



# Half-yearly results for the six months ended 30 June 2019

1 August 2019



### **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.



An aerial photograph showing a dense green forest with a winding river cutting through it. The river is dark blue, and the surrounding land is a mix of green trees and brownish-yellow cleared areas.

## Highlights

Financial overview

Market and operational review

Key strategic developments

Outlook

Appendices

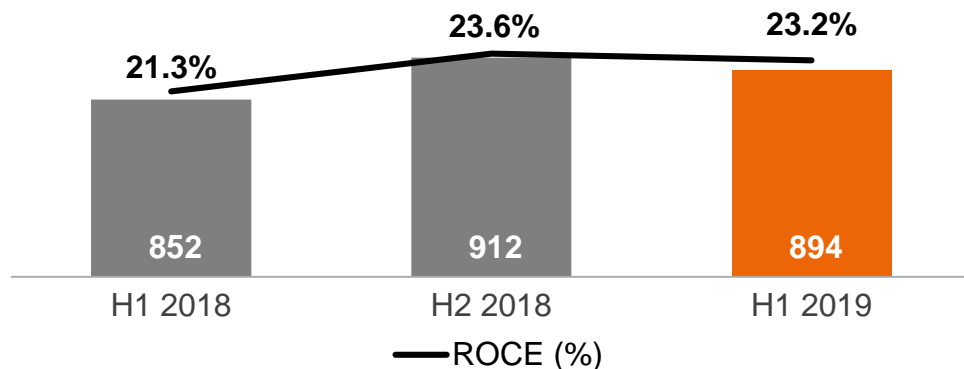


# Highlights



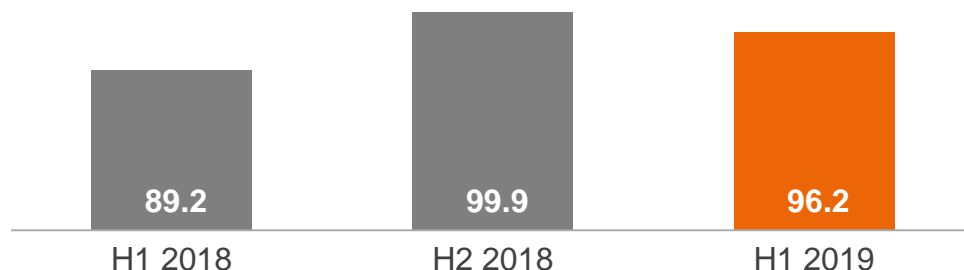
## Underlying EBITDA and ROCE

€ million and %



## Basic underlying earnings per share

euro cents per share



- Strong financial performance on all key metrics against a backdrop of increasingly challenging trading conditions
- Good contribution from capital investments and acquisitions completed in 2018
- Capital investment programme on track to deliver incremental growth
- Simplification of corporate structure completed end of July 2019
- Well positioned with innovative and sustainable packaging solutions portfolio

**Strong financial performance and good progress on key strategic initiatives**

Highlights

**Financial overview**

Market and operational review

Key strategic developments

Outlook

Appendices

# Key financial highlights



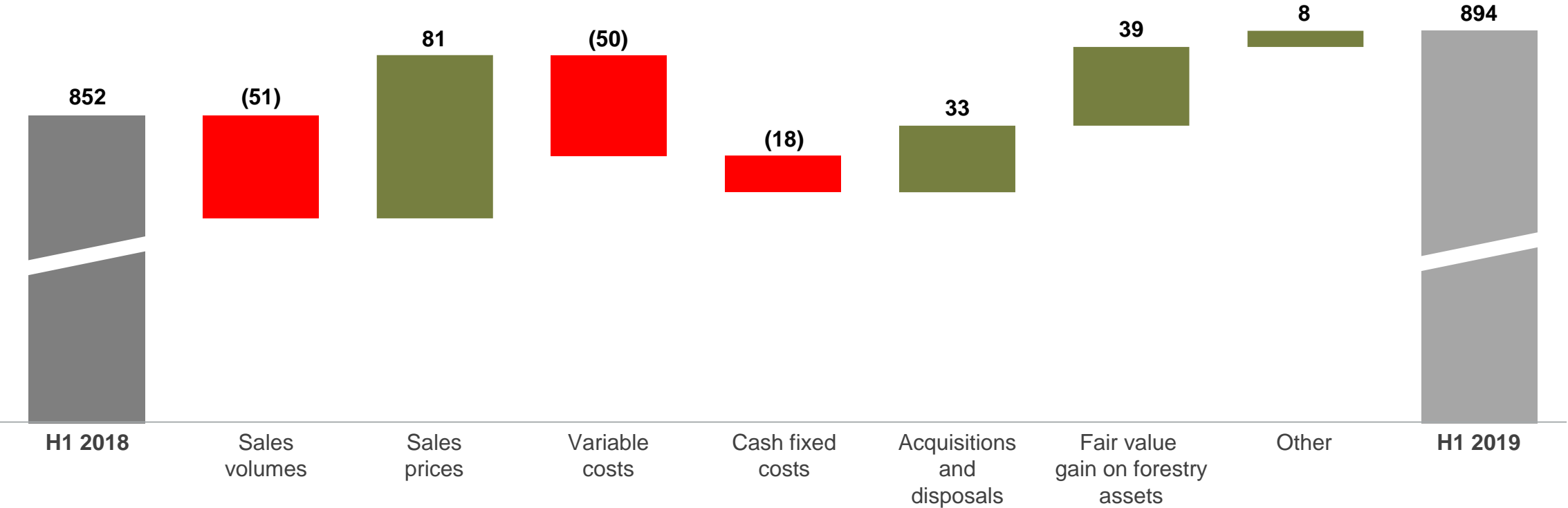
€ million	H1 2018	H2 2018	H1 2019	% change vs H1 2018	% change vs H2 2018
Group revenue	3,727	3,754	3,771	1%	–
<b>Underlying EBITDA</b>	852	912	<b>894</b>	5%	(2%)
% margin	22.9%	24.3%	<b>23.7%</b>		
<b>Underlying operating profit</b>	630	688	<b>679</b>	8%	(1%)
% margin	16.9%	18.3%	<b>18.0%</b>		
<b>Group ROCE</b>	21.3%	23.6%	<b>23.2%</b>		

**Strong performance on all key metrics**

# Underlying EBITDA development



Underlying EBITDA development  
€ million



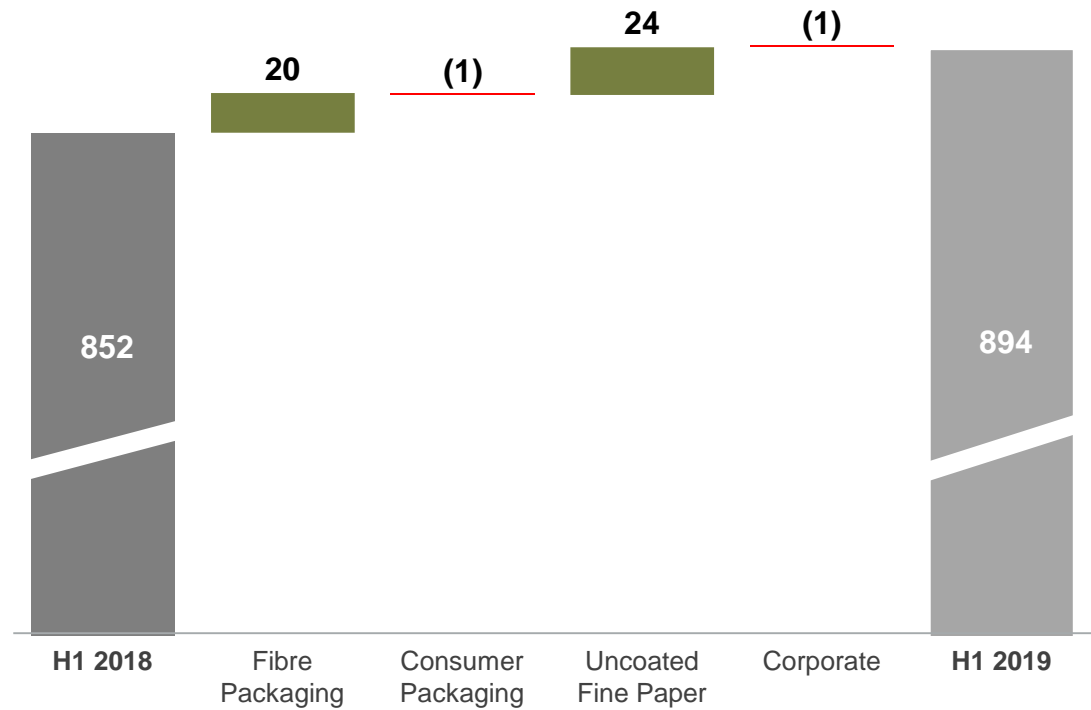
Underlying EBITDA up 5%

# Business unit contribution



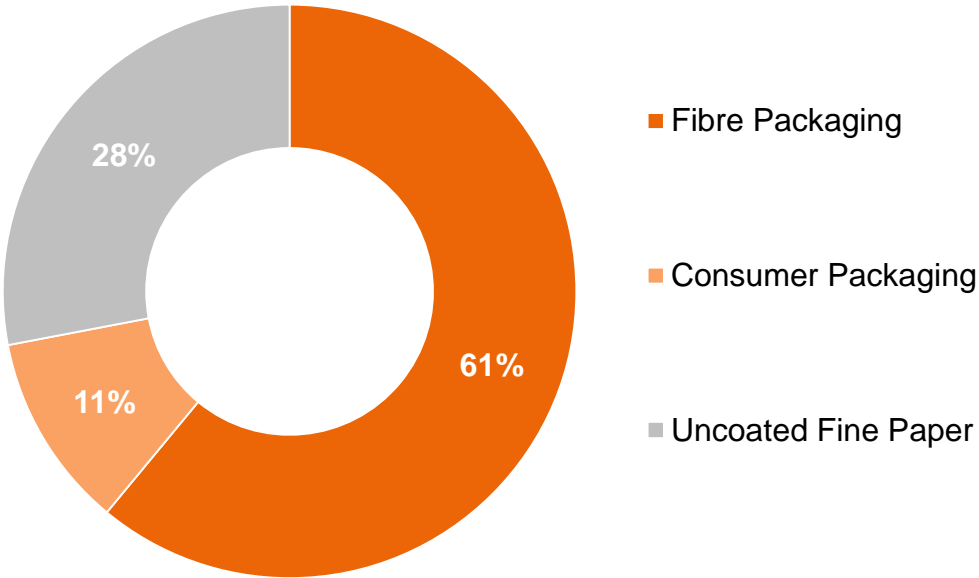
## Business unit underlying EBITDA development

€ million



## H1 2019 underlying EBITDA contribution by business unit<sup>1</sup>

%



**Strong contributions from Fibre Packaging and Uncoated Fine Paper**

<sup>1</sup> Breakdown excludes corporate costs



# Financial review



€ million	H1 2018	H2 2018	H1 2019	% change vs H1 2018	% change vs H2 2018
<b>Underlying EBITDA</b>	852	912	<b>894</b>	5%	(2%)
Depreciation, amortisation and impairments	(222)	(224)	<b>(215)</b>	3%	4%
<b>Underlying operating profit</b>	630	688	<b>679</b>	8%	(1%)
Net finance costs	(40)	(48)	<b>(45)</b>	(13%)	6%
<b>Underlying profit before tax</b>	590	641	<b>634</b>	7%	(1%)
Underlying tax charge	(132)	(141)	<b>(146)</b>	(11%)	(4%)
Non-controlling interests	(26)	(16)	<b>(22)</b>	15%	(38%)
<b>Underlying earnings</b>	432	484	<b>466</b>	8%	(4%)
Special items (after tax)	(81)	(11)	<b>(2)</b>		
<b>Profit after tax and non-controlling interests</b>	351	473	<b>464</b>	32%	(2%)
<b>Basic earnings per share (euro cents)</b>	72.5	97.6	<b>95.8</b>	32%	(2%)
<b>Basic underlying earnings per share (euro cents)</b>	89.2	99.9	<b>96.2</b>	8%	(4%)

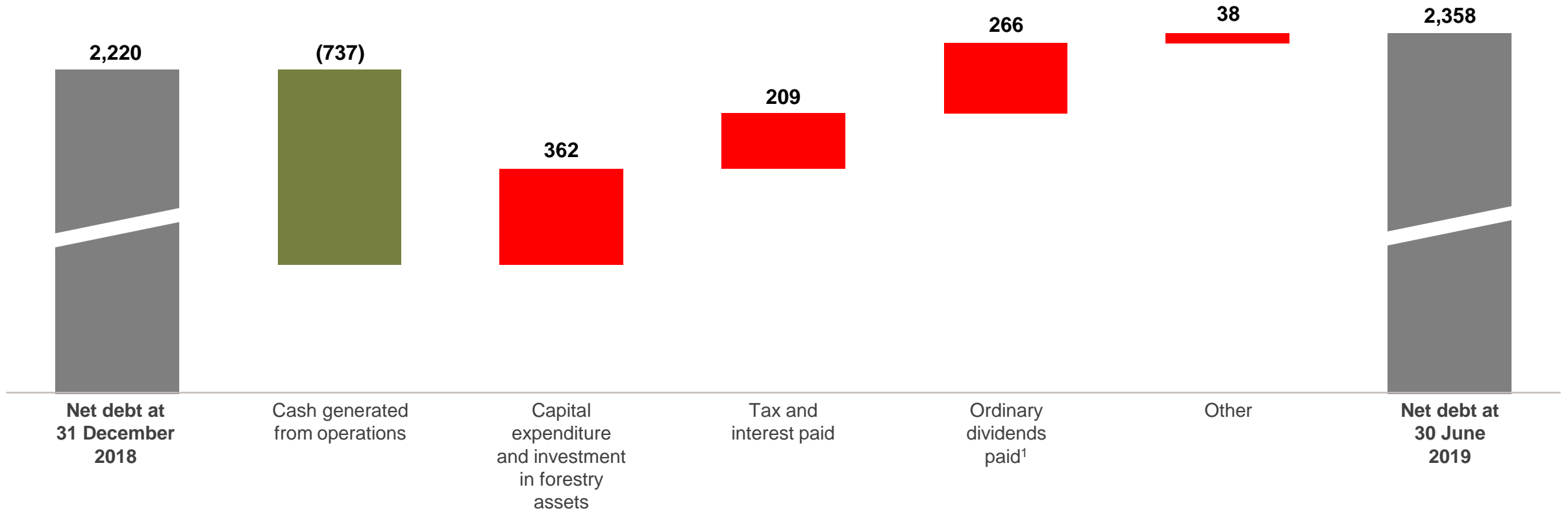
**8% growth in basic underlying earnings per share**

# Cash flow effects – movement in net debt



## Movement in net debt

€ million



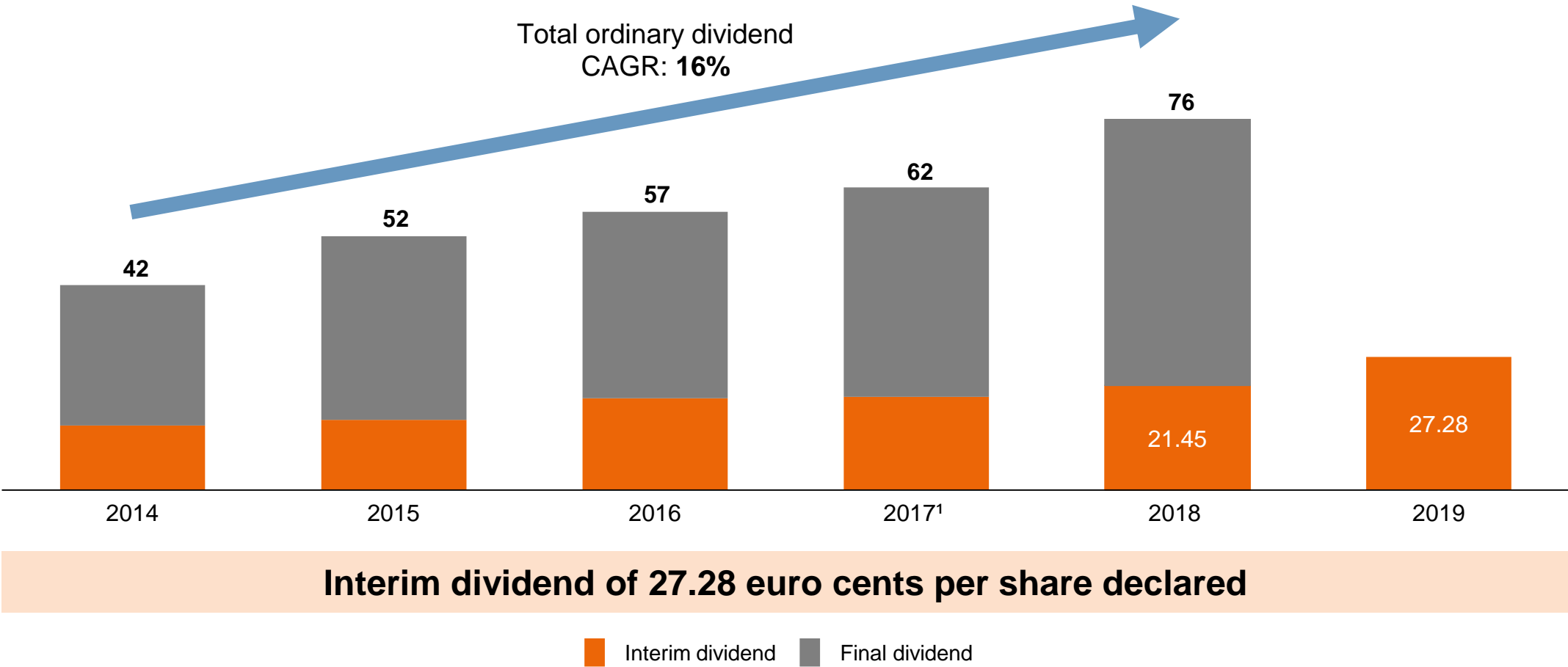
**Continued strong cash generation used for investing in the business and increasing distributions to shareholders**

<sup>1</sup> To shareholders and non-controlling interests

# Continued growth in shareholder returns



**Dividends declared**  
euro cents per share



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



	2019 guidance
Capital expenditure range per annum (in average for 2019 and 2020)	€700 – 800 million
Depreciation and amortisation	€420 – 450 million
Estimated impact of planned mill maintenance shuts	± €150 million
Working capital as a % of turnover	12 – 14%
Effective tax rate	±23%

Highlights

Financial overview

**Market and operational review**

Key strategic developments

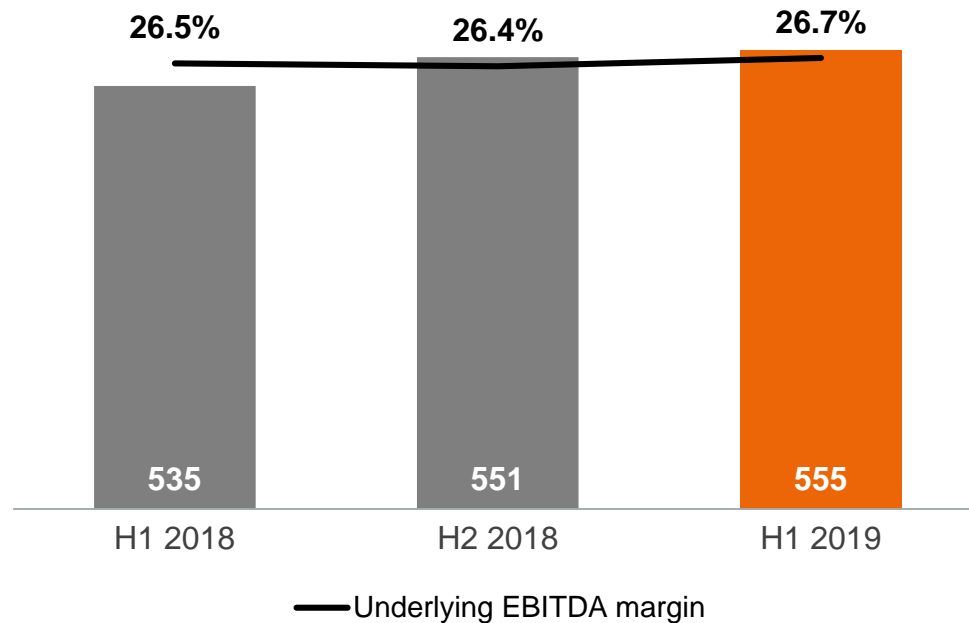
Outlook

Appendices

# Fibre Packaging

## Underlying EBITDA and margin

€ million and %



- Underlying EBITDA up 4%
- Benefiting from:
  - higher average selling prices
  - contribution from acquisitions and capital investment projects
- Offsetting:
  - higher costs
  - mill maintenance shut effects
- Shut a 65ktpa recycled containerboard machine at our Tire Kutsan mill (Turkey)
- Agreed to sell a highly specialised extrusion coated products plant in Duffel (Belgium) in July 2019

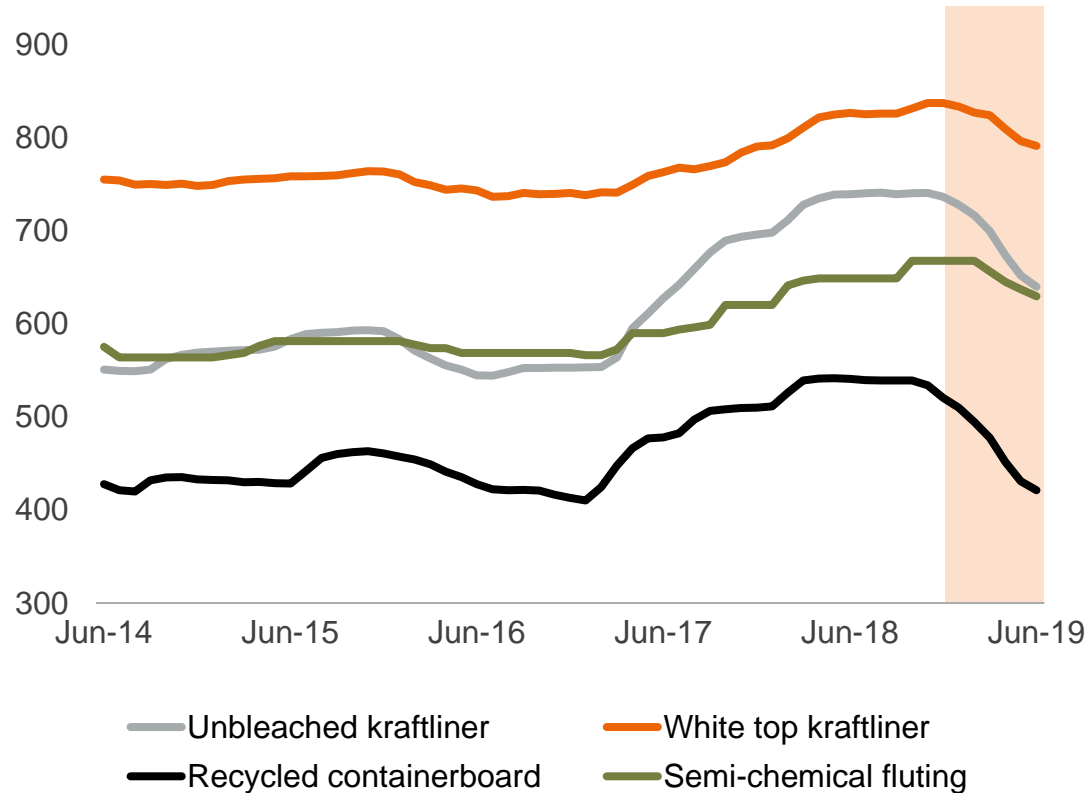


# Fibre Packaging



## Containerboard selling prices

€/tonne



Source: Fastmarkets FOEX and Fastmarkets RISI for semi-chemical fluting (average of France, Germany, Italy and Spain prices)

## Containerboard

- Price pressure in H1 although the magnitude differed by grade
  - Stable pricing currently in unbleached kraftliner and recycled containerboard on the back of improved order books, following sharp falls in H1
  - Moderate price reductions in white top kraftliner and semi-chemical fluting in H1 which have continued in Q3

+

## Corrugated Packaging

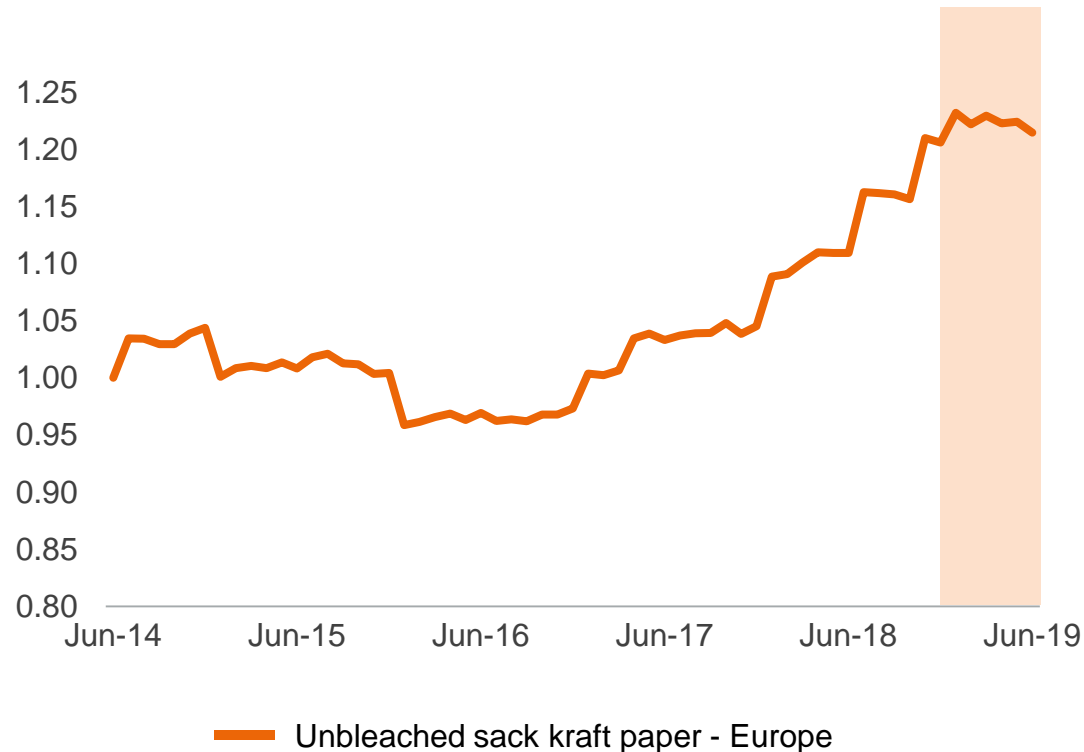
- Higher average selling prices
- Good volume growth in central and eastern Europe, partly offset by weaker volumes in Turkey and Russia
  - Good demand in e-commerce and consumer
- Continuous focus on reducing conversion costs and further enhancing innovative product offering, quality and service to customers

# Fibre Packaging



## Sack kraft paper selling prices

Prices indexed to June 2014



## Kraft Paper

- Prices in H1 up around 8%, on average, on 2018 pricing
- Weaker demand leading to price reductions in selected grades effective in the second half for volumes not fixed by annual contracts
- Good demand across our range of speciality kraft papers supported by consumer preferences and legislation

## Industrial Bags

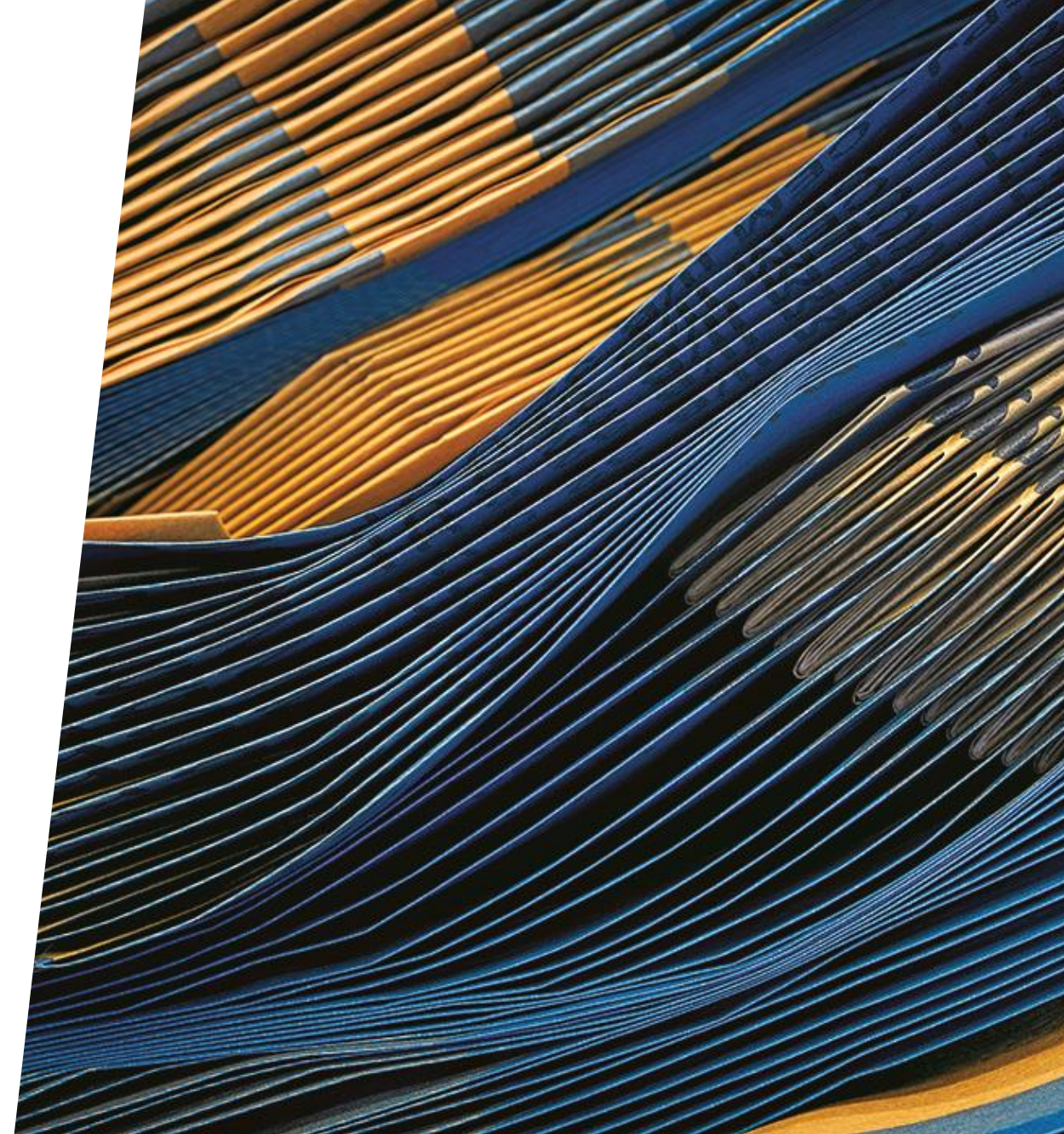
- Sales volumes down on a like-for-like basis, due to a combination of pricing discipline and weakness in Turkish, Middle Eastern and North American markets
- Price increases achieved in the early part of the year to compensate for higher paper input costs
- Strong cost management

# Fibre Packaging

## Key competitive advantages

---

- Cost advantaged asset base
- Diversified portfolio of packaging paper grades
- Speciality products with premium pricing and lower cyclicality
- Integrated business model
- Proven track record of operational excellence to be further enhanced by our digital projects
- Innovation leader
- Well positioned to benefit from sustainability trends.  
Growth will depend on:
  - Legislation
  - Willingness of consumers to pay a premium



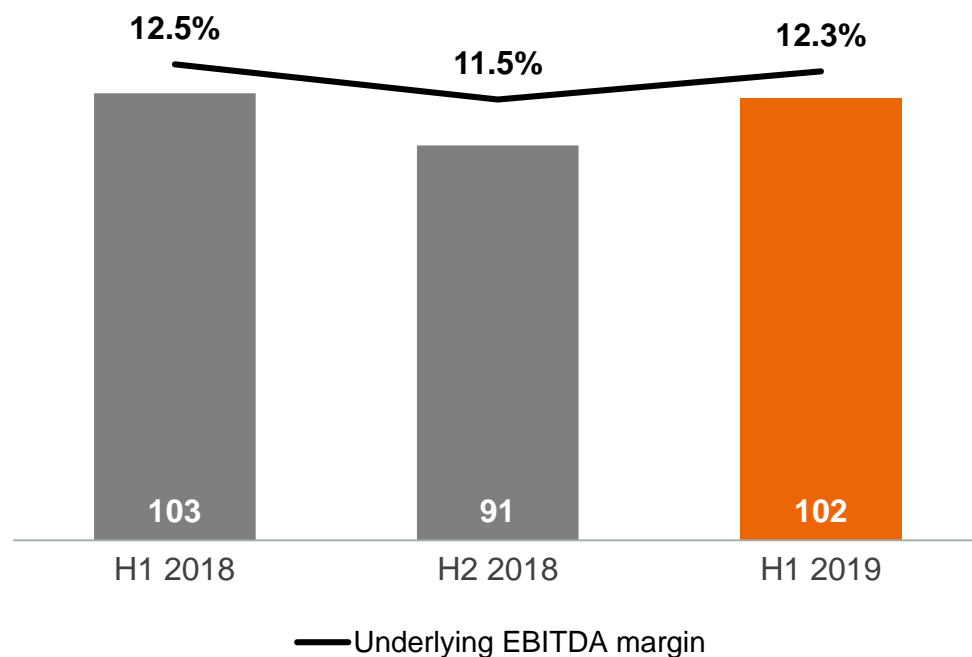


# Consumer Packaging



## Underlying EBITDA and margin

€ million and %



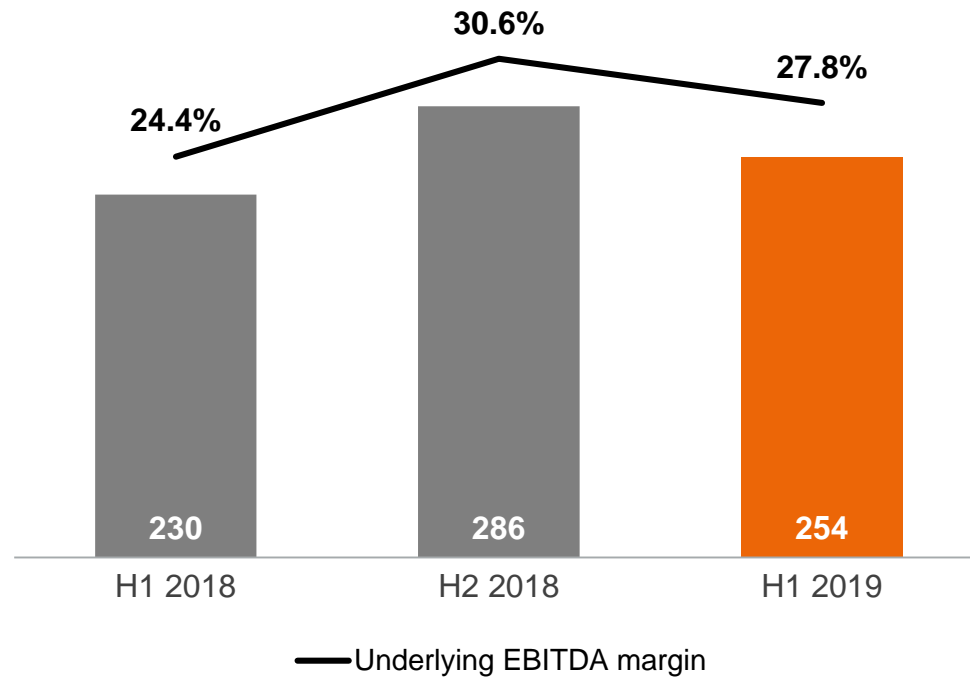
- Underlying EBITDA flat on the comparable prior year period, and up 12% on H2 2018
- Improved performance from consumer goods packaging:
  - restructured plant network
  - product innovation
  - continuous improvement initiatives
- Stabilisation of performance in personal care components, although continued pressure expected in the medium term
- Overall performance held back by:
  - one-off items
  - negative currency effects

# Uncoated Fine Paper



## Underlying EBITDA and margin

€ million and %



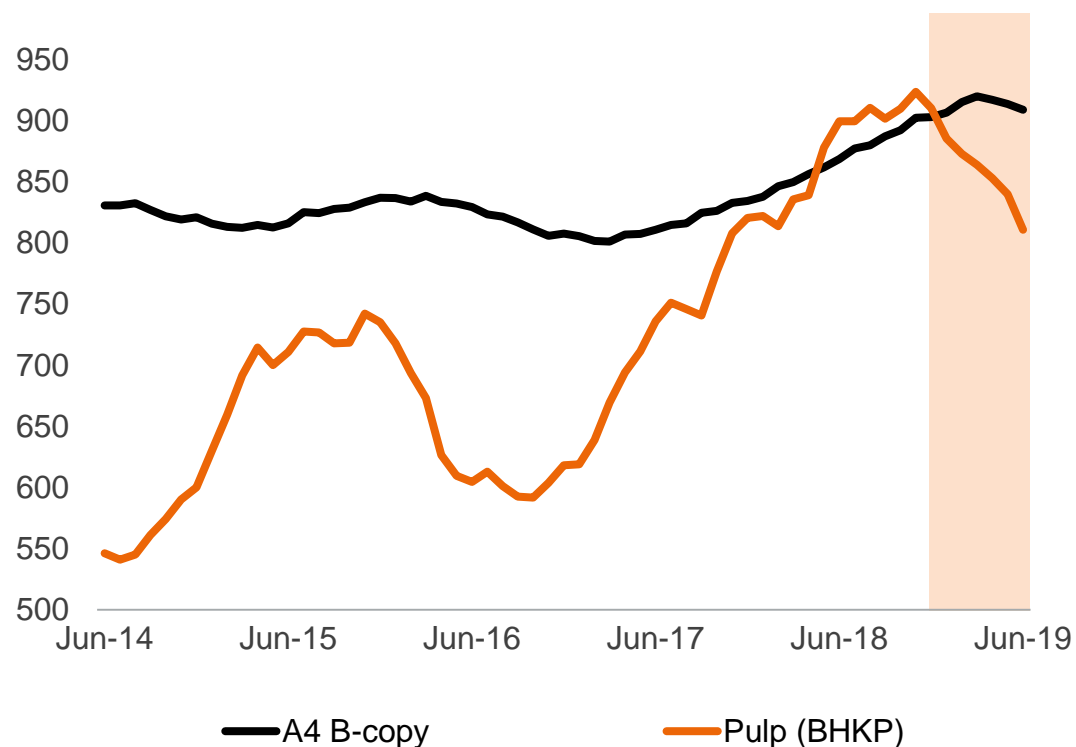
- Underlying EBITDA up 10% on the comparable prior year period
- Benefiting from:
  - higher average uncoated fine paper selling prices
  - higher forestry fair value gain
- Offsetting:
  - impact of maintenance shuts
  - higher costs
- Lower uncoated fine paper sales volumes:
  - closure of a small machine at Merebank in Q3 2018
  - impact of maintenance shuts

# Uncoated Fine Paper | industry fundamentals



## Pulp and A4 B-copy prices

€/tonne



+

- Ongoing structural decline in market demand in mature markets
- We continue to benefit from:
  - superior cost positioning
  - emerging market exposure
- Higher average benchmark European uncoated fine paper selling prices
- Average benchmark European bleached hardwood pulp prices flat compared with the prior year period but down 6% sequentially – accelerating rate of decline in Q2
- Net long pulp position for the Group of around 300,000 tonnes per annum

Source: Fastmarkets FOEX



Highlights

Financial overview

Market and operational review

**Key strategic developments**

Outlook

Appendices

# Key strategic developments



## Sustainable packaging

- Uniquely positioned as a leading paper and plastic based packaging producer
- Supporting our customers to achieve their sustainability goals with our EcoSolutions approach, by focusing on packaging that is sustainable by design – paper where possible, plastic when useful

Replace  
Reduce  
Recycle

## Capital investment programme

- Štětí mill modernisation making a positive contribution (started up in Q4 2018)
- Previously announced major capital investment projects on track
- Focus on investment in cost advantaged assets ensures strong through-the-cycle returns



## Simplification of corporate structure

- From DLC into single holding company structure under Mondi plc – simplifies cash and dividend flows, increases transparency, removes the complexity associated with the previous structure and enhances strategic flexibility
- Mondi Plc to maintain premium listing on LSE, with higher FTSE100 weighting, and to have secondary listing on JSE – eligible for inclusion in key JSE indices



# Innovating with our customers



## e-shop DelightBox



- Flat bottom, one piece e-commerce corrugated box solution
- Instant assembly, fast closure, open and reclose strips and tamper proof
- Replaces plastic bag alternatives in selected markets
- Lightweight product made of 100% recycled containerboard
- Economic, efficient, easy solution with excellent presentation

## Recyclable barrier film



- Fully-recyclable barrier film for thermoforming applications that retains all the functionality of its previous counterpart
- Excellent optical properties
- Outstanding gas barrier providing longer shelf-life
- More than 20% reduction in carbon footprint compared to existing conventional solutions

## Pouch with recycled content



- Mondi-led collaborative project
- Innovation to contribute to a circular economy
- Flexible plastic pouch prototype incorporating a minimum of 20% post-consumer plastic waste
- Fully-recyclable
- Planning to roll out as a commercially viable product for our multinational FMCG customers



# Investor site visit to Štětí

- 5 and 6 November
- Includes:
  - tour of this world-class manufacturing site
  - update from CEO Peter Oswald
  - presentations from Fibre Packaging and Consumer Packaging businesses on the opportunity to leverage our unique position and build on our portfolio of sustainable packaging solutions
- Numbers limited – if you are interested please contact: [Investor.Relations@mondigroup.com](mailto:Investor.Relations@mondigroup.com)



Highlights

Financial overview

Market and operational review

Key strategic developments

**Outlook**

Appendices

# Outlook



Going into the second half of 2019, ongoing macro-economic uncertainties continue to impact on the trading environment. Demand is generally softer across the markets in which we operate, while prices for key paper grades are currently below those of the first half. Furthermore, we expect a significantly lower forestry fair value gain in the second half. Our relentless focus on continuous improvement is expected to lessen the impact of these pressures.

Underpinned by the Group's robust business model, centred around our high-quality, cost-advantaged asset base, our portfolio of sustainable packaging solutions, clear strategic focus and culture of continuous improvement, we remain confident of continuing to deliver a strong and industry-leading performance.



# Summary





# Q&A





Highlights

Financial overview

Market and operational review

Key strategic developments

Outlook

**Appendices**



# Mondi at a glance



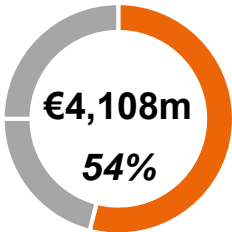
**2018**  
Segment revenue<sup>1</sup>  
as a % of total

Underlying EBITDA margin

ROCE

**Products**

## Fibre Packaging

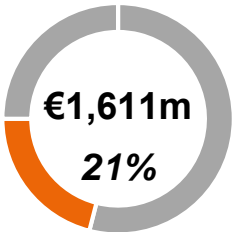


26.4%

26.8%



## Consumer Packaging

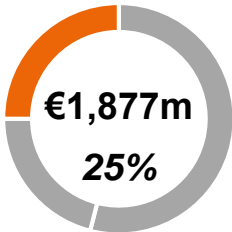


12.0%

9.0%



## Uncoated Fine Paper



27.5%

31.9%



<sup>1</sup> Segment revenues, before elimination of inter-segment revenues

# Leading market positions



#1

#3

## Global

Kraft paper



Industrial bags



## Europe

Virgin containerboard



Uncoated fine paper



Commercial release liner



## Emerging Europe

Containerboard



## South Africa

Uncoated fine paper



Consumer flexible packaging



Corrugated packaging



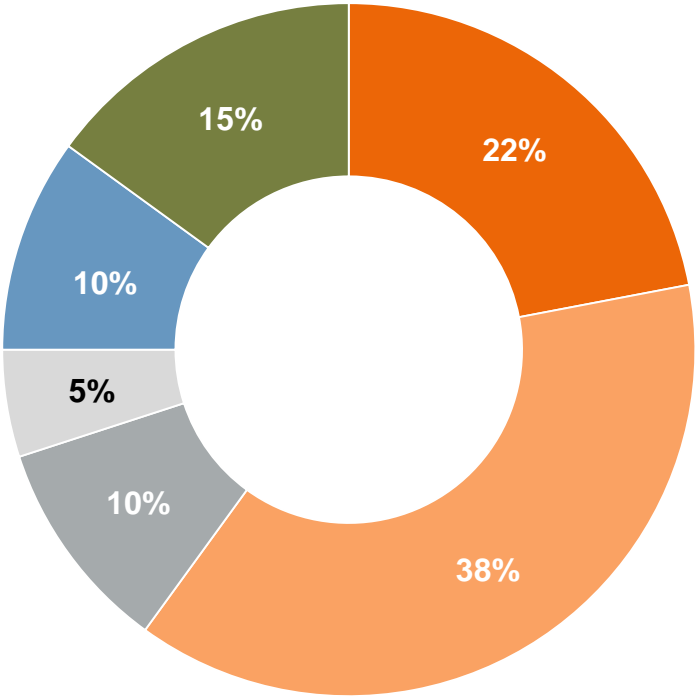


# Strong global presence



Revenue by location of customer

H1 2019 (%)



Group revenue: €3,771 million



Emerging Europe



Western Europe



Russia



South Africa



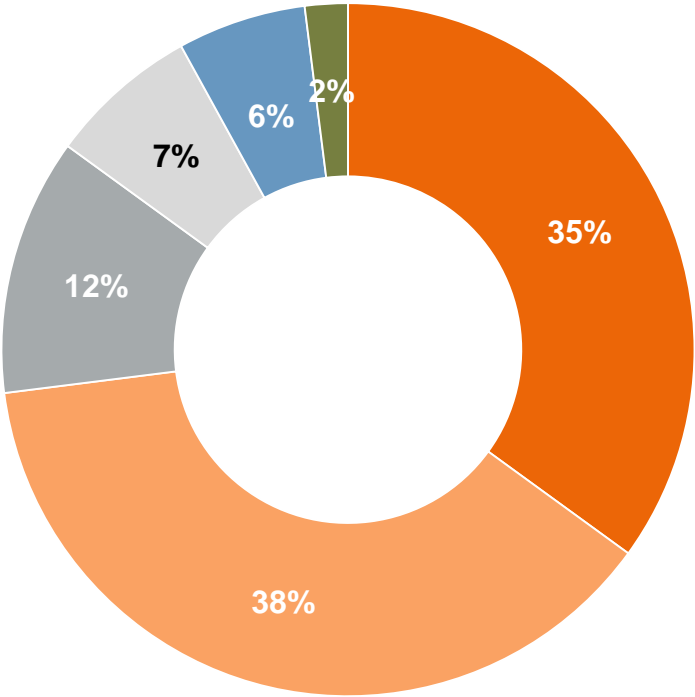
North America



Other

Revenue by location of production

H1 2019 (%)



Group revenue: €3,771 million

# EcoSolutions: our approach to sustainable packaging solutions



Increased collaboration between Consumer Packaging and Fibre Packaging business units to fast-track the development of **EcoSolutions: Paper where possible, plastic when useful**

## Replace

replacing plastic packaging with renewable fibre-based paper packaging or bio-based polymers

e.g. EcoVantage shopper bags, Advantage MF EcoComp food waste bags, Sustainex®, SPLASHBAG



## Reduce

replacing rigid plastic packaging with flexible plastic packaging, typically reducing plastic consumption by 70%

e.g. StripPouch



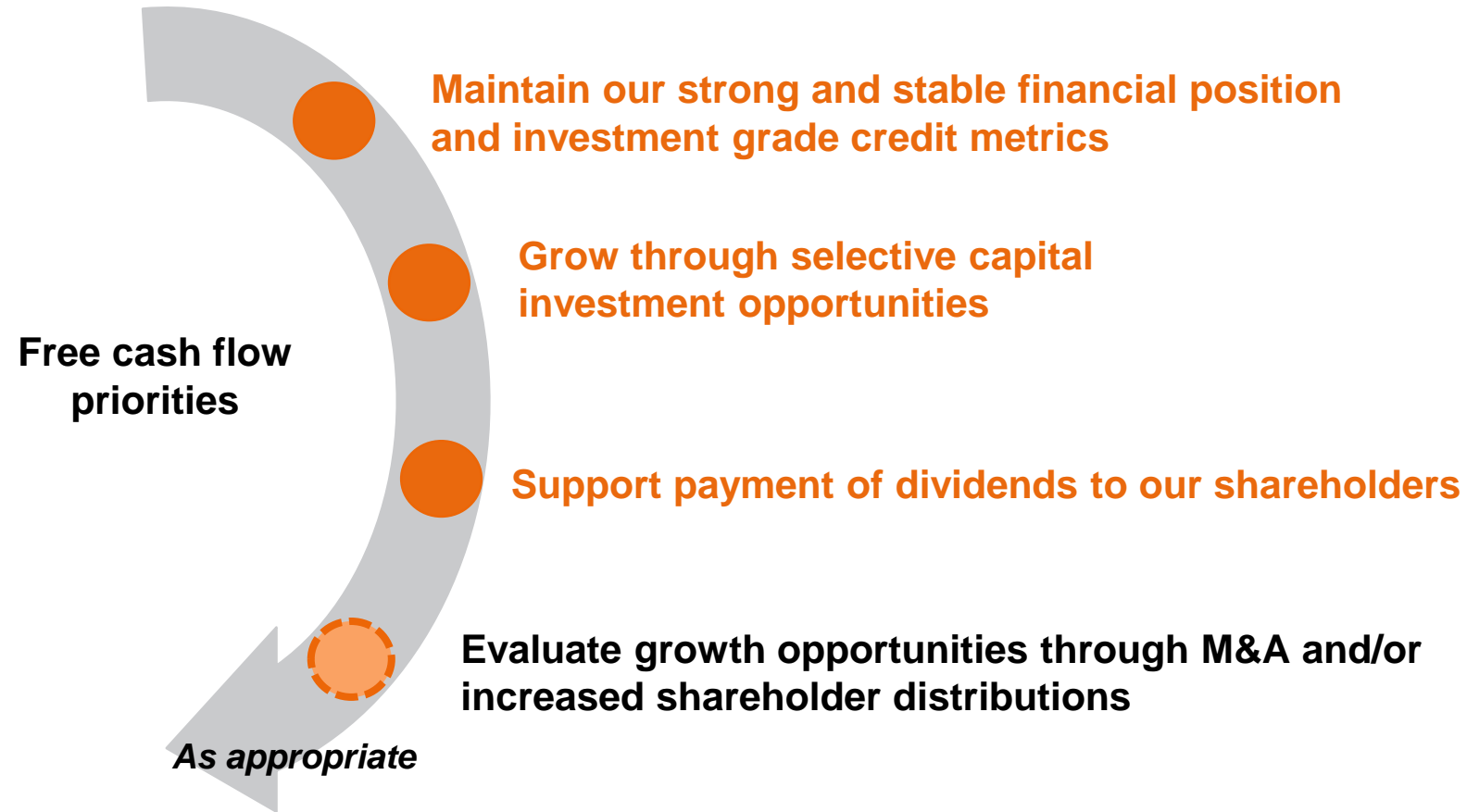
## Recycle

optimising plastic packaging for recycling and increasing recycled content

e.g. BarrierPack Recyclable 100% recyclable



# Our cash flow priorities remain unchanged

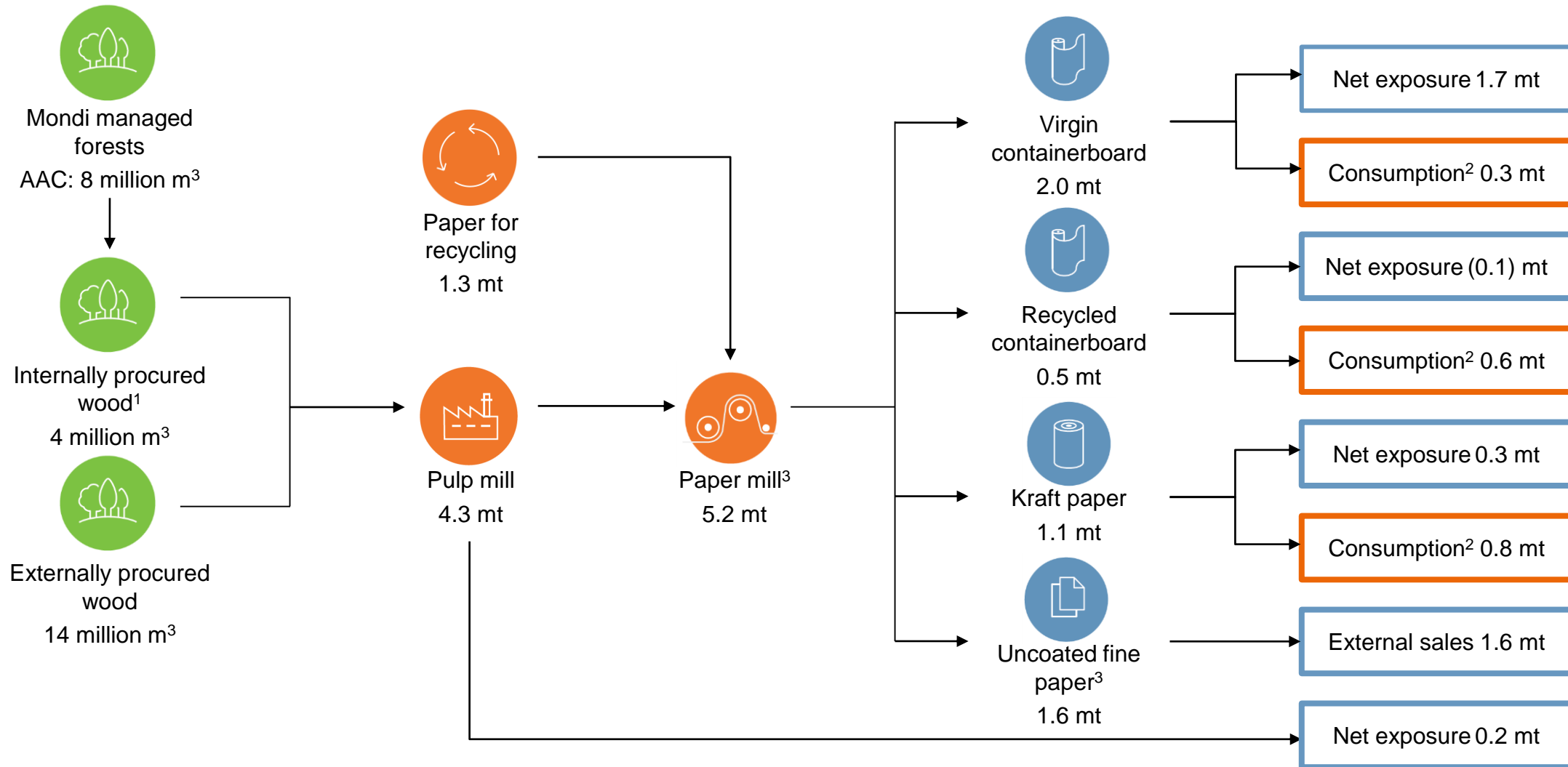


# Creating sustainable value through our strategic framework





# Pulp and paper integrated value chain (2018)



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)

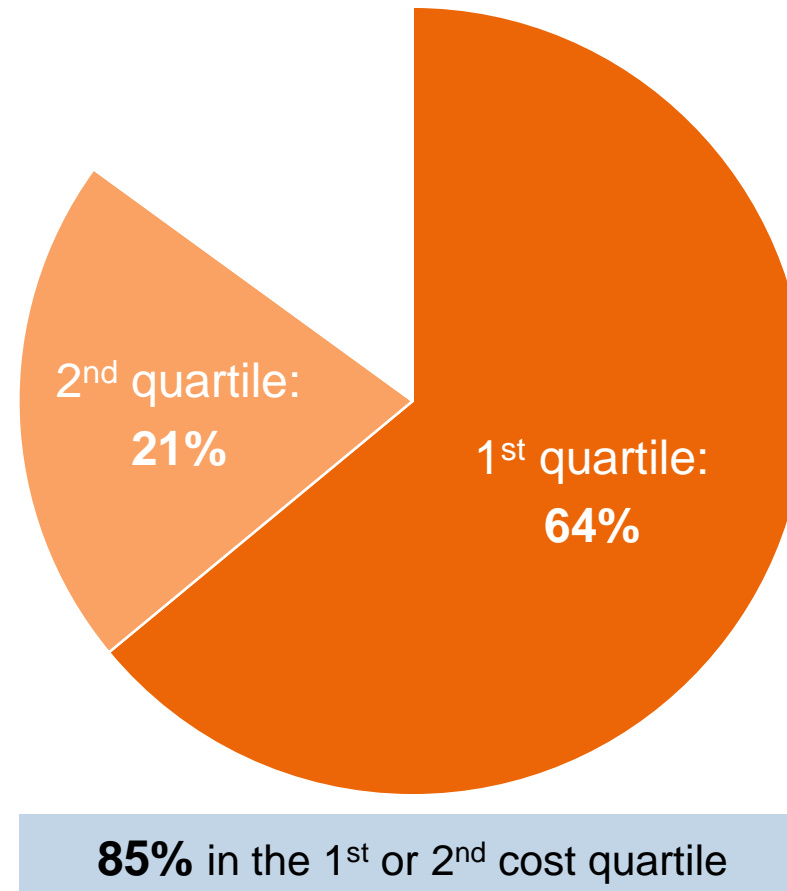
3 In addition to the 1.6mt of uncoated fine paper, the Group also produced 0.2mt of newsprint

# Our cost advantaged operations



## Mondi capacity by quartile of relevant industry cost curve<sup>1, 2, 3</sup>

%



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

<sup>2</sup> Based on delivered cost to Frankfurt except BHKP (delivered to Rotterdam) and uncoated fine paper – Merebank (delivered to South Africa)

<sup>3</sup> European capacity except white top kraftliner, nordic and semi-chemical fluting, bleached & unbleached sack kraft paper and BHKP (global capacity) and uncoated fine paper – Merebank (South Africa only)

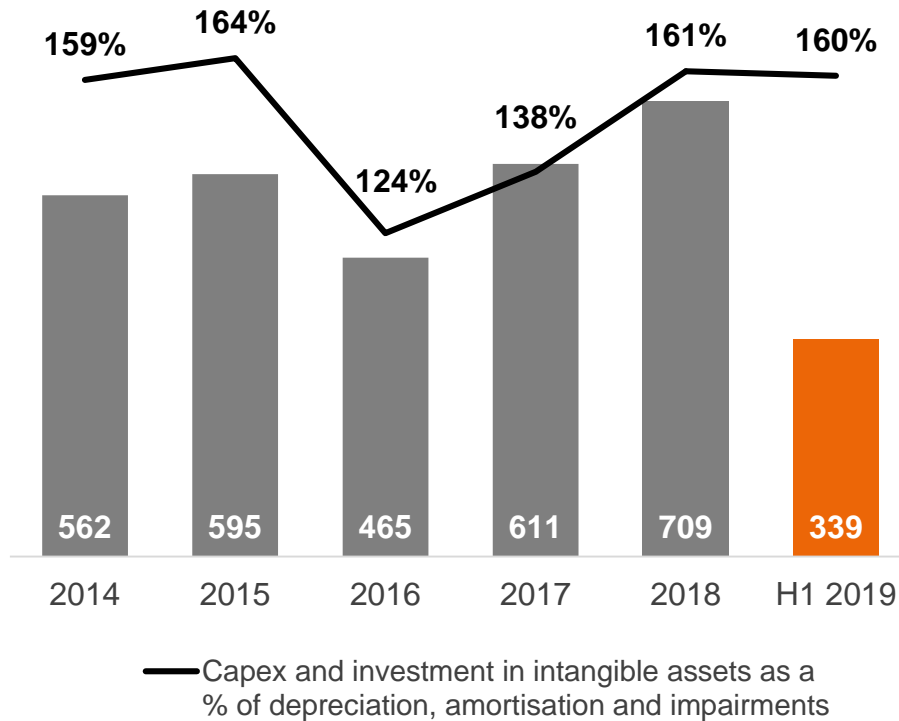
Source: Fastmarkets RISI and Mondi estimates, Q1 2019

# Capital investment projects on track and delivering growth



## Capital expenditure cash payments

€ million



- Strong contribution:
  - €95 million in the past 3 years
  - €45 million expected in 2019
- Focused capital investment project pipeline securing future growth
- Key projects expected to increase current saleable pulp and paper production by around 10% when in full operation

# Strong major capital expenditure project pipeline – key projects

## Štětí mill modernisation



- Successfully started up in Q4 2018
- Replacement of recovery boiler, rebuild of fibre lines and debottlenecking of paper machines
- Benefits:
  - increased saleable production: 90ktpa softwood market pulp and 55ktpa packaging paper
  - reduced environmental footprint, increased electricity self-sufficiency, lower production costs



## Ružomberok mill



- New 300,000 tonne kraft top white machine with expected start-up towards the end of 2020
- Debottlenecking pulp mill – increasing capacity by 100,000 tonnes per annum (to be mostly integrated into containerboard)
- Related pulp mill upgrade progressing with start-up expected in late 2019



## Štětí machine conversion

- €67 million project to deliver further capacity in fast growing paper shopping bag market
- Conversion of a containerboard machine at Štětí to produce up to 130ktpa of speciality kraft paper
- Net capacity increase of 45ktpa of packaging paper
- Start-up expected by the end of 2020

## Syktyvkar

- Investing to maintain competitiveness and increase saleable production by around 100,000 tonnes per annum in the medium term



# Strong track record of acquisitions



- Fibre Packaging
- Consumer Packaging

**Świecie minorities**  
(Containerboard)

**Nordenia**  
(Consumer Packaging)

**2 Duropack plants**  
(Corrugated Packaging)

**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 Packaging)

**Lebedyan**  
(Corrugated Packaging)

**2018**

**Powerflute**  
(Containerboard)

**NPP**  
(Industrial Bags)

**Suez Bags**  
(Industrial Bags)

Over €2.0 billion invested in acquisitions since 2012

# Our Growing Responsibly model: An integrated approach to sustainable development



Public commitments to be achieved by 2020<sup>1</sup>

## Solutions that create value for our customers

- Encourage sustainable, responsibly produced products

## Relationships with communities

- Enhance social value to our communities through effective stakeholder engagement and meaningful social investments

## Supplier conduct and responsible procurement

- Encourage supply chain transparency and promote fair working conditions together with our key suppliers

## Biodiversity and ecosystems

- Promote ecosystem stewardship in the landscapes where we operate through continued multi-stakeholder collaboration

## Constrained resources and environmental impacts

- By 2020, reduce against 2015:
  - specific contact water consumption (5%)<sup>2</sup>
  - specific waste to landfill (7.5%)
  - specific NOx emissions (7.5%)<sup>2</sup>
  - specific effluent load (COD) (5%)



## Employee and contractor safety and health

- Avoid work-related fatalities
- Prevent life-altering injuries
- Reduce TRCR by 5% against 2015

## A skilled and committed workforce

- Engage with our people to create a better workplace

## Fairness and diversity in the workplace

- Promote fair working conditions in the workplace

## Sustainable fibre

- Maintain FSC™ certification for 100% of our owned and leased forestlands and promote sustainable forest management
- Procure at least 70% of wood from FSC or PEFC™ certified sources with the balance meeting our company minimum wood standard

## Climate change<sup>3</sup>

- By 2030, reduce specific CO<sub>2</sub>e emissions by 15% against 2014<sup>2</sup>

<sup>1</sup> Climate change commitment to 2030

<sup>2</sup> From our pulp and paper mills

<sup>3</sup> In addition, we have committed to reducing production-related, specific Scope 1 and 2 GHG emissions from our pulp and paper mills to 0.25 tonnes CO<sub>2</sub> per tonne of saleable production by 2050 against a 2014 baseline

# 2018 sustainable development highlights



## Safety & Health

11%

reduction in total recordable case rate since 2015

'Think twice' – Safety campaign brings safety home to our employees

1,315 people

have completed first-line managers safety training since 2015



## Training and development

30+ hours

average training per employee in 2018



## Climate change and energy

14.5%

reduction in total specific CO<sub>2</sub>e emissions in our mills against our 2014 baseline

64%

fuel consumed in our mills from renewable biomass-based sources

100%

electricity self-sufficiency in our mills

WWF Climate Savers Programme

membership in 2018

## Diversity & Inclusion roadmap launched in 2018

27%

women in our executive committee and its direct reports

25%

women on our Boards

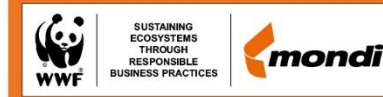


## FSC™ or PEFC™ certified wood

71%



## Collaborating with partners



€7.9m

invested in community initiatives in 2018

## Socio-economic assessment toolbox (SEAT) at Frantschach

79%

of our mills and forestry operations assessed to date

## Our vision

Contributing to a better world

Mondi Leadership Forum, Berlin 2018



## Not everything goes to plan... but transparency is key

Our performance in some key indicators deteriorated due to unforeseen challenges

As a result, compared to our 2015 baseline:

1.3%

Specific waste to landfill increased

6.1%

Specific COD emissions increased

2.0%

Specific contact water from our mills decreased

# External sustainability recognition



## UN Global Compact

Advanced Reporter



## CDP

A- score for  
Climate Change

B scores for Forests  
and Water Security



## MSCI

ESG Rating AAA



## Sustainalytics

Low risk rating

## FTSE4Good and FTSE/JSE Responsible Investment Index

Member of the FTSE4Good  
Index Series

Constituent of the FTSE/JSE  
Responsible Investment Top 30  
Index



## EcoAct

Ranked sixth FTSE100  
company



## Ecovadis

GOLD recognition level  
Top 1% of all companies



## Ethibel Sustainability Index (ESI)

Constituent of the ESI  
Excellence Europe



The CEO Water Mandate

## The CEO Water Mandate

Joined 2015



## ISS-oekom

Prime status in the  
ISS-oekom Corporate  
Rating indices



## Euronext Vigeo Indices

UK 20  
Europe 120  
World 120



## ECPI Indices

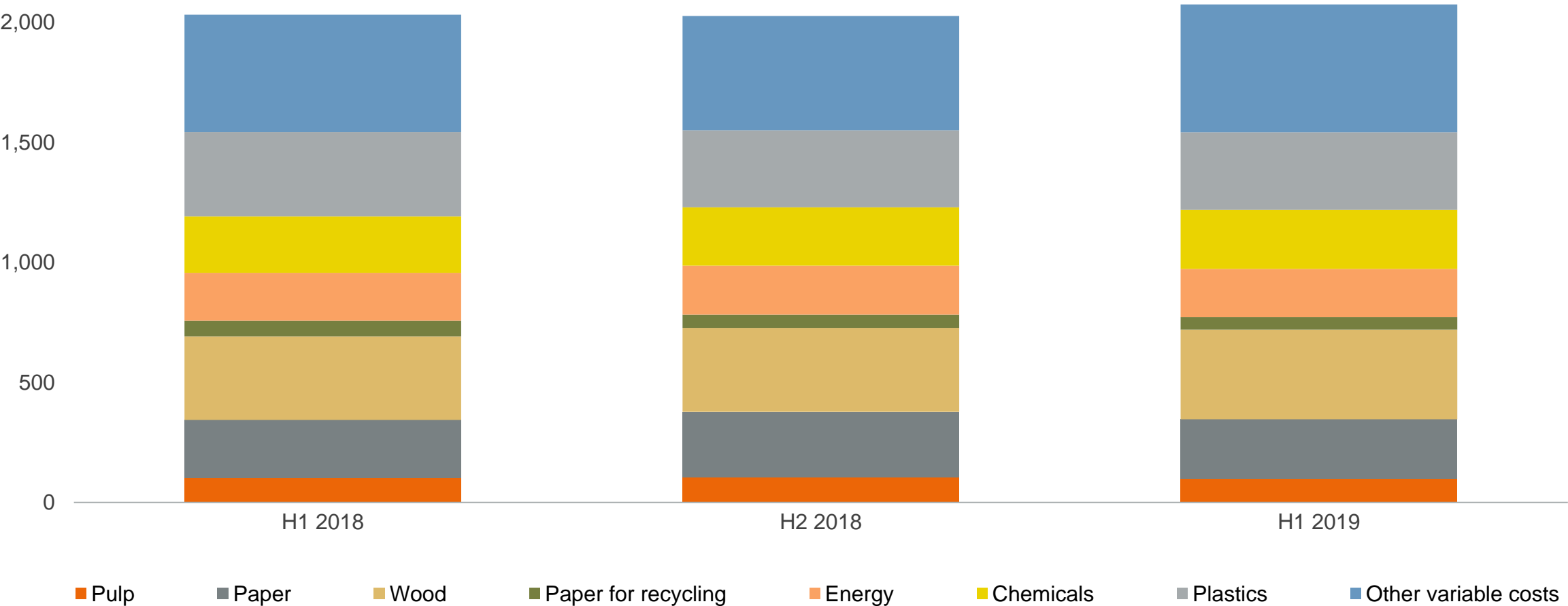
Constituent of  
ECPI Indices



# Input costs



Variable costs  
€ million

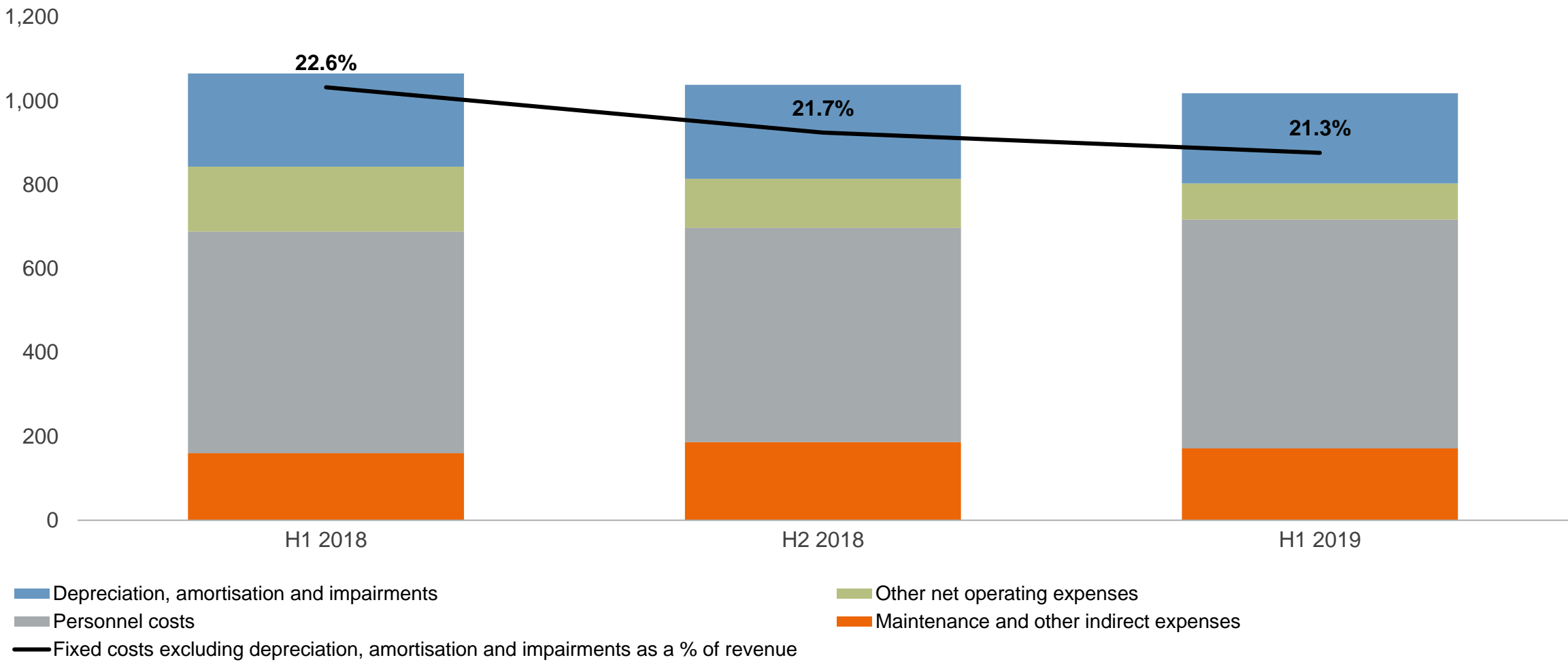


# Fixed costs



## Fixed costs composition (excluding special items)

€ million



# Net debt and interest

€ million	H1 2018	H2 2018	H1 2019
<b>Net debt</b>	2,450	2,220	<b>2,358</b>
Average net debt	1,708	2,316	<b>2,231</b>
Net interest expense	37	46	<b>43</b>
Committed facilities	2,532	2,487	<b>2,477</b>
Of which undrawn	429	616	<b>523</b>
Net debt/12-month trailing underlying EBITDA (times)	1.5	1.3	<b>1.3</b>

- Net debt up on 31 December 2018:
  - payment of final dividend to shareholders
  - capital expenditure
  - seasonal working capital increase
- Public credit ratings unchanged
  - Standard & Poor's at BBB+ (stable outlook)
  - Moody's Investors Service at Baa1 (stable outlook)

**Robust financial position provides strategic flexibility**



# Cash flow (reconciling to movement in net debt)



€ million	H1 2018	H2 2018	H1 2019	% change vs H1 2018	% change vs H2 2018
<b>Underlying EBITDA</b>	<b>852</b>	<b>912</b>	<b>894</b>	5%	(2%)
Working capital movements	(148)	31	(104)		
Other operating cash flow items	18	(11)	(53)		
<b>Cash generated from operations</b>	<b>722</b>	<b>932</b>	<b>737</b>	2%	(21%)
Income tax paid	(110)	(138)	(167)	(52%)	(21%)
Dividends received from other investments	—	1	—		
<b>Net cash generated from operating activities</b>	<b>612</b>	<b>795</b>	<b>570</b>	(7%)	(28%)
Capital expenditure	(347)	(362)	(339)	2%	6%
Investment in forestry assets	(28)	(25)	(23)	18%	8%
Acquisitions (on a debt and cash-free basis)	(414)	(20)	(2)		
Interest paid	(32)	(41)	(42)	(31%)	(2%)
Dividends paid to shareholders	(691)	(102)	(264)		
Dividends paid to non-controlling interests	(17)	(1)	(2)		
Other investing and financing activities	(1)	(14)	(36)		
<b>Net (increase)/decrease in net debt</b>	<b>(918)</b>	<b>230</b>	<b>(138)</b>		

# Statement of financial position



€ million	30 June 2018	31 December 2018	30 June 2019
Property, plant and equipment	4,187	4,340	4,520
Goodwill	932	942	946
Working capital	1,065	972	1,131
Other assets	506	540	598
Other liabilities	(724)	(749)	(729)
<b>Net assets excluding net debt</b>	<b>5,966</b>	<b>6,045</b>	<b>6,466</b>
Equity	3,188	3,485	3,757
Non-controlling interests in equity	328	340	351
Net debt	2,450	2,220	2,358
<b>Capital employed</b>	<b>5,966</b>	<b>6,045</b>	<b>6,466</b>

# Production volumes



		H1 2018	H2 2018	H1 2019	% change vs H1 2018	% change vs H2 2018
<b>Fibre Packaging</b>						
Containerboard	'000 tonnes	1,189	1,341	1,234	4%	(8%)
Kraft paper	'000 tonnes	605	513	622	3%	21%
Softwood pulp	'000 tonnes	1,028	958	1,051	2%	10%
Hardwood pulp	'000 tonnes	292	422	382	31%	(9%)
Corrugated board and boxes	million m <sup>2</sup>	814	821	816	–	(1%)
Industrial bags	million units	2,600	2,655	2,683	3%	1%
Extrusion coatings	million m <sup>2</sup>	665	565	625	(6%)	11%
<b>Consumer Packaging</b>						
Consumer packaging	million m <sup>2</sup>	3,819	3,459	3,505	(8%)	1%
<b>Uncoated Fine Paper</b>						
Uncoated fine paper	'000 tonnes	840	809	770	(8%)	(5%)
Softwood pulp	'000 tonnes	174	212	181	4%	(15%)
Hardwood pulp	'000 tonnes	587	657	568	(3%)	(14%)
Newsprint	'000 tonnes	102	105	104	2%	(1%)

# Exchange rates



	H1 2018	H2 2018	H1 2019	% change <sup>1</sup> vs H1 2018	% change <sup>1</sup> vs H2 2018
<b>Closing rates against the euro</b>					
South African rand	16.05	16.46	<b>16.12</b>	–	2%
Czech koruna	26.02	25.72	<b>25.45</b>	2%	1%
Polish zloty	4.37	4.30	<b>4.25</b>	3%	1%
Pounds sterling	0.89	0.89	<b>0.90</b>	(1%)	(1%)
Russian rouble	73.16	79.72	<b>71.60</b>	2%	10%
Turkish lira	5.34	6.06	<b>6.57</b>	(23%)	(8%)
US dollar	1.17	1.15	<b>1.14</b>	3%	1%
<b>Average rates for the period against the euro</b>					
South African rand	14.89	16.34	<b>16.04</b>	(8%)	2%
Czech koruna	25.50	25.79	<b>25.68</b>	(1%)	–
Polish zloty	4.22	4.30	<b>4.29</b>	(2%)	–
Pounds sterling	0.88	0.89	<b>0.87</b>	1%	2%
Russian rouble	71.96	76.13	<b>73.75</b>	(2%)	3%
Turkish lira	4.96	6.44	<b>6.35</b>	(28%)	1%
US dollar	1.21	1.15	<b>1.13</b>	7%	2%

<sup>1</sup> (Weaker/devaluation of currency against euro) / Stronger currency against euro



# 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: Fastmarkets RISI European Paper Packaging Capacity Report and Mondi estimates

Kraft paper (Global) based on capacity – Source: Fastmarkets RISI European Paper Packaging Capacity Report, Fastmarkets 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, Fastmarkets RISI Mill Asset Database, eastconsult and Mondi estimates

Uncoated fine paper (South Africa) based on Mondi estimates

