



UBS European Conference

14 November 2018



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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.



Group overview

Highlights from H1 2018

Q3 trading update and Business unit reviews

Appendices

Mondi at a glance

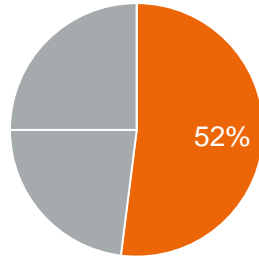


2017 revenue¹ & underlying EBITDA margin³

Products

Fibre Packaging²

€3,735m

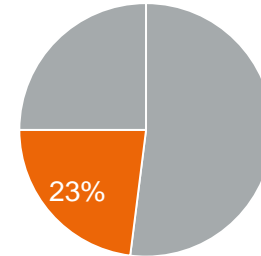


22.3%



Consumer Packaging

€1,646m

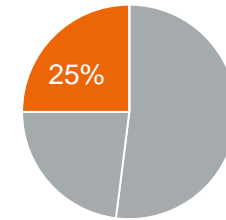


13.5%



Uncoated Fine Paper

€1,832m



25.3%



¹ Segment revenues, before elimination of inter-segment revenues

² Packaging Paper and Fibre Packaging were replaced by a single business unit called Fibre Packaging effective from 1 August 2018

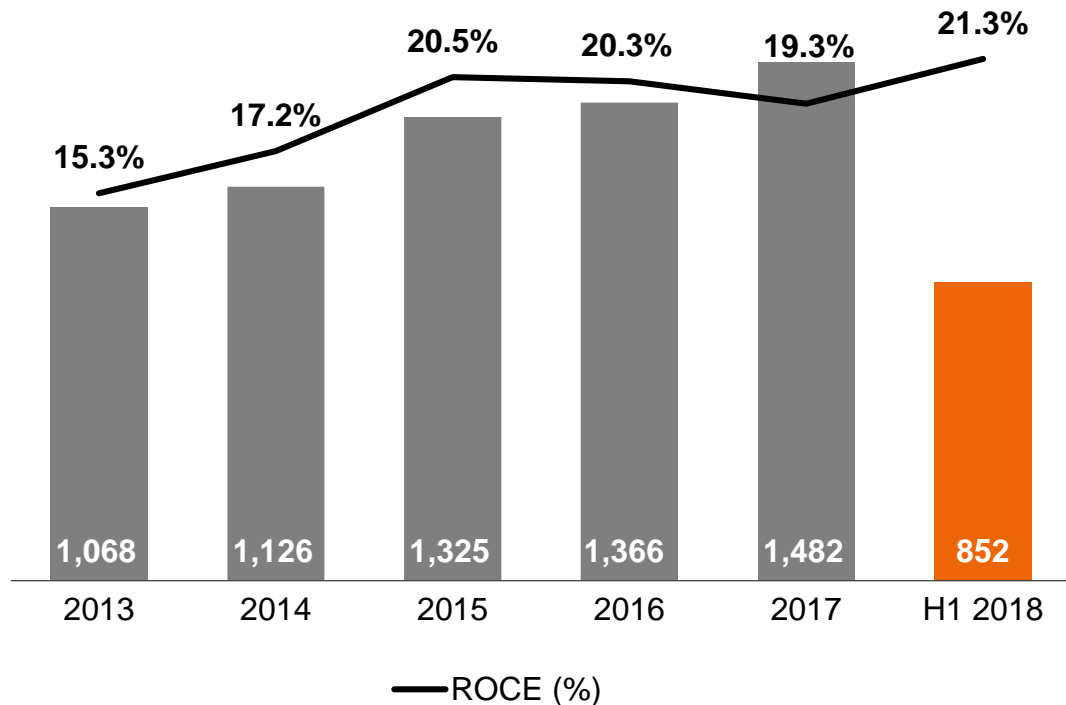
³ The Group early adopted the new 'Leases' accounting standard, IFRS 16. All 2017 comparative figures in this presentation have been restated where applicable

Consistent strategy delivering industry leading returns



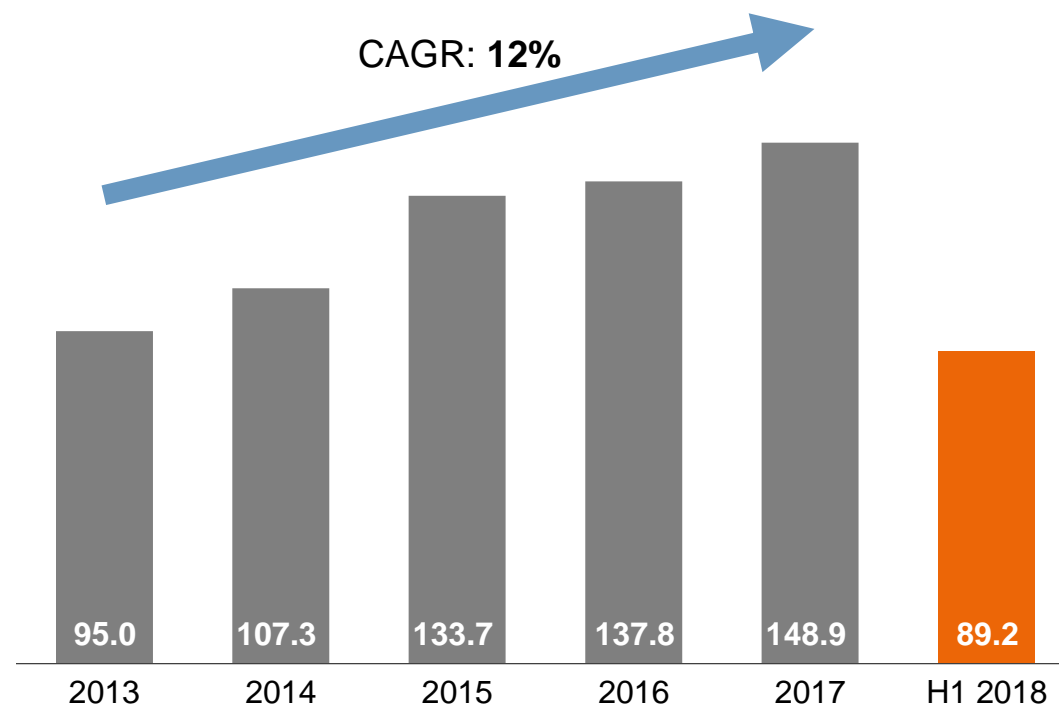
Underlying EBITDA and ROCE

€ million



Basic underlying earnings per share

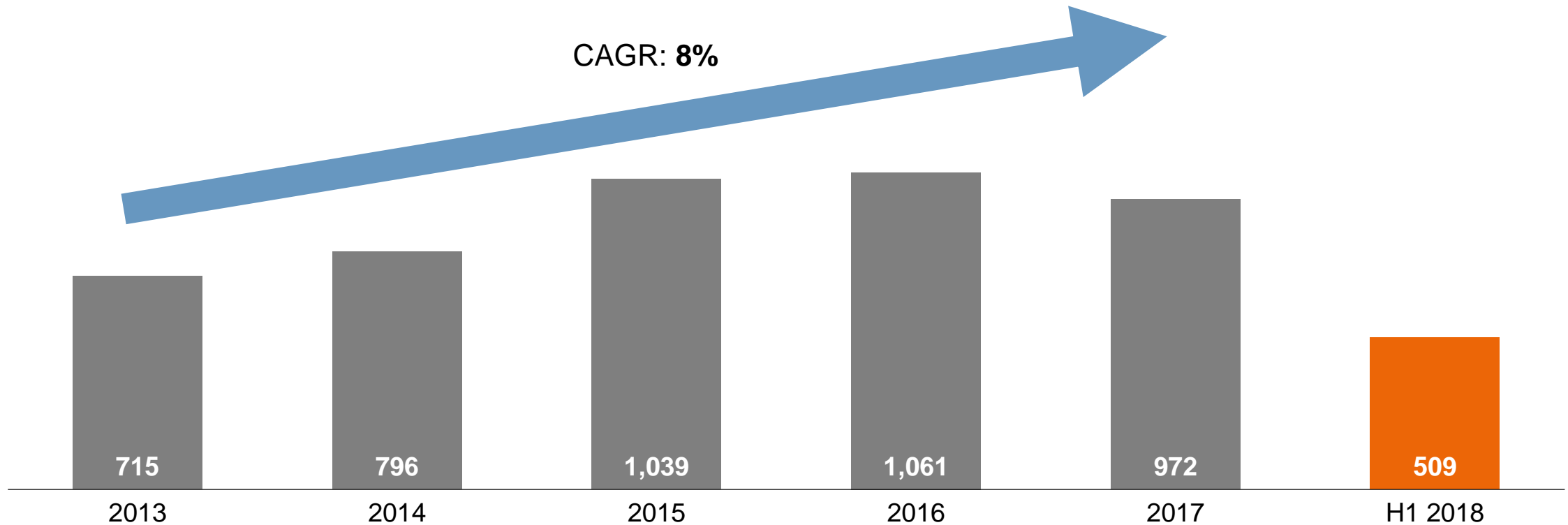
euro cents per share



Strong cash flow generation



Cash flow generation^{1,2} € million



€5.1 bn cash generated 2013 – H1 2018

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

2 The Group early adopted the new 'Leases' accounting standard, IFRS 16. All 2017 comparative figures in this presentation have been restated where applicable

Creating sustainable value through our strategic framework



Well positioned to leverage global industry growth trends



Key global industry trends

Sustainability



Light-weighting



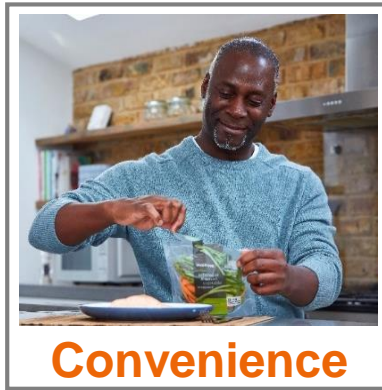
Rigid to flexibles



Recyclable



E-commerce



Convenience

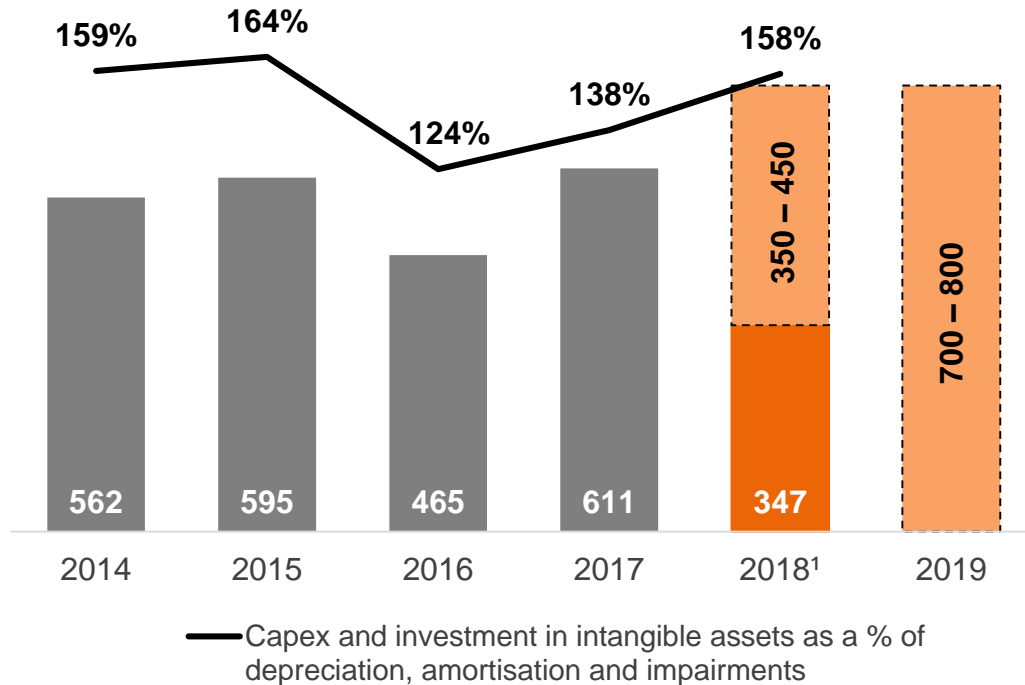


- Mondi joined the **Ellen MacArthur Foundation New Plastics Economy Initiative** – actively working with stakeholders to find innovative solutions that improve the sustainability of packaging
- Seeking opportunities to leverage customer relationships and product know-how
 - uniquely positioned as a leading producer of both plastics and paper based solutions

Continued investment in our world class asset base

Capital expenditure

€ million



- Good contributions from recently completed capital projects
- Ongoing progress made on our major capital expenditure programme, totalling over €750 million and securing future growth
- Key projects expected to increase the Group's current saleable pulp and paper production by around 9% when in full operation

¹ €347 million and 158% relate to H1 2018

Ongoing major capital investment projects



Ružomberok mill, Slovakia (€340 million)



- 300,000 tonne per annum kraft top white machine
 - A new and unique environmentally sound containerboard grade targeting growing white top liner markets
 - start-up expected towards the end of 2020
- Pulp mill upgrade
 - debottlenecking pulp capacity by 100,000 tonnes per annum (to be integrated into containerboard)
 - in progress, start-up expected in late 2019

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
- Progressing according to plan and commissioning is expected during the fourth quarter of the year

Finding solutions with our customers



BarrierPack recyclable



- Fully recyclable new plastic laminate, recipient of the 'Best Technology Innovation in Plastics Recycling' award¹
- Sustainable packaging solution, with quality and functionality performance properties equivalent to conventional materials
- Supports circular economy principles

shoppingworld by Mondy



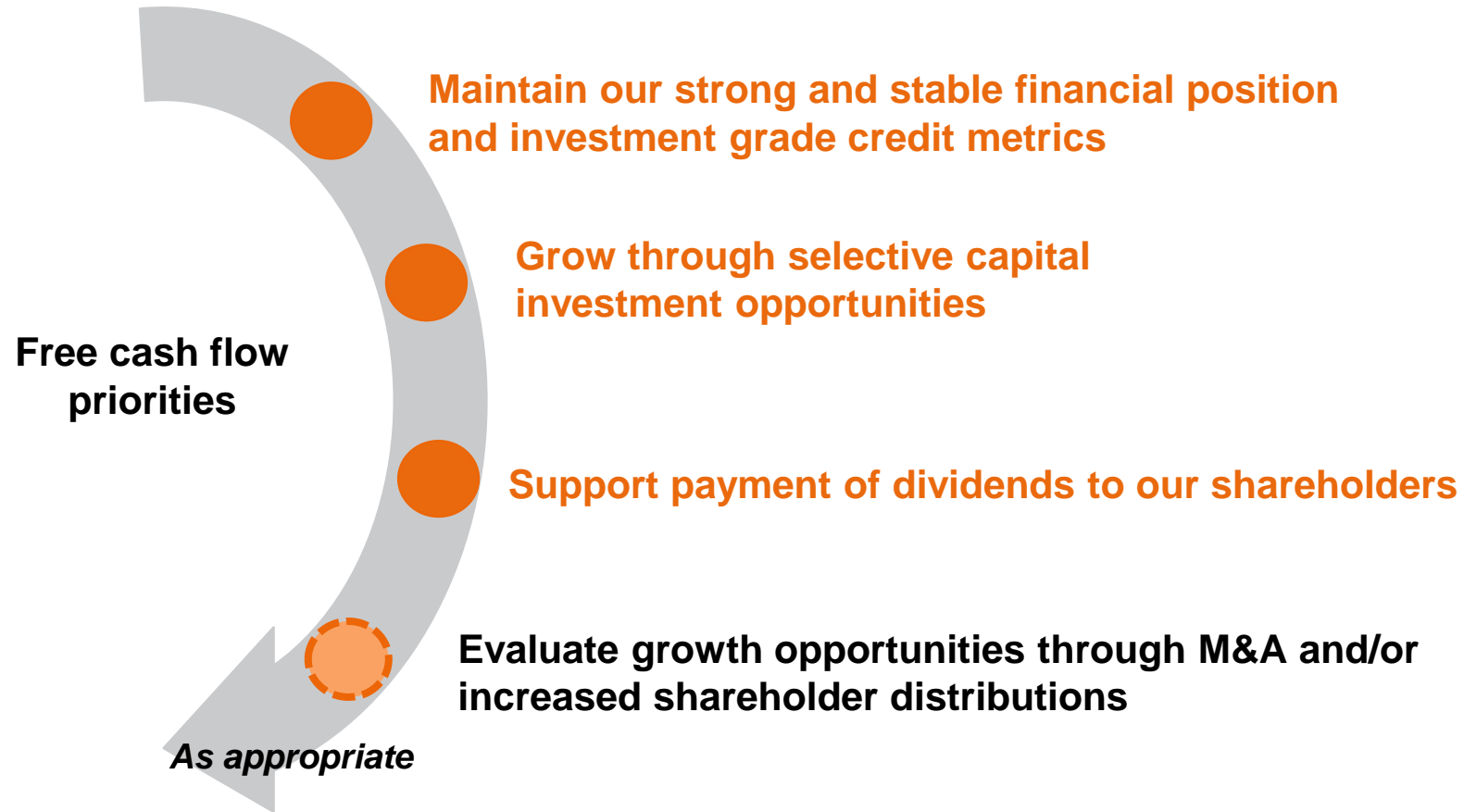
- Leading European speciality kraft paper producer offering a broad range of paper grades for bags and shoppers – 1st European shopping bag summit organised by Mondy in April 2018
- White or brown, for food or fashion, entirely virgin-based or with recycled fibres, highly functional or strikingly attractive
- Outstanding quality paper grades to enhance brand awareness and positive consumer shopping experience

Point-of-sale: Baca Stand



- Awarded with a World Star award
- An easy forming, tape-free corrugated display solution consisting of modular trays with a mid-support structure
- Enabling simple and fast filling during production as well as easy access for end-consumers
- Scores in terms of efficiency as it uses 46% less material and requires 20% less handling time per pallet compared to conventional stack boxes

Our cash flow priorities remain unchanged

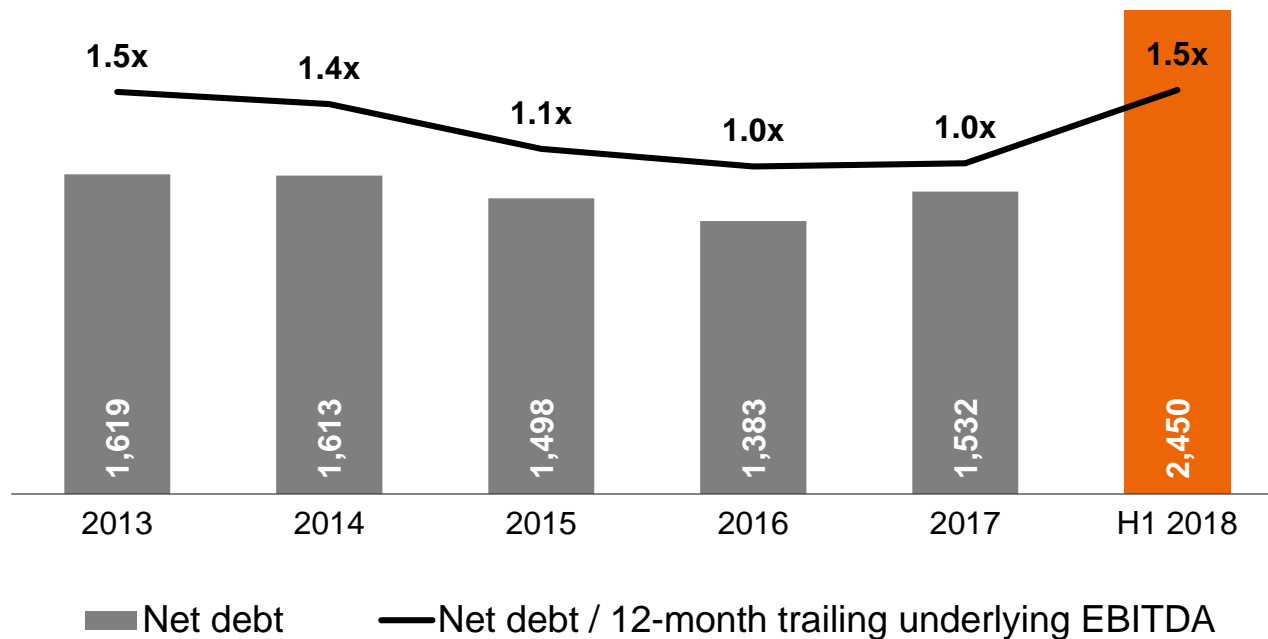


Robust financial position



Net debt and net debt / underlying EBITDA

€ million



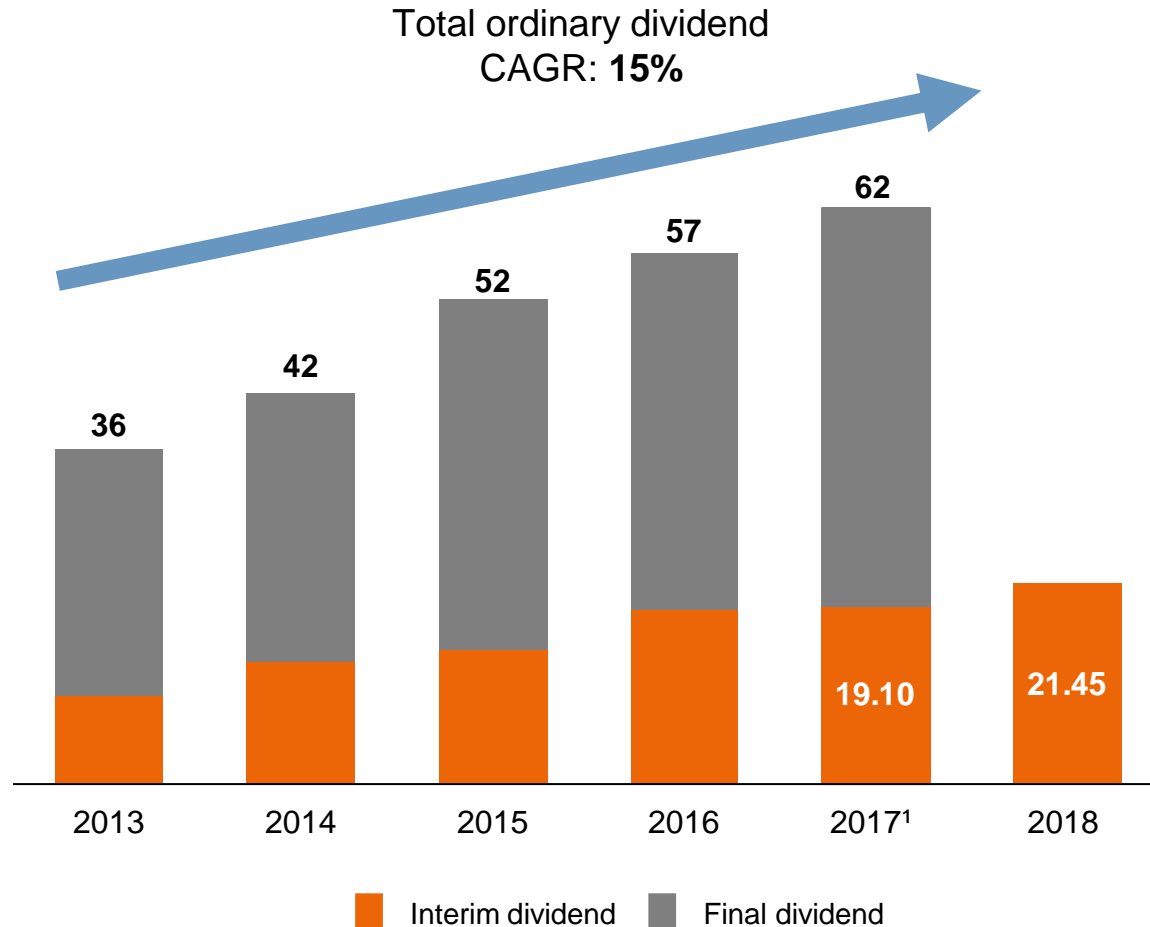
- Key financial policy
 - Retain Investment Grade credit rating
- Public credit ratings
 - Standard & Poor's at BBB+ (stable outlook)
 - Moody's Investors Service at Baa1 (stable outlook)
- Net debt was up in H1 2018 due to:
 - payment of the 2017 special dividend (€484 million)
 - completion of acquisitions (€415 million¹)

¹ On a debt and cash-free basis

Continued growth in shareholder returns

Dividends declared

euro cents per share



- 2-3x ordinary dividend cover range across the cycle
- The Boards regularly review the Group's capital allocation priorities to optimise value accretive growth and long-term returns for shareholders

¹ Excludes 2017 special dividend of 100 euro cents per share which was distributed in addition to the ordinary dividend



Group overview

Highlights from H1 2018

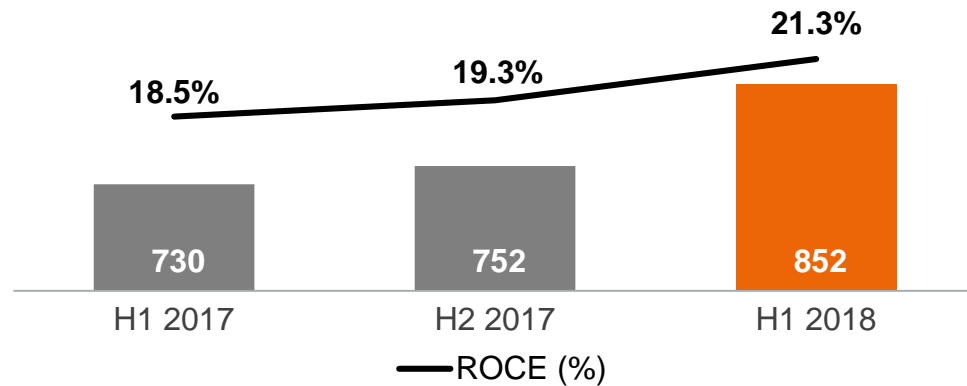
Q3 trading update and Business unit reviews

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H1 2018 highlights

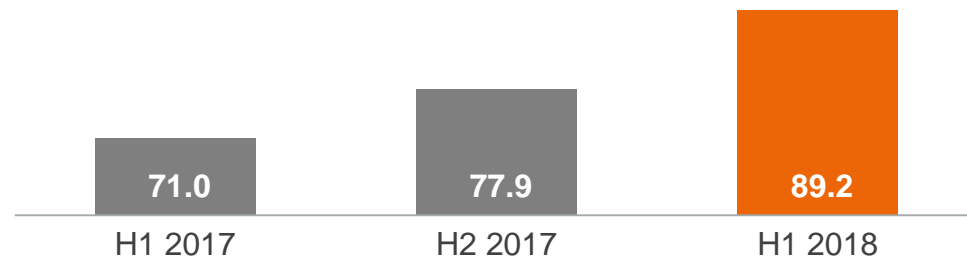
Underlying EBITDA and ROCE

€ million



Basic underlying earnings per share

euro cents per share



- Strong financial performance
 - Underlying EBITDA of €852 million, up 17%, margin of 22.9%
 - Profit before tax of €490 million, up 6%
 - Basic underlying earnings of 89.2 euro cents per share, up 26%
 - Cash generated from operations up 18%
 - Return on capital employed 21.3%
- Excellent performance from Fibre Packaging
- Good progress on major capital investment projects
- Integration of recent acquisitions on track, expanding the Group's containerboard portfolio and network of industrial bag plants in high growth regions
- Interim dividend declared of 21.45 euro cents per share

Strong financial performance



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Q3 2018 Trading Update overview

- Underlying EBITDA of €466 million, up 30% on the comparable prior year period and 4% on Q2 2018
- A strong Group performance benefiting from:
 - higher average selling prices
 - a very strong operational performance
 - good cost containment
 - contributions from recent acquisitions

- **Outlook**

“Going into the fourth quarter, we continue to benefit from stable pricing in key fibre based product segments. However, as expected, the quarter will be impacted by the large project related shut and ramp-up at our Steti mill, restructuring initiatives in Industrial Bags and continued pressure on the cost base across the Group, mitigated by our ongoing proactive and comprehensive cost reduction programmes.

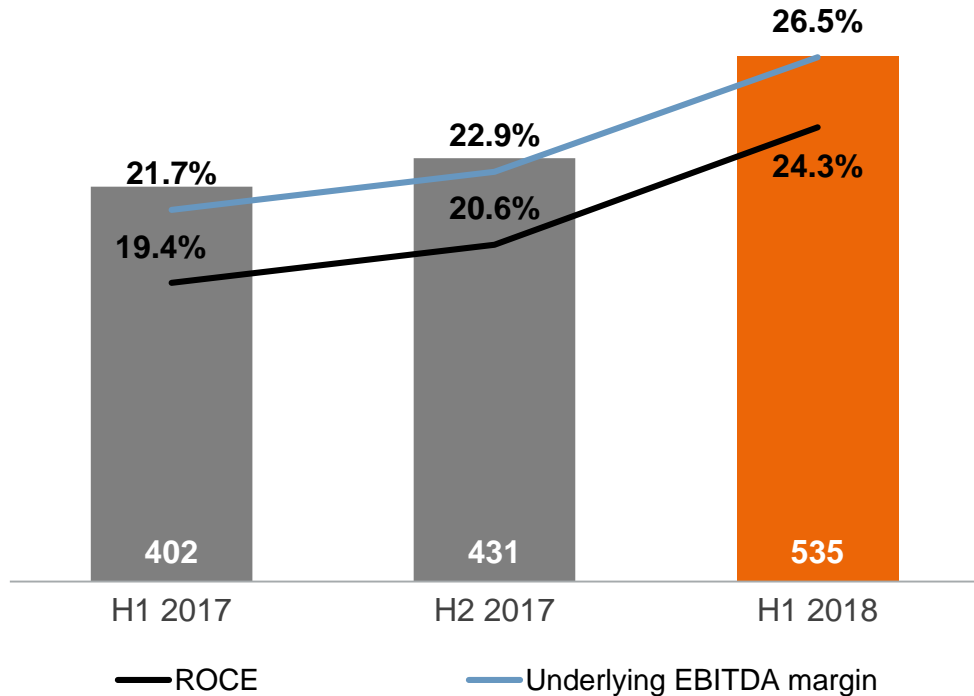
With our robust business model and culture of driving performance, we remain confident of continuing to deliver an industry leading performance, and sustaining our track record of delivering value accretive growth.”

Fibre Packaging



Underlying EBITDA, margin and ROCE

€ million



H1 2018

Containerboard and kraft paper

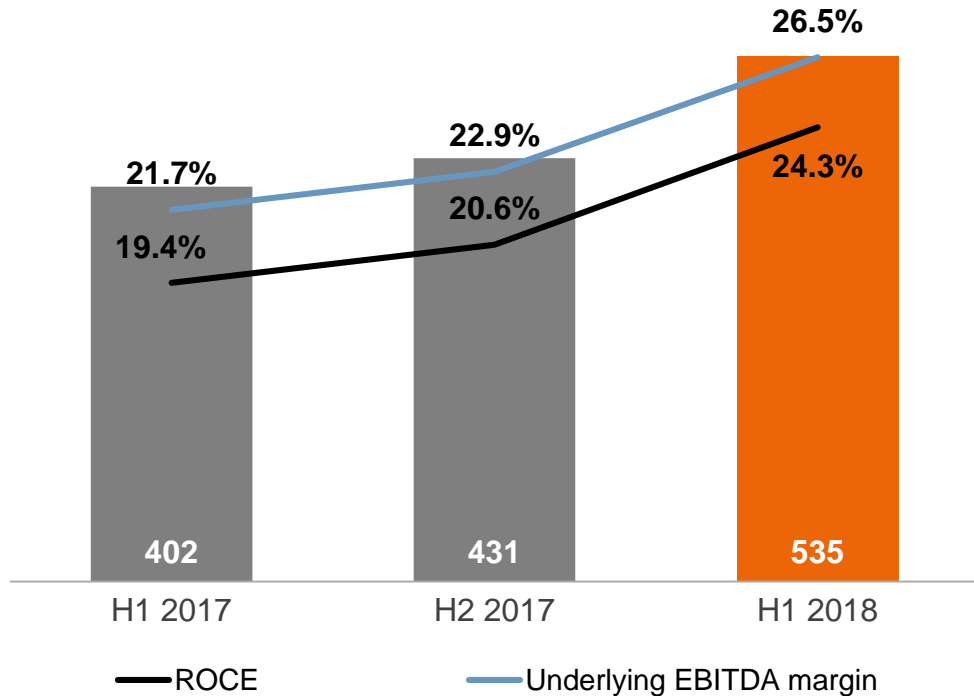
- Strong performance driven by higher selling prices, higher sales volumes, mix improvements and cost reduction programmes
- Partly offset by higher costs, with the exception of paper for recycling, and negative currency effects
- Decision taken to stop production of in-line silicone coated products at Štětí – production of speciality kraft paper to continue, with off-line coating at our release liner operations
- Completed sale of flat sack kraft paper mill in Pine Bluff, Arkansas (130ktpa capacity)
- Powerflute acquisition completed

Fibre Packaging



Underlying EBITDA, margin and ROCE

€ million



H1 2018

Corrugated Packaging

- Implemented price increases to compensate higher paper input costs and negative currency effects
- Continued benefit from growing e-commerce activity
- Stable sales volumes on strong comparable prior year
- Focus on continuous improvement to reduce conversion costs and further enhance product offering, quality and service

Industrial Bags

- Volume growth of 3.6% compared to H1 2017
- Good cost management and benefit from restructuring measures
- Acquired Egyptian industrial bags plant in June 2018 and agreed to acquire a control position in another plant near Cairo (completed in Q3 2018)
- Working closely with Consumer Packaging to develop paper based packaging solutions



Q3 2018

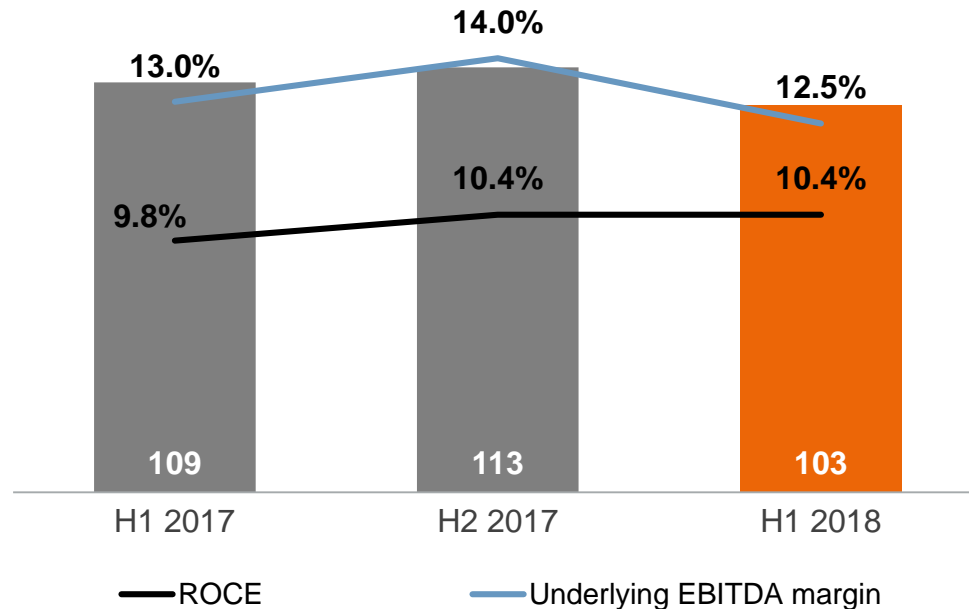
- Good containerboard and kraft paper demand coupled with limited industry capacity additions continued to support pricing
- Average selling prices for the quarter were higher than the comparable prior year period and modestly up on the second quarter – selling prices remain generally stable going into the fourth quarter
- Going into the annual price negotiations in the fourth quarter, we see strong demand for kraft paper supported in part by the drive to replace plastic carrier bags with paper-based alternatives and increasing demand for sustainable paper-based flexible packaging
- Good sales volume growth in Corrugated Packaging and Industrial Bags
- During the seasonally weaker fourth quarter, Industrial Bags will take further measures to optimise its mature market production footprint

Consumer Packaging



Underlying EBITDA, margin and ROCE

€ million



H1 2018

- Steady underlying performance offset by negative currency and one-off effects
- Benefiting from good growth in selected value-added segments and the restructuring programme launched in H2 2017
- Short-term performance held back by declining volumes in personal care components and certain weaker plants in the portfolio
- Progressing with restructuring our UK operations, including the closure of our plant in Scunthorpe

Q3 2018

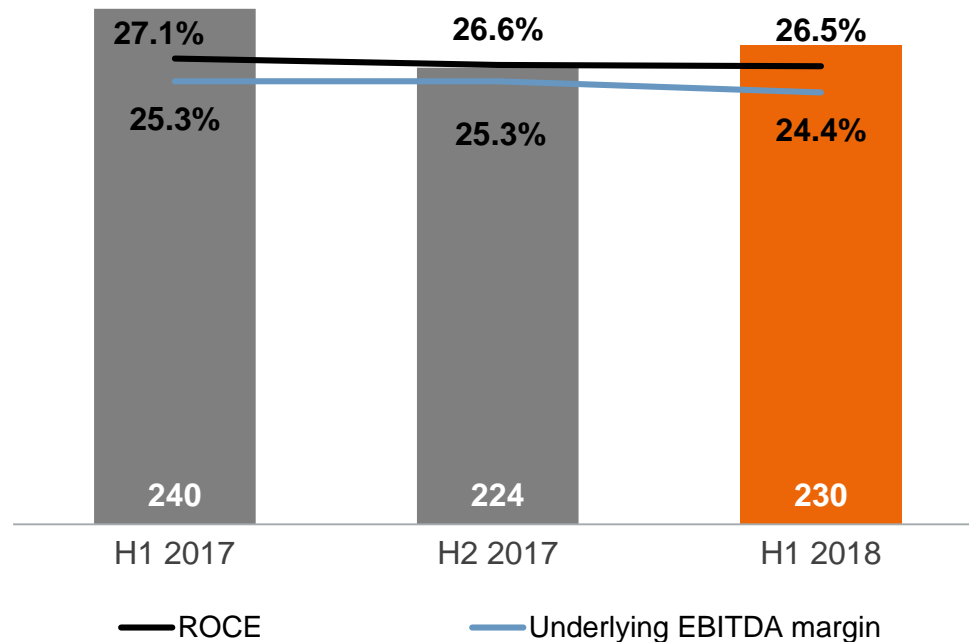
- Benefited from previously announced restructuring initiatives, product mix improvements and recently completed investments
- Overall performance continues to be held back by declining volumes in personal care components

Uncoated Fine Paper



Underlying EBITDA, margin and ROCE

€ million



H1 2018

- Strong performance
- Higher average selling prices offset by higher costs, extended shut at Richards Bay, lower fair value gain on forestry assets and negative currency effects
- Higher sales volumes despite ongoing structural demand decline in mature markets – continue to benefit from superior cost positioning and emerging market exposure
- Ceasing production at one of our uncoated fine paper machines at Merebank during H2 2018 (70ktpa capacity)

Q3 2018

- Continued strong performance
- Higher average selling prices offsetting higher input costs and negative currency effects
- Further inflation-linked selling price increases were recently implemented in Europe and Russia. High pulp prices continue to put pressure on our unintegrated production in Europe



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Leading market positions



Global

Kraft paper



Industrial bags



#1

Europe

Virgin containerboard



Uncoated fine paper



Commercial release liner



Emerging Europe

Containerboard



South Africa

Uncoated fine paper



#3

Consumer flexible packaging



Corrugated packaging

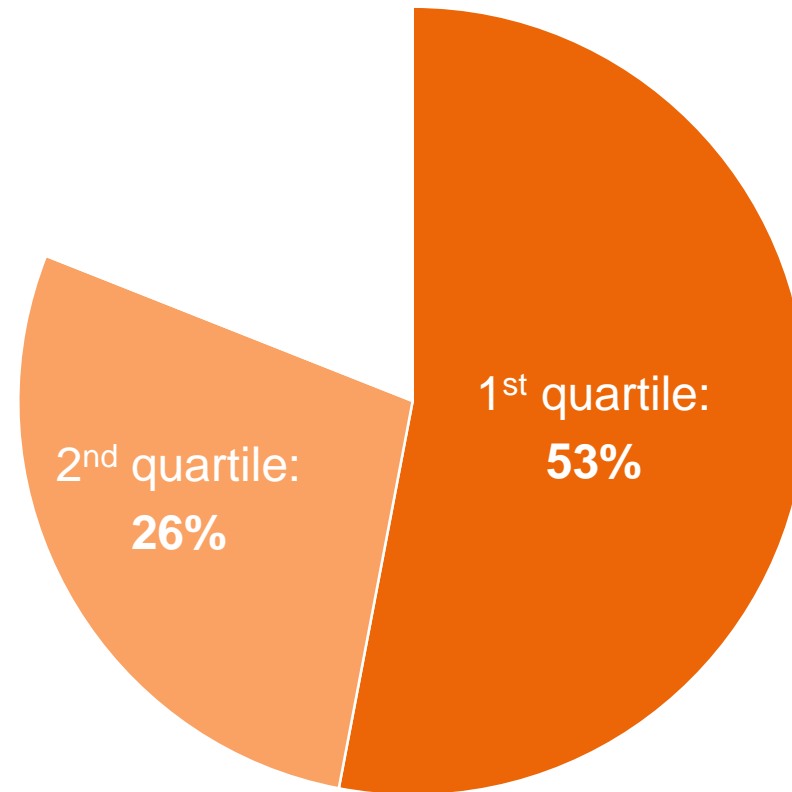


Our cost advantaged operations



Mondi capacity by quartile of relevant industry cost curve^{1, 2, 3}

%



Around 80% in the 1st or 2nd cost quartile

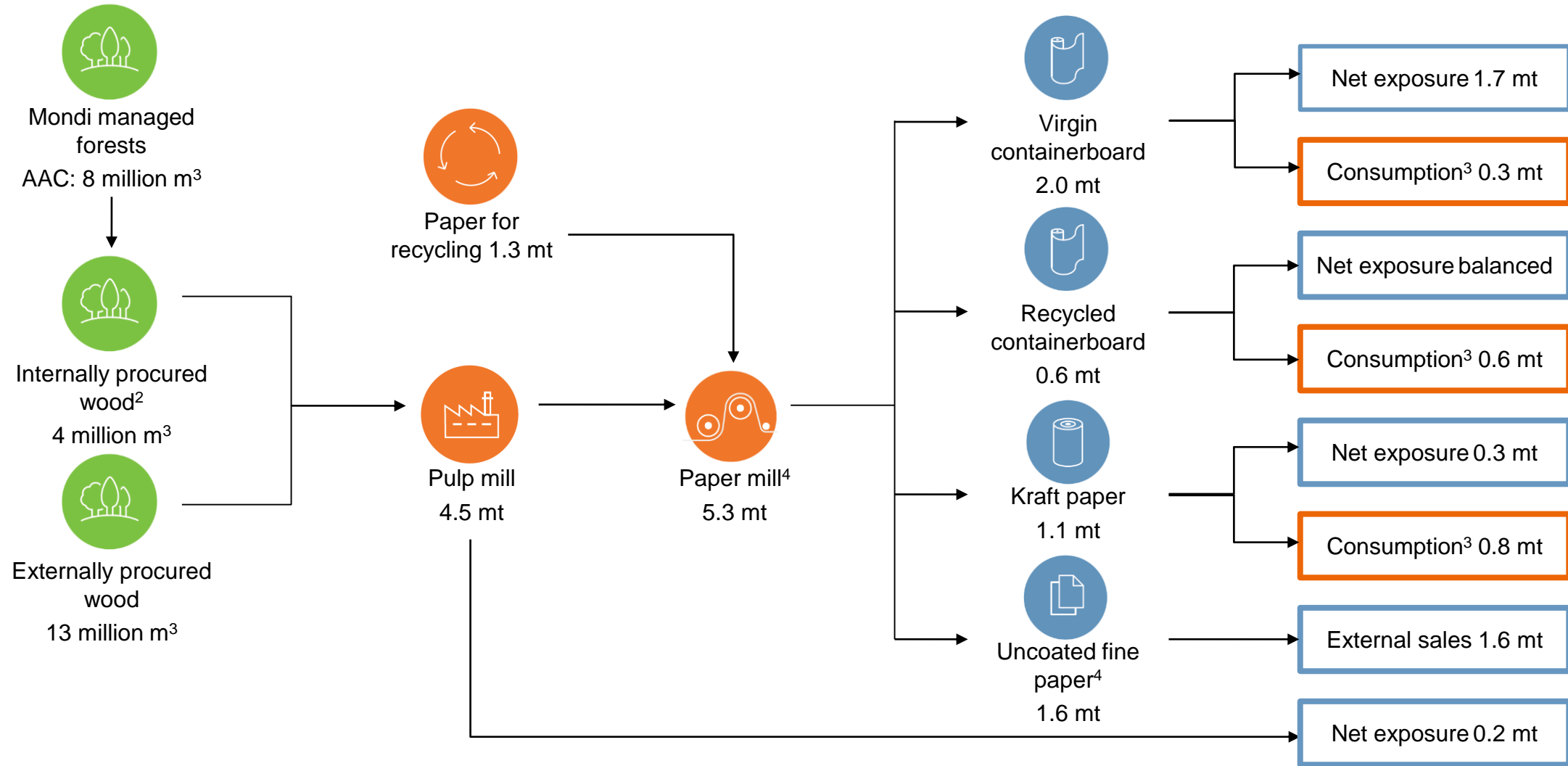
¹ Includes unbleached kraftliner, white top kraftliner, nordic and semi chemical fluting, testliner, recycled fluting, unbleached sack kraft paper, bleached sack kraft paper, uncoated fine paper (including value added grades) and BHKP

² Based on delivered cost to Frankfurt except BHKP (delivered to Rotterdam), uncoated fine paper – Merebank (delivered to South Africa) and recycled containerboard – Tire (delivered to Turkey)

³ European capacity except white top kraftliner, bleached & unbleached sack kraft paper and BHKP (global capacity) and uncoated fine paper – Merebank (South Africa only)

Source: RISI and Mondi estimates, Q1 2018. BHKP ZAR/EUR FX rate adjusted to closing rate (at 30 June 2018) of 16.05

Pulp and paper integrated value chain (pro-forma 2017)¹



¹ Adjusted for the acquisition of Powerflute (0.3mtpa of virgin containerboard) and the disposal of Pine Bluff (0.1mtpa of kraft paper)

² Due to commercial, logistic and sustainability considerations, the actual wood procured from our managed forests was lower than the annual allowable cut ('AAC')

³ Total consumption (aggregate of internal and externally procured packaging paper)

⁴ In addition to the 1.6mt of uncoated fine paper, the Group also produced 0.3mt of newsprint in 2017

Strong track record of acquisitions



- Fibre Packaging
- Consumer Packaging

Świecie minorities
(Containerboard)

Nordenia
(Consumer Packaging)

2 Duropack plants
(Corrugated)

2012

KSP
(Consumer Packaging)

Ascania
(Consumer Packaging)

2015

Excelsior Technologies
(Consumer Packaging)

2017

2014

Intercell
(Industrial Bags)

Graphic Packaging plants
(Industrial Bags)

2016

Uralplastic
(Consumer Packaging)

Kalenobel
(Consumer Packaging)

SIMET
(Corrugated)

Lebedyan
(Corrugated)

2018

Powerflute
(Containerboard)

NPP
(Industrial Bags)

Suez Bags
(Industrial Bags)

€2.0 billion invested in acquisitions since 2012

Recent acquisitions

Powerflute

- Acquired for a total consideration of €363 million on a debt and cash-free basis (completed June 2018)
- Pleased with the progress achieved to date and its positive contribution during Q3 2018
- 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



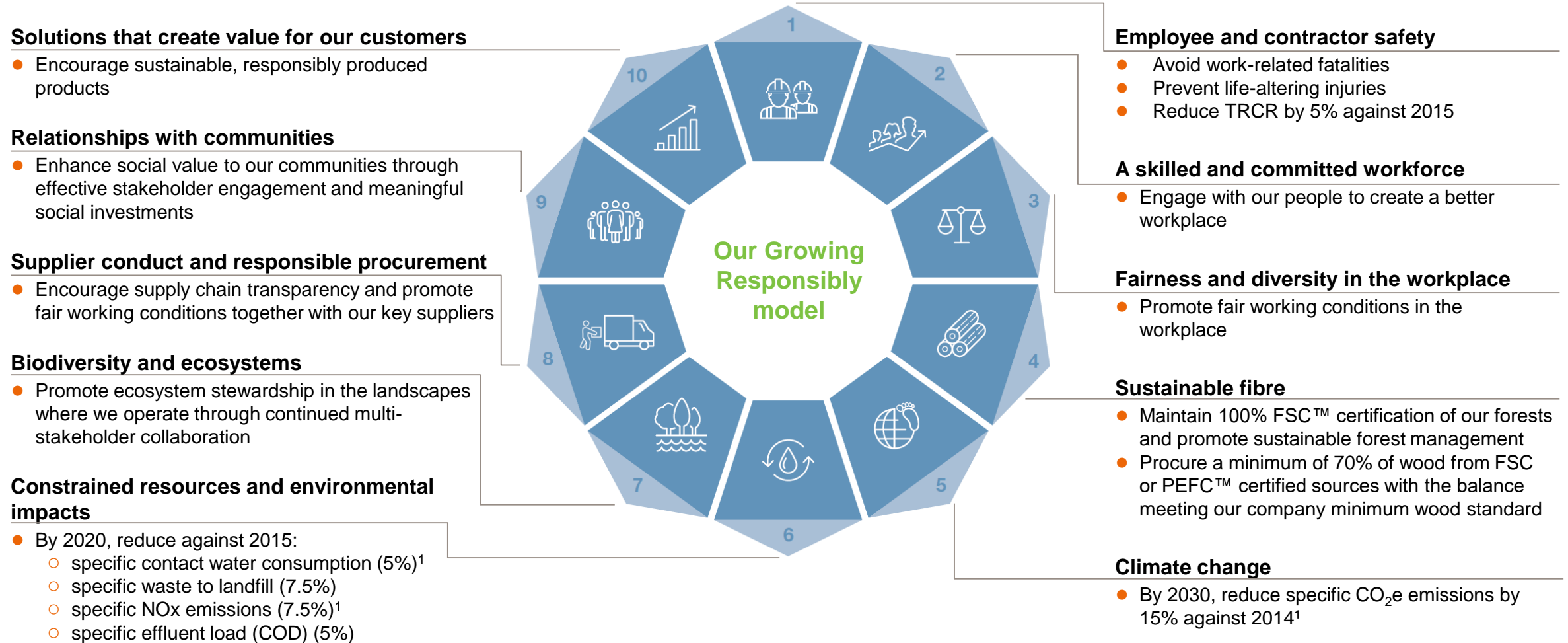
Egyptian industrial bags plants

- Acquired NPP in June 2018 for a total consideration of €25 million (EGP510 million) on a debt and cash-free basis and acquired a control position in another plant in Egypt in August 2018
- Acquisition further expands our production network in the fast growing Middle East region
- Integration of the two plants is progressing well



With an integrated approach to sustainable development

Looking ahead to 2020: 16 commitments across 10 action areas



¹ 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 CO₂

Excellent progress against our commitments¹:

1 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 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

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 (including kraft top liner) – 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

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

