Well positioned
Resilient
Delivering

Half-year results for the six months ended 30 June 2020

6 August 2020
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.

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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.
Well positioned, resilient, delivering

Fast and effective response to COVID-19, prioritising the health and safety of our people

Resilient business, providing essential products and solutions

Well positioned for recovery – leveraging global industry trends
Mondi’s decisive and effective COVID-19 response

**Protecting Our People**
- Implemented best in class safety protocols
- Protecting jobs

**Serving Our Customers**
- Uninterrupted supply
- Providing products for essential businesses including food and healthcare supply chains

**Continuing to Operate**
- Well-managed supply chain
- Limited operational disruptions

**Safeguarding Cash**
- Cost control
- Slowed down capex
- Secured ample liquidity

**Supporting Communities**
- Delivery of essential infrastructure services
- Meaningful financial and in-kind donations (~€3 million) and community relief

Exceptional dedication and performance of our people, helping to successfully navigate unprecedented operating conditions
Robust financial performance

Underlying EBITDA and ROCE
€ million and %

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE (%)</td>
<td>23.2%</td>
<td>19.8%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>894</td>
<td>764</td>
<td>738</td>
</tr>
</tbody>
</table>

Basic underlying earnings per share
euro cents per share

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings</td>
<td>96.2</td>
<td>74.9</td>
<td>73.0</td>
</tr>
</tbody>
</table>

- Robust financial performance in a challenging environment
  - Industry leading margins and returns
  - Strong cash generation and balance sheet
- Maintaining capital investment programme to deliver through the cycle growth
- Resuming dividend payments in line with policy
- Well positioned when the recovery takes place
Good volume growth in packaging businesses and strong cost control mitigating pricing pressures and lower forestry fair value gain
Strong cash generation

Movement in net debt
€ million

Net debt at 31 December 2019

Cash generated from operations
Capital expenditure
Investment in forestry assets
Tax and interest paid
Other

Net debt at 30 June 2020

2,207
336
22
156
(80)
2,039

...supporting ongoing investment in the business
Strong financial position providing strategic flexibility

**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 reconfirmed** (BBB+ / Baa1)

**Group’s maturity profile extended:**
- Issued 2.375% €750 million 8-year Eurobond
- Syndicated Revolving Credit Facility extended to July 2022 with core bank group

**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

The Board is pleased to resume 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

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1 Excludes the 2017 special dividend of 100 euro cents per share
Strong volume growth and cost control

Underlying EBITDA and margin
€ million and %

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2019</td>
<td>297</td>
<td>286</td>
<td>267</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 2019</td>
<td>28.4%</td>
<td>29.5%</td>
<td>27.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Containerboard sales volumes up
- Corrugated Solutions volumes up 4%
  - strong growth in core CEE markets
  - underpinned by innovative product portfolio and customer service
- Demand during height of lockdown characterised by:
  - strong demand in fast moving consumer goods and e-commerce
  - weaker industrial end-uses
- Significantly lower prices year-on-year
- Lower costs
- Maintenance shuts scheduled for H2
Scale and integration benefits

Underlying EBITDA and margin
€ million and %

<table>
<thead>
<tr>
<th>Period</th>
<th>EBITDA (€ million)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2019</td>
<td>304</td>
<td>21.8%</td>
</tr>
<tr>
<td>H2 2019</td>
<td>239</td>
<td>18.2%</td>
</tr>
<tr>
<td>H1 2020</td>
<td>280</td>
<td>20.3%</td>
</tr>
</tbody>
</table>

Higher sales volumes across all segments

Resilient European and North American kraft paper and paper bag demand, softer in other markets
  - supported by product development initiatives

Strong performance by Consumer Flexibles driven by FMCG exposure

Lower average kraft paper selling prices

Lower input costs and cost control initiatives

Continued innovation to support our customers' transition to more sustainable packaging

Maintenance shuts scheduled for H2

European paper bag deliveries
% growth (year-on-year)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EuroSac paper bag deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>-9%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>-6%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>-3%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>0%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>3%</td>
</tr>
<tr>
<td>April 2020</td>
<td>6%</td>
</tr>
<tr>
<td>May 2020</td>
<td>0%</td>
</tr>
<tr>
<td>Jun 2020</td>
<td>3%</td>
</tr>
</tbody>
</table>

* Mondi estimate based on industry statistics
Effectively navigating headwinds

**Underlying EBITDA and margin**
€ million and %

- Good demand in consumer end-uses
  - increased at home consumption and demand for cleaning and hygiene products
- Softer industrial and specialised end-uses – impacting release liner business
- Lower personal care components volumes as a key product matures – continued pressure expected in the medium term
- Lower pricing reflecting generally lower input costs (paper, resins)
- Strong cost control
- Leveraging coating technologies to develop sustainable packaging

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>56</td>
<td>66</td>
<td>45</td>
</tr>
<tr>
<td>Margin</td>
<td>10.8%</td>
<td>14.3%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

**Effectively navigating headwinds**
Resilient performance despite market challenges

- Lower uncoated fine paper, and significantly lower pulp prices
- Lower uncoated fine paper volumes – stable Q1 with rapid deterioration in Q2
  - reduced production across mill network to manage stock levels
- Temporary production stop at Merebank, following regulation
- Improved order books towards end of H1 as lockdown measures in key markets eased, albeit remain below pre-pandemic levels
- Lower input costs and strong cost control
- €33 million lower forestry fair value gain
- Maintenance shuts scheduled for H2
Underpinned by distinct competitive advantages

**Operational**
- Integrated, cost advantaged asset base in Russia and Slovakia
- Proven track-record of operational excellence across mill network

**Market**
- Leading market positions in our core regions
- Geographically diverse footprint with emerging market bias
- Broad product portfolio with Neusiedler focused on premium grades

**Strategic**
- Ability to sell additional market pulp to mitigate short-term UFP demand
- Leveraging integrated asset base to grow in packaging

Uncoated fine paper production capacity (1.7mtpa)
(excluding pulp, newsprint and packaging paper production)

Partly integrated dedicated UFP mills
(Neusiedler & Merebank)

Integrated mixed use mills
(Syktyvkar & Ružomberok)
DELIVERING ON OUR STRATEGY
Strategic framework driving an industry leading performance continues to be at the centre of our strategy.
Well positioned to leverage global industry trends

**Sustainability**

**E-commerce**

**Enhancing brand value**
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

9% CAGR

Source: Statista
Investing through the cycle in our world class assets

**Capital expenditure**

€ million

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>595</td>
<td>465</td>
<td>611</td>
<td>709</td>
<td>757</td>
<td>336</td>
</tr>
<tr>
<td>Growth</td>
<td>174%</td>
<td>132%</td>
<td>147%</td>
<td>173%</td>
<td>187%</td>
<td>168%</td>
</tr>
</tbody>
</table>

- 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 including:
  - Ružomberok kraft top white machine – expected start-up in H1 2021 (€370 million)
  - Štětí machine conversion on track to start-up end of 2020 (€67 million)

- 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
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
Outlook

Going into the second half of 2020, heightened macro-economic uncertainties remain. Pricing across our key pulp and paper grades is below or in line with the average of the first half. Demand for packaging daily essentials remains robust while we continue to see weakness in certain industrial end-uses. Uncoated fine paper order books have picked up from the lows seen in the second quarter, albeit we do not expect a near-term recovery to pre-pandemic levels. We have rescheduled planned mill maintenance shuts which will have an impact on the second half of the year.

We are confident that the Group will continue to demonstrate its resilience in the event of a prolonged macro-economic downturn, while remaining well-positioned when the recovery takes place. This is underpinned by the Group's integrated high-quality, cost-advantaged asset base, culture of continuous improvement, portfolio of sustainable packaging solutions and the strategic flexibility offered by our strong cash generation and financial position.
Well positioned, resilient, delivering

Fast and effective response to COVID-19, prioritising the health and safety of our people

Resilient business, providing essential products and solutions

Well positioned for recovery – leveraging global industry trends
### Mondi at a glance (2019)

<table>
<thead>
<tr>
<th>Segment revenue¹</th>
<th>Underlying EBITDA</th>
<th>ROCE</th>
<th>Products</th>
<th>End uses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corrugated Packaging</strong></td>
<td>€2,014m (27%)</td>
<td>24.9%</td>
<td>Building and construction</td>
<td>Consumer and retail²</td>
</tr>
<tr>
<td><strong>Flexible Packaging</strong></td>
<td>€2,708m (36%)</td>
<td>15.7%</td>
<td>Other (comprising chemicals, industrial, agriculture and other)</td>
<td>Consumer and retail²</td>
</tr>
<tr>
<td><strong>Engineered Materials</strong></td>
<td>€979m (13%)</td>
<td>13.8%</td>
<td>Paper for home and office printers, and professional digital and analogue printing presses</td>
<td>Consumer and retail²</td>
</tr>
<tr>
<td><strong>Uncoated Fine Paper</strong></td>
<td>€1,758m (24%)</td>
<td>25.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**Corrugated Packaging**
- #1: virgin containerboard producer in Europe
- #1: containerboard producer in emerging Europe
- #3: 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 solutions 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
H1 2020 (%)

- **North America**
  - Production: 7%
  - Customer: 11%

- **Western Europe**
  - Production: 38%
  - Customer: 38%

- **Emerging Europe**
  - Production: 35%
  - Customer: 22%

- **Russia**
  - Production: 12%
  - Customer: 9%

- **Asia & Australia**
  - Production: 1%
  - Customer: 9%

Revenue from customers in South America represented 2% in H1 2020.
Our Growing Responsibly model: An integrated approach to sustainable development

16 public commitments to be achieved by the end of 2020

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

6. Constrained resources and environmental impact
   - By 2020, reduce against 2015:
     ○ specific contact water consumption (5%)
     ○ specific waste to landfill (7.5%)
     ○ specific NOx emissions (7.5%)
     ○ specific effluent load (COD) (5%)

7. Biodiversity and ecosystems
   - Promote ecosystem stewardship in the landscapes where we operate through continued multi-stakeholder collaboration

8. Supplier conduct and responsible procurement
   - Encourage supply chain transparency and promote fair working conditions together with our key suppliers

9. Relationships with communities
   - Enhance social value in our communities through effective stakeholder engagement and meaningful social investments

10. Solutions that create value for our customers
    - Encourage sustainable responsibly procured products

11. Relationships with communities
    - Enhance social value in our communities through effective stakeholder engagement and meaningful social investments

12. Solutions that create value for our customers
    - Encourage sustainable responsibly procured products

13. Relationships with communities
    - Enhance social value in our communities through effective stakeholder engagement and meaningful social investments

14. Solutions that create value for our customers
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15. Relationships with communities
    - Enhance social value in our communities through effective stakeholder engagement and meaningful social investments

16. Solutions that create value for our customers
    - Encourage sustainable responsibly procured products

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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
2019 sustainable development highlights

Safety and health
22% reduction in total recordable case rate (TRCA) since 2015

24-hour safety mind-set
focused on the social psychology of safety at work and at home

20,000 employees
in 16 countries can now use the Employee Assistance Programme

Two fatalities
one at our Rubarbask mill in Slovakia and one at our forestry operations in Russia

Climate change and energy
Science-based targets
Formally approved covering more than 65% 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

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

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

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

Mondi’s best practice recognised by CDP leadership scores
A- Climate change
A- Forests
A Water security

EcoSolutions approach
Paper where possible, plastic when useful

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
Mondi recognised as a leader in sustainability

**External recognition**

- Advanced Reporter
  - Joined The CEO Water Mandate in 2015

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

- Sustainalytics
  - Low risk rating
  - Sustainability Yearbook 2020, #2 in sector
  - Member of the ESI Excellence Europe
  - GOLD recognition level
  - Top 1% of all suppliers

- MSCI
  - ESG Rating AAA

- Euronext Vigeo Eiris
  - Member of the FTSE4Good Index Series
  - FTSE/JSE Responsible Investment Index: Top 30

**Making a real contribution to the UN SDGs**

- UK 20
  - Europe 120

- FTSE4Good
  - Member of the FTSE4Good Index Series

- Sustaining Yearbook 2020
  - #2 in sector

- Member of the ESI Excellence Europe
Increased community support, beyond our ongoing initiatives

- Personal protective equipment (PPE) donations across our site network
- Meaningful financial and in-kind donations (~€3 million)
- Use of hospital and clinics to strengthen infrastructure and capacity

- Food donations and fresh water access to remote communities and people in need
- Donation of supplies and resources to schools and surrounding communities

- Continued power supply, wastewater treatment services and waste disposal services
- Continued to support local enterprise
A unique platform to deliver

High
High
Low

Renewable
Recyclable

Barrier functionality

Low
Low
High

Moisture
Grease
Mineral Oil
Gas

Paper
Added barriers
Material
Barrier films
Aluminium foil

PAPER
where possible...
SUSTAINABLE SOLUTIONS

....PLASTIC
when useful

Renewable
Recyclable

Barrier functionality

Low
Low
High

Moisture
Grease
Mineral Oil
Gas

Paper
Added barriers
Material
Barrier films
Aluminium foil

PAPER
where possible...
SUSTAINABLE SOLUTIONS

....PLASTIC
when useful
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
– 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

**SiDE SUPPORT**
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
Due to commercial, logistic and sustainability considerations, the actual wood procured from our managed forests was lower than the annual allowable cut. In addition to the 1.5mt of uncoated fine paper, the Group also produced 0.2mt of newsprint.

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.
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
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
Business unit contribution

Business unit underlying EBITDA development

€ million

H1 2019

- Corrugated Packaging: 894
- Flexible Packaging: (24)
- Engineered Materials: (11)
- Uncoated Fine Paper: (90)
- Corporate: (1)

H1 2020

- Corrugated Packaging: 738

H1 2020 underlying EBITDA by business unit¹

%  

- Corrugated Packaging: 35%
- Flexible Packaging: 37%
- Engineered Materials: 22%
- Uncoated Fine Paper: 6%

¹ Breakdown excludes corporate costs
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.
Investing in our business and distributions to shareholders

**Cash flow generation since listing**
€ billion (2007 – H1 2020)

<table>
<thead>
<tr>
<th>Strong cash generation through the cycle</th>
<th>Investing in our cost advantaged asset base</th>
<th>Taking advantage of opportunities at the right value</th>
<th>Divesting non-core and underperforming operations</th>
<th>Returning capital to our shareholders in line with our cash flow priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1</td>
<td>(7.0)</td>
<td>(2.5)</td>
<td>0.8</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Cash flow generation</td>
<td>Capital expenditure</td>
<td>Acquisitions</td>
<td>Disposals</td>
<td>Payment of dividends to shareholders</td>
</tr>
<tr>
<td>Increase in net debt</td>
<td></td>
<td></td>
<td></td>
<td>Increase in net debt</td>
</tr>
</tbody>
</table>

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
Technical guidance

Capital expenditure

Depreciation and amortisation

Estimated impact of planned mill maintenance shuts

Working capital as a % of revenue

Effective tax rate

<table>
<thead>
<tr>
<th>2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>€600 – 650 million</td>
<td></td>
</tr>
<tr>
<td>€410 – 440 million</td>
<td></td>
</tr>
<tr>
<td>± €100 million</td>
<td></td>
</tr>
<tr>
<td>12 – 14%</td>
<td></td>
</tr>
<tr>
<td>± 23%</td>
<td></td>
</tr>
</tbody>
</table>
Key paper and pulp European selling prices

**Containerboard and OCC**
€/tonne

**Sack kraft paper**
Prices indexed to June 2015

**Pulp and UFP**
€/tonne

Source: Fastmarkets FOEX for Containerboard, OCC, Pulp and UFP. Fastmarkets RISI for semi-chemical fluting (average of France, Germany, Italy and Spain prices). Mondi for sack kraft paper.
Input costs

Variable costs

€ million

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wood</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper for recycling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plastics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other variable costs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fixed costs

Fixed costs (excluding special items)

€ million

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance and other indirect expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed costs excluding depreciation, amortisation and impairments as a % of revenue</td>
<td>21.3%</td>
<td>23.1%</td>
<td>24.0%</td>
</tr>
</tbody>
</table>

- Depreciation, amortisation and impairments
- Other net operating expenses
- Fixed costs excluding depreciation, amortisation and impairments as a % of revenue
## Financial review

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
<th>% change vs H1 2019</th>
<th>% change vs H2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA</td>
<td>894</td>
<td>764</td>
<td>738</td>
<td>(17%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairments</td>
<td>(215)</td>
<td>(220)</td>
<td>(214)</td>
<td>–</td>
<td>3%</td>
</tr>
<tr>
<td>Underlying operating profit</td>
<td>679</td>
<td>544</td>
<td>524</td>
<td>(23%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Underlying net finance costs</td>
<td>(45)</td>
<td>(59)</td>
<td>(51)</td>
<td>(13%)</td>
<td>14%</td>
</tr>
<tr>
<td>Underlying profit before tax</td>
<td>634</td>
<td>485</td>
<td>472</td>
<td>(26%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Underlying tax charge</td>
<td>(146)</td>
<td>(111)</td>
<td>(107)</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>Underlying non-controlling interests</td>
<td>(22)</td>
<td>(11)</td>
<td>(11)</td>
<td>50%</td>
<td>–</td>
</tr>
<tr>
<td>Underlying earnings</td>
<td>466</td>
<td>363</td>
<td>354</td>
<td>(24%)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Special items (before tax)</td>
<td>(2)</td>
<td>(14)</td>
<td>(5)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Profit for the year attributable to shareholders</td>
<td>464</td>
<td>348</td>
<td>349</td>
<td>(25%)</td>
<td>–</td>
</tr>
<tr>
<td>Basic earnings per share (euro cents)</td>
<td>95.8</td>
<td>71.8</td>
<td>72.0</td>
<td>(25%)</td>
<td>–</td>
</tr>
<tr>
<td>Basic underlying earnings per share (euro cents)</td>
<td>96.2</td>
<td>74.9</td>
<td>73.0</td>
<td>(24%)</td>
<td>(3%)</td>
</tr>
</tbody>
</table>
## Cash flow (reconciling to movement in net debt)

<table>
<thead>
<tr>
<th>€ million</th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
<th>% change vs H1 2019</th>
<th>% change vs H2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA</td>
<td>894</td>
<td>764</td>
<td>738</td>
<td>(17%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Working capital movements</td>
<td>(104)</td>
<td>139</td>
<td>(133)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating cash flow items</td>
<td>(53)</td>
<td>(5)</td>
<td>(3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>737</td>
<td>898</td>
<td>602</td>
<td>(18%)</td>
<td>(33%)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(167)</td>
<td>(81)</td>
<td>(111)</td>
<td>34%</td>
<td>(37%)</td>
</tr>
<tr>
<td>Dividends received from other investments</td>
<td>–</td>
<td>1</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>570</td>
<td>818</td>
<td>491</td>
<td>(14%)</td>
<td>(40%)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(339)</td>
<td>(418)</td>
<td>(336)</td>
<td>1%</td>
<td>20%</td>
</tr>
<tr>
<td>Investment in forestry assets</td>
<td>(23)</td>
<td>(25)</td>
<td>(22)</td>
<td>4%</td>
<td>12%</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(42)</td>
<td>(54)</td>
<td>(45)</td>
<td>(7%)</td>
<td>17%</td>
</tr>
<tr>
<td>Dividends paid to shareholders and non-controlling interests</td>
<td>(266)</td>
<td>(133)</td>
<td>(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investing and financing activities</td>
<td>(38)</td>
<td>(37)</td>
<td>81</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net (increase)/decrease in net debt</strong></td>
<td>(138)</td>
<td>151</td>
<td>168</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Statement of financial position

<table>
<thead>
<tr>
<th>€ million</th>
<th>30 June 2019</th>
<th>31 December 2019</th>
<th>30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>4,520</td>
<td>4,800</td>
<td>4,614</td>
</tr>
<tr>
<td>Goodwill</td>
<td>946</td>
<td>948</td>
<td>931</td>
</tr>
<tr>
<td>Working capital</td>
<td>1,131</td>
<td>952</td>
<td>1,070</td>
</tr>
<tr>
<td>Other assets</td>
<td>598</td>
<td>620</td>
<td>527</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(729)</td>
<td>(728)</td>
<td>(643)</td>
</tr>
<tr>
<td><strong>Net assets excluding net debt</strong></td>
<td><strong>6,466</strong></td>
<td><strong>6,592</strong></td>
<td><strong>6,499</strong></td>
</tr>
<tr>
<td>Equity</td>
<td>3,757</td>
<td>4,015</td>
<td>4,087</td>
</tr>
<tr>
<td>Non-controlling interests in equity</td>
<td>351</td>
<td>370</td>
<td>373</td>
</tr>
<tr>
<td>Net debt</td>
<td>2,358</td>
<td>2,207</td>
<td>2,039</td>
</tr>
<tr>
<td><strong>Capital employed</strong></td>
<td><strong>6,466</strong></td>
<td><strong>6,592</strong></td>
<td><strong>6,499</strong></td>
</tr>
</tbody>
</table>
## Production volumes

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
<th>% change vs H1 2019</th>
<th>% change vs H2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Containerboard ('000 tonnes)</td>
<td>1,234</td>
<td>1,290</td>
<td>1,304</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Kraft paper ('000 tonnes)</td>
<td>622</td>
<td>540</td>
<td>595</td>
<td>(4%)</td>
<td>10%</td>
</tr>
<tr>
<td>Uncoated fine paper ('000 tonnes)</td>
<td>770</td>
<td>756</td>
<td>706</td>
<td>(8%)</td>
<td>(7%)</td>
</tr>
<tr>
<td>Newsprint ('000 tonnes)</td>
<td>104</td>
<td>97</td>
<td>86</td>
<td>(17%)</td>
<td>(11%)</td>
</tr>
<tr>
<td>Pulp ('000 tonnes)</td>
<td>2,182</td>
<td>2,205</td>
<td>2,322</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Internal consumption ('000 tonnes)</td>
<td>1,964</td>
<td>1,919</td>
<td>1,987</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Market pulp ('000 tonnes)</td>
<td>218</td>
<td>286</td>
<td>335</td>
<td>54%</td>
<td>17%</td>
</tr>
<tr>
<td>Corrugated solutions (million m²)</td>
<td>816</td>
<td>837</td>
<td>855</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Paper bags (million units)</td>
<td>2,683</td>
<td>2,545</td>
<td>2,701</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Consumer flexibles (million m²)</td>
<td>1,272</td>
<td>1,185</td>
<td>1,340</td>
<td>5%</td>
<td>13%</td>
</tr>
<tr>
<td>Engineered Materials (million m²)</td>
<td>2,858</td>
<td>2,648</td>
<td>2,668</td>
<td>(7%)</td>
<td>1%</td>
</tr>
</tbody>
</table>
### Exchange rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
<th>% change vs H1 2019</th>
<th>% change vs H2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>South African rand</td>
<td>16.12</td>
<td>15.78</td>
<td>19.44</td>
<td>(21%)</td>
<td>(23%)</td>
</tr>
<tr>
<td>Czech koruna</td>
<td>25.45</td>
<td>25.41</td>
<td>26.74</td>
<td>(5%)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Polish zloty</td>
<td>4.25</td>
<td>4.26</td>
<td>4.46</td>
<td>(5%)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Pound sterling</td>
<td>0.90</td>
<td>0.85</td>
<td>0.91</td>
<td>(1%)</td>
<td>(7%)</td>
</tr>
<tr>
<td>Russian rouble</td>
<td>71.60</td>
<td>69.96</td>
<td>79.63</td>
<td>(11%)</td>
<td>(14%)</td>
</tr>
<tr>
<td>Turkish lira</td>
<td>6.57</td>
<td>6.68</td>
<td>7.68</td>
<td>(17%)</td>
<td>(15%)</td>
</tr>
<tr>
<td>US dollar</td>
<td>1.14</td>
<td>1.12</td>
<td>1.12</td>
<td>2%</td>
<td>–</td>
</tr>
</tbody>
</table>

#### Average rates against the euro

<table>
<thead>
<tr>
<th>Currency</th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>H1 2020</th>
<th>% change vs H1 2019</th>
<th>% change vs H2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>South African rand</td>
<td>16.04</td>
<td>16.30</td>
<td>18.31</td>
<td>(14%)</td>
<td>(12%)</td>
</tr>
<tr>
<td>Czech koruna</td>
<td>25.68</td>
<td>25.66</td>
<td>26.33</td>
<td>(3%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Polish zloty</td>
<td>4.29</td>
<td>4.30</td>
<td>4.41</td>
<td>(3%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Pound sterling</td>
<td>0.87</td>
<td>0.88</td>
<td>0.87</td>
<td>–</td>
<td>1%</td>
</tr>
<tr>
<td>Russian rouble</td>
<td>73.75</td>
<td>71.20</td>
<td>76.67</td>
<td>(4%)</td>
<td>(8%)</td>
</tr>
<tr>
<td>Turkish lira</td>
<td>6.35</td>
<td>6.36</td>
<td>7.15</td>
<td>(13%)</td>
<td>(12%)</td>
</tr>
<tr>
<td>US dollar</td>
<td>1.13</td>
<td>1.11</td>
<td>1.10</td>
<td>3%</td>
<td>1%</td>
</tr>
</tbody>
</table>

1 (Weaker/devaluation of currency against euro) / Stronger currency against euro
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
THANK YOU!