



18 October 2017

Acquisition of EcoPack and EcoPaper, Romania

DS Smith Plc (the Group) is pleased to announce it has entered into an agreement to acquire EcoPack and EcoPaper, (collectively "the Business") for an enterprise value of circa €208 million.

The Business is a leading integrated packaging and paper group in Romania; family owned for many years. It will significantly enhance our capacity to serve customers in this high growth region as well as supporting our wider substantial Eastern European presence. The Business includes both high quality packaging assets as well as a new paper machine, built in 2017, that specialises in high quality, light-weight paper, which is particularly well-suited to supporting our performance packaging solutions.

The Business has grown strongly over many years and is primarily focused on serving the local FMCG market. It is very complementary to our customer and asset base providing an excellent opportunity for further growth as well as significant cost synergies.

The acquisition consideration and repayment of debt, together totalling €208 million, will be satisfied from existing cash and debt facilities, and from €35 million of DS Smith shares to be issued to the vendor. The acquisition is expected to be earnings enhancing immediately, is consistent with the Group's medium term financial targets and equates to a post synergy multiple of c. 5 – 6x EBITDA. Completion is expected within our third fiscal quarter, following Romanian Competition Authority approval and the satisfaction of other customary closing conditions.

Miles Roberts, Group Chief Executive, said "We continue to grow very strongly throughout Eastern Europe. This exciting acquisition will further expand our position and capability, providing an important platform for the continued development of our innovative "performance packaging" programme in the region".

Enquiries

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NOTES TO EDITORS

DS Smith is a leading provider of corrugated packaging and of specialist plastic packaging, operating across 37 countries and employing c. 27,000 people. Our vision is to be the leading supplier of sustainable packaging solutions. For more information, visit www.dssmith.com