

# Mondi Group

## Capital Markets Day | 2017

**Fibre Packaging:**  
Strong core business with exciting growth opportunities

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# Fibre Packaging at a glance



## Corrugated Packaging



### Main end markets

- Consumer: Food incl. fresh fruit & vegetables, FMCG, beverages, e-commerce
- Industrial: automotive components, chemicals, domestic appliances

### Geographic focus

- **Regional**  
Central and eastern Europe, Turkey, Russia

### Relevant market growth and trends

- Good growth in core markets
- Strong demand from e-commerce and shelf-ready packaging solutions
- Industrial segment stable with solid margins

## Industrial Bags



- Cement and other building materials; food, feed and seed; chemicals

- **Global**

- Stable mature markets in Europe / US
- Growth in Africa, Middle East – especially for cement

# Strategic value drivers in Fibre Packaging



## Value creation initiatives – some examples

- 1 European footprint optimisation in Industrial Bags
- 2 Partner with customers for growth in Middle East and Africa in Industrial Bags
- 3 Capturing e-commerce opportunities in Corrugated Packaging

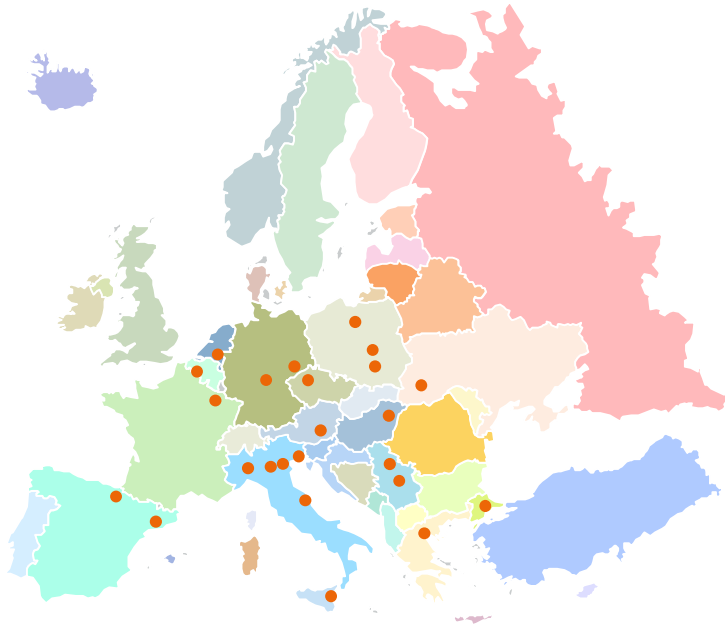


# 1 European footprint optimisation in Industrial Bags

## Context

- 24 plants across Europe
- Annual production of 3 billion bags

## Mondi Industrial Bags plants



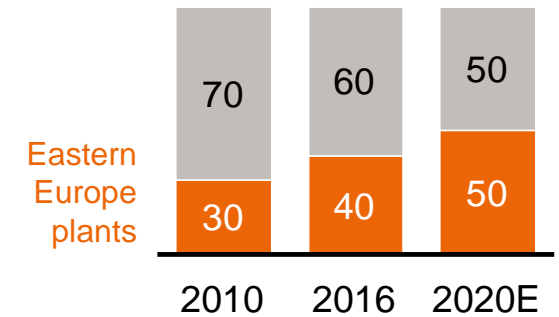
## Strategy

- Moving production to Eastern Europe, leveraging our cost advantage and achieving economies of scale
- Significant brownfield capacity expansions in Eastern Europe, including state of the art facility in Serbia



## Status

- European production split (%)



- Capex investments on plan
- Customer satisfaction surveys at highest level
- High customer retention

## Aspiration

- Higher ROCE through fixed cost reduction
- Replication of concept in North America



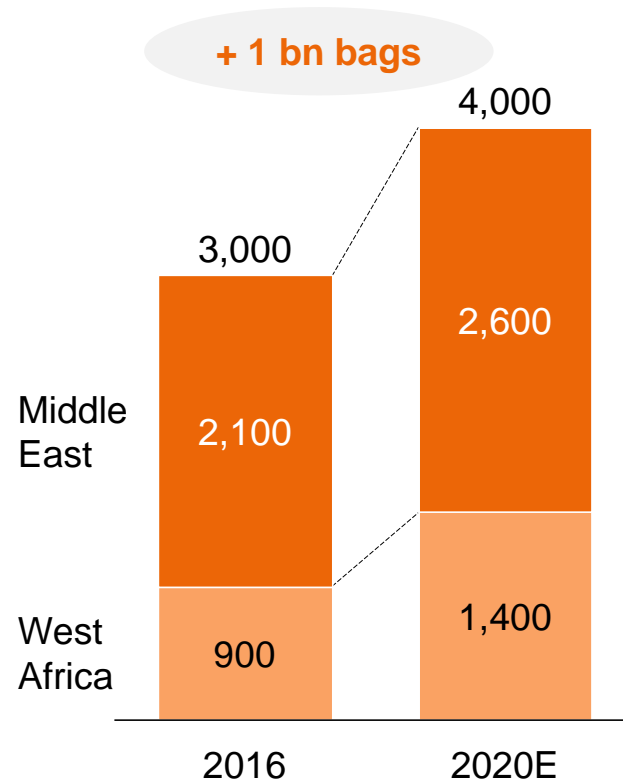


## ② Partner with customers for growth in Middle East and Africa in Industrial Bags



### Context

**End-use cement bags – expected growth**  
Million bags



### Strategy

- Follow expansion of global key cement customers
- Invest in greenfield projects and acquisitions with selected local JV partners
- Combine
  - Operational excellence
  - Local market knowledge
  - Long-term customer relationships



### Status

- 7 sites in 6 countries
- 8% CAGR of bag output 2013-2016
- Strong profitability

### Aspiration

- Doubling the volume in the next 5 years
- Significantly increasing profit contributions

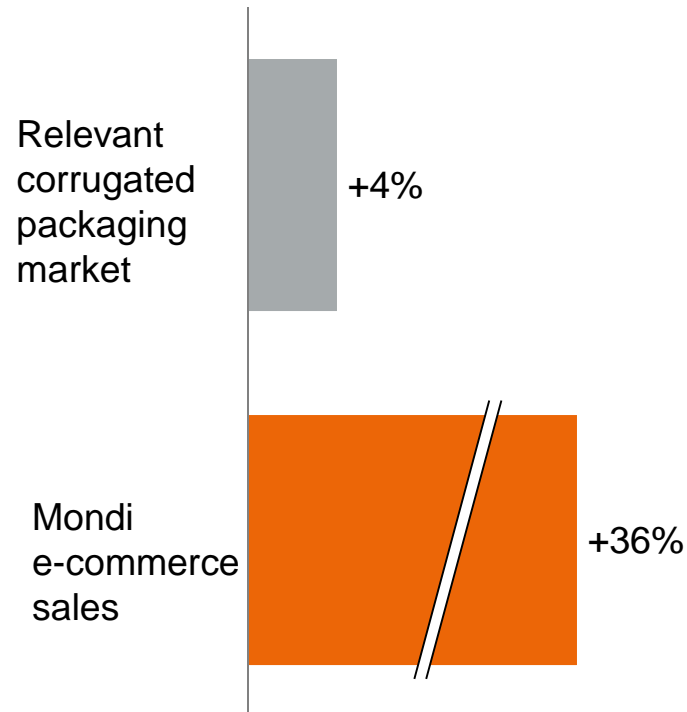


### 3 Capturing e-commerce opportunities in Corrugated Packaging



#### Context

**Growth 2013-2016<sup>1</sup>**  
CAGR



#### Strategy

- Regional play with carefully selected e-commerce customer partners
- High-speed, top-quality production
- 24 hours order + delivery
- Customer-specific innovations



#### Status

- 4 sites in 3 countries with e-commerce focus – investing in capabilities in further sites
- Multiple long-term contracts
- High levels of customer satisfaction

#### Aspiration

- Continued profitable growth



<sup>1</sup> Comparison between the overall corrugated packaging market growth and Mondi e-commerce sales volume growth in Mondi's core e-commerce markets (Austria, Germany, Poland, Czech Republic)

## Fibre Packaging:

### Strong core business with exciting growth opportunities

- Investments to capture both cost advantages and growth opportunities
- Building organisational strength and capabilities
- Commitment to continued performance improvement



# QUESTIONS





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