

Corporate investor presentation

August 2020



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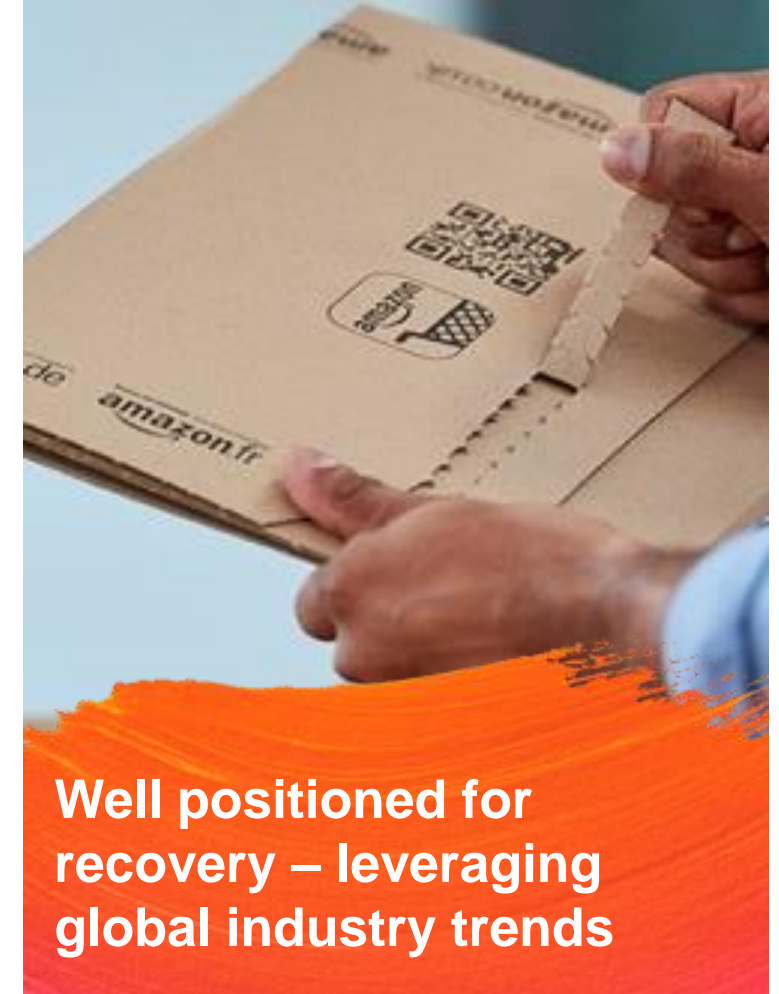
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Well positioned, resilient, delivering



Mondi at a glance (2019)

Corrugated Packaging

Segment revenue¹

€2,014m
(27%)

Underlying EBITDA

€583 million

ROCE

24.9%

Products



End uses



Flexible Packaging

€2,708m
(36%)

€543 million

15.7%



Engineered Materials

€979m
(13%)

€122 million

13.8%

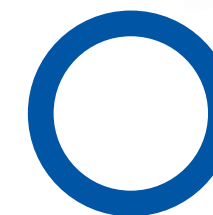


Uncoated Fine Paper

€1,758m
(24%)

€444 million

25.1%



- Building and construction
- Other (comprising chemicals, industrial, agriculture and other)

- Paper for home and office printers, and professional digital and analogue printing presses

Leading market positions



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



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

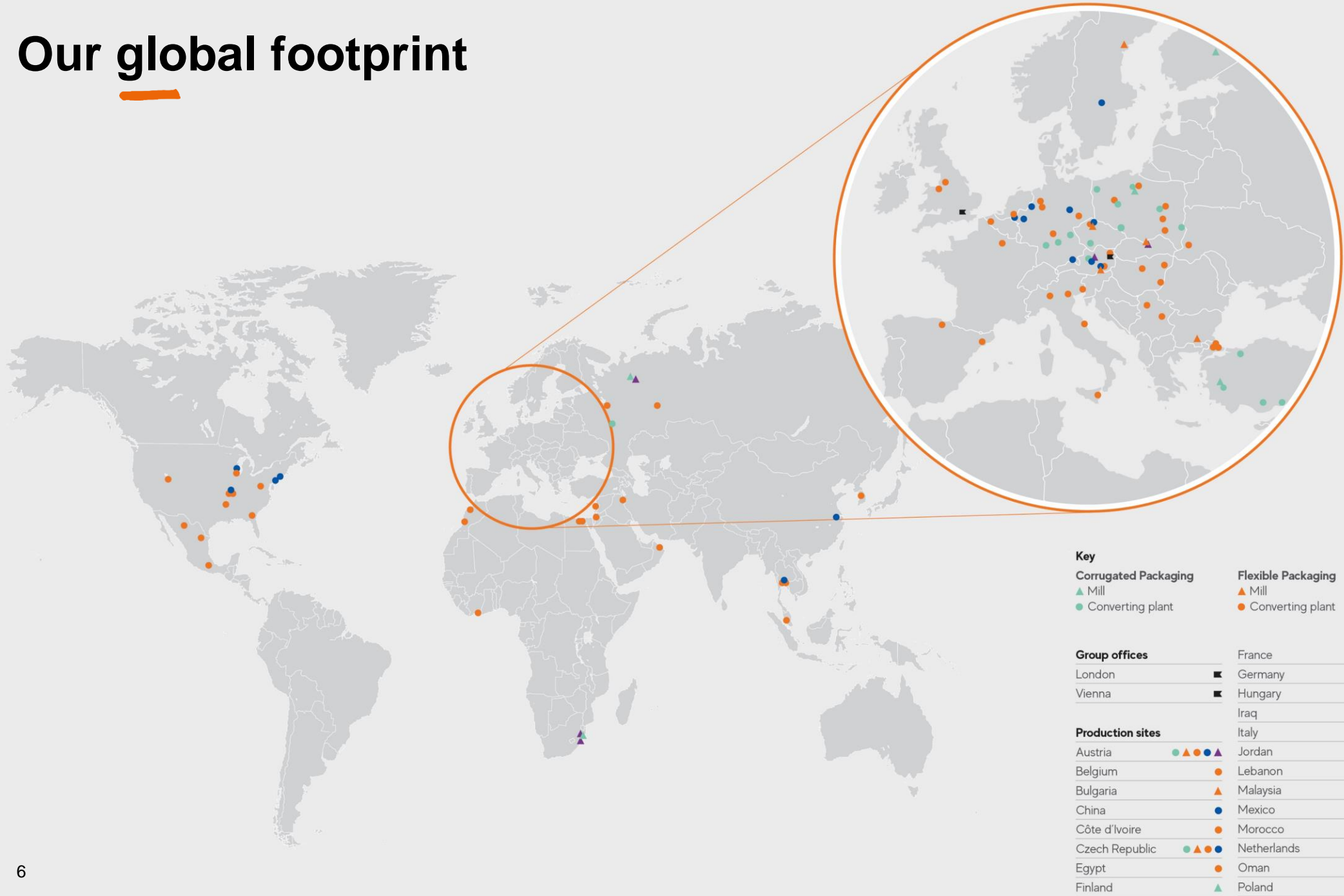


- #1 commercial release liner producer in Europe
- #2 extrusion solutions producer in Europe



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

Our global footprint



Our growth focus – packaging

Corrugated
Packaging



GROW

Flexible
Packaging



GROW

Engineered
Materials



STRENGTHEN NICHE
POSITIONS

Uncoated
Fine Paper

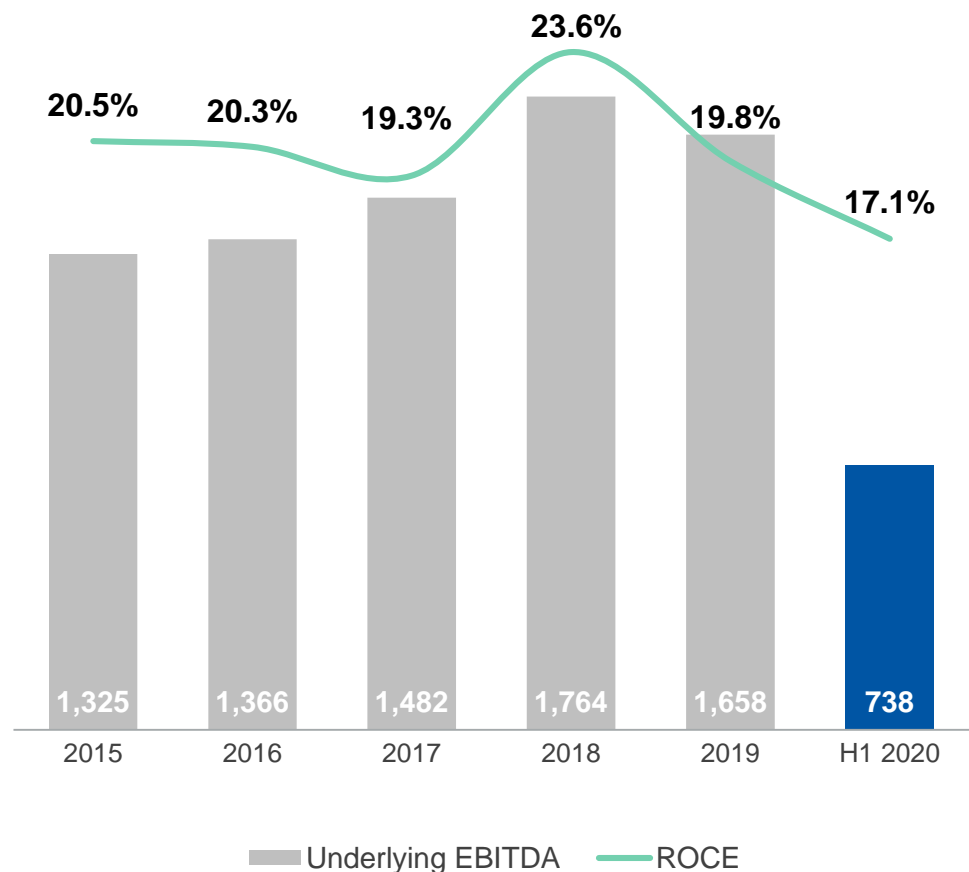


MAINTAIN
COMPETITIVENESS

Consistent strategy driving industry leading returns

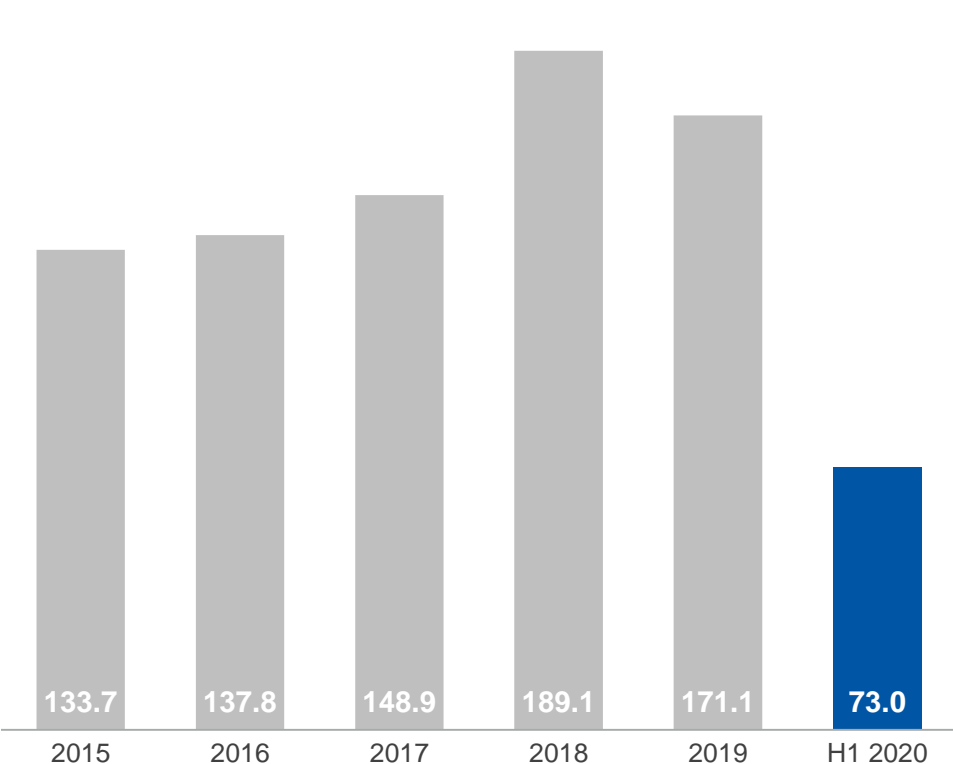
Underlying EBITDA and ROCE

€ million and %



Basic underlying earnings per share

€ cents per share



Strategic framework driving an industry leading performance



SUSTAINABILITY

continues to be at the centre of our strategy

Growing responsibly: **SUSTAINABLE by DESIGN**



- Our **Ecosolutions** approach
Paper where possible, plastic when useful
 - Actively developing innovative and sustainable solutions
 - renewable and recyclable paper-based packaging solutions
 - flexible plastic-based packaging when barrier properties are required
- focus on supporting the circular economy

- Reduced specific CO₂e emissions by 39% since 2004 and 15.5% since 2014
- Set a Science Based Target for carbon emissions to 2050
- 100% certified managed forests and sustainably sourced fibre (certified or controlled wood)



- 24-hour safety mind-set
- Diversity and Inclusion initiatives:
 - 30% women employed across our executive committee and its direct reports
 - Signatory to the UN Women's Empowerment Principles
- Training and development programmes including the Mondi Academy



Our Growing Responsibly model: An integrated approach to sustainable development

16 public commitments to be achieved by the end of 2020

10. Solutions that create value for our customers

- Encourage sustainable responsibly procured products

9. Relationships with communities

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

8. Supplier conduct and responsible procurement

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

7. Biodiversity and ecosystems

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

6. Constrained resources and environmental impact

- By 2020, reduce against 2015:
 - specific contact water consumption (5%)³
 - specific waste to landfill (7.5%)
 - specific NOx emissions (7.5%)³
 - specific effluent load (COD) (5%)



1. Employee and contractor safety and health

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

2. A skilled and committed workforce

- Engage with our people to create a better workplace

3. Fairness and diversity in the workplace

- Promote fair working conditions and diversity in the workplace

4. Sustainable fibre

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

5. Climate change¹

- Reduce GHG emissions 34% by 2025 and 72% by 2050, from a 2014 baseline²
- Reduce Scope 2 GHG emissions (per MWh) 39% by 2025 and 86% by 2050 from a 2014 baseline

¹ In 2019 our science-based greenhouse gas reduction targets were approved

² GHG emissions defined as Scope 1 and 2 GHG emissions (per tonne of saleable production)

³ From our pulp and paper mills

Mondi recognised as a leader in sustainability

External recognition



Advanced Reporter
Joined The CEO Water
Mandate in 2015



A- score for Climate Change
and Sustainable Forestry
A score for Water Security



ESG Rating AAA



Low risk rating



Sustainability Yearbook 2020,
#2 in sector



UK 20
Europe 120



GOLD recognition level
Top 1% of all suppliers



Member of the ESI
Excellence Europe



Member of the FTSE4Good
Index Series

FTSE/JSE Responsible
Investment Index: Top 30

Making a real contribution to the UN SDGs



2019 sustainable development highlights

Safety and health

22%

reduction in total recordable case rate (TRCR) since 2015

24-hour safety mind-set

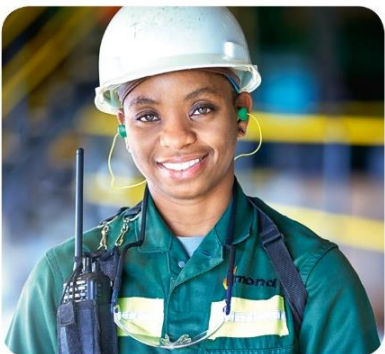
focused on the social psychology of safety at work and at home

20,000 employees

in 14 countries can now use the Employee Assistance Programme

Two fatalities

one at our Ružomberok mill in Slovakia and one at our forestry operations in Russia



Climate change and energy

Science-based targets

formally approved covering more than 95% of Mondi's total Scope 1 and 2 emissions

15.5%

reduction in our mills' total specific CO₂e emissions since 2014

64%

mills' fuel consumption from renewable biomass-based sources

102%

electricity self-sufficiency in our mills

Local communities

€13.1m

invested in community initiatives in 2019

86%

of mills have conducted Socio-economic Assessment Toolbox (SEAT) assessments



Diversity and inclusion

30%

women across our executive committee and its direct reports

25%

women on our Board

Sustainable fibre

72%

FSC™- or PEFC™- certified wood
The remainder is controlled wood

Responsible procurement

50%

of key suppliers screened with roll-out ongoing

Project Proof completed

Pre-competitive partnership project, led by Mondi, to design and prototype a plastic-based flexible packaging solution for the circular economy with 20% post-consumer waste



Mondi's best practice recognised by CDP leadership scores

A- Climate change

A- Forests

A Water security



Committed to transparency

While waste to landfill has been reduced versus the past year, performance deteriorated in a small number of areas due to unforeseen challenges

Compared to the 2015 baseline:

1.9%

reduction of specific water consumption

3.0%

reduction of specific waste to landfill

7.9%

increase of specific Chemical Oxygen Demand (COD) emissions

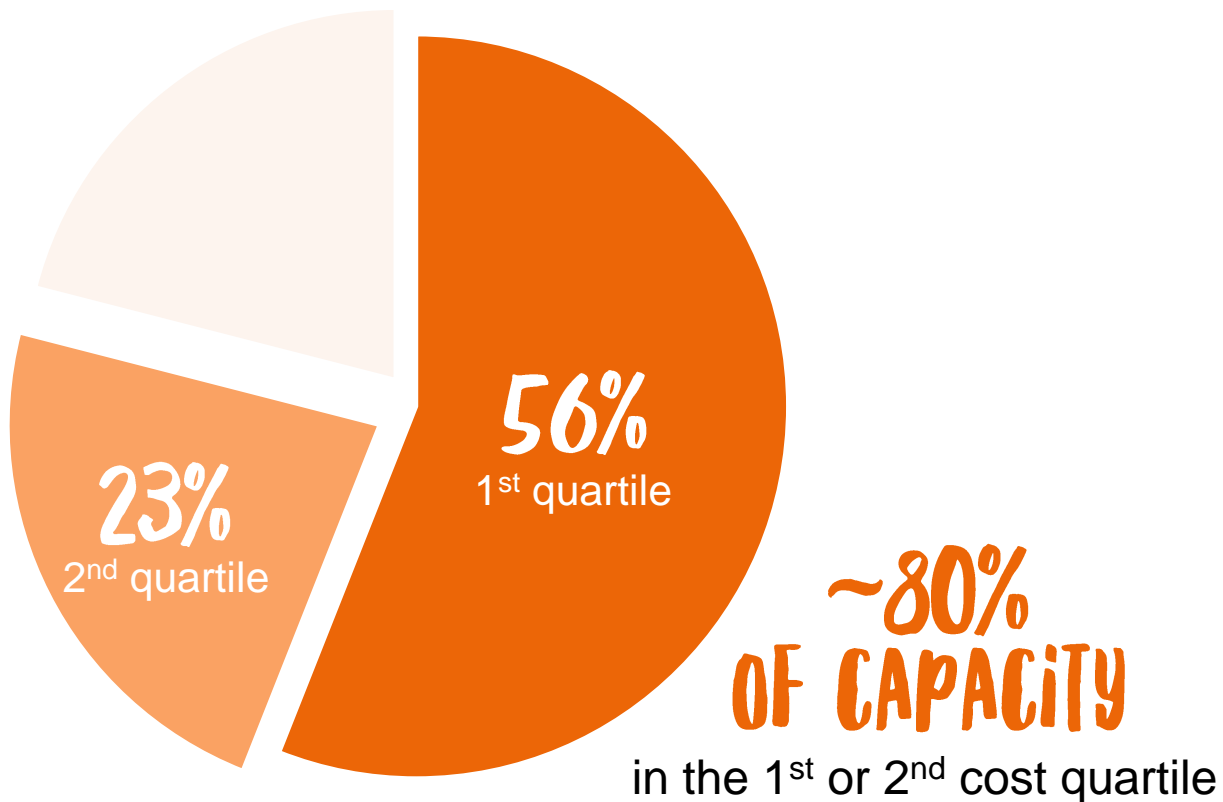
EcoSolutions approach

Paper where possible, plastic when useful

Cost advantaged operations combined with our relentless focus on driving performance

Cost advantaged asset base

Mondi capacity by quartile of relevant industry cost curve (%)



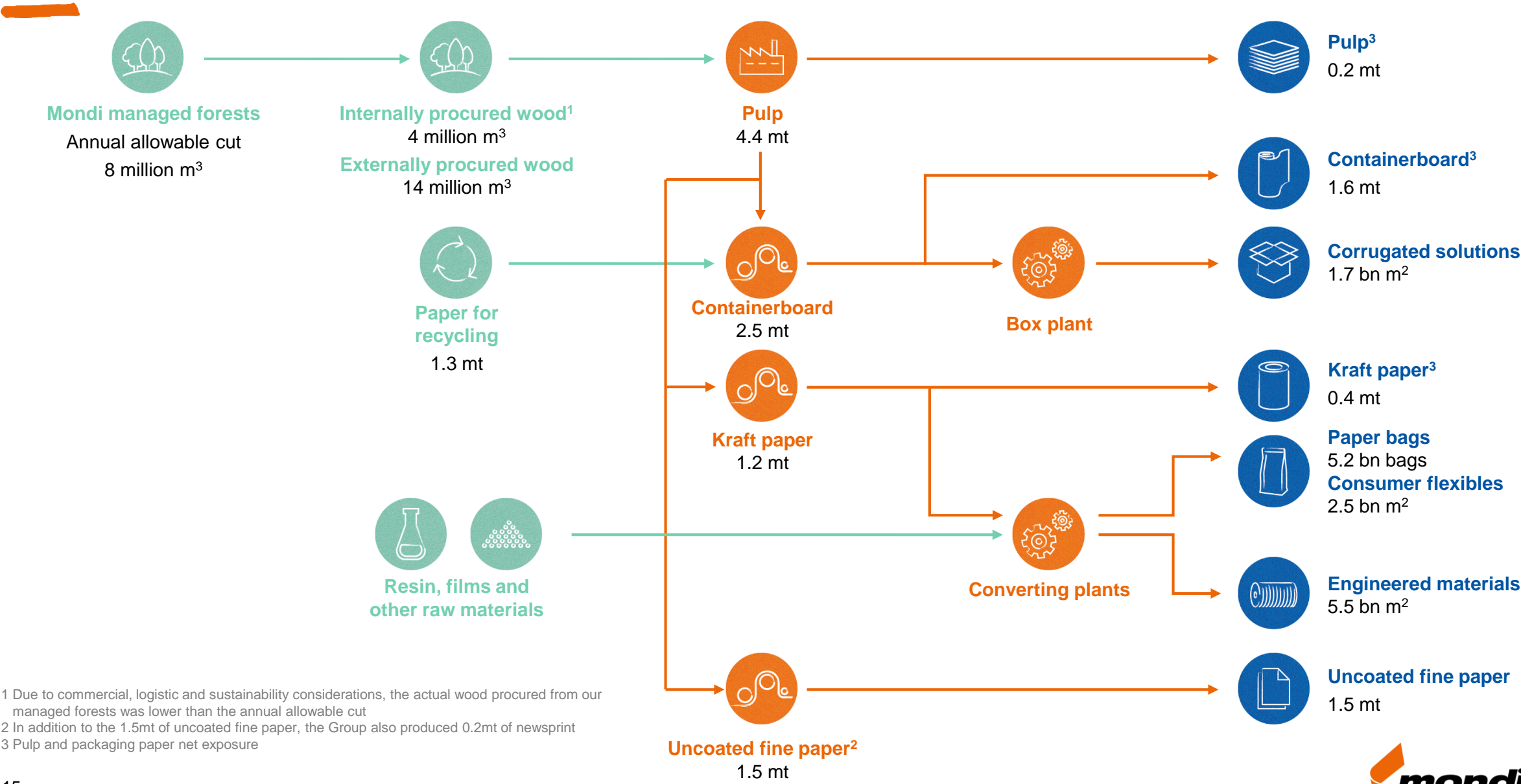
Focus on driving performance

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

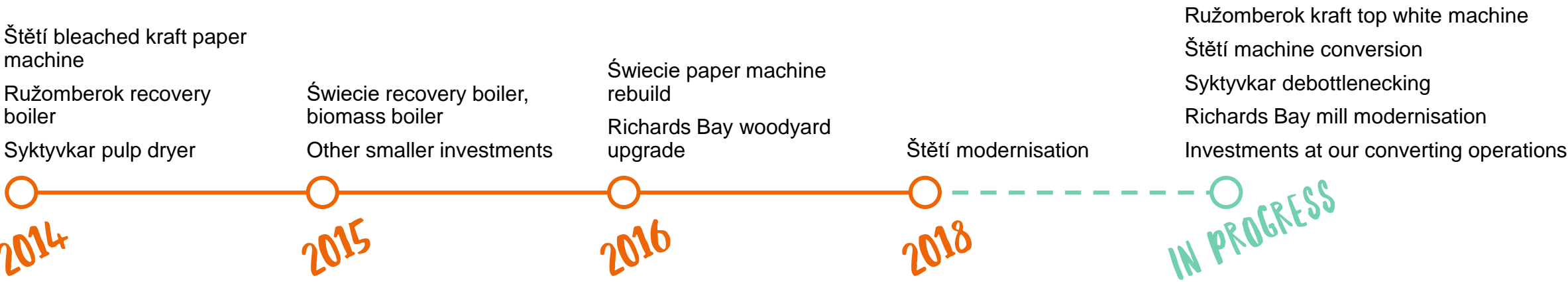
Refer to the end of this document for relevant industry cost curve sources and definitions

Integrated value chain (2019)



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 1.5mt of uncoated fine paper, the Group also produced 0.2mt of newsprint
3 Pulp and packaging paper net exposure

2014 – 2018 investments delivering strong returns



KEY BENEFITS

- Improved customer offering
- Higher output
- Improved operational efficiency
- Reduced cost base
- Improved environmental footprint
- Unlocking options for future growth

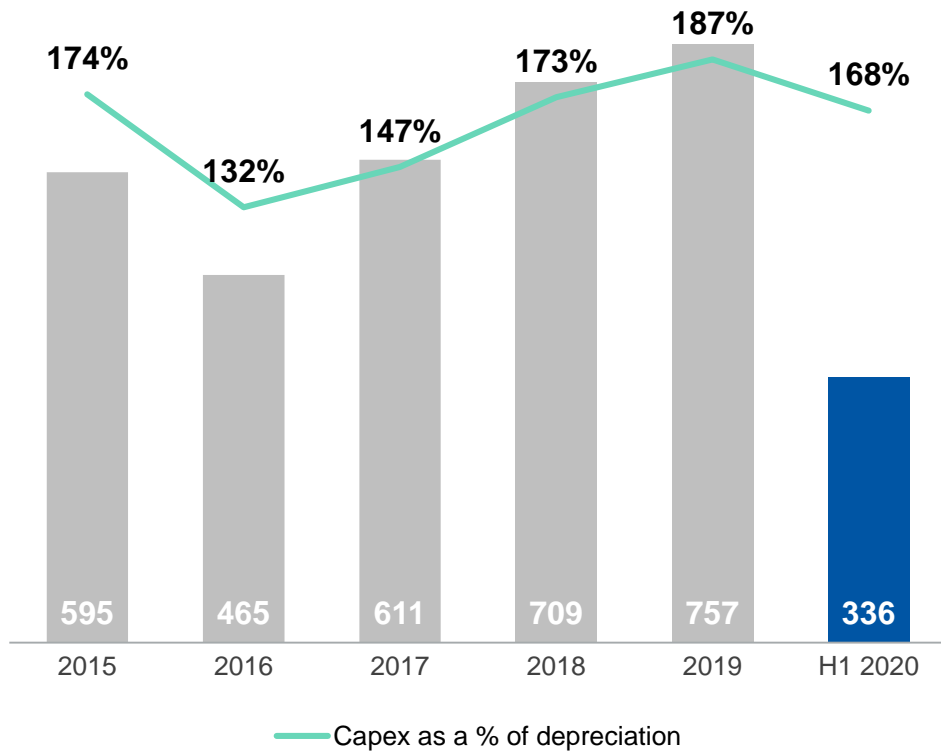
Implied return defined as underlying operating profit contribution once the project is fully ramped up divided by capital expenditure approval amount (considered projects commissioned between 2014 and 2018)

€1.2 BILLION SPENT
>20% IMPLIED AVERAGE RETURN
>500KTPA OF COST ADVANTAGED CAPACITY

Investing through the cycle in our world class assets

Capital expenditure

€ million



- Strong contribution from recently completed projects:
 - €75 million in the past 3 years
 - €40 million expected in 2020
- Progressing with major capital expenditure programme to secure future organic growth
 - Key projects expected to increase current saleable pulp and paper production by around 8% when in full operation
- €600-650 million expected capital expenditure in 2020 and similar levels in 2021

Strong major capital expenditure project pipeline – key projects

Ružomberok mill



- New 300,000 tonne kraft top white machine with expected start-up in H1 2021
- Debottlenecking of pulp mill – increasing capacity by 100,000 tonnes per annum to be mostly integrated into containerboard (started up in H2 2019)

Štětí machine conversion



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

Syktyvkar mill



- Investing to debottleneck production and maintain competitiveness

Richards Bay mill

- Investing to modernise the mill, including upgrading the energy and chemical plants to improve reliability and avoid unplanned shutdowns

Well positioned to leverage global industry trends

SUSTAINABILITY



E-COMMERCE



ENHANCING BRAND VALUE



A unique platform to deliver



PAPER
where possible...

SUSTAINABLE SOLUTIONS

....**PLASTIC**
when useful

Delivering sustainable packaging solutions to our customers

Ecosolutions

Mondi's customer-centric approach to sustainable packaging

REPLACE



Advantage MF EcoComp
for Svenco

REDUCE



PerFORMing
for REWE

RECYCLE



BARRIERPACK Recyclable
for Reckitt Benckiser

SUSTAINABLE by DESIGN

PAPER where possible...

....PLASTIC when useful

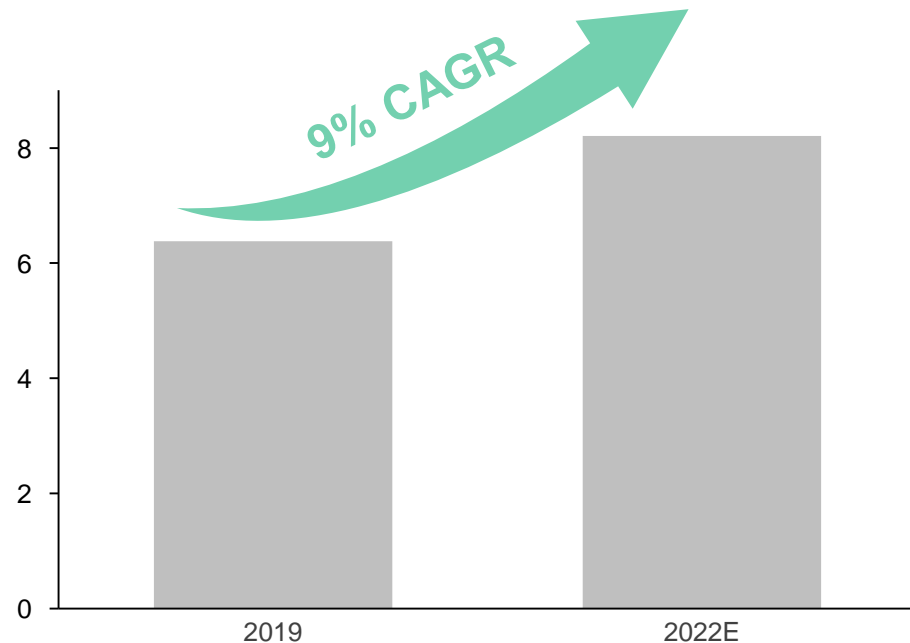


Broad portfolio to serve our e-commerce customers

E-commerce packaging growth in Europe

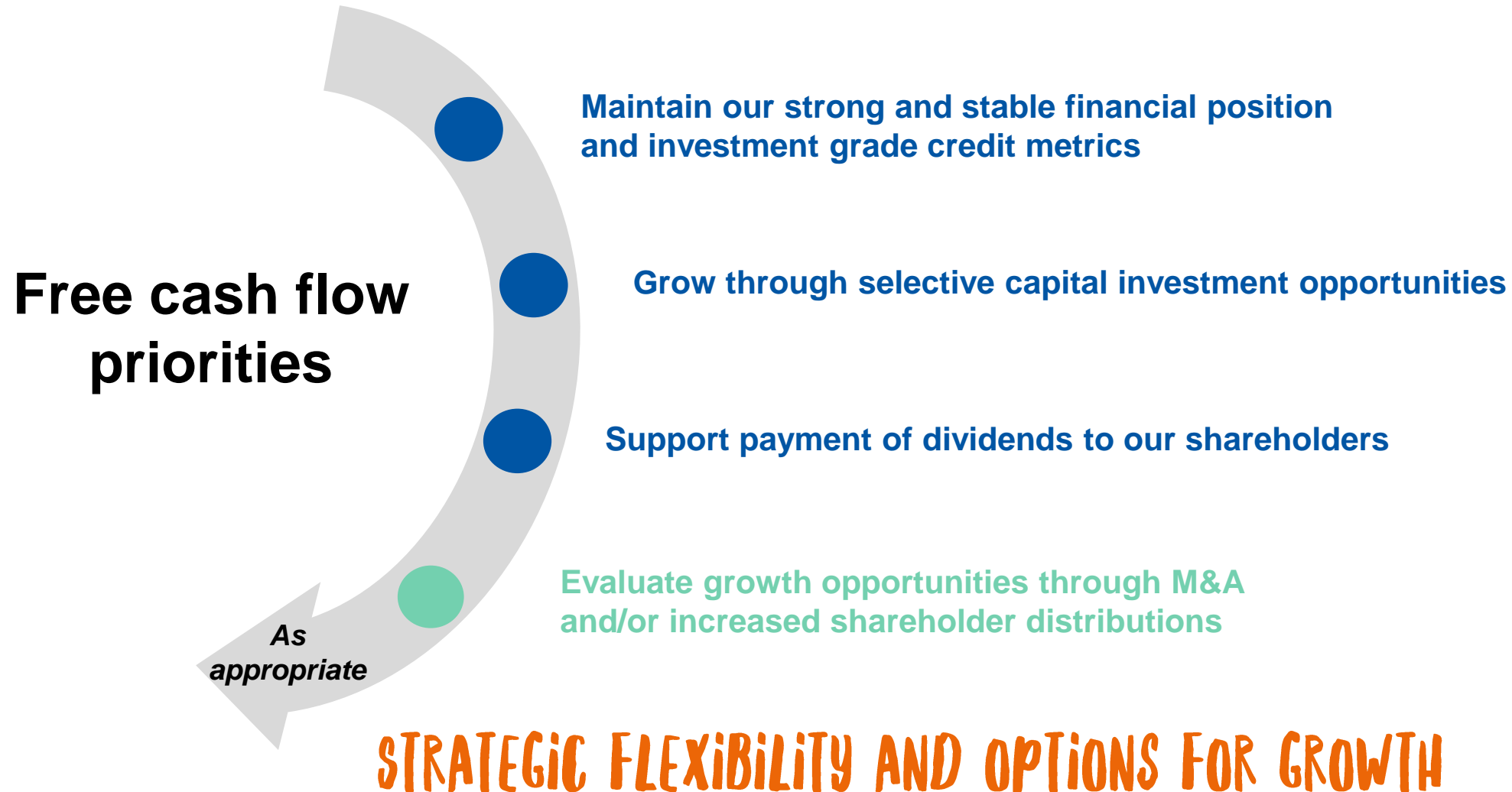
€ billion

Shift to online purchasing during
COVID-19 supports continued
strong growth in e-commerce



SUSTAINABLE by DESIGN

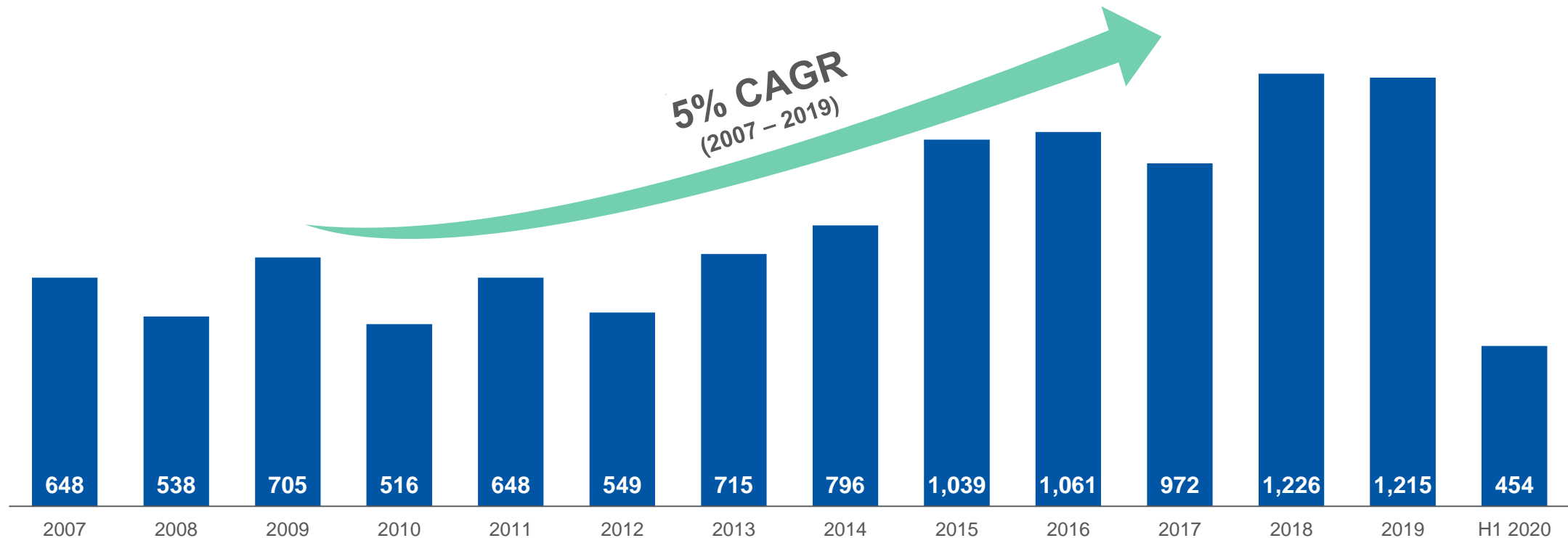
Our cash flow priorities remain unchanged



Strong cash generation through the cycle

Cash flow generation

€ million



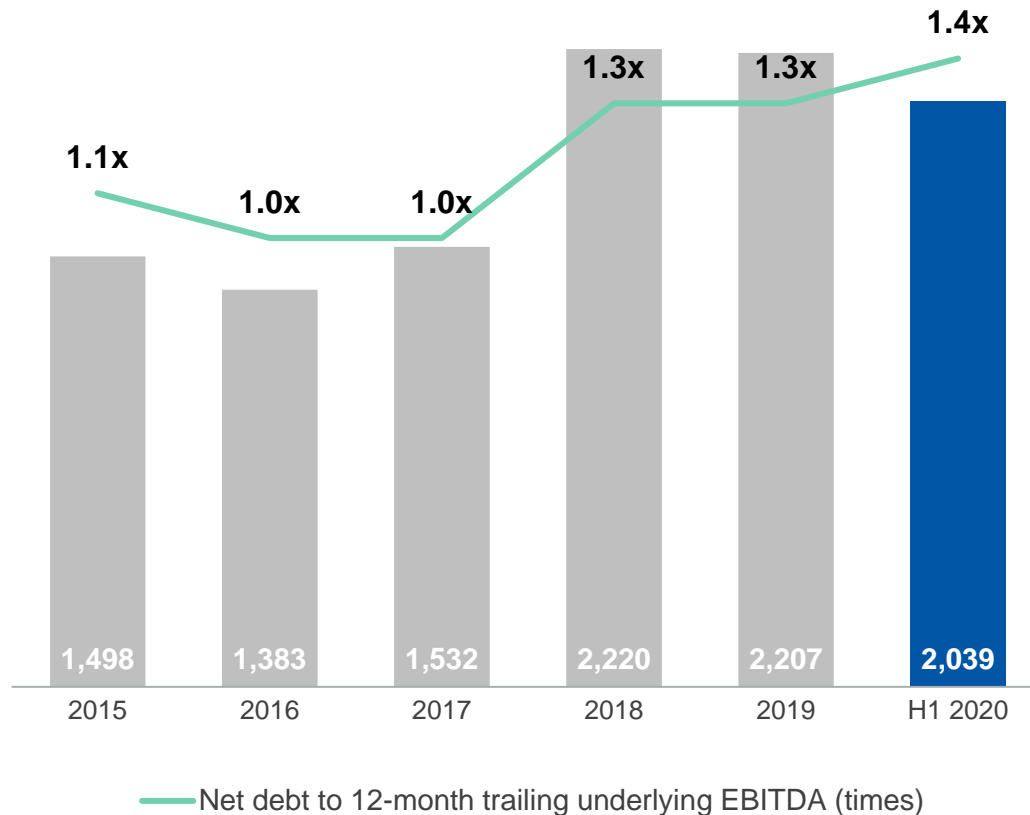
€11 billion generated since listing

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

Strong financial position providing strategic flexibility

Net debt

€ million (net debt) and ratio (net debt to 12-month trailing underlying EBITDA)

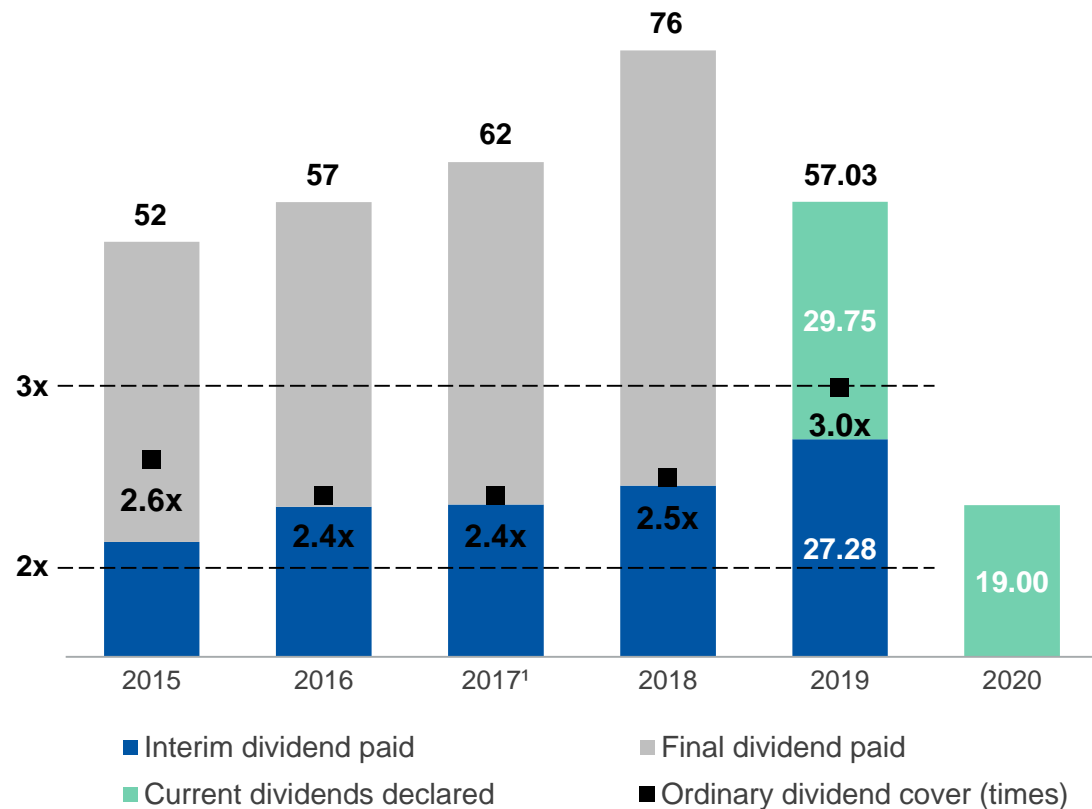


- Strong balance sheet
 - 1.4x net debt to trailing 12-month underlying EBITDA, well below our single bank debt covenant of 3.5x
- Investment grade credit ratings (BBB+ / Baa1)
- Robust liquidity of around €1.4 billion at 30 June 2020
 - €500 million Eurobond maturing in September 2020
 - No other material short-term debt maturities

Resuming dividend payments in line with our policy

Dividends

euro cents per share



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

- In August 2020, the Board was pleased to resume the payment of dividends
 - 29.75 euro cents per share dividend relating to 2019 financial year declared. Full year dividend:
 - representing a dividend cover of 3x
 - in line with stated cover policy of average 2-3x underlying earnings over the business cycle
 - Additionally, 19.00 euro cents per share 2020 interim ordinary dividend declared
 - Total payment of ~€236 million
- Consistent with policy, while retaining optionality for further value accretive growth
- Dividend policy unchanged

Appendix

**Sustainable
packaging
solutions**



Ecosolutions – Replacing plastic with paper based solutions

ECOVANTAGE



Replacing plastic bags with sustainable and efficient paper alternatives

ADVANTAGE SMOOTH WHITE STRONG



Paper based packaging for pasta, with the option for a large paper window

PERFORMING



Formable paper-based food tray that reduces CO₂ emissions and is recyclable in certain paper streams

Ecosolutions – Reducing plastic with paper based solutions

CORALTRAY



A fully corrugated alternative to plastic fruit punnets and plastic foil wrapping

MAILERBAG



100% renewable, recyclable and highly protective alternatives to LDPE or paper mailers that use bubble foil protective padding

SIDESUPPORT



Corrugated alternative to expanded polystyrene (EPS) protective components

Ecosolutions – Solutions that are recyclable by design

BARRIERPACK



A sustainable alternative for flexible laminate packaging that is fully recyclable

RECYCLABLE BARRIER FILM



A fully-recyclable thermoforming mono-material high barrier film which has a significantly lower carbon footprint compared to existing solutions

ALU REPLACEMENT



Replaces aluminium with a high-barrier mono-material that offers food protection and is recyclable where recycling streams are in place

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

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

Paper bags (Global & Europe) 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

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 report, Fastmarkets RISI Mill Asset Database, PPPC customs data, Bumprom/SBO and Mondi estimates

Uncoated fine paper (South Africa) based on Mondi estimates

Sources for relevant industry cost curves

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 2019

Discover our approach to being Sustainable by Design



TO SEE HOW WE'RE TAKING ACTION
VISIT WWW.MONDIGROUP.COM/Discovery

