



**Mondi Group**

**Full year results for the year ended 31 December 2017**

**2 March 2018**

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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.

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

# Agenda



## Highlights

Financial overview

Market and operational review

Key strategic developments

Outlook

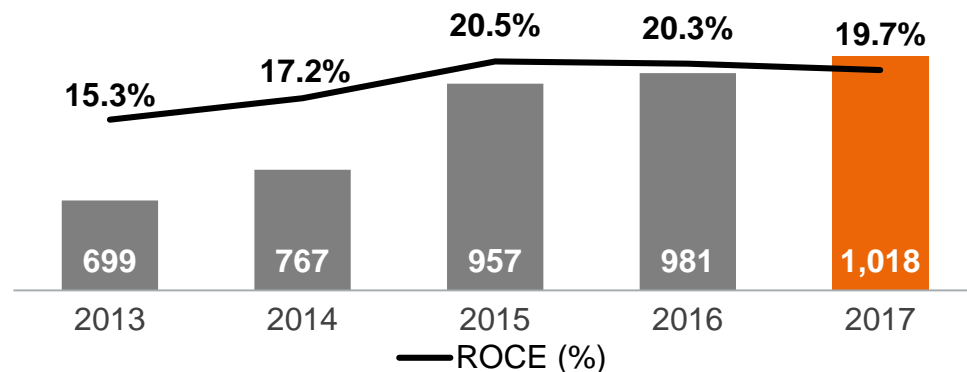
Appendices

# Highlights



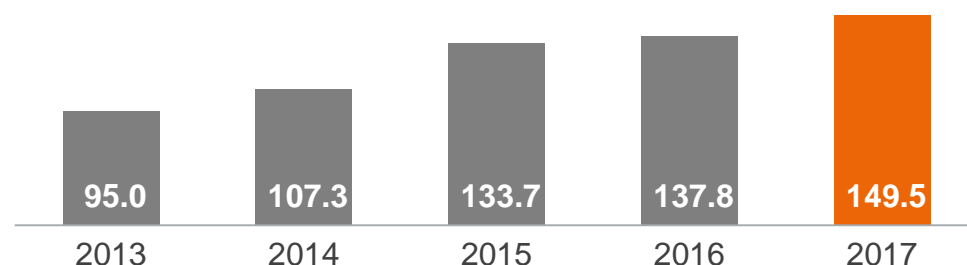
## Underlying operating profit and ROCE

€ million



## Underlying basic earnings per share

euro cents per share



- Robust financial performance
  - Revenue up 7% and underlying EBITDA up 6%
  - Underlying operating profit up 4%
  - Underlying basic earnings per share up 8%
- Over €750 million of approved major capital expenditure projects in progress, securing a strong growth pipeline
- Acquisitions totalling over €400 million completed or announced, expanding our product offering to better serve customers
- Delivered against our 2020 Growing Responsibly model commitments and renewed our WWF partnership
- Recommended special dividend of 100.0 euro cents per share in addition to full year ordinary dividend of 62.0 euro cents per share

**Robust financial performance**



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# Operating financial highlights



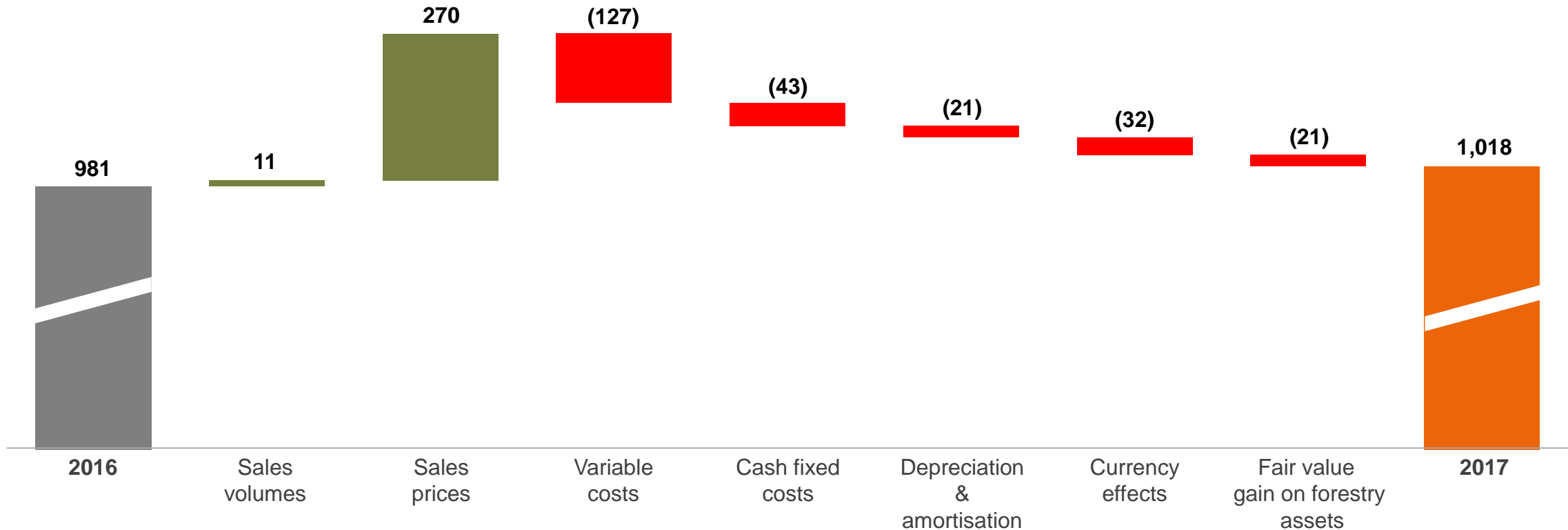
€ million	2017	2016	% change	H2 2017	H2 2016	% change
Group revenue	<b>7,096</b>	6,662	7%	<b>3,514</b>	3,350	5%
Underlying EBITDA	<b>1,444</b>	1,366	6%	<b>734</b>	652	13%
% Margin	<b>20.3%</b>	20.5%		<b>20.9%</b>	19.5%	
Underlying operating profit	<b>1,018</b>	981	4%	<b>521</b>	452	15%
% Margin	<b>14.3%</b>	14.7%		<b>14.8%</b>	13.5%	
Group ROCE	<b>19.7%</b>	20.3%				

# Underlying operating profit development



## Underlying operating profit development

€ million

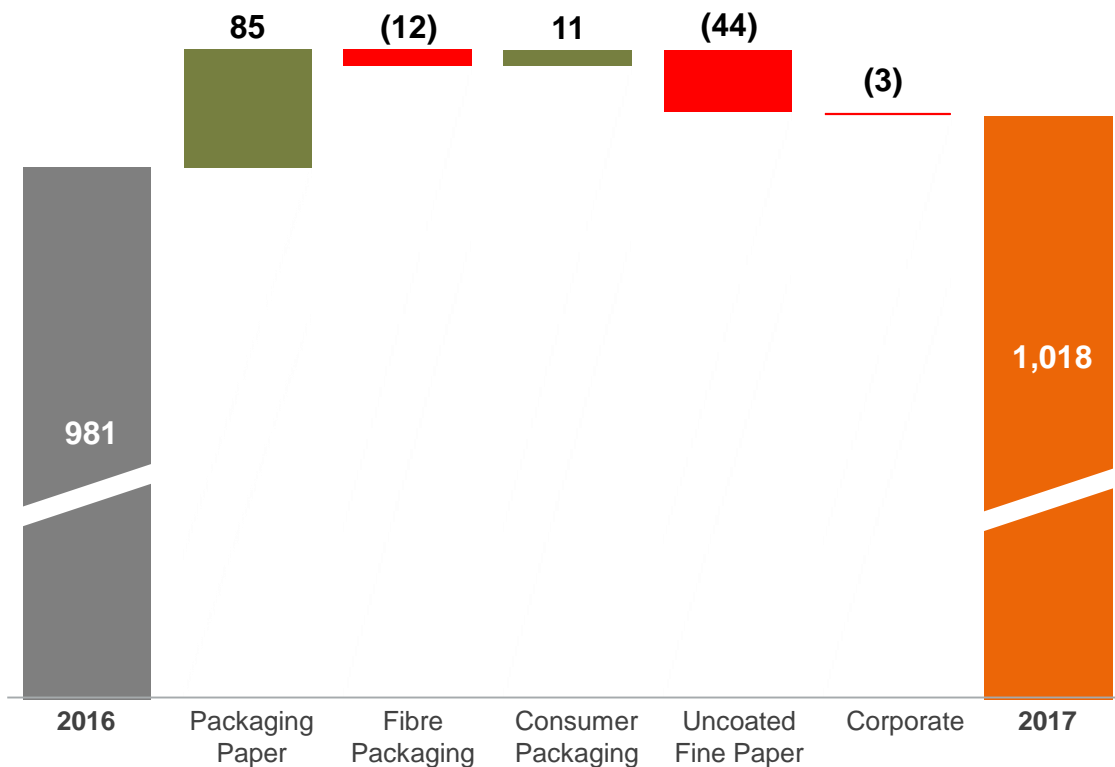


**Higher average prices more than offsetting higher costs and negative currency effects**

# Business unit contribution

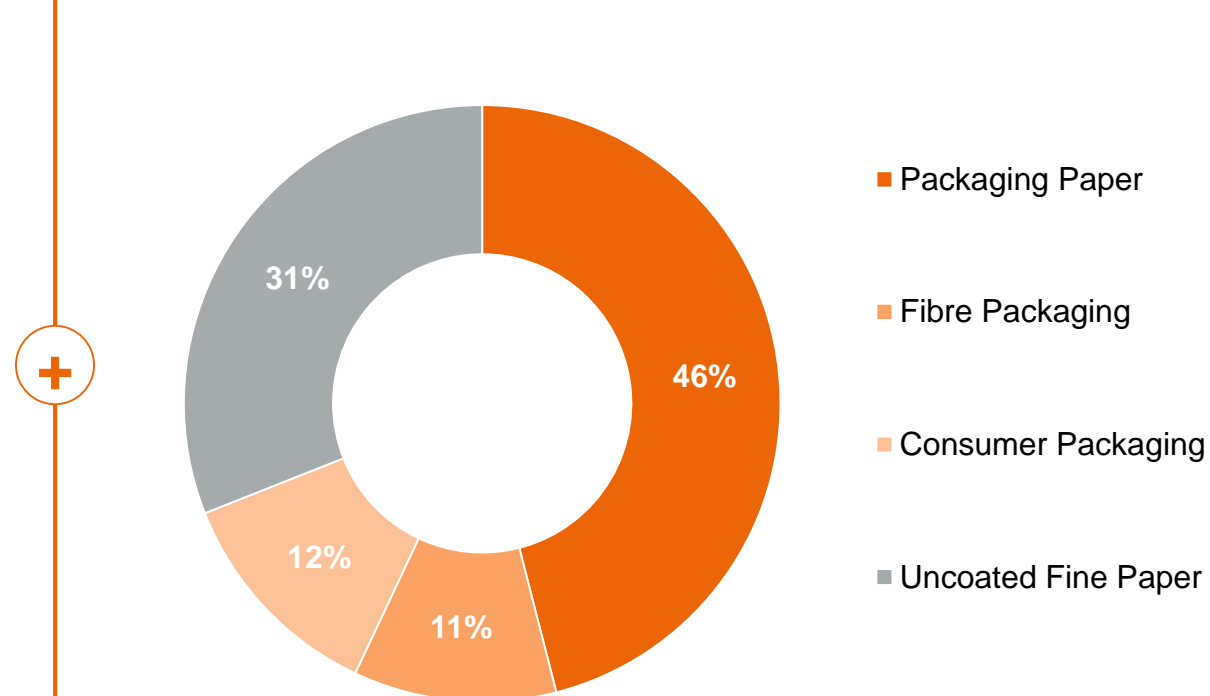
## Business unit underlying operating profit development

€ million



## 2017 underlying operating profit contribution by business unit<sup>1</sup>

%



<sup>1</sup> Breakdown excludes corporate costs



# Financial review



€ million	2017	2016	% change	H2 2017	H2 2016	% change
<b>Underlying operating profit</b>	<b>1,018</b>	981	4%	<b>521</b>	452	15%
Net finance costs	(71)	(101)	30%	(31)	(54)	43%
Net profit from equity accounted investees	1	1		1	1	
<b>Underlying profit before tax</b>	<b>948</b>	881	8%	<b>491</b>	399	23%
Tax charge before special items	(181)	(166)	(9%)	(94)	(74)	(27%)
Non-controlling interests	(43)	(48)	10%	(18)	(21)	14%
<b>Underlying earnings</b>	<b>724</b>	667	9%	<b>379</b>	304	25%
Special items (after tax and non-controlling interests)	(53)	(29)		(58)	(29)	
<b>Profit after tax and non-controlling interests</b>	<b>671</b>	638	5%	<b>321</b>	275	17%
<b>Basic earnings per share (euro cents)</b>	<b>138.6</b>	131.8	5%	<b>66.3</b>	56.8	17%
<b>Basic underlying earnings per share (euro cents)</b>	<b>149.5</b>	137.8	8%	<b>78.3</b>	62.8	25%

# Finance costs and net debt

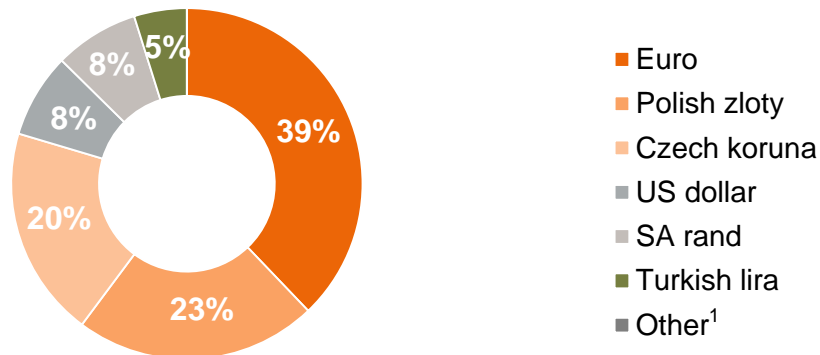


€ million	2017	2016	% change
<b>Net debt</b>	<b>1,326</b>	1,383	4%
Average net debt	<b>1,376</b>	1,476	7%
Net interest expense (before capitalised interest)	<b>61</b>	92	34%
Effective interest rate	<b>4.5%</b>	6.2%	
Committed facilities	<b>1,987</b>	2,497	
Of which undrawn	<b>791</b>	812	
Net (bank overdraft) / cash position	<b>(66)</b>	377	
Net debt/12-month trailing underlying EBITDA (times)	<b>0.9</b>	1.0	

- Net debt down €57 million reflecting strong cash generating capacity despite ongoing capital expenditure programme
- Lower finance costs driven by
  - Lower average net debt
  - Lower effective interest rate
- In April 2017, redeemed 5.75% €500 million Eurobond from available cash and undrawn debt facilities on maturity
- Public credit ratings
  - Moody's Investors Service rating upgraded to Baa1 (stable outlook)
  - Standard & Poor's reaffirmed our BBB credit rating (outlook raised to positive)

## Currency split of net debt (€1,326 million)

%



**Strong, stable financial position provides flexibility**

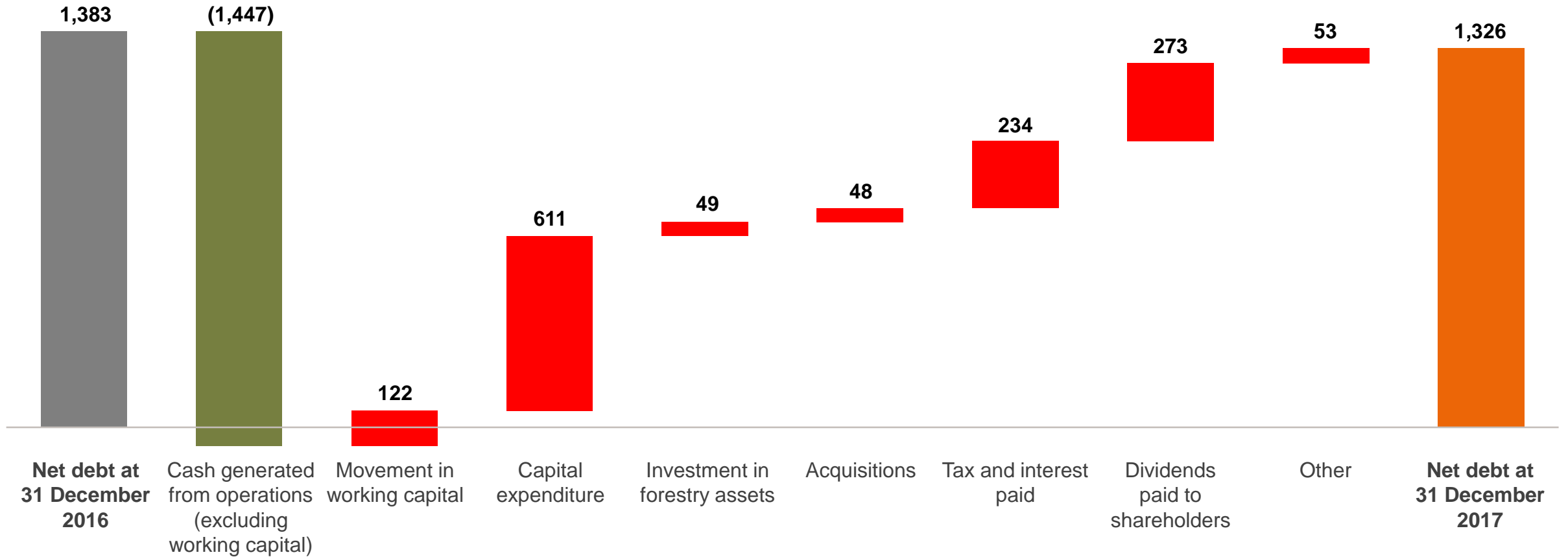
<sup>1</sup> Net cash in other currencies (-3%)

# Cash flow effects – movement in net debt



## Movement in net debt

€ million



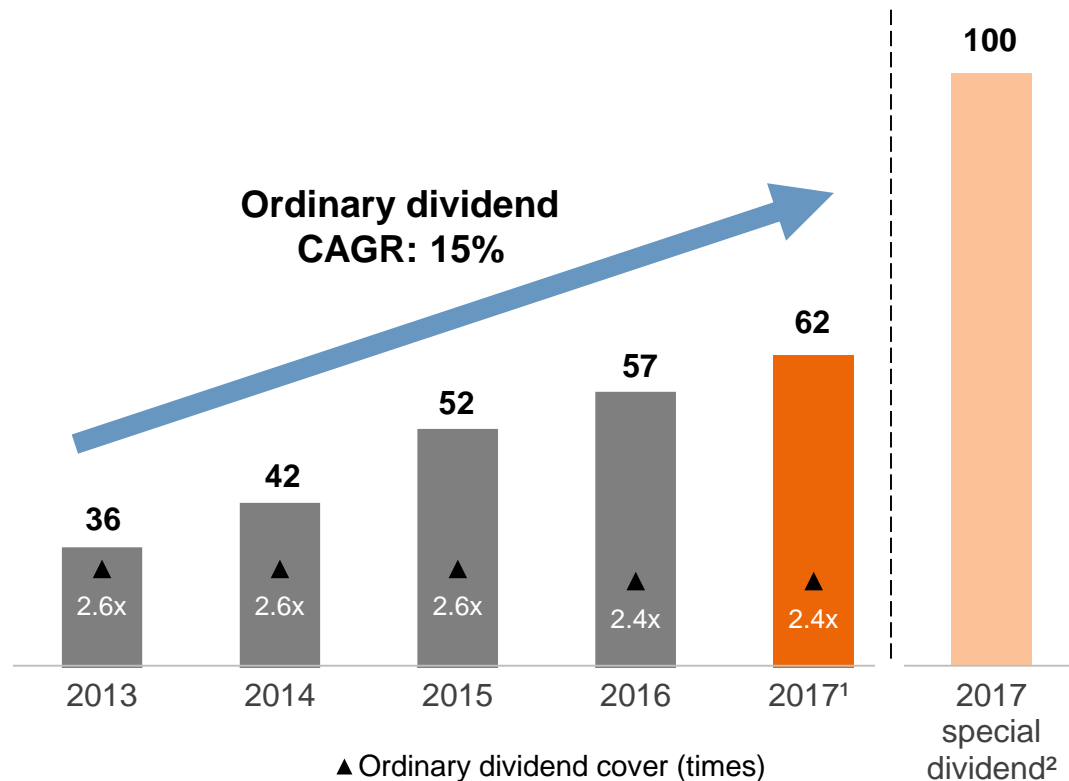
**Continued strong cash generation used for investment in the business and distribution of dividends**

# Continued growth in shareholder returns



## Dividends declared and recommended

euro cents per share



- Ordinary dividend policy unchanged. Aim to offer shareholders long-term dividend growth within a target cover range of two to three times underlying earnings over the business cycle:
  - The Boards have recommend an increase in the final ordinary dividend to 42.90 euro cents per share, amounting to a **total ordinary dividend for the year of 62.0 euro cents per share**
- The Boards regularly review the Group's capital allocation priorities to optimise value accretive growth and long-term returns for shareholders:
  - Given the strong balance sheet position and our confidence in the Group's ongoing cash generating capacity, the Boards have recommend a **special dividend of 100 euro cents per share**

# Technical guidance



		2018 guidance (unless specified)
<b>IFRS 16 – leases</b> (early adopted from 2018)		
Total assets	increase	2 – 3% <sup>1</sup>
Net debt	increase	12 – 19% <sup>1</sup>
Underlying EBITDA	increase	2 – 3% <sup>1</sup>
Underlying operating profit	increase	Marginal <sup>1</sup>
ROCE	decrease	0.4 – 0.5 points <sup>1</sup>
Capital expenditure range in 2018 and 2019 (per annum)		€700 – 800 million
Depreciation and amortisation (excluding acquisitions)		€440 – 470 million <sup>2</sup>
Estimated impact of maintenance shuts		± €110 million
Working capital as a % of turnover		12 – 14%
Effective tax rate		20 – 22%

<sup>1</sup> Estimated impact on key metrics if applied to 2017 results

<sup>2</sup> Includes IFRS 16 (leases) potential impact



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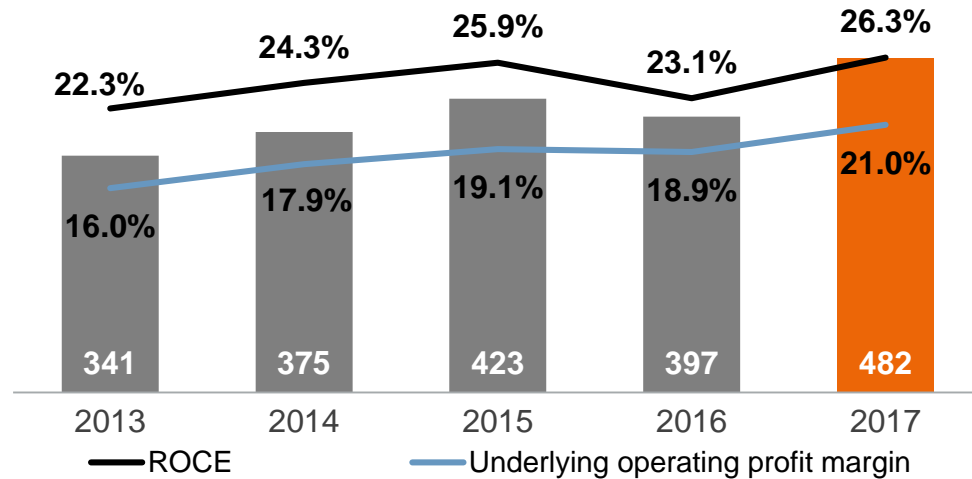
Appendices

# Packaging Paper



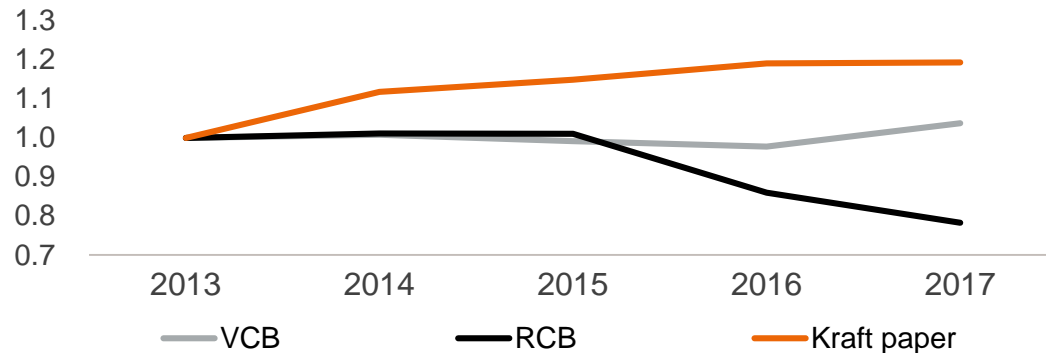
## Underlying operating profit, margin and ROCE

€ million



## Production volumes

Volumes indexed to 2013



- Strong performance with underlying operating profit up 21%
- Driven by:
  - higher average selling prices
  - sales volume growth in higher value added products
- Partly offset by:
  - higher costs
  - negative currency effects

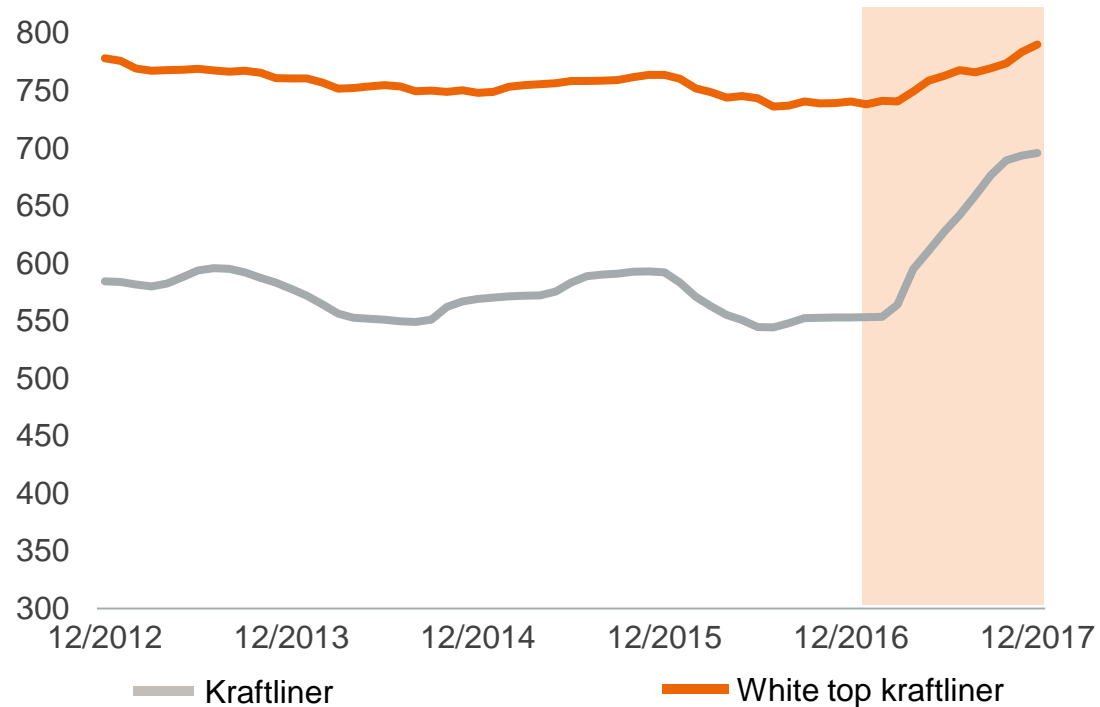


# Packaging Paper | industry fundamentals



## Selling prices

€/tonne



## Virgin containerboard

- Strong demand - industry deliveries to Europe grew by around 2%, restricted by supply
- Limited industry capacity additions
- Lower kraftliner imports to Europe due to global pick up in demand
- Higher average prices year-on-year, although magnitude of change varied by grade. Based on average benchmark European prices:
  - unbleached kraftliner up 13% year-on-year and up 16% H2 vs H1 2017
  - white top kraftliner and semi-chemical fluting prices up 2% to 3% year-on-year
- No significant new capacity expected in Europe in the next three years

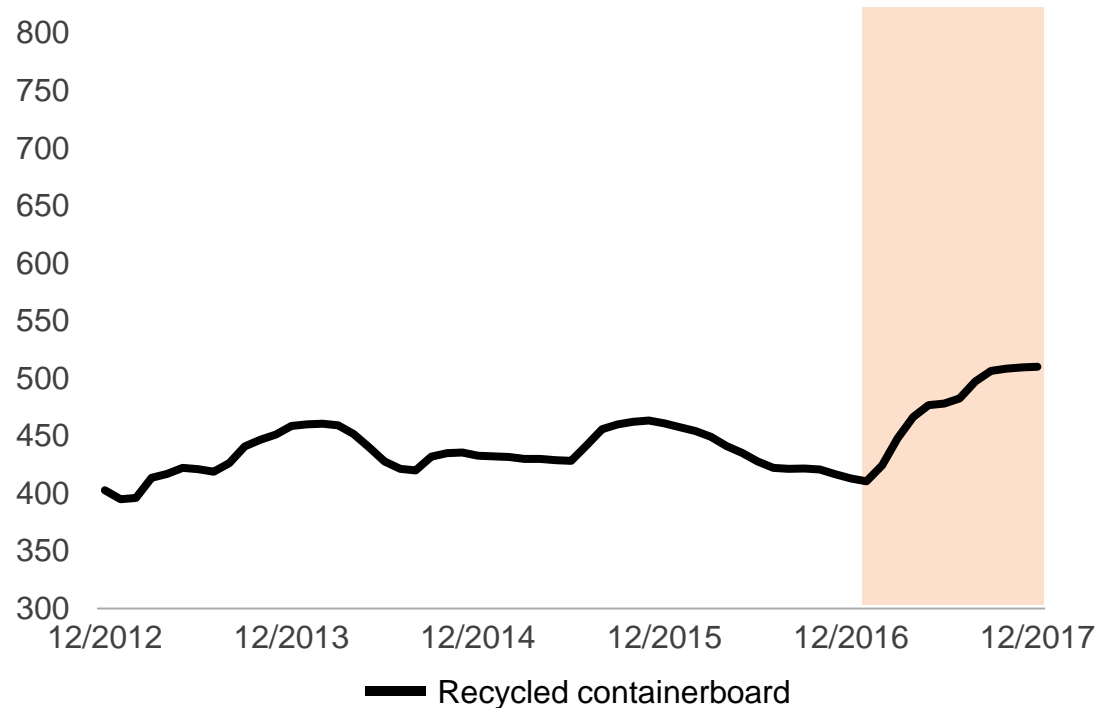


# Packaging Paper | industry fundamentals



## Selling prices

€/tonne



## Recycled containerboard

- Strong demand - industry deliveries to Europe grew by around 6%
- Average benchmark European prices up 10% year-on-year
- Estimated European net industry capacity expansion in 2018 of around 1 million tonnes ( $\pm 3\%$ ), currently matched by demand growth



## Containerboard 2018 pricing

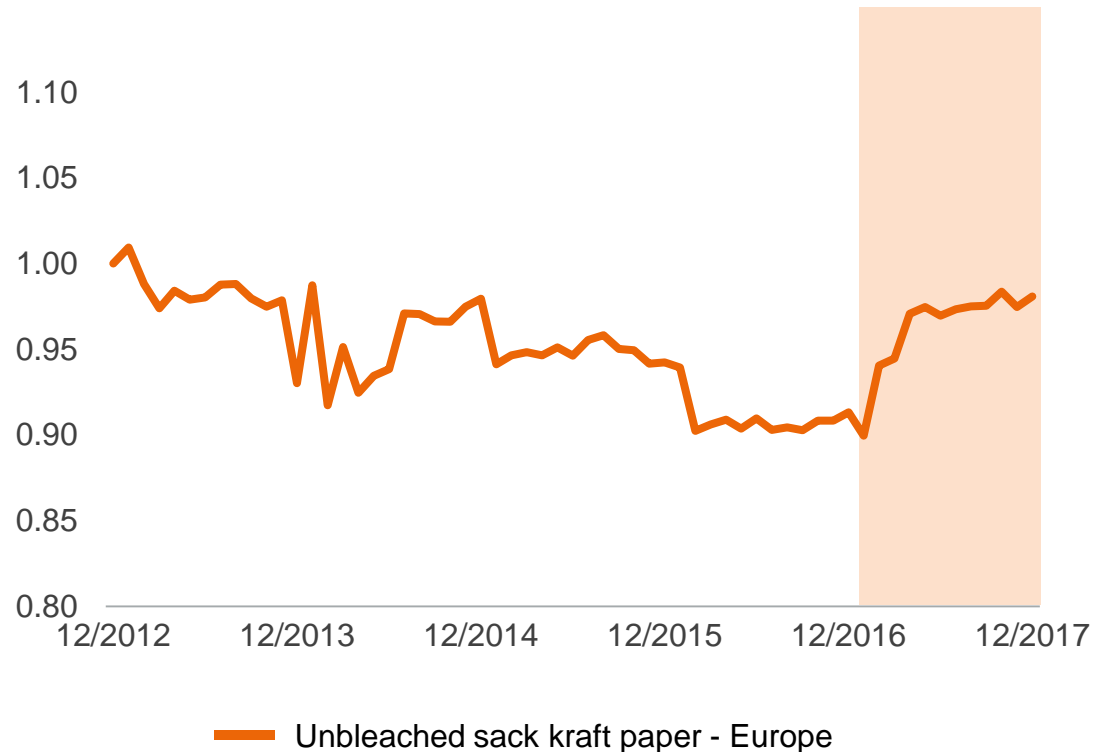
- Price increases in the range of €30 to €50 per tonne implemented in Europe across all containerboard grades during January and February 2018
  - in response to continued strong demand driven by a generally positive economic environment and ongoing growth in e-commerce

# Packaging Paper | industry fundamentals



## Selling prices

Prices indexed to December 2012



## Sack kraft paper

- Selling price up around 5% to 6% on average in 2017 vs 2016
- Good demand, particularly in our export markets
- Implemented sack kraft paper price increases in all markets from the beginning of 2018 resulting in increases in the range of 8% to 9% compared to average 2017 price levels

## Speciality kraft paper

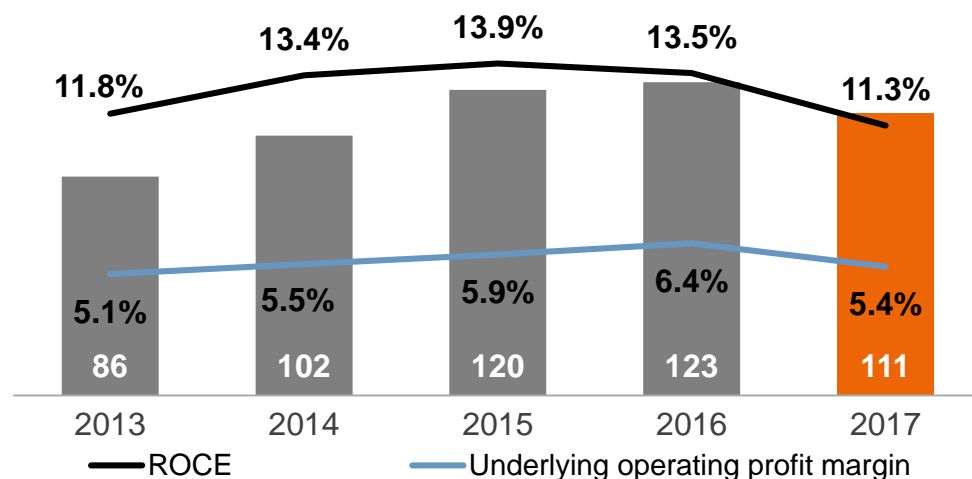
- Good demand
- Selling prices on average higher than 2016

# Fibre Packaging



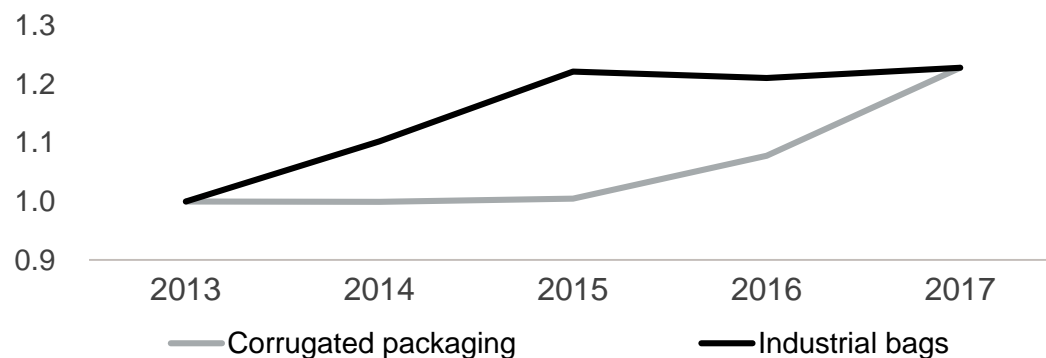
## Underlying operating profit, margin and ROCE

€ million



## Production volumes

Volumes indexed to 2013



## Corrugated Packaging

- Strong organic volume growth of 6% driven by:
  - good growth across central and eastern Europe
  - continued growth in e-commerce
  - contribution from recently completed capital investments
- Good progress in implementing price increases to compensate significantly higher paper costs - efforts ongoing
- Short-term margin pressure anticipated given usual delay in passing on paper price increases, compounded by recent paper price increases



## Industrial Bags

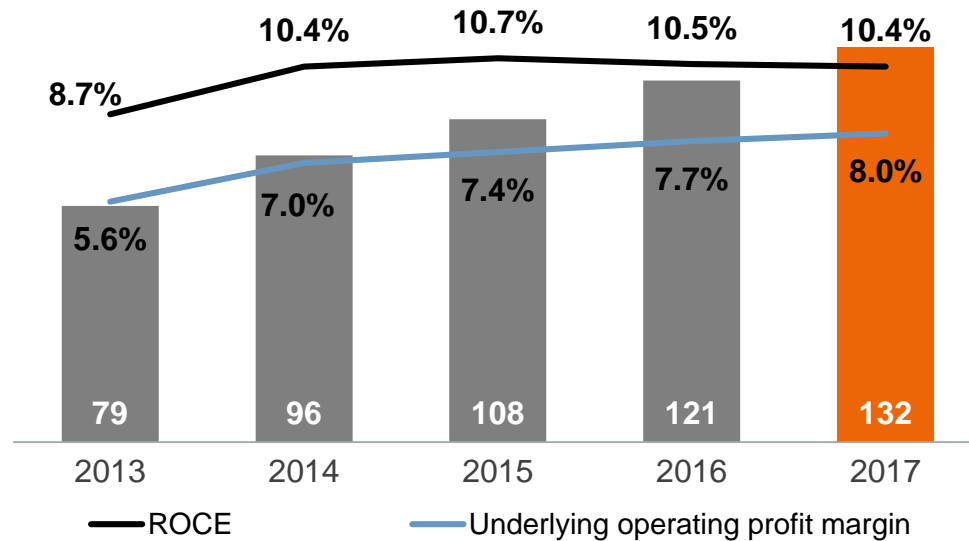
- Volume growth of 2%
  - strong growth in eastern Europe, Russia, Africa and SE Asia
  - weaker western European and North American volumes
- Margins under pressure in the second half, following sack kraft paper price increases in Q2
- Strong cost management and continued restructuring initiatives to optimise plant network
- 2018 annual contracts finalised - price increases implemented largely reflecting the full cost base impact of recent paper price increases

# Consumer Packaging



## Underlying operating profit, margin and ROCE

€ million



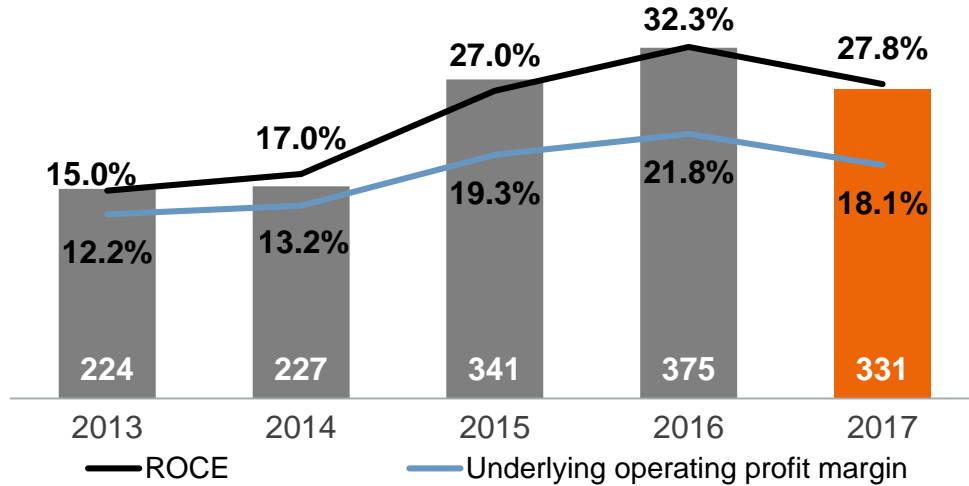
- Underlying operating profit increased 9% on 2016
- Benefiting from:
  - improved product mix
    - focus on value-added segments
    - exiting lower margin business
  - one-off gains
  - positive contribution from acquisitions
- Partly offset by:
  - lower like-for-like sales
  - higher fixed costs
  - negative currency effects
- Programme launched to restructure the cost base and align capacity to current market requirements
- Joined Ellen MacArthur Foundation's New Plastics Economy Initiative – three-year initiative to mobilise the transition towards a global plastics system, based on circular economy principles

# Uncoated Fine Paper



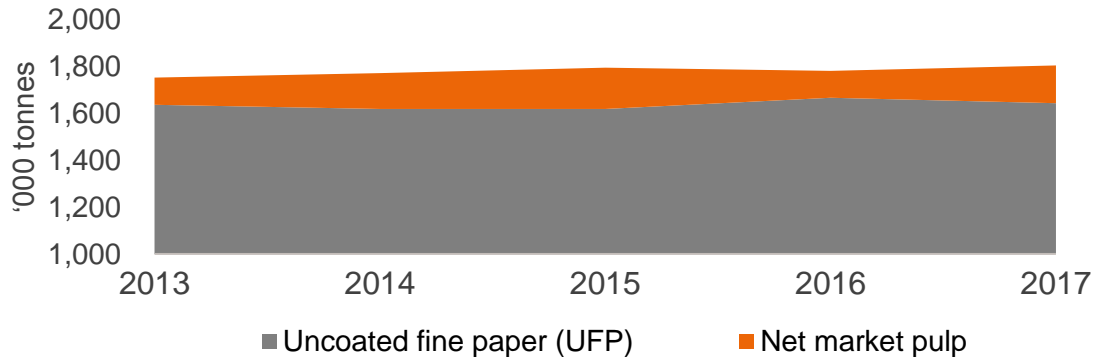
## Underlying operating profit, margin and ROCE

€ million



## Volumes

UFP production volumes / net market pulp



- Strong performance
  - Underlying operating profit of €331 million
  - ROCE of 27.8%
- Higher average selling prices achieved across all regions on stable volumes and focus on driving performance mitigating effects of:
  - lower fair value gain on forestry assets (down €21 million year-on-year)
  - higher cash costs, in particular wood and energy in Europe and South Africa
- Newsprint production ceased at Merebank mill (South Africa) at the end of the year

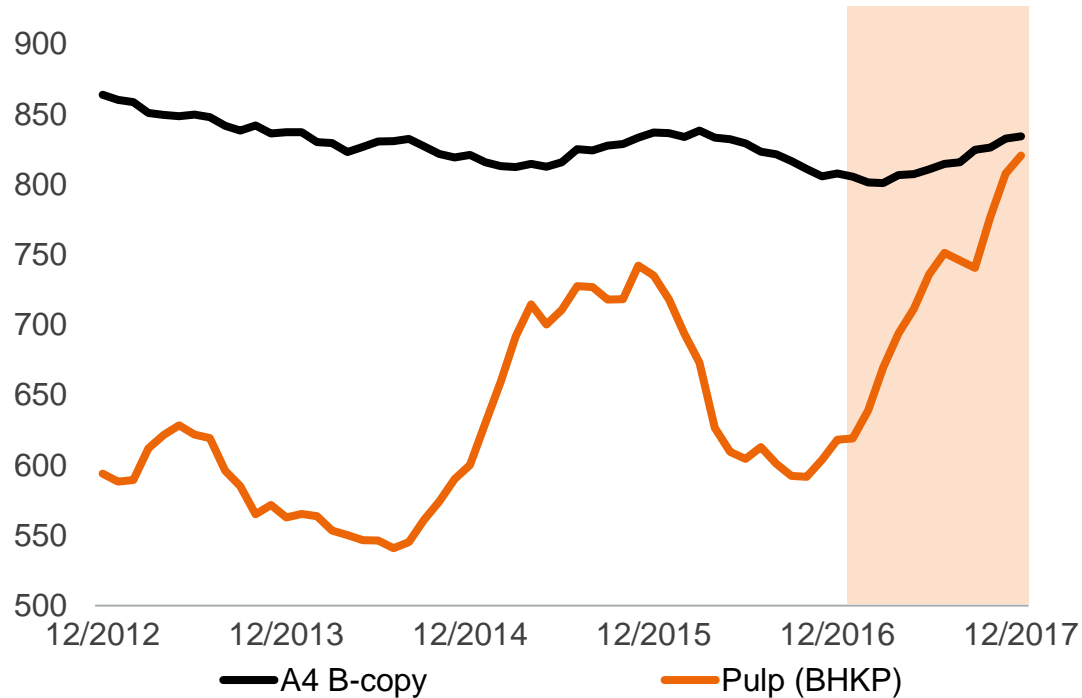


# Uncoated Fine Paper | industry fundamentals



## Pulp and A4 B-copy prices

€/tonne



## Demand

- Flat year-on-year European demand, above expected long-term trend of 1-2% per annum decline
- Demand in Russia and South Africa in line with our long-term estimate of 0-1% growth per annum

## Supply

- Temporary supply disruptions in Europe during the year
- Reduced imports compared to 2016



## Prices

- Average benchmark European prices similar to 2016 and 2% up in H2 2017 vs H1 2017
- Price increase of up to 5% implemented in January 2018 in Europe
- Selling prices increased in Russia and South Africa towards the end of 2017 to offset domestic inflation
- Further price increases announced across our range of uncoated fine papers in Europe, Russia and South Africa for implementation from the end of March 2018. Price increases achieved remain subject to individual negotiations with customers



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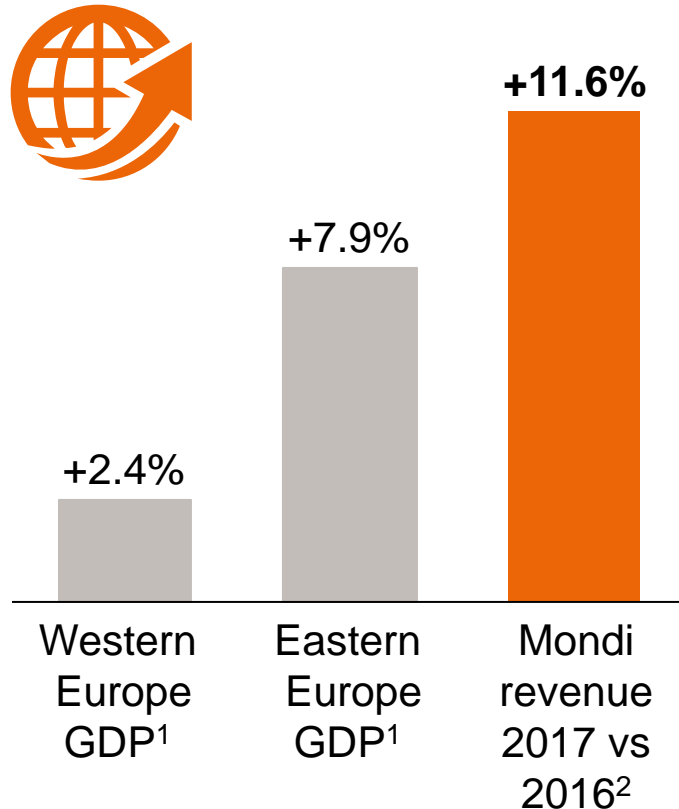


# Well positioned to leverage global industry growth trends




## Emerging markets growth

Nominal €, 2016-2017E




## Key global industry trends


**Sustainability**




**Light-weighting**




**Rigid to flexibles**



**Recyclable**



**E-commerce**



**Convenience**

<sup>1</sup> Source: IHS Markit, updated as of 1 March 2018

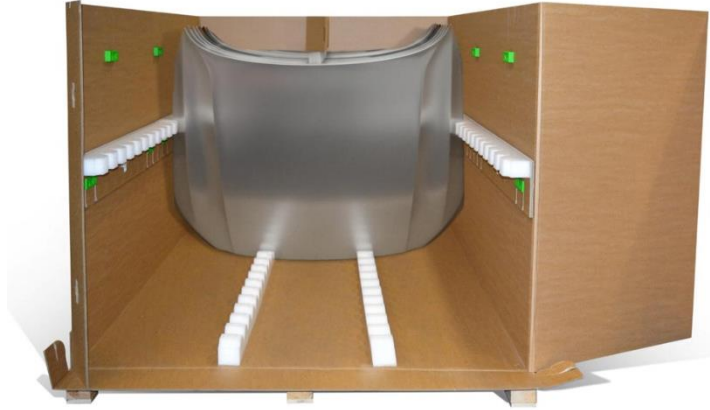
<sup>2</sup> Emerging Europe and Russia



# Creating sustainable value through our strategic framework



# Partner with customers for innovation



## Simple Sphere

Replaces wooden crates used to transport car bonnets from Sweden to China

Collaboration with Scandinavian partner aPak AB

Heavy-duty cardboard packaging offering shorter assembly and dismantling times

Environmentally friendly alternative



## Courier Express Packaging – e-commerce paper bag

Efficient and sustainable, light-weight packaging solution

Enables faster packaging process with decreased logistic costs

Flexible, yet strong and durable



## CornerPack

Responding to consumers' demand for convenience in snacks on-the-go

Easy-to-use parallel semi-circular openings

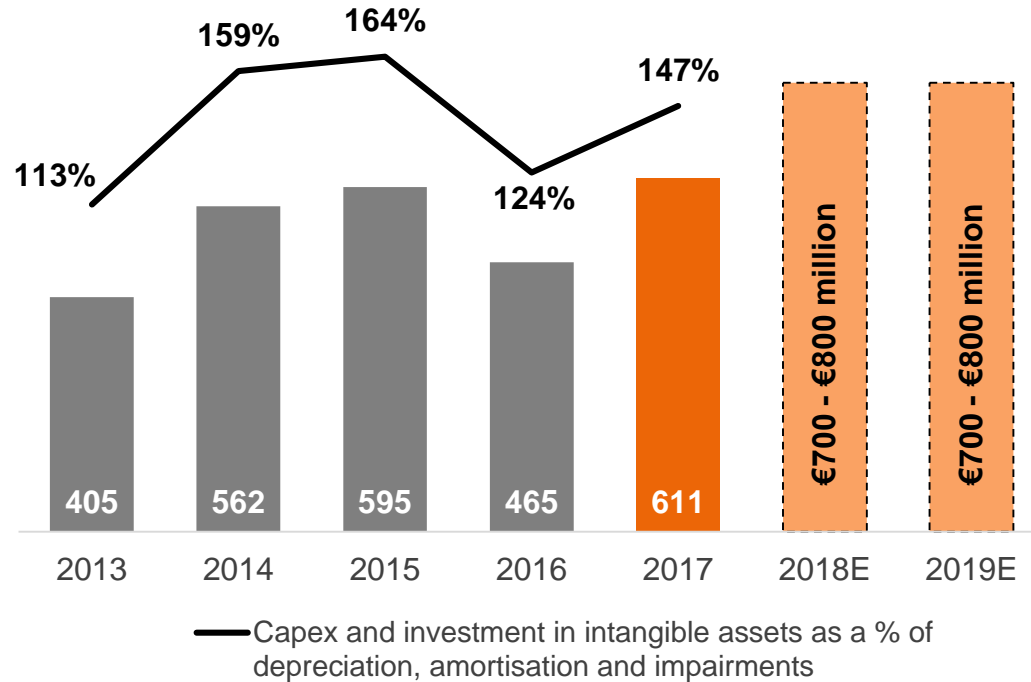
Highly intuitive scoring line giving full control over the size of the opening

# Continued investment in our world class asset base



## Capital expenditure

€ million



- Strong contribution from major capital projects
    - €175 million of incremental operating profit over the last four years, including €25 million in 2017
    - €15 million expected in 2018
  - Capital expenditure expected to be in the range of €700 - €800 million per annum in 2018 and 2019:
    - Štětí modernisation and woodyard upgrade (€335 million and €41 million)
    - Ružomberok new kraft top white machine and related pulp mill upgrade (€310 million)
    - Debottlenecking at Syktyvkar as part of our plan to increase saleable production by around 100 ktpa
    - Targeted expansionary investments in Fibre Packaging and Consumer Packaging
- Key projects expected to increase current saleable pulp and paper production by around 9% when in full operation



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# Outlook



Supported by ongoing good demand, we have seen strong upward momentum in pricing across our key product segments in Packaging Paper and Fibre Packaging over the course of 2017 and into early 2018. We expect continued, but manageable pressure on the cost base across the Group, a consequence of the turn in the commodity price cycle and the general economic recovery we are seeing in many of the regions in which we operate. The recent US dollar weakness coupled with stronger emerging market currencies, most notably the South African rand, are current headwinds.

Our outlook for the business is positive and we remain confident that our consistent and focused strategy, robust business model centred around our cost advantaged assets, and firm focus on driving performance will sustain our track record of delivering value accretive growth. The special dividend of 100.0 euro cents per share recommended by our Boards in addition to the full year ordinary dividend of 62.0 euro cents per share reflects the strength of our financial position and our continued confidence in the Group's cash generating capacity.

# Q&A





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# Mondi at a glance

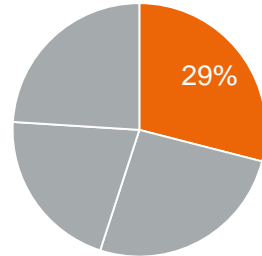


2017 Revenue<sup>1</sup> & ROCE

Products

## Packaging Paper

€2,292m

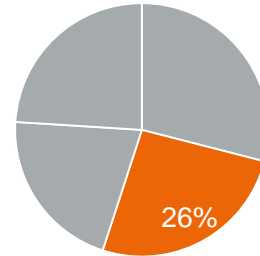


26.3%



## Fibre Packaging

€2,055m

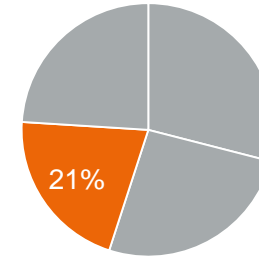


11.3%



## Consumer Packaging

€1,646m

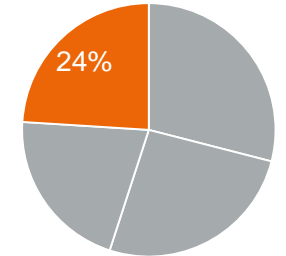


10.4%



## Uncoated Fine Paper

€1,832m



27.8%



<sup>1</sup> Segment revenues, before elimination of inter-segment revenues



# Leading market positions



## # 1

**Kraft paper**  
Global



**Industrial bags**  
Global



**Uncoated fine paper**  
Europe



## # 2

**Virgin containerboard**  
Europe



## # 3

**Consumer flexible packaging**  
Europe



**Containerboard**  
Emerging Europe



**Commercial release liner**  
Europe



**Uncoated fine paper**  
South Africa



**Extrusion coatings**  
Europe



**Corrugated packaging**  
Emerging Europe

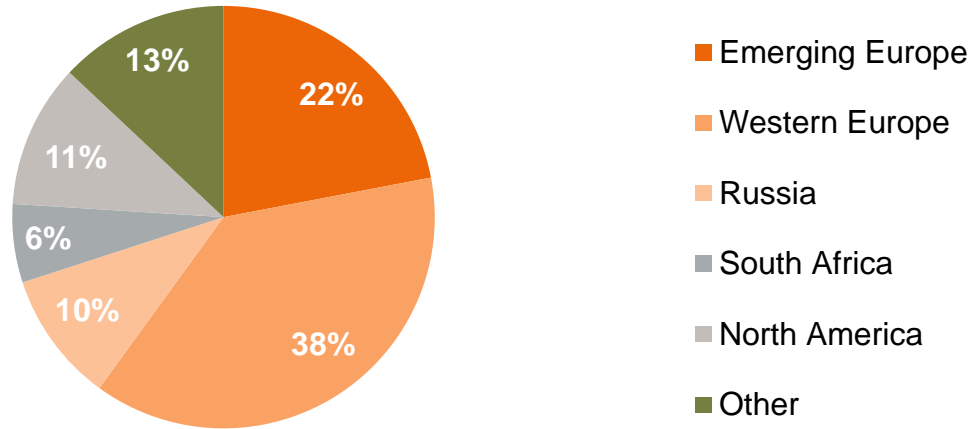


# Strong global presence



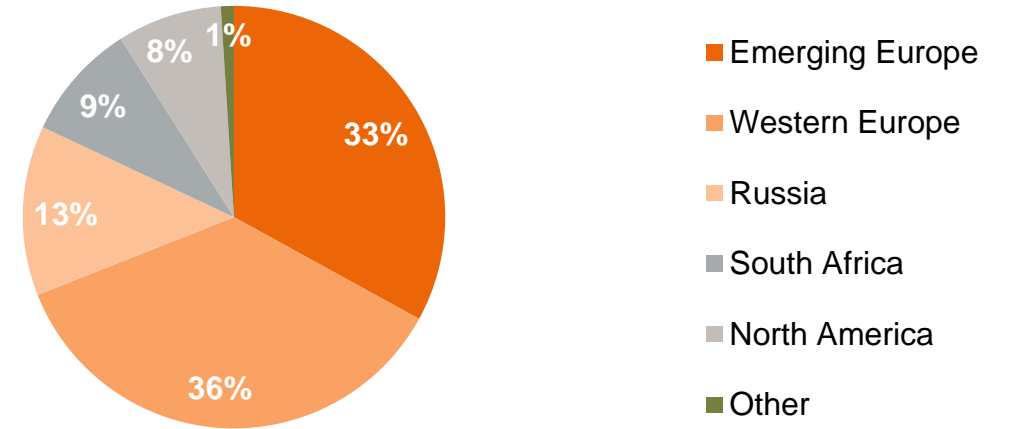
## Revenue by location of customer

%



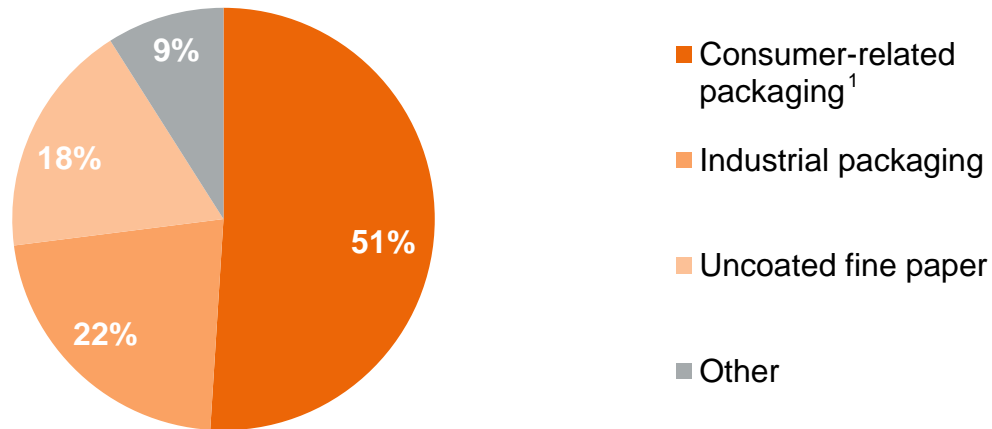
## Revenue by location of production

%



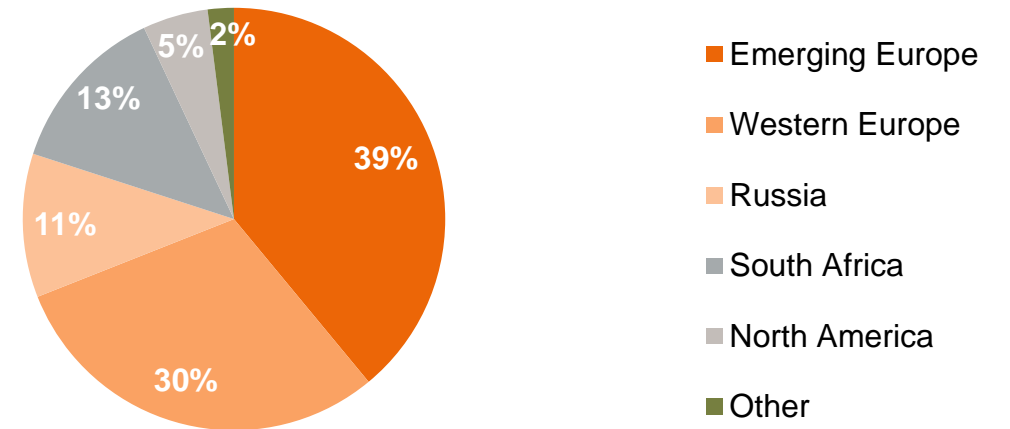
## Product mix

%



## Net operating assets by location

%



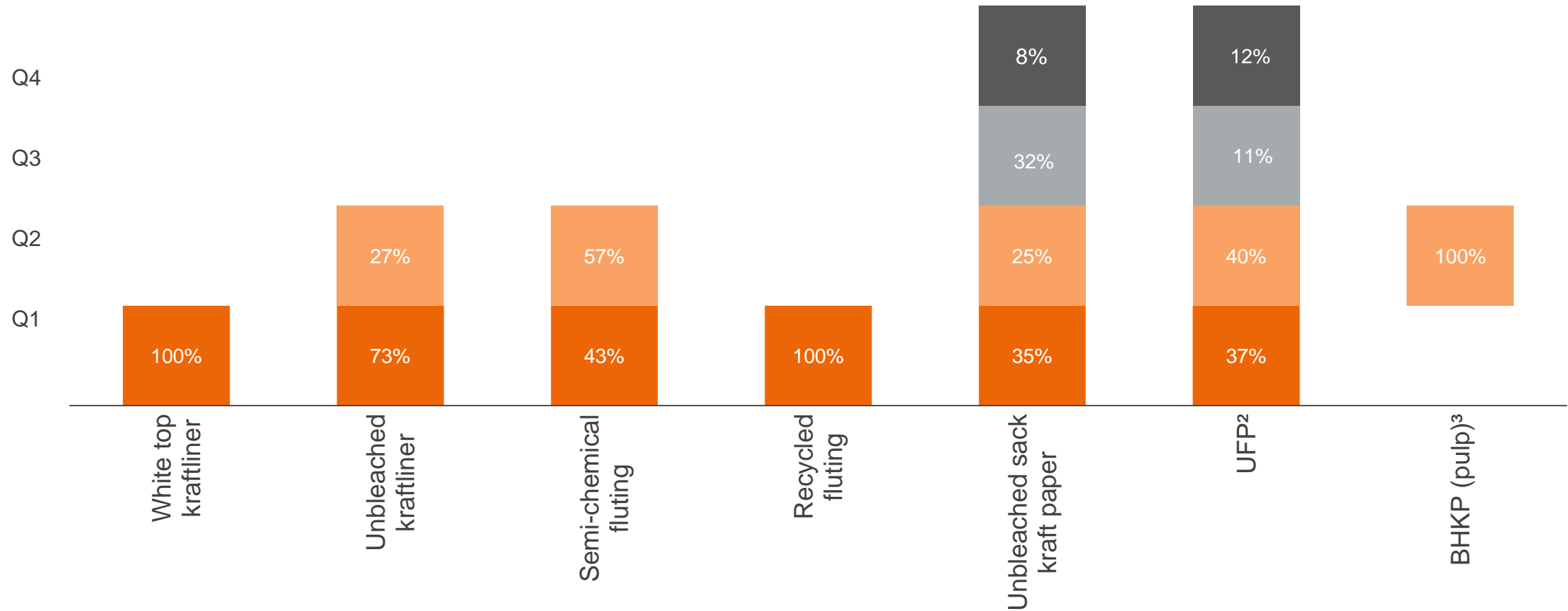
1 Comprises containerboard, corrugated packaging and consumer packaging

# Our cost advantaged operations



## Cost quartile<sup>1,4</sup>

%



1 Delivered to Frankfurt except where noted  
2 Includes specialities

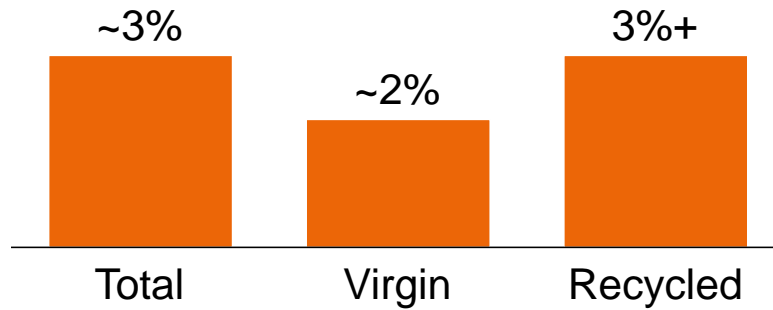
3 Delivered to Rotterdam  
4 European capacity except white top kraftliner, unbleached sack kraft paper and BHKP (global)

Source: RISI (Q3 2017) and Mondi estimates

# Strong market fundamentals in Packaging Paper



## European demand growth (%) & capacities 2018-20E, Containerboard



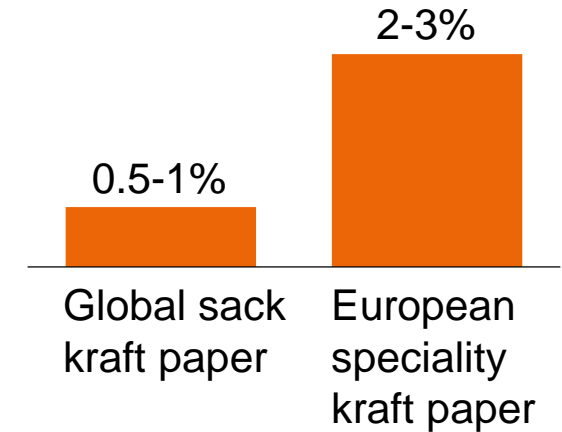
Market demand growth (mt)



Announced capacities (mt)



## Demand growth (%) & capacities 2018-20E, Sack & speciality kraft paper



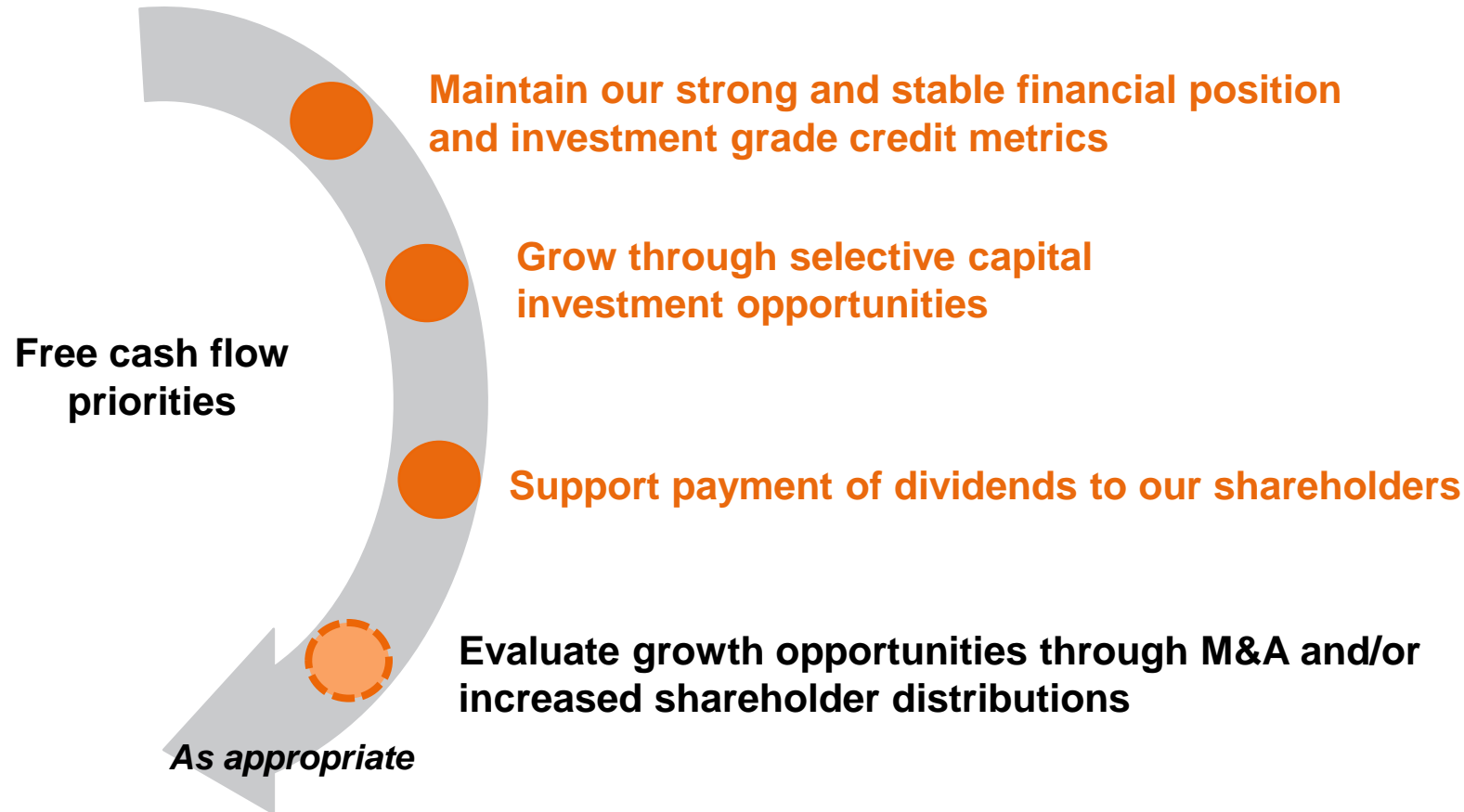
Market demand growth (mt)



Announced capacities (mt)



# Our cash flow priorities remain unchanged

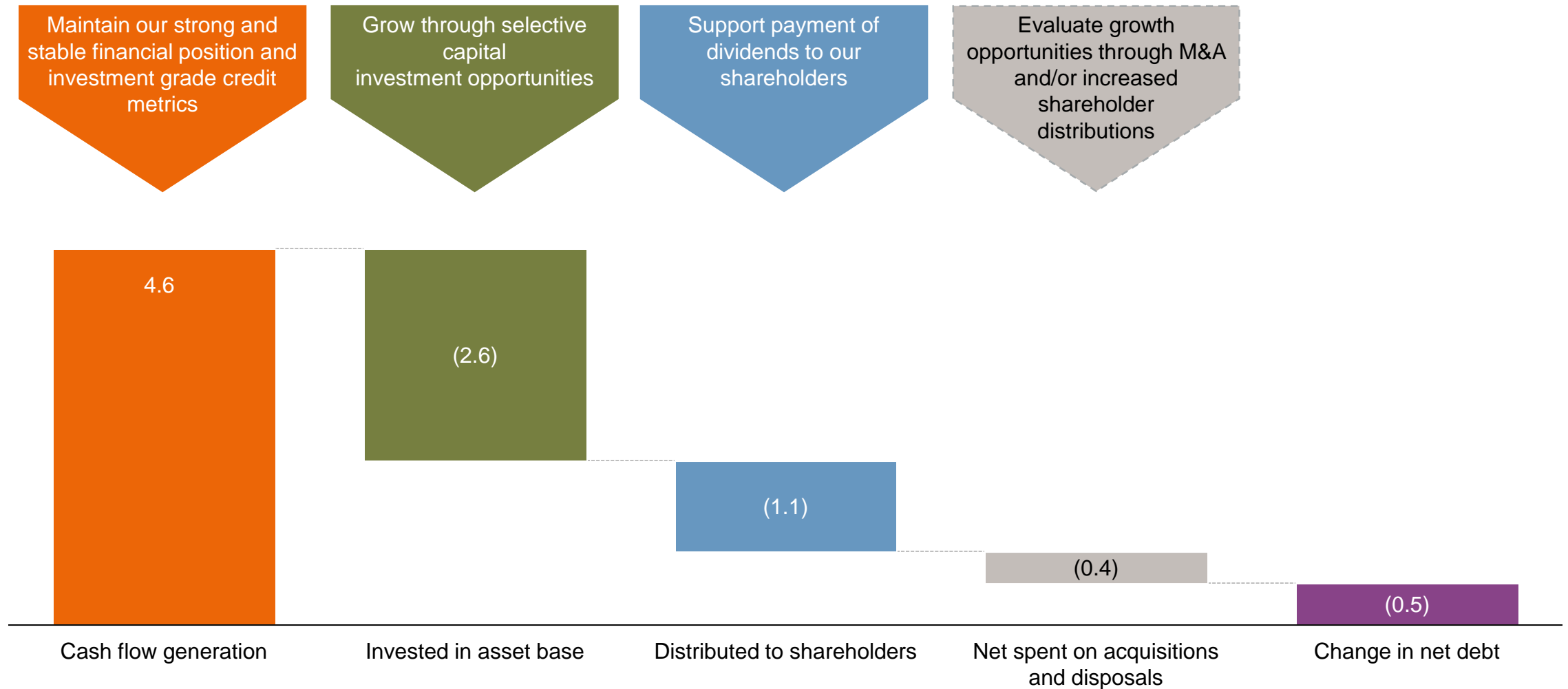


# Reinvested for growth and distributed to shareholders



## Five-year cumulative cash flow (2013–2017)

€ billion



# Ongoing major capital investment projects



## Ružomberok mill, Slovakia (€310 million)



- 300,000 tonne per annum kraft top white machine
- Debottlenecking pulp mill – increasing capacity by 100,000 tonnes per annum
- Incentives received
- Pulp mill upgrade in progress, start-up expected in late 2019
- Paper mill expected start-up in 2020 (subject to permitting)

## Štětí mill, Czech Republic (€335 million)



- Replacement of recovery boiler, rebuild of fibre lines and debottlenecking of paper machines
- Benefits:
  - increased saleable production – 90,000 tonnes per annum market pulp and 55,000 tonnes per annum packaging paper
  - reduced environmental footprint, increased electricity self-sufficiency, lower production costs
- Approved and in progress, expected start-up in late 2018



# Acquisition in progress



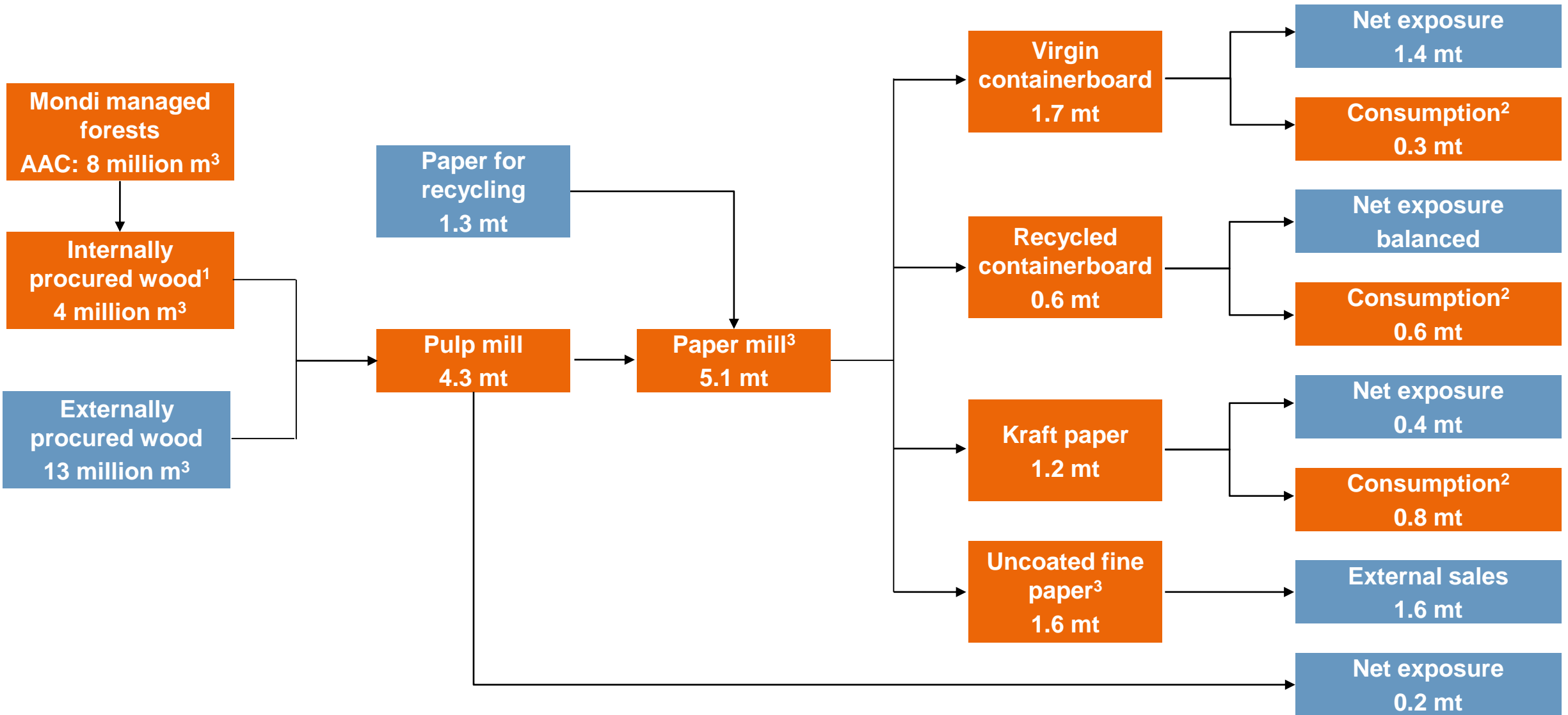
## Powerflute

- Signed agreement to acquire 100% interest for a total consideration of €365 million on a debt and cash-free basis in December 2017
- Integrated pulp and paper mill in Kuopio (Finland) with an annual production capacity of 285,000 tonnes of high-performance semi-chemical fluting
- Production sold to a diverse range of customers, primarily for packaging fresh fruit and vegetables, but also other end-uses such as electronics, chemicals and pharmaceuticals
- Around half of the company's production is sold in Europe, while the remainder is exported globally
- Anticipate completion of this transaction in the first half of 2018, subject to competition clearance and customary closing conditions





# Pulp and paper integrated value chain (2017)



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

2 Total consumption (aggregate of internal and externally procured packaging paper)

3 In addition to the 1.6mt of uncoated fine paper, the Group also produced 0.3mt of newsprint in 2017

# Integrated approach to sustainable development

## Growing Responsibly

### Looking ahead to 2020: 16 commitments across 10 action areas

#### Employee and contractor safety

- Avoid work-related fatalities
- Prevent life-altering injuries
- Reduce TRCR by 5% against 2015

#### A skilled and committed workforce

- Engage with our people to create a better workplace

#### Fairness and diversity in the workplace

- Promote fair working conditions in the workplace

#### Sustainable fibre

- Maintain 100% FSC™ certification of our forests and promote sustainable forest management
- Procure a minimum of 70% of wood from FSC or PEFC™ certified sources with the balance meeting our company minimum wood standard

#### Climate change

- By 2030, reduce specific CO<sub>2</sub>e emissions by 15% against 2014<sup>1</sup>

#### Constrained resources and environmental impacts

- By 2020, reduce against 2015:
  - specific contact water consumption (5%)<sup>1</sup>
  - specific waste to landfill (7.5%)
  - specific NOx emissions (7.5%)<sup>1</sup>
  - specific effluent load (COD) (5%)

#### Biodiversity and ecosystems

- Promote ecosystem stewardship in the landscapes where we operate through continued multi-stakeholder collaboration

#### Supplier conduct and responsible procurement

- Encourage supply chain transparency and promote fair working conditions together with our key suppliers

#### Relationships with communities

- Enhance social value to our communities through effective stakeholder engagement and meaningful social investments

#### Solutions that create value for our customers

- Encourage sustainable, responsibly produced products

<sup>1</sup> From our pulp and paper mills



# Sustainable development highlights 2017



**65%**  
of the mills' fuel consumption is from renewable biomass-based sources

Extended WWF global Partnership for further three years



Joined WWF Climate Savers and introduced science-based target to 2050 for production-related CO<sub>2</sub>

**Excellent progress against our commitments<sup>1</sup>:**

<sup>1</sup> All commitments run to 2020, except our carbon commitment which runs to 2030.

**24-hour**  
safety mindset approach introduced



Work safe.  
Home safe.  
Everybody, every day.

**15%**  
reduction in specific CO<sub>2</sub>e against 2014

**829,900**  
training hours

Signed agreement on Intact Forest Landscapes in Russia with local and national NGOs

**€9.6m**  
in community investments

**71%**  
of wood FSC™- or PEFC™-certified<sup>2</sup>

<sup>2</sup> The Forest Stewardship Council™ ([www.info.fsc.org](http://www.info.fsc.org)) and Programme for the Endorsement of Forest Certification ([www.pefc.org](http://www.pefc.org)).

**247,965**  
hours of general safety training

**18%**  
reduction in specific waste to landfill against 2015

**58,594**  
hours of critical safety training for employees

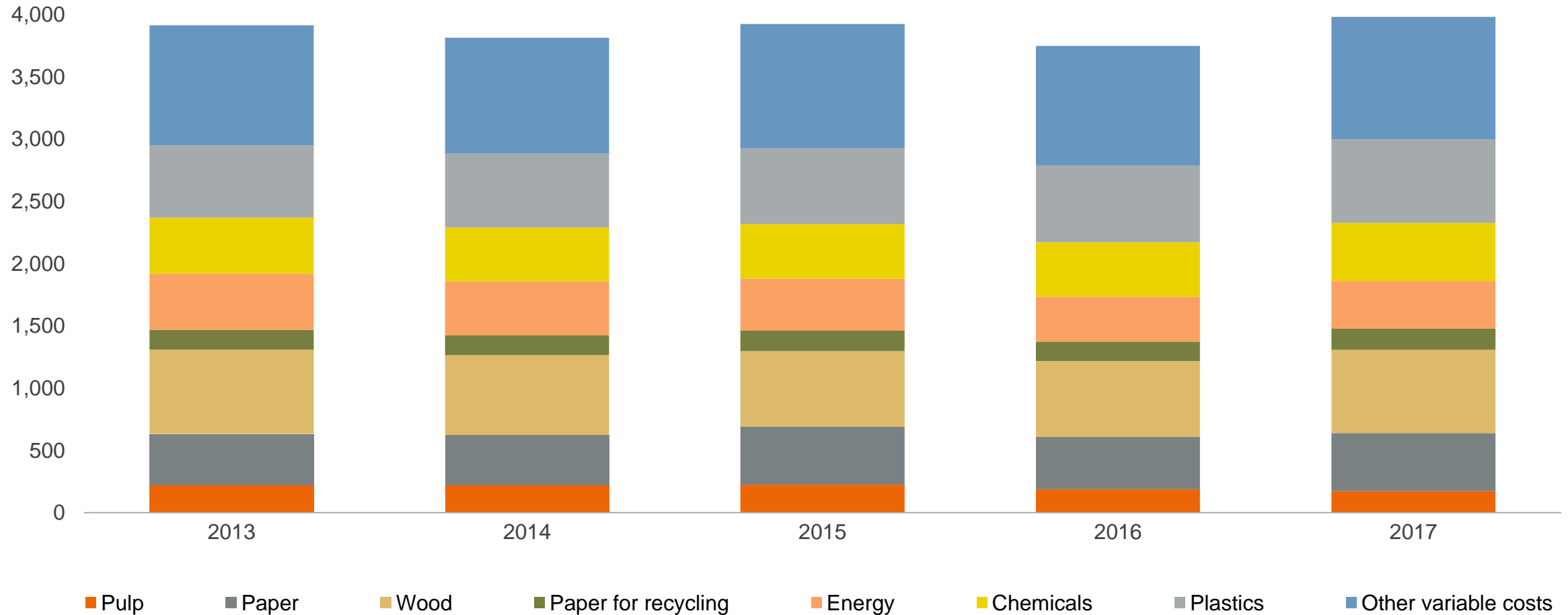
**9%**  
reduction in specific effluent load (COD) against 2015

# Input costs



## Variable costs

€ million

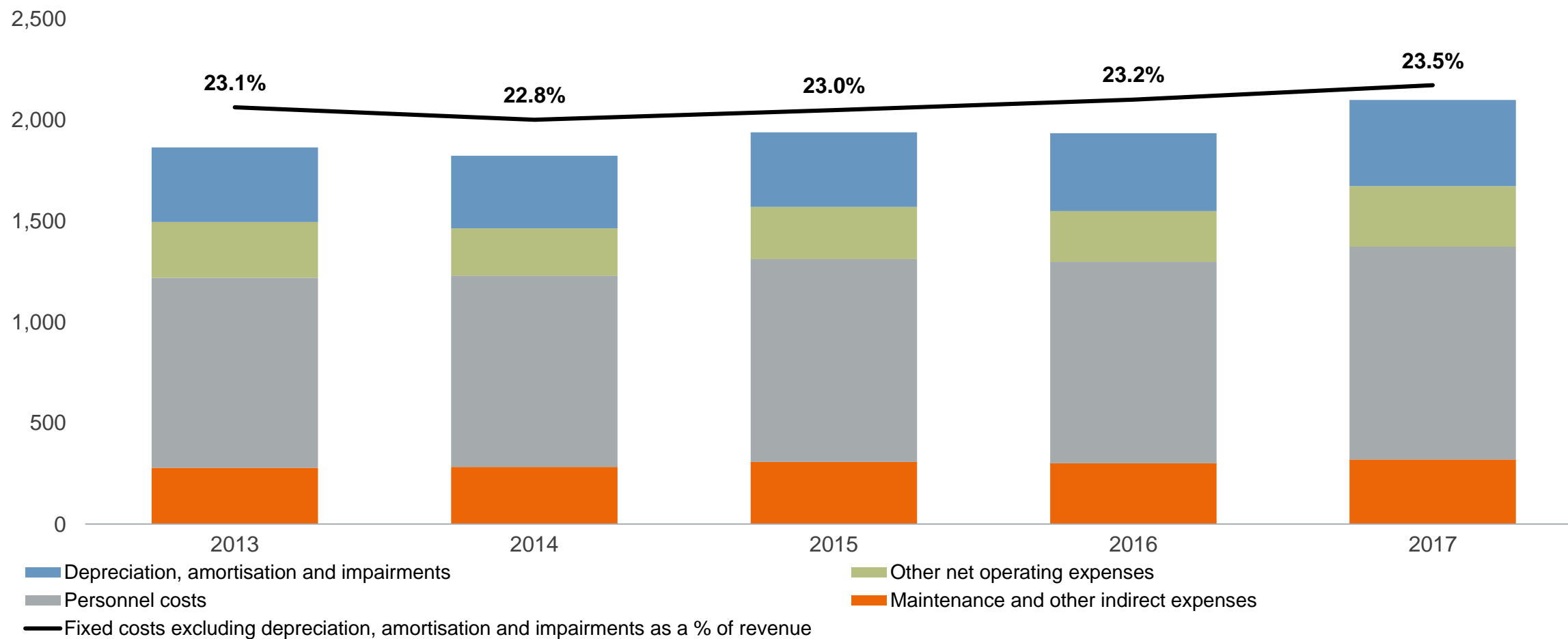


# Fixed costs



## Fixed costs composition (excluding special items)

€ million



# Special items – €61 million net charge

## Packaging Paper (€3 million net gain)

- Partial impairment of kraft paper assets in the US of €16 million and partial reversal of the impairment of a kraft paper mill in Bulgaria of €14 million
- Release of restructuring and closure provisions of €5 million on finalisation of the sale of a kraft paper mill in Finland

## Consumer Packaging (€49 million net charge)

- Restructuring and closure costs of €22 million and related impairment of €28 million as a result of the restructuring of this business
- Recognition of a €1 million gain on the release of a restructuring and closure provision following the finalisation of a release liner plant closure in the US

## Uncoated Fine Paper (€15 million net charge)

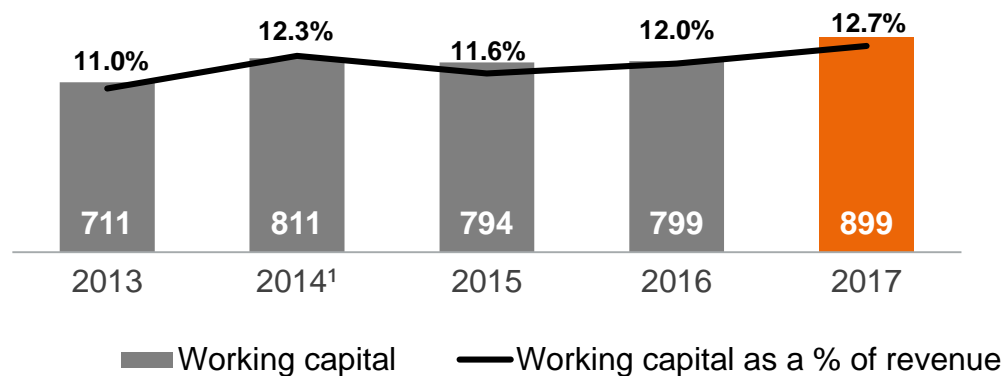
- Restructuring costs of €7 million and related impairment of €8 million following the closure of a newsprint machine at our Merebank mill

# Taxation and working capital

Taxation	2017	2016	% change
€ million			
Underlying tax charge	181	166	(9%)
Cash tax paid	151	173	13%
Effective tax rate	19%	19%	

## Working capital management

€ million



## Taxation

- Effective tax rate of 19%
  - Benefits of tax incentives related to our capital investments in Poland and Russia
  - Recognition of deferred tax assets related to previously unrecognised tax losses
- Tax rate expected to move upwards to 22% over next three years based on current geographic profit mix and prevailing tax rates
- Lower tax paid – timing of final 2017 tax payments payable in 2018

## Working capital

- Net cash outflow of €122 million (2016: inflow of €68 million)



# Cash flow (reconciling to movement in net debt)



€ million	2017	2016	% change
<b>Underlying EBITDA</b>	<b>1,444</b>	<b>1,366</b>	<b>6%</b>
Working capital movements	(122)	68	
Other operating cash flow items	3	(33)	
<b>Cash generated from operations</b>	<b>1,325</b>	<b>1,401</b>	<b>(5%)</b>
Income tax paid	(151)	(173)	13%
Dividends received from other investments and equity accounted investees	1	1	
<b>Net cash generated from operating activities</b>	<b>1,175</b>	<b>1,229</b>	<b>(4%)</b>
Capital expenditure	(611)	(465)	31%
Investment in forestry assets and intangible assets	(65)	(58)	12%
Acquisitions <sup>1</sup>	(48)	(198)	
Interest paid	(83)	(82)	(1%)
Dividends paid to shareholders	(273)	(274)	
Dividends paid to non-controlling interests	(22)	(33)	
Other investing and financing activities	(16)	(4)	
<b>Net decrease in net debt</b>	<b>57</b>	<b>115</b>	

<sup>1</sup> On a debt and cash-free basis

# Statement of financial position



€ million	2017	2016
Property, plant and equipment	3,962	3,788
Goodwill	698	681
Working capital	899	799
Other assets	529	532
Other liabilities	(723)	(721)
<b>Net assets excluding net debt</b>	<b>5,365</b>	<b>5,079</b>
Equity	3,714	3,392
Non-controlling interests in equity	325	304
Net debt	1,326	1,383
<b>Capital employed</b>	<b>5,365</b>	<b>5,079</b>

# Production volumes



		2017	2016	% change
<b>Packaging Paper</b>				
Containerboard	'000 tonnes	2,297	2,253	2%
Kraft paper	'000 tonnes	1,206	1,204	-
Softwood pulp	'000 tonnes	2,010	1,976	2%
Hardwood pulp	'000 tonnes	547	500	9%
<b>Fibre Packaging</b>				
Corrugated board and boxes	million m <sup>2</sup>	1,650	1,448	14%
Industrial bags	million units	4,952	4,881	1%
Extrusion coatings	million m <sup>2</sup>	1,281	1,249	3%
<b>Consumer Packaging</b>	million m <sup>2</sup>	7,437	7,156	4%
<b>Uncoated Fine Paper</b>				
Uncoated fine paper	'000 tonnes	1,644	1,666	(1%)
Softwood pulp	'000 tonnes	375	375	-
Hardwood pulp	'000 tonnes	1,345	1,319	2%
Newsprint	'000 tonnes	277	313	(12%)

# Exchange rates



	2017	2016	% change
<b>Closing rates against the euro</b>			
South African rand	14.81	14.46	(2%)
Czech koruna	25.54	27.02	5%
Polish zloty	4.18	4.41	5%
Pounds sterling	0.89	0.86	(3%)
Russian rouble	69.39	64.30	(8%)
Turkish lira	4.55	3.71	(23%)
US dollar	1.20	1.05	(14%)
<b>Average rates for the year against the euro</b>			
South African rand	15.04	16.27	8%
Czech koruna	26.33	27.03	3%
Polish zloty	4.26	4.36	2%
Pounds sterling	0.88	0.82	(7%)
Russian rouble	65.88	74.16	11%
Turkish lira	4.12	3.34	(23%)
US dollar	1.13	1.11	(2%)

# Market position sources and definitions



## Mondi region definitions

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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

North America – Canada, Mexico, USA

## Sources for market position estimates

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

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

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

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

Extrusion coatings (Europe) based on sales volumes – Source: AWA Extrusion Coated Materials European Market Study and Mondi estimates

Consumer flexible packaging Europe based on sales – Source: PCI Wood Mackenzie – Flexible Packaging, European Supply/Demand report, 2017

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, RISI Mill Asset Database, Eastconsult and Mondi estimates

Uncoated Fine Paper (South Africa) based on Mondi estimates

