

Fixed income investor presentation

March 2020



Mondi: Forward-looking statements disclaimer

This document includes forward-looking statements. All statements other than statements of historical facts included herein, including, without limitation, those regarding Mondi's financial position, business strategy, market growth and developments, expectations of growth and profitability and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Mondi, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions and are based on numerous assumptions regarding Mondi's present and future business strategies and the environment in which Mondi will operate in the future. These forward-looking statements speak only as of the date on which they are made.

No assurance can be given that such future results will be achieved; various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include in particular but without any limitation: (1) operating factors, such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development plans and targets, changes in the degree of protection created by Mondi's patents and other intellectual property rights and the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for Mondi's products and raw materials and the pricing pressures thereto, financial condition of the customers, suppliers and the competitors of Mondi and potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in Mondi's principal geographical markets or fluctuations of exchange rates and interest rates.

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a) any warranty or liability as to accuracy or completeness of the information provided herein; and

b) any obligation or undertaking to review or confirm analysts' expectations or estimates or to update any forward-looking statements to reflect any change in Mondi's expectations or any events that occur or circumstances that arise after the date of making any forward-looking statements,

unless required to do so by applicable law or any regulatory body applicable to Mondi, including the JSE Limited and the LSE.

AGENDA

GROUP OVERVIEW AND STRATEGY

CAPITAL STRUCTURE AND FINANCIAL POLICIES

2019 FINANCIAL RESULTS

SUMMARY

APPENDICES





GROUP OVERVIEW AND STRATEGY

A unique platform to deliver sustainable growth



- Mondri recognised as a **leader in sustainability** with a unique platform to deliver **customer-centric solutions**
- Cost-advantaged operations combined with our relentless focus on **driving performance**
- Focused investments that deliver **sustainable returns**
- Strong cash generation and a balance sheet that provide **strategic flexibility and options for growth**
- Depth of experience across 100 production sites and a focus on inclusion as we develop **the next generation of leaders**



INDUSTRY LEADER

UNIQUELY POSITIONED: PAPER WHERE POSSIBLE. PLASTIC WHEN USEFUL

RIGHT SIDE OF BIG TRENDS: SUSTAINABILITY, E-COMMERCE. BUILDING TRUST IN CUSTOMER'S BRANDS



Mondi at a glance

Corrugated Packaging

Segment revenue¹



Underlying EBITDA

€583 million

ROCE

24.9%

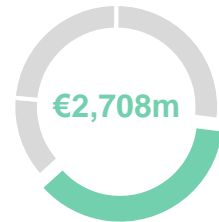
Products



End Uses

- FMCG and consumer products
- E-commerce and retail
- Automotive, heavy-duty and other specialised applications

Flexible Packaging



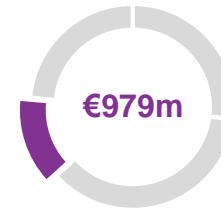
€543 million

15.7%



- FMCG products
- Food service and retail
- Cement and building materials
- Chemicals, agricultural and other industrial

Engineered Materials



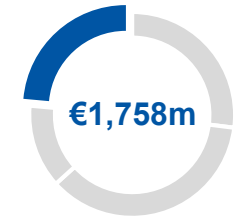
€122 million

13.8%



- Baby care, feminine care, adult incontinence, and wipes
- Tapes, labels and graphic arts
- Food, building and industrial applications

Uncoated Fine Paper



€444 million

25.1%



- Paper for home and office printers
- Paper for professional digital and analogue printing presses

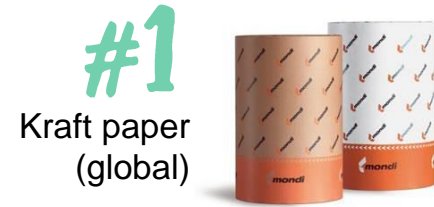
1. Segment revenues, before elimination of inter-segment revenues
2. All figures for the year ended 31 December 2019

Leading market positions

Corrugated Packaging



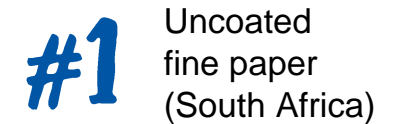
Flexible Packaging



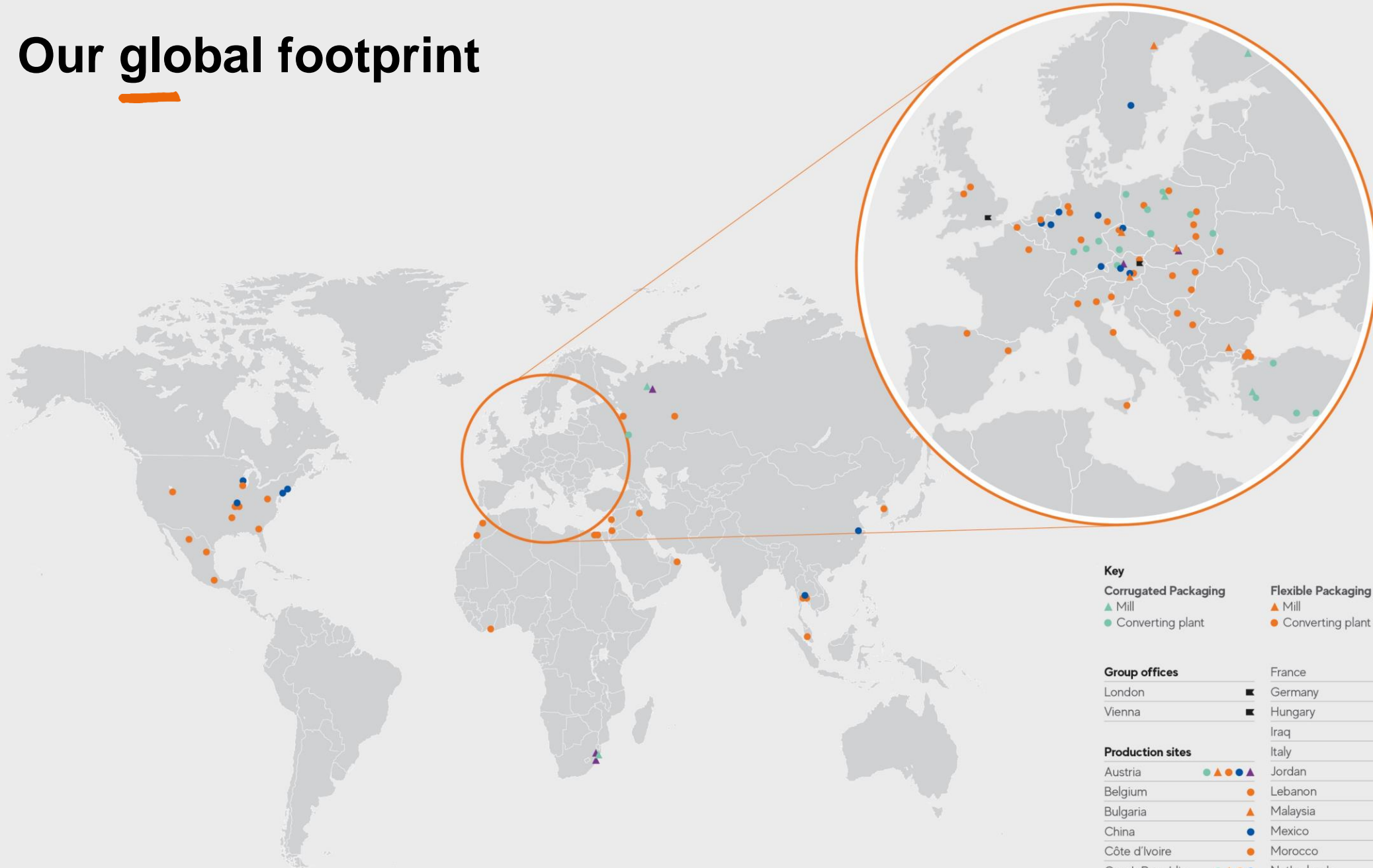
Engineered Materials



Uncoated Fine Paper



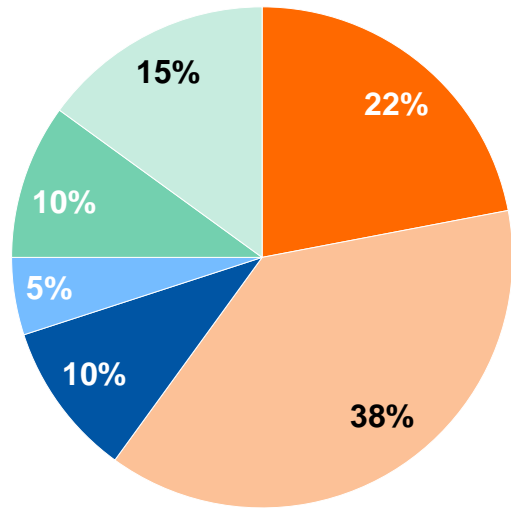
Our global footprint



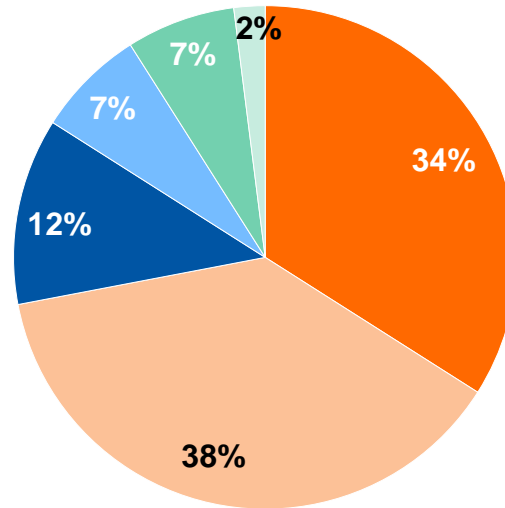
Key		Corrugated Packaging		Flexible Packaging		Engineered Materials	
▲	Mill	▲	Converting plant	▲	Mill	●	Converting plant
●	Converting plant	●	Converting plant	●	Converting plant	▲	Mill
Group offices							
London	■						
Vienna	■						
Production sites							
Austria	●▲●●▲						
Belgium	●						
Bulgaria	▲						
China	●						
Côte d'Ivoire	●						
Czech Republic	●▲●●						
Egypt	●						
Finland	▲						
France	●						
Germany	●●●						
Hungary	●						
Iraq	●						
Italy	●						
Jordan	●						
Lebanon	●						
Malaysia	●						
Mexico	●						
Morocco	●						
Netherlands	●						
Oman	●						
Poland	▲						
Russia	▲●●▲						
Serbia	●						
Slovakia	▲▲						
South Africa	▲▲						
South Korea	●						
Spain	●						
Sweden	▲●						
Thailand	●●						
Turkey	▲●●						
Ukraine	●						
United Kingdom	●						
USA	●●						

Strong global presence

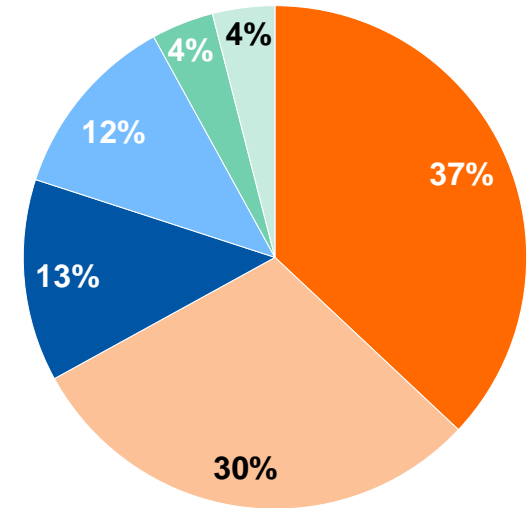
Revenue by location of customer
%



Revenue by location of production
%



Net operating assets by location
%



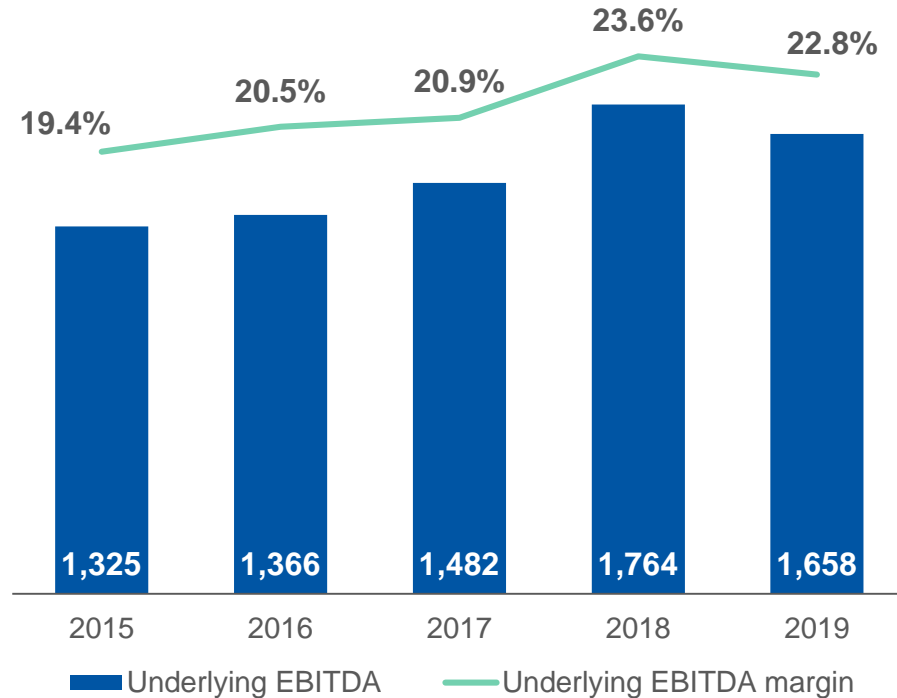
Emerging Europe Western Europe Russia South Africa North America Other

All figures for the year ended 31 December 2019

Consistent strategy delivering industry leading performance

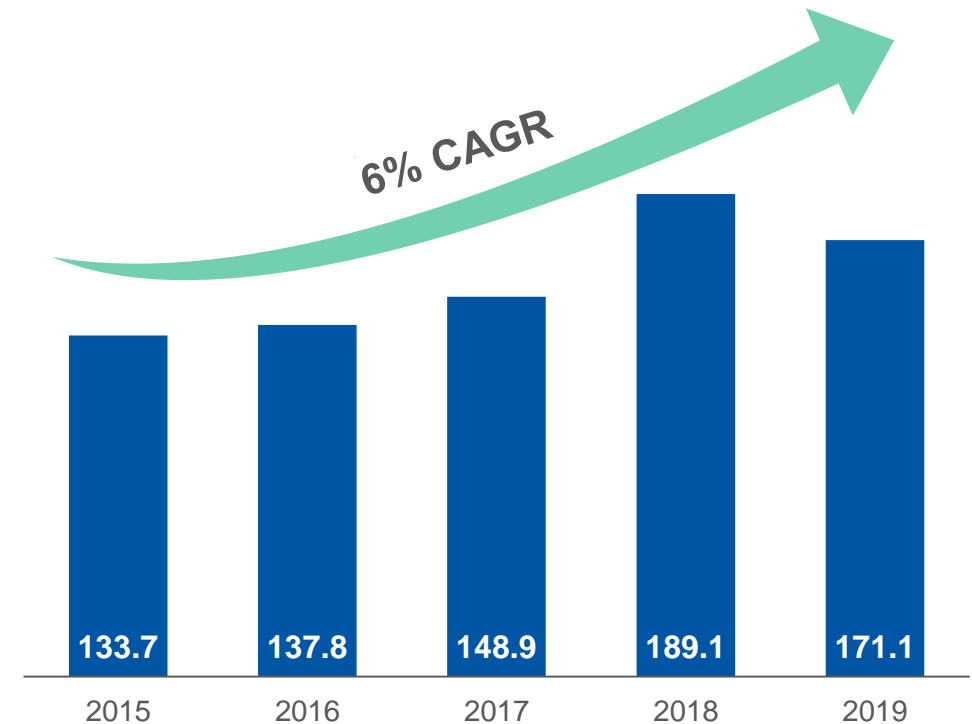
Underlying EBITDA and margin

€ million and %



Basic underlying earnings per share

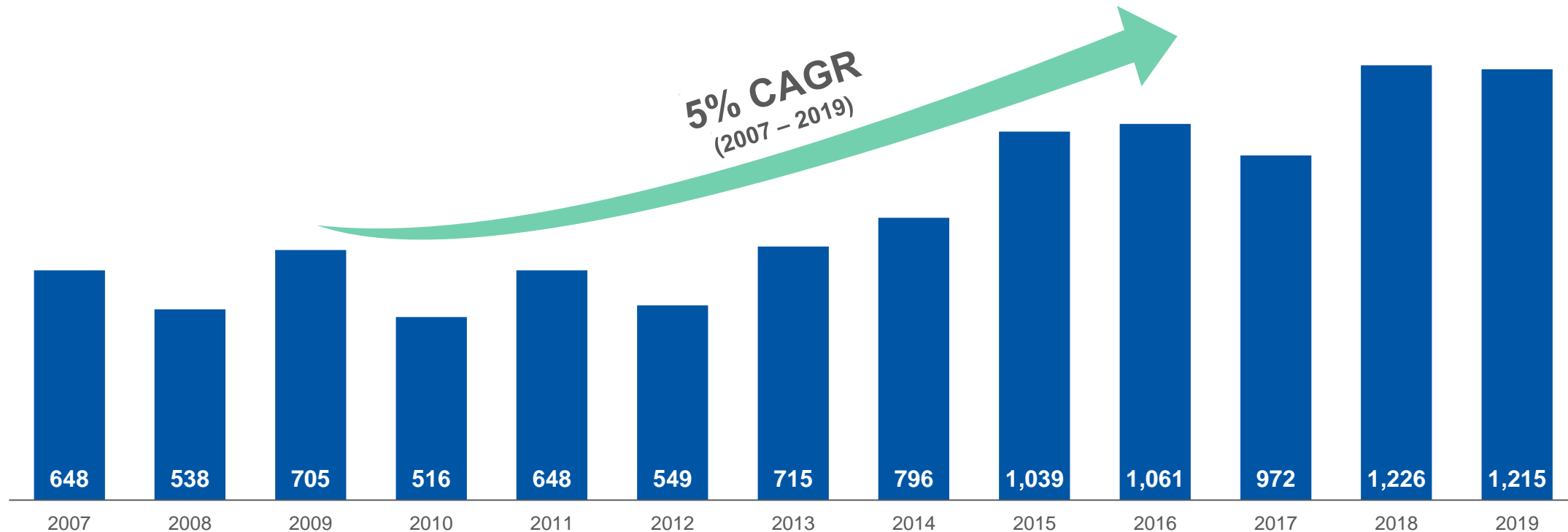
€ cents per share



Strong cash generation through the cycle

Cash flow generation

€ million



More than €10 billion generated since listing

Cash flow generation based on net cash generated before capital expenditure, acquisitions and disposals of businesses, investment in equity accounted investees and payment of dividends to shareholders

Strategic framework driving an industry leading performance



Our growth focus – packaging

Corrugated
Packaging



GROW

Flexible
Packaging



GROW

Engineered
Materials



STRENGTHEN NICHE
POSITIONS

Uncoated
Fine Paper

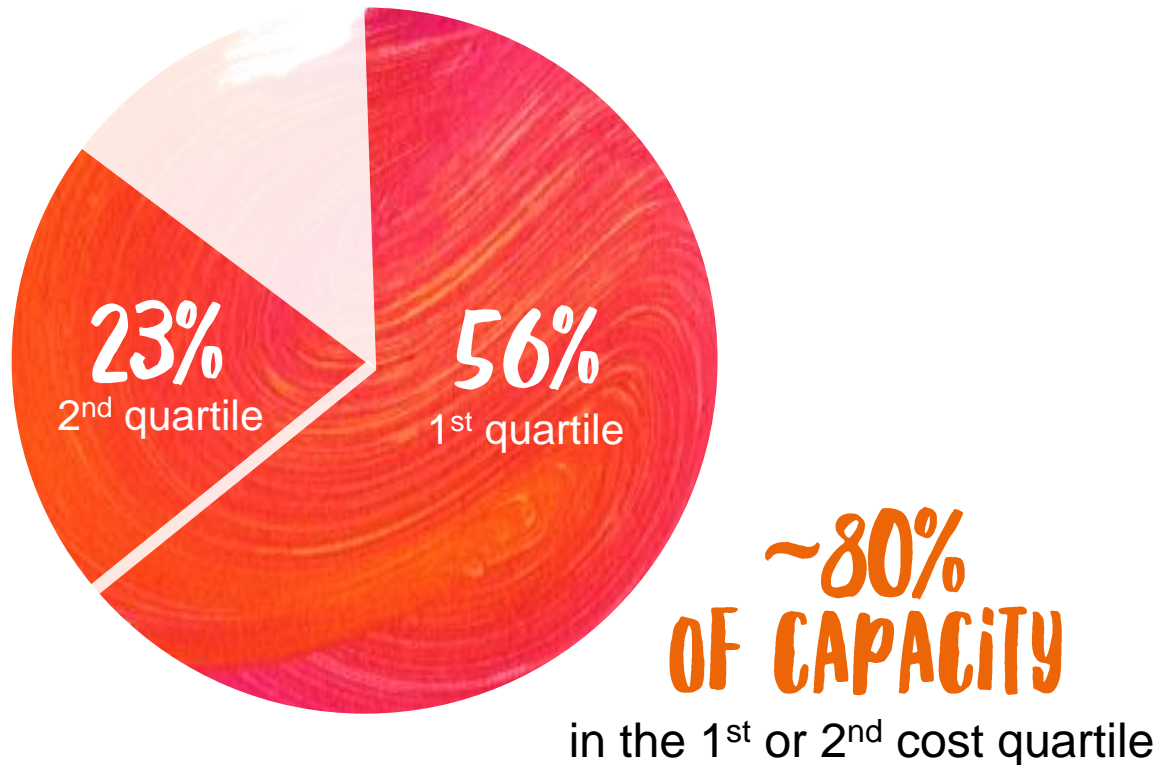


MAINTAIN
COMPETITIVENESS

Cost advantaged operations combined with our relentless focus on driving performance

Cost advantaged asset base

Mondi capacity by quartile of relevant industry cost curve (%)

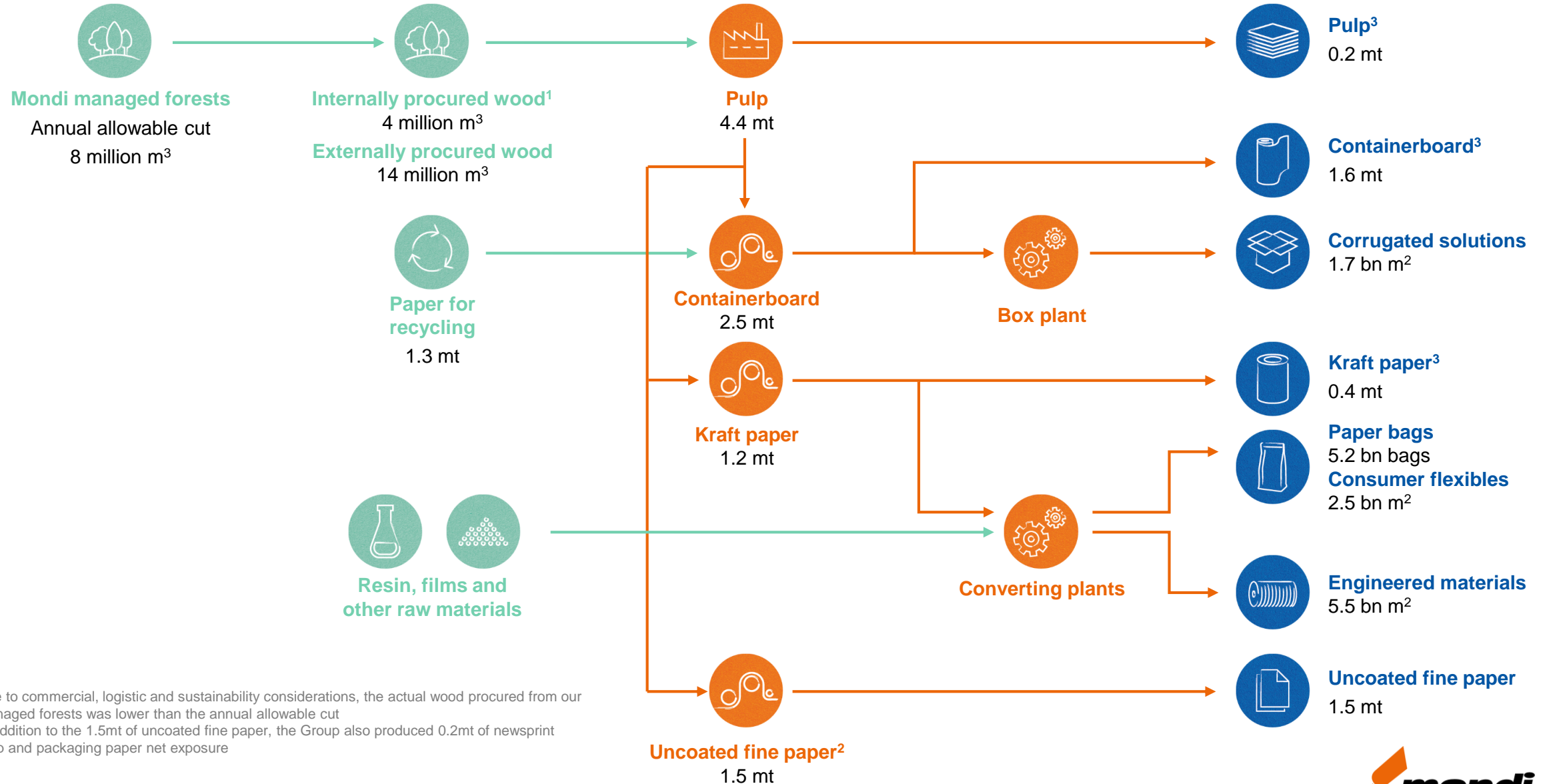


Focus on driving performance

Ongoing processes

- Core organisation competence
- Ongoing process to set profit improvement initiatives in four key areas:
 - Commercial
 - Supply chain
 - Procurement
 - Operational
- Accelerated via digital tools
- Clear commitment and ownership, ongoing tracking
- Benchmarking performance internally and externally
- Collaboration and knowledge sharing network
- Culture of continuous improvement

Integrated value chain (2019)



1 Due to commercial, logistic and sustainability considerations, the actual wood procured from our managed forests was lower than the annual allowable cut

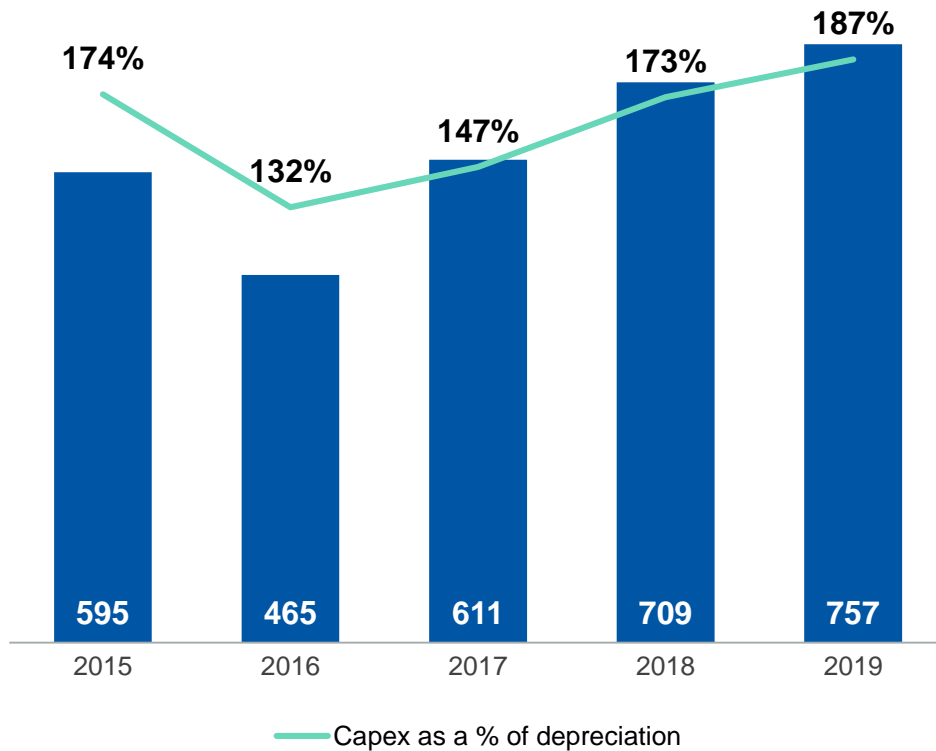
2 In addition to the 1.5mt of uncoated fine paper, the Group also produced 0.2mt of newsprint

3 Pulp and packaging paper net exposure

Capital investment projects delivering growth

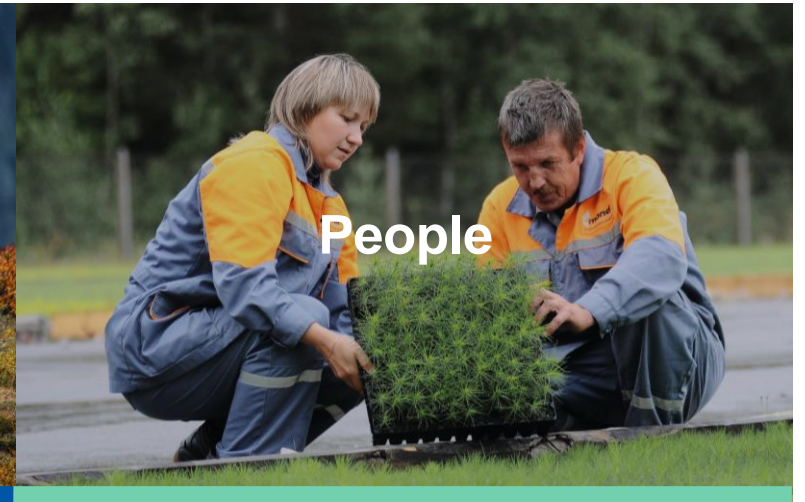
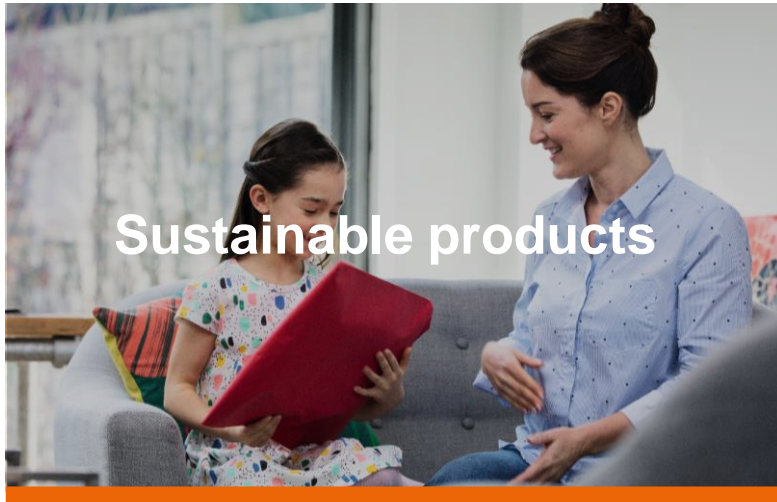
Capital expenditure

€ million



- Strong contribution:
 - €75 million in the past 3 years, including €30 million in 2019
 - €40 million expected in 2020
- Focused capital investment project pipeline securing future organic growth
- Key projects expected to increase current saleable pulp and paper production by around 8% when in full operation

Growing responsibly: **SUSTAINABLE** by **DESIGN**



- Our **Ecosolutions** approach
Paper where possible, plastic when useful
 - Actively developing innovative and sustainable solutions
 - renewable and recyclable paper-based packaging solutions
 - flexible plastic-based packaging when barrier properties are required
- focus on supporting the circular economy

- Reduced specific CO₂e emissions by 39% since 2004 and 15.5% since 2014
- Set a Science Based Target for carbon emissions to 2050
- 100% certified managed forests and sustainably sourced fibre (certified or controlled wood)



- 24-hour safety mind-set
- Diversity and Inclusion initiatives:
 - 30% women employed across our executive committee and its direct reports
 - Signatory to the UN Women's Empowerment Principles
- Training and development programmes including the Mondi Academy



Mondi recognised as a leader in sustainability

External recognition



Advanced Reporter
Joined The CEO Water
Mandate in 2015



A- score for Climate Change
and Sustainable Forestry
A score for Water Security



ESG Rating AAA



Low risk rating



Now a Part of **S&P Global**

Sustainability Yearbook 2020,
#2 in sector



UK 20
Europe 120



GOLD recognition level
Top 1% of all suppliers



Member of the ESI
Excellence Europe



Member of the FTSE4Good
Index Series

FTSE/JSE Responsible
Investment Index: Top 30

Making a real contribution to the UN SDGs



Mondi's approach to sustainable packaging solutions



...less sustainable products with solutions following our principle *paper where possible, plastic when useful*



...the volume of raw material used through design, operational efficiency and raw material choices



...packaging by developing solutions that are designed for recycling

EcoSolutions is Mondi's **customer-centric approach** to support our customers to achieve their sustainability goals

SUSTAINABLE *by* **DESIGN**

A unique platform to deliver



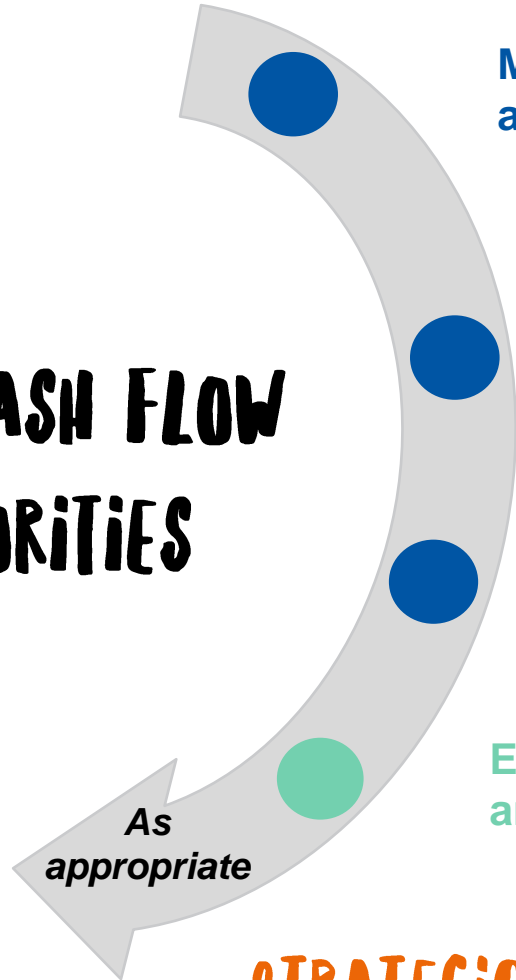
PAPER
where possible...

SUSTAINABLE SOLUTIONS

...**PLASTIC**
when useful

Strong cash generation and balance sheet

FREE CASH FLOW PRIORITIES



Maintain our strong and stable financial position and investment grade credit metrics

- 1.3x net debt / underlying EBITDA
- Solid investment grade credit ratings

Grow through selective capital investment opportunities

- Strong track record and pipeline in progress
- Further options to leverage quality asset base being explored

Support payment of dividends to our shareholders

- 11% CAGR in ordinary dividend per share since listing (2007)

Evaluate growth opportunities through M&A and/or increased shareholder distributions

STRATEGIC FLEXIBILITY AND OPTIONS FOR GROWTH



CAPITAL STRUCTURE AND FINANCIAL POLICIES

Investing in our business and distributions to shareholders

Cash flow generation since listing

€ billion



Cash flow generation based on net cash generated before capital expenditure, acquisitions and disposals of businesses, investment in equity accounted investees and payment of dividends to shareholders

Capital structure & financial policies

Conservative approach to leverage

- Capital structure to maintain investment grade credit metrics
- Articulated as a key strategic objective

Single bank facility covenant 3.5x Net Debt/underlying EBITDA

- Significant headroom on current ratio
- Net Debt/underlying EBITDA of 1.3x as at 31 December 2019

Rigorous asset management & capital deployment

- ROCE key internal and public management target
- Significant portion of management remuneration based on ROCE performance

Group hedging policies

- Transactional FX exposures hedged
- Interest rate exposure hedged via fixed rate bonds

Dividend policy

- Dividend cover (underlying EPS / DPS) of 2 to 3 times on average through the cycle

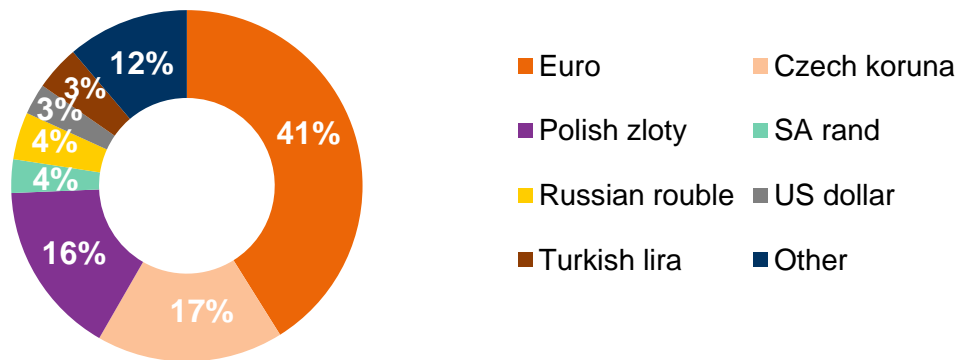
Interest and net debt

€ million	2019	2018	% change
Net debt	2,207	2,220	(1)%
Average net debt	2,243	1,979	13%
Net interest expense	95	83	14%
Effective interest rate	4.2%	4.2%	
Committed facilities	2,476	2,487	
Of which undrawn	660	616	
Net (bank overdraft) / cash position	(7)	8	
Net debt/12-month trailing underlying EBITDA (times)	1.3	1.3	

- Net debt down €13 million reflecting strong cash generating capacity despite ongoing capital expenditure programme
- Cash generated from operations of €1,635 million (2018: €1,654 million), reflects the continued strong cash generating capability of the Group
- Investment grade credit ratings
 - Moody's Investors Service rating maintained at Baa1 (stable outlook)
 - Standard & Poor's rating maintained at BBB+ (stable outlook)

Currency split of net debt (€2,207 million)

%



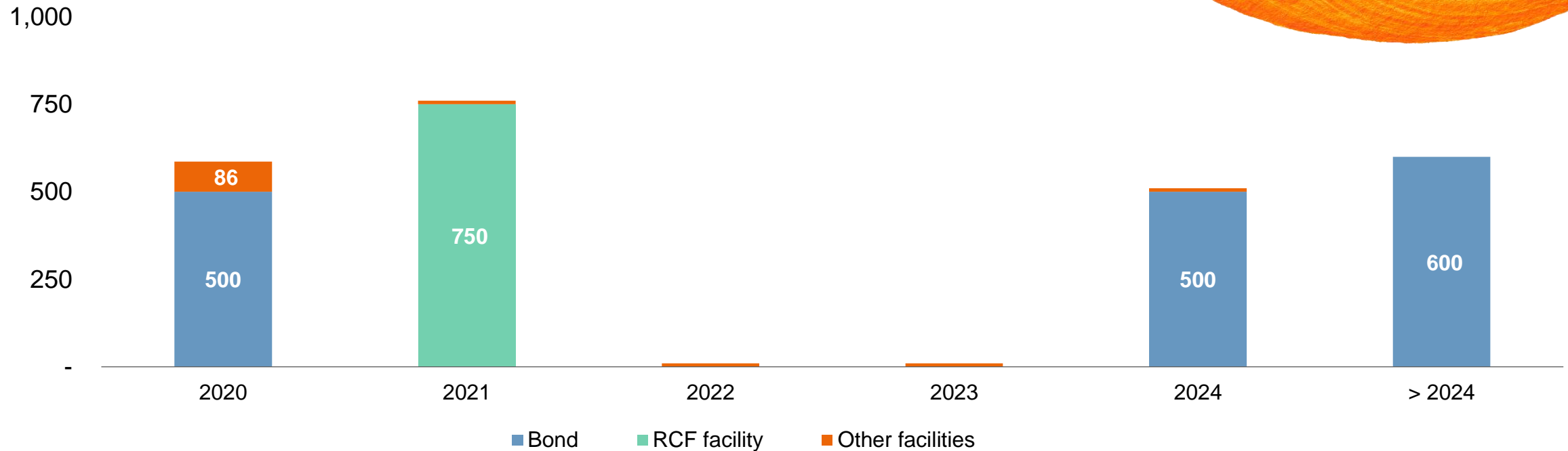
STRONG, STABLE FINANCIAL POSITION PROVIDES FLEXIBILITY AND UNDERPINS STRONG CREDIT RATINGS



Committed debt facilities

Maturity profile of committed facilities

€ million



COMMITTED FACILITIES €2,476M
OF WHICH €1,816M IS DRAWN

Mondi Group at 31 December 2019
In February 2020, the Group entered into a new €250 million facility maturing in 2021

Credit ratings

Moody's

Issuer Rating:	Baa1
Outlook	Stable

“ ...One of Mondi's key credit strengths is its high profitability, with a Moody's-adjusted EBITDA margin of above 20% since 2016, which positions the company strongly in its peer group. Particularly in the upstream businesses ... Mondi's margins are best-in-class or among the highest in the market...

... We assess Mondi's liquidity as good...

... liquidity sources should be sufficient to weather any intra-year seasonality of cash flow, also taking into consideration that we expect Mondi to continue to generate positive FCF in the next 12-18 months even with elevated levels of capital spending in the pipeline...”

Moody's 16 April 2019

S&P

Long-Term Corporate Credit Rating:	BBB+
Outlook	Stable

“*Mondi Group (Mondi) has one of the highest EBITDA margins among rated peers. We expect Mondi to continue generating industry-leading EBITDA margins, thanks to its ongoing focus on cost efficiencies and manufacturing presence in lower-cost and emerging markets...*

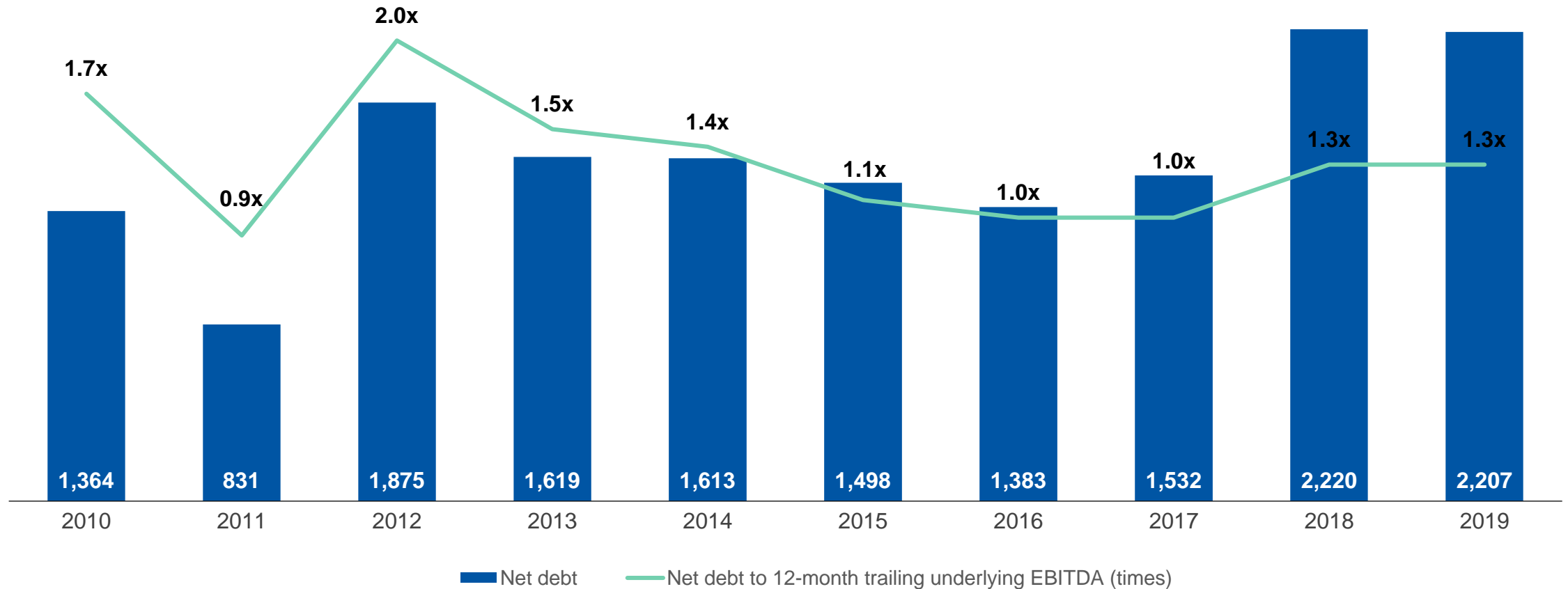
...*Mondi will likely remain focused on optimizing its operations. We expect Mondi will maintain a high strategic fit among its assets, and continue the capital investments in its asset base to further optimize its value chain...*”

S&P 6 December 2019

Robust financial position

Net debt and net debt to 12-month trailing underlying EBITDA

€ million and times





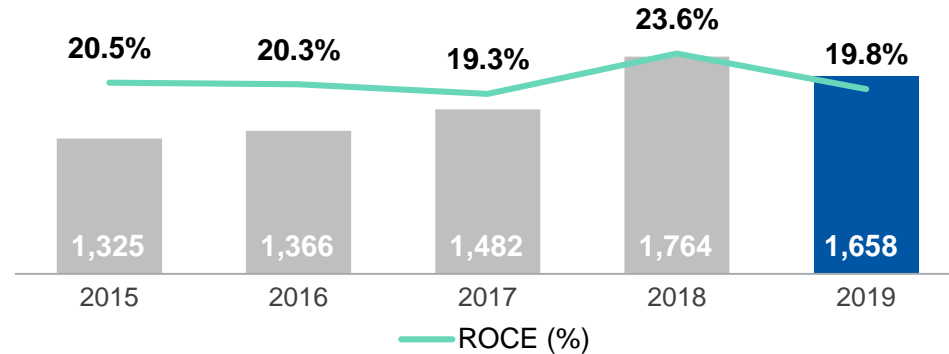
2019

FINANCIAL RESULTS

2019 highlights

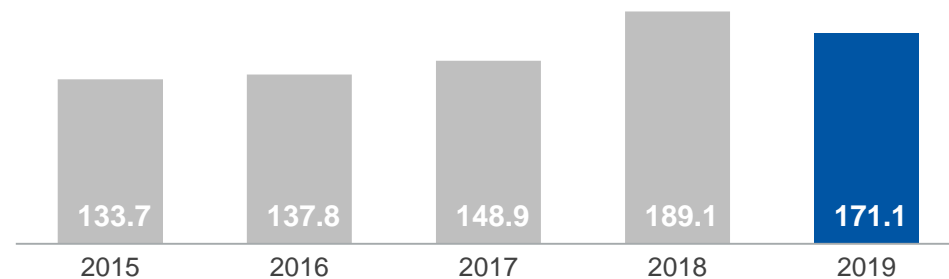
Underlying EBITDA and ROCE

€ million and %



Basic underlying earnings per share

euro cents per share

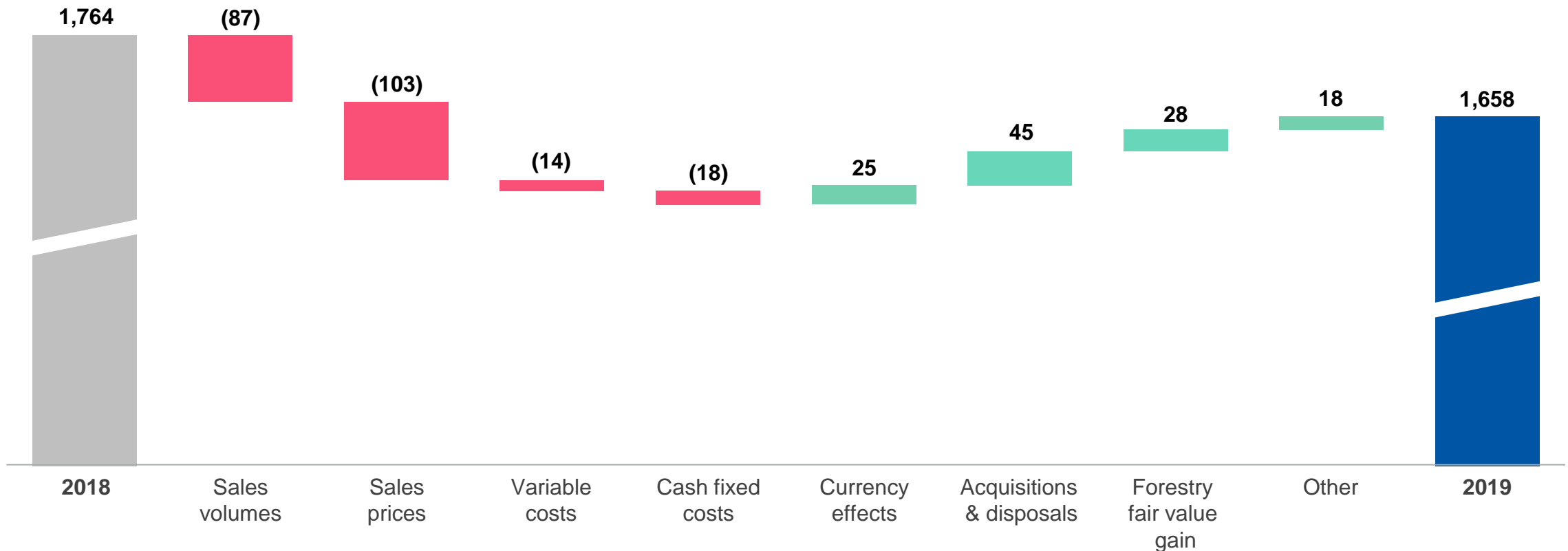


- Robust financial performance
 - Strong margins, returns and cash generation
 - Recommended full year ordinary dividend up 9%
- Strong cost control across the Group
- Good contribution from capital investments and acquisitions completed in 2018
- Capital investment pipeline to deliver further growth
- Simplification of corporate structure completed
- Uniquely positioned – helping our customers transition to more sustainable packaging
- Delivering against our 2020 Growing Responsibly commitments and updated science-based climate commitment

Underlying EBITDA development

Underlying EBITDA development

€ million

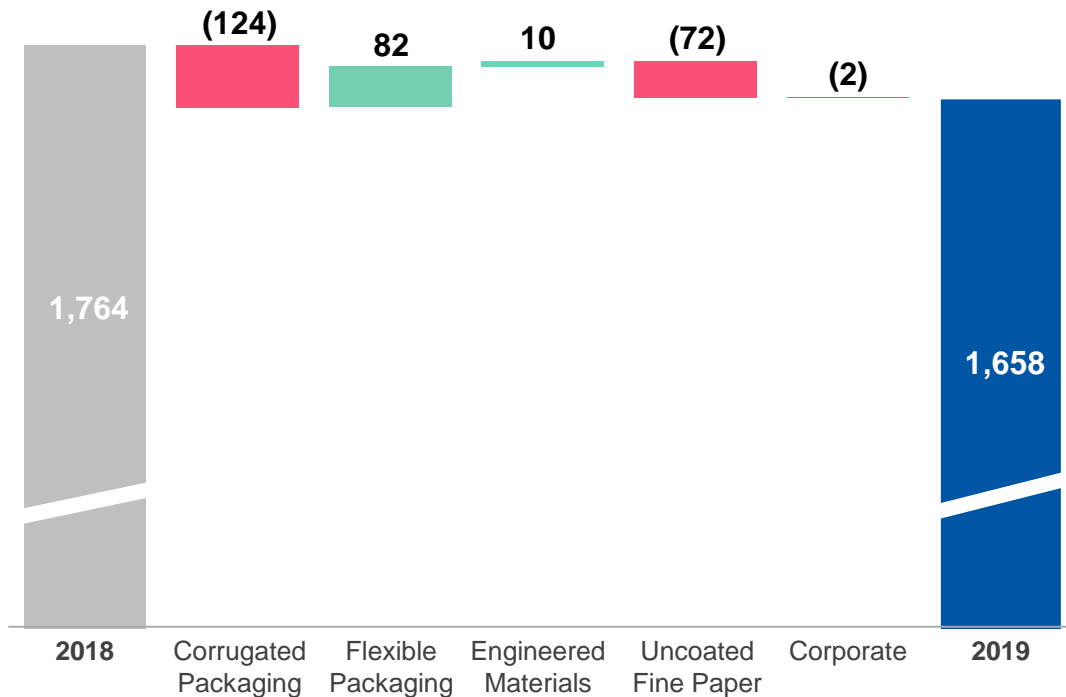


Solid operational performance, strong cost control and good contribution from acquisitions and capital investment projects mitigating market pressures

Business unit contribution

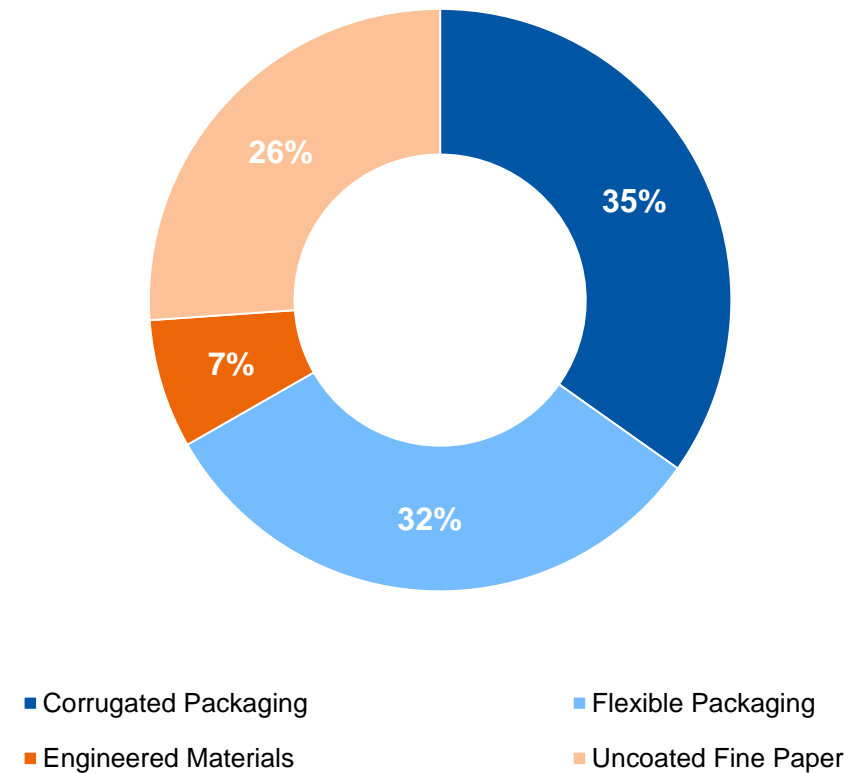
Business unit underlying EBITDA development

€ million



2019 underlying EBITDA contribution by business unit¹

%



¹ Breakdown excludes corporate costs



SUMMARY

COVID-19 impact

- The rapid spread of COVID-19 first identified in December 2019 has resulted in an acute deterioration of the political, socio-economic and financial situation globally.
- The Group continues to monitor the impact of COVID-19 on the markets in which it operates and more broadly on the global trade, supply chains and the macroeconomic outlook as governments and international agencies impose a range of measures to deal with the outbreak.
- The Group may experience material labour quarantine or other labour, supply chain or operational issues that may affect the Group's production and sales.
- The impacts of the COVID-19 outbreak are difficult to predict and quantify at this point in time.

Adverse changes in global economic conditions or economic conditions in the markets in which the Group operates, including as a result of the above developments, could have a material adverse effect on the Group's business, financial condition and/or results of operations.

COVID-19 impact

- Situation remains fluid. Impact to date is contained
- Healthy and safety of our people remains our top priority – various additional measures introduced across the Group
- Risk mitigation includes:
 - Diversification
 - Customers – Top 10 customers less than 15% of turnover
 - Suppliers – Most key inputs sourced regionally
 - Geographic – Over 100 plants in over 30 countries
 - Significant exposure to essential products for food, hygiene, consumer goods and e-commerce
 - Certain large mills provide essential services to local communities e.g. energy, heat, water treatment
- Ongoing monitoring of possible impacts
 - Customers/markets
 - Supply chain
 - Labour

Key credit highlights

Strong cash generation and industry leading margins

Conservative credit profile and disciplined capital allocation

- Among the highest rated packaging credits
- Baa1 Stable Moody's since Sept 2017
- BBB+ Stable S&P since April 2018
- Balancing leverage, capital investment, shareholder returns, and acquisitions

Leading Market Positions

- Corrugated Packaging: #1 Containerboard (emerging Europe), #1 Virgin containerboard (Europe)
- Flexible Packaging: #1 Kraft paper (global) / #1 paper bags (Europe)
- Engineered Materials: #1 Commercial release liner (Europe)
- Uncoated Fine Paper: #1 Uncoated fine paper (Europe)

Growth focus on packaging

Cost-advantaged operations with a global footprint

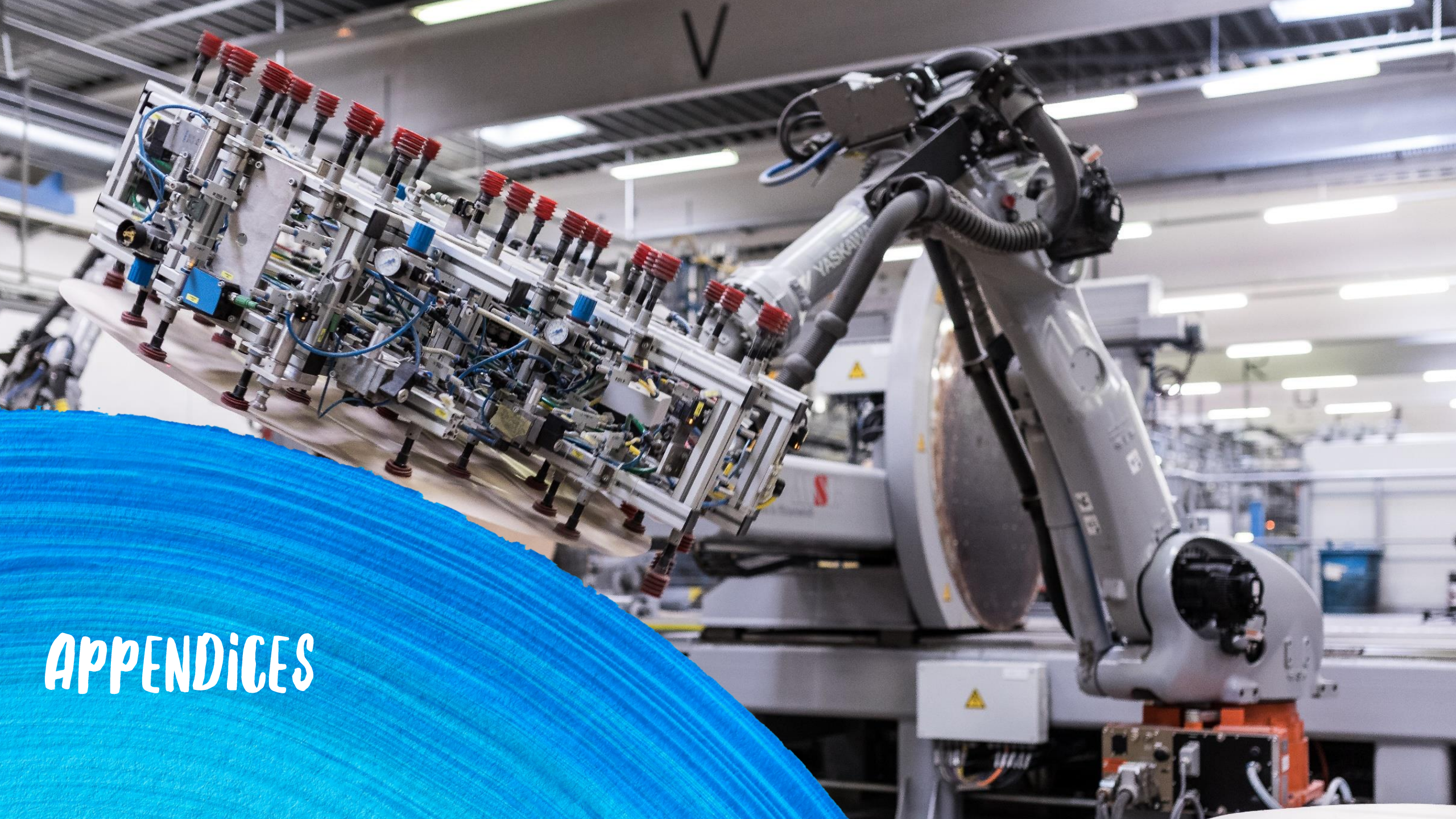
- Well-invested, efficient asset base, located primarily in low-cost countries in Central and Eastern Europe and South Africa
- Most assets are positioned in the lowest quartile in their respective cost curves
- Integrated value chain

Industry leading returns

Recognised leader in and commitment to sustainability

Transaction summary

Issuer	Mondi Finance Europe GmbH
Guarantor	Mondi plc
Issuer ratings	Baa1 / BBB+, both stable (Moody's / S&P)
Expected issue ratings	Baa1 / BBB+ (Moody's / S&P)
Format	Senior, Unsecured, Reg S, Bearer, NGN
Maturity	8-years
Size	Euro benchmark
Coupon	Fixed rate, paid annually
Documentation	EMTN / €100 + €1k denominations / 3-month Par Call / English Law
Listing	London Stock Exchange (Regulated Market)
Use of proceeds	General Corporate Purposes
Active joint book-running managers	BofA Securities, Commerzbank, Deutsche Bank, SEB



APPENDICES

Financial review

€ million	2019	2018	% change	H2 2019	H2 2018	% change
Underlying EBITDA	1,658	1,764	(6%)	764	912	(16%)
Depreciation, amortisation and impairments	(435)	(446)	2%	(220)	(224)	2%
Underlying operating profit	1,223	1,318	(7%)	544	688	(21%)
Underlying net finance costs	(104)	(88)	(18%)	(59)	(48)	(23%)
Underlying profit before tax	1,119	1,231	(9%)	485	641	(24%)
Underlying tax charge	(257)	(273)	6%	(111)	(141)	21%
Underlying non-controlling interests	(33)	(42)	21%	(11)	(16)	31%
Underlying earnings	829	916	(9%)	363	484	(25%)
Special items (before tax)	(16)	(126)		(14)	(26)	
Profit for the year attributable to shareholders	812	824	(1%)	348	473	(26%)
Basic earnings per share (euro cents)	167.6	170.1	(1%)	71.8	97.6	(26%)
Basic underlying earnings per share (euro cents)	171.1	189.1	(10%)	74.9	99.9	(25%)

Cash flow (reconciling to movement in net debt)

€ million	2019	2018	% change
Underlying EBITDA	1,658	1,764	(6%)
Working capital movements	35	(117)	
Other operating cash flow items	(58)	7	
Cash generated from operations	1,635	1,654	(1%)
Income tax paid	(248)	(248)	–
Dividends received from other investments	1	1	
Net cash generated from operating activities	1,388	1,407	(1%)
Capital expenditure	(757)	(709)	(7%)
Investment in forestry assets	(48)	(53)	9%
Acquisitions and disposals ¹	19	(431)	
Interest paid	(96)	(73)	(32%)
Dividends paid to shareholders	(396)	(793)	
Dividends paid to non-controlling interests	(3)	(18)	
Net additions of lease liabilities	(47)	(18)	
Other investing and financing activities	(47)	–	
Net decrease/(increase) in net debt	13	(688)	

¹ On a debt and cash-free basis, including transaction costs

Statement of financial position

€ million	December 2019	December 2018
Property, plant and equipment	4,800	4,340
Goodwill	948	942
Working capital	952	972
Other assets	620	540
Other liabilities	(728)	(749)
Net assets excluding net debt	6,592	6,045
Equity	4,015	3,485
Non-controlling interests in equity	370	340
Net debt	2,207	2,220
Capital employed	6,592	6,045

Formable paper-based food tray solution

PerFORMing

The Challenge



- Conventional thermoformable trays are made of non-recyclable PET/PE

Our sustainable solution



- A natural, brown or white, formable coated paper solution for food applications such as portion packs and trays
- Collaboration across Mondi's paper, technical films and coating plants, leveraging know-how

Key Benefits



- Reduces plastic use by up to 80%¹
- Reduces CO₂ emissions by 70%¹
- Recyclability in certain paper streams²

Aspiration



- Further European food tray market penetration
- Develop technologies to separate substrates to further improve recyclability
- Incorporate a recyclable barrier lidding film into overall solution to create a one-stop recyclable product for our customers

1. Compared to existing conventional plastic solution
2. Confirmed by PTS certificate

IN DEVELOPMENT > PROTOTYPE > **COMMERCIALY AVAILABLE**

REPLACE



"We are now delighted to have found a solution, together with Mondi, which significantly reduces the product's carbon footprint, curbs the use of plastic, and is capable of substantially enhancing recyclability."

Martina Hörmer, MD Ja! Natürlich (REWE)

Increasing recycled plastic in packaging

Film with recycled content



The Challenge



- Developing packaging solutions with increased recycled plastic content to help meet our and our customers' sustainability pledges
- Consistent quality, product safety and legal compliance compared to existing solution

Our sustainable solution



- A film with recycled content from selected and qualified recycling sources that replaces a high share of virgin polyolefin
- Supports the circular economy by encouraging the use of recycled content

Key Benefits



- Replaces high share of virgin polyolefin with recycled alternatives
- Suitable for conversion on existing packaging lines
- Optical impact of recycled content minimised due to sourcing selected raw materials

Aspiration



- Up-scaling with various existing customers – labels and consumer packaging
- Expand product offering into other Form Fill Seal (FFS) solutions



A premium reclosable and 100% recyclable solution

FlexiBag

The Challenge



- Develop a more sustainable flexible plastic packaging bag without sacrificing convenience and shelf-attractiveness

Our sustainable solution



- A premium reclosable and 100% recyclable side gusset plastic bag with a linear and curve tear with or without perforation
- Printable on all sides including the bottom, with optional handle
- Top and bottom filling options

Key Benefits



- Suitable for mechanical recycling
- 100% airtight
- Fat, oxygen, aroma and moisture barrier
- Shelf stability and convenience

Aspiration



- Up-scaling with various customers, expected to be on the shelves in H2 2020

RECYCLE



Sources and definitions

Mondi region definitions

Europe – Europe including Russia and Turkey

Emerging Europe – Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Malta, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, Ukraine

Sources for market position estimates

Virgin containerboard (Europe) and Containerboard (emerging Europe) based on capacity (including kraft top liner) – Source: Fastmarkets RISI European Paper Packaging Capacity Report and Mondi estimates

Kraft paper (Global) based on capacity – Source: Fastmarkets RISI European Paper Packaging Capacity Report, Fastmarkets RISI Mill Asset Database, Pöyry Smart Terminal Service and Mondi estimates

Corrugated solutions (emerging Europe) based on production – Source: Henry Poole Consulting and Mondi estimates

Paper bags (Global & Europe) based on sales volume – Source: Eurosac, Freedonia World Industrial Bags 2016 study and Mondi estimates

Consumer flexible packaging (Europe) based on sales – Source: PCI Wood Mackenzie

Commercial release liner (Europe) based on sales volumes – Source: AWA European Release Liner Market Study and Mondi estimates

Uncoated fine paper (Europe) based on sales volumes (Ilim JV considered separate from IP) – Source: EURO-GRAPH delivery statistics, EMGE Woodfree Forecast, EMGE World Graphic Papers report, Fastmarkets RISI Mill Asset Database, PPPC customs data, Bumprom/SBO and Mondi estimates

Uncoated fine paper (South Africa) based on Mondi estimates

Sources for relevant industry cost curves

Includes unbleached kraftliner, white top kraftliner, nordic and semi-chemical fluting, recycled containerboard, bleached & unbleached sack kraft paper, UFP (including value added grades) and BHKP

Based on delivered cost to Frankfurt except BHKP (delivered to Rotterdam) and UFP – Merebank (delivered to South Africa)

Global capacity for all grades except European capacity for unbleached kraftliner, recycled containerboard and UFP, and South African capacity for UFP – Merebank

Source: Fastmarkets RISI and Mondi estimates, Q3 2019

