



# Investor presentation

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# Key takeaways



- A leading global packaging and paper company
- Innovative and sustainable packaging and paper solutions
  - Leveraging global industry trends
- Integrated across the value chain leveraging our cost advantaged asset base
- Continuous focus on driving performance
- Clear and consistent strategy
  - Delivering value accretive growth sustainably
- Investing through-the-cycle with capital investment projects
  - Driving organic growth, enhanced cost competitiveness and sustainability benefits
- Robust financial position providing strategic flexibility

# Mondi at a glance (2020)

## Corrugated Packaging

Segment revenue<sup>1</sup>

€1,879m  
(27%)

Underlying EBITDA

€518 million

ROCE

22.5%

Products



End uses



## Flexible Packaging

€2,667m  
(39%)

€519 million

14.5%



## Engineered Materials

€801m  
(12%)

€80 million

7.5%



## Uncoated Fine Paper

€1,485m  
(22%)

€266 million

11.3%



1. Segment revenues and related percentages before elimination of inter-segment revenues  
2. Includes consumer non-durables, e-commerce and other retail applications

- Building and construction
- Paper for home, office and professional printing
- Chemicals, industrial, agriculture and other
- Market pulp and other

# Leading market positions



## CORRUGATED PACKAGING

- #1 virgin containerboard producer in Europe
- #1 containerboard producer in emerging Europe
- #2 corrugated solutions producer in emerging Europe



## FLEXIBLE PACKAGING

- #1 kraft paper producer globally
- #1 paper bag producer in Europe and a global leader
- #3 consumer flexible packaging producer in Europe



## ENGINEERED MATERIALS

- #1 commercial release liner producer in Europe
- #2 extrusion coatings producer in Europe



## UNCOATED FINE PAPER

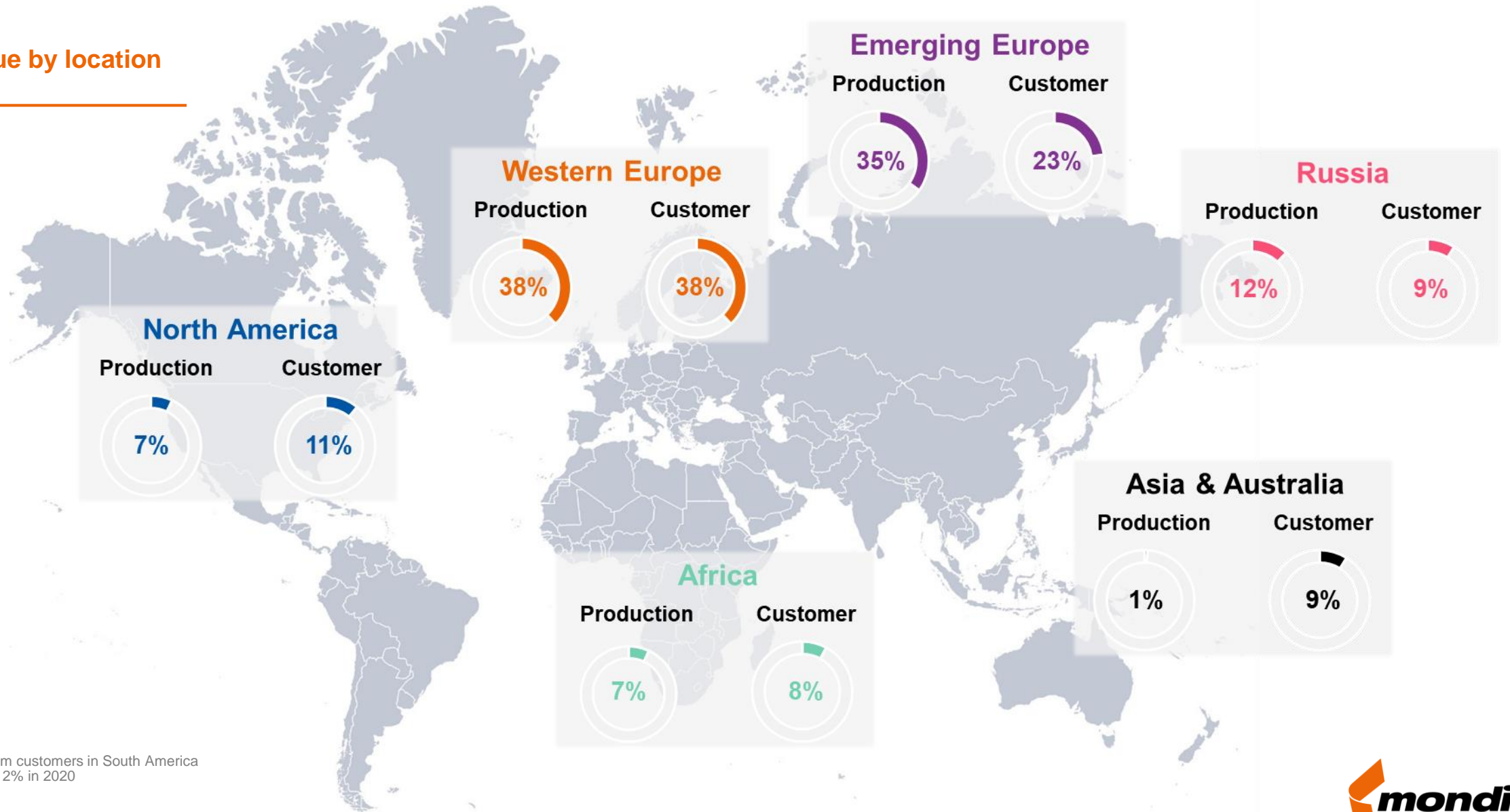
- #1 uncoated fine paper supplier in Europe (including Russia)
- #1 uncoated fine paper producer in South Africa

Refer to the end of this document for market position sources and definitions

# Strong global presence

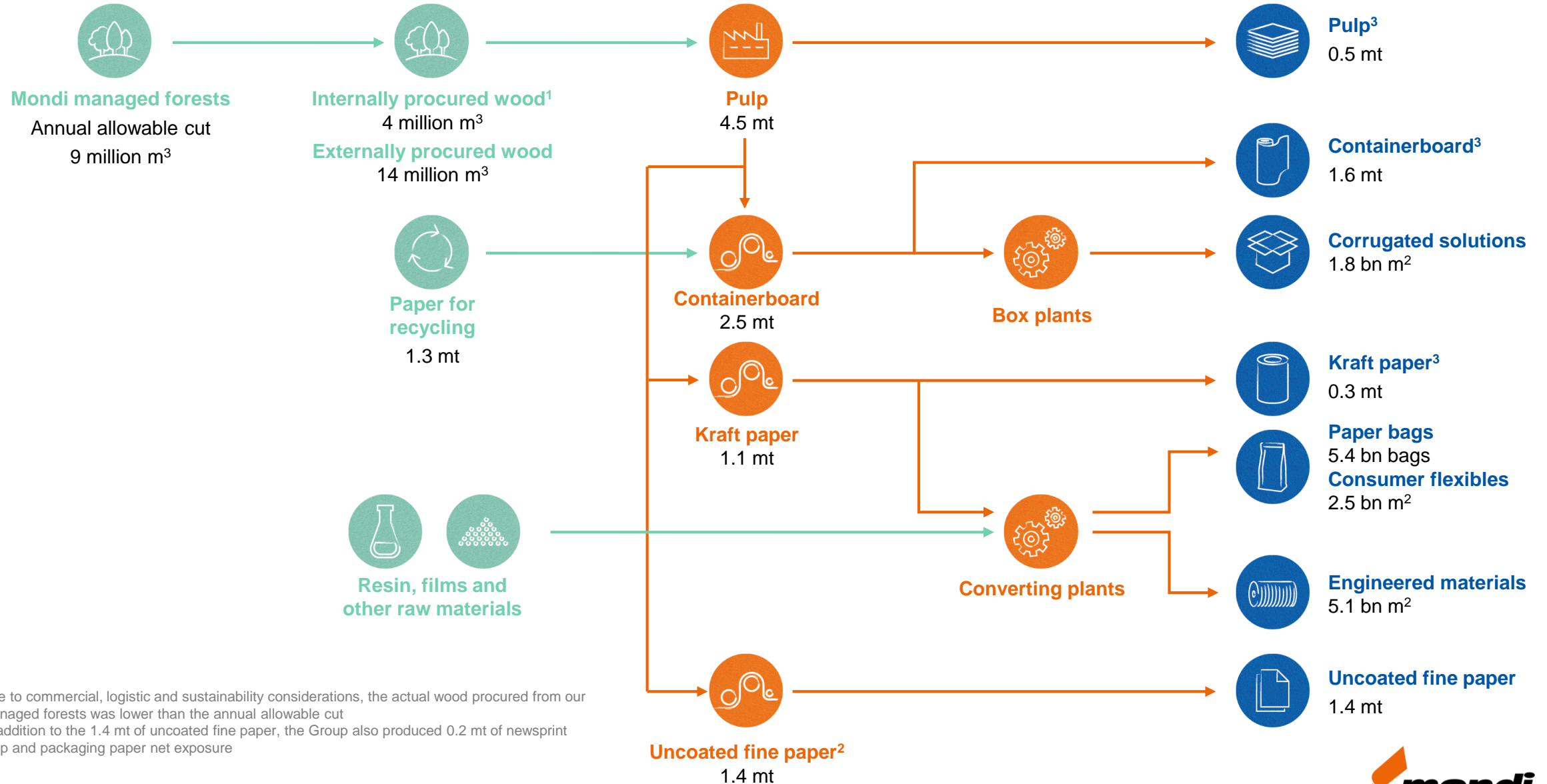
## Revenue by location

2020 (%)



Revenue from customers in South America represented 2% in 2020

# Integrated value chain (2020)



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 1.4 mt of uncoated fine paper, the Group also produced 0.2 mt of newsprint  
 3. Pulp and packaging paper net exposure

# Investing for growth in structurally attractive packaging markets



Corrugated Packaging

GROW



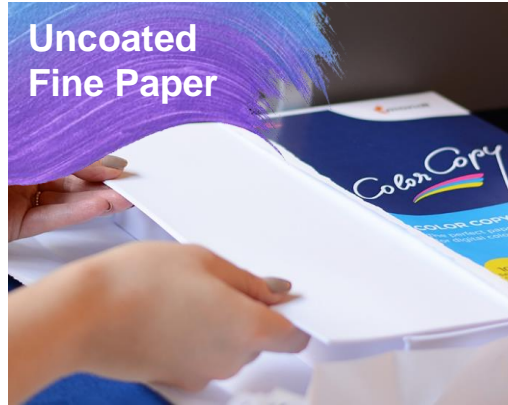
Flexible Packaging

GROW



Engineered Materials

STRENGTHEN NICHE POSITIONS

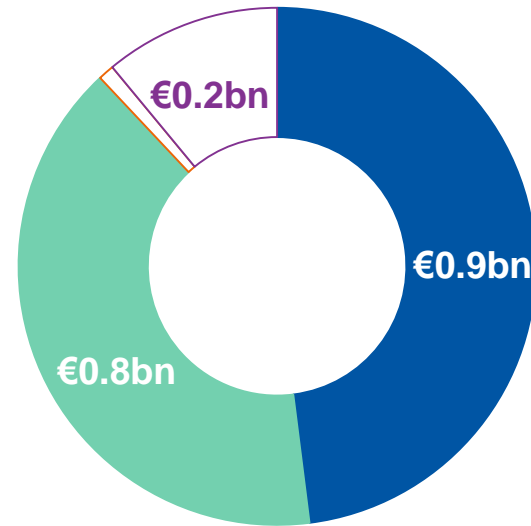


Uncoated Fine Paper

MAINTAIN COMPETITIVENESS

## Net investment<sup>1</sup>

5-year history (H2 2016 – H1 2021)



Corrugated Packaging

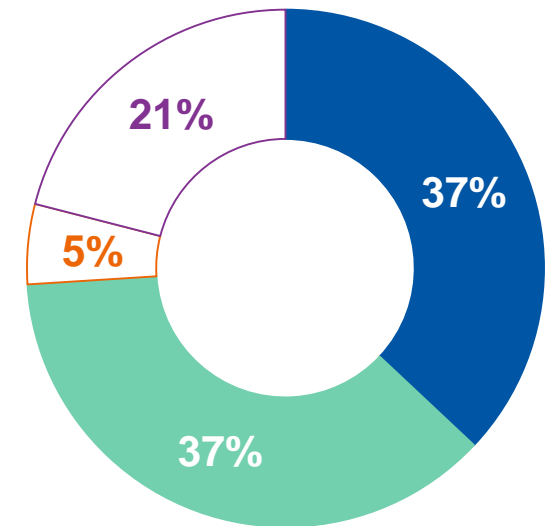
Flexible Packaging

Engineered Materials

Uncoated Fine Paper

## Underlying EBITDA<sup>2</sup>

H1 2021



<sup>1</sup> Net investment calculated as capex plus acquisitions less depreciation and disposals

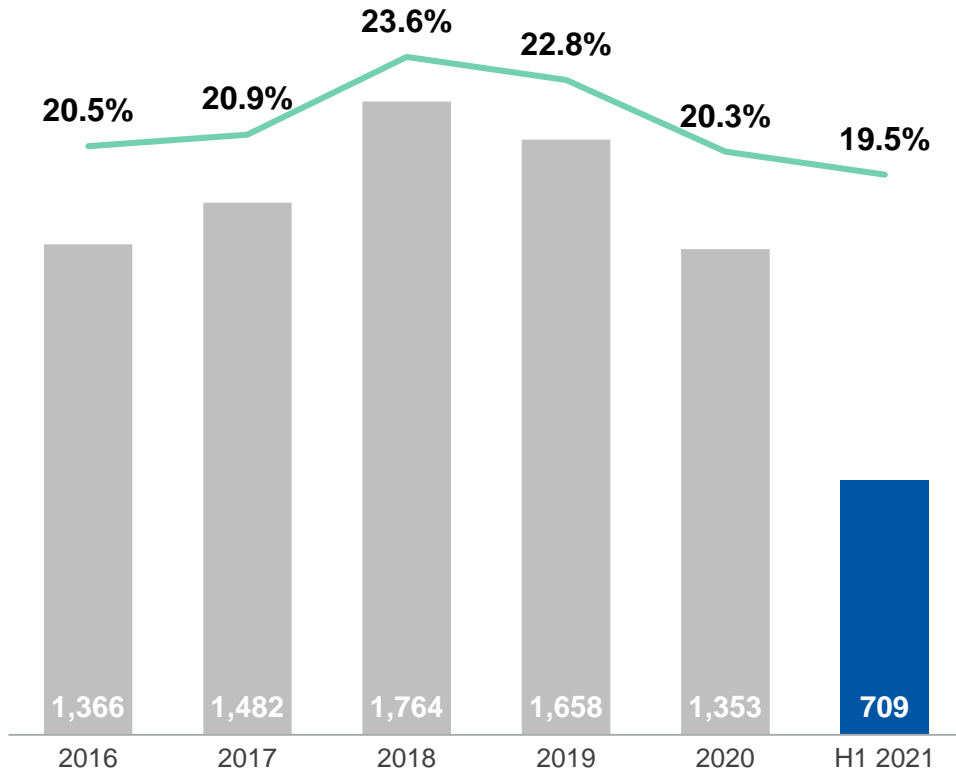
<sup>2</sup> Underlying EBITDA split excludes corporate costs



# Consistent strategy driving strong performance

## Underlying EBITDA and margin

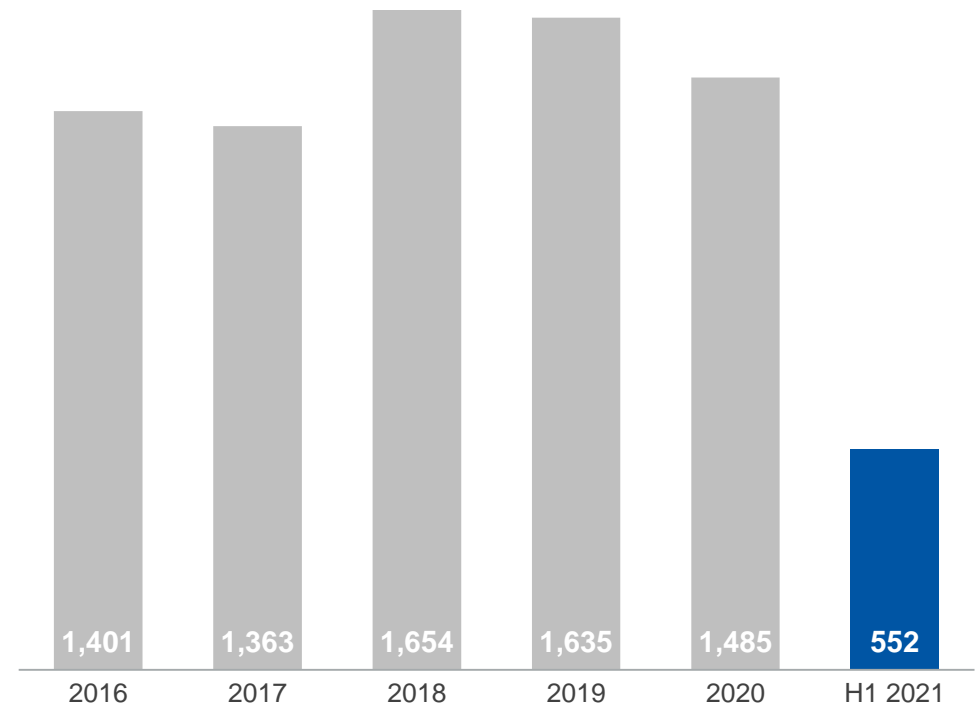
€ million and %



Underlying EBITDA Underlying EBITDA margin

## Cash generated from operations

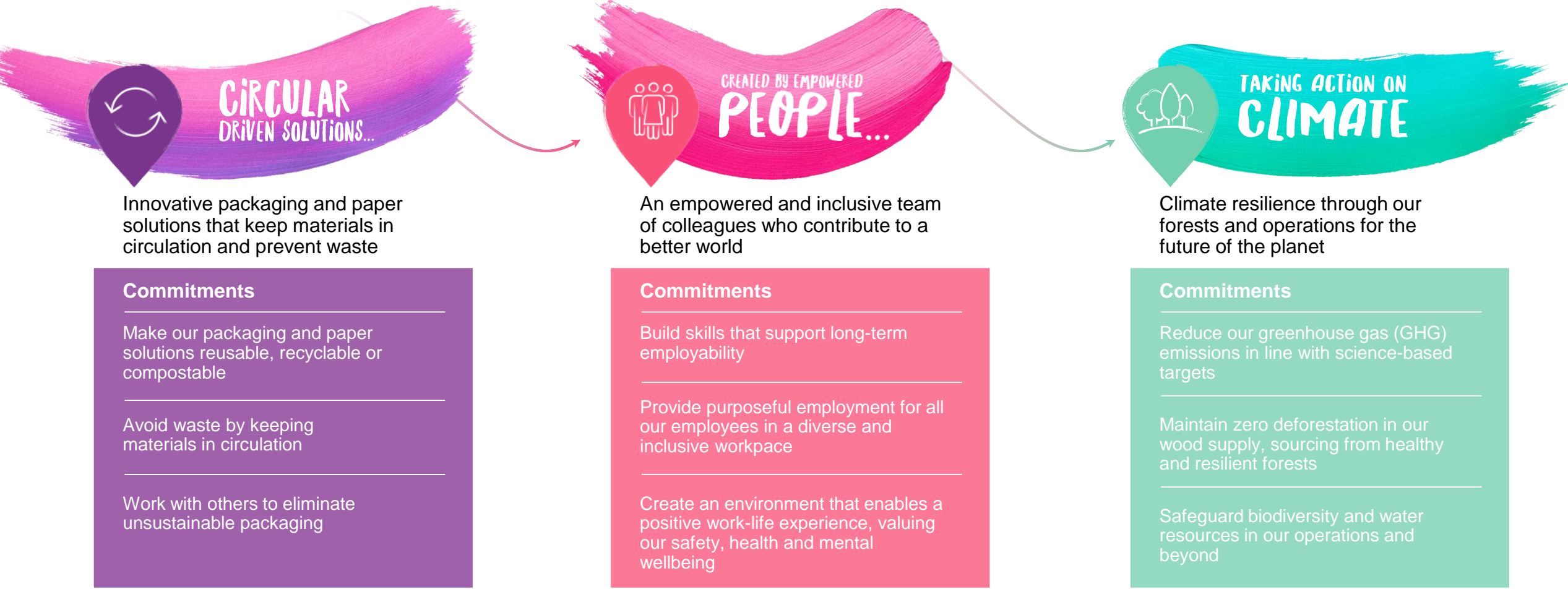
€ million



# Strategic framework



# Sustainability targets to 2030



**Built on Responsible Business Practices**  
 Business Ethics & Governance | Human Rights | Communities | Procurement | Environmental impact

# Building on a successful track record

2020 performance – some key examples:



**SAFETY PERFORMANCE**

TRCR (per 200,000 hours worked)

**23%** reduction vs 2015

**58%** reduction vs 2005



**GHG EMISSIONS**

tonne per tonne of saleable production

**24%** reduction vs 2014

**45%** reduction vs 2004



**RESPONSIBLE  
FIBRE SOURCING**

**100%** responsibly  
sourced fibre

**100%** certified forests



**SPECIFIC WASTE  
TO LANDFILL**

kg per tonne of saleable production

**25%** reduction vs 2015

**63%** reduction vs 2005

2004/2005 were the baseline years of Mondri's 1st set of sustainability commitments while 2014/2015 are the baseline years for the Group's 2020 commitments

# Mondi recognised as a leader in sustainability

A few external benchmark examples:



CLIMATE FORESTS WATER

**One of only 10**  
companies globally with a  
CDP Triple A rating



**Top quartile**  
in the Paper & Forest  
Products industry



**Top 1%**  
in our sector for 5  
consecutive years

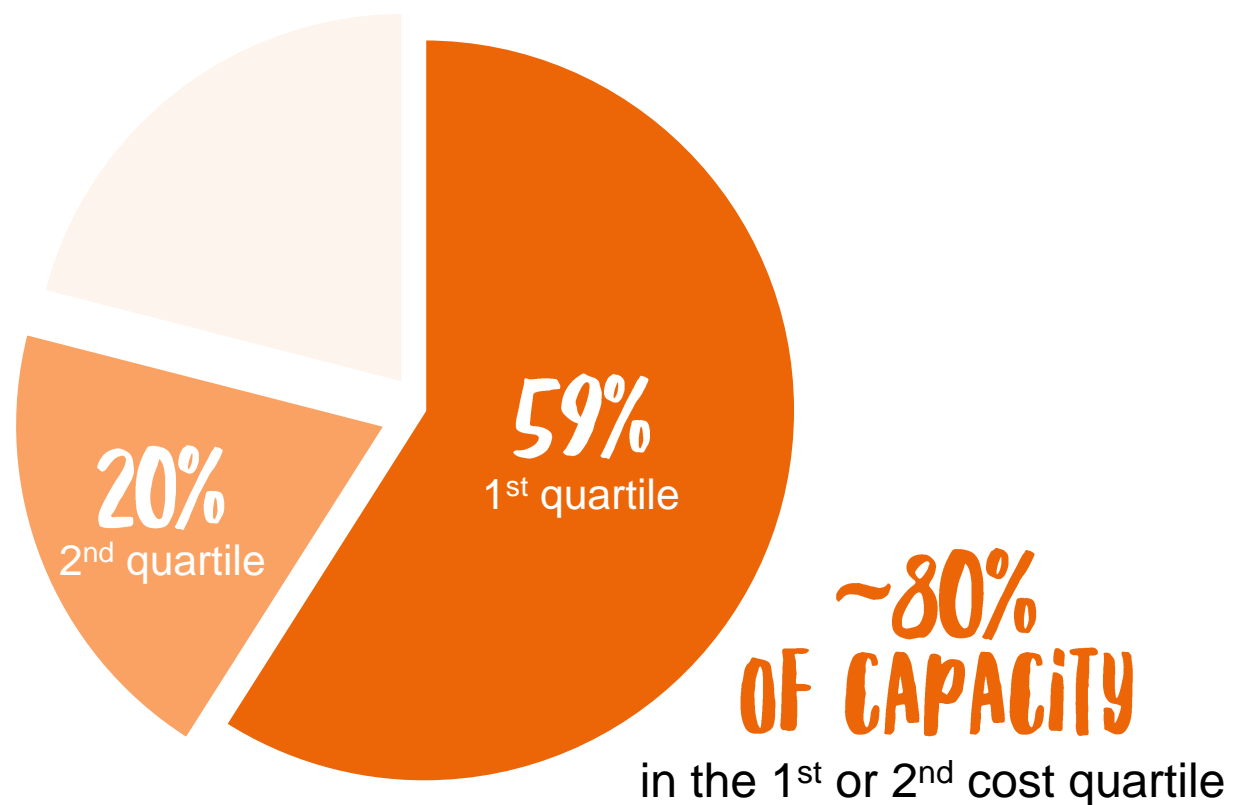
Making a real contribution to the UN SDGs



# 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

# Leveraging cost-advantaged pulp and paper production footprint



8% increased capacity  
when in full operation



Lower production  
costs



Enhanced  
efficiencies



Improved  
environmental  
footprint

Current projects – more than €750 million

# Further detail on current projects totalling more than €750 million



Ramping up new  
containerboard machine at  
Ružomberok (300ktpa)



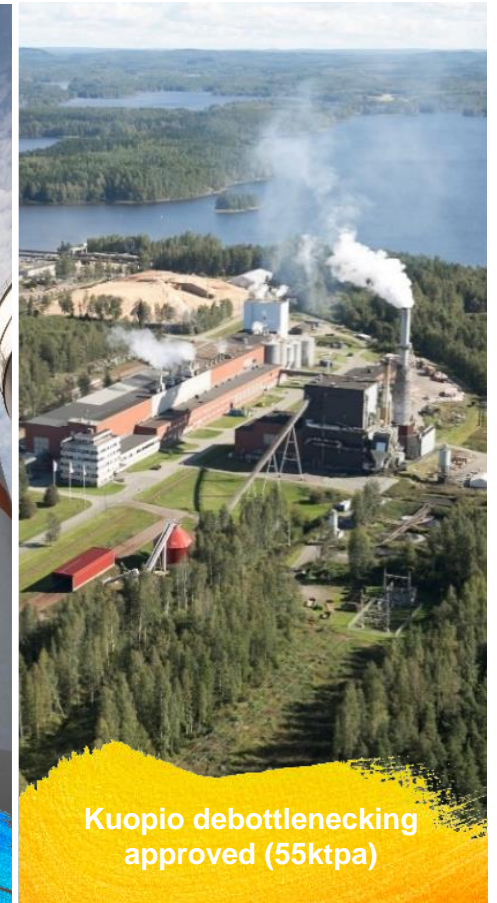
Ramping up speciality kraft  
paper production in Štětí  
(45ktpa)



Debottlenecking  
of Syktyvkar



Modernisation of  
Richards Bay



Kuopio debottlenecking  
approved (55ktpa)

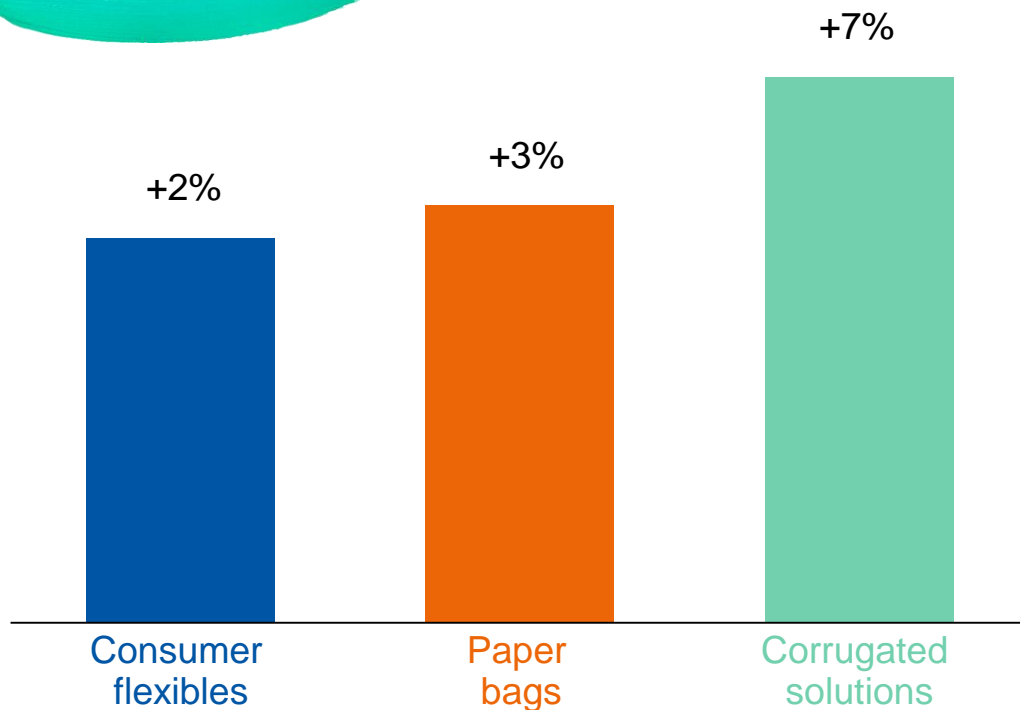


# Investing in converting to support growth in structurally attractive markets

## Mondi's sales volume CAGR

LTM to June 2021 vs LTM June 2016

5-year CAGR



- Enhancing our product and service offering
  - eCommerce
  - Sustainability
  - Enhancing customer brand value
- Expanding geographically
- Improving efficiency and reducing conversion costs

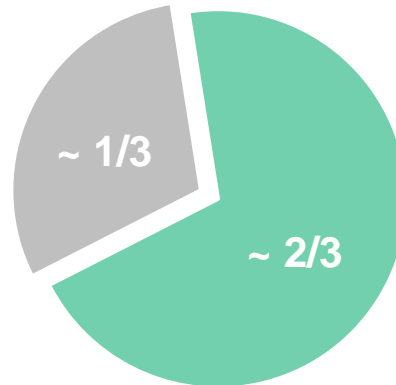
# UFP: Strongly positioned

## Leading player

- Leading market positions
  - Europe
  - CIS
  - Southern Africa
- Gaining share in all key markets
- Leveraging integrated asset base to grow in packaging

## Cost-advantaged asset base

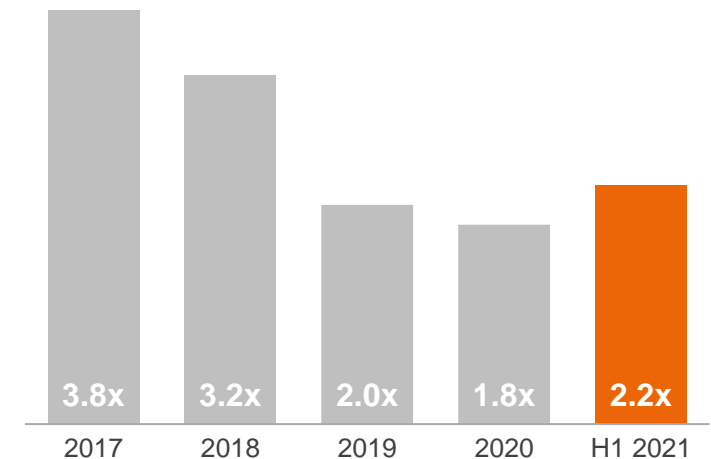
2/3rds of portfolio in lowest industry cost quartiles



- Integrated and cost-advantaged
- Broad product portfolio with Neusiedler focused on premium grades

## Strong cash generation through-the-cycle

Underlying EBITDA / capital expenditure



**Underlying EBITDA > capex by more than €1.1 billion since 2017**

# Mondi's customer-centric approach to sustainable packaging

## Ecosolutions



*PAPER where possible...*

*...PLASTIC when useful*

# A unique platform to deliver



**PAPER**  
where possible...

**SUSTAINABLE SOLUTIONS**

...**PLASTIC**  
when useful

# Alternative to plastic pallet wrapping

## Advantage StretchWrap

- Innovative paper-based pallet wrapping
  - Responsibly sourced renewable fibres
  - Recyclable
- Developed in cooperation with machinery supplier (ACMI) and customers
- Potential to replace more than 10,000 tonnes of plastic for every 1% of EU pallets



# eCommerce paper-based solution

## MailerBAG



- Innovative paper-based eCommerce mailer
  - Complementing corrugated packaging portfolio
  - Fully recyclable
  - Easy to open and convenient return features
- Investing to upscale production to 350 million bags per annum to meet growing demand



SUSTAINABLE ECOMMERCE PACKAGING DRIVING GROWTH

# Eliminating polystyrene, optimising transport



## MonoCorr Box

- 100% corrugated, 100% recyclable
- Solution for global shipping of Warmhaus boilers
- Eliminates polystyrene inserts
- Optimises transport
  - Corrugated inserts use 90% less space when sent to customer
  - 14% reduced box height increases pallet capacity for distribution by 20%
- Further opportunities for multiple applications



# Paper-based packets for Unilever's Colman's Meal Makers



Close collaboration with blue chip customer

Functional paper solution:  
85% paper with ultra thin functional plastic layer

Eliminates aluminium and reduces plastic content

New recyclable solution replacing prior complex structure




# Fit-for-purpose recyclable flexible plastic packaging

## HIGH MATERIAL EFFICIENCY

### Primary packaging weight

Based on packaging 400 grams of pasta sauce<sup>1</sup>

**Pouch**  **10**  
grams

**Metal can**  **54**  
grams

**Glass jar**  **216**  
grams

<sup>1</sup> Source: Flexible Packaging Europe

## WITHOUT COMPROMISING FUNCTIONALITY



**BarrierPack**



**EnvelopeForm**

- Protect and preserve products
- Extend shelf-life
- Prevent food waste
- Mono-materials – design for recycling

# Our cash flow priorities remain unchanged

## Free cash flow priorities



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

Grow through selective capital investment opportunities

Support payment of dividends to our shareholders

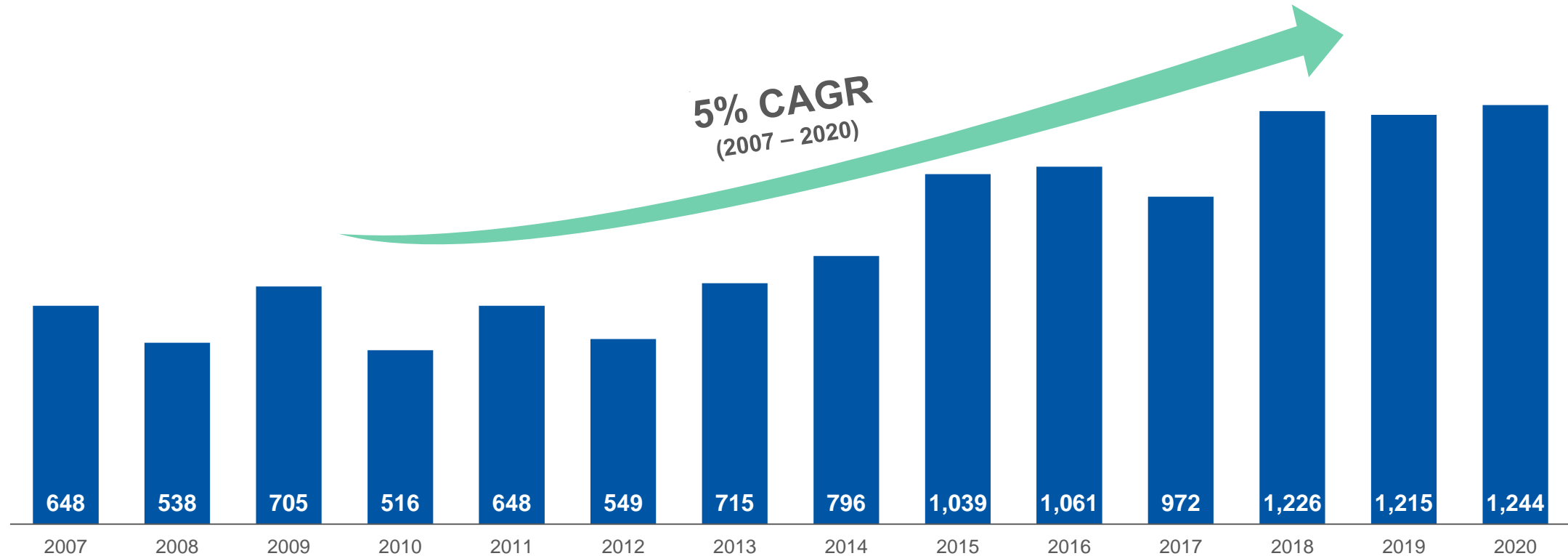
Evaluate growth opportunities through M&A and/or increased shareholder distributions

**STRATEGIC FLEXIBILITY AND OPTIONS FOR GROWTH**

# Strong cash generation through the cycle

## Cash flow generation

€ million



**More than €11 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

# Investing in our business and distributions to shareholders

## Cash flow generation since listing

€ billion

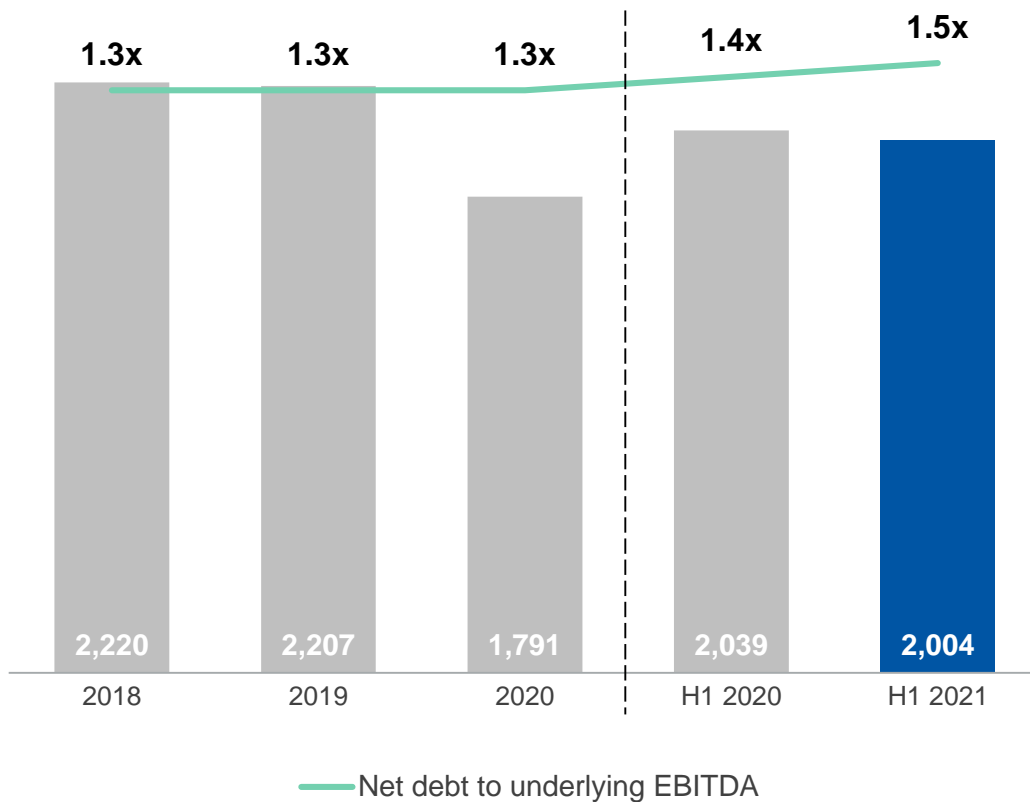


Cash flow generation based on net cash generated before capital expenditure, acquisitions and disposals of businesses, investment in equity accounted investees and payment of dividends to shareholders

# Strong financial position

## Net debt

€ million (net debt) and ratio (net debt to underlying EBITDA)

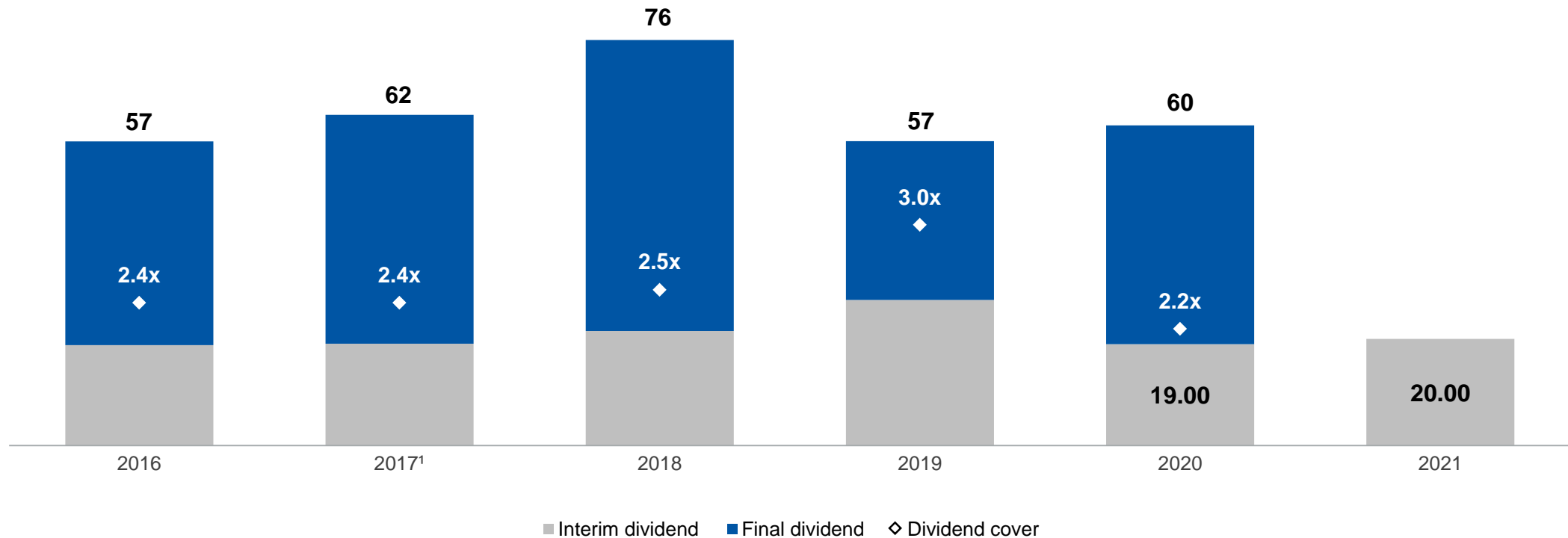


- Signed €750 million revolving credit facility
  - Aligning financing with MAP2030
  - Extending debt maturity profile
- Strong liquidity of around €1 billion
- Investment grade credit ratings (BBB+ / Baa1)

# Dividends in line with our policy

## Dividends declared

euro cents per share



1. Excludes the 2017 special dividend of 100 euro cents per share

**Dividend policy unchanged**  
Targeted cover range of 2-3x on average over the cycle

# Sources and definitions

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## 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

## Sources for market position estimates

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Virgin containerboard (Europe) (including kraft top liner) based on capacity – Fastmarkets RISI and Mondi estimates

Containerboard (emerging Europe) based on capacity – Fastmarkets RISI and Mondi estimates

Kraft paper (Global) based on capacity – Fastmarkets RISI and Mondi estimates

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

Paper bags (Global & Europe) based on sales volume – Eurosac, Freedonia and Mondi estimates

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

Commercial release liner (Europe) based on sales volumes – Alexander Watson Associates and Mondi estimates

Extrusion coatings (Europe) based on Mondi estimates

Uncoated fine paper (Europe) based on sales volumes (Ilim JV considered separate from IP) – EURO-GRAPH, EMGE, Fastmarkets RISI, Pulp and Paper Products Council, Bumprom/SBO and Mondi estimates

Uncoated fine paper (South Africa) based on Mondi estimates

## Sources for relevant industry cost curves

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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 2020



# Appendix

H1 2021 results



# Delivering strongly – positioned for sustainable growth

## H1 2021 highlights



## STRONG PERFORMANCE — GOOD MOMENTUM

- Strong sales volumes and rising prices
- Effective cost control
- Results up sequentially

## INVESTING THROUGH—THE—CYCLE

- Completed acquisition of Olmuksan
- Good progress made on capital investment projects
- Recently approved Corrugated Packaging expansions

## SUSTAINABILITY AT THE CENTRE OF OUR STRATEGY

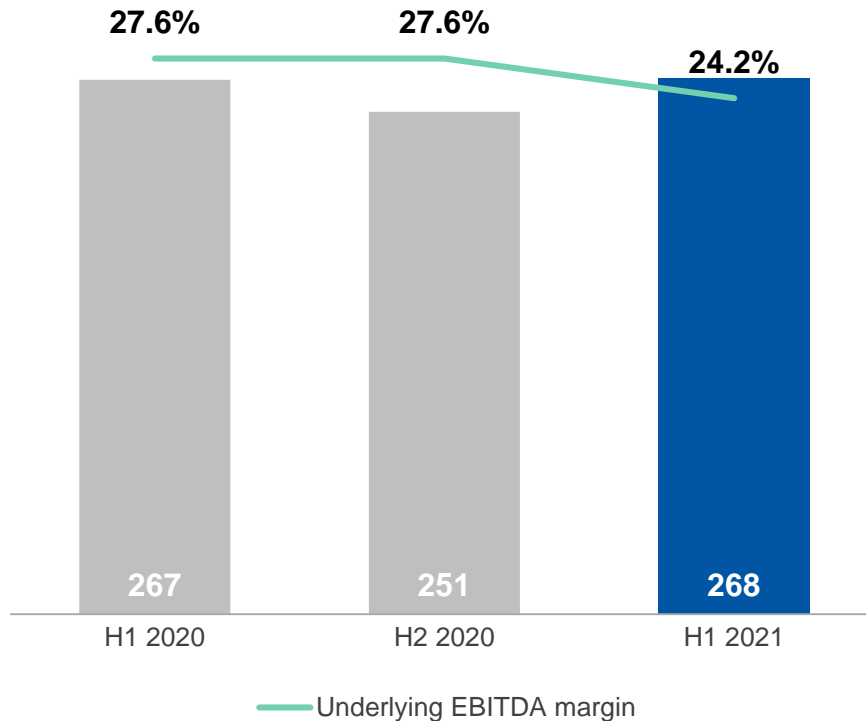
- Mondi Action Plan 2030 (MAP2030) launched
- Designing for the circular economy
- Innovating with our customers

# Strong performance and momentum

Corrugated  
Packaging

## Underlying EBITDA and margin

€ million and %



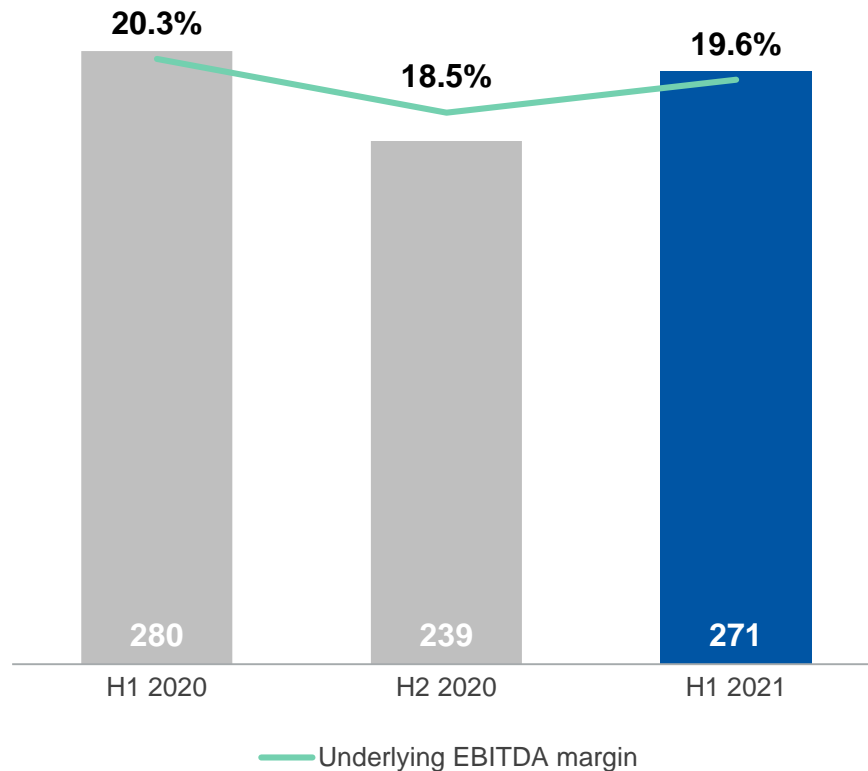
- Very strong demand – Corrugated Solutions volumes up 15%. Benefiting from:
  - eCommerce, consumer goods growth and recovery in industrial
  - Innovation, strong customer offering and ongoing investment
- Containerboard prices up – tight global markets
- Good progress made in passing through higher paper input costs to box prices
- Significantly higher input costs, strong cost control
- Completed Olmuksan acquisition

# Leveraging unique platform, growing with customers

Flexible  
Packaging

## Underlying EBITDA and margin

€ million and %



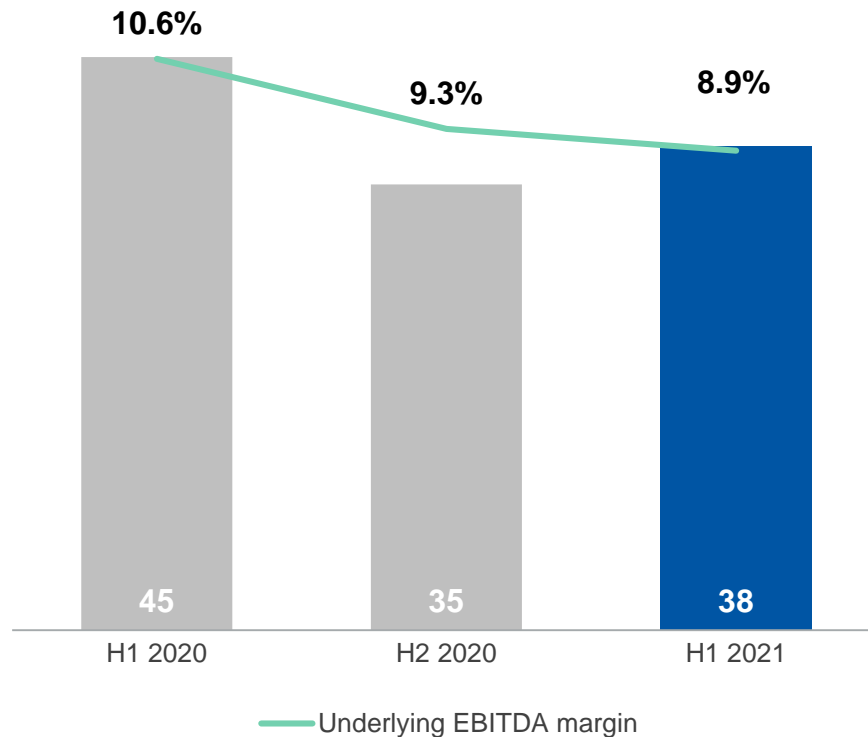
- Strong volume growth
  - Paper bags volumes up 11% – growth in all regions
  - Consumer flexibles benefited from improved product mix and innovations
- Strong pricing momentum
  - Price increases implemented in kraft paper (where not fixed by contracts)
  - Progress made in converting operations to pass on significantly higher input costs
- Innovating to support our customers' transition to more sustainable packaging

# Demand recovery, good progress on portfolio restructuring

Engineered  
Materials

## Underlying EBITDA and margin

€ million and %



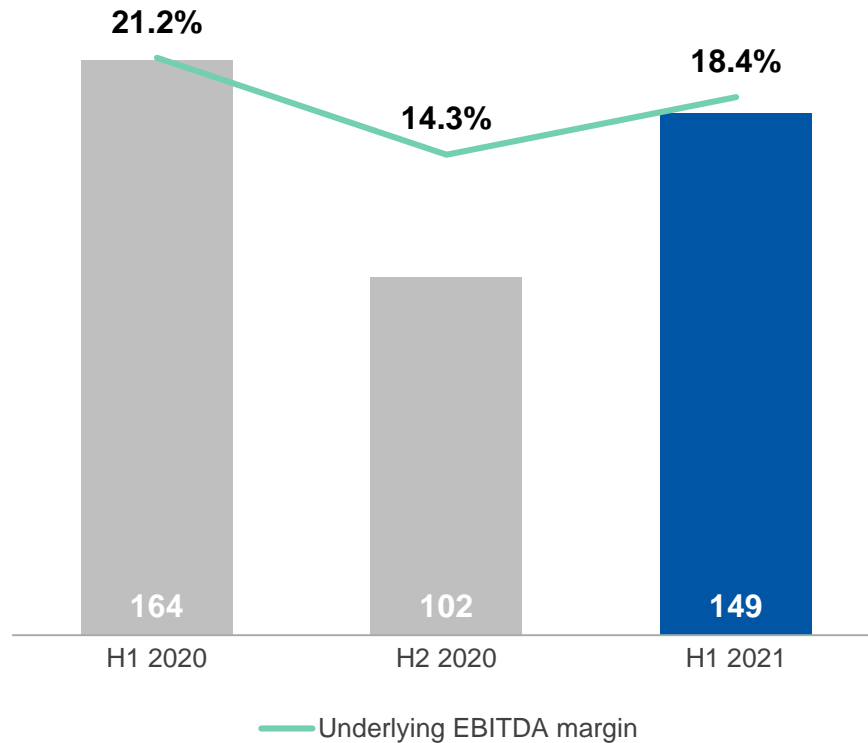
- Strong recovery in industrial and specialised end-uses for functional papers and films
- Good progress made in personal care components in response to declining volumes as a key product matures
  - Realigning the portfolio
  - Restructuring
- Exciting opportunities to leverage coating technologies to develop innovative sustainable packaging

# Improved trading, gaining market share

Uncoated  
Fine Paper

## Underlying EBITDA and margin

€ million and %



- Higher uncoated fine paper volumes, good order books
- Market share gains across key regions
- UFP price increases implemented in Q2 and early Q3
- Significantly higher pulp prices
- Negative y-o-y impact of maintenance shuts and non-cash forestry fair value

