

## **DS Smith Plc – AGM trading statement**

DS Smith Plc, the leading supplier of recycled packaging for consumer goods, today issues a trading update in respect of the period since 1 May 2016. DS Smith will hold its Annual General Meeting at 12 noon today.

### **Trading update**

The business has made good progress since the start of the year and performance has been in line with our expectations. Volume growth remains good, particularly from pan-European customers who continue to benefit from our increased scale and coverage, and reflecting our continued investment in quality, service and innovation.

Our return on sales and return on average capital employed have both shown further improvement versus the comparable prior year period, reflecting the benefit of operating leverage and the strength of our business model.

### **Strengthening our business**

Since the start of the year, we have continued to invest organically and acquire businesses in attractive geographies and market segments, including e-commerce and display, building on the 5 acquisitions completed in 2015/16. The proposed acquisition of Gopaca, a well invested corrugated packaging business in Portugal, will expand our position in Iberia and complement the operations we have in this important region. The transaction, announced in June, is expected to complete during the first half of our financial year.

As in-store marketing spend continues to increase, we have invested significantly in display products and services. In addition to our organic investment, in June 2016 we acquired Creo, based in the south east of the UK and we recently completed the acquisition of Deku-Pack, located in Denmark. Both businesses are focussed on FMCG, retail and media markets and significantly build on our capability in this important and growing market segment.

### **Miles Roberts, Group Chief Executive, said:**

“We are pleased with our start to the year and the momentum within the business, as we continue to grow organically and by acquisition. Notwithstanding the increased political and economic uncertainty within Europe, our outlook remains positive. Packaging has ever increasing relevance in a dynamic retail and consumer environment and our recent acquisitions, together with the customer and market opportunities for growth, give us confidence for the future.”

## Conference Call

A conference call for analysts and investors, hosted by Miles Roberts, will take place today, 6 September 2016 at 8.00am London time. The dial-in number is:

UK / International +44 (0)20 3003 2666  
UK Toll Free 0808 109 0700  
Password DS Smith

A play-back facility of this call will be available until 13 September 2016. The dial-in number is: +44 (0)20 8196 1998, access pin 1316621#. A recording and transcript of the call will also be available through the Investor Relations section of our website: [www.dssmith.com/investors](http://www.dssmith.com/investors).

## Forthcoming Dates

Results for the half year to 31 October 2016 8 December 2016

## Enquiries

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## Notes

- *Return on sales*: earnings before interest, tax, amortisation and exceptional items as a percentage of revenue.
- *Return on average capital employed (ROACE)*: earnings before interest, tax, amortisation and exceptional items as a percentage of the average monthly capital employed over the previous 12 month period. Average capital employed includes property, plant and equipment, intangible assets (including goodwill), working capital, provisions, capital debtors/creditors and assets/liabilities held for sale.

## 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.