



Dynamically and sustainably delivering

2023 Half Year Results



Creating the future together

Disclaimer

This presentation 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.

Please refer to the Principal Risks and Uncertainties contained in the HY'23 Press Release for details.

Introduction

**A globally admired
business, dynamically
and sustainably
delivering secure and
superior returns for all
stakeholders**



Dynamically delivering



A proven track record of investment in our people

TALENT MANAGEMENT

Differentiating Smurfit Kappa as an **inclusive workplace** with people development and talent management at the core.

Attracting, retaining and creating the **next generation of talent** for the Group - we have an **average tenure of 22 years** among our senior management team.

INVESTING IN OUR PEOPLE

INSEAD: SK Open Leadership Programme - 400 managers

HARVARD - Executive Education

GMP – SK's Global Manager Programme

AMD – 22 years of Advanced Management Development

Early Careers – Graduates

SK RISE – SK's new Female Development Programme



Grounded in our values; Loyalty, Integrity, Respect and Safety, reinforcing our Open Leadership Model
A high performance culture with a diverse and engaged workforce

Disciplined capital allocation

Capital expenditure delivering higher returns



- Over **€6bn** spend since 2012

Recent capex delivering optimised asset base equipped for future growth



- Box plants optimally invested

Delivering quality, innovative sustainable packaging solutions for our customers



- Mill assets low on the cost curve

Greater capacity on less machines, producing grades required at the box plants





Disciplined capital allocation

Track record of successful M&A integration

€2bn spent since 2012

Increased diversification across the portfolio

37 acquisitions since 2012

Strengthened integration

Including **2** world class paper mills



Integration

Security of supply and operational excellence



- Utilisation rates in mills are high as paper is pre-sold to box plants
- Mills make limited number of paper grades to satisfy demand of box plants
- No chopping and changing of specification to satisfy demands of third party market
- Guaranteed quality and supply in the box plants eliminate potential supply chain disruption for end customer
- Consequence of the integrated model is less volatility in earnings

Innovation

Powered by data, experience, expertise,
creativity and intuition



> 6,000,000

MEASUREMENTS
TO VALIDATE
PAPER TO BOX



> 130,000

SHOPPER CONTACTS
FROM SHELFSMART



> 100,000

SUPPLY CHAINS
ANALYSED IN
SUPPLY SMART



> 8,500

CREATIVE DESIGNS
IN INNOBOOK



> 180,000

IN-STORE VIEWS IN
SHELF VIEWER



A proven track record of excellence in Sustainability



CCC B BB BBB A AA AAA



FTSE4Good



€994m of investments in CO₂ reduction since 2005, including: Nettingsdorf (Austria) bio-boiler, Nuevo Laredo (Mexico) corrugated plant upgrade and Zülpich (Germany) move from coal to natural gas

43.9% relative CO₂ emission reduction since 2005

23.5% of management positions across the Group held by women

109,000 people impacted through our social projects in 2022



24% reduction of waste to landfill from our paper mills since 2013

Game changing packaging innovations with: TechniPaper® AquaStop™

94.3% of packaging sold as CoC certified



38.5% of SK Board positions held by women*

* at the time of publication

36.9% COD reduction since 2005

€26m of investments in water treatment projects in 2022

2.1% reduction in water consumption from 2021

1st paper mill in the world to successfully trial hydrogen energy production



Financials



Half Year Highlights

Revenue of **€5.8bn**

EBITDA of **€1,113m** with a margin of **19.1%**

EPS of **197.2 cent**

Free Cash Flow of **€119m**

ROCE of **19%**

Net Debt to EBITDA **1.4x**

Interim Dividend up **6%** to **33.5 c** per share



Capital allocation

Driving future success



Capital Expenditure

Growth, integration & sustainability focused
Supporting ROCE target of 17%



Dividend

Progressive policy
Key component of capital allocation discussion



M&A

Disciplined approach
Historical pre synergy multiples of approx. 7x EV/EBITDA



Balance Sheet

Investment grade
1.5x – 2x Net Debt/EBITDA
No significant maturities until 2026
Average interest rate 3.06%

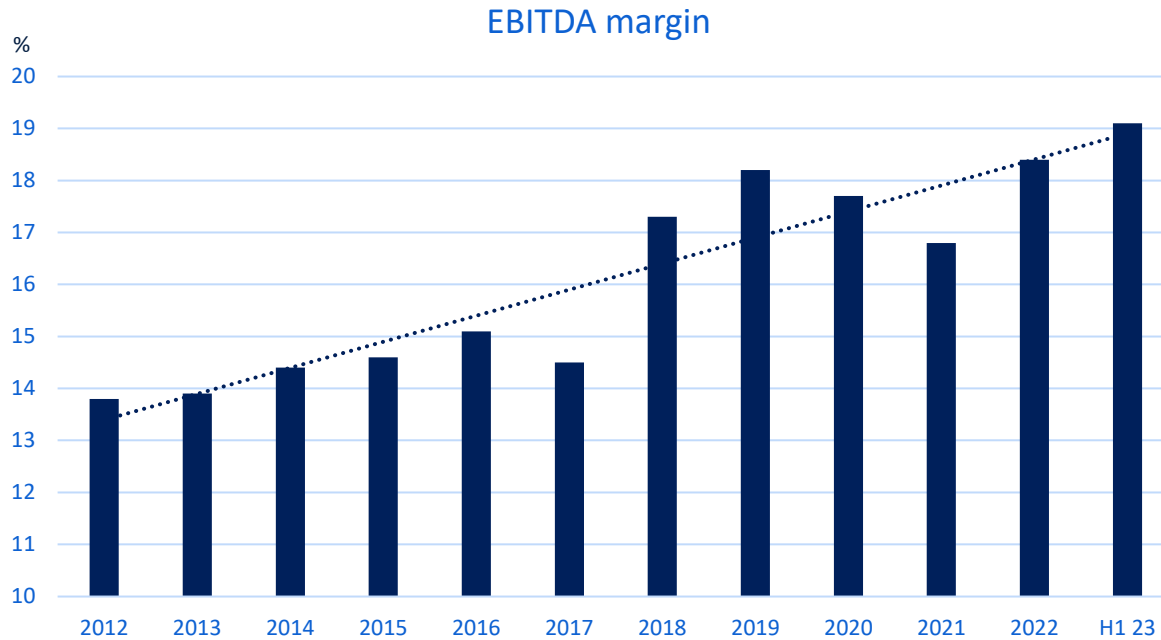


Other shareholder returns

Selective when other capital allocation demands have been satisfied



Consistent improvement in margin profile

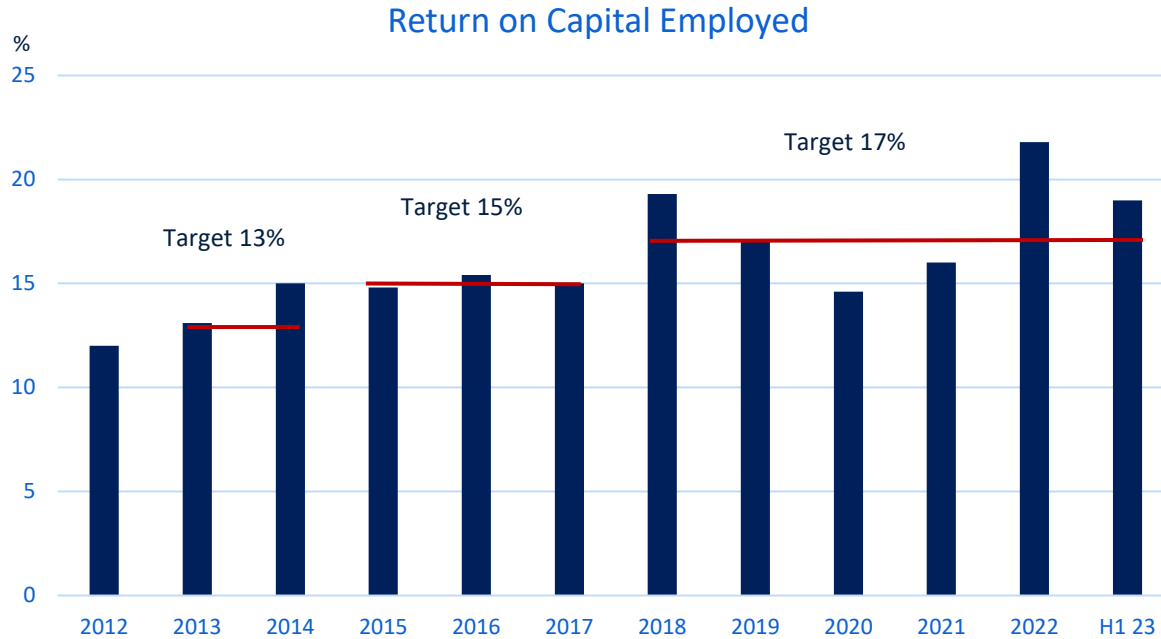


Structurally higher margin driven by best-in-class innovative, sustainable offering as well as continued investment in the integrated model



Consistent improvement in return on capital

Disciplined organic & inorganic investment



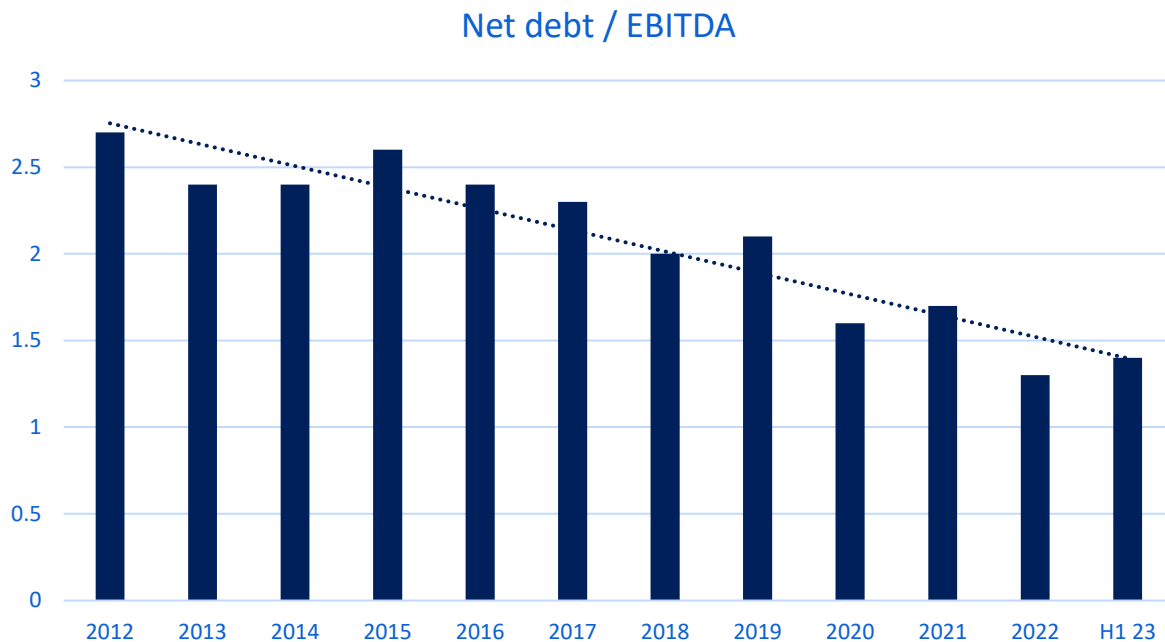
Disciplined capital allocation decisions drive sustainably higher returns

Targets on ROCE repeatedly met and re-set higher



Balance sheet has never been in better shape

Long-term strategic and financial flexibility



Average interest rate:
3.06 %

Average maturity profile of
4.4 years & no significant
debt maturities until 2026

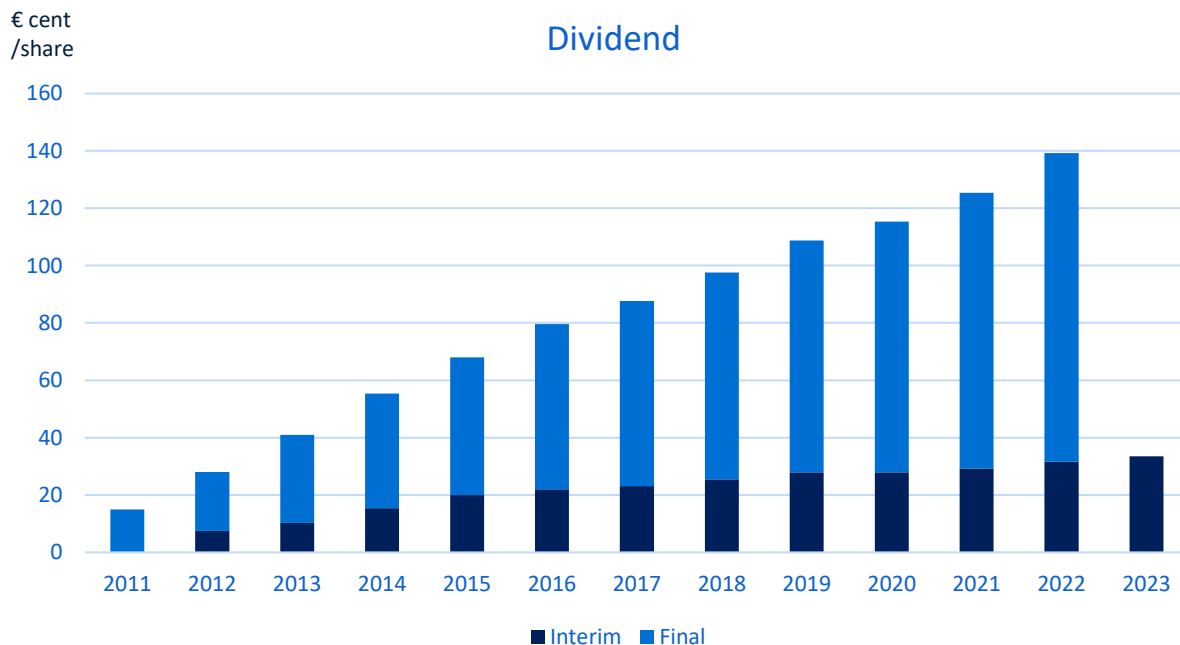
BBB-/BBB-/Baa3
Investment grade
credit rating

Deleveraging delivers
incremental value to equity
shareholders



Progressive dividend

Integral component of the capital allocation decision making process



22.5%

compound annual growth rate*

Approx.

€2.4 billion

returned to shareholders



Summary and Conclusion



Effective capital allocation

Pre-capex
free cash
flow

€11.3
billion

€6.5
billion

Organic
investment in
the business

€2.4
billion

Distributed
in dividends

€2
billion

Spend on
acquisitions



“

**SKG has never been in
better shape strategically,
financially and
operationally**

”



Our Purpose



Create



Protect



Care



Thank you

Technical guidance

- **Cash interest** €125m
- **Cash tax** €375m
- **Working Capital as a % of sales** 7 - 8%
- **Effective tax rate** 27%
- **Impact of US\$ 1c move on EBITDA** €5m
- **Capital expenditure** €1 bn

