



6 November 2018

DS Smith Plc – pre close trading statement

DS Smith Plc today issues a pre-close trading update in respect of the half-year ended 31 October 2018.

Trading

The business continues to perform in line with our expectations, with the industry and business trends consistent with our trading update of 4 September 2018. We expect return on sales and adjusted operating profit in the half-year to be materially ahead of the comparable period following recovery of increased input costs earlier in the year and good volume growth from our highly resilient FMCG focussed business. The integration of Interstate Resources continues to go very well, with major customers now procuring from us in both Europe and the US.

We remain highly focussed on cash management and anticipate cash flow from operations to be significantly ahead of the prior period. The previously announced strategic review of our plastics division is progressing well.

The regulatory process for the proposed acquisition of Europac continues to be in line with our expectations, with completion of the acquisition expected by the end of the calendar year. We are excited about the prospects for this business and the opportunity for DS Smith to expand further in the important growth market of Iberia.

Miles Roberts, Group Chief Executive, said:

“We are very pleased with the performance in the half year, in particular the margin development, and the continued excellent progress and integration of Interstate Resources. We continue to see strong customer support to our innovative sustainable packaging, responding to the dynamic requirements of our customers. We expect good ongoing volume and market share growth, look forward to the completion of Europac and view the future with confidence.”

Forthcoming Dates

Results for the half year to 31 October 2018

6 December 2018

Conference Call

A conference call for analysts and investors, hosted by Miles Roberts, will take place today, 6 November 2018 at 9:00am London time. The dial-in number is:

UK/International	+44 (0)20 3003 2666
UK Toll Free	0808 109 0701
Password	DS Smith

A play-back facility of this call will be available until 13 November 2018. The dial-in number is: +44 (0)20 8196 1998, access pin 8345502#. A recording and transcript of the call will also be available through the Investor Relations section of our website: www.dssmith.com/investors/results-and-presentations.

Enquiries

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IFRS 15 Note

As referenced in our 2018 Annual Report, following the adoption of IFRS 15, the new revenue standard, in the financial year to 30 April 2019 DS Smith will report a small increase in revenue with no impact on profits. We estimate the additional revenue for the half year to 31 October 2018 to be approximately £37 million. The comparative half year ended 31 October 2017 will be restated by a similar amount.

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.