



Investor presentation

Mondi Group

May 2018

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.

Mondi expressly disclaims

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.



Group overview

2017 Full year Group results highlights

Q1 2018 trading update and operational review

Appendices

Mondi at a glance

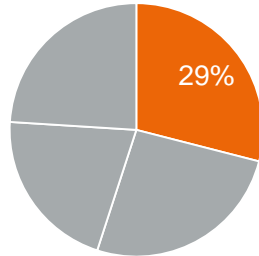


2017
Revenue¹
&
ROCE

Products

Packaging Paper

€2,292m

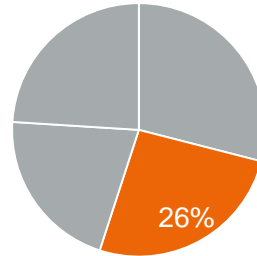


26.3%



Fibre Packaging

€2,055m

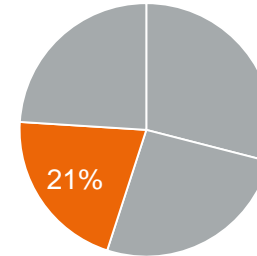


11.3%



Consumer Packaging

€1,646m

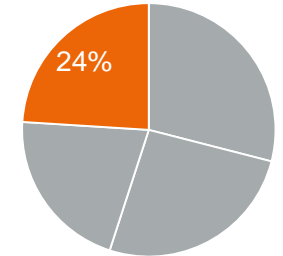


10.4%



Uncoated Fine Paper

€1,832m



27.8%



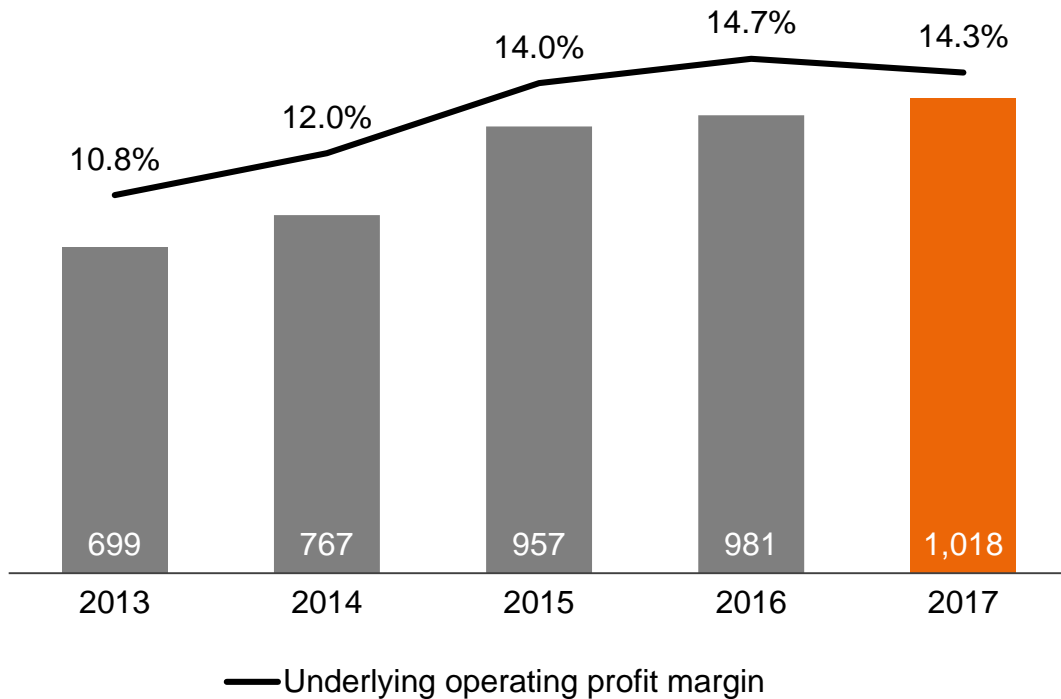
1 Segment revenues, before elimination of inter-segment revenues

Consistent strategy delivering industry leading returns



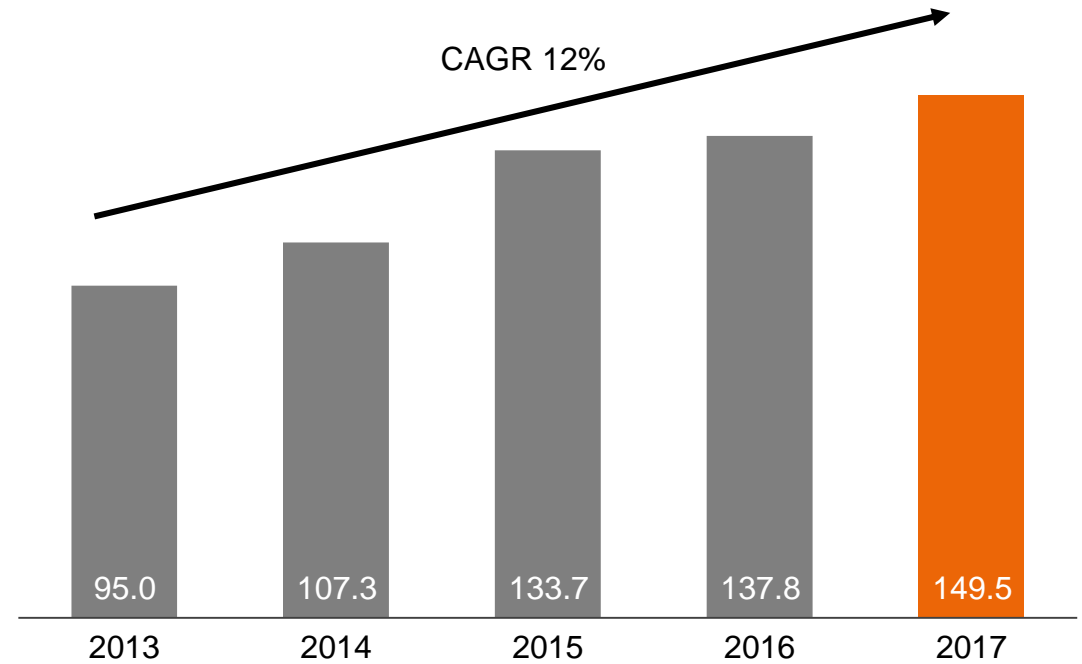
Underlying operating profit and margin

€ million



Underlying basic earnings per share

euro cents per share

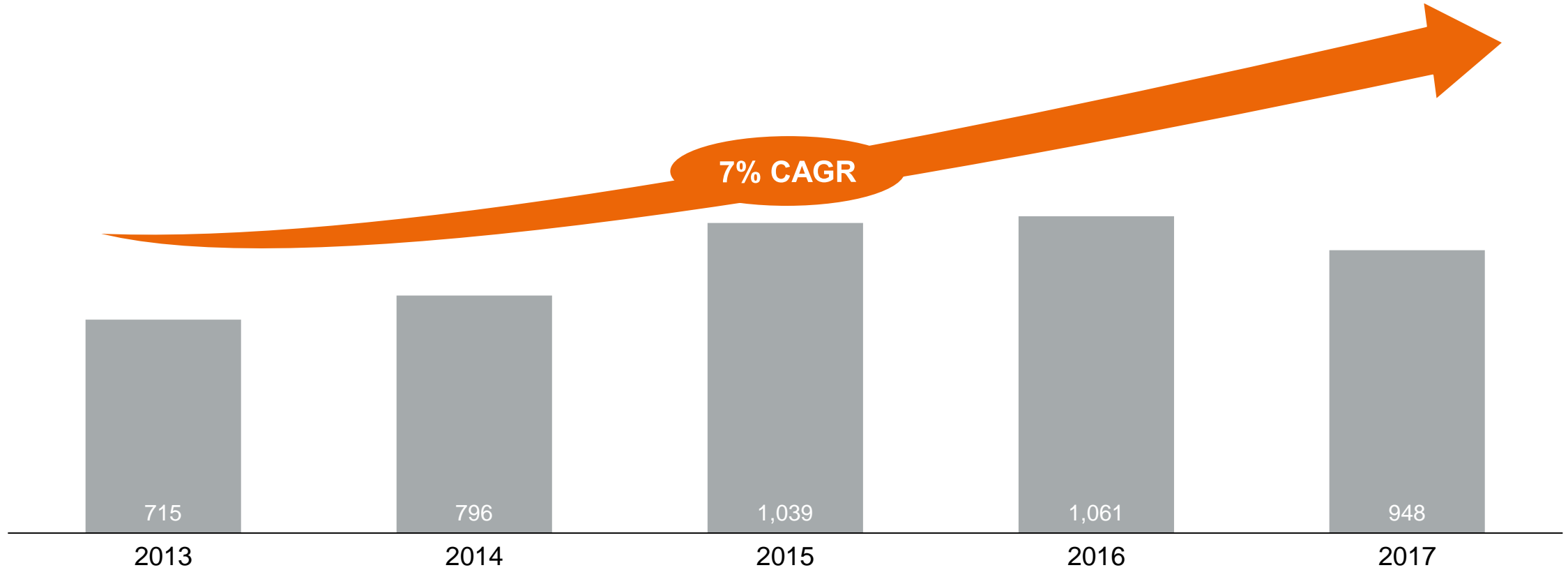


Strong cash flow generation



Cash flow generation¹

€ million



€4.6 bn cash generated 2013–2017

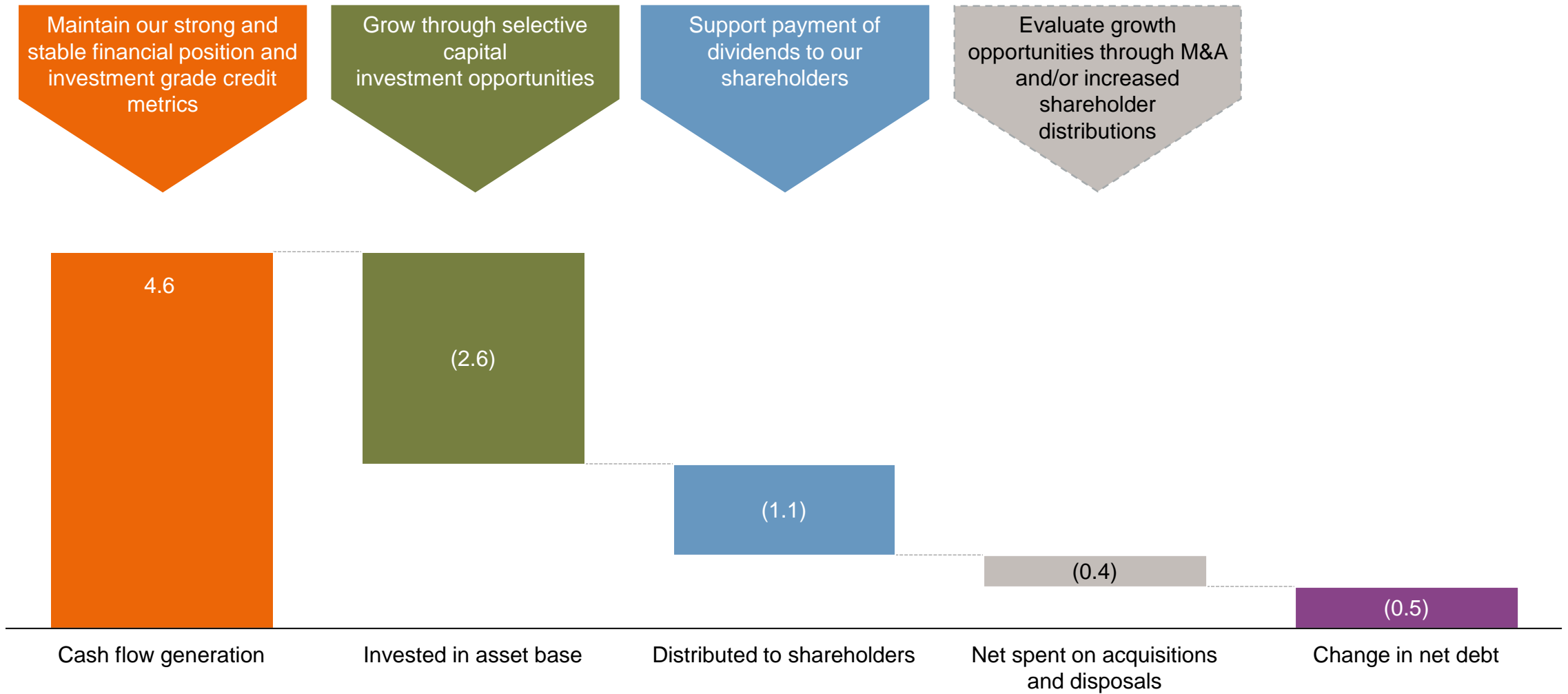
¹ Cash flow generation based on net cash generated before capital expenditure, shareholder distributions, acquisitions and disposals

Reinvested for growth and distributed to shareholders



Five-year cumulative cash flow (2013–2017)

€ billion



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

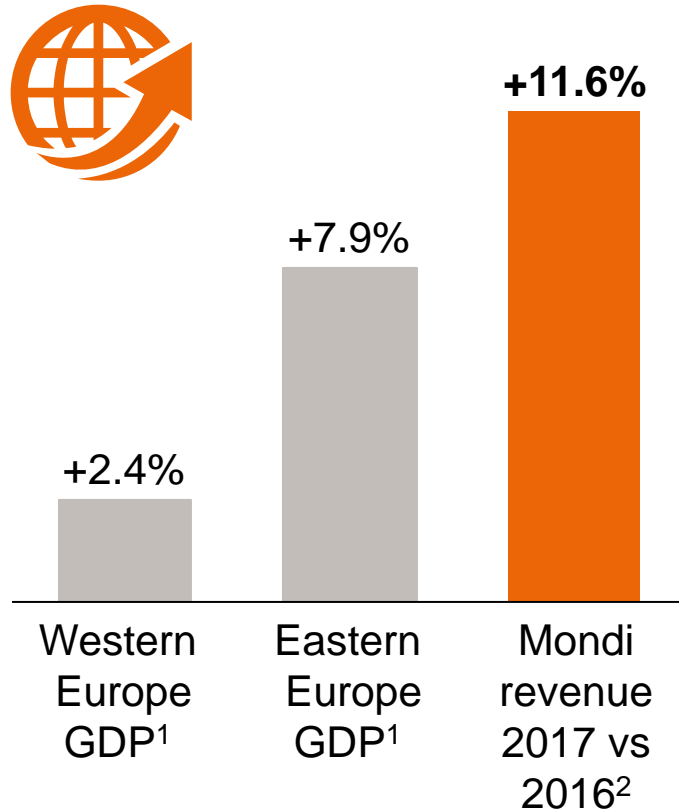


Well positioned to leverage global industry growth trends




Emerging markets growth

Nominal €, 2016-2017E




Key global industry trends


Sustainability




Light-weighting




Rigid to flexibles



Recyclable



E-commerce



Convenience

¹ Source: IHS Markit, updated as of 1 March 2018

² Emerging Europe and Russia

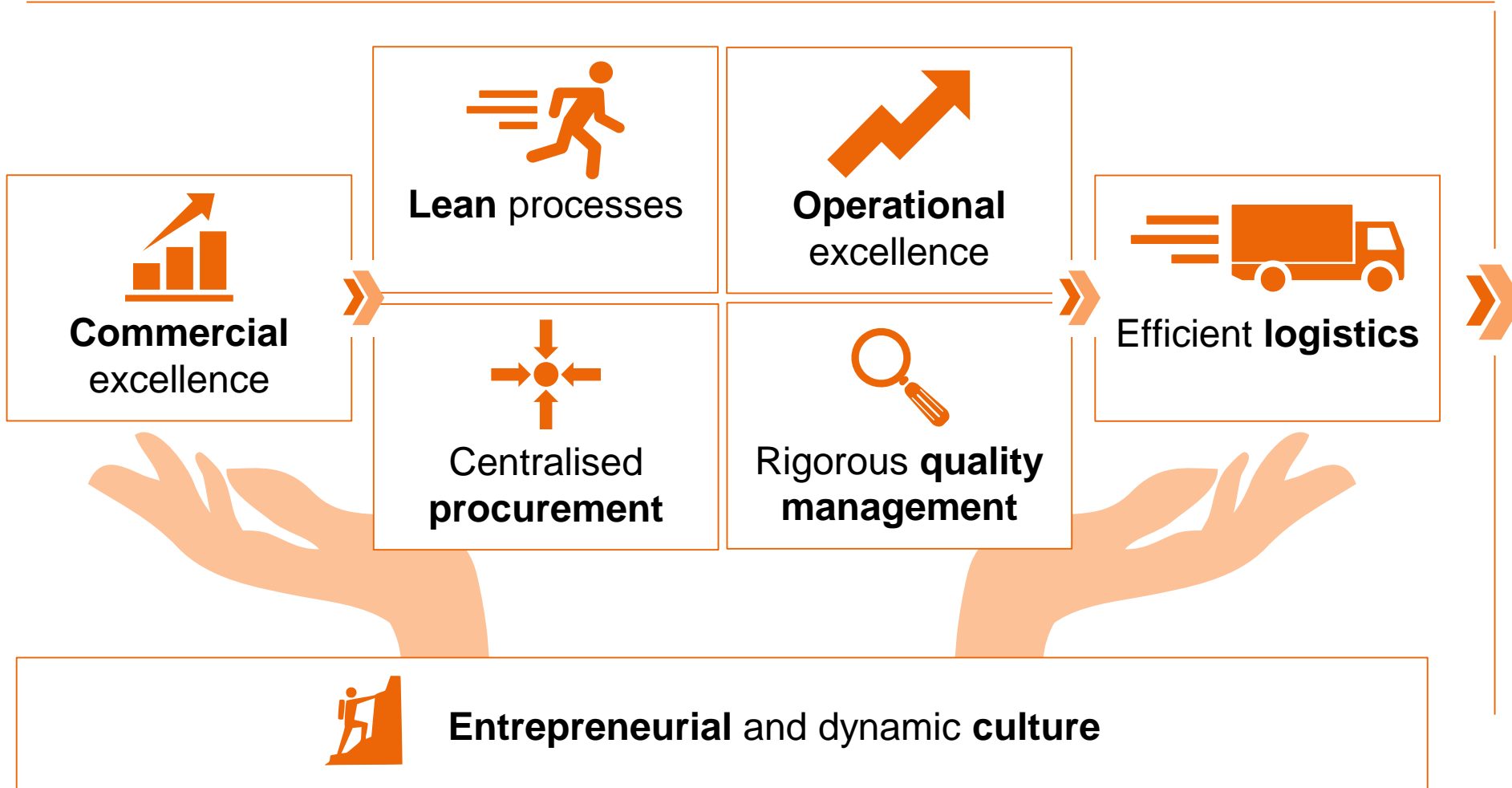
Creating sustainable value through our strategic framework



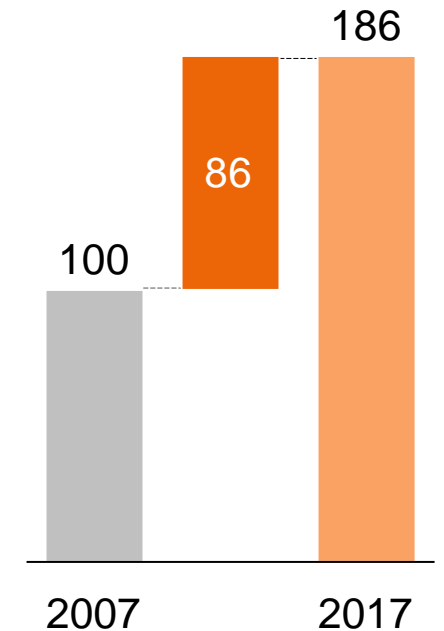
Driving performance along the entire value chain



Culture of continuous improvement in all elements of value chain



Productivity (saleable output)
Tonnes/employee, indexed

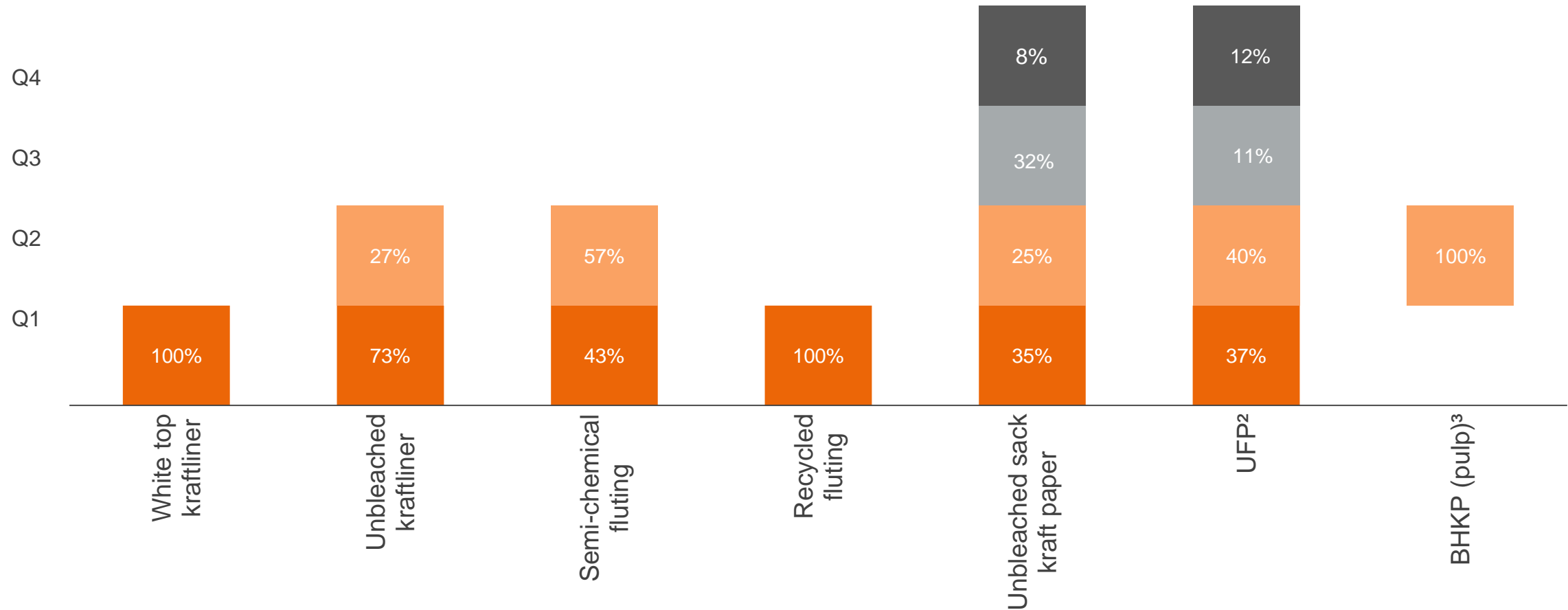


Our cost advantaged operations



Cost quartile^{1,4}

%

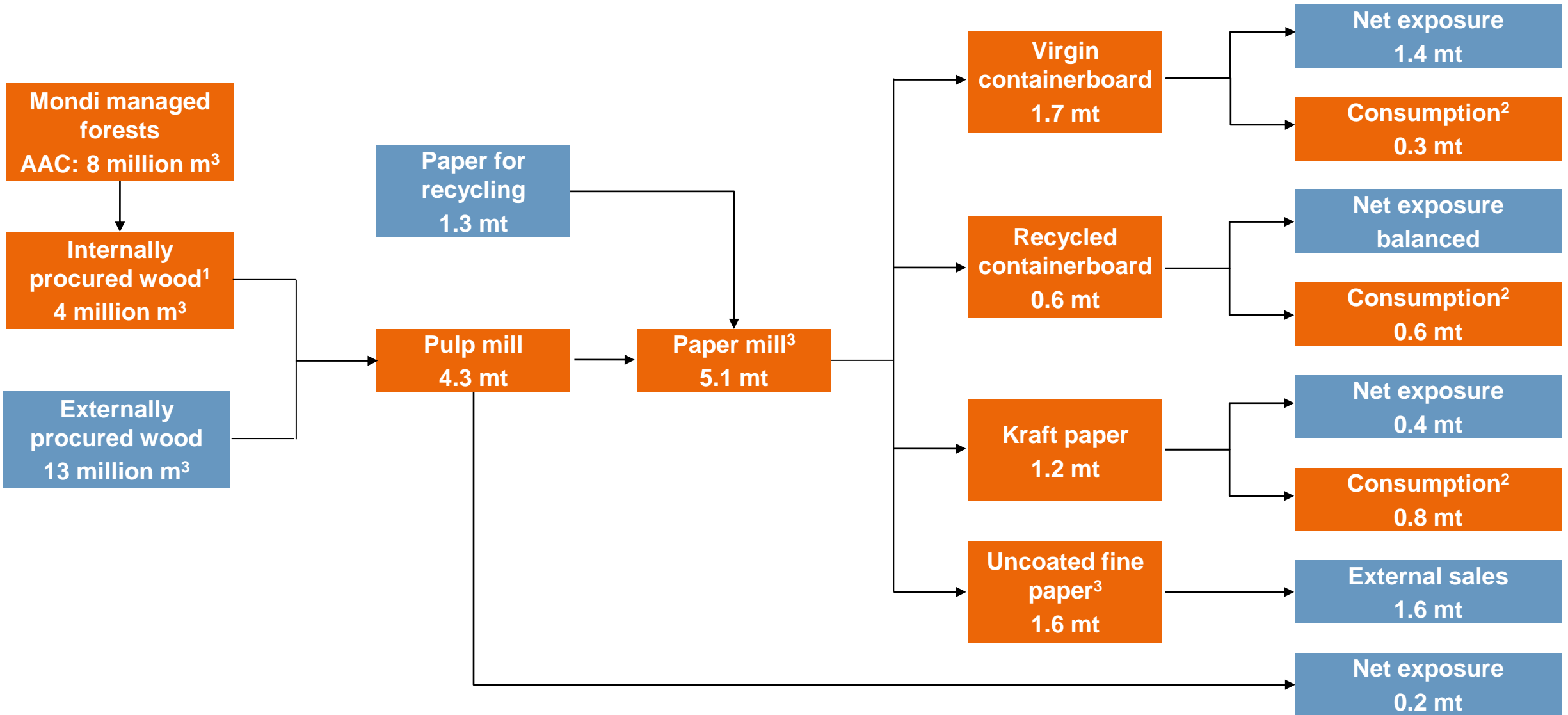


1 Delivered to Frankfurt except where noted
2 Includes specialities

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

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)

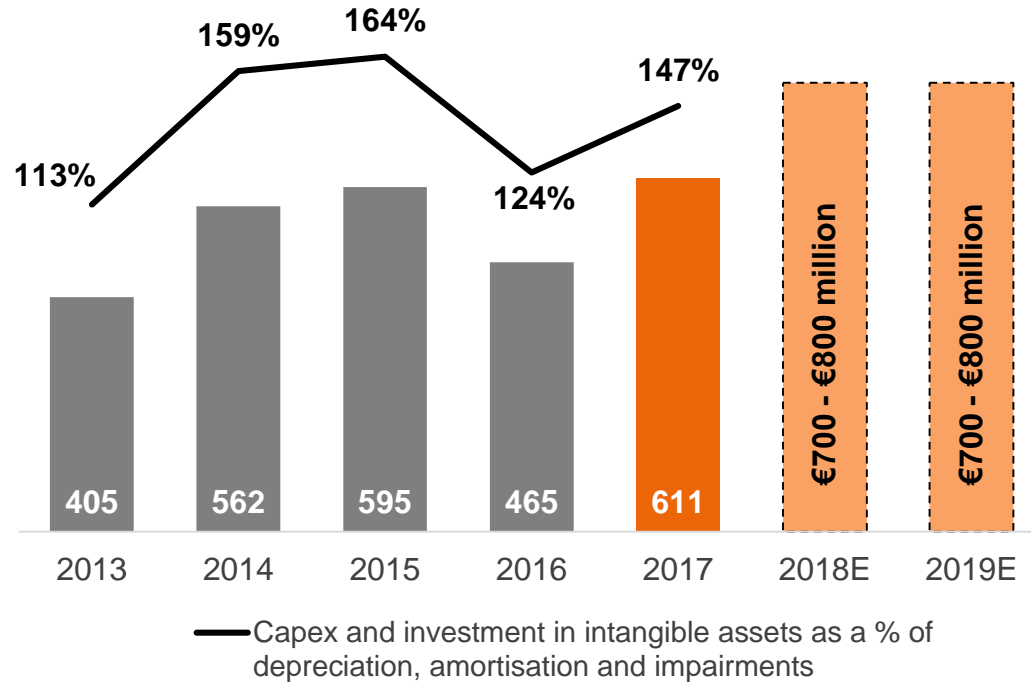
3 In addition to the 1.6mt of uncoated fine paper, the Group also produced 0.3mt of newsprint in 2017

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

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 (to be mostly integrated into containerboard)
- Incentives received
- Pulp mill upgrade in progress, start-up expected in late 2019
- Paper mill expected start-up in 2020 (subject to permitting)

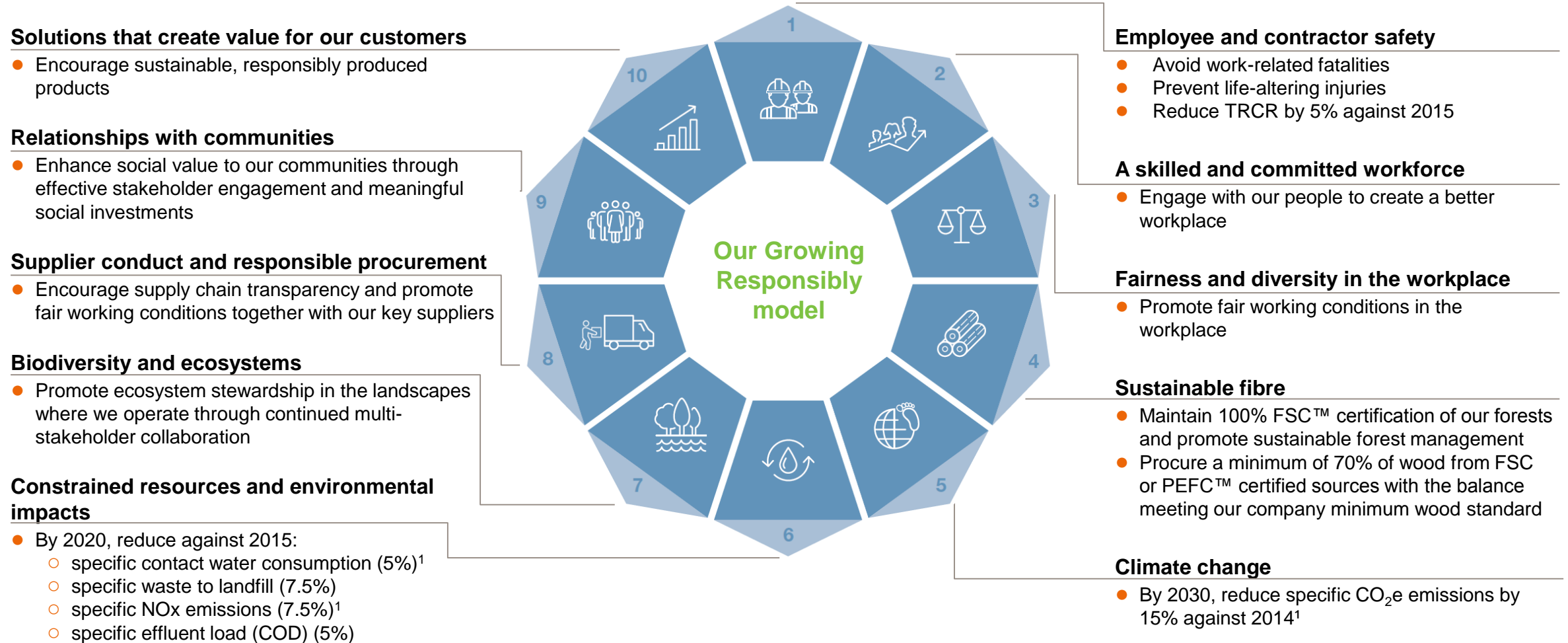
Štětí mill, Czech Republic (€335 million)



- 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

With an integrated approach to sustainable development

Looking ahead to 2020: 16 commitments across 10 action areas



¹ From our pulp and paper mills

Continued innovation with our customers



- Dedicated resources driving innovation
 - €23 million on R&D in 2017
 - 6 R&D centres
- Close co-operation with customers, universities and research partners



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

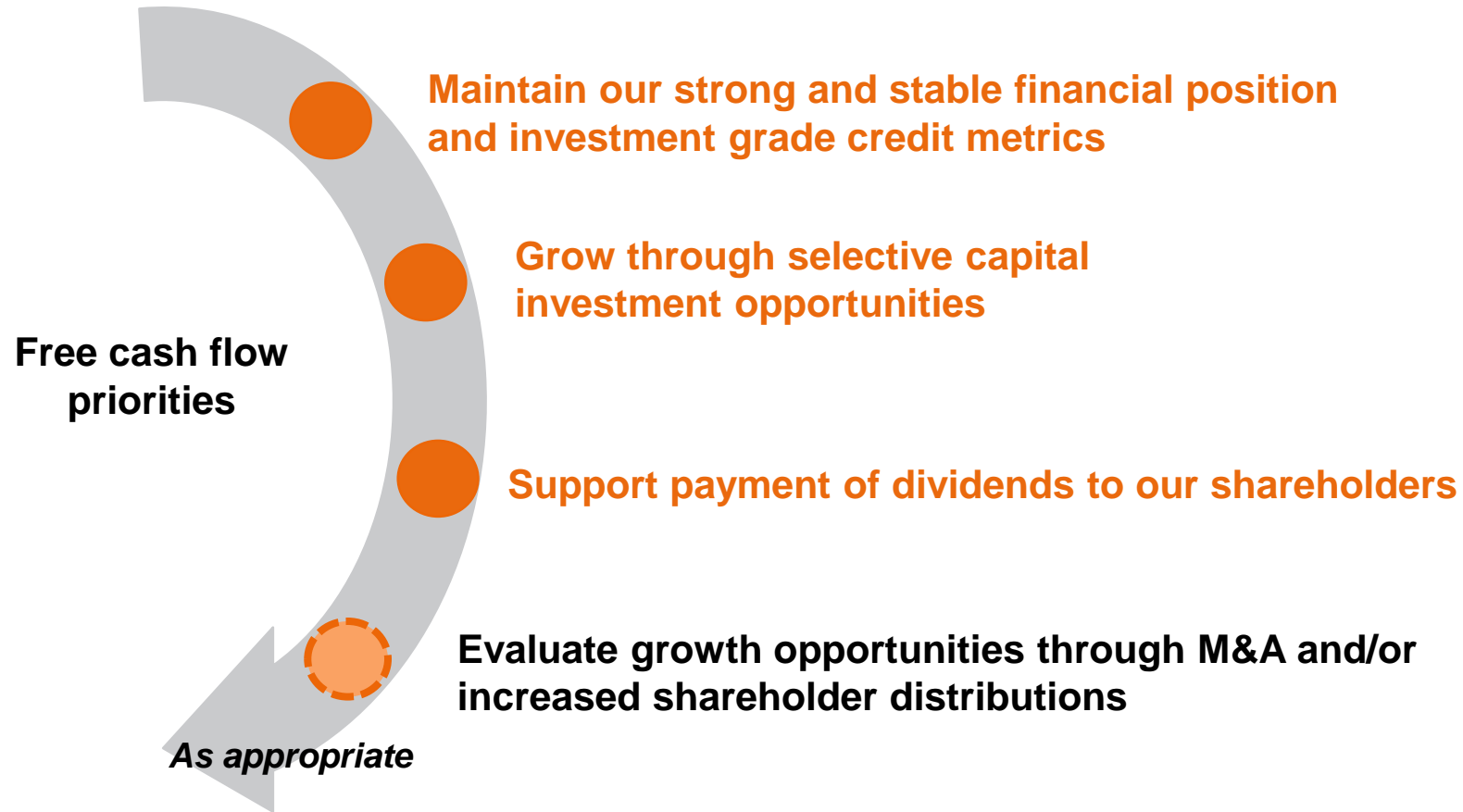
- Efficient and sustainable, light-weight packaging solution
- Enables faster packaging process with decreased logistic costs
- Flexible, yet strong and durable



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

Our cash flow priorities remain unchanged

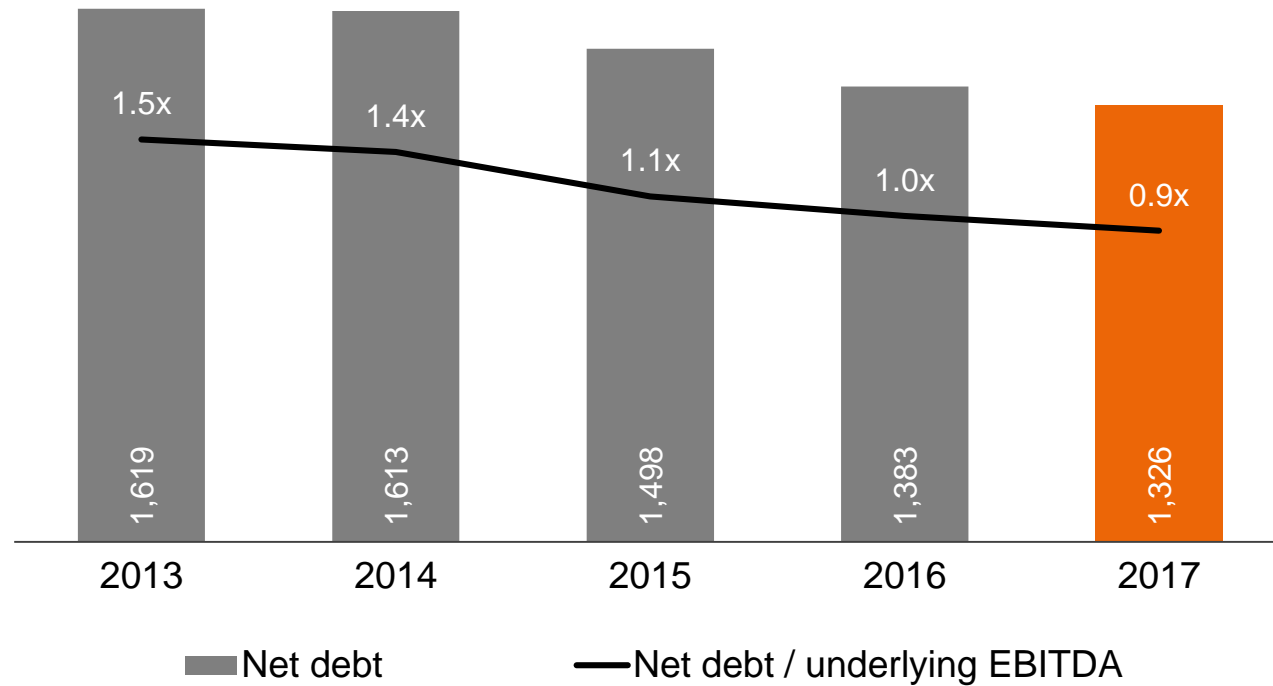


Robust financial position



Net debt and net debt / underlying EBITDA

€ million



- Key financial policy
 - Retain Investment Grade credit rating
- Current ratings:
 - Moody's Investors Service at Baa1 (stable outlook)
 - Standard & Poor's at BBB+ (stable outlook)

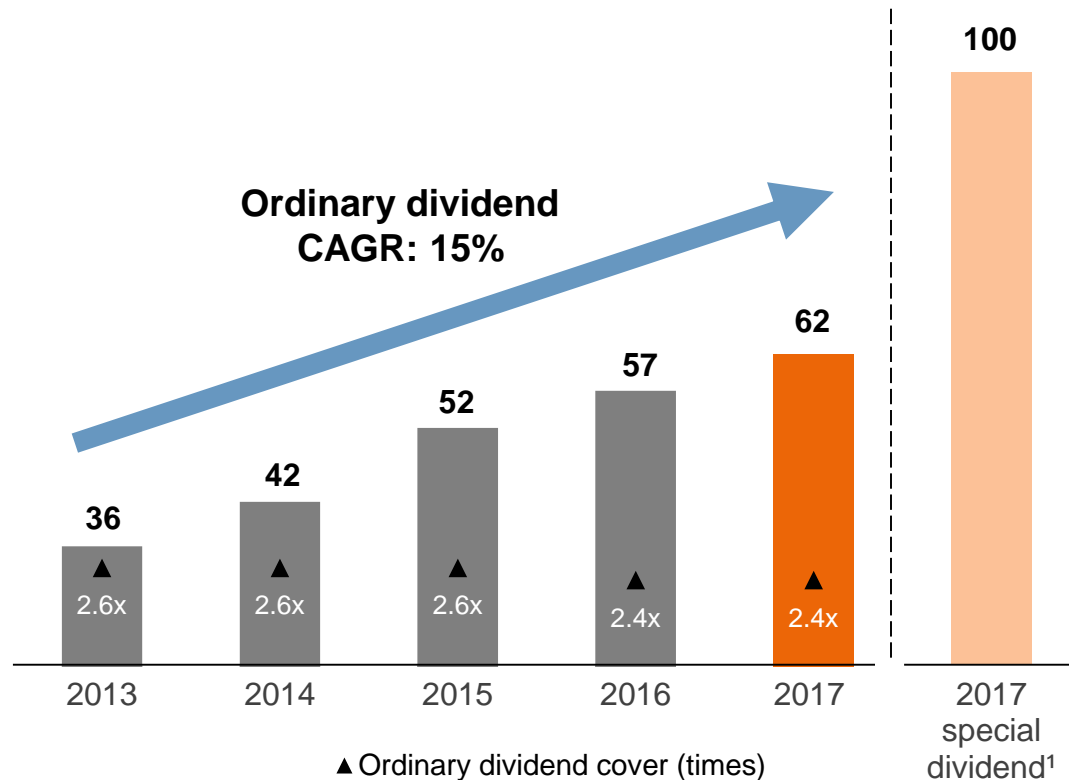


Continued growth in shareholder returns



Dividends

euro cents per share



- 2-3x ordinary dividend policy across the cycle
- The Boards regularly review the Group's capital allocation priorities to optimise value accretive growth and long-term returns for shareholders
 - Given our strong balance sheet position and confidence in the Group's ongoing cash generating capacity, the Boards recommended a **2017 special dividend of 100 euro cents per share**

¹ Special dividend of 100 euro cents per share in addition to ordinary dividend



Group overview

2017 Full year Group results highlights

Q1 2018 trading update and operational review

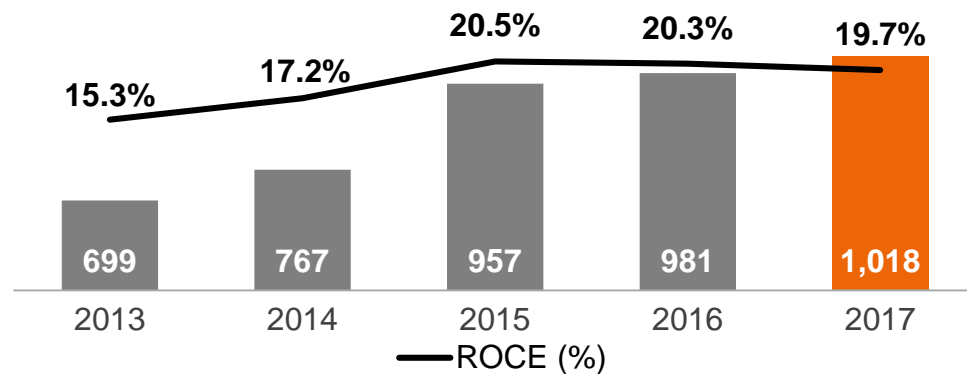
Appendices

Highlights



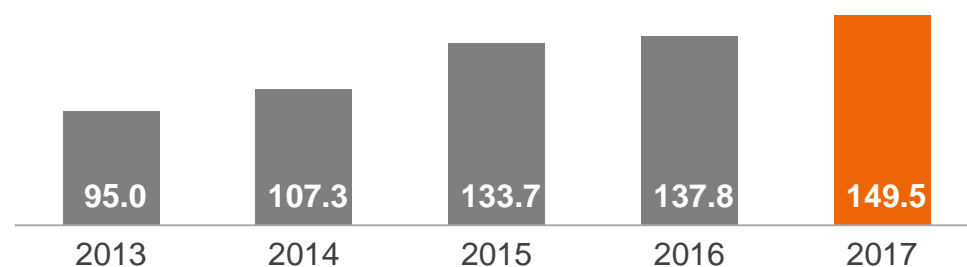
Underlying operating profit and ROCE

€ 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



Robust financial performance

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 CO₂



Excellent progress against our commitments¹:

1 All commitments run to 2020, except our carbon commitment which runs to 2030.

15%
reduction in specific CO₂e against 2014

829,900
training hours

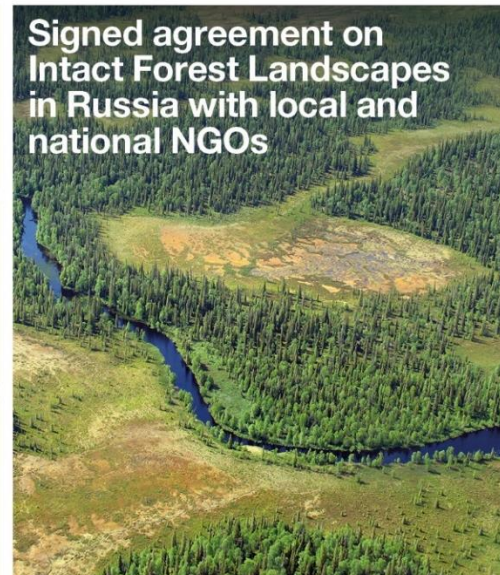
Signed agreement on Intact Forest Landscapes in Russia with local and national NGOs

€9.6m
in community investments

71%
of wood FSC™- or PEFC™-certified²

2 The Forest Stewardship Council™ (www.info.fsc.org) and Programme for the Endorsement of Forest Certification (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



Group overview

2017 Full year Group results highlights

Q1 2018 trading update and operational review

Appendices

Trading update Q1 2018 - Overview



- **€295 million** underlying operating profit for the first quarter of 2018, up 15% on prior year and up 6% sequentially¹
- Higher average selling prices and profit improvement initiatives across the Group more than offset higher operating costs, the impact of maintenance shuts and negative currency effects
- Making good progress on previously announced major capital investment projects at our Štětí (Czech Republic), Ružomberok (Slovakia) and Syktyvkar (Russia) mills and smaller expansionary projects at a number of our packaging operations. Technical challenges remain in the ramp-up of the rebuilt paper and inline coating machine at Štětí
- In April 2018, **issued a 1.625% €600 million Eurobond** with an 8-year term thereby extending the Group's maturity profile and ensuring strong liquidity
- Standard & Poor's upgraded the Group's credit rating to BBB+ (stable outlook) from BBB, while we retained our Baa1 (stable outlook) credit rating by Moody's Investors Service

- **Outlook**

“Our outlook for the business remains positive. We continue to experience a strong pricing environment in a number of our key product segments, supported by good demand growth, although we do continue to see inflationary cost pressures across the Group and currencies are currently a headwind. With our robust business model, clear customer focus and culture of driving performance, we remain confident of sustaining our track record of delivering value accretive growth.”

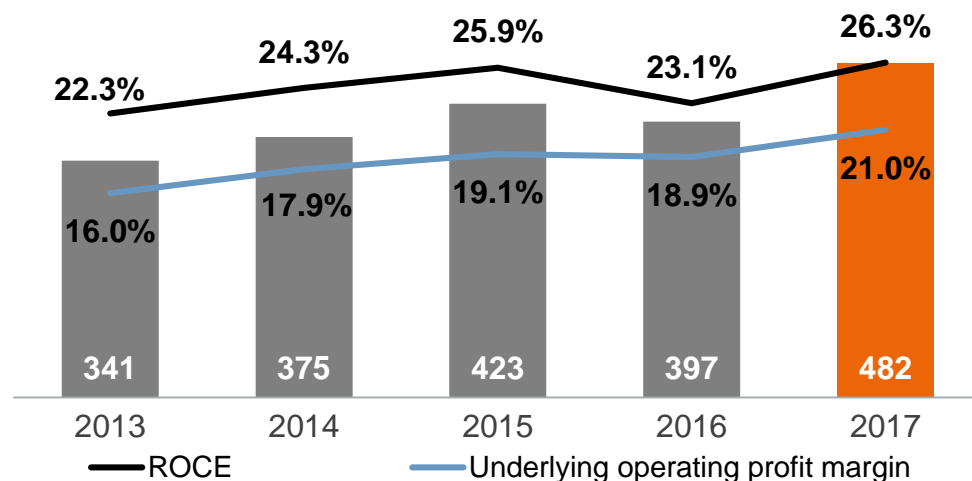
¹ Based on 2017 restated underlying operating profit

Packaging Paper



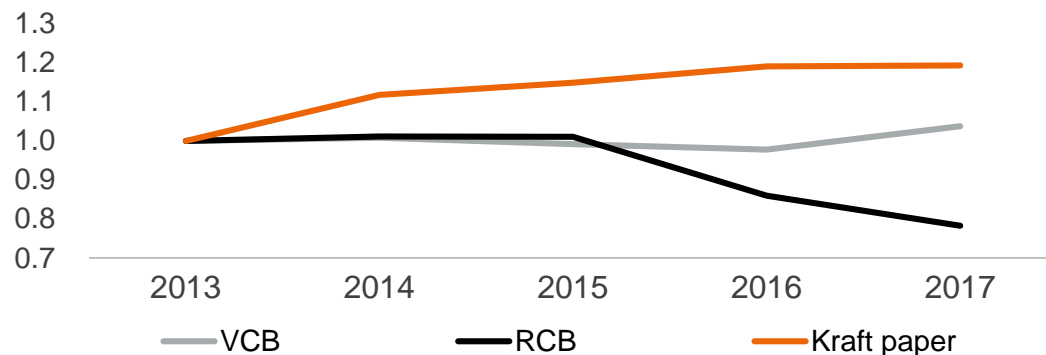
Underlying operating profit, margin and ROCE

€ million



Production volumes

Volumes indexed to 2013



FY 2017

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

Q1 2018

Containerboard

- Markets remain robust – good demand and limited capacity additions continue to support pricing
- Volumes up due to timing of maintenance shuts and ramp-up of production from expansionary projects completed in 2017

Kraft paper

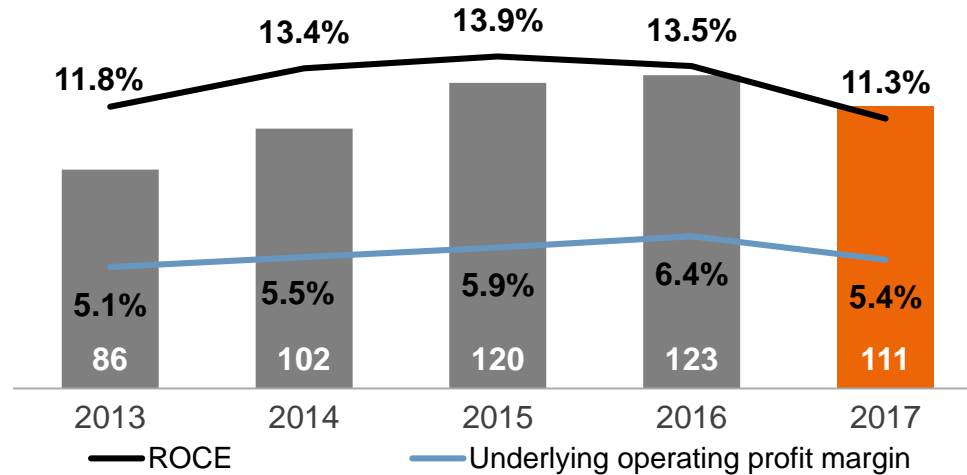
- Sack kraft paper market remains tight, supported by good demand and constrained supply growth
- Sack kraft paper sales volumes were up while selling prices were higher following price increases implemented in all markets from the beginning of 2018
- In April 2018, we signed an agreement to sell our flat sack kraft paper mill in Pine Bluff, Arkansas (USA) (130 ktpa capacity)



Fibre Packaging

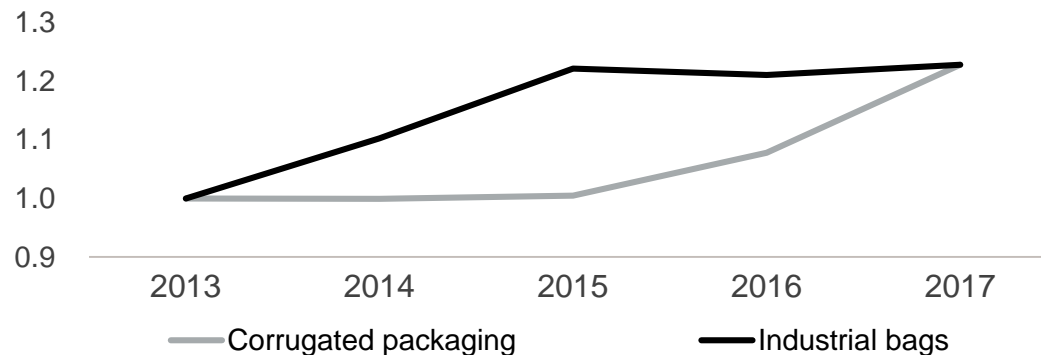
Underlying operating profit, margin and ROCE

€ million



Production volumes

Volumes indexed to 2013



FY 2017

Corrugated Packaging

- Strong organic volume growth of 6%
- Good progress in implementing price increases to compensate significantly higher paper costs

Industrial Bags

- Volume growth of 2%, margins under pressure in the second half
- Strong cost management and continued restructuring initiatives to optimise plant network



Q1 2018

Corrugated Packaging

- Good progress made in recovering paper price increases - efforts ongoing
- Volumes flat on a very strong comparable prior year period and pricing discipline

Industrial Bags

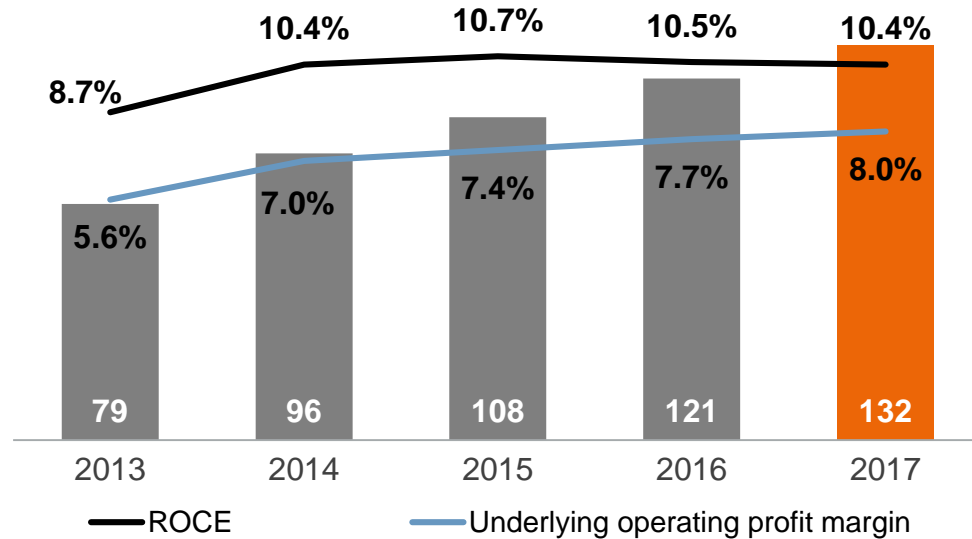
- Good volume growth particularly in emerging Europe and the Middle East
- 2018 annual contracts finalised - price increases implemented largely reflecting full cost base impact of paper price increases that took effect from the beginning of the year

Consumer Packaging



Underlying operating profit, margin and ROCE

€ million



FY 2017

- Underlying operating profit increased 9% on 2016
- Benefiting from improved product mix, one-off gains and positive contribution from acquisitions
- Partly offset by lower like-for-like sales, higher fixed costs and 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

Q1 2018

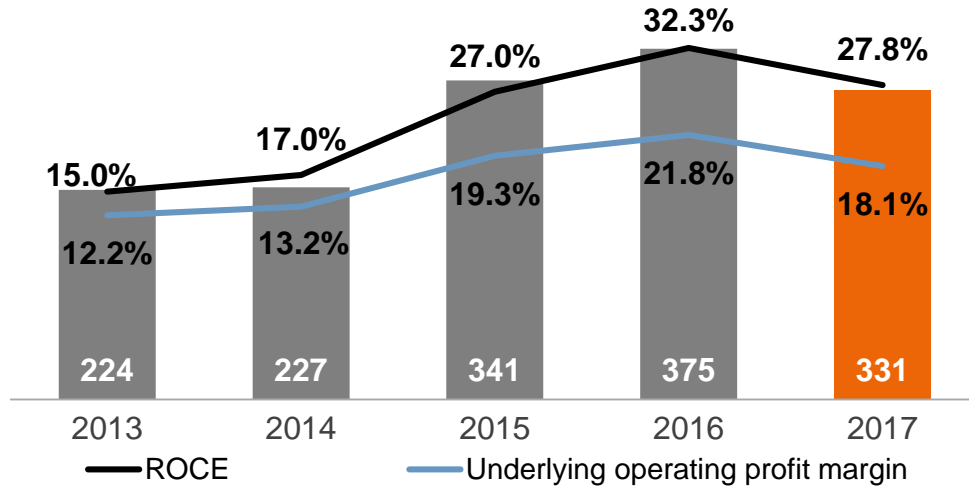
- Benefited from ongoing initiatives to improve product mix and the restructuring programme launched in 2017
- Near term performance continued to be held back by declining volumes in personal care components and general challenging trading conditions
- Consultation process initiated in April 2018 to cease production at our consumer goods packaging plant in Scunthorpe (UK) while continuing to serve our customers from our other plants

Uncoated Fine Paper



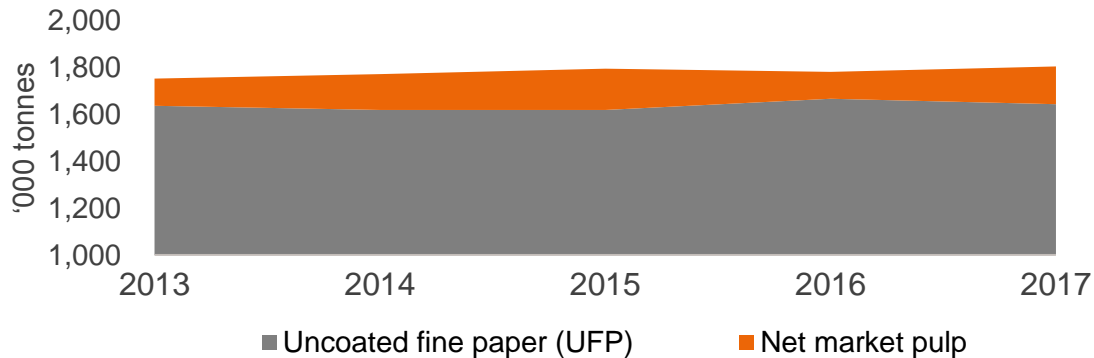
Underlying operating profit, margin and ROCE

€ million



Volumes

UFP production volumes / net market pulp



FY 2017

- Strong performance – underlying operating profit of €331 million and ROCE of 27.8%
- Higher average selling prices achieved on stable volumes and focus on driving performance mitigating effects of lower fair value gain on forestry assets and higher cash costs
- Newsprint production ceased at Merebank mill (South Africa) at the end of 2017

Q1 2018

- Strong performance, although benefit of higher selling prices more than offset by:
 - ongoing cost pressures
 - extended maintenance shut at our Richards Bay mill
 - a lower forestry fair value gain
- Price increases implemented from the end of March 2018 on our UFP range as a result of continued cost pressures
- Expect a lower forestry fair value gain in 2018 based on current prevailing timber export prices and strength of the South African rand





Group overview

2017 Full year Group results highlights

Q1 2018 trading update and operational review

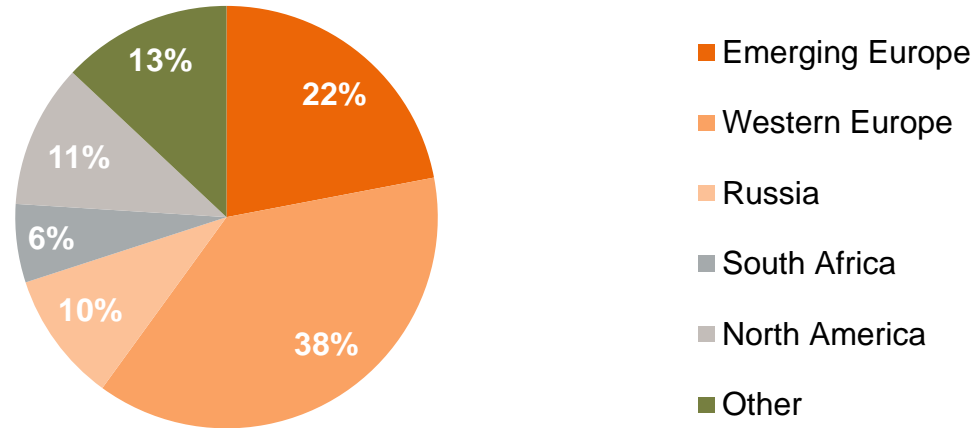
Appendices

Strong global presence



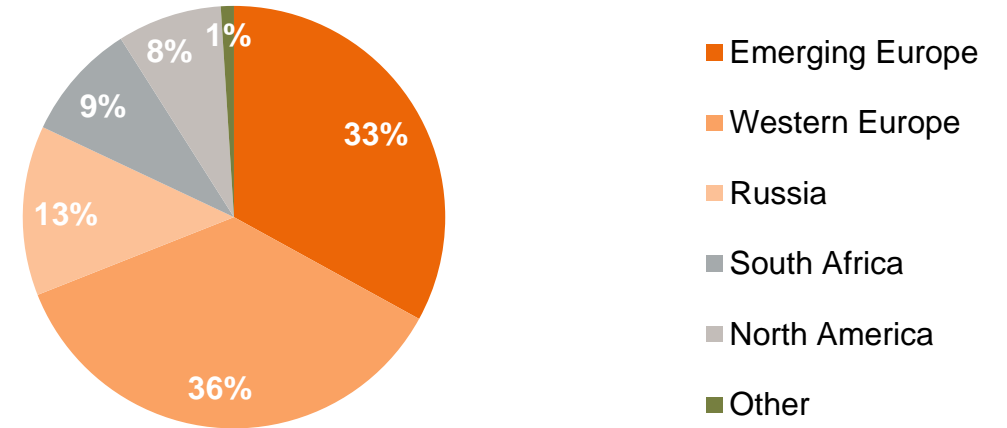
Revenue by location of customer

%



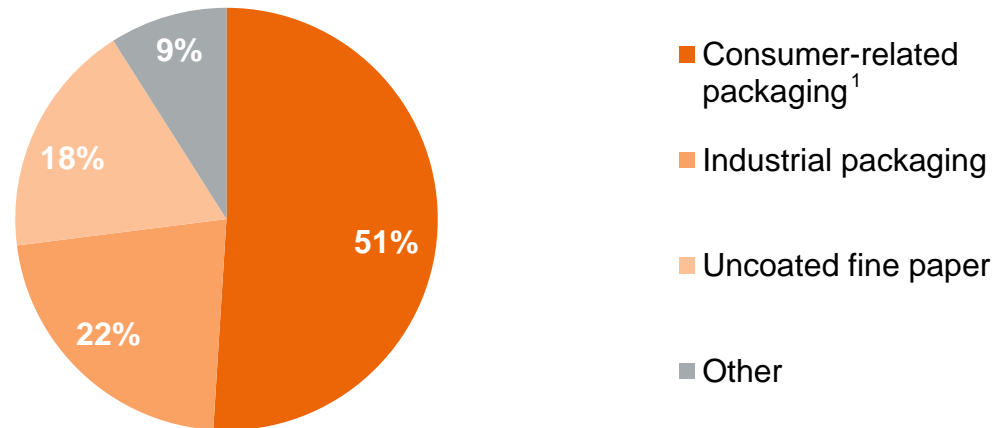
Revenue by location of production

%



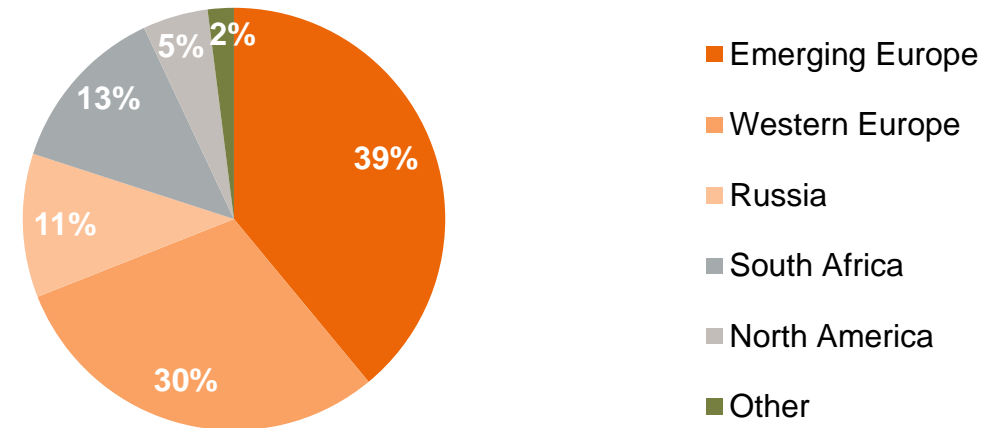
Product mix

%



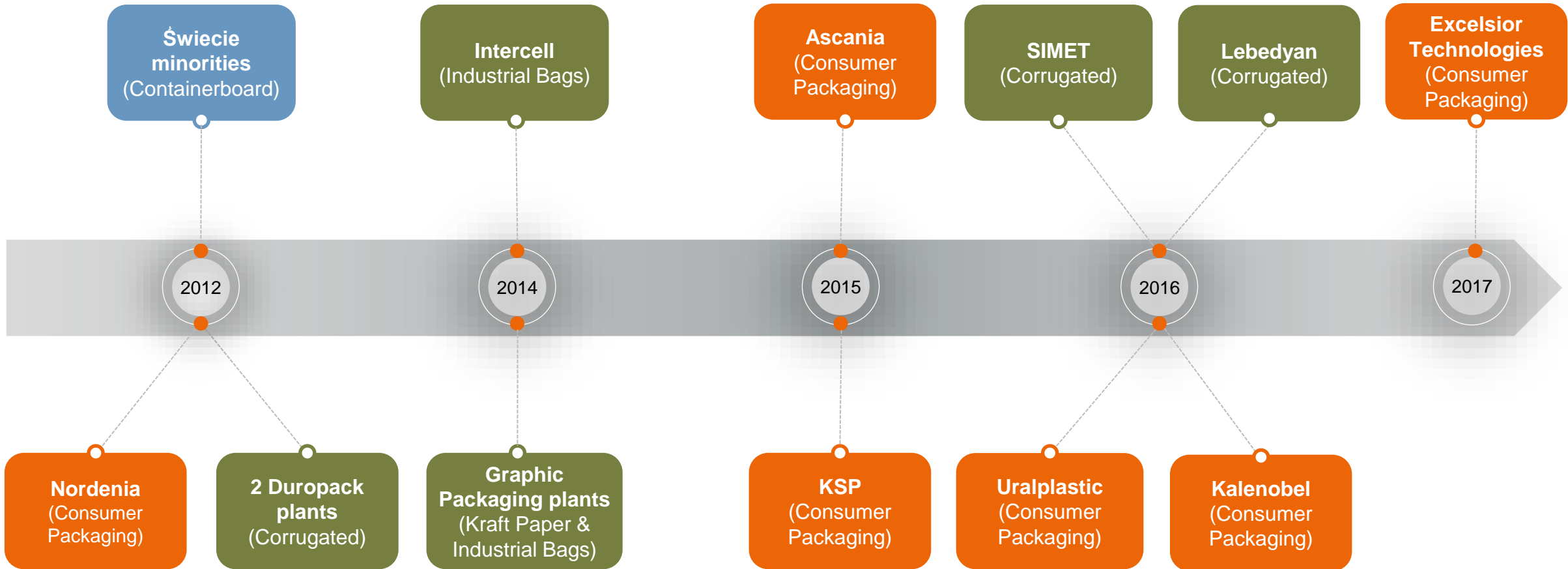
Net operating assets by location

%



1 Comprises containerboard, corrugated packaging and consumer packaging

Strong track record of acquisitions



€1.6 billion invested in acquisitions since 2012

■ Packaging Paper

■ Fibre Packaging

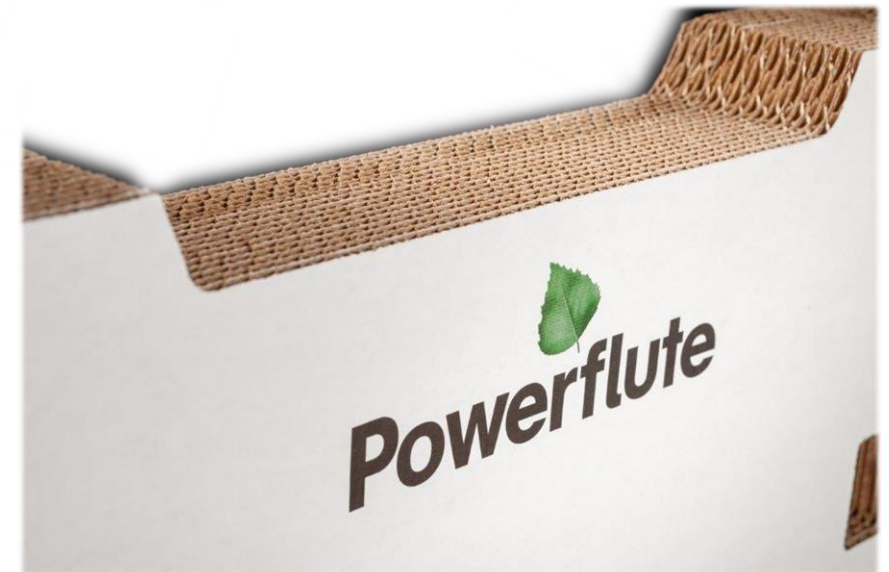
■ Consumer Packaging

Acquisitions in progress – completion expected in Q2 2018



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



Egyptian industrial bags plants

- In April 2018, signed an agreement to acquire an industrial bags plant near Cairo (Egypt) for a total consideration of €24 million on a debt and cash-free basis
- In December 2017, signed an agreement to acquire a control position in another plant near Cairo
- Acquisitions further expand our production network in the fast growing Middle East region



Technical guidance



		2018 guidance (unless specified)
IFRS 16 – leases (early adopted from 2018)		
Total assets	increase	2 – 3% ¹
Net debt	increase	12 – 19% ¹
Underlying EBITDA	increase	2 – 3% ¹
Underlying operating profit	increase	Marginal ¹
ROCE	decrease	0.4 – 0.5 points ¹
Capital expenditure range in 2018 and 2019 (per annum)		€700 – 800 million
Depreciation and amortisation (excluding acquisitions)		€440 – 470 million ²
Estimated impact of maintenance shuts		± €115 million
Working capital as a % of turnover		12 – 14%
Effective tax rate		20 – 22%

¹ Estimated impact on key metrics if applied to 2017 results
² Includes IFRS 16 (leases) potential impact

Production volumes



		2017	2016	% change
Packaging Paper				
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%
Fibre Packaging				
Corrugated board and boxes	million m ²	1,650	1,448	14%
Industrial bags	million units	4,952	4,881	1%
Extrusion coatings	million m ²	1,281	1,249	3%
Consumer Packaging	million m ²	7,437	7,156	4%
Uncoated Fine Paper				
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%)

Market position 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

North America – Canada, Mexico, USA

Sources for market position estimates

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

