FY2020 Results – Investor call

Milan, 15 February 2021

AGENDA

1 **FY 2020 Financial Results**

2 Final Remarks

Michele Bianchi - CEO

Luca Rizzo - CFO

FY2020 AT A GLANCE

EBITDA margin improved in both business segments

Favorable external drivers both in WLC and FBB

Demand: flat in WLC and stronger in FBB
Slight increase in volumes (+0.8%)
Decrease in selling prices in FY 2020 compared to FY 2019

Lower raw materials costs both for recycled and pulp

Lower cost of energy

Solid market position

Efficiency and synergy plan

boosting a favorable scenario both in demand and input costs

Higher spread

Decrease in selling prices lower than the decrease in input costs

EBITDA margin at 12.3%

(vs. 10.3% in FY 2019)

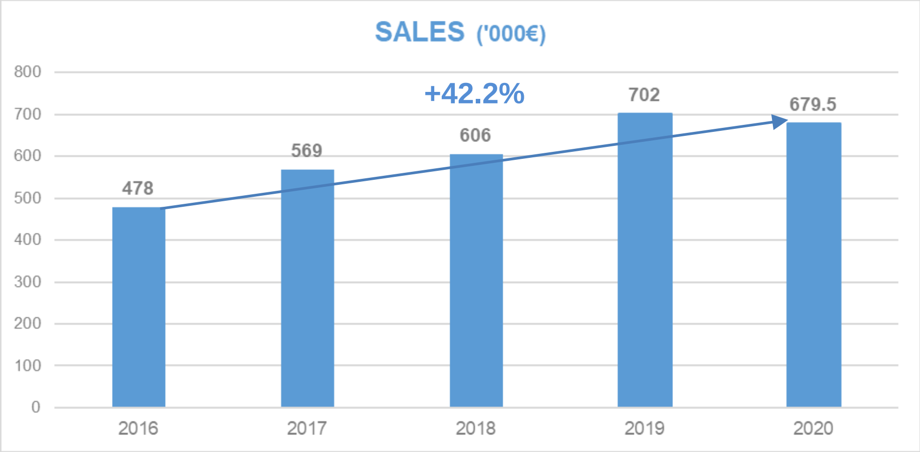
High increase in NET PROFIT +115.1%

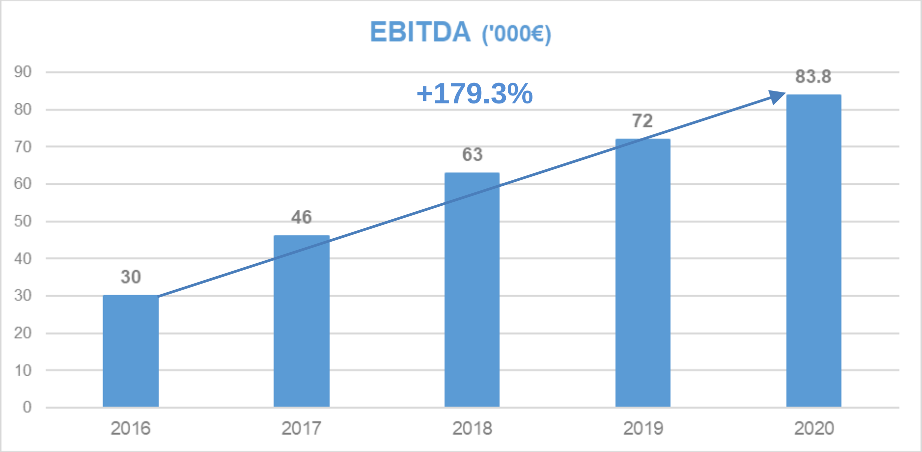
(€33.6m vs. €15.6 in FY 2019)

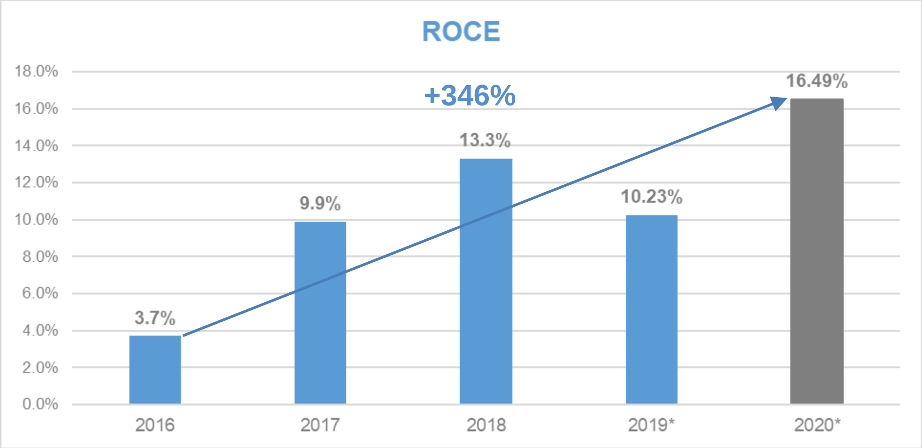
Decrease in NFD

(from €52m at December 31, 2019 to €8.9m at December 31, 2020)

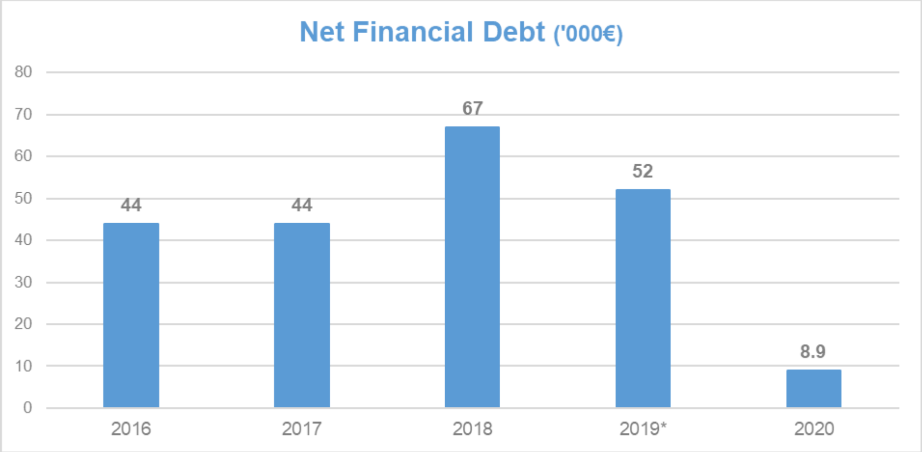
HIGHLIGHTS





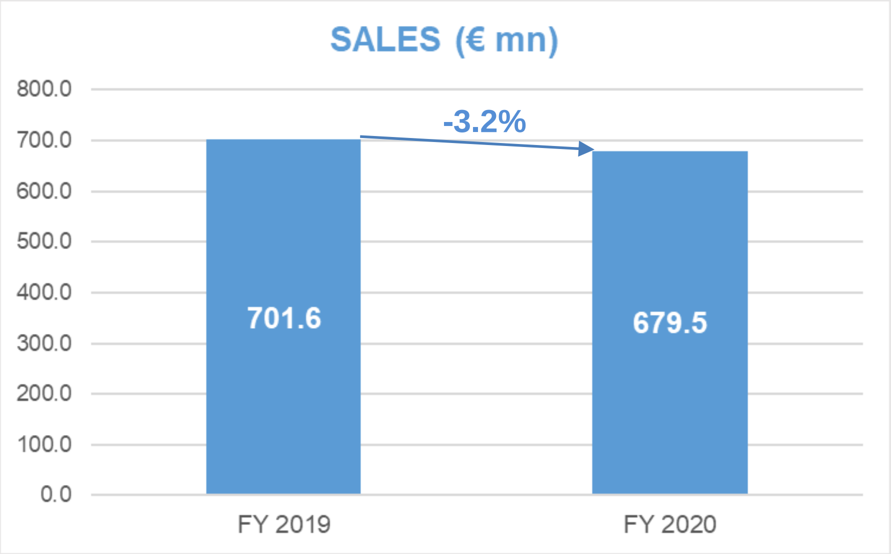


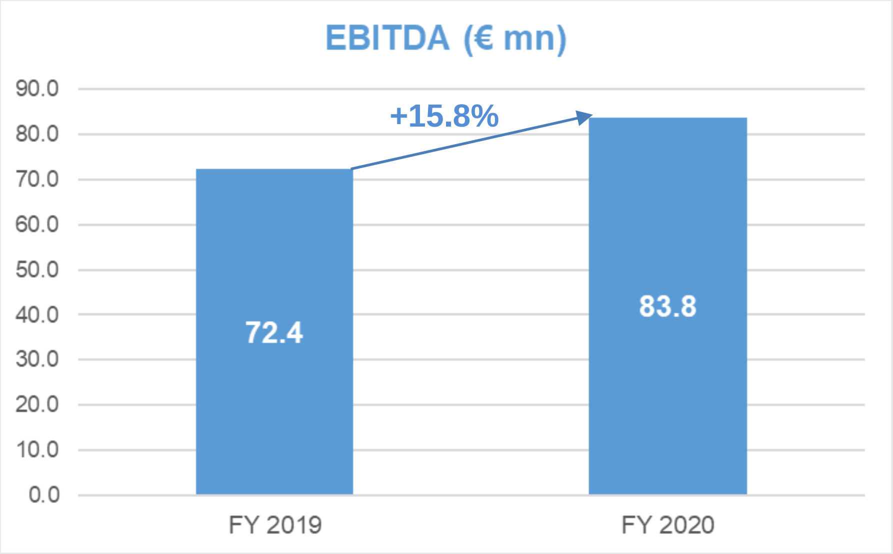
*2019-2020 ROCE** included the **write-down** of the fixed assets of La Rochette mill for **€13.2m**. Without these write-downs, ROCE would have been 17.56% at December 31, 2020 and 13% at December 31, 2019.



*Net Debt as 31 December 2020 includes €15.6m liabilities due to the adoption of the new IFRS 16 "Leases".

SALES AND EBITDA





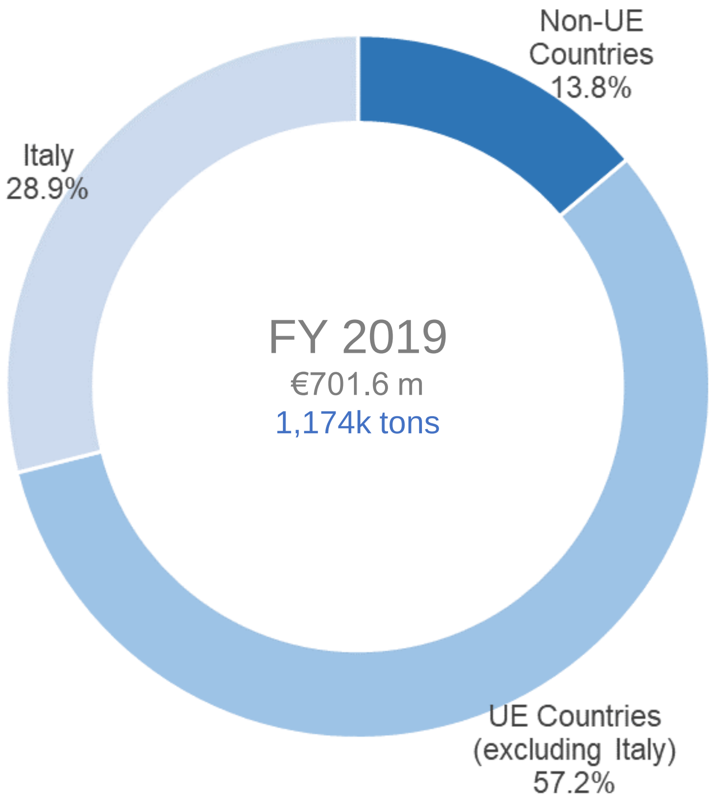
The **decrease in SALES** (-3.2%) is due to :

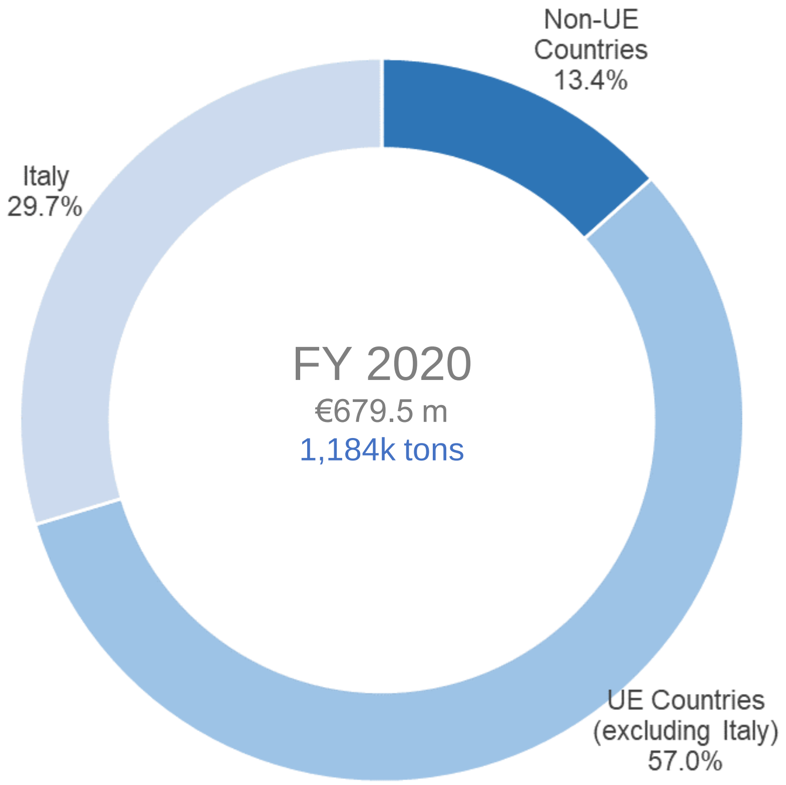
+ **Overall increase in tons sold,** in WLC (-0,1%) and in FBB (5%);
– **Temporary stoppage of production in Villa Santa Lucia plant** following the seizure of the municipal consortium's wastewater treatment plant and **in Ovaro plant due to lower demand for specialties products**;
– **Reductions in selling prices,** mainly in WLC, compared to FY 2019.

Higher EBITDA margin (12.3% in FY 2020 compared to 10.3% in FY 2019) reflects the following drivers:

– **Slight decrease in SALES (-3.2%)**;
+ **Lower costs of fibers**;
+ **Decline in energy costs** compared with FY 2019.

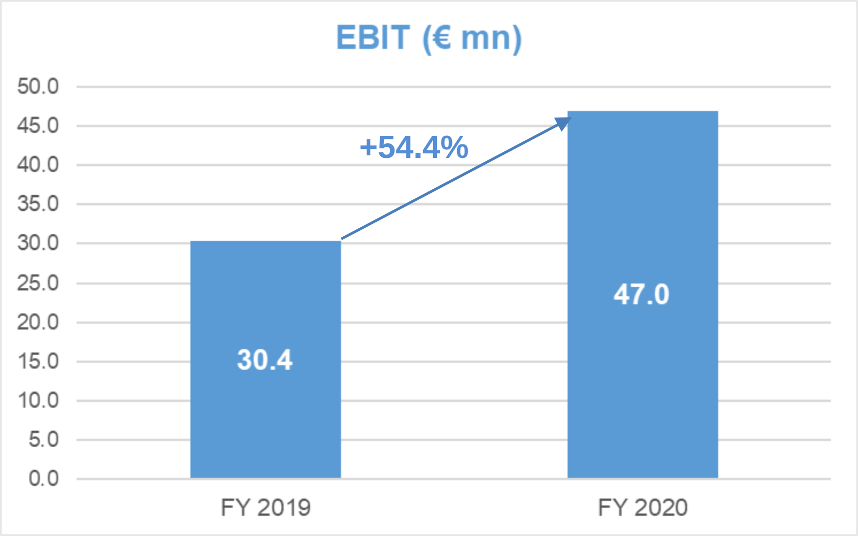
SALES BY GEOGRAPHY



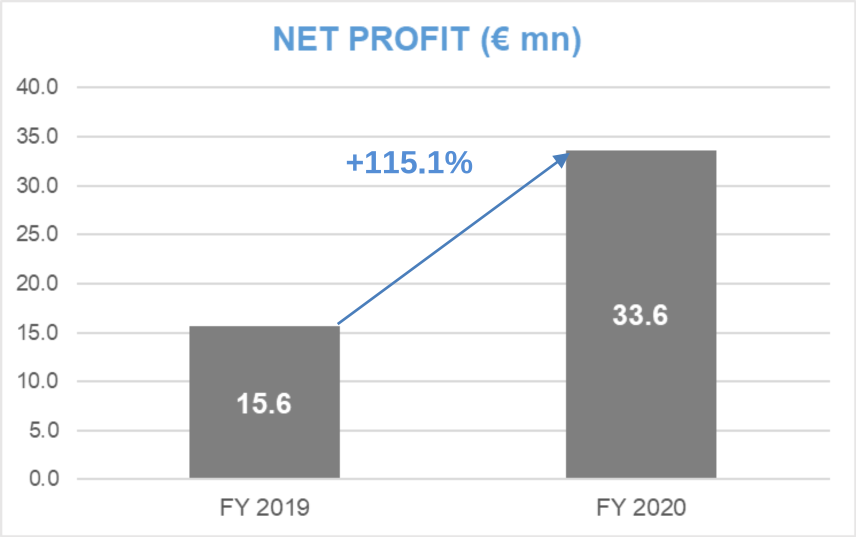


Stable mix in terms of volume and selling prices.

EBIT AND NET PROFIT



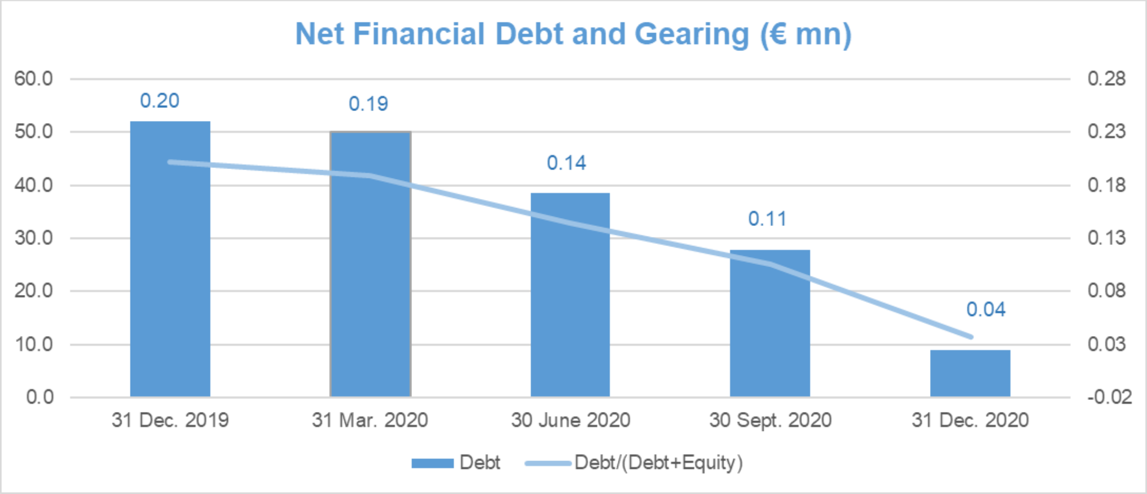
The strong increase in **EBIT (+54.4%)** mainly reflects the increase in EBITDA and the lower write-downs (€5.1m vs. FY 2019).

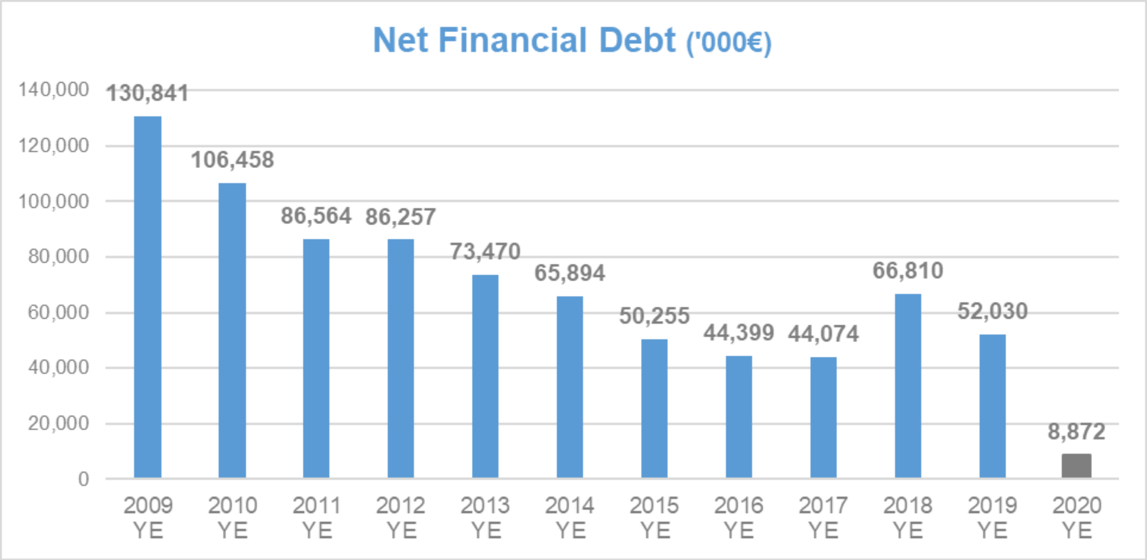


High FY 2020 Net Profit increase **(€18m** vs. FY 2019) combines the impact of higher EBIT (€16.6m vs. FY 2019) with:

+ **a €4.1m decrease in financial expenses** vs. FY 2019;
– **a €2.8m increase in taxes.**

LOW GEARING RATIO





Significant decrease in NFD in FY 2020 (from €52m at December 31, 2019 to €8.9m at December 31, 2020).

In FY 2020 **capital expenditure** amounted to **€21.9m** compared with €29.8m in FY 2019.

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

Net Debt as at 31 December 2020 included **€15.6m liabilities** due to the adoption of the **new IFRS 16 "Leases"**.

2020 CAPEX OVERVIEW

2020 capital expenditure: 21.9 € mn
of which c. 50% are maintenance + H&S investments

ENERGY EFFICIENCY

€6m

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

COST SAVINGS & QUALITY

€3m

Villa S. Lucia
Stock Preparation Revamping
Barcelona
Top and Back Layer Headbox
Barcelona
Winder Rebuilt

DIGITALIZATION

€2m

All
New ERP System
1st Go-live in **Ovaro**

ENVIRONMENT

€1m

La Rochette
Wastewater Treatment

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Michele Bianchi - CEO

LOOKING FORWARD IN A PANDEMIC SCENARIO

RDM

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

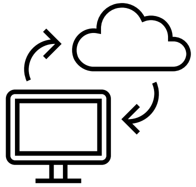
FINAL REMARKS

Stronger business focus

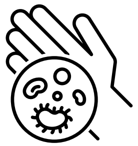
Strategic decision to **exit the FBB segment**

Both management effort and financial resources dedicated to **develop the Recycled Board core business** within the multi-mill concept

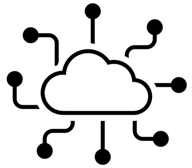
Three strategic directions to improve long-term performance:



Reviewing RDM Barcelona Cartonboard's **integration plan** also considering the announced acquisition of Paprinsa in Spain, to fully benefit from the multi-mill approach



Strengthening our operating efficiencies through **Lean Manufacturing plans**, including at the customer service level



Implementing a **digitalization plan** that will transform the Group end-to-end way of working

RDM

TOGETHER WE SHAPE THE FUTURE

Thank you!

For any further information, please contact:
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