

Mondi plc

(Incorporated in England and Wales)
(Registered number: 6209386)
LEI: 213800LOZA69QFDC9N34

LSE share code: MNDI ISIN: GB00B1CRLC47
JSE share code: MNP

This announcement contains inside information.

6 August 2020

Half-year results for the six months ended 30 June 2020 (short form announcement)

Highlights

- **Robust financial performance in a challenging environment**
 - Underlying EBITDA of €738 million with margin of 21.4%
 - Profit before tax of €466 million
 - Basic underlying earnings of 73.0 euro cents per share
 - Cash generated from operations of €602 million
 - Return on capital employed of 17.1%
 - Strong balance sheet with 1.4 times net debt to 12-month trailing underlying EBITDA at 30 June 2020
- **Decisive and effective COVID-19 response**
 - Priority to protect our people, serve our customers and support our communities and partners
 - Tight cost control
 - Postponed planned maintenance shuts to second half
 - Reduced 2020 capital investments, while maintaining our programme to deliver growth through the cycle
 - Further strengthened liquidity, including issuing a €750 million 8-year Eurobond
- **Resuming dividend payments in line with policy**
 - 29.75 euro cents per share dividend relating to 2019 financial year declared
 - 19.00 euro cents per share 2020 interim ordinary dividend declared
- **Well positioned for recovery with resilient business model, cost-advantaged asset base, strong balance sheet and unique portfolio of sustainable packaging solutions**

Financial summary

€ million, except for percentages and per share measures	Six months ended 30 June 2020	Six months ended 30 June 2019	Change %
Group revenue	3,452	3,771	(8)%
Underlying EBITDA ¹	738	894	(17)%
Underlying operating profit ¹	524	679	(23)%
Operating profit	518	679	(24)%
Profit before tax	466	632	(26)%
Basic underlying earnings per share ¹ (euro cents)	73.0	96.2	(24)%
Basic earnings per share (euro cents)	72.0	95.8	(25)%
Basic headline earnings per share ¹ (euro cents)	71.6	95.6	(25)%
Dividend relating to 2019 financial year per share (euro cents)	29.75		
Interim ordinary dividend per share (euro cents)	19.00	27.28	(30)%
Cash generated from operations	602	737	(18)%
Net debt ¹	2,039	2,358	
Underlying EBITDA margin ¹	21.4 %	23.7 %	
Return on capital employed (ROCE) ¹	17.1 %	23.2 %	

Note:

¹ The Group presents certain measures of financial performance, position or cash flows that are not defined or specified according to International Financial Reporting Standards (IFRS). These measures, referred to as Alternative Performance Measures (APMs), are defined at the end of the full announcement and where relevant, reconciled to IFRS measures in the notes to the condensed consolidated financial statements (see link to the full announcement below).

Andrew King, Mondi Group Chief Executive Officer, said:

"Mondi delivered a robust performance in the first half of 2020, with underlying EBITDA of €738 million. This reflects the resilience of our business model, achieved despite starting the year with significantly lower average selling prices across our key pulp and paper grades and the challenges brought by COVID-19.

We took decisive action in the early stages of the pandemic, moving quickly to safeguard our people, support our communities and protect the profitability, liquidity and cash flow of the business while seeking to ensure we are well placed to benefit when the recovery comes.

Sustainable packaging continues to be a long-term priority for our customers and wider society. As a leading producer of both paper and flexible plastic-based packaging, we are in a unique position to support our customers' environmental goals with packaging that is sustainable by design adhering to our principle of *paper where possible, plastic when useful*.

The Board recognises the importance of dividends to shareholders. Having delivered a robust trading performance in the first half of the year and given our resilient business model and strong financial position, the Board has revisited the decision taken in April to suspend the final 2019 dividend and is pleased to resume the payment of dividends.

The Board has declared a dividend of 29.75 euro cents per share relating to 2019. Together with the 2019 interim ordinary dividend paid in September 2019, this results in a total dividend of 57.03 euro cents per share relating to the 2019 financial year, covered three times by 2019 underlying earnings per share. This is in line with our stated dividend policy of targeting a cover range on average of two to three times underlying earnings over the business cycle. Furthermore, the Board has declared a 2020 interim ordinary dividend of 19.00 euro cents per share, bringing the total dividend declared to 48.75 euro cents per share.

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.

I firmly believe that our embedded safety culture was key in facilitating a fast and effective response to protect our people, communities and business partners during this pandemic. I am incredibly proud of how our teams have risen to the challenge and my thanks go to my colleagues for their endurance, enterprise and ongoing commitment."

Dividend

The Board recognises the importance of dividends to shareholders. Having delivered a robust trading performance in the first half of the year and given our resilient business model and strong financial position, the Board has revisited the decision taken in April to suspend the final 2019 dividend and is pleased to resume the payment of dividends.

The Board has declared a dividend of 29.75 euro cents per share relating to 2019. Furthermore, the Board has declared a 2020 interim ordinary dividend of 19.00 euro cents per share. Both dividends, amounting to a total of 48.75 euro cents per share (total of around €236 million), will be paid as interim dividends in accordance with the timetable shown below.

This decision is consistent with our stated cover policy, while ensuring we retain the optionality for further value accretive growth provided by a strong financial position. Our dividend policy remains unchanged.

Last date to trade shares cum-dividend

JSE Limited	Tuesday 18 August 2020
London Stock Exchange	Wednesday 19 August 2020

Shares commence trading ex-dividend

JSE Limited	Wednesday 19 August 2020
London Stock Exchange	Thursday 20 August 2020

Record date

Friday 21 August 2020

Last date for receipt of Dividend Reinvestment Plan (DRIP) elections by Central Securities Depository Participants

Thursday 27 August 2020

Last date for DRIP elections to UK Registrar and South African Transfer Secretaries:

South African Register	Friday 28 August 2020
UK Register	Monday 7 September 2020

Payment Date

Tuesday 29 September 2020

DRIP purchase settlement dates (subject to market conditions and the purchase of shares in the open market):

UK Register	Thursday 1 October 2020
South African Register	Monday 5 October 2020

Currency conversion dates

ZAR/euro

Thursday 6 August 2020

Euro/sterling

Tuesday 15 September 2020

Share certificates on Mondi plc's South African register may not be dematerialised or rematerialised between Wednesday 19 August 2020 and Friday 21 August 2020, both dates inclusive, nor may transfers between the UK and South African registers of Mondi plc take place between Wednesday 12 August 2020 and Friday 21 August 2020, both dates inclusive.

Information relating to the dividend tax to be withheld from Mondi plc shareholders on the South African branch register will be announced separately, together with the ZAR/euro exchange rate to be applied, on or shortly after Thursday 6 August 2020.

The dividends will be paid from distributable reserves. For further information please see the full announcement (link below).

Short form announcement

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement accessible from Thursday, 6 August 2020, via the JSE link below and also available on our website at www.mondigroup.com/en/investors/results-and-reports.

The full announcement is available at our registered office and our sponsor's office for inspection, at no charge, during office hours. Copies of the full announcement may also be requested by email: Investor.Relations@mondigroup.com

The JSE link is as follows: <https://senspdf.jse.co.za/documents/2020/jse/isse/MNP/HY2020.pdf>

Enquiries

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Conference call dial-in and webcast details

Please see below details for the conference call and webcast that will be held at 09:00 (UK) and 10:00 (CET/SA) today.

The conference call dial-in numbers are:

UK 0800 2796 619
South Africa 0800 014 552
Other +44 2071 928 338

Conference ID 6253268

The webcast will be available via www.mondigroup.com/hyresults20

The presentation will be available to download from the above website around 30 minutes before the webcast commences. Written questions can be submitted via the webcast. If you wish to ask a question verbally, please connect via the dial-in conference call.

Should you have any issues on the day with accessing the dial-in conference call facility, please call +44 2071 928 338. For queries regarding access to the webcast, please e-mail group.communication@mondigroup.com and you will be contacted as soon as possible. A video recording of the presentation will be available on Mondi's website during the afternoon of 6 August 2020.

Editors' notes

Mondi is a global leader in packaging and paper, contributing to a better world by making innovative packaging and paper solutions that are sustainable by design. Our business is fully integrated across the value chain – from managing forests and producing pulp, paper and plastic films, to developing and manufacturing effective industrial and consumer packaging solutions. Sustainability is at the centre of our strategy and intrinsic in the way we do business. We lead the industry with our customer-centric approach, EcoSolutions, where we ask the right questions to find the most sustainable solution. In 2019, Mondi had revenues of €7.27 billion and underlying EBITDA of €1.66 billion.

Mondi has a premium listing on the London Stock Exchange (MNDI), and a secondary listing on the JSE Limited (MNP). Mondi is a FTSE 100 constituent, and has been included in the FTSE4Good Index Series since 2008 and the FTSE/JSE Responsible Investment Index Series since 2007.

Sponsor in South Africa: UBS South Africa Proprietary Limited.