A Quality Business Consistently Delivering

Smurfit Kappa Group | First Half 2020 results
29 July 2020
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 H1’20 Press Release for details.
SKG and COVID-19
Delivering through the pandemic

Safety & well-being of our people

- Maintaining safe workplace
- Regular communications
- Surveyed workforce
  - 93% perceived company response to COVID-19 as positive
  - 93% perceived new ways of working positively
  - 94% feeling they are getting the right support

Supplying our customers

- SKG an integral part of today’s supply chain
- All facilities operational throughout COVID-19
- Continued development projects via:
  - Webinars
  - Virtual design meetings
  - Online training

Active in our communities

- Approx. €2m donated
- Supporting research
- Providing PPE in community
- Helping the most vulnerable
- Safe portfolio of products
# Delivering for all stakeholders

A quality business consistently delivering

<table>
<thead>
<tr>
<th>€2.2B</th>
<th>€2.7B</th>
<th>€875M</th>
<th>€993m</th>
<th>14.8%</th>
<th>17.5%</th>
<th>32.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 year cumulative free cash flow</td>
<td>5 year cumulative capital expenditure</td>
<td>5 year cumulative dividends paid</td>
<td>5 year cumulative M&amp;A</td>
<td>ROCE*</td>
<td>EBITDA margin*</td>
<td>reduction in CO2 intensity**</td>
</tr>
</tbody>
</table>

*As per H1 2020 results

**As per 2019 Sustainability report against Group 2005 baseline

- 5 year cumulative free cash flow: €2.2B
- 5 year cumulative capital expenditure: €2.7B
- 5 year cumulative dividends paid: €875M
- 5 year cumulative M&A: €993m
- ROCE*: 14.8%
- EBITDA margin*: 17.5%
- Reduction in CO2 intensity**: 32.9%

*As per H1 2020 results

**As per 2019 Sustainability report against Group 2005 baseline
Leading
Leading in new ways of working

- Using SupplySmart to deliver solutions for our customers that reduce their costs and carbon footprints

- 1000’s of customers participating in virtual webinars during lockdown

- Investment in IT infrastructure in recent years allowed the Group to adapt with flexibility and agility

- At the high point of lockdown SKG had 9,000 people working remotely from home

- COVID cost take-in being offset through self-help
Leading in sustainability

Its in our DNA and has always guided our approach to business

SKG has committed to align our CO₂ reduction target with the Science Based Target initiative.

SKG is supporting the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).
Leading in understanding stakeholders
How is sustainability viewed across our stakeholder base?

The opportunity for packaging*

- **55%** of consumers purchased a product specifically because it had reusable or biodegradable packaging.
- **45%** of consumers rejected a brand based on unsustainable packaging.

48% of consumers worldwide expect manufacturers to take the lead**

*Source: Study on “Balancing Sustainability and Profitability Survey” (May 2020, Smurfit Kappa in conjunction with the Financial Times)

**Source: Who cares, who does? Consumer response to plastic waste (September 2019, Kantar)
Leading with Better Planet Packaging
Providing sustainable and effective solutions

100% compostable (including films)

Replacing plastic trays

Replacing Polystyrene

Removes foam filler and enables quicker packing

Replacing plastic trays

Replacing Polystyrene
Leading in sustainability

Delivery of material carbon reduction projects

€134 million investment in Netttingsdorf kraftliner mill, Austria

Cuts CO$_2$ emissions by 40,000 tonnes

Delivers a further reduction of 1.5% towards Group emissions target
Other Capital Projects
Enhancing our operating footprint

New Box Plant
Burgos, Spain

Digital Printer
Atlacomulco, Mexico

Kraftliner
Facture, France
Innovating
Innovating with more sustainable solutions
Product substitution driving growth, helping Rheem deliver on their ESG targets

SupplySmart

From polystyrene

To 100% paper-based solution

- For US and Mexico
- Passes Amazon FFP
- 100% recyclable
- Over $600k in savings to Rheem
- New volume stream for SKG
Innovating with new products
Successful commercial launch of TopClip

- Successful launch of TopClip with Grolsch (part of Asahi Group) in the Netherlands
- Further launches scheduled in second half of 2020
Innovating in how we deliver our solutions
Partnering with leading worldwide provider of filling and packaging systems

- Leveraging the strengths of SKG and KHS to deliver high speed sustainable packaging solutions
- Significant pipeline already in development
Recent Trends
Beer company (UK)

Demand has increased by 400% in the last 4 months. SKG had the scale and expertise to continue to supply their high quality packaging along with their surge in demand.
Recent Trends

ebay (UK)

In June 2020 they requested 5 million boxes for delivery in 10 days. SKG had the scale and expertise to continue to supply their high quality packaging along with their surge in demand.
03 Delivering
Group 2020 Half Year Highlights

Resilience in every fibre

Group revenue of **€4,203 million**

EBITDA of **€735 million**

EBITDA margin of **17.5%**

ROCE of **14.8%**

Strong free cash flow generation of **€238 million**

Net debt to EBITDA of **2.1x**

**Dividend payment** of 80.9c per share
Europe 2020 Half Year Highlights

Resilience in every fibre

EBITDA of €575 million

EBITDA margin of 17.6%

Corrugated price in line with expectations

Flat box volumes in a challenging environment

Successful start-up of Group’s largest capital expenditure project in Austria
Americas 2020 Half Year Highlights

Resilience in every fibre

EBITDA of €178 million

EBITDA margin of 19%, significant year-on-year improvement

Pan American Sales offering continues to add value for customers

Better Planet Packaging Initiative helping accelerate the plastic to paper switch
Continued strong free cash flow
To deliver our disciplined and effective capital allocation

Free cash flow (€m)

Capital Expenditure
Balance sheet Strength
M&A
Dividend
Summary and Outlook
Long-term industry outlook is for continued growth

Supported by strong structural drivers

- Material of choice for Brand-owners & Private label
- Sustainable packaging
- e-Commerce
- Corrugated as a merchandising medium

*Source Numera Analytics July 2020, using global containerboard demand as a proxy for corrugated demand
Confident in our future prospects
A Quality business consistently delivering strategically, operationally & financially

Unrivalled market offering

Leading market positions

World Class asset-base

Leading in sustainability

Our People and our Culture
Delivering on our Vision

“To be a globally admired business, dynamically delivering secure and superior returns for all stakeholders”
It’s what you are made of that counts
Appendix
## Technical Guidance

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<tbody>
<tr>
<td>Cash Interest</td>
<td>€125m</td>
</tr>
<tr>
<td>Cash tax payment</td>
<td>€200m</td>
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<tr>
<td>Working capital as a % of sales</td>
<td>7-8%</td>
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<tr>
<td>Capital Expenditure</td>
<td>€530-570m</td>
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<td>Effective tax rate</td>
<td>27%</td>
</tr>
<tr>
<td>Impact of US$1c move on EBITDA</td>
<td>€3.1m</td>
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Rethinking in a time of crises
To rise to the challenge

More efficient components developed by Vitop to increase production of new ventilators by Italian company ISINNOVA

Visors made and delivered across Smurfit Kappa

Production line dividers for our employees and our customers

Hand-sanitizer filled and donated at our Bag-in-Box plants

Packaging for delivering chemical reagents to support in COVID-19 testing

We used our skills to **react, adapt and pivot** to the needs of our customers, communities and employees

Thousands of boxes across the business donated for food packages to help the vulnerable
Smurfit Kappa recognised as an essential service

A critical part of the supply chain

Continued support of logistics, collection and recycling

Packaging the products that people need most
Smurfit Kappa donated approx. €2 million

Empowering people locally to allocate the funds where they were needed most

Donations were focused on the areas of research, hospital resourcing and helping the most vulnerable in our local communities such as the elderly, children and homeless.

Smurfit Kappa’s Safe Portfolio of products

- Donations to foodbanks
- Donations to local hospitals
- Funds for PPE
- Supporting research agencies
- Helping the Red Cross reach the vulnerable
- Supporting local agencies