

Press Release

1 November: Smurfit Kappa Group plc ('SKG', 'Smurfit Kappa' or 'the Group') today announced a trading update for the 9 months to 30 September 2023.

2023 First Nine Months | Key Financial Performance Measures

€m	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change
Revenue	€2,696	€3,340	(19%)	€8,533	€9,724	(12%)
EBITDA	€512	€593	(14%)	€1,625	€1,767	(8%)
EBITDA Margin	19.0%	17.8%		19.0%	18.2%	
Operating Profit before Exceptional Items	€351	€419	(16%)	€1,129	€1,258	(10%)
Profit before Income Tax	€281	€372	(25%)	€939	€1,141	(18%)
Basic EPS (cent)	77.7	111.5	(30%)	261.7	333.4	(22%)
Pre-exceptional Basic EPS (cent)	86.7	111.5	(22%)	283.9	333.4	(15%)
Free Cash Flow	€214	€337	(36%)	€333	€309	8%
Return on Capital Employed				18.0%	20.6%	

Net Debt		€3,042	€3,028	1%
Net Debt to EBITDA (LTM)		1.4x	1.4x	

Key Points:

- EBITDA of €1,625 million with an EBITDA margin of 19.0%
- ROCE of 18.0% reflecting the ongoing benefit of capital plans and operating excellence
- Net Debt to EBITDA ratio of 1.4x
- Announced transaction to combine Smurfit Kappa and WestRock, creating a global leader in sustainable fibre-based packaging

Tony Smurfit, Group CEO, commented:

"We are pleased to report an excellent performance for the first nine months with EBITDA of €1,625 million, an EBITDA margin of 19.0%, a ROCE of 18.0% and a net debt to EBITDA of 1.4x.

"These results continue to demonstrate the effectiveness of our multi-year capital plans, our geographic footprint and the service and dedication of our people. SKG provides its customers with innovative and sustainable products, delivered and supported by the security of our integrated model.

"Box demand in the third quarter for the Group was approximately 2% behind 2022 levels versus a negative 7% and 5% in the first and second quarters respectively. We expect this trend to continue, with Germany in particular showing improved order books.

"On 12 September, Smurfit Kappa and WestRock announced an agreement to combine to create Smurfit WestRock, a global leader in sustainable fibre-based packaging. This combination represents a unique point in time, value creation opportunity, for both companies. We are increasingly excited to create the 'Go-To' fibre-based packaging partner of choice for all stakeholders.

"Our consistent delivery, over many years, demonstrates the quality of our business and the capital allocation decisions we have made. For the full year 2023 we expect to deliver EBITDA of approximately €2,050 million."



About Smurfit Kappa

Smurfit Kappa, a FTSE 100 company, is one of the leading providers of paper-based packaging solutions in the world, with more than 47,000 employees in over 350 production sites across 36 countries and with revenue of €12.8 billion in 2022. We are located in 22 countries in Europe, 13 in the Americas and one in Africa. We are the only large-scale pan-regional player in Latin America. Our products, which are 100% renewable and produced sustainably, improve the environmental footprint of our customers.

With our proactive 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-based 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.

We have a proud tradition of supporting social, environmental and community initiatives in the countries where we operate. Through these projects we support the UN Sustainable Development Goals, focusing on where we believe we have the greatest impact.

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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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