



7 September 2021

DS Smith Plc – AGM trading statement

DS Smith Plc (“DS Smith”), today issues a trading update in respect of the period since 1 May 2021.

Miles Roberts, Group Chief Executive, said:

“I am very pleased with the progress made during the financial year to date. We have continued to build on our strong customer relationships resulting in excellent volume growth and good progress towards recovering the significant increasing costs of production through higher prices. Consequently overall trading continues to strengthen in line with our expectations.

The long-term structural growth drivers of e-commerce and sustainability have been accelerated by the effects of Covid. Over many years, we have built a business that is ideally positioned to benefit from these growth drivers. Accordingly, while the macroeconomic environment remains uncertain, we remain confident about the prospects for the business in this financial year and beyond.”

Trading overview

Trading continues to progress well, in line with the trends and momentum described in our full year results on 22 June 2021. Driven by our differentiated sustainable packaging offer, box volumes have grown very strongly versus the comparable prior year period and also compared to the comparable period in 2019. Whilst this growth has been across all parts of the group it has been especially strong in the US and Southern Europe and with our large FMCG multi-national customers. Industrial customers have also seen significant increases in demand but this represents a relatively small proportion of our overall customer portfolio given our development in the resilient and growing FMCG customer base.

Input costs have continued to rise with notable increases in the cost of energy and transportation. Combined with the cost of OCC remaining high, this has resulted in further significant increases in the price of paper. Given the strong demand for our packaging we have seen good progress towards recovering these increases.

Strong growth driven by e-commerce, sustainability and innovation

The volume growth has been driven by continued strength in the e-commerce and consumer sectors backed by our long-term commitment to innovation. Our range of products and services to solve our customers’ challenges continues to grow in depth and reach. We have, for example, recently launched our innovative Circular Design Metrics, which are a first for the industry as a way of systematically measuring the environmental impact and efficiency of packaging within supply chains. We are seeing excellent customer feedback from this, as they look for alternatives to single-use plastic and to improve their environmental impact.

E-commerce continues to be a priority and our growth is being supported by investment in technology solutions and the further roll out of our digital platform, underpinned by our extensive European distribution network.

Investing for growth

Construction of the additional packaging manufacturing sites in Italy and Poland is proceeding to plan and they are expected to begin operations in Q4 this financial year. Both plants have already received advanced commitments from customers for over 50% of their capacity. The new sites are in part being funded by the recently announced proposed disposal of our non-core De Hoop paper mill. Our investment plans continue to prioritise meeting the growth of our packaging customers both for the near and medium-term.

Conference Call

A conference call for analysts and investors, hosted by Miles Roberts, will take place today, 7 September 2021 at 8.00am London time. The dial-in number is:

UK/International	+44 (0) 33 0551 0200
UK Toll Free	0808 109 0700
Password	DS Smith

A play-back facility of this call will be available until 14 September 2021. The dial-in number is: +44 (0) 20 3451 9993, access pin 8543371#. A recording and transcript of the call will also be available through the Investor Relations section of our website: <https://www.dssmith.com/investors/results-and-presentations>

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About DS Smith

DS Smith is a leading provider of sustainable paper-based packaging worldwide which is supported by recycling and papermaking operations. It play a central role in the value chain across sectors including e-commerce, fast moving consumer goods and industrials. Through its purpose of 'Redefining Packaging for a Changing

World' and its [Now and Next](#) sustainability strategy, DS Smith is committed to leading the transition to the circular economy, while delivering more circular solutions for its customers and wider society – replacing problem plastics, taking carbon out of supply chains and providing innovative recycling solutions. Its bespoke [box-to-box in 14 days](#) model, design capabilities and innovation strategy sits at the heart of this response. DS Smith is committed to science-based targets for carbon reduction and to achieving net zero by 2050. DS Smith operates in 34 countries employing around 29,000 people and is a Strategic Partner of the Ellen MacArthur Foundation.

Cautionary statement

This announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and DS Smith plc undertakes no obligation to update these forward-looking statements. Nothing in this trading statement should be construed as a profit forecast.