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PRESS RELEASE

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Financial performance, paper sector: 2019 was a good year for Fedrigoni Group with a positive Q1 2020 despite Covid-19 crisis

The leading Italian company in Europe saw a drop in sales in its paperand securities (banknotes) sectors, offset by a good performance in its labels sector,to close Q1 with its operating margin increasing by 1.1%. Annual financial statements recorded an adjusted EBITDA increasing by 18.7%, compared to stable revenue of more than €1,170 million

Verona, 8 June 2020 – Fedrigoni, the leading Italian company in Europe for the production of paper for packaging, self-adhesive labels, printing and banknotes and securities has closed the first quarter of 2020 with an operating margin of €45.7 million (+1.1% compared to March 2019, on a like-for-like basis). The number includes the newly purchased Ritrama company, even though revenue remained at €374.2 million (-7.9%) due to a general drop in demand, which also affected paper, resulting from the lockdown and the closure of many plants in response to the Covid19 emergency.

"The results are affected by the general impact of the epidemic on the markets in March, after 2 months in which Fedrigoni Group had recorded solid growth," states Marco Nespolo, CEO of Fedrigoni, "and by ongoing difficulty in the banknotes sector, which has however been offset by excellent results in self-adhesive labels, whose adjusted EBITDA increased to double figures. We have in fact achieved a stronger, more complete positioning in the pressure sensitive labels division with the purchase of Ritrama, which was completed in February and already foresees ambitious developments, making us the third largest global player, and allowing us to resupply markets such as food, pharma, logistics and personal care that during and after Covid have actually grown."

"Despite the adverse situation we are benefiting from changes that were launched over the last year," continues Nespolo, "from the strengthening of the management team to the development of increasingly top-performing, eco-friendly products, from acquisitions to investment in technology, from the revision of prices and costs to scouting out new markets. All these steps have allowed us to increase operating margins despite a drop in turnover. The Covid emergency forced us to implement corrective measures but it will not stop us from following our development plan and strategic initiatives that we have drawn up to develop the group."

2019 closed with excellent results: a turnover of €1,171.4 million (excluding Ritrama, which had not yet been formally acquired), in line with the previous year but with an adjusted EBITDA of €162.7 million (+18.7% on a like-for-like basis). This was due to strong performances in the self-adhesive labels division, which saw an increase in

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revenue (€391 million, +4.2%) and volume, as well as from increased operating margins for paper despite the stable revenue, which compensated for the predicted decrease in the banknotes sector, whose complexity makes it the weakest link in the chain.

Fedrigoni was bought by Bain Capital, a US investment fund, in 2018, which boosted the group's development significantly. After the acquisition of Cordenons, a producer of fine and technical paper located in Milan, with two plants in Trento and Pordenone, the group acquired Ritrama in 2019, an Italian multinational producing self-adhesive products with production sites in Italy, Spain, UK, Chile and China. These were two important steps for Fedrigoni's development plans, which include expanding by purchasing organisations that complete its range, conquering new markets and geographical areas, and developing new products in high value-added market segments. The group is already a leader in areas such as packaging for luxury fashion and cosmetic brands as well as labels for the wine industry and it maintains a strong, eco-friendly, cultural and sustainable footprint.