboard.

91% of the water consumption returns to the environment after purification

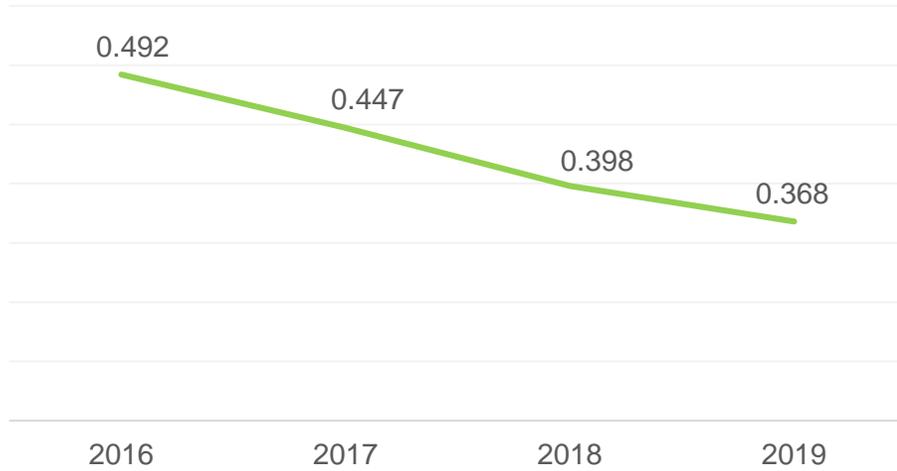
VOLUMES OF DISCHARGED WATER (m³)



All the Group's production units / 2017, 2018, 2019
Unit of measure: Cubic meters per ton of gross production (including water withdrawal for plant cooling)

MINIMIZING CARBON AND ENERGY INTENSITY IN PRODUCTION PROCESSES

CARBON INTENSITY (tCO₂e/ton)



Emissions in tCO₂e per metric ton of gross production

Data exclude RDM Barcelona Cartonboard's natural gas consumption to produce electricity for the grid (710,441 MWh in 2019 and 120,779 MWh in 2018).

Electricity produced by cogeneration plants is not included to avoid double counting.

Coal reduction (-26.4%) reflects the first-stage benefits of the energy transition project underway at the **Arnsberg mill**.

CARBON INTENSITY (tCO₂e/ton)

-25%

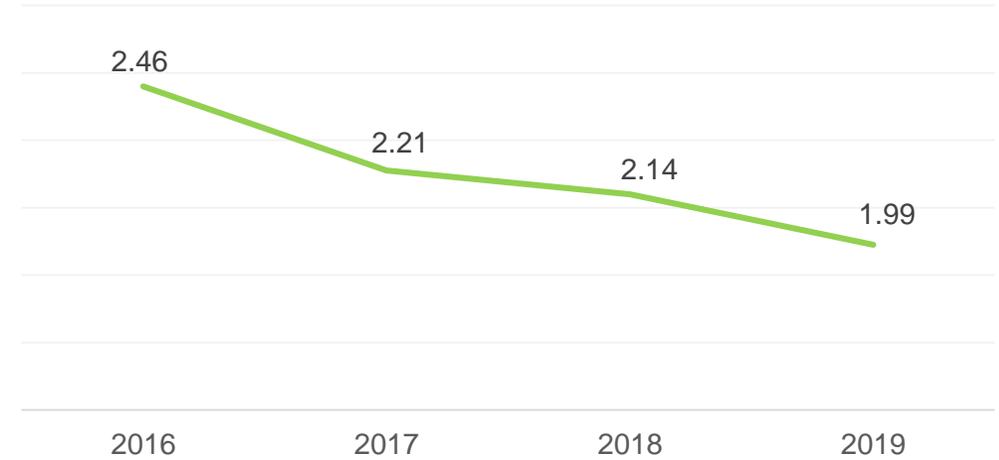
2019 VS. 2016

-7.5%

2019 VS. 2018



SPECIFIC ENERGY CONSUMPTION (MWh/ton)



All the Group's production units 2016, 2017, 2018, 2019

Unit of measure: energy consumption in MWh per ton of gross production

ENERGY INTENSITY (MWh/ton)

-19%

2019 VS. 2016

-7%

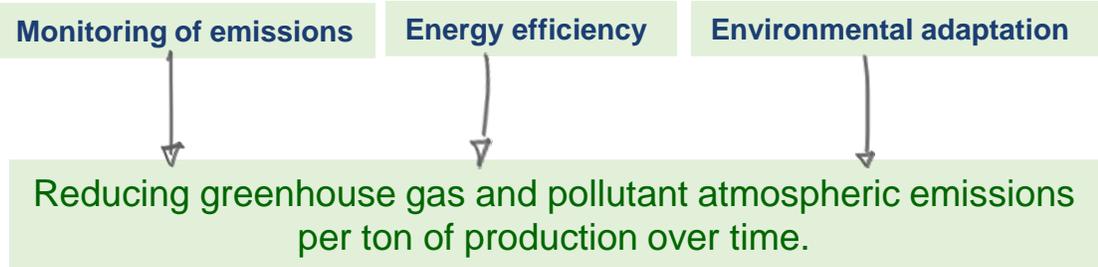
2019 VS. 2018

REDUCING GHG EMISSIONS

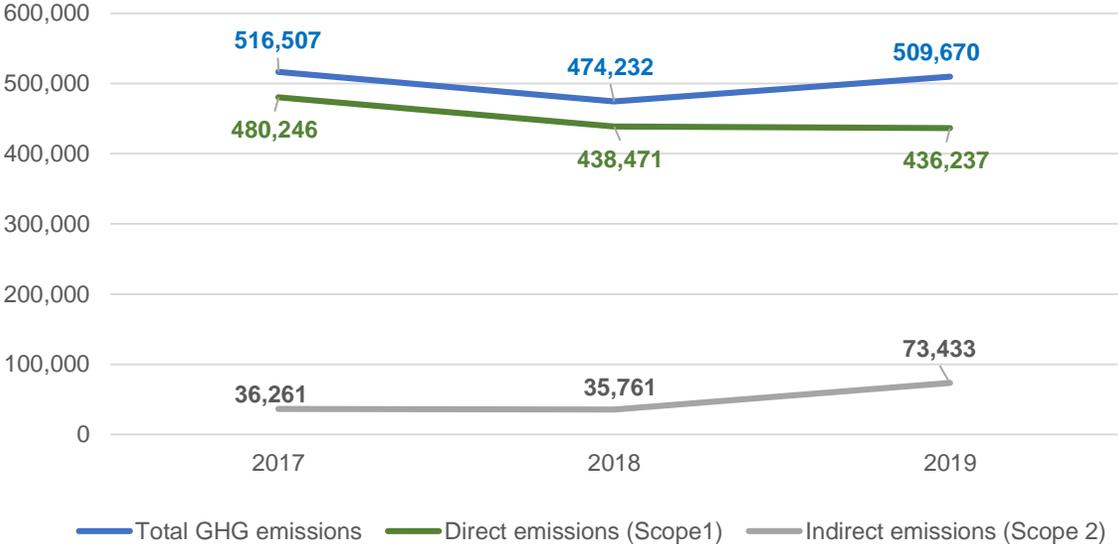


OTHER EMISSIONS (2019 DATA AND %CHANGE VS. 2018)

NO _x	-13%
477 tons	
SO _x	-45%
125 tons	
Particles	stable
20 tons	



TOTAL, DIRECT AND INDIRECT GHG EMISSIONS (tCO₂e)



Emissions from natural gas consumption of RdM Barcelona Cartonboard used for the production of electricity supplied to the grid are excluded. The corresponding value is 130,615 tCO₂e for 2019.
Gases included in the calculation: CO₂, CH₄, N₂O, HFC.

MINIMIZING WASTE SENT TO LANDFILL

Our priority

Minimizing waste and maximizing the use of fiber raw materials.

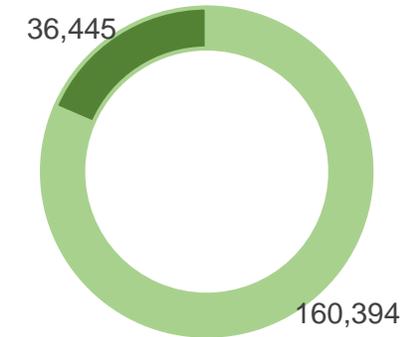
From 20% to 5%

the reduction in the rejects of production process



“ *A full 99.8% of the total waste produced by the Group is non-hazardous and mainly consists of plastics, glass, sand and metals.* ”

2019 WASTE (tons)



■ Waste sent for recovery - 81% ■ Waste sent for disposal - 19%

Circular economy system is for RDM Group “naturally” core. Recycling and reusing resources is par of every day manufacturing life



Five RDM Group mills have waste management systems also certified according to ISO 14001 standard

Two mills are also certified according to the “Eco-Management and Audit Scheme” (EMAS)

PRODUCT INNOVATION MEETS ENVIRONMENTALLY FRIENDLY DEMAND



Market TRENDS

Major Brands and Retailers

Requiring packaging with lower environmental impact

Switching to recycled-based packaging

Needing high-quality packaging to convey brand image and protect goods sold through more complex supply chains like e-Comm shopping

INNOVATION



Focusing on raw materials that are **re-usable, renewable or recyclable.**

Developing **new fiber-based multi-material products** coupled with renewable barrier solutions (**biodegradability** being the core feature).

Barrier solutions that create a layer of protection between the structure made of fibre-based material and the contained product, while maintaining its recyclability

Quality
Safety
Sustainability

“
The world of packaging is going through a period of intense change that RDM Group sees as an opportunity to innovate, with a clear focus on sustainability.”



4Ever Green Alliance (40+ European companies)

Initiative that promotes the use of **fiber-based packaging material** to foster **sustainability through circular economy.**

Supporting the development of:

- new packaging solutions through innovation and product design
- appropriate infrastructure and collection systems

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Q1 2020 AT A GLANCE

Prompt reaction to Covid-19 outbreak
Multi-mill organization up and running

Business continuity

Strong 2020 demand momentum
driving volumes

High customer sensitivity on selling prices
continuing as experienced in H2 2019

Solid RDM Group market position
resulting in volumes that outperformed
the pace of market growth



**Broadly stable sales revenues
in spite of VSL mill 25 days stop**
(-0.6% vs. Q1 2019)

Efficiency and synergy plan
providing effective and resilient cost control.

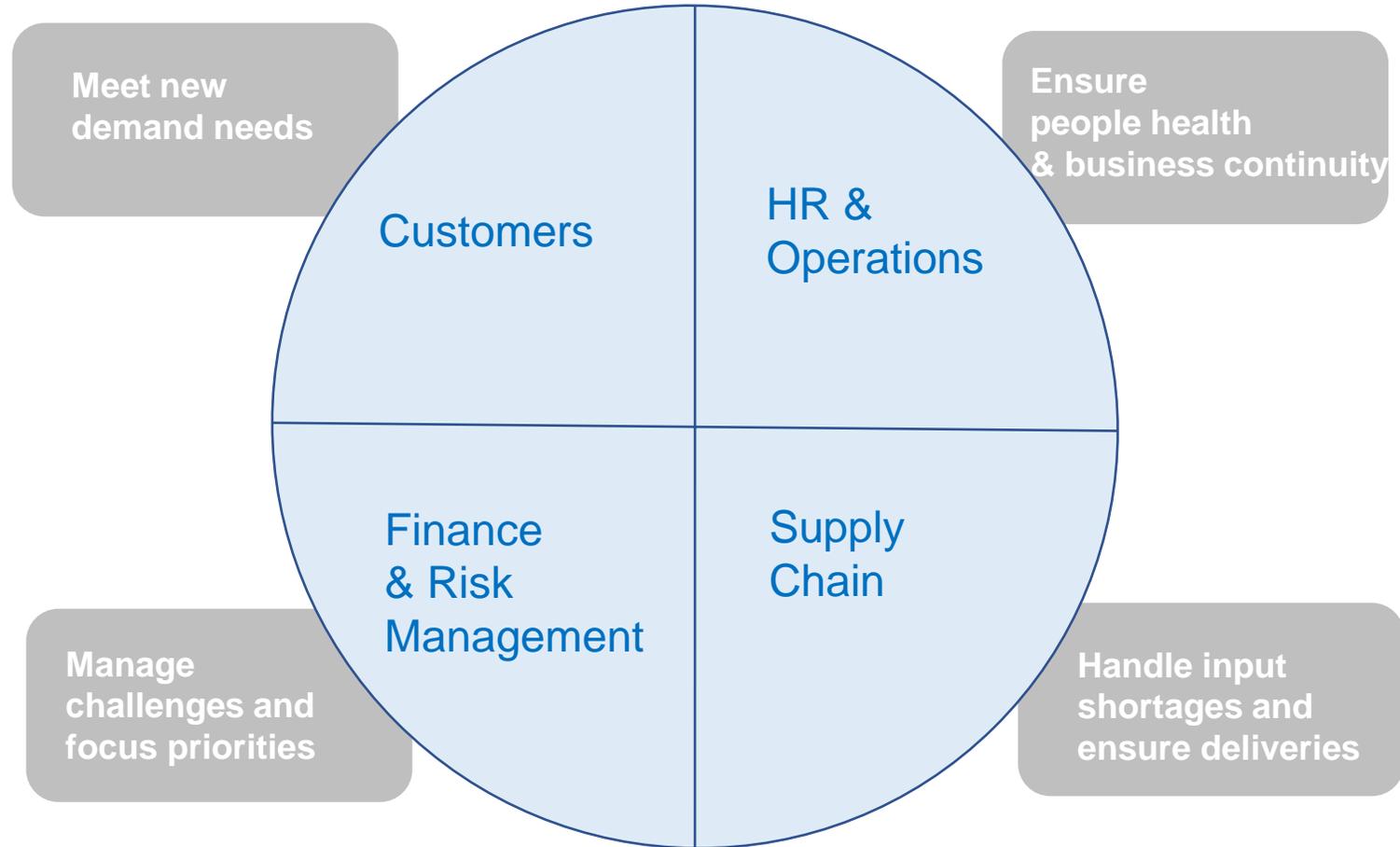
Barcelona Cartonboard integration
reinforcing the manufacturing multi-mill system

Input costs
supporting better spread



EBITDA margin at 11.0%
(vs. 10.4% in Q1 2019)

HOW WE ARE RESPONDING TO COVID-19 OUTBREAK



STAYING FOCUSED ON LONG TERM STRATEGY



Stronger leadership via organic growth and M&A



Higher operating efficiency



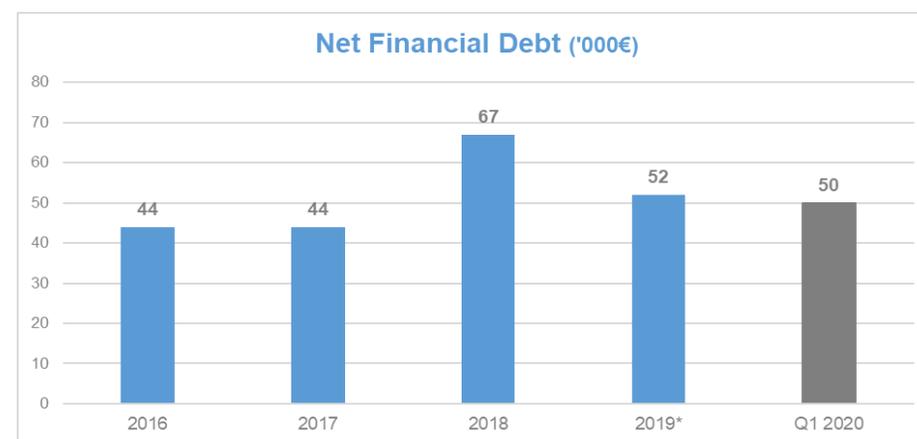
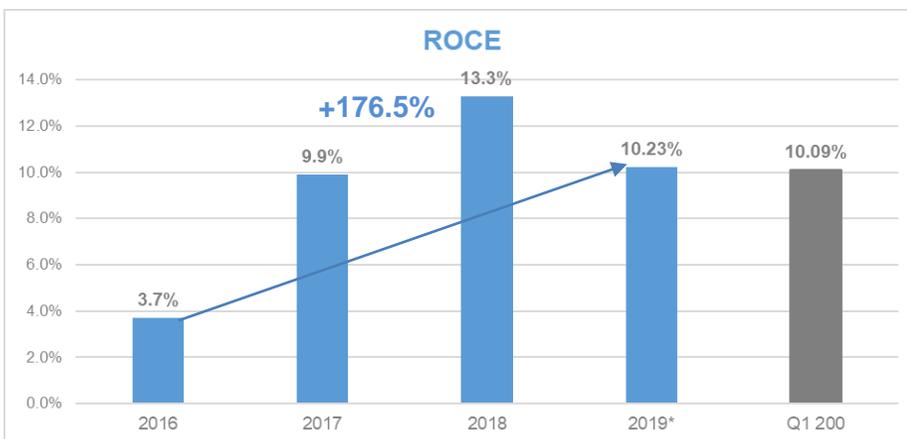
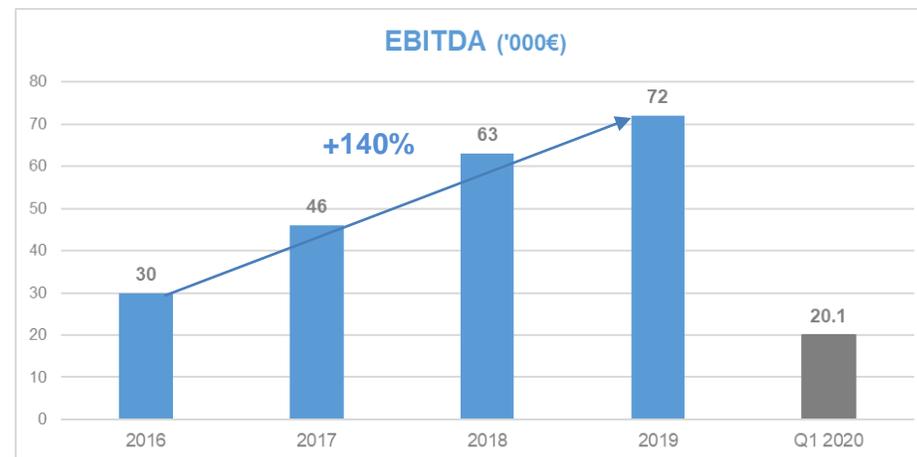
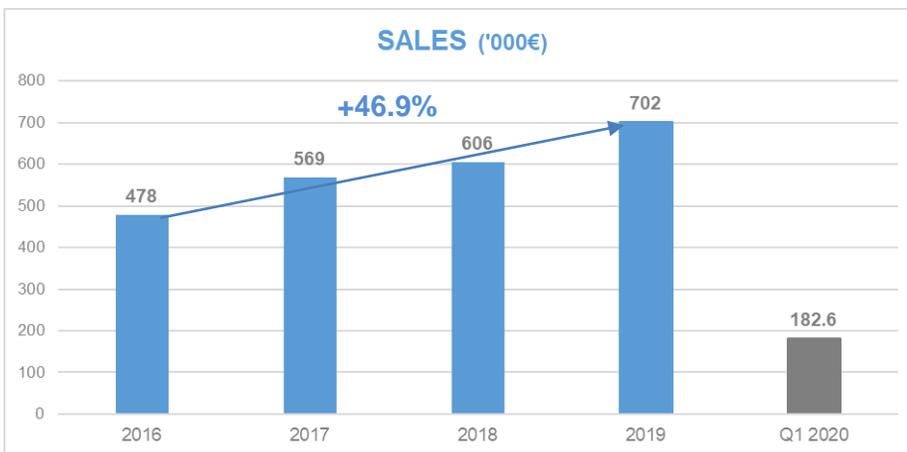
Better customer service

TRANSFORMATION PLAN IN PLACE



Determined to remain Visionary ... while mitigating Covid-19 risk impact

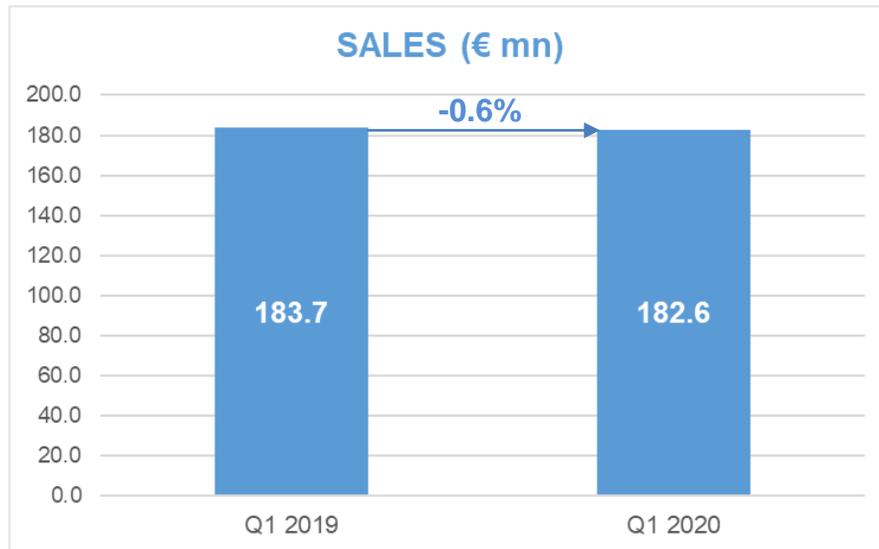
HIGHLIGHTS



*2019 ROCE included the **write-down** of the fixed assets of La Rochette mill for **€9.5m**. Without this write-down, ROCE would have been 13%.

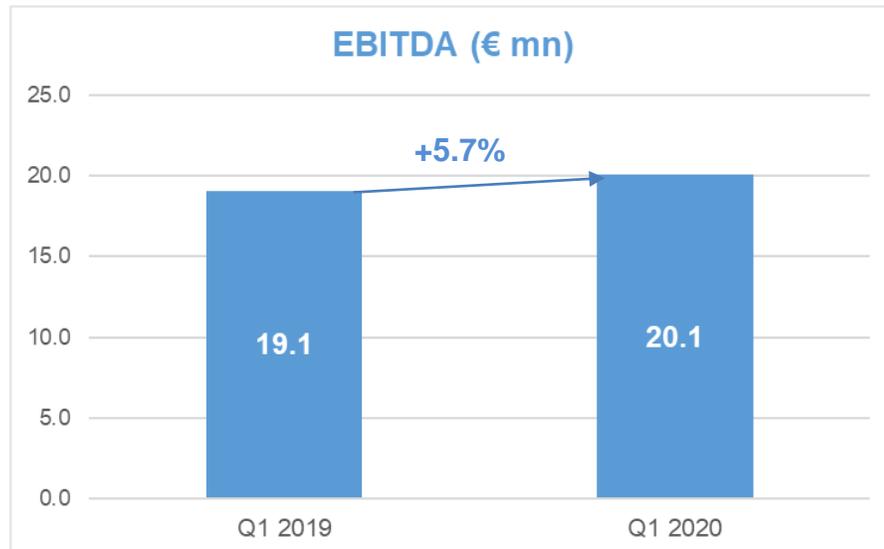
*Net Debt as 31 December 2019 includes €12.5m liabilities due to the adoption of the new IFRS 16 "Leases".

SALES AND EBITDA



The **slight decrease in SALES** (-0.6%) is due to :

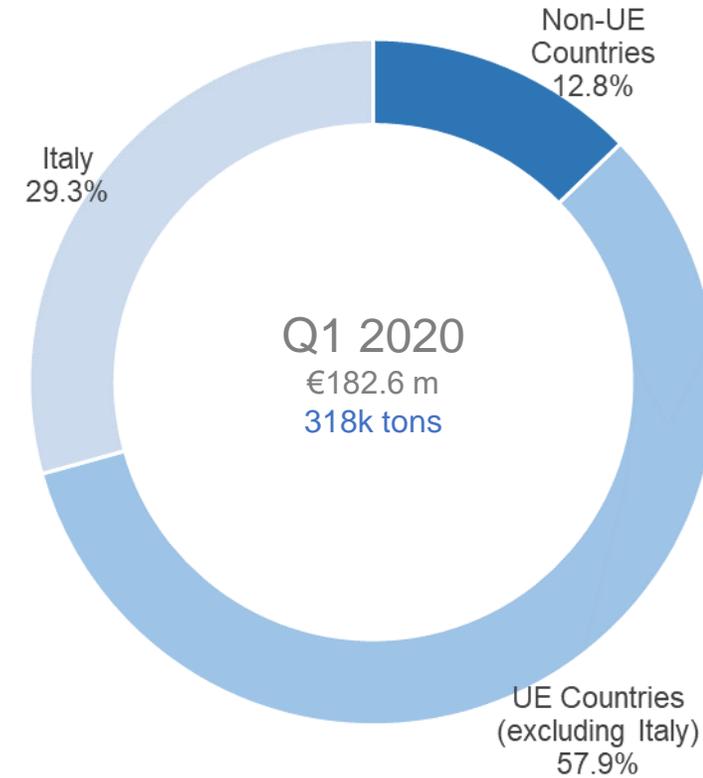
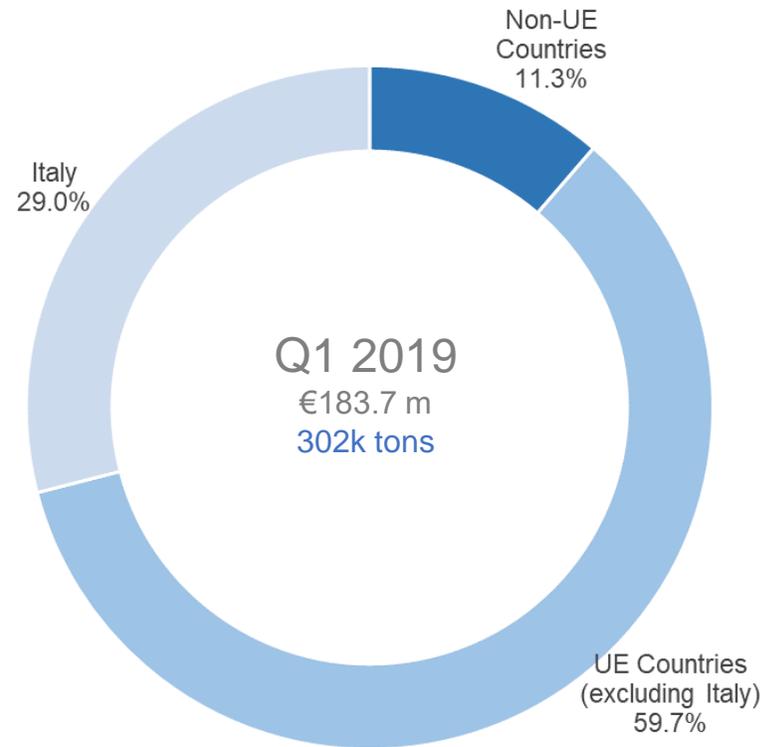
- + **Increase in tons sold**, both in WLC (+4.9%) and FBB (9.2%);
- **Reductions in selling prices**, mainly in WCL compared to Q1 2019;
- **Temporary stoppage of production in Villa Santa Lucia plant** - from 7 February to 1 March - following the seizure of the municipal consortium's wastewater treatment plant.



Higher EBITDA margin (11% in Q1 2020 compared to 10.4% in Q1 2019) reflects the following drivers:

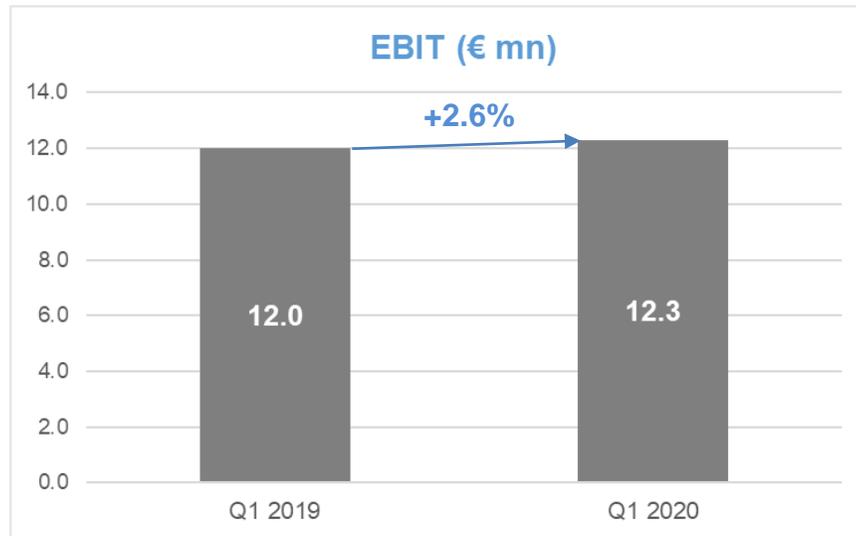
- **Slight decrease in SALES** (-0.6%);
- + **Lower costs of fibers** reflecting **lower prices** and **greater efficiency** in their use;
- + **Decline in energy costs** compared with Q1 2019.

SALES BY GEOGRAPHY

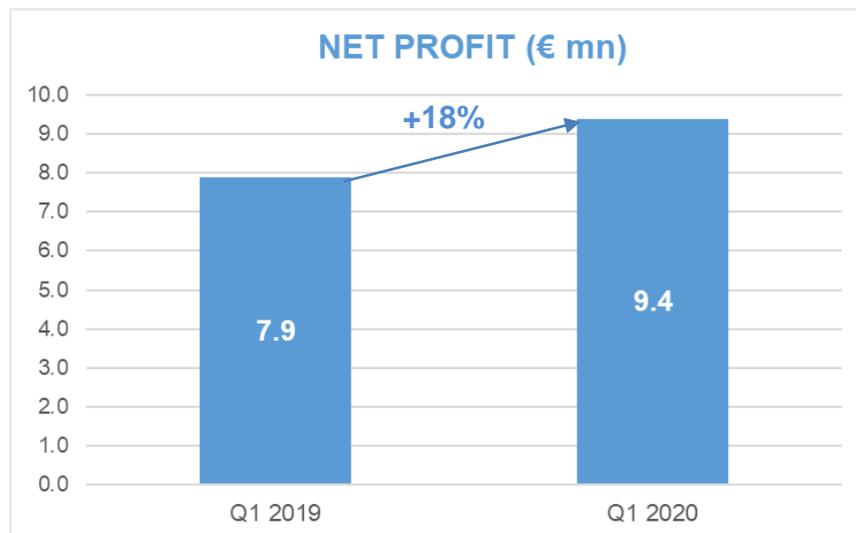


Sales reflects different mix in terms of volume and selling prices.

EBIT AND NET PROFIT



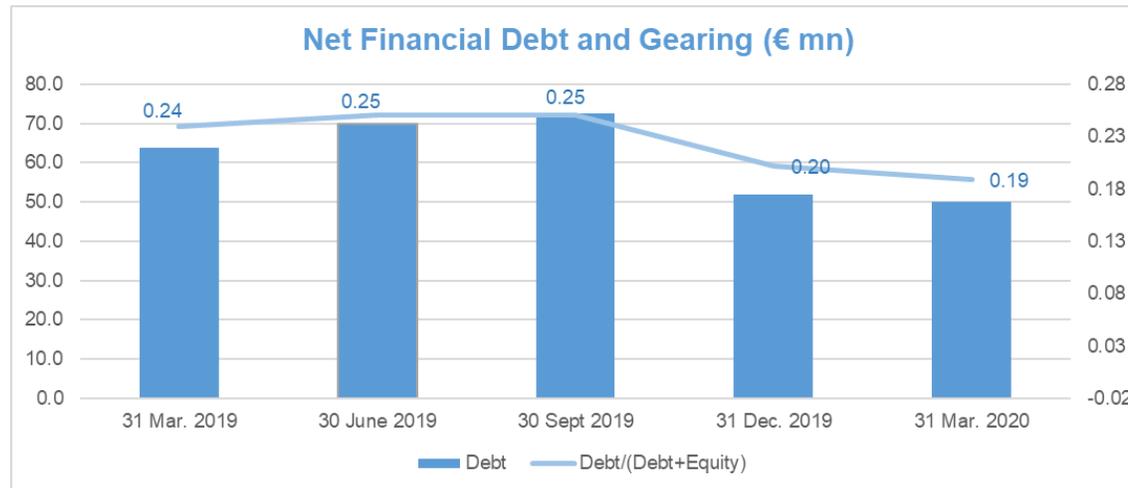
The low increase in **EBIT (+2.6%)** mainly reflects the increase in EBITDA, partially offset by **higher D&A costs** than those of 2019 (€7.9m in Q1 2020 vs €7.1m in Q1 2019).



Q1 2020 Net Profit increase (**€1.5m** vs. Q1 2019) combines the impact of higher EBIT (€0.3m vs. Q1 2019) with:

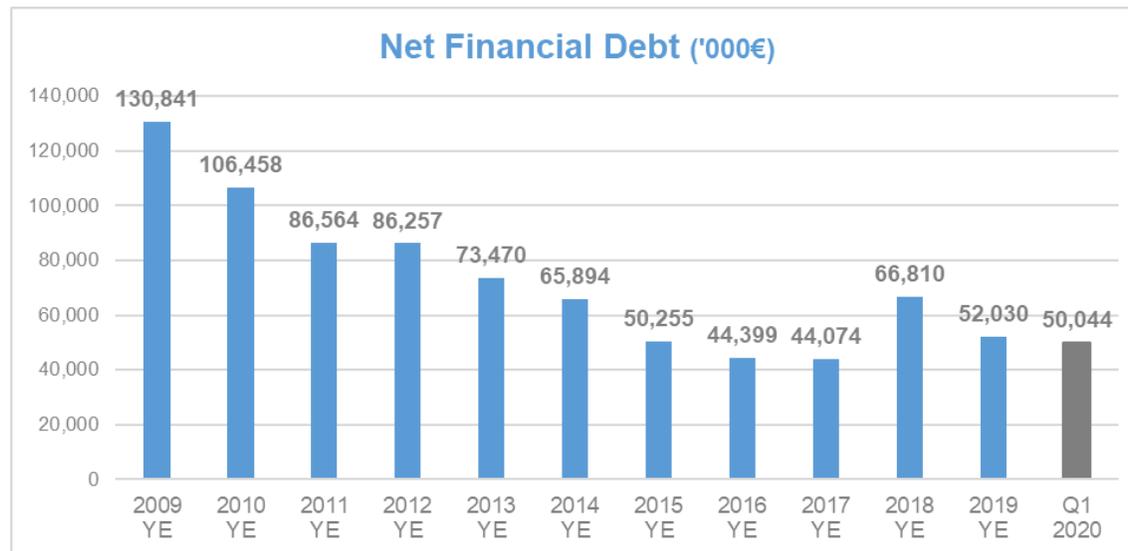
- + a **€0.9m decrease in financial expenses** vs. Q1 2019;
- + **lower tax rate** (24.4% vs. 28.8% in Q1 2019).

LOW GEARING RATIO



Decrease in NFD in Q1 2020 (from €52m at December 31, 2019 to €50m at March 31, 2020).

In Q1 2020 **capital expenditure** amounted to **€2.6m** compared with €4.8m in Q1 2019.



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

Net Debt as at 31 December 2019 included **€12.5m liabilities** due to the adoption of the **new IFRS 16 “Leases”**.

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RDM AND THE STOCK EXCHANGE

Share Capital: 140,000,000.00 €

Outstanding shares: 377,800,994, o/w
 377,546,253 ordinary shares
 254,741 convertible savings shares

Conversion period: in February and
 September, each year

Listing markets

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

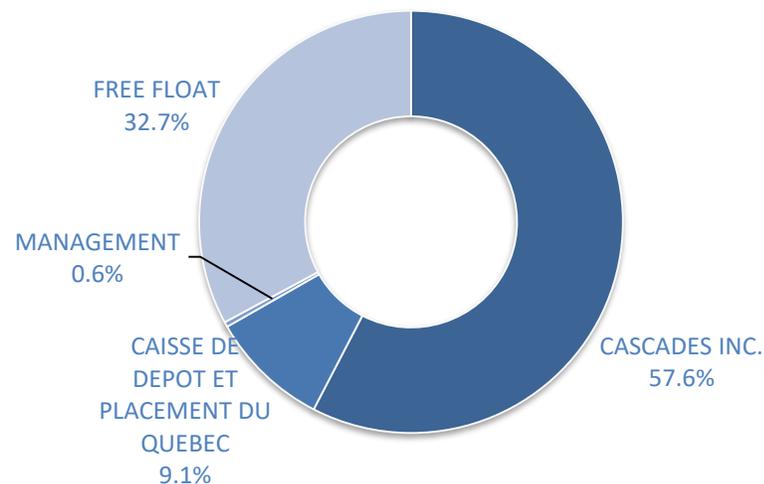
Codes

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

Mkt cap: 233.9 € mn

Free float mkt cap: 76.5 € mn
 (@0.619 € p.s. as of 21 May 2020)

Main shareholders



Source: RDM shareholder register

FY2019 dividend

ORDINARY SHARE:

Dividend of 0.8 € cents
 (FY2018 dividend was 0.7 € cents)

Payment date: **13 May 2020**

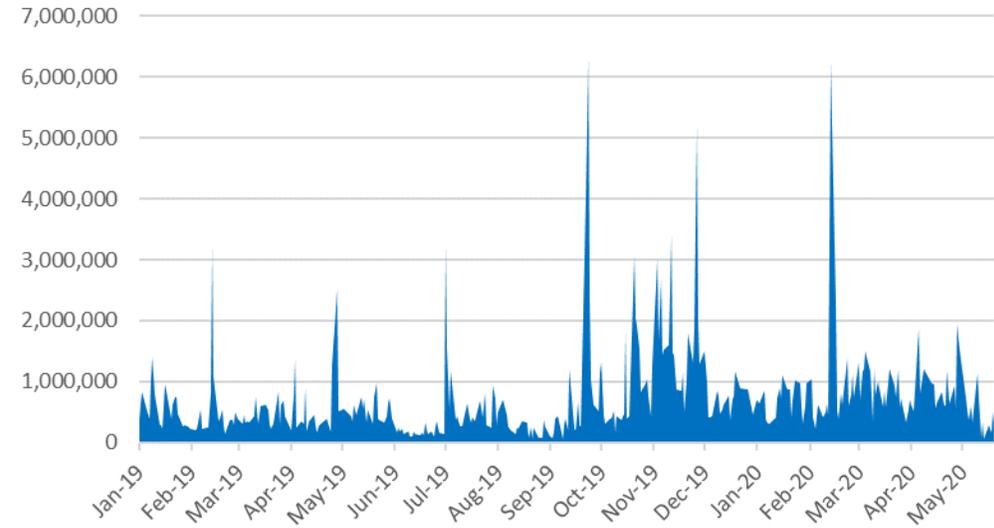
Dividend yield: **1.0%** (@YE2019 price of 0.823 €)

SHARE PERFORMANCE

RdM share price (€)

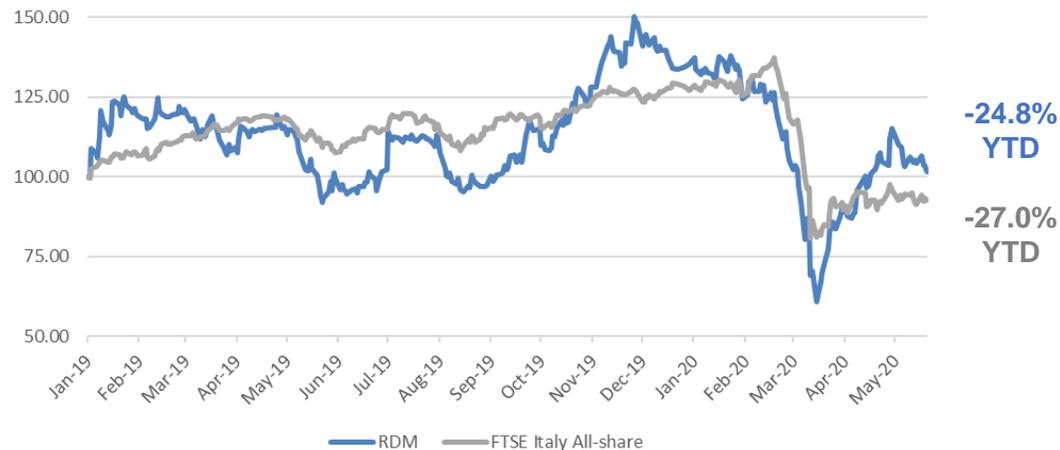


RdM daily traded volumes



RdM vs. FTSE Italy All-Share Index

(base: 2 Jan. 2019=100)



-24.8%
YTD

-27.0%
YTD

Average daily traded volumes

Q1 2020: 849,784

1 April 2020 – 21 May 2020: 725,834

ANALYST COVERAGE

BROKER	CITY	ANALYST	TARGET PRICE (€)	RECOMMENDATION	DATE
Intermonte	Milan - IT	Carlo Maritano	1.00	OUTPERFORM	26 May 2020
MidCap Partners	Paris - FR	Pierre Buon	0.83	BUY	30 April 2020

BOARD OF DIRECTORS

Board reconfirmed on 29 April 2020.

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.



RdM

TOGETHER WE SHAPE THE FUTURE

Thank you!
