



Mondi Group
Capital Markets Day | 2017

Consumer Packaging:
Capturing growth opportunities while driving returns

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Consumer Packaging at a glance



Consumer Goods Packaging



Personal Care Components



Release Liner



Technical Films



Main end market

- Food
- Pet food
- Home and personal care

- Diapers/incontinence
- Femcare
- Wipes

- Hygiene and medical
- Graphics arts and tapes
- Industrial applications

- Food
- Industrial/technical applications

Geographic focus

- Europe

- Global

- Europe and US

- Europe

Growth of relevant market¹

- 2-4%

- 1-3%

- 3-4%

- 2-3%

¹ Mondi estimate based on PCI, Euromonitor, AWA and Pira

Strategic value drivers in Consumer Packaging



Value creation initiatives – some examples

- 1 Partner with big brands and hidden champions to drive innovation
- 2 Expand footprint with cost advantage to export and serve locally
- 3 Proactively manage performance



1 What's important for consumers and our customers?

Consumer Goods Packaging



- **Convenience** (e.g. easy opening, small portions, on-the-go, etc.)
- **Safety & contamination protection**
- **Sustainability**

Personal Care Components



- **“Natural”**
- Softness/breath-ability
- No (chemical) smell
- Fit/discretion

Release Liner



- **Ease-of-use**
- Discretion
- Functionality

Technical Films



- Food shelf-life/**barrier properties**
- Technical **performance**

Consumer

Mondi's customers

- **Cost saving innovations** (vs. rigid packaging)
- **Shelf appeal, stackability**
- Barrier properties

- **Premium-tier-targeted innovation**
- Products for **high-growth markets** (China, India, Africa) and adult incontinence
- **Cost saving innovations**

- **Converter engineering support**
- **Quality**
- Innovation
- Cost saving innovations

- **Innovation**
- Converter engineering support
- Quality
- Technical applications

Flexibility

Reliability

Global partner

1 We partner with big brands and hidden champions



Examples of customer collaboration



Cooperation with System Technology Centre (STC) on capsule system solutions
BarrierPack for coffee capsule lids



Flooring – development of roomskin® product



Premium stretch diaper component



Bio-based film
Straight tear for M&M pouch



Substitution of Bag-in-Box system with flexible solution



Johanning Snack GmbH & Co. KG
ArtPack solution



PaperPack solution with window



Innovative and recyclable flexible dishwashing packaging



High-barrier coffee packaging
(for whole beans)

1 Innovative solutions

Kellogg's flexible packaging solution



Kellogg's



Needs



Consumer

- Easy-opening & reclosing
- Safety
- Enhanced product freshness

Mondi customer

- Shelf-appeal
- Cost and material savings



Innovation



Reclosable fill-and-seal package

- Form fill-and-seal solution
- Corner seal for easy opening
- Reclosability with velcro
- Reduced environmental footprint
- Premium print quality



Aspiration



- Break into **10 bn unit global market¹** for bag-in-box systems

¹ 2016, Euromonitor, assumes 90% of cereal market is "bag-in-box"

1 Innovative solutions

Dishwasher & fabric care packaging designed for recycling



Link to customer video



Needs



Consumer

- Sustainability
- Convenience
 - Reclosability

Mondi customer

- Sustainability
 - by supporting genuine recycling
 - without compromising product safety



Innovation



Flexible spouted bag designed for recycling

- 70% weight/material reduction vs. rigid packaging
- 100% recyclable plastic
- Mono material (incl. spout and cap)
- Easy separation of 2 components (printed tear-away label and transparent bag)



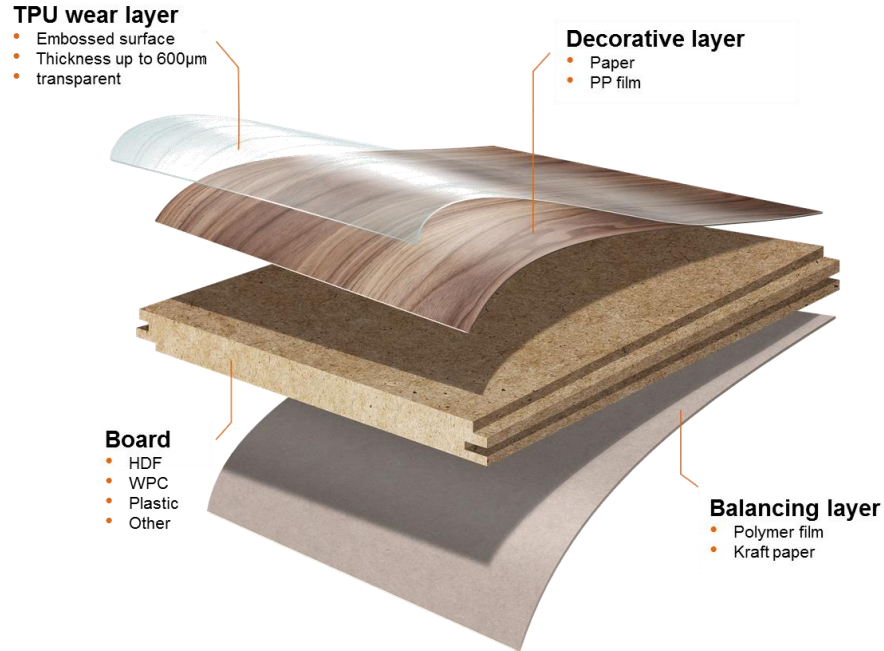
Aspiration



- Substitute conventional packaging (rigid and flexible) through flexible pouches designed for recycling
- Capture share of the global liquid laundry detergent packaging market

1 Innovative solutions

Self-repairing 'wood' flooring substitute



roomskin[®]
FLOOR

Needs



Consumer

- **Technical performance (resistant to damage)**
- Naturalness

Mondi customer

- Premium tier-targeted innovation



Innovation



Technical film as top layer of 'wood' flooring substitute

- **Self-repairing** surface coating
- **High** abrasion and stain **resistance**
- Sound absorbing
- **Low emissions**, as e.g. no plasticisers and solvents



Aspiration



- Capture share of **€61 bn global floor covering market¹**
- Establish similar partnership with US company

¹ 2016, Euromonitor, excludes carpets

1 Innovative solutions

>10 kg flat-bottom pet food bags



Needs



Consumer

- **Convenience**
 - Reclosability
 - Handle
- Enhanced product freshness

Mondi customer

- **Shelf-appeal**
- **Stackability**
- **High-printing**



Innovation



>10kg flat-bottom pet food bags

- First flat-bottom bags for more than 10 kg – as alternative to coated paperbag
- Allows **standing** and **stacking**
- **Convenient** to store, transport, access, and consume
- Small ecological footprint



Aspiration



- Expand product knowledge into other large premium bag categories – e.g. all pet food, soil, fertiliser

② Expand footprint with cost advantage to export and serve locally



Solec



Poznań



Békéscsaba



Pereslavl



Uralplastic



TSP



Status

- **Expansionary capex 2015-17 >50% of capital employed¹**
- **Current export share of production >50%**
- **Local market growth 3-5% provides opportunity for future growth**

Aspiration



- **ROCE accretive**
- **Expansion of business model**

¹ Capital employed at the end of 2014

3 Proactively managing performance



Lower cost,
higher
productivity



- **Key accounts**
 - Optimised key account teams, introduction of product experts
 - Geographic expansion
- **'Bottom slicing'**
- **Sales force effectiveness**
 - Centralised and strengthened marketing support
 - Capability building and performance assessment

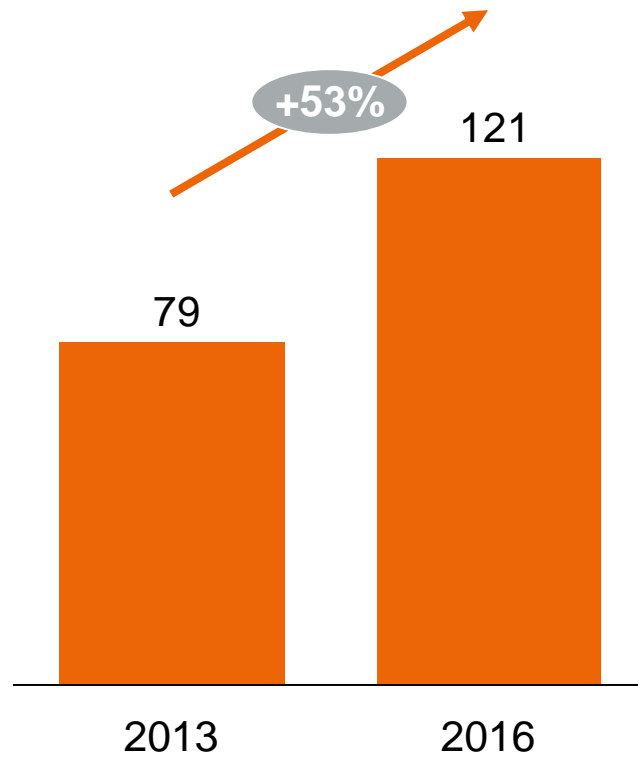
- **Productivity and efficiency**
 - Lean production
 - Increase utilisation rate and specialisation of plants
- **Leverage cost advantage of plants in CEE countries**

50% underlying operating profit increase in the last 3 years



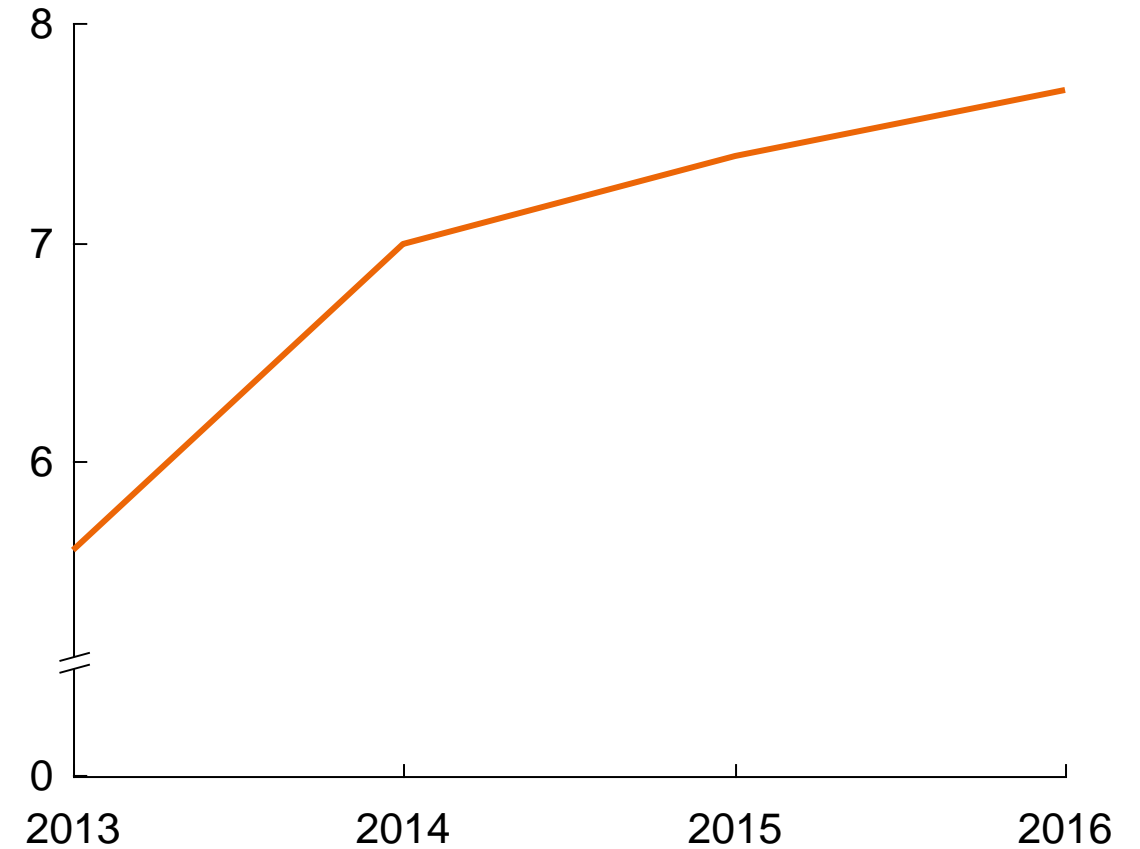
Underlying operating profit development

€ million



Underlying operating profit margin

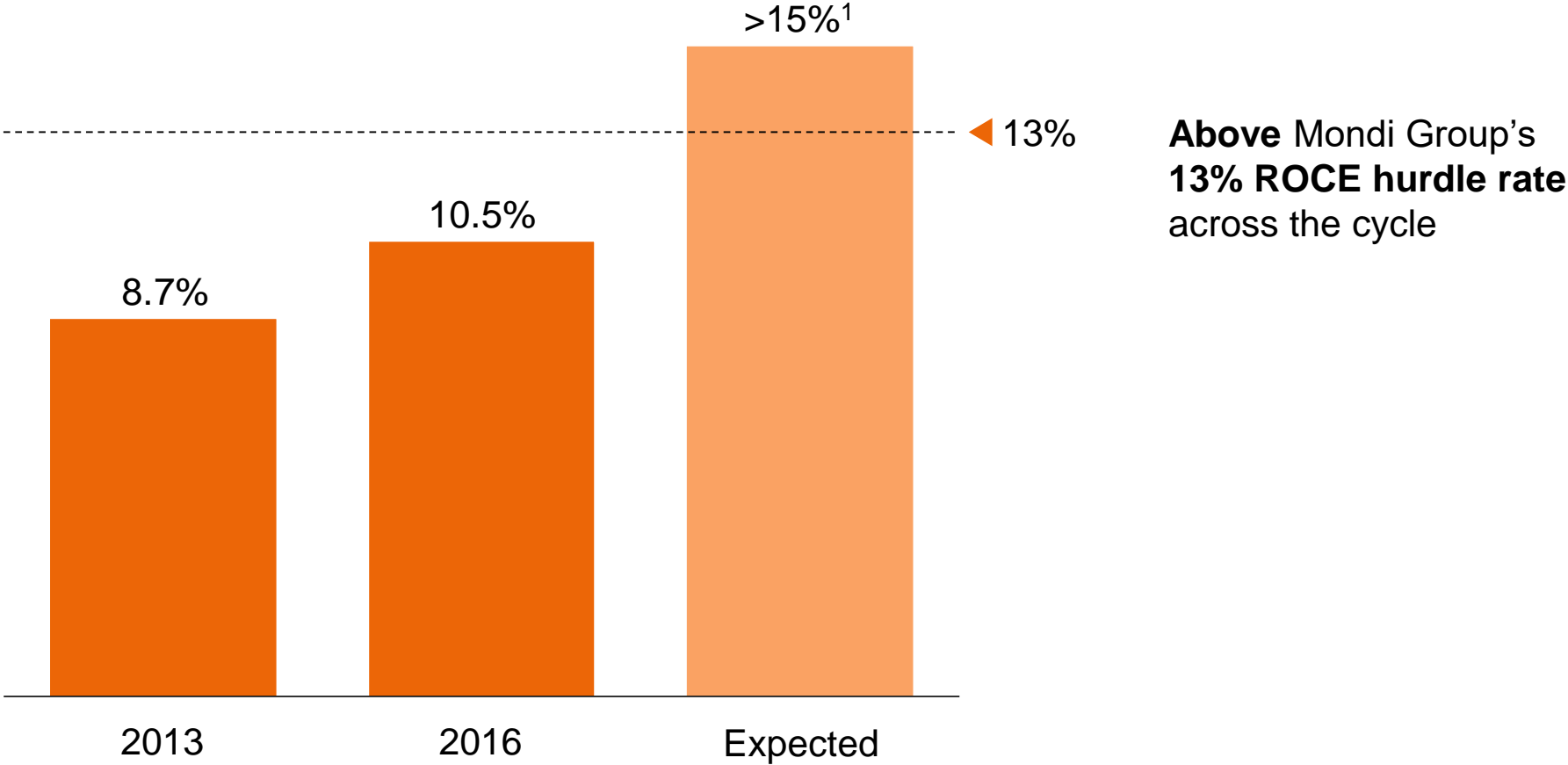
%



We expect to increase ROCE to >15% over the next 5 years



ROCE
%



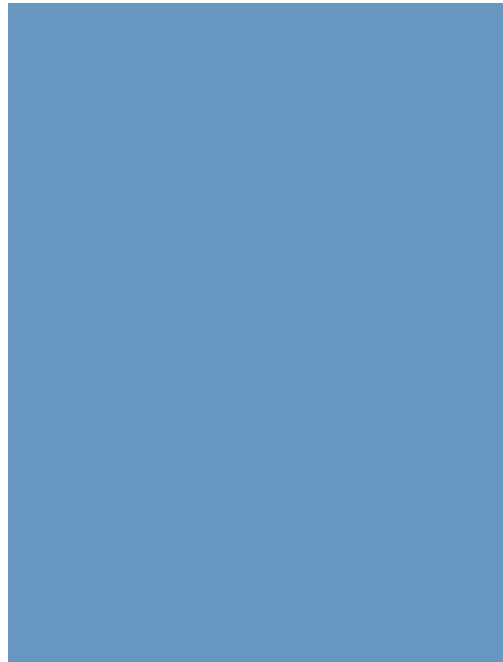
¹ Excluding potential future acquisitions

Consumer Packaging:

Capturing growth opportunities while driving returns



- Partnering with blue chip customers and hidden champions to drive growth and innovation
- Leveraging investments in assets with a cost advantage
- Proactively optimising performance



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