Leading.
Innovating.
Delivering.
Progressing.

First Half Results, 31 July 2019
Disclaimer

This presentation contains forward-looking statements, including statements about the Company's intentions, beliefs and expectations. These statements are based on the Company's current plans, estimates and projections, as well as the Company's expectations of external conditions and events.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to and will not necessarily update any such statements in light of new information or future events, except to the extent required by any applicable law or regulation.

Recipients of this presentation are therefore cautioned that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements.

Please refer to the Principal Risks and Uncertainties contained in the H1’19 Press Release for details.
SKG at H1 2019
Leading, innovating, delivering and progressing

Revenue growth of 4%
EBITDA growth of 17%
EBITDA margin of 18.3%
ROCE of 18.7%
01 Leading
Leading

Continued transformation of the company

- Executing Strategy
- Unique Performance Culture
- Business Model
- Track Record of Performance
- Customer-focused innovation
- Sustainability
Leading in sustainable packaging
Leading in e-Commerce
Deliver Lisbon, Europe’s annual e-logistics conference

- 750 e-tailers attended
- One of Europe’s premier e-commerce events
- Winning 2 of 5 awards, voted on by retailers
  - "Cool vendor"
  - "Sustainability"
- Only winner from packaging industry
02
Innovating
Innovation recognised
Customer, industry and sector awards

- 44 awards won in the first half

- Awards for
  - Design
  - Print
  - E-logistics
  - Sustainability

- Awarded in Belgium, Colombia, the Czech Republic, Ireland, Mexico, the Netherlands, Russia, the UK and regionally for Europe and the Americas
Innovating on a global scale
Constantly evolving, driven by our 1,000 designers across the globe

- **4.5 million** measurements to validate paper to box
- **84,000** shopper contacts from shopper research
- **8,000** designs in Innobook
- **78,000** supply chains in Pack Expert
- **130,000** in-store views in Shelf Viewer
- **8,000+** machine systems installed
Innovating
Global network of 26 experience centres
### Innovating

**Unrivalled customer offering**

<table>
<thead>
<tr>
<th>SupplySmart</th>
<th>ShelfSmart</th>
<th>eSmart</th>
<th>MachineSystems</th>
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- Increasing the visibility and on shelf presence of our customers’ product
- Increased visibility improves the probability of the product being purchased
- Supported by real consumer insights
- Scientifically backed approach
- Early adopters seeing their sales increase by over 10%

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<td>Analysing supply chains to give credible cost take-out options</td>
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<td>Ensuring that your packaging is fit for purpose, not just lower cost</td>
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<td>Enabling logistics savings beyond packaging spend</td>
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<td>Scientifically backed approach</td>
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<td>Supported by industry leading depth of data</td>
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- Building machine systems since 1967
- 8,200 machines installed
- Enabling customers to increase productivity and reduce labour costs
- Enabling customers to optimise their packaging design for on shelf presence
- Supported by industry leading depth of data
Innovating for growth
Innovation leading to growth with Kellogg’s in the Americas

- SKG awarded “Transforming Innovation” award
- Growing in Mexico and Colombia
- Over 20 years of working together

“Smurfit Kappa is more than just a supplier, it is a business partner”
Hector Gonzalez, Packaging Procurement Manager at Kellogg’s
Innovating for growth
Using our unique applications to increase our customers’ sales

“We have been delighted to work with the team at the Smurfit Kappa Experience Centre on this revolutionary, first to market SRP, called Shelf Facer. Shelf Facer has helped us address an on-going challenge in store of primary packs falling forward and the need to manually ‘face up’.”

Olivia Stone, Marketing Director at Stoats
Innovating
Better Planet Packaging, SKG a thought leader in sustainability

› Hosting customer events across our operations

› Presenting at external conferences

› Supplying paper-based solutions for our customers needs

› Significant lead-generation
03 Delivering
2019 Half Year Results

Continuing to deliver

- Group revenue growth of 4%
- EBITDA of €847 million and margin of 18.3%
- ROCE of 18.7%
- Free Cash Flow generation of €159 million
- Net debt to EBITDA of 2.2x
- Interim dividend increased by 10% to 27.9 cent per share
Europe 2019 Half Year Results

Continuing to deliver

- EBITDA of €688 million for the half year
- EBITDA margin of 19.3%
- Good customer and box price retention
- Continued box demand growth of 2%
- Integration of acquisitions in Bulgaria, France and Serbia
- Delivery from recent investments
The Americas 2019 Half Year Results

Continuing to deliver

- EBITDA of €179 million for the half year
- EBITDA margin of 17.1%
- Continued corrugated demand growth of 2%
- Delivery from recent Medium-Term Plan investments in both paper and corrugated
- Strong performance from Colombia, Mexico and the US
Financial Strategy
A focus on delivering value for all stakeholders

- Focus on long-term return on capital employed
- Delivery of resilient, strong free cash flow
- Secure balance sheet within stated range of 1.75 : 2.5x
- Progressive dividend
- Returns approach to
  - Capital expenditure
  - M&A
Progressing
Progressing the Medium-Term Plan

- Dynamic and agile nature of plan clear in last 18 months
  - Reparenco Purchase
  - South-Eastern European strategy

- Continued progress of plan
  - €600+ million approved
  - 15 Case-makers
  - 20 Die-cutters for complex designs
  - 7 printers
  - 13 corrugator upgrades
  - Numerous paper de-bottlenecking projects

- Continued, disciplined approach
  - Each project must stand on it’s own merits prior to approval
Progressing the Medium-Term Plan | Europe

**Paper integration**
- Roermond, the Netherlands
- Increasing trend for lightweight containerboard grades in market
- 36,000 tonnes of incremental lightweight capacity

**Targeted box volume growth**
- Moscow, Russia
- High quality print and die-cut investment in Moscow
- Growth with existing European FMCG customers

**Cost Take Out**
- Mold, the UK
- Reducing 3rd party storage costs in corrugated plant in Wales
- Caters for increasing hygiene demands of customer base
Progressing the Medium-Term Plan | The Americas

Targeted growth, the US
- Growth in requirements for non-plastic alternative packaging
- Investing in US to cater for trend
- Significant pipeline to satisfy

Targeted growth
- Atlas, Mexico
- Applying European experience
- Caters for large local retailer trends

Paper Integration
- Papelsa, Colombia
- Reduce 3rd party purchase of paper
- Creation of +38,000 tonnes capacity
Progressing our M&A
Delivering our recycled containerboard capacity requirements with Reparencod

- Securing our strategic recycled containerboard requirements in Europe
- Acquiring an independent player
- Agile approach, balancing internal investment with acquisition opportunities
- Earnings from day 1

400kt Lightweight Recycled capacity
€30m+ Synergies being realised
Market consolidation
Progressing our M&A
Increasing our geographic diversity by expanding into South-Eastern Europe

- Expansion into higher growth markets
- Creation of a regional, integrated system
- Leveraging the SK brand with FMCG accounts
- Strategy to grow box demand and paper supply

€15-20m+ expected EBITDA in 2019

Synergies in 2020+

Higher growth markets

Higher growth markets

26 PAPER | PACKAGING | SOLUTIONS
05

Summary and Outlook
SKG today | Continuing to transform the business

Financial performance

ROCE %

Long-term target of 17%
SKG today | Continuing to transform the business

Asset Quality
Townsend Hook (UK)

From 2 heavier weight machines

To one state of the art lightweight machine

Asset Quality
Julich (Germany)

From old, semi-automatic machinery

To state-of-the-art automatic machines
SKG today | Continuing to transform the business

Geographic diversity
- 350+ facilities
- 35 Countries
- 65,000 customers

Integration
- 12 machines closed in last 10 years
- 44% increase in tonnes per machine in last 10 years
- Investing in lightweight containerboard capacity
  - Townsend Hook, Roermond, Reparenco
SKG today | Continuing to transform the business

Medium-Term Plan

People

- Over 300 managers will complete executive training at Insead
- Making SKG safer: continued improvements in safety statistics
- Loyalty and longevity of staff
Outlook

Continuing to transform the business

- SKG continue to be the partner of choice for corrugated customers
- To continue to benefit from strong secular drivers
- Multiple prospects for continued delivery
Appendix
## Technical guidance

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>Cash interest</td>
<td>€160m</td>
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<tr>
<td>Cash tax payment</td>
<td>€240-250m</td>
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<td>Working capital as a % of sales</td>
<td>7-8%</td>
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<td>Capital expenditure</td>
<td>€650-700m*</td>
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<td>Effective tax rate</td>
<td>25%</td>
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<td>Impact of US$1c move on EBITDA</td>
<td>€3.3m</td>
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<tr>
<td>Supplier financing</td>
<td>Approx. €100m</td>
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*not including the impact of IFRS 16

** based on 2018 numbers

- EBITDA increase of approx. 5%
- Net debt increase of 11-12%
- Net debt to EBITDA, marginal move
- ROCE decrease of approximately 1%
Innovation Press Releases

Log on to our website to see all the innovation and sustainability related press-releases from the first half 2019 in one place.
Let’s design packaging waste into extinction

Follow us on Twitter at @smurfitkappa and on LinkedIn at ‘Smurfit Kappa’.