



TOGETHER WE SHAPE THE FUTURE

9M 2020 Results – Investor call

Milan, 4 November 2020

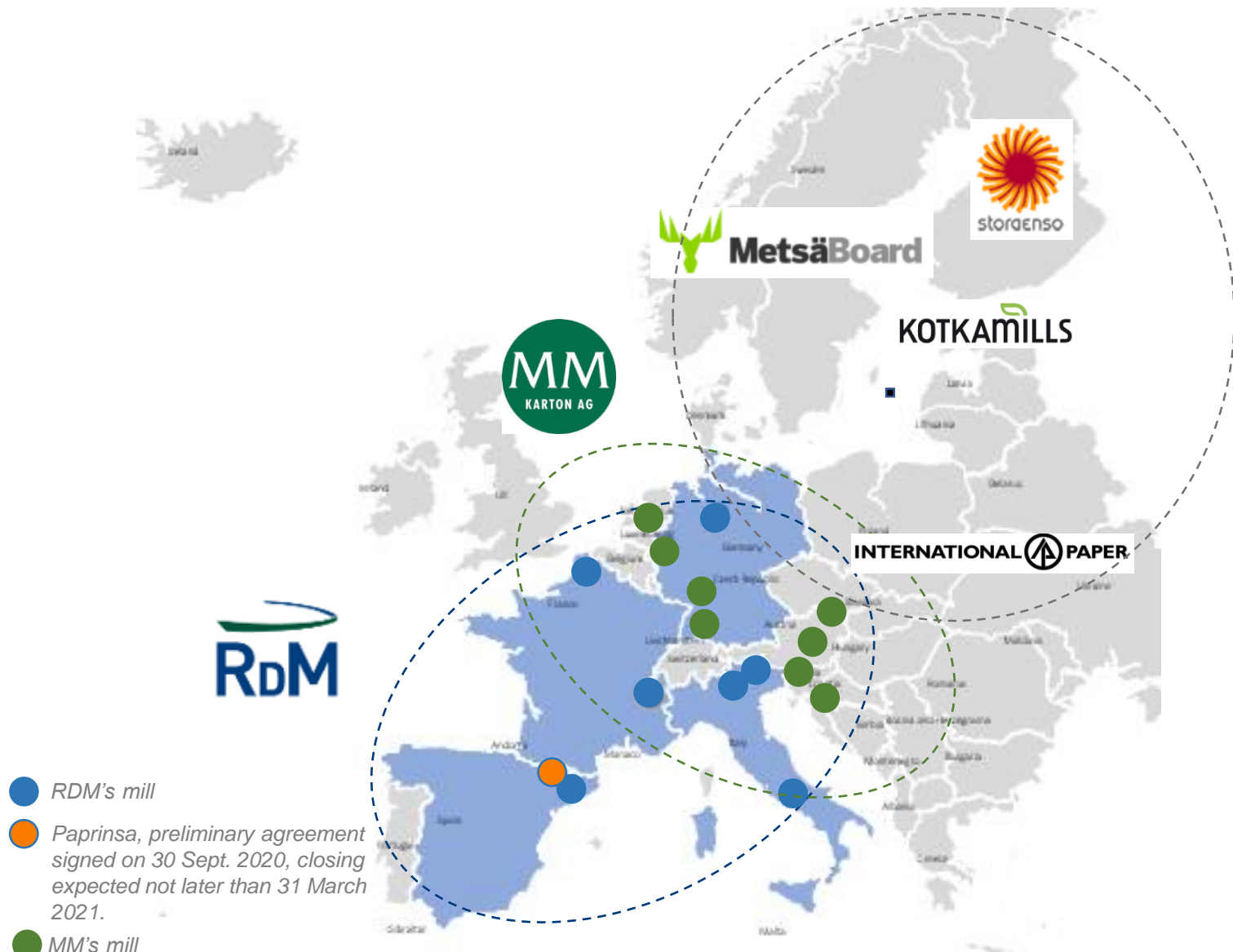
AGENDA

- 1** Operating scenario and strategy at work
- 2** 9M 2020 financial results
- 3** Final Remarks

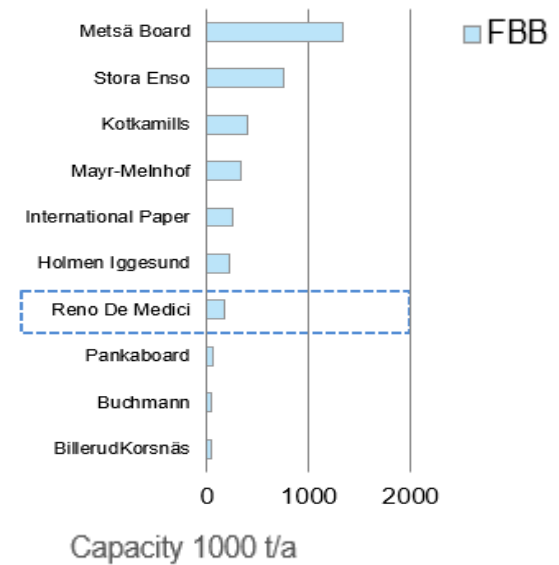
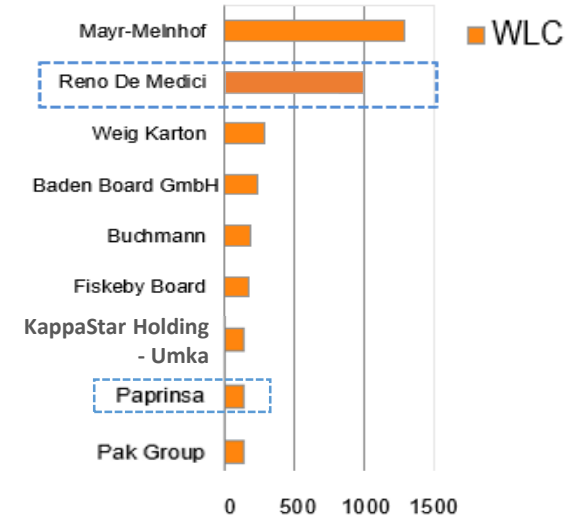


Michele Bianchi - CEO

LEADING PRODUCERS IN EUROPE



Source: Company data

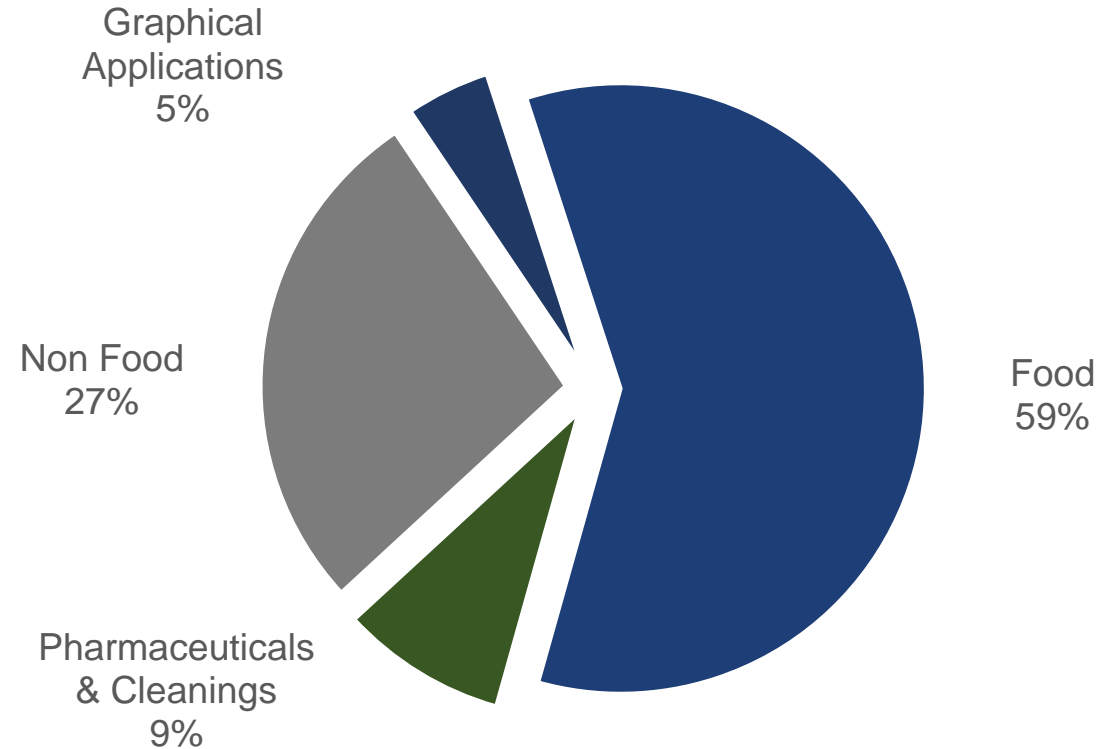


RDM END-USES

Source: RDM internal analysis on 2020 data.

Resilient end-use exposure proven during Covid-19 outbreak, due to the **essentiality features** of both Food and Pharma (68% weight).

As counterevidence, weakening demand of **specialties** affected the production of Ovaro mill, especially in H1 2020.



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

EBITDA margin improved in both business segments

EXTERNAL DRIVERS both in WLC and FBB

Higher demand

Higher organic volumes

Decrease in selling prices in 9M 2020 compared to 9M 2019

Lower raw materials costs both for recycled and pulp

Lower cost of energy

Solid RDM Group market position

EBITDA margin at 13%

(vs. 10.5% in 9M 2019)

Efficiency and synergy plan

boost a favorable scenario both in demand and input costs

High increase in NET PROFIT +43.8%

(€33.9m vs. €23.6 in 9M 2019)

Decrease in NFD

(from €52m at December 31, 2019 to €27.8m at September 30, 2020)

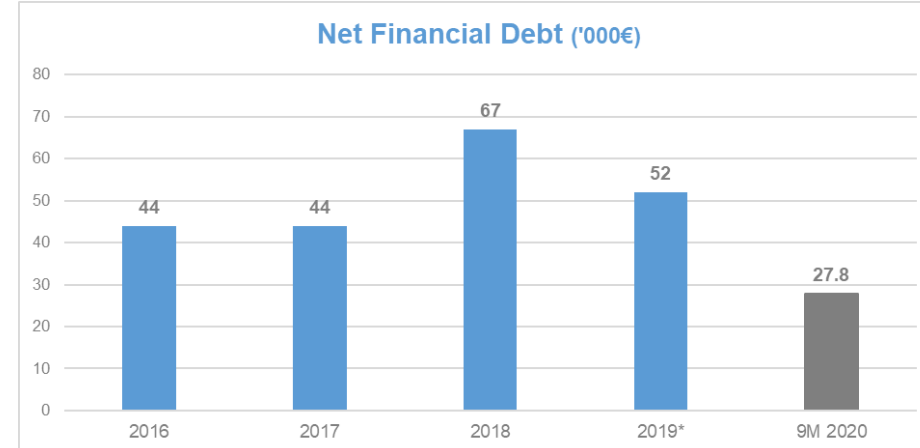
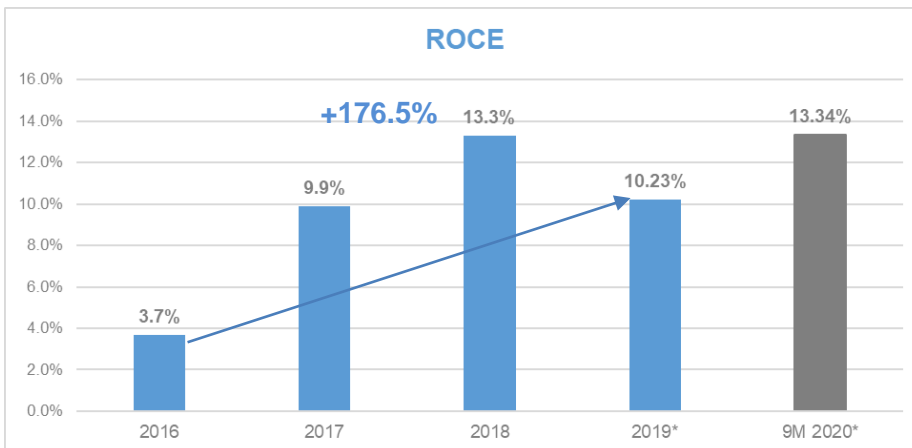
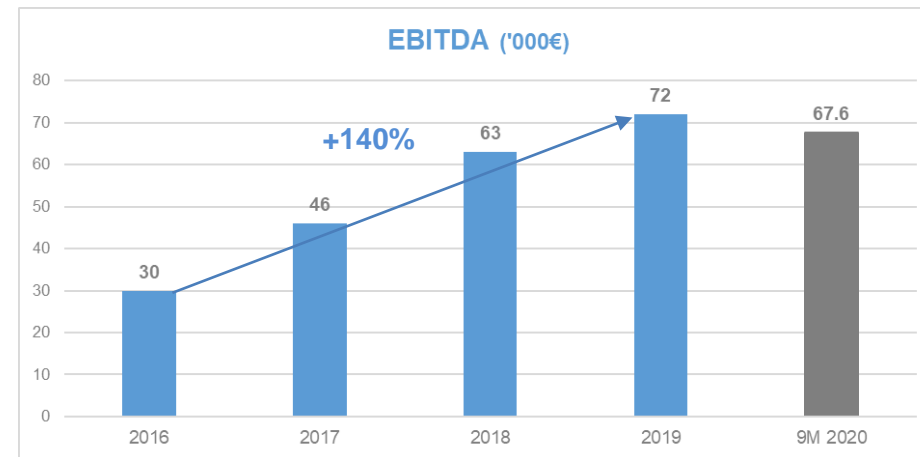
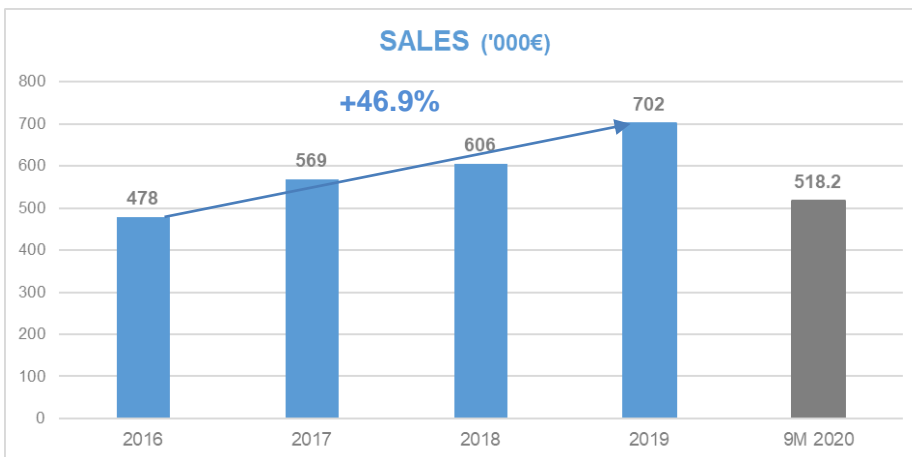
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Luca Rizzo - CFO

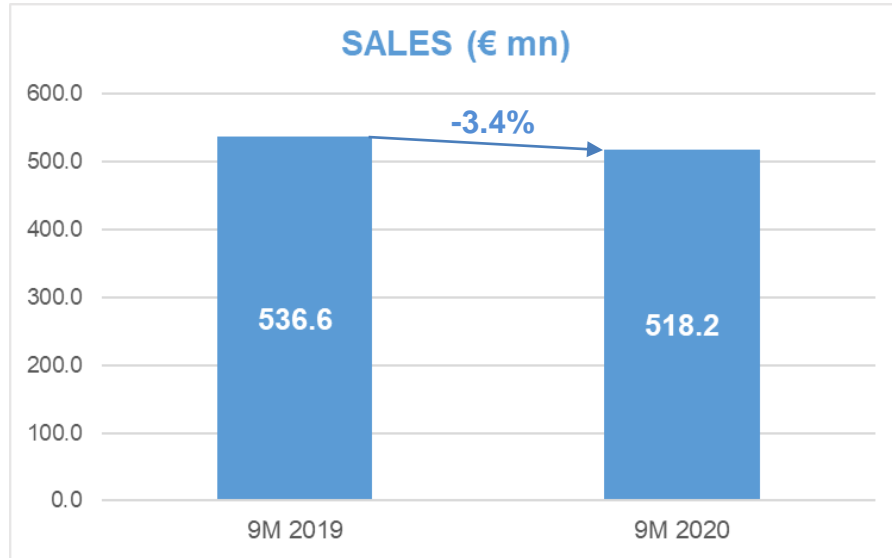
HIGHLIGHTS



*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% at December 31, 2019 and 16.4% at September 30, 2020.

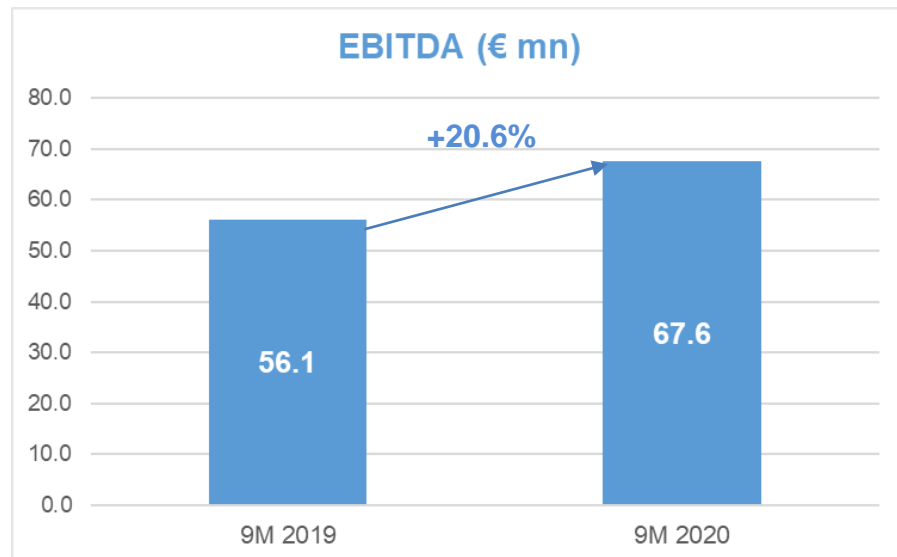
*Net Debt as 31 December 2019 includes €12.5m liabilities due to the adoption of the new IFRS 16 "Leases".

SALES AND EBITDA



The **decrease in SALES** (-3.4%) is due to :

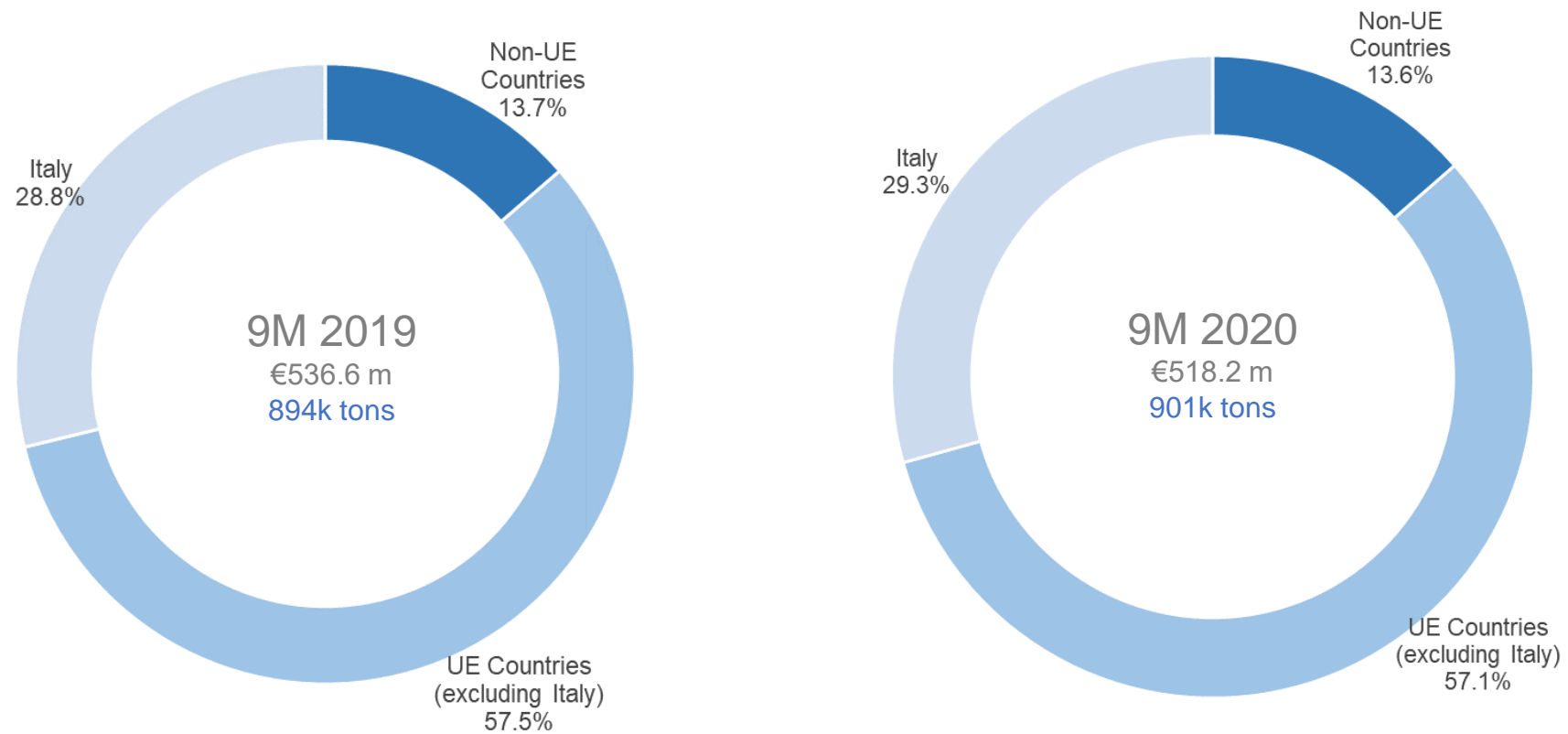
- + **Increase in tons sold**, both in WLC (+0.1%) and FBB (7.6%);
- **Reductions in selling prices**, mainly in WCL compared to 9M 2019;
- **Temporary stoppage of production in Villa Santa Lucia plant** following the seizure of the municipal consortium's wastewater treatment plant and **in Ovaro plant due to lower demand for specialties products**.



Higher EBITDA margin (13% in 9M 2020 compared to 10.5% in 9M 2019) reflects the following drivers:

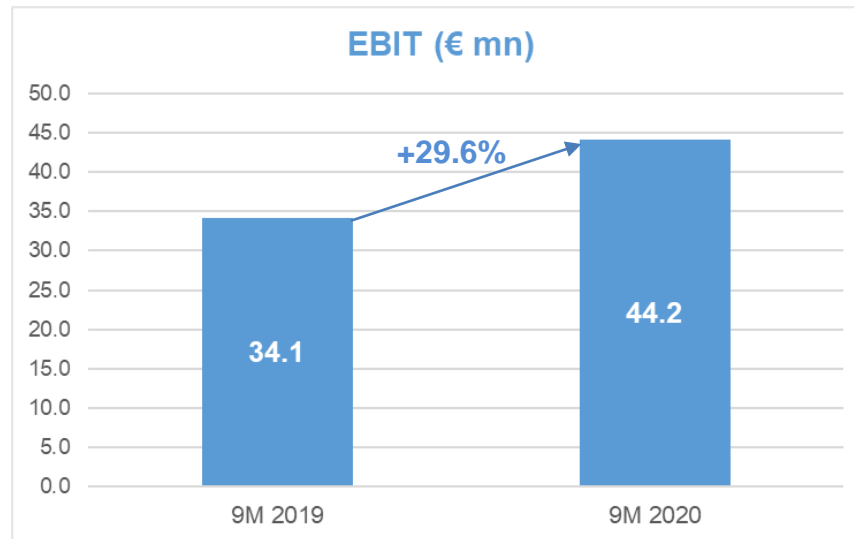
- **Slight decrease in SALES** (-3.4%);
- + **Lower costs of fibers** reflecting **lower prices** and **greater efficiency** in their use;
- + **Decline in energy costs** compared with 9M 2019.

SALES BY GEOGRAPHY

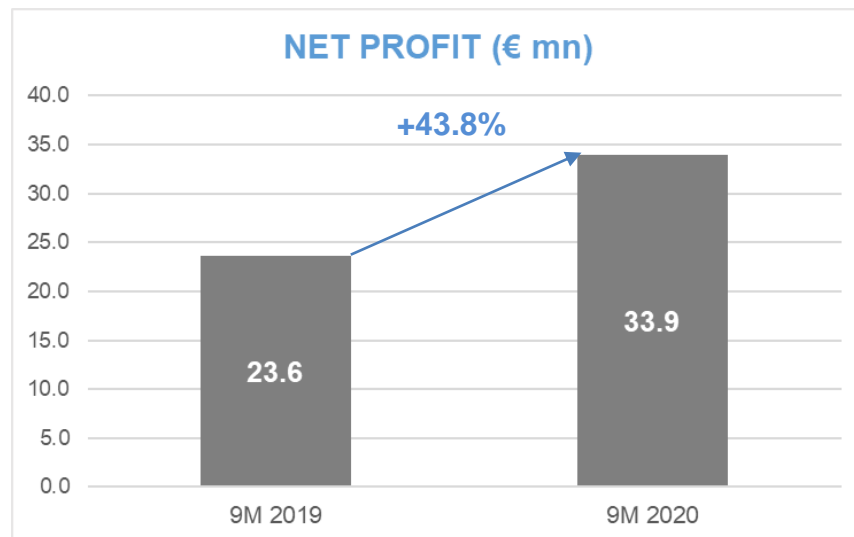


Stable mix in terms of volume and selling prices.

EBIT AND NET PROFIT



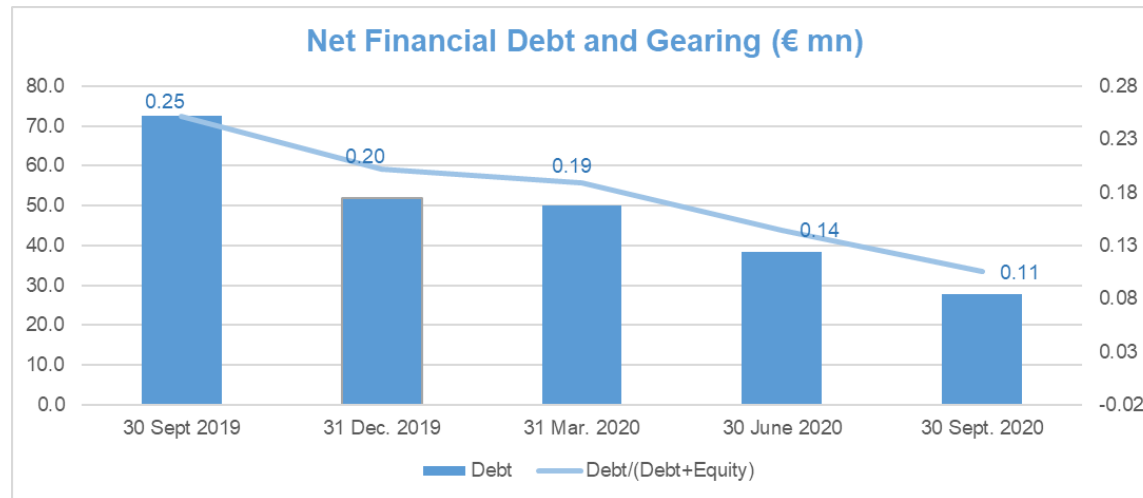
The strong increase in **EBIT (+29.6%)** mainly reflects the increase in EBITDA, partially offset by **higher D&A costs** than those of 2019 (€23.4 in 9M 2020 vs €22m in 9M 2019).



High 9M 2020 Net Profit increase (€10.3m vs. 9M 2019) combines the impact of higher EBIT (€10.1m vs. 9M 2019) with:

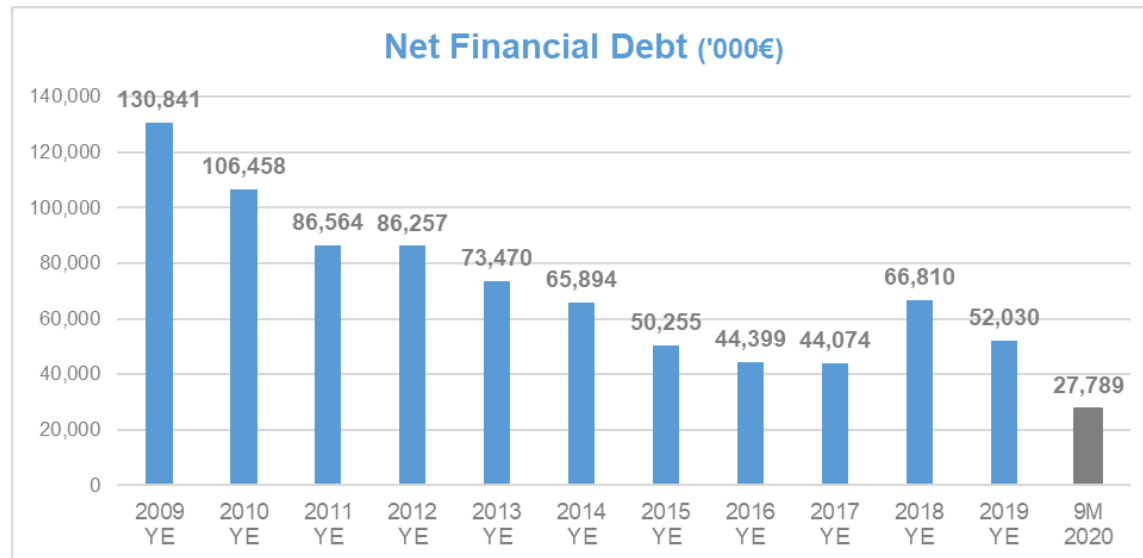
- + a **€1.6m decrease in financial expenses** vs. 9M 2019;
- a **€1.4m increase in taxes**.

LOW GEARING RATIO



Decrease in NFD in 9M 2020 (from €52m at December 31, 2019 to €27.8m at September 30, 2020).

In 9M 2020 **capital expenditure** amounted to **€13.4m** compared with €18.6m in 9M 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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Michele Bianchi - CEO

2020 CAPEX OVERVIEW

2020 expected capital expenditure: 23-25 € mn
 Of which maintenance + H&S investments are 11-13 € mn

ENERGY EFFICIENCY

€6m

- Villa S. Lucia** ✓
Cogeneration Plant Revamping
- S. Giustina** ✓
New Steam Boiler
- Others Mills** ✓
Power Plants extraordinary maintenance

DIGITALIZATION

€2m

- All**
New ERP System

COST SAVINGS & QUALITY

€3m

- Villa S. Lucia** ✓
Stock Preparation Revamping
- Barcelona** ✓
Top and Back Layer Headbox
- Barcelona** ✓
Winder Rebuilt
- PAC Service**
New Wrapping Line

ENVIRONMENT

€1m

- La Rochette**
Wastewater Treatment

LOOKING FORWARD IN A PANDEMIC SCENARIO



Positives

‘**Essentiality**’ of our cartonboard end-uses

Sustainable packaging **LT drivers demand** still in place

Multi-country and multi-mill **model** as valid as ever

Cash liquidity and further financing capacity available

Risks/opportunities under stress scenarios assessed and well under control

Challenges

Scarce availability of **fibers** pushing up prices
Opportunity to revert on final product prices

Second wave of **Covid** impact

New lockdowns and restrictions may **weaken consumer and luxury goods demand**, Asia doing fine so far

Logistics complexity and cost

RDM Group remains focused on Long Term strategy execution

by relying on operational and financial strengths to address potential challenges

FINAL REMARKS

TOP ON OUR CURRENT AGENDA

- ✓ Interpreting the 'new normal' scenario
- ✓ Continue assessing the impacts of business scenarios to be prepared to react as needed
- ✓ Responsibly managing the costs
- ✓ Remaining a forward-looking Company

EMERGING EXTERNAL PATTERNS

- Greener UE agenda, supported by dedicated budget
- Digitalization challenge
- Growth of home delivery shopping and pickup in store

IMPACTS ON OUR BUSINESS

- Increased demand for packed products
- Enhanced hygiene product protection
- Light and recyclable packaging while preserving physical strenghts

Leverage on

Supporting **mega-trends** and **end-users** demand

Continuous **track record** of metric improvements and **sound financial performances**

Proven **resilience** to external events

Continue to generate strong **CASH FLOW** to **invest** and **grow** the company



TOGETHER WE SHAPE THE FUTURE

Thank you!

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