
PRESS RELEASE

4 November: Smurfit Kappa Group plc ('SKG', 'Smurfit Kappa' or 'the Group') today announced a trading update for the 9 months to 30 September 2020.

First Nine Months Overview

- Third quarter performance ahead of our expectations
- Revenue of €6,312 million for the nine months
- EBITDA of €1,125 million for the nine months
- EBITDA Margin of 17.8% for the nine months
- Second interim dividend at 27.9 cent per share

Performance Overview

Smurfit Kappa Group has delivered a strong set of results for the first nine months with an EBITDA of €1,125 million and an EBITDA margin of 17.8%. Our third quarter EBITDA of €390 million was particularly pleasing, both from an operational and financial perspective, demonstrating, once again, the strength and resilience of the Group.

Our results reflect the continuing benefits of our capital allocation decisions, our ability to effectively manage our cost base, our geographic reach and the recovery in demand in both our European and Americas businesses. The results also highlight the value our 65,000 customers place on our innovation, our expertise in managing supply chains and our sustainability credentials.

Our business today is strongly weighted towards FMCG customers where we are well positioned to enhance our growth from the accelerating trends in e-commerce, innovative packaging and increased consumer demand for sustainable packaging. During the year we have adapted to new ways of working, both remotely and within our operations. We will use these new ways of working to look for opportunities to further increase our operating efficiency and effectiveness across our system. We are currently developing a programme which is designed to ensure that we retain the benefits in the years ahead. We expect to announce the costs and associated benefits of this programme with the year-end results in February.

During this unprecedented time in all of our lives, the effort and dedication of our 46,000 employees has been remarkable in ensuring that Smurfit Kappa has continued to deliver for our customers, their critical supply chains and our communities. To recognise our peoples' response to the pandemic, SKG will be awarding all permanent employees with a unique recognition reward in the fourth quarter. In addition, while not material, we have taken the decision to repay any specific government support schemes related to the COVID-19 pandemic.

Tony Smurfit, Group CEO, commented:

"I am pleased to report that the quality of our business and the strength of our people has produced an excellent performance in both the third quarter and the year-to-date. While some uncertainty still exists around the evolution of the effects of COVID-19 in the weeks ahead, absent a dramatic change to working practices, the Group expects to deliver EBITDA in the range of €1,460 million to €1,480 million for the full year 2020.

"We are increasingly excited by our future prospects and the structural growth drivers of our business including e-commerce and sustainable packaging as well as our innovative ability to capitalise on these opportunities. Reflecting the Board's confidence in SKG's performance and prospects, it is recommending a second interim dividend of 27.9 cent per share. This second interim dividend, following the payment of an interim dividend in September, ensures the Group is aligned with the dividend payment cycles of previous years. It is proposed to pay this dividend on 11 December 2020 to all ordinary shareholders on the share register at the close of business on 20 November 2020."

This announcement contains inside information. The person responsible for arranging for the release of this announcement on behalf of Smurfit Kappa Group plc is Gillian Carson-Callan, Company Secretary. The date and time of this announcement is the same as the date and time that it has been communicated to the media, at 7am on 4 November 2020.



About Smurfit Kappa

Smurfit Kappa, a FTSE 100 company, is one of the leading providers of paper-based packaging solutions in the world, with approximately 46,000 employees in over 350 production sites across 35 countries and with revenue of €9.0 billion in 2019. We are located in 23 countries in Europe, and 12 in the Americas. We are the only large-scale pan-regional player in Latin America.

With our pro-active team, we relentlessly use our extensive experience and expertise, supported by our scale, to open up opportunities for our customers. We collaborate with forward-thinking customers by sharing superior product knowledge, market understanding and insights in packaging trends to ensure business success in their markets. We have an unrivalled portfolio of paper-packaging solutions, which is constantly updated with our market-leading innovations. This is enhanced through the benefits of our integration, with optimal paper design, logistics, timeliness of service, and our packaging plants sourcing most of their raw materials from our own paper mills.

Our products, which are 100% renewable and produced sustainably, improve the environmental footprint of our customers.

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Forward Looking Statements

This Announcement contains certain statements that are forward-looking. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations of the Group about future events, and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although the Group believes that current expectations and assumptions with respect to these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements should therefore be construed in the light of such factors. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. Other than in accordance with legal or regulatory obligations, the Group is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. The forward-looking statements in this document do not constitute reports or statements published in compliance with any of Regulations 6 to 8 of the Transparency (Directive 2004/109/EC) Regulations 2007.

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