

Building on our portfolio of sustainable packaging

Andrew King

6 November 2019





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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.

Purpose of today

- An update of our strategy
- Mondi's opportunity to leverage our unique position and build on our portfolio of sustainable packaging solutions:

*Paper where possible,
plastic when useful*

- Tour of our world-class manufacturing site



Focus for today's presentations

CURRENT
ORGANISATION

Corrugated Packaging



Containerboard
Corrugated solutions¹

Flexible Packaging



Kraft paper
Paper bags²
Consumer flexibles³

Engineered Materials



Personal care components
Extrusion solutions⁴
Release liner

Uncoated Fine Paper



(unchanged)

1. Previously corrugated packaging
2. Previously industrial bags
3. Previously consumer goods packaging
4. Previously technical films and extrusion coatings

Agenda for today

09:30 - 10:10	Introduction, update on our strategic framework and Q&A
10:10 - 10:30	Flexible Packaging
10:30 - 10:50	Sustainable packaging solutions
10:50 - 11:10	Štětí site overview
11:10 - 11:45	Wrap-up and Q&A
11:45 - 12:30	Lunch
12:30 - 15:30	Site visit preparation and tour
15:30 - 16:00	Tea & coffee break
16:00	Leave for airport

Speakers today



Introduction and update on our strategic framework

Peter Oswald

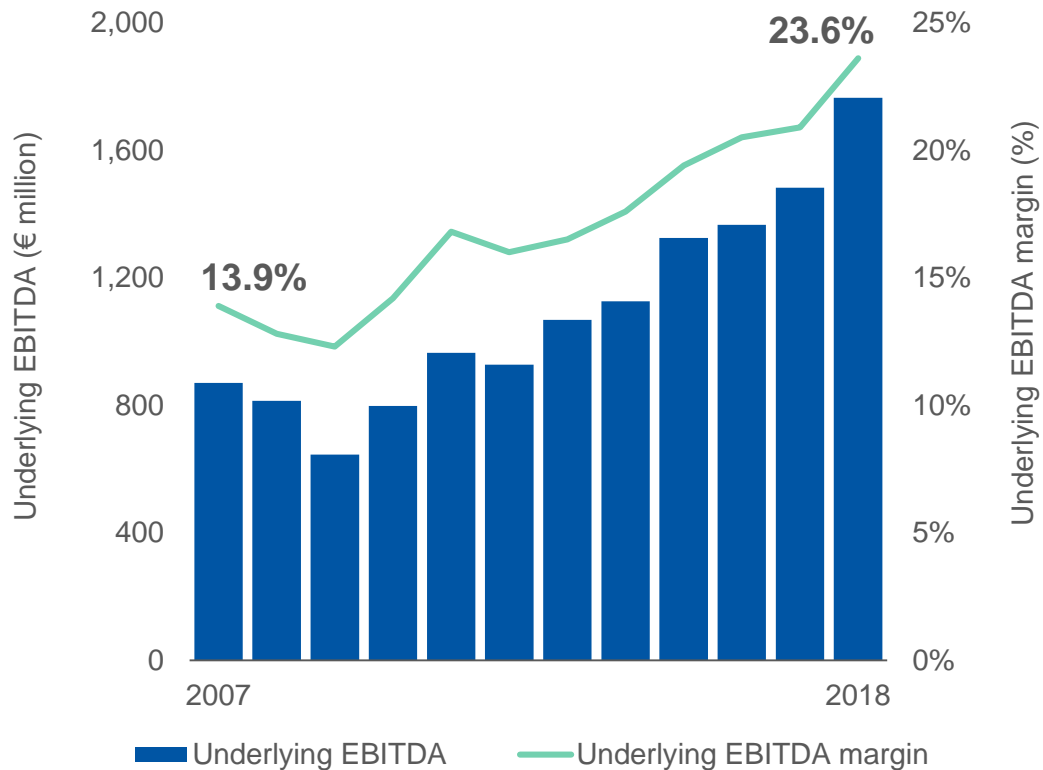
6 November 2019



Delivering an industry leading performance

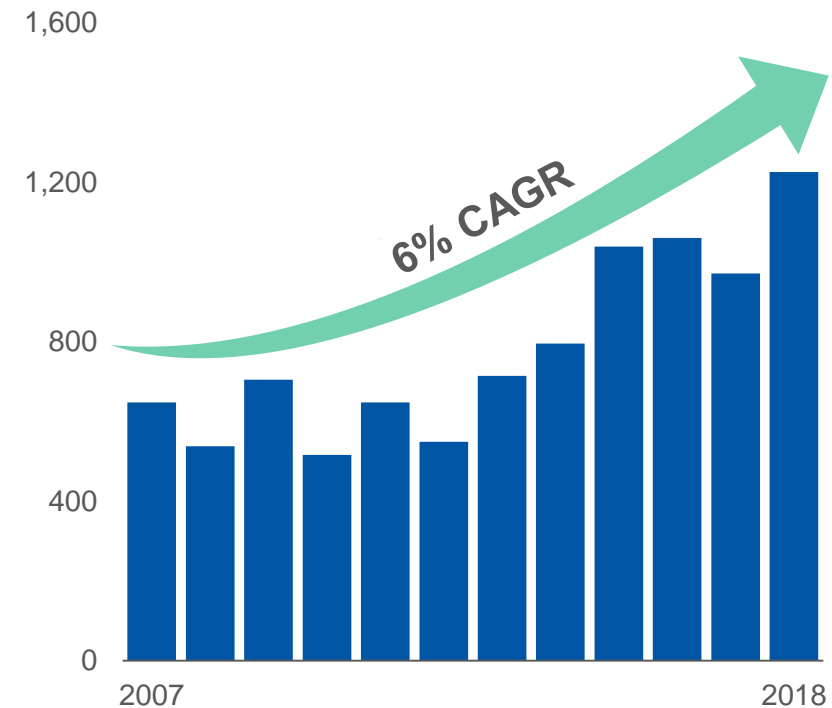
Underlying EBITDA and margin

€ million and %



Cash flow generation¹

€ million



1. 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

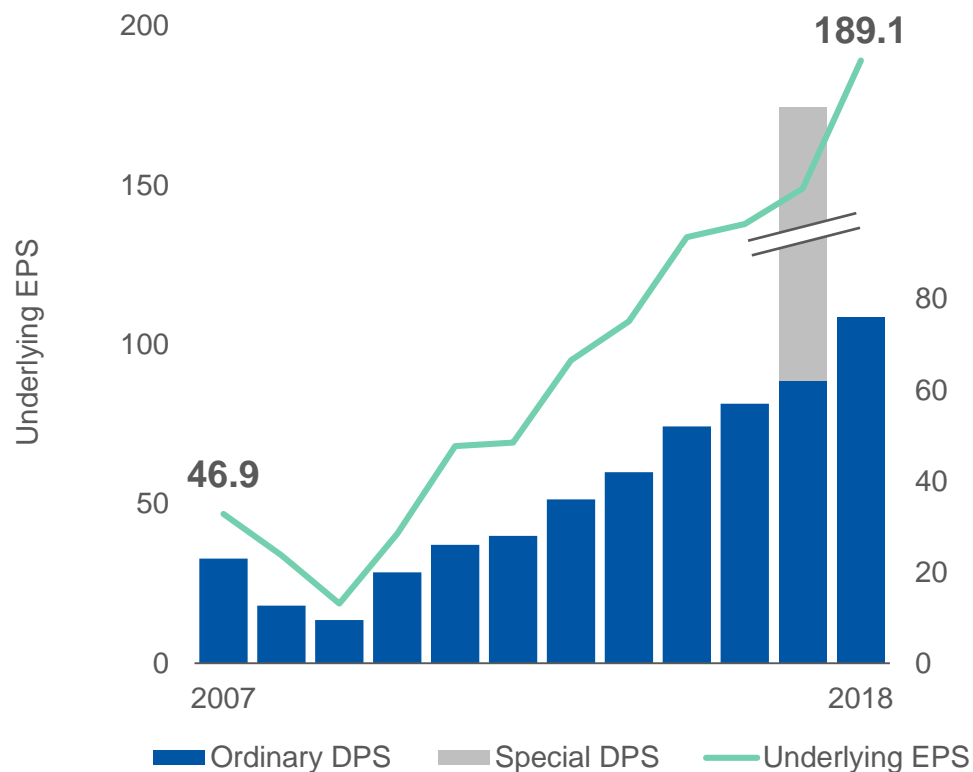
Delivering strong returns to shareholders

CAGR

TSR	14%
Underlying EPS	14%
DPS	11%

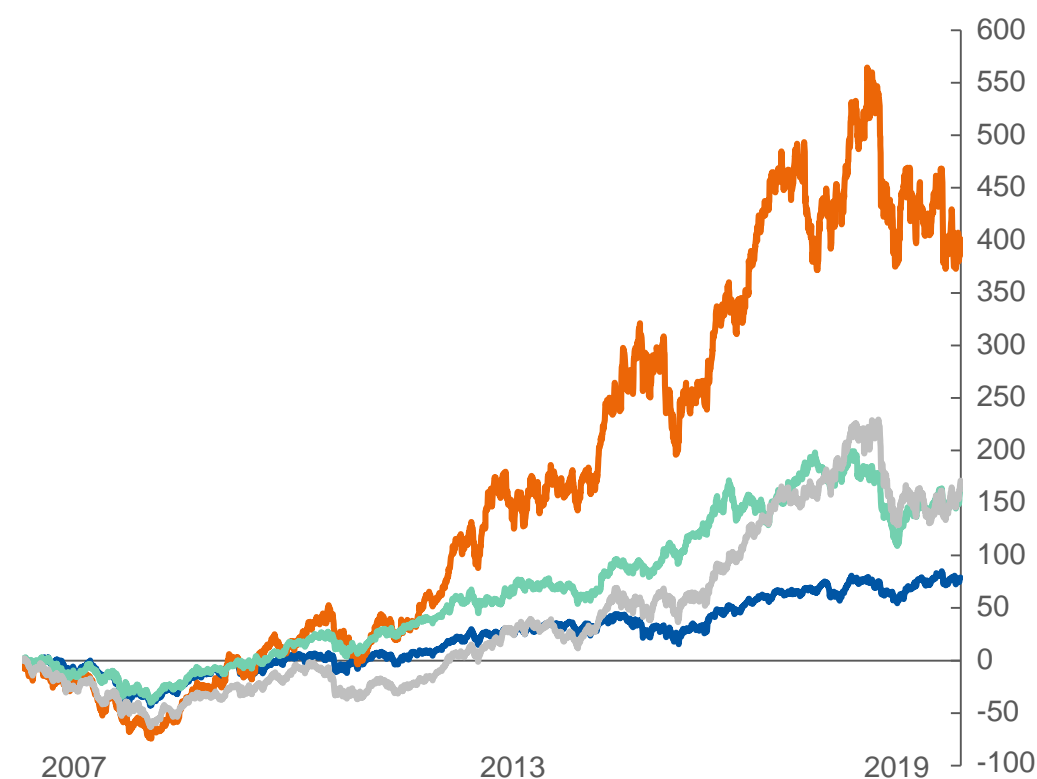
Underlying EPS and dividend per share

€ cents per share



Mondi plc total shareholder return vs benchmarks

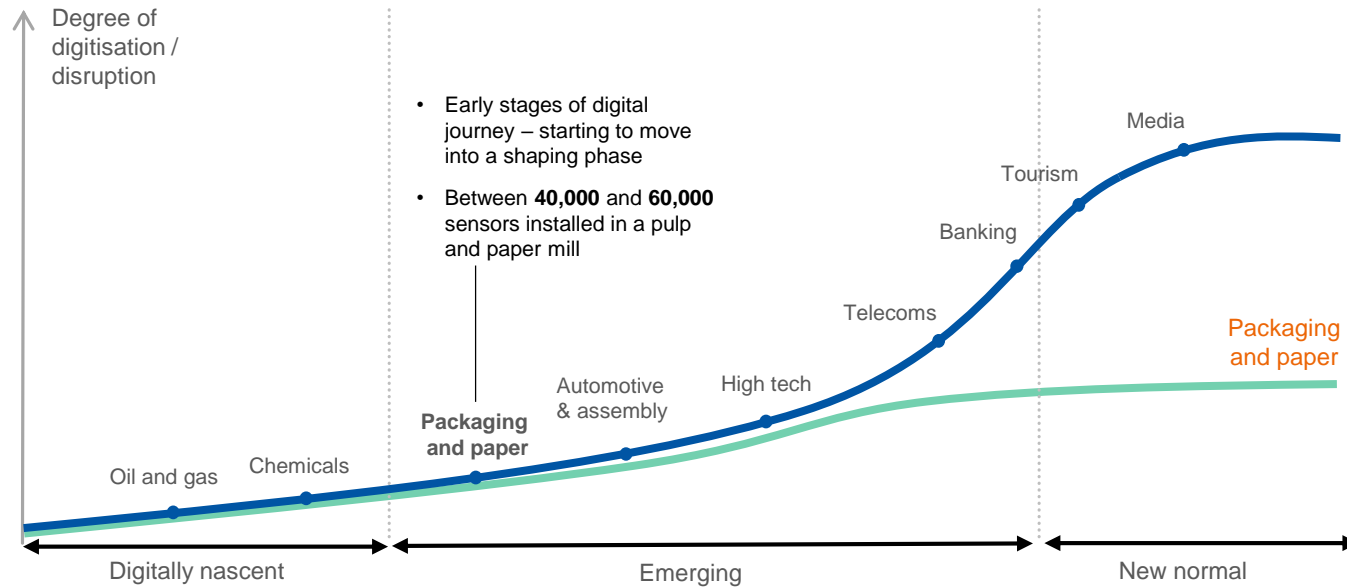
Cumulative return since listing in %



Strategy driving industry leading performance



Investing in digital technologies as an accelerator



- A core central digital transformation team created
 - including data scientists, agile project managers and product developers (internal & external)
- More than 200 digital opportunities captured
- Around 40 projects currently underway



Digital operations and production

Drive operational efficiency through advanced analytics, automation and robotics



Digital customer experience

Enhance the digital customer experience (e.g. zero touch, data-driven forecasts, myMondi)
Co-creation with customers



New ways of agile working

Introduce agile methodology and new design thinking approaches in Mondi
Foster entrepreneurial spirit

Sustainability has been very important to Mondi

16 public commitments across 10 action areas to be achieved by 2020



Making a real contribution to the UN SDGs

External recognition



A- score for Climate Change
B scores for Forests and Water Security



GOLD recognition level
Top 1% of all companies

Ranked 8th in the FTSE100 (preliminary)
Responsibility100 Index **Tortoise**



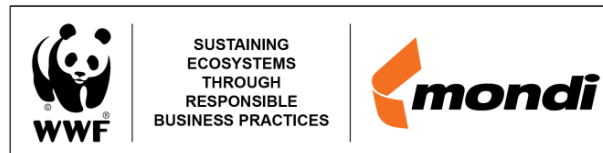
Key areas and highlights



- Reduced specific CO₂e emissions by 38% since 2004 and 15% since 2014
- Science Based Target for CO₂e emissions to 2050

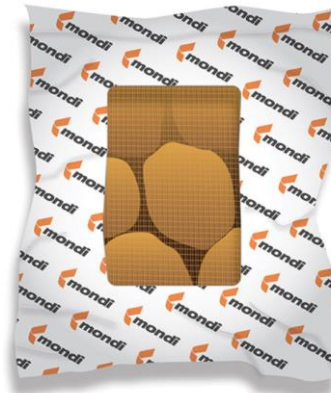


- 100% certified managed forests
- 71% of wood procured from certified sources



- €40 million invested in local community initiatives over the past five years
- SEATs / CEPs¹ across our mill network

Mondi has a long tradition of sustainable solutions



Recent unprecedented attention to sustainable packaging has changed the conversation

**The
Guardian**

European parliament approves sweeping ban on single-use plastics

Proposal passes 571-53, with Labour MEPs demanding UK mirror EU action after Brexit



FINANCIAL TIMES

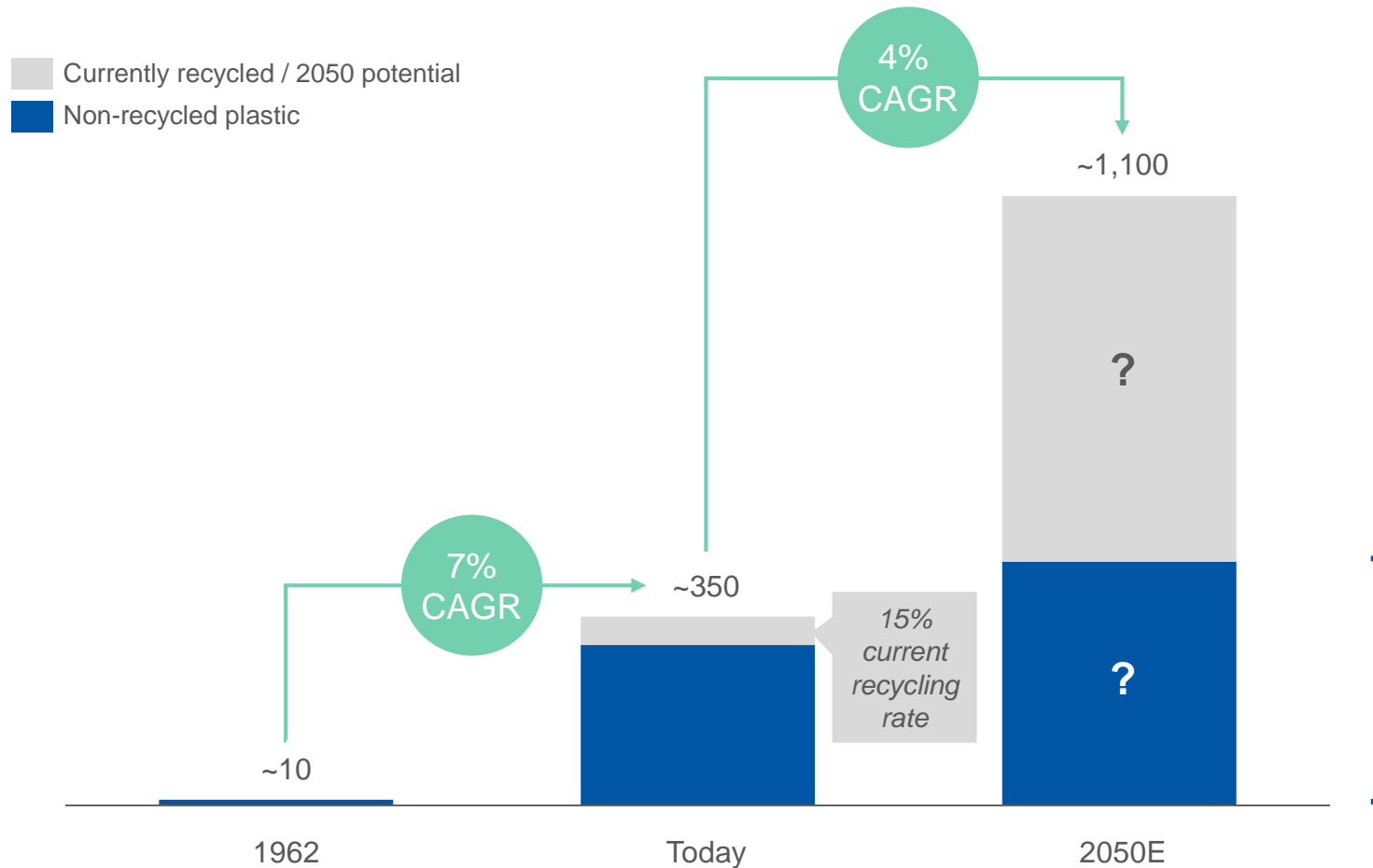
Why the world's recycling system stopped working

China's refusal to become the west's dumping ground is forcing the world to face up to a waste crisis



Recycling is necessary, but not sufficient

Plastic production globally (mt)



MAIN RECYCLING CHALLENGES ARE
THE USE OF DIFFERENT POLYMERS,
INKS, ADHESIVES, CONTAMINATION

Even if recycling
rates quadrupled from
15% to 60%, non-recycled
plastic will grow!

Mondi's approach to sustainable packaging solutions



...less sustainable products with solutions following our principle
paper where possible, plastic when useful

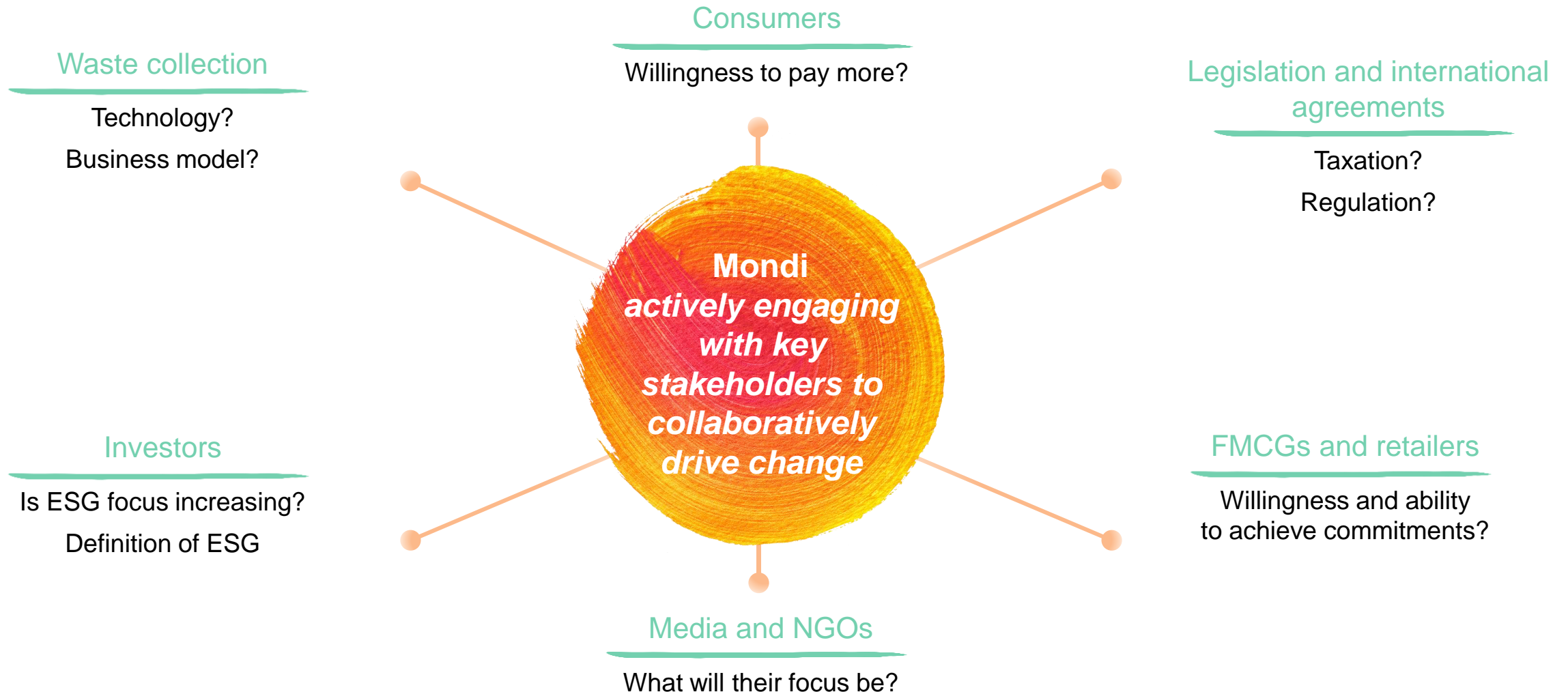


...the volume of raw material used through design, operational efficiency and raw material choices



...packaging by developing solutions that are designed for recycling

Speed and extent of change will be influenced by many parties



Why we are uniquely positioned

Products



Leading packaging producer with fibre and flexible plastic packaging portfolio

Innovation and technology



Innovation capabilities across paper and plastics technologies

Customer relationships



Consumer flexibles customer relationships and FMCG knowledge

Ambition



Accelerate delivery of sustainable packaging solutions to our customers

Ability to deliver sustainable packaging solutions: bringing together our strong customer relationships and paper and plastic know-how



Q&A

Flexible Packaging

Alessandro Dazza
6 November 2019



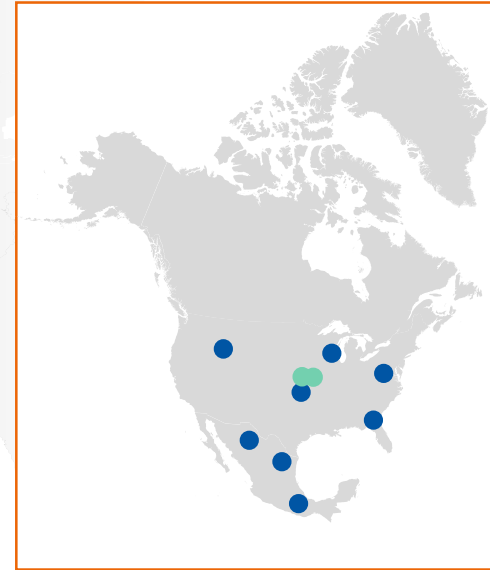
- Estimated market growth: 2 – 3%**

Estimated market growth: 2 – 3%

A global leader in flexible packaging

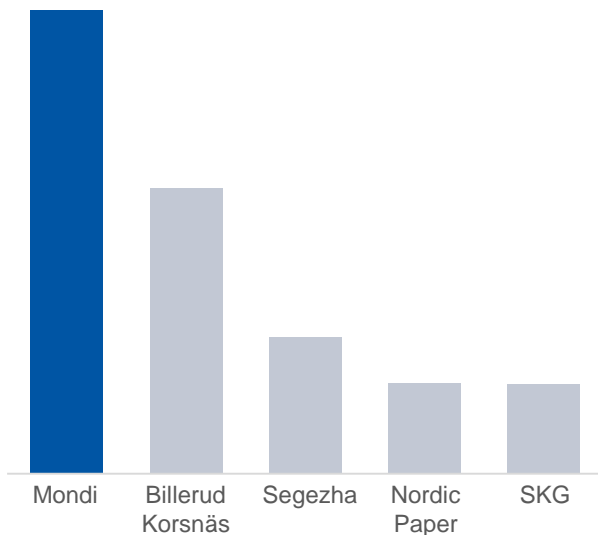
- Kraft paper mills (5)
- Paper bag plants (39)
- Consumer flexibles plants (19)

#1 global player in paper flexible packaging
#3 European consumer flexible packaging



Leading European market positions

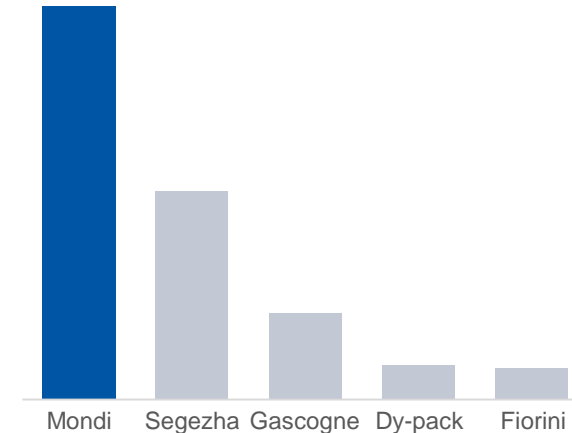
Kraft paper



Top 5 producers ~ 55%

Total capacity ~ 5mt

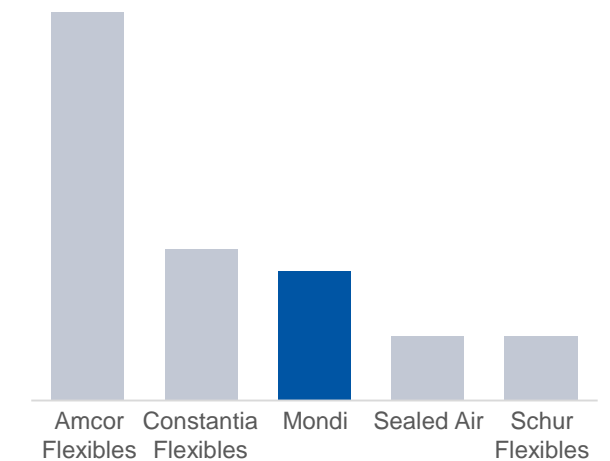
Paper bags



Top 5 producers ~ 65%

Market size ~ 7 billion bags

Consumer flexible packaging



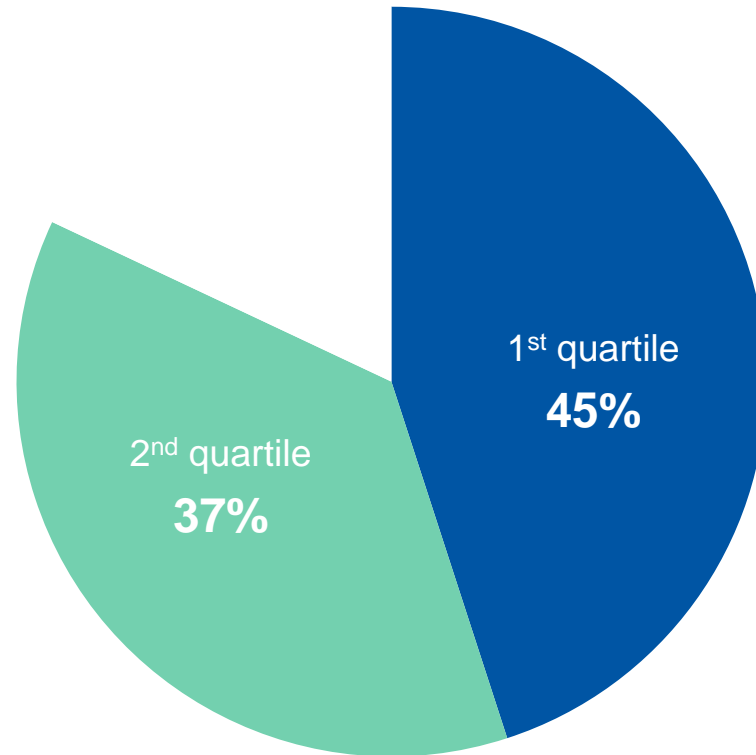
Top 5 producers ~ 35%

Market size ~ €14 billion

Source: Fastmarkets RISI, Pöyry, Eurosac, Freedonia, PCI Wood Mackenzie and management estimates. Estimates based on production capacity (kraft paper) and sales (paper bags and consumer flexible packaging)

Upstream operations with cost advantages

Mondi kraft paper capacity by quartile of relevant global industry cost curve
%



>80% OF CAPACITY
IN THE 1ST OR 2ND
COST QUARTILE

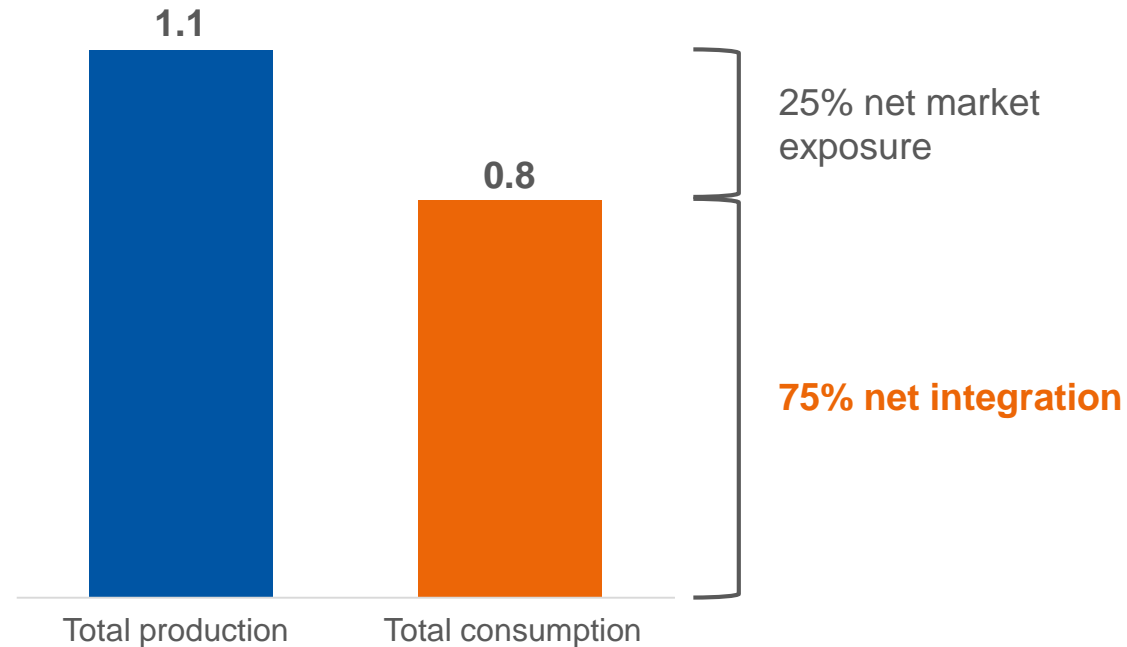
1. Based on delivered cost to Frankfurt
Source: Fastmarkets RISI, Q2 2019

Integrated paper value chain

INTEGRATION BRINGING
COMPETITIVE ADVANTAGE

Kraft paper net integration

2018 (mt)



- Security of paper supply to converting plants and vice versa
- A natural partner for key customers providing scale and expertise
- Ability to leverage strong platform to grow with our customers in emerging regions
- Optimisation of production and logistics through the value chain
- R&D and innovation synergies

Opportunity to leverage customer base

UNIQUELY POSITIONED

Long-standing FMCG and retail customers



- Deep customer relationships
- Broad range of sustainable paper and plastic packaging portfolio
- Customer centric approach addressing our customers' needs:
 - product functionality
 - brand differentiation and shelf-appeal
 - reliability and service

Packaging key trends

STRUCTURAL GROWTH



SUSTAINABILITY

Changing consumer behaviour

- Increased awareness of packaging choices
- Preference for paper - renewable, recyclable and feels natural
- FMCGs' and retailers' commitments

Regulation

- Against plastic waste
- Food contact and medical



E-COMMERCE

Online shopping

- New formats
- Adapted designs for omnichannel packaging
- Right-sizing



ENHANCING CUSTOMERS' BRAND VALUE

Brand positioning

- Differentiation
- Impactful consumer experience

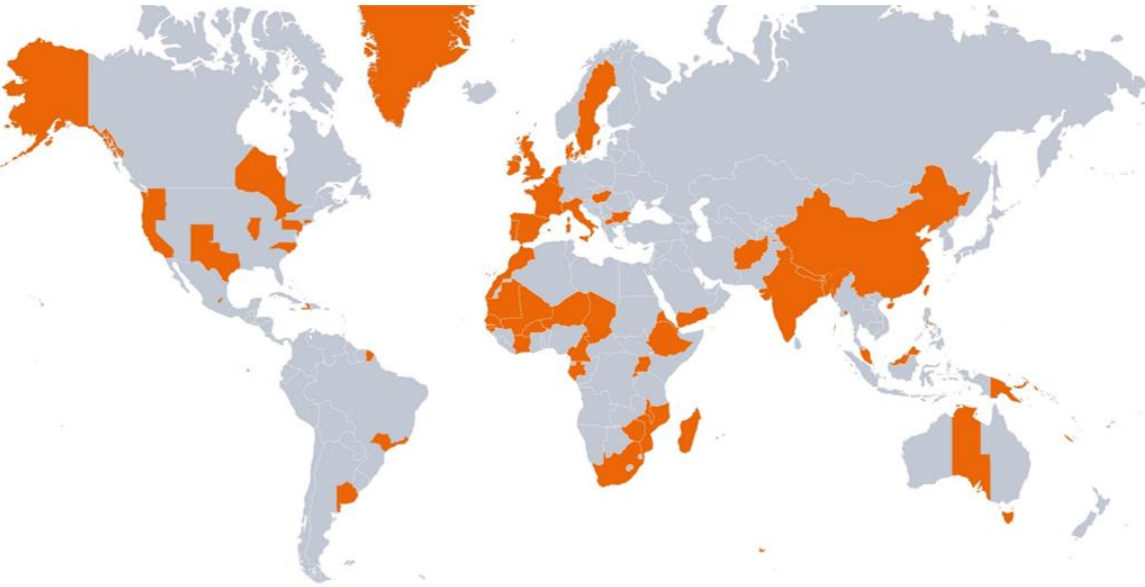
Performance packaging for evolving requirements

- Retail
- Urbanisation
- Changing lifestyles
- Ageing population in mature markets

Sustainability

Reshaping legislation

2017



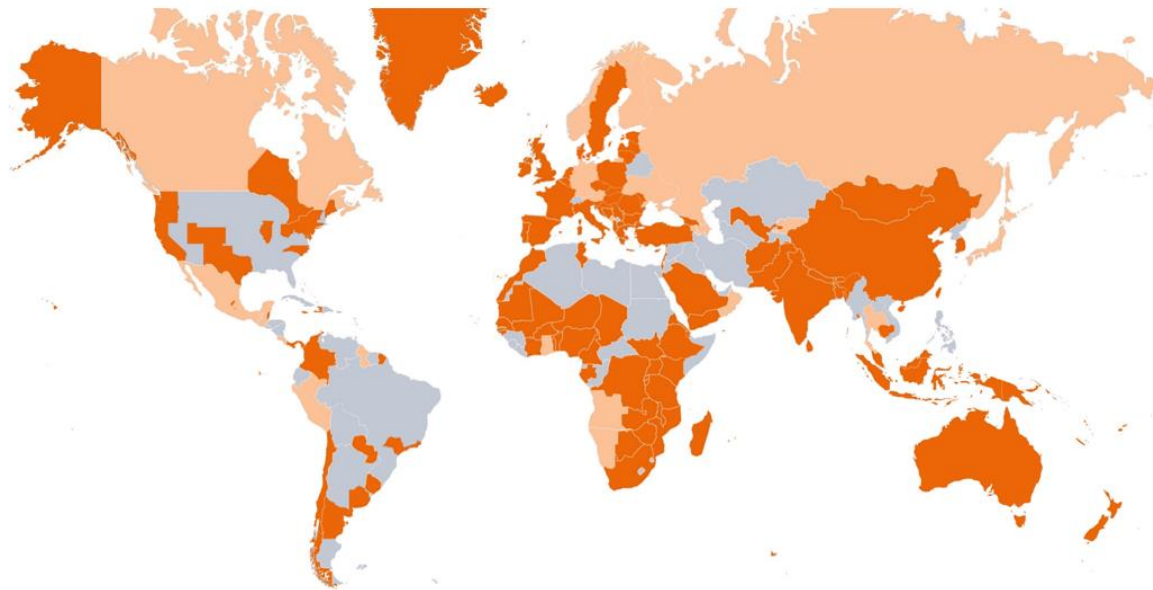
■ Plastic bag legislation¹

1. https://en.wikipedia.org/wiki/Phase-out_of_lightweight_plastic_bags and Mondi

Sustainability

Reshaping legislation

2019



■ Plastic bag legislation¹ ■ Plastic bag legislation (planned)¹

1. https://en.wikipedia.org/wiki/Phase-out_of_lightweight_plastic_bags and Mondi (including significant regional / municipal legislation)

2. Packaging Digest Sustainable packaging study (2017 and 2018 edition)

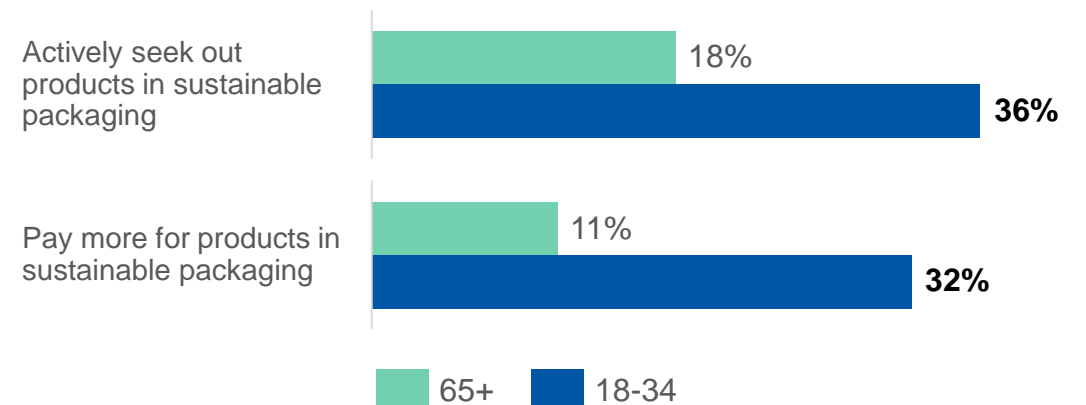
3. FPA Flexible packaging brand owner and consumer sustainability study (2019)

Sustainability importance ...in packaging decisions²



Percentage of respondents answering Top 2 – “very” or “moderately”

...for different age groups³



Initial steps to capture the opportunity

Machine conversion at Štětí

PROJECT RATIONALE

- Building on consumer preferences and legislation to eliminate plastic waste
- First producer to fully dedicate an integrated machine
- Sole European supplier offering the full product portfolio for paper-based shopping bags
- Ideal partner for retailers

PROJECT DETAILS

- €67 million investment
- Conversion of a containerboard machine at Štětí to produce up to 130ktpa of speciality kraft paper
- Net capacity increase of 45ktpa
 - +75ktpa of speciality kraft paper
 - -30ktpa of containerboard
- Start-up expected by the end of 2020

SUPPORTING FAST GROWING
PAPER SHOPPING
BAG MARKET



Sustainable packaging solutions

Alessandro Dazza
Elisabeth Schwaiger
Graeme Smith

6 November 2019



Ecosolutions

Mondi's **customer-centric approach** to support our customers to achieve their sustainability goals

Mondi's approach to sustainable packaging solutions



...less sustainable products with solutions following our principle
paper where possible, plastic when useful



...the volume of raw material used through design, operational efficiency and raw material choices



...packaging by developing solutions that are designed for recycling

Paper where possible, plastic when useful



PAPER
where possible...

SUSTAINABLE SOLUTIONS

....**PLASTIC**
when useful

Paper based packaging for pasta

Advantage Smooth White Strong

The Challenge



- Most pasta packaging in Europe is currently plastic

Our sustainable solution



- A paper-based solution, with the option for a large paper window, using Advantage Smooth White Strong
 - a calendared speciality kraft paper made of 100% virgin fibre
 - suitable for food contact applications

Key Benefits



- Excellent strength and product preservation
- Outstanding printability
- Suitable for paper recycling streams

Aspiration



- Increased supply to pasta packaging market
- Penetrate other food segments

REPLACE



“We wanted to provide our customers with a paper-based solution that would satisfy the rising demand for sustainability from end-users, and enable food producers to grow in new markets. Thanks to our creative collaboration with Mondi, we have the perfect partner for our pasta bag. Together, we are now looking to redefine packaging for sugar and flour as well.”

**Pietro Fiorini, Sales Director
Packaging Division at Fiorini**

Formable paper-based food tray solution

PerFORMing

The Challenge



- Conventional thermoformable trays are made of non-recyclable PET/PE

Our sustainable solution



- A natural, brown or white, formable coated paper solution for food applications such as portion packs and trays
- Collaboration across Mondi's paper, technical films and coating plants, leveraging know-how

Key Benefits



- Reduces plastic use by up to 80%¹
- Reduces CO₂ emissions by 70%¹
- Recyclability in certain paper streams²

Aspiration



- Further European food tray market penetration
- Develop technologies to separate substrates to further improve recyclability
- Incorporate a recyclable barrier lidding film into overall solution to create a one-stop recyclable product for our customers

1. Compared to existing conventional plastic solution
2. Confirmed by PTS certificate



"We are now delighted to have found a solution, together with Mondi, which significantly reduces the product's carbon footprint, curbs the use of plastic, and is capable of substantially enhancing recyclability."

Martina Hörmer, MD Ja! Natürlich (REWE)

E-commerce paper based solutions

MailerBAG, SizeMeMailer and DelightBox

The Challenge



- Designing sustainable solutions for fast growing e-commerce packaging to replace conventional plastic packaging

Our sustainable solution



- MailerBAG – a sack kraft paper bag with double adhesive strip
- SizeMeMailer – one piece, height adjustable corrugated solution
- DelightBox – lightweight flat bottom one piece solution

Key Benefits



- Recyclable
- Simple opening and return features
- Tamper proof
- Size adjustable, fast and easy to pack and close

Aspiration



- Increasing e-commerce market penetration

REPLACE



“The new solution offers better consumer experience. The double sided printing is particularly unique, with welcoming WOW effect. Besides the new design delivers significant operational improvements.”

Malwina Fijalkowska, e-commerce specialist LPP (DelightBox)

Increasing recycled plastic in packaging

Film with recycled content

The Challenge



- Developing packaging solutions with increased recycled plastic content to help meet our and our customers' sustainability pledges
- Consistent quality, product safety and legal compliance compared to existing solution

Our sustainable solution



- A film with recycled content from selected and qualified recycling sources that replaces a high share of virgin polyolefin
- Supports the circular economy by encouraging the use of recycled content

Key Benefits



- Replaces high share of virgin polyolefin with recycled alternatives
- Suitable for conversion on existing packaging lines
- Optical impact of recycled content minimised due to sourcing selected raw materials

Aspiration



- Up-scaling with various existing customers – labels and consumer packaging
- Expand product offering into other Form Fill Seal (FFS) solutions

REDUCE



Recyclable barrier film

Thermoforming mono-material

The Challenge



- Fresh and processed food require high barriers to guarantee an extended shelf-life
- Current conventional solutions are usually unrecyclable multi-material constructions

Our sustainable solution



- A fully-recyclable, mono-material polypropylene film with a significantly reduced carbon footprint compared to existing solutions
- Retains the functionality of a multi-material construction while being recyclable

Key Benefits



- Recyclable – AAA rating¹
- Up to 65% CO₂ reduction compared to common solutions when recycled
- Excellent sealability, optical properties and transparency
- Moisture, aroma and high gas barriers

Aspiration



- Commercialise
- Expand customer base

1. Certified by Cyclos-HTP – the Institute for Recyclability and Product Responsibility



A premium reclosable and 100% recyclable solution

FlexiBag

The Challenge



- Develop a more sustainable flexible plastic packaging bag without sacrificing convenience and shelf-attractiveness

Our sustainable solution



- A premium reclosable and 100% recyclable side gusset plastic bag with a linear and curve tear with or without perforation
- Printable on all sides including the bottom, with optional handle
- Top and bottom filling options

Key Benefits



- Suitable for mechanical recycling
- 100% airtight
- Fat, oxygen, aroma and moisture barrier
- Shelf stability and convenience

Aspiration



- Up-scaling with various customers, expected to be on the shelves in H2 2020

RECYCLE



Developing an aluminum free retort pouch

Recyclable Retort Pouch

The Challenge



- Replacing aluminium with a more sustainable solution while retaining all conventional product features

Our sustainable solution



- A mono-material solution (currently under development) made with a PET or PP layer that replaces aluminium but still retains its shape and barrier properties

Key Benefits



- Replaces aluminum with a mono-material solution
- No constraints on filling equipment
- Potentially recyclable
- Retains retortable properties

Aspiration



- Finalise product development and commercialise

RECYCLE



Examples of collaborative platforms and initiatives



Pioneer Project under the Ellen MacArthur Foundation

Project Proof led by Mondi

RECYCLE



Project partners



Mondi IS A GLOBAL LEADER:

- offering a broad portfolio of flexible packaging
- with a high-quality, well-invested, vertically integrated, cost advantaged asset base
- with a focused capital expenditure project pipeline
- continuously focused on driving performance and profit improvement initiatives
- leveraging global trends of sustainability, e-commerce and enhancing customers' brand value to grow
- collaborating and innovating with our customers to develop cutting-edge, sustainable solutions

Štětí operation

Roman Senecký
6 November 2019



Štětí mill at a glance

- 
- A map of Europe with a grey background. A blue dot is located in central Europe, representing the Štětí site. Several orange dots are scattered across Europe, representing Mondi European paper bag plants. The dots are concentrated in Central and Eastern Europe, with a few in Western Europe and the Balkans.
- Štětí site
 - Mondi European paper bag plants

- Integrated cost advantaged pulp and paper mill
- 700ktpa of saleable production capacity
- Ideally located in central Europe
- Electricity self-sufficient following modernisation project
- Diverse and experienced team of 820 people

Note: Štětí mill is FSC™, ISO 9001, ISO 14001 and OHSAS 18001 certified

Packaging paper and pulp product portfolio



Kraft paper
490ktpa



Containerboard
120ktpa



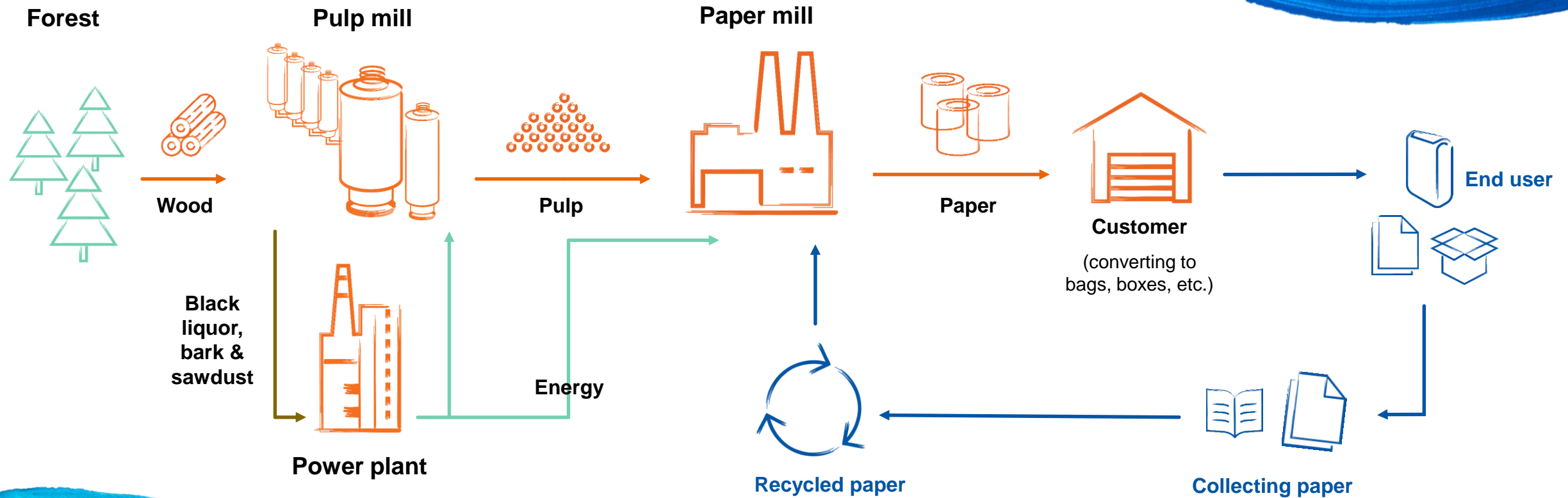
Softwood market pulp
90ktpa²

~ 700ktpa of saleable production

1. Capacities including the modernisation project but excluding PM1 rebuild (expected to be completed at the end of 2020)
2. 150ktpa technical pulp drying capacity

Simplified production process

INTEGRATED MILL

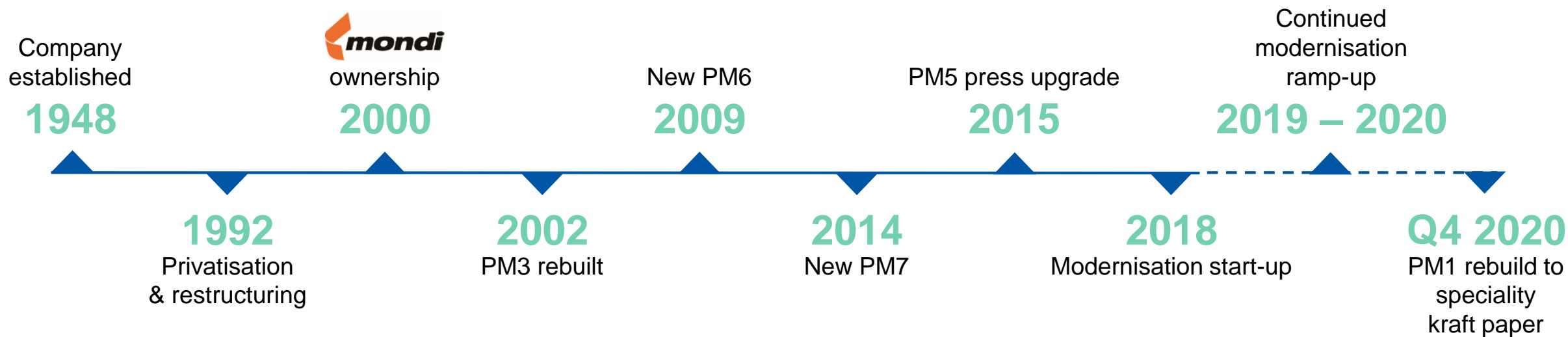


1t of wood

- ▶ 0.50t of water
- ▶ 0.25t of pulp
- ▶ 0.25t of lignin

Štětí mill history

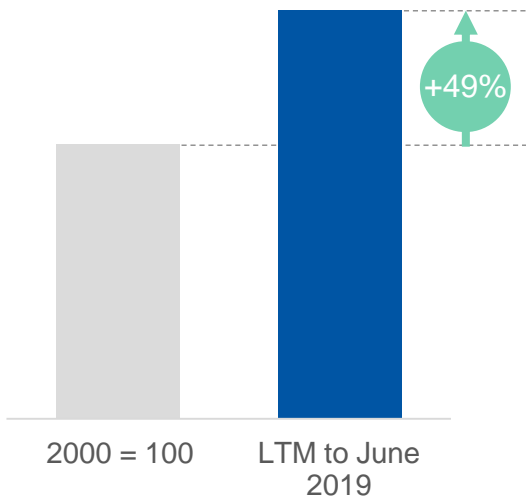
GROWING THROUGH
DISCIPLINED INVESTMENTS



Improved productivity and profitability under Mondi ownership

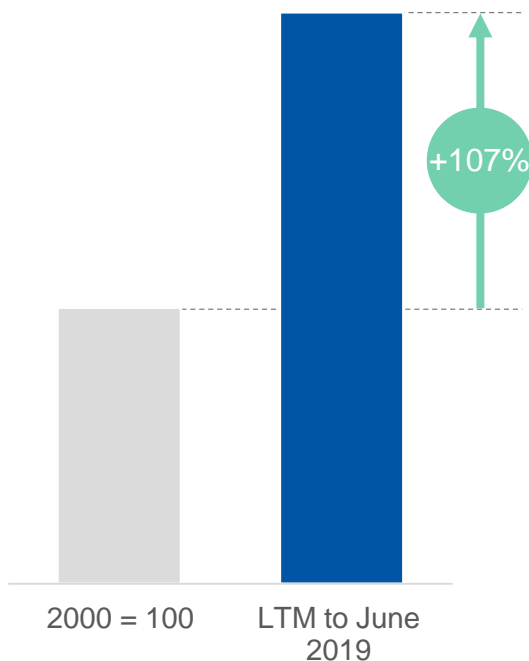
Increase in production

kt



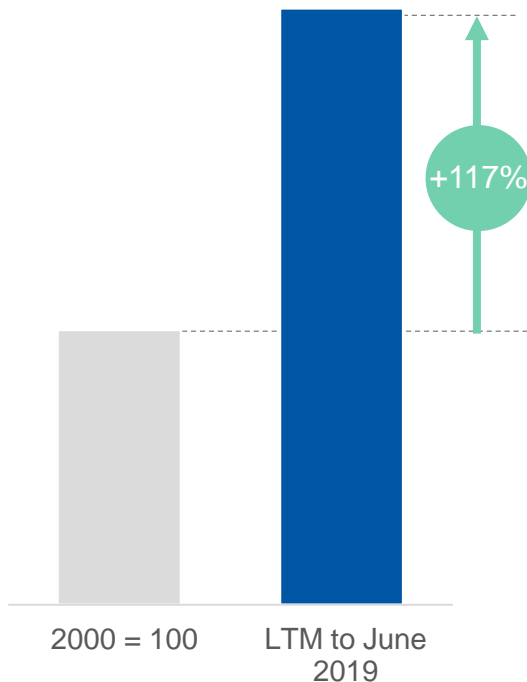
Improvement in productivity

Tonnes produced / FTE¹



Improvement in profitability

Underlying EBITDA / FTE¹



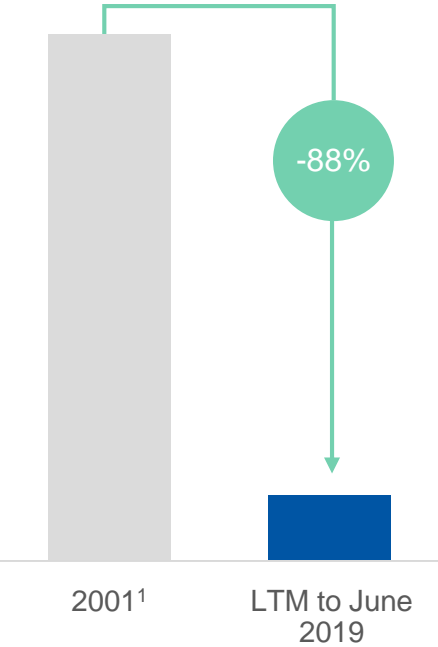
1. Full-time employee



Growing sustainably – key highlights

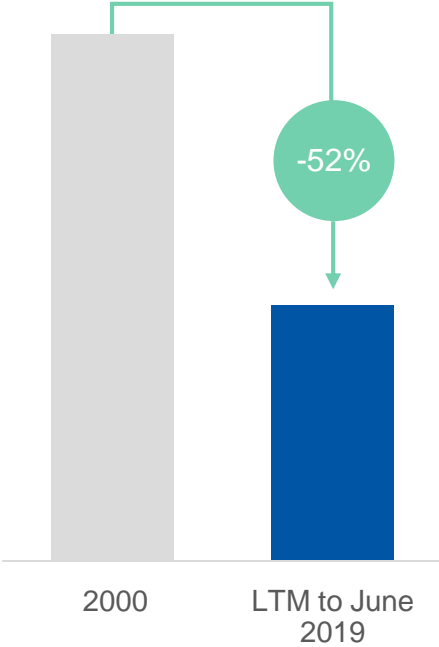
Health and safety

Employee injuries



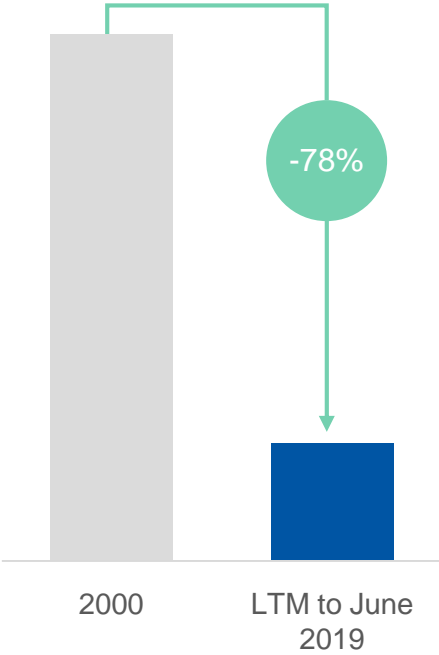
GHG emissions

(tonne of CO₂ emissions per tonne of saleable production)



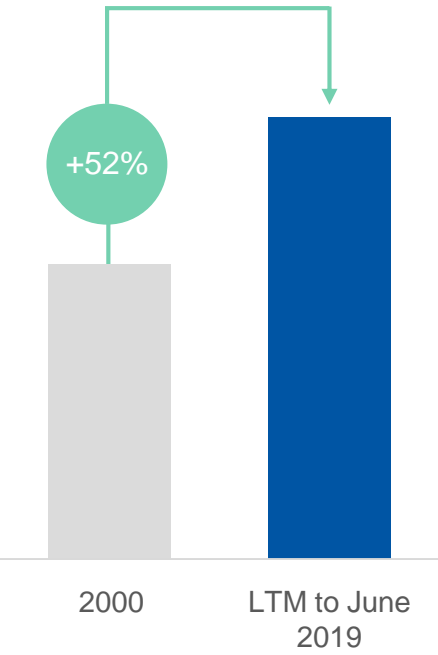
Specific dust emissions

(kg/t)



Electricity self-sufficiency

%

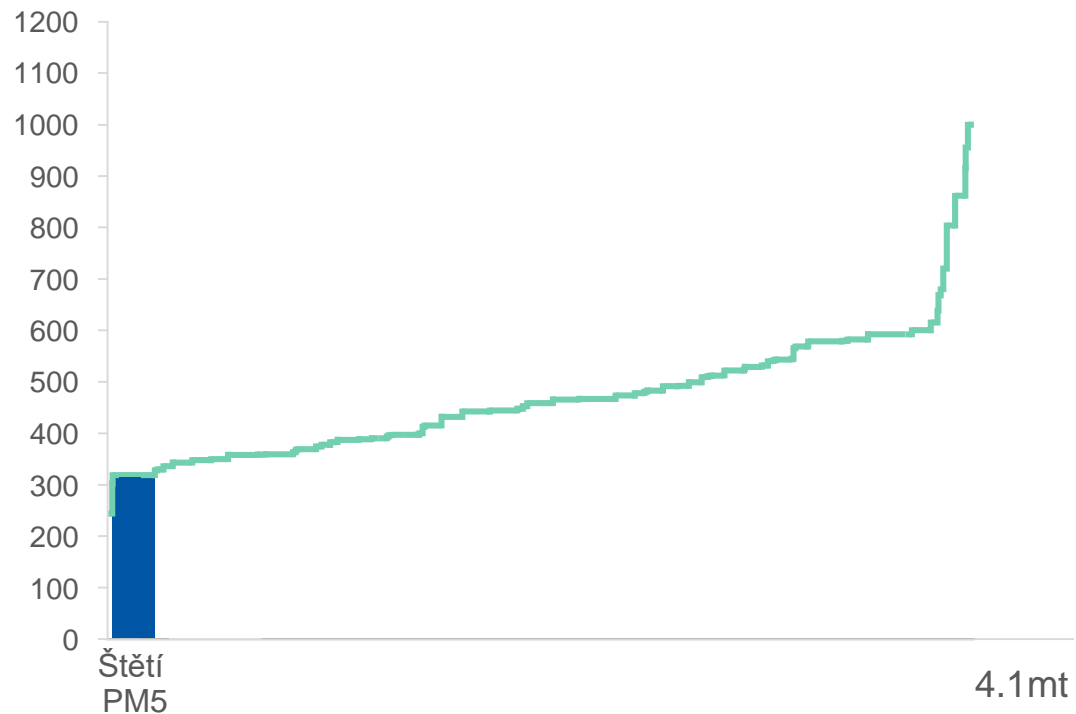


1. Employee injuries for 2000 is not available

Cost advantaged mill

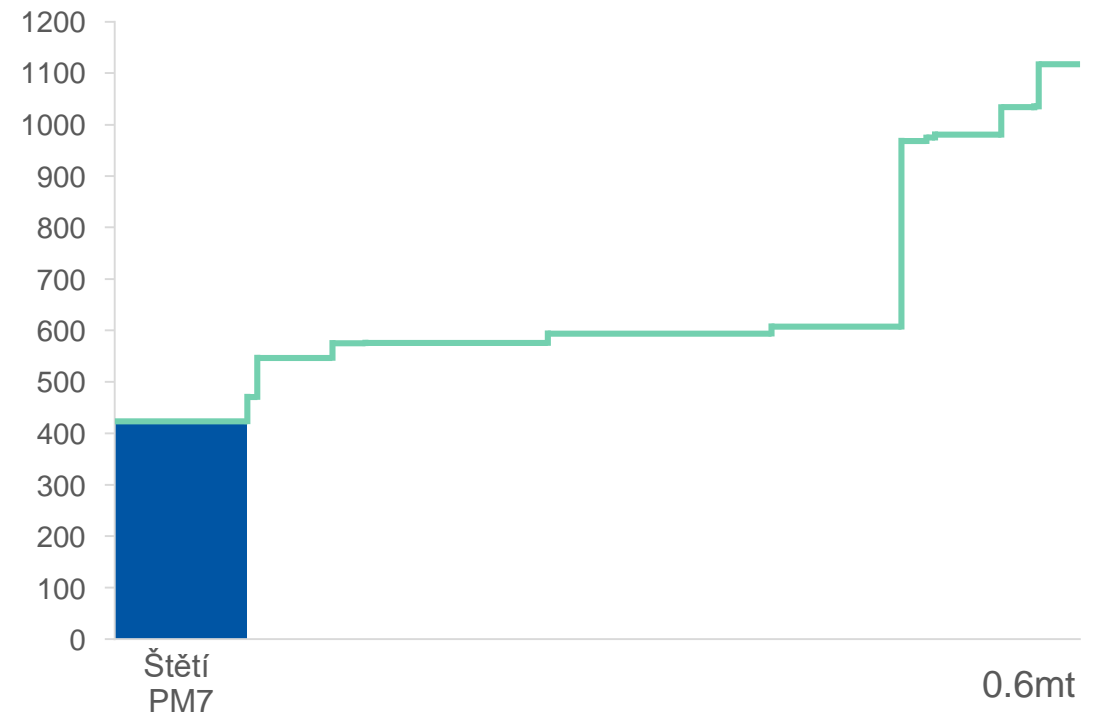
Unbleached sack kraft paper cost curve (Global)

€/tonne



Bleached sack kraft paper cost curve (Global)

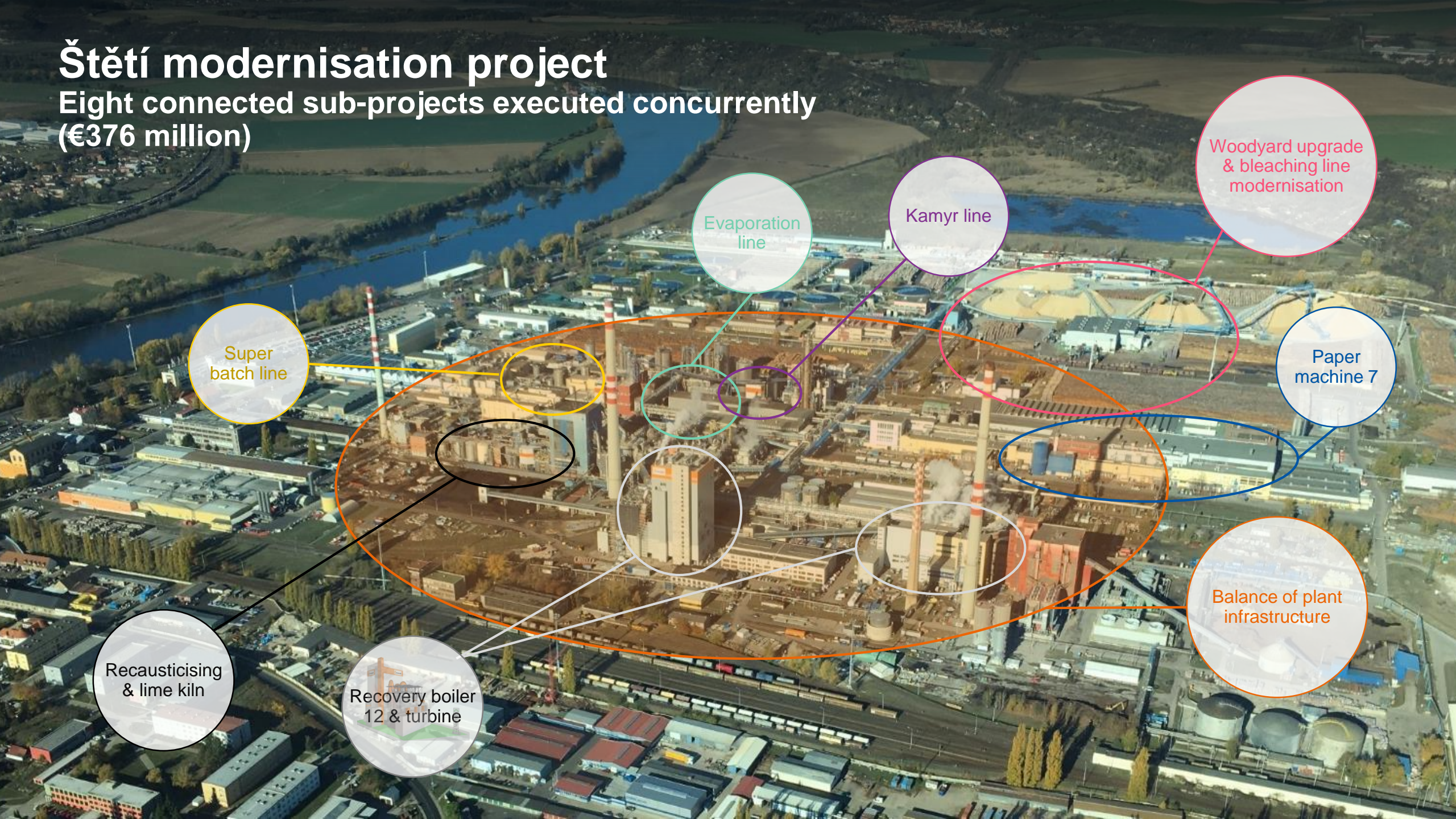
€/tonne



1. Based on delivered cost to Frankfurt
Source: Fastmarkets RISI, Q2 2019

Štětí modernisation project

Eight connected sub-projects executed concurrently
(€376 million)



Super
batch line

Evaporation
line

Kamyr line

Woodyard upgrade
& bleaching line
modernisation

Paper
machine 7

Balance of plant
infrastructure

Recausticising
& lime kiln

Recovery boiler
12 & turbine



Key project benefits

- Incremental saleable production (+145ktpa)
- Reducing energy costs and environmental footprint through increased efficiency
- Potential 100% electricity self-sufficiency
- Avoids significant maintenance capital expenditure estimated at around €105 million over the next five years
- Unlocks options for future growth rather than maintaining existing asset base

Forward integration





Štětí paper bag plant

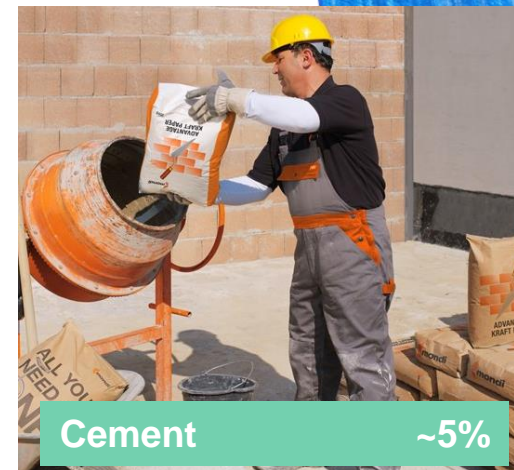
Patrick Maurer

6 November 2019

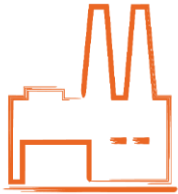
Štětí paper bag plant at a glance

END-USES

- Continuous focus on employee safety
 - LTI free > 2,000 days
- Production capabilities¹:
 - 150 million bags
 - 3 paper bag lines
- Backward integrated into paper
- 130 full-time employees
- Investing in digital operations and production processes



Production process and site plan



Štětí mill
PM5 / PM7

Integrated
paper supply

Pre-print



Tubers



Bottomers



Palletisers



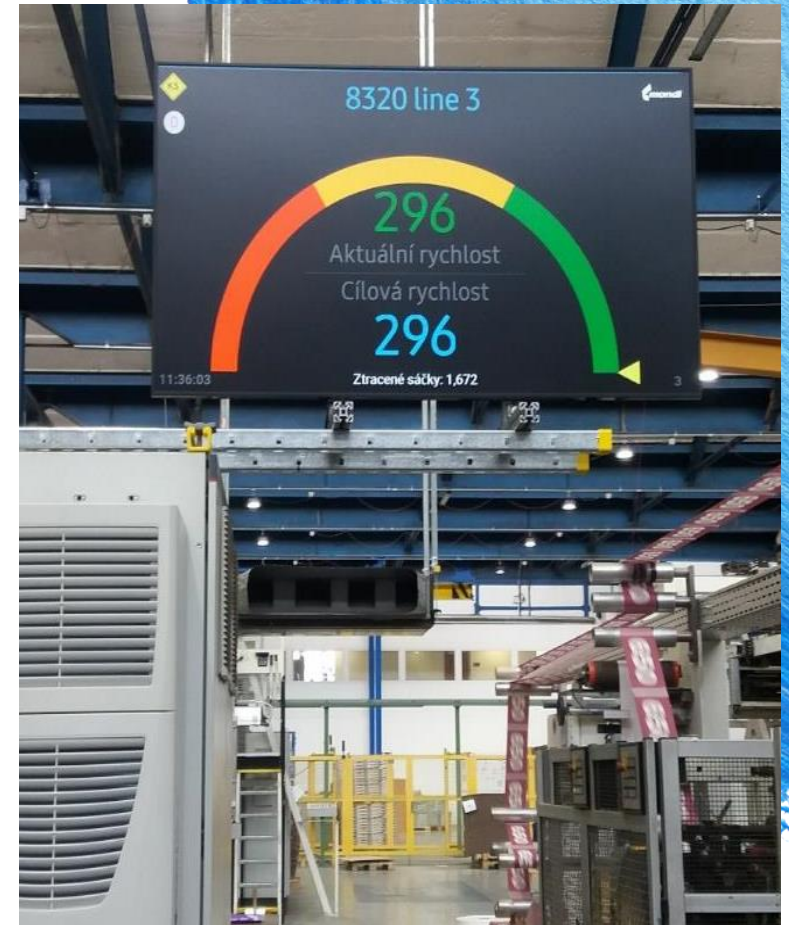
Process

- Flexo-printing technology using water based ink to print on bag's outer layer
- Merging max. 4 layers together with glue to form and cut tubes in requested sizes
- Completing the bag: adding valve (if required) for filling at customer and a bottom layer
- Bags placed in bundles on wooden pallets and sent to the warehouse / customer

Speed optimisation project at Štětí

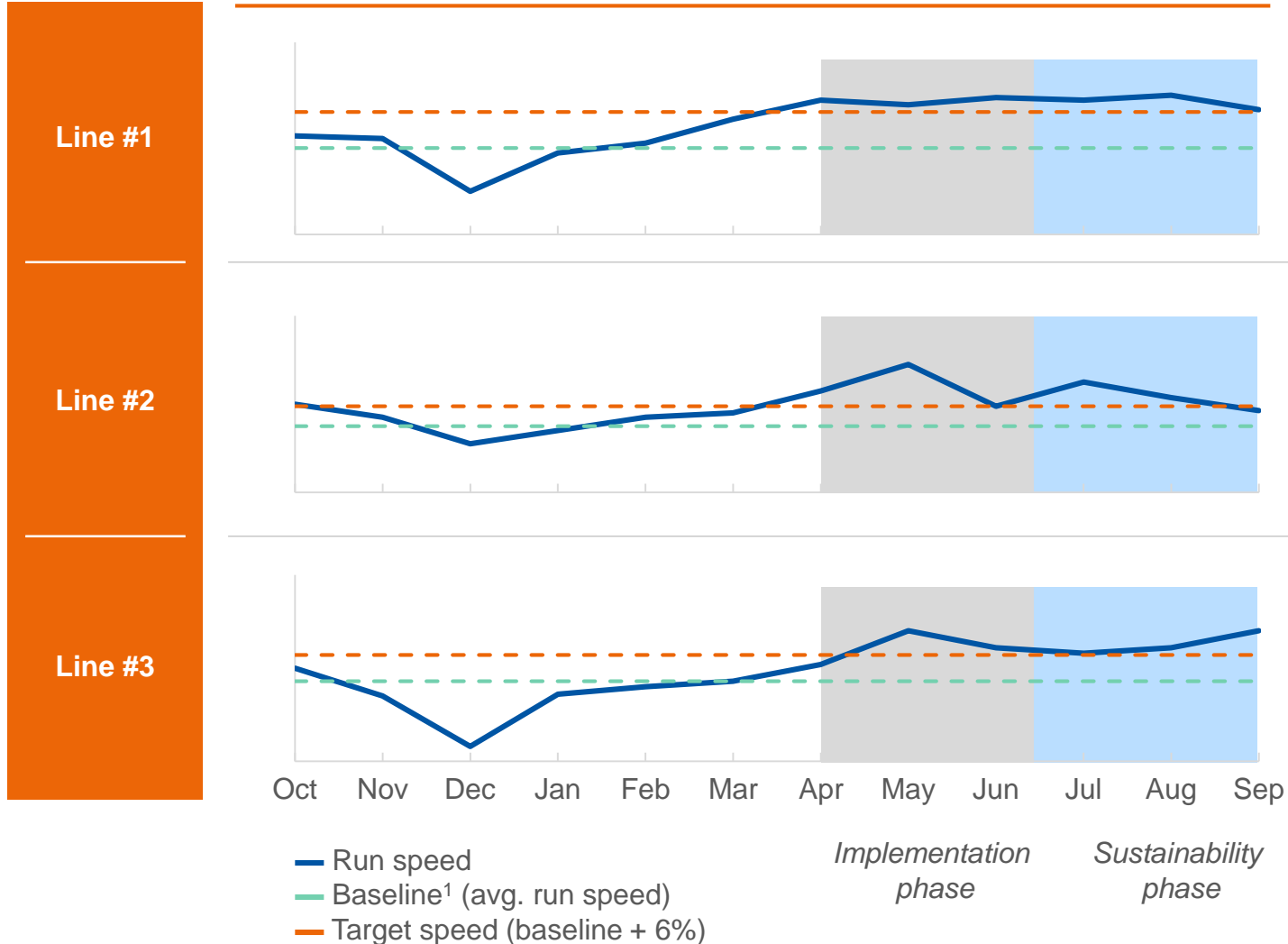
- Project aimed at optimising machine running speed while maintaining safety, quality, downtime and set-up time standards
- Using advanced analytics to monitor and report speed losses:
 - Tracking performance in a visual and transparent way – e.g. production speed per bag type
 - Analysing real-time data enabling faster reaction time to improve efficiency
 - Improving collaboration between operators, shift leaders and maintenance
- Project benefits:
 - Productivity gains
 - Improved employee motivation
 - Increased competitiveness
- Project being rolled out to other plants in 2019 and 2020

**DiGiTALiSAtion
iN ActiOn**

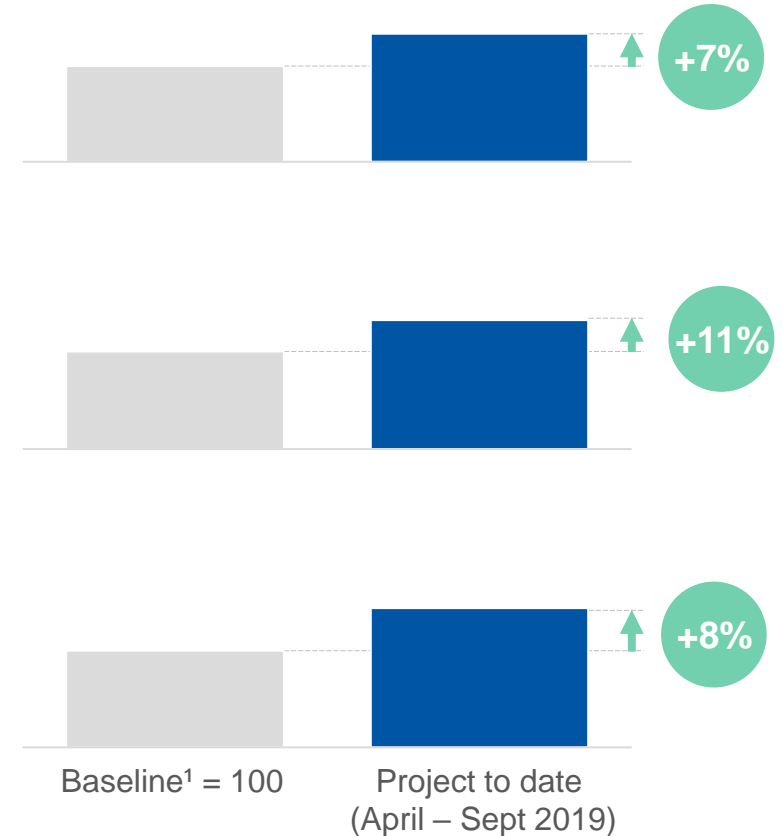


Delivering strong results

Monthly production, bags per running minute



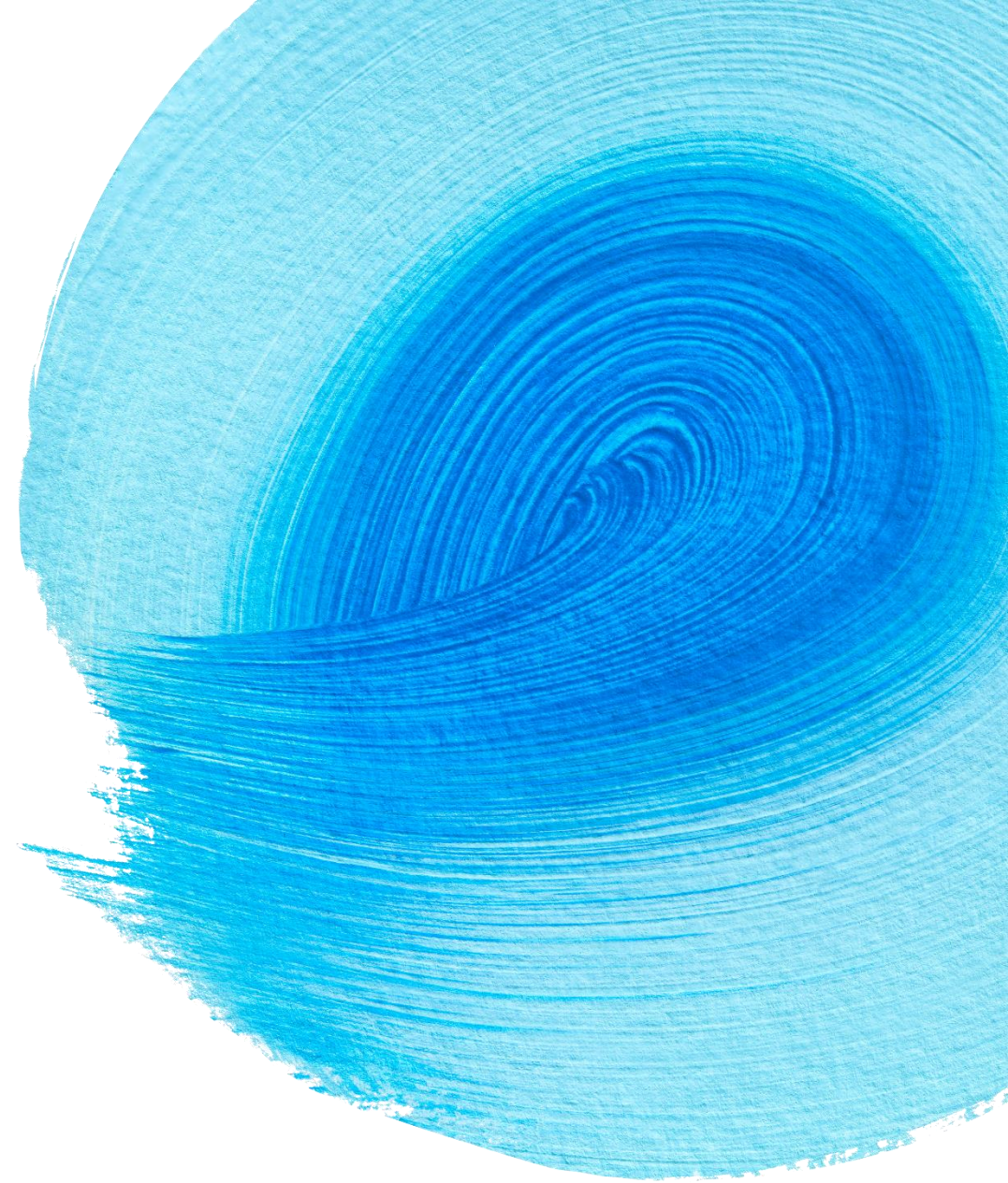
Baseline comparison, bags per running minute



Summary



- Integrated producer of top quality packaging paper grades
- Cost advantaged mill
- World class processes
- Continuous focus on operational performance
- Disciplined investment programme
- Modernisation project increases production, reduces costs and environmental impacts and unlocks potential for further growth
 - 80% of energy generated is biomass based
- Strong forward integration into paper bag and extrusion solutions plants





WRAP—UP AND Q&A



THANK YOU!