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# Dynamically & Sustainably Delivering

2022 Half Year Results Presentation



# 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'22 Press Release for details.

# 01 Introduction





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

“Our strong performance is a result of the many actions we have taken over a number of years”

Revenue	EBITDA	EPS
<b>€6,385</b>	<b>€1,174</b>	<b>221.9</b>
million	million	cent

**36%**

Revenue Growth

**50%**

EBITDA Growth

**85%**

EPS Growth

**19.3%**

ROCE

**18.4%**

EBITDA margin

# Competitive Strengths



A leader in sustainability



A performance-led culture



Leading integrated business model with leading market positions



A world-class asset base



An unrivalled market offering

## Delivering our vision

# Our People

Ongoing investment in differentiating Smurfit Kappa as an inclusive workplace with [people development and talent management](#) at the core, to attract, retain and create the next generation of talent for the Group.

Our approach to talent development has [delivered exceptional leaders and highly engaged, skilled managers](#) for the organisation. With an average tenure of 18 years among our management cohort, we provide a mix of internal and external learning opportunities through our [global learning academy](#).

Our suite of [Global Academy Programmes](#), also includes a flagship senior leadership development offering.

We invest in a number of programmes that take people from early in their careers through to leadership programmes:

- Open Leadership Programme with our partners at [INSEAD](#)
- Executive Education at [Harvard University](#), Boston
- GMP – Smurfit Kappa's [Global Manager Programme](#)
- AMD – 21 years of [Advanced Management Development](#)
- Early careers and global [graduate development](#)



# Leading Integrated Model

Delivering quality earnings with reduced volatility



Delivers a **high return** and **lower volatility in earnings and margin**



Delivers **security of supply** in all market conditions



Provides **assurance on quality** to box plants and customers



Gives comfort to customers on **chain of custody** certification



Facilitates the **optimisation of the paper and corrugated system** as a whole



# Customer-led Investment for Long-Term Growth

Approved over the last 18 months

Nearly

€2

billion

capital spend

15

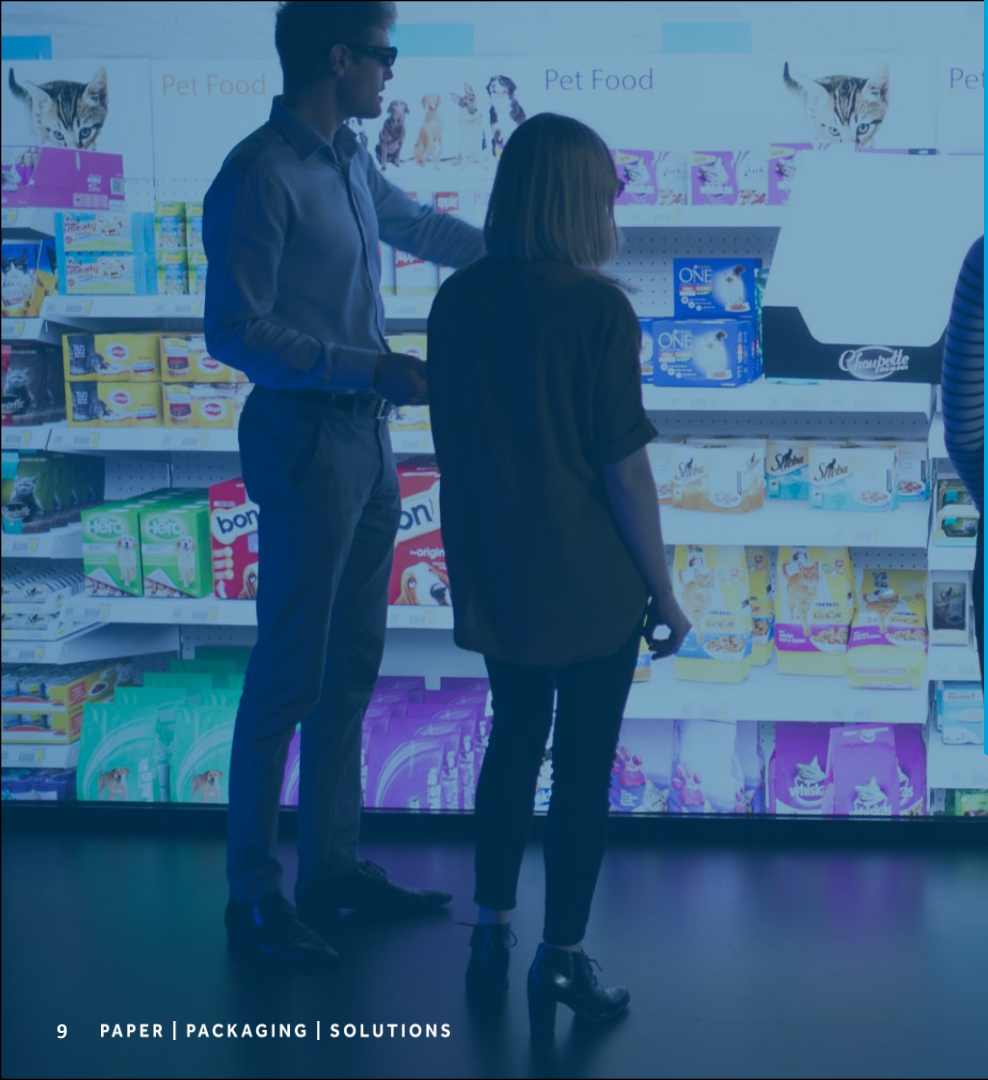
corrugator projects  
in Brazil, Colombia,  
France, Italy, Mexico,  
Peru, Poland, Spain, the  
UK and the US

>120

pieces of **converting equipment** including new gluers, die cutters, specialist ecommerce machinery etc.

>100

**sustainability focused projects**, including upgrading boilers, anaerobic reactors, solar panels, waste water treatment facilities, heat exchangers etc.



# Leading in Innovation

**5.5 million** measurements to validate paper to box

**8,400+** designs in **Innobook**









**171,000+** in-store views in **ShelfViewer**

**171,000+** shopper contacts from **ShelfSmart**

**95,000+** supply chains in **Pack Expert**

**173,000+** logins on to the **InnoTools**

# Leading in Sustainability

Category	Targets	Achievements
Climate Change	 <b>Net zero</b>	Our ambition is to have at least net zero emissions by 2050 with a 55% reduction in relative CO <sub>2</sub> emissions by 2030 <b>41.3%</b> reduction in CO <sub>2</sub> emissions since 2005
Forest	 <b>&gt;95%</b>	packaging solutions sold as Chain of Custody certified to customers by 2025 <b>93.45%</b> packaging solutions sold as Chain of Custody certified in 2021
Water	 <b>60%</b>	reduction in relative Chemical Oxygen Demand discharge by 2025 <b>38.5%</b> reduction in Chemical Oxygen Demand since 2005
Water	 <b>1%</b>	reduction of our water usage annually, which reflects our position as a processor, not consumer, of water <b>6.2%</b> reduction of our water usage annually
Waste	 <b>30%</b>	reduction in relative waste sent to landfill by 2025 <b>29.2%</b> reduction in waste to landfill since 2013
Health and Safety	 <b>5%</b>	reduction in Total Recordable Injury Rate annually <b>1.7%</b> reduction in Total Recordable Injury Rate in 2021
People	 <b>25%</b>	of management positions held by women by 2024 <b>22%</b> of management positions held by women at the end of 2021
Communities	 <b>€24m</b>	will be donated between 2020-2025 to support social, environmental and community initiatives <b>€12.6m</b> donated since 2020

STOXX

Member 2020/2021  
**ESG Leaders**  
Indices



SUSTAINALYTICS

a Morningstar company

ESG  
**REGIONAL**  
TOP RATED



2022

Corporate ESG  
Performance

RATED BY  
ISS ESG

Prime



Included in  
**ETHIBEL**  
SUSTAINABILITY  
INDEX

EXCELLENCE Global

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA



FTSE4Good



INDICES EUROZONE 120



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



 **Smurfit Kappa**

# Sustainable packaging



Before



After



# Evolving consumer behaviour



# Essential marketing medium



Before



After



# E-commerce



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# Financials

Kraftliner Brown  
25 g/m<sup>2</sup>

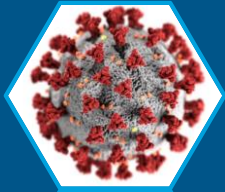


Smurfit Kappa Brown Lines  
for Peak Performance





# Challenges Overcome



Continued COVID-19 disruption



Continued input cost inflation



Continued supply chain constraints



Invasion of Ukraine



Performance culture



Quality & resilience of people



Integrated model



Geographic diversity



Well invested asset base



Flexible approach to internal capital investment



Acquisitions

# Group 2022

## Half Year Highlights

Revenue of **€6,385** million

EBITDA of **€1,174** million

EPS of **221.9** cent

EBITDA Margin of **18.4%**

ROCE of **19.3%**

Net Debt to EBITDA of **1.6x**

Interim dividend increased by **8%** to **31.6** cent per share

OPEN THE  
FUTURE

# Europe 2022

## Half Year Highlights

Revenue of **€4,939** million

EBITDA of **€926** million

EBITDA margin of **18.7%**

Continued corrugated price recovery

Acquisition of **Atlas Packaging**

# Americas 2022

## Half Year Highlights

Revenue of **€1,446** million

EBITDA of **€271** million

EBITDA margin of **18.8%**

Acquisition of **Argencraft**

# Successfully Navigating Energy Costs

Margin protection through strategic position



48% total fuel consumption comes from **Biofuels**



**No 1 Kraftliner** Producer in Europe. >30% market share producing **1.6m tonnes**



>€900m invested since 2005 in **Energy Efficiency**



Long-standing **Energy Hedging** Policy



Approx. **25%** of our business in **The Americas**



**Packaging** is an **Essential** component of global supply chains

# Disciplined and Effective Capital Allocation

Dynamically and Sustainably Delivering



## Capital Expenditure

Investing to capitalise on the growth opportunities presented by sustainability and e-commerce



## M&A

Opportunistic approach, supporting integration and expanding our footprint



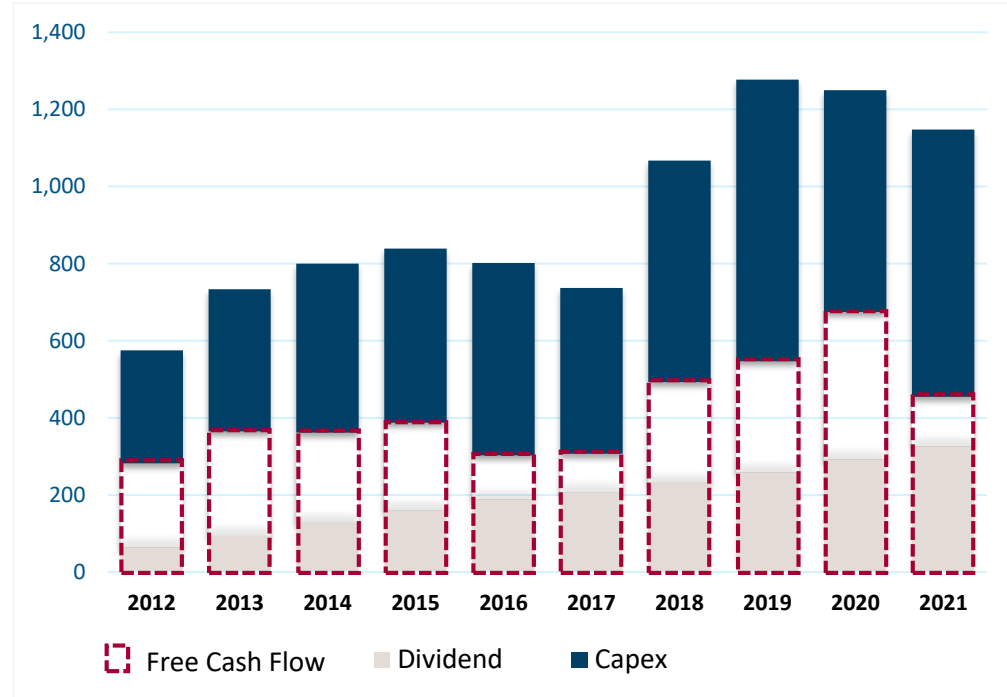
## Dividend

Progressive policy



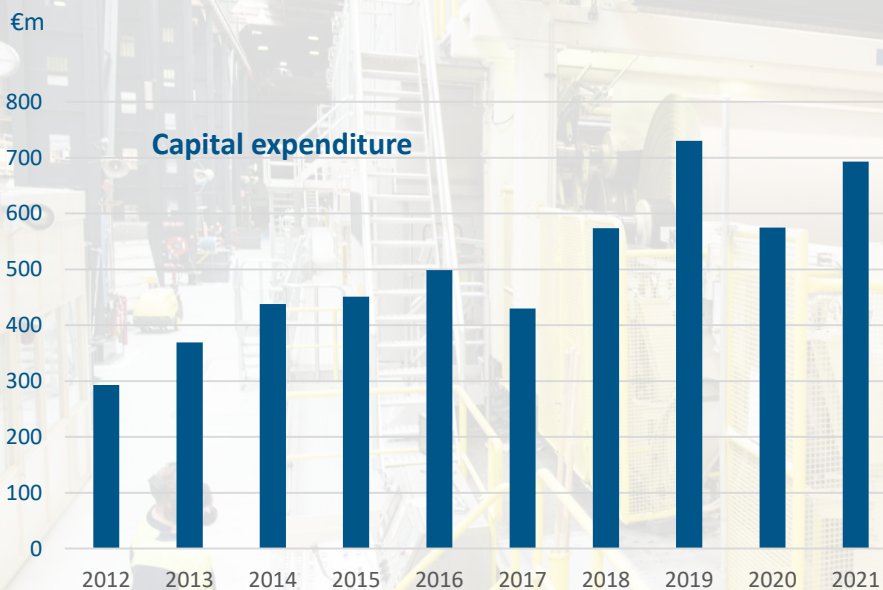
## Balance Sheet

Long-term strategic and financial flexibility

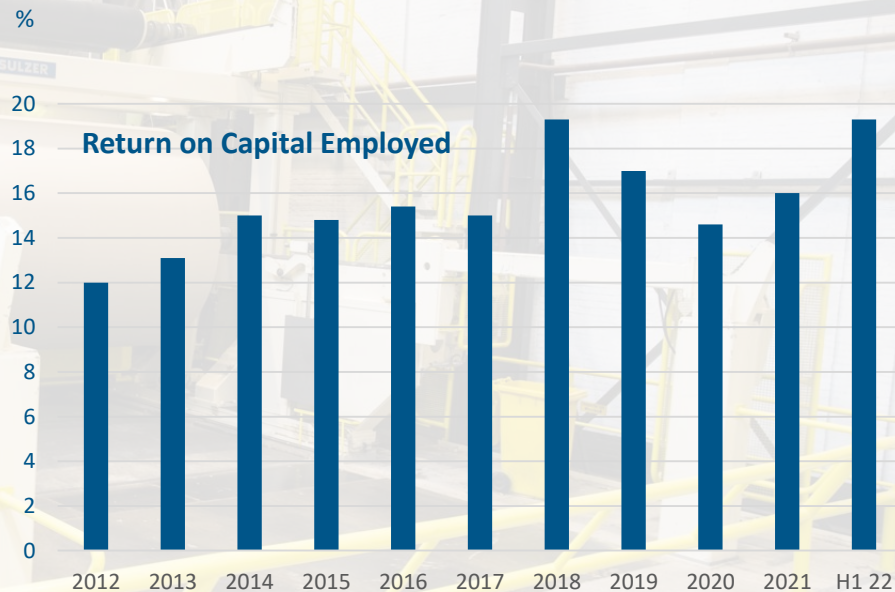


# Capital Expenditure

Disciplined approach



Investment behind long term secular trends



Must contribute to the Group ROCE target of 17%

# M&A

## Disciplined approach

**27**

Acquisitions  
since 2012

**2**

continents

**19**

countries

**>€2 bn**

Spent since 2012

**5x**

EV/EBITDA\*

**Paper and  
converting**

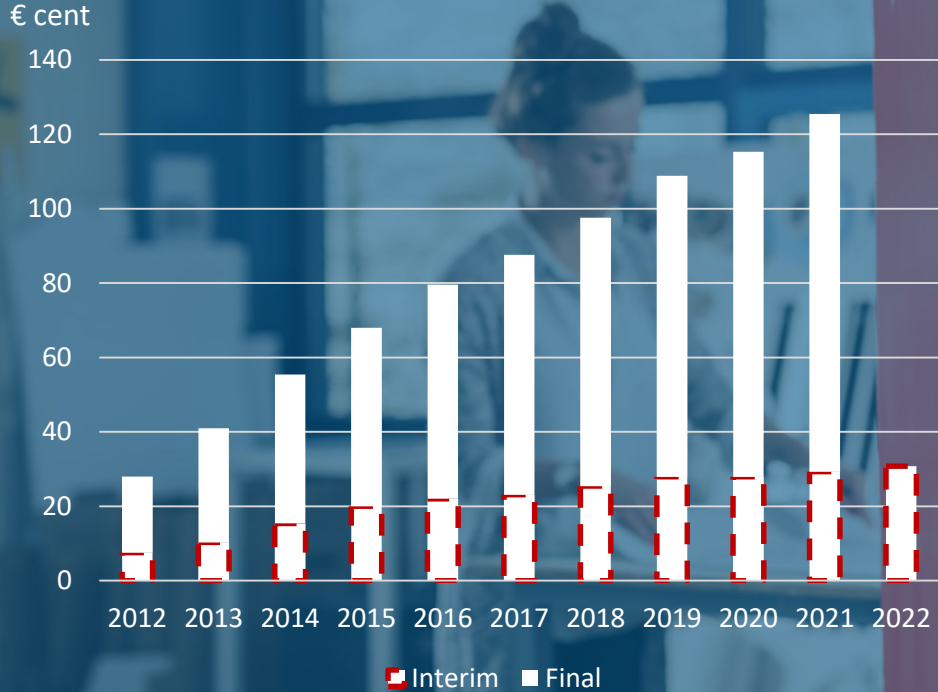
Strengthening  
integration

\*post synergy multiple

7.4x pre-synergy multiple



# Dividend



**Progressive**  
policy

An **integral part**  
of the capital  
allocation process

**Commitment**  
**demonstrated**  
through 2020

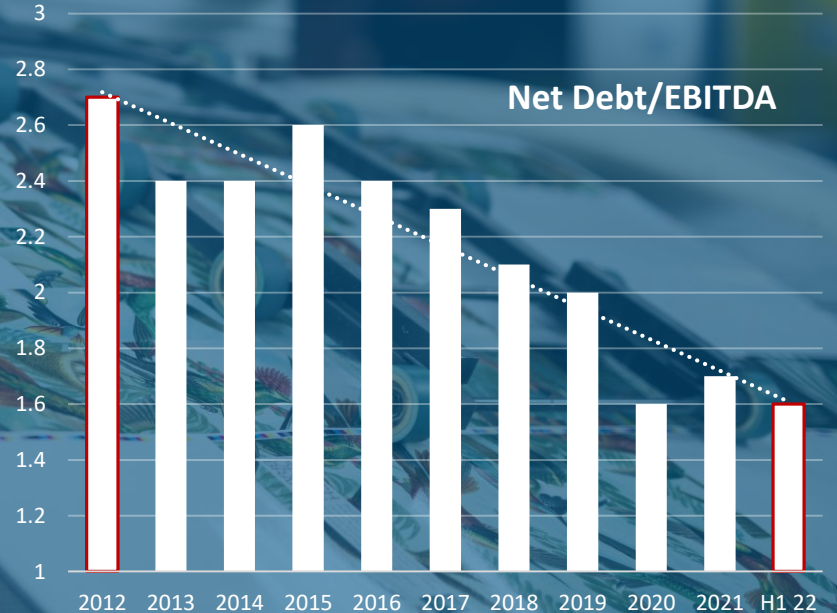
# Balance Sheet

Long-term strategic and financial flexibility

Strongly positioned  
within our  
**BBB-/BBB-/Baa3**  
credit rating

No significant  
maturities until  
**2025**

Average  
interest rate  
**2.86%**



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# Conclusion & Outlook

# Outlook

People and  
Culture

Strong secular  
drivers

Myriad of high  
return organic  
investment  
opportunities

M&A  
opportunities –  
paper and  
converting

Balance sheet  
with strategic &  
financial  
flexibility

Geographic  
diversity

“In Smurfit Kappa, we are very confident about our future prospects. Inevitably, with the current global issues that surround us there are greater uncertainties than we have seen for some time. Nevertheless, we continue to see many opportunities for growth in the sustainable and innovative packaging solutions that we offer customers and the unique footprint of the businesses we operate. Our first half performance has set a strong foundation for the remainder of 2022 and beyond.”

# Delivering financial and operational outperformance

Disciplined allocation of capital - €7.3 billion since 2012



Fostering a performance culture



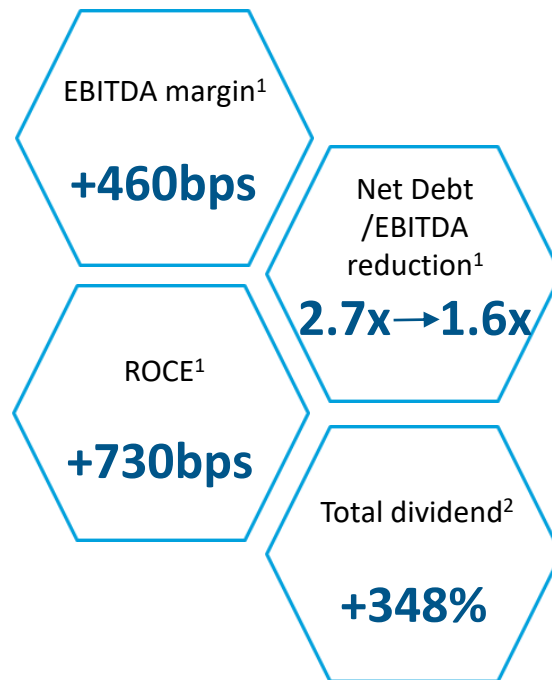
Ongoing customer led investment



Optimising the integrated system



Expanding geographic reach



# Technical guidance

Cash interest	€126m
Cash tax	€332m
Working Capital as a % of sales	7% - 8%
Effective tax rate	26%
Impact of US\$ 1c move on EBITDA	€5m
Capital expenditure	€900m – €1.1bn



OUR PURPOSE

**create • protect • care**

