

## **DS Smith Plc – Q1 AGM trading statement**

DS Smith Plc (“DS Smith”), today issues a trading update in respect of the period since 1 May 2018. DS Smith will hold its Annual General Meeting at 12 noon today.

### **Trading update**

We continue to be excited by our prospects. Our focus on sustainable packaging in resilient and growing sectors, including FMCG and e-commerce, is consistently driving market share gains. We have seen good like for like volume growth in the year to date, with progress in all geographic regions.

Recovery of input cost increases from earlier in the calendar year is in line with our expectations, with the consequent positive margin impact. Cashflow has also remained a focus in the period as we maintain a disciplined approach to working capital and capex. Trading remains in line with our expectations.

Interstate Resources, our North America Paper and Packaging division, continues to perform very strongly. Integration continues to go well and we have added additional capacity and further enhanced our customer offering via the acquisition of Corrugated Container Corp, which completed on 1 June 2018. We are delighted with the customer reaction, with a number of major customers seeking to partner with DS Smith for their packaging solutions in both Europe and the US.

### **Update on Europac**

On 4 June 2018 we announced the proposed acquisition of Papeles y Cartones de Europa, S.A., (“Europac”), for €16.80 per share and an implied enterprise value of €1,904m. The required regulatory approval process is progressing as expected and we anticipate completion in calendar Q4 2018, as previously indicated. Preparation for integration is continuing at pace and we look forward to welcoming Europac to the DS Smith group.

### **Strategic review of Plastics division**

In June 2018 we announced a strategic review of our Plastics division. Progress has been positive and we will update further as appropriate.

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

“I am pleased with our momentum in the year to date, in a period when we also announced a significant acquisition and associated equity fundraising to expand our position in the important Iberia region. The corrugated packaging industry continues to demonstrate excellent growth prospects, driven by changing shopping

habits, e-commerce, and the ever-increasing relevance of sustainability. DS Smith is in a strong position, as a market leader, to capitalise on these opportunities, and the Board looks to the future with confidence. "

### **Conference Call**

A conference call for analysts and investors, hosted by Miles Roberts, will take place today, 4 September 2018 at 8.00am London time. The dial-in number is:

UK/International	+44 (0)20 3003 2701
UK Toll Free	0808 109 0701
Password	DS Smith

A play-back facility of this call will be available until 11 September 2018. The dial-in number is: +44 (0)20 8196 1998, access pin 8019348#. 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 2018	6 December 2018
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### **Enquiries**

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### **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.