



Capital markets day

Redefining packaging for a changing world

4 October 2018



Agenda

2

Introduction

Miles Roberts, Group Chief Executive

Strategic growth drivers

Alex Manisty, Group Strategy Director

DS Smith differentiation

Stefano Rossi, Chief Executive, Packaging Europe
Adrienne Liebenberg, Sales and Marketing Director, Packaging

Coffee break

North America

Jim Morgan, Chief Executive, North America

Closing remarks

Miles Roberts, Group Chief Executive

Drinks and canapés

A photograph of three business professionals in a modern office setting. On the left, a man in a light orange shirt is shaking hands with a man in a dark suit and red striped tie. A woman in a white blouse stands to the right, smiling. The background shows a staircase with a metal railing and large windows. The entire image has a purple tint.

Introduction

Strategy for growth

What are we trying to achieve?

- Sustainable, growing volumes
- Consistently growing profits
- Consistently growing returns

How?

- Focused on value-adding packaging for FMCG customers
- Building a market leading multinational business
- Investment in innovation
- Disciplined capital allocation behind business model
- Resourced and structured for growth



Strategy first launched in 2010

- Consistently applied
- Remains as relevant as ever

2010 Strategy update

- ✓ Consistent GDP+ growth
- ✓ Much reduced cyclicality
- ✓ Higher margins
- ✓ Returns above our cost of capital



- Business mix
- Differentiation
- Efficiency
- Culture
- Managing implementation risk

All linked to clear KPIs

Leading European position

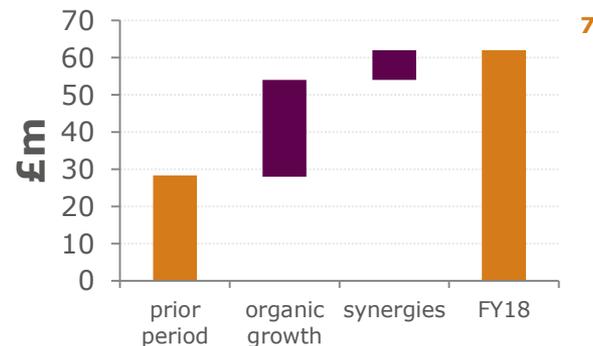
- ▶ Proven customer demand for multinational packaging solutions
- ▶ Proven economies of scale



Customer pull to North America

Acquisition of Interstate Resources August 2017

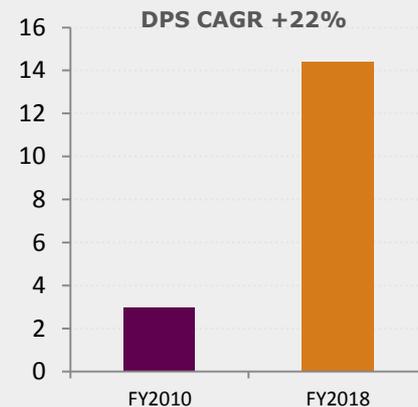
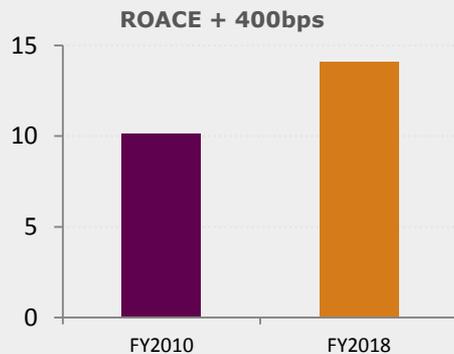
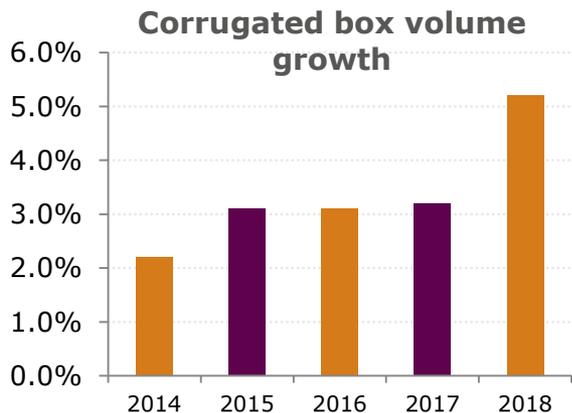
- A well-invested platform for growth in North America
- Significant customer pull for DS Smith's innovative packaging solutions in the US
- Strengthens Group's global supply chain
- Significant cost and working capital synergies
- EPS enhancing immediately; returns exceed WACC in first full year



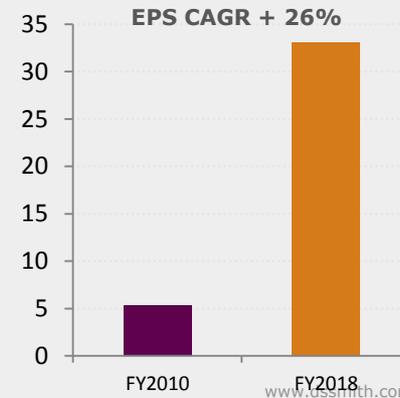
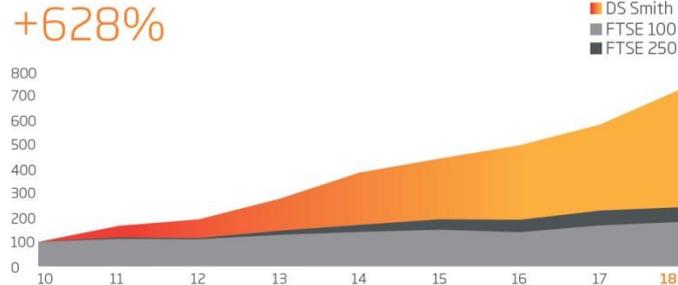
1 year on...

- Return on capital already ahead of WACC
- Synergies upgraded from \$25m \$40m
- Very positive customer response
- Strong demand for retail-ready, performance-based packaging and innovation

Strong financial delivery



Total shareholder return



Strong platform for growth

- ▶ Strong management structures
- ▶ Investment in systems and processes
- ▶ Development of people
- ▶ Integration expertise



Be trusted



Be challenging



Be caring



Be tenacious



Be responsive



Exciting growth opportunities

Organic

- Structural industry growth drivers
 - E-commerce growth
 - Retail channel proliferation
 - Increasing Sustainability focus
- DS Smith in pole position to capitalise
 - Scale across Europe and into US
 - Investment in innovation
 - End-to-end packaging solutions
 - Long term customer relationships

Inorganic

- Primary focus:
 - Continuing to deliver from Interstate
 - Integrating Europac
 - Cash generation
- Medium term – substantial further customer-led opportunities in Europe and the US



This afternoon you will hear...

- ▶ Growth drivers underpinning the market opportunity
- ▶ How DS Smith is differentiated and able to capitalise
- ▶ How we have integrated Interstate and are positioned for growth with customers in North America



Think about the future...





Strategic drivers for corrugated packaging

1. Positive outlook for the corrugated industry across continents



2. The nature and value of packaging is fundamentally changing

Sustainable packaging



E-commerce



Retail channel changes



3. Packaging companies need to have smart and bold responses



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Retail channel changes



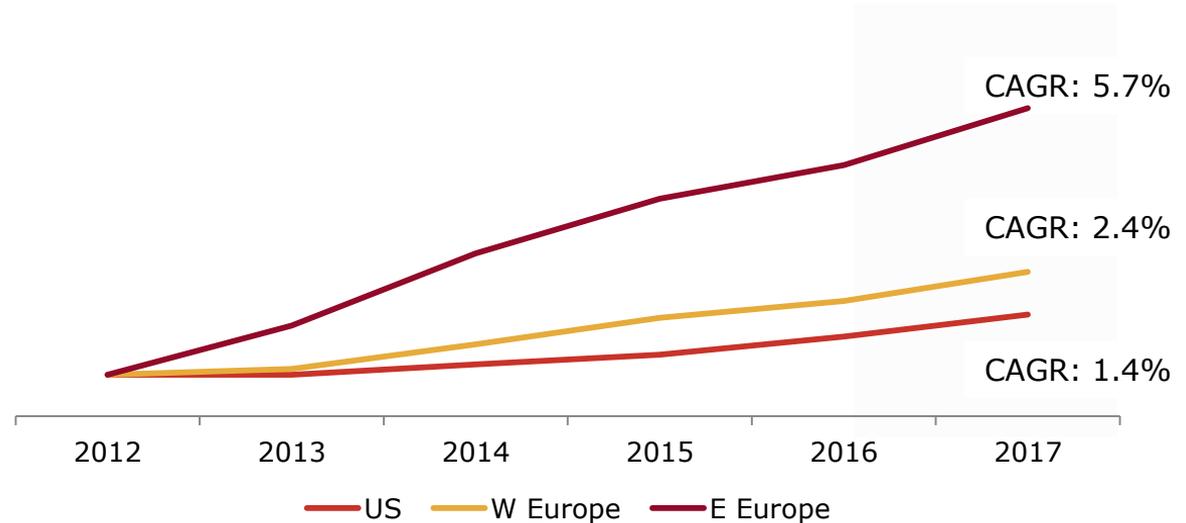
3. Packaging companies need to have smart and bold responses



The past: corrugated market

- Global output nearly doubled since 2000 to 244 bsm, circa \$320bn
- Moderate to fast growth in Europe
- Moderate, stable growth in US

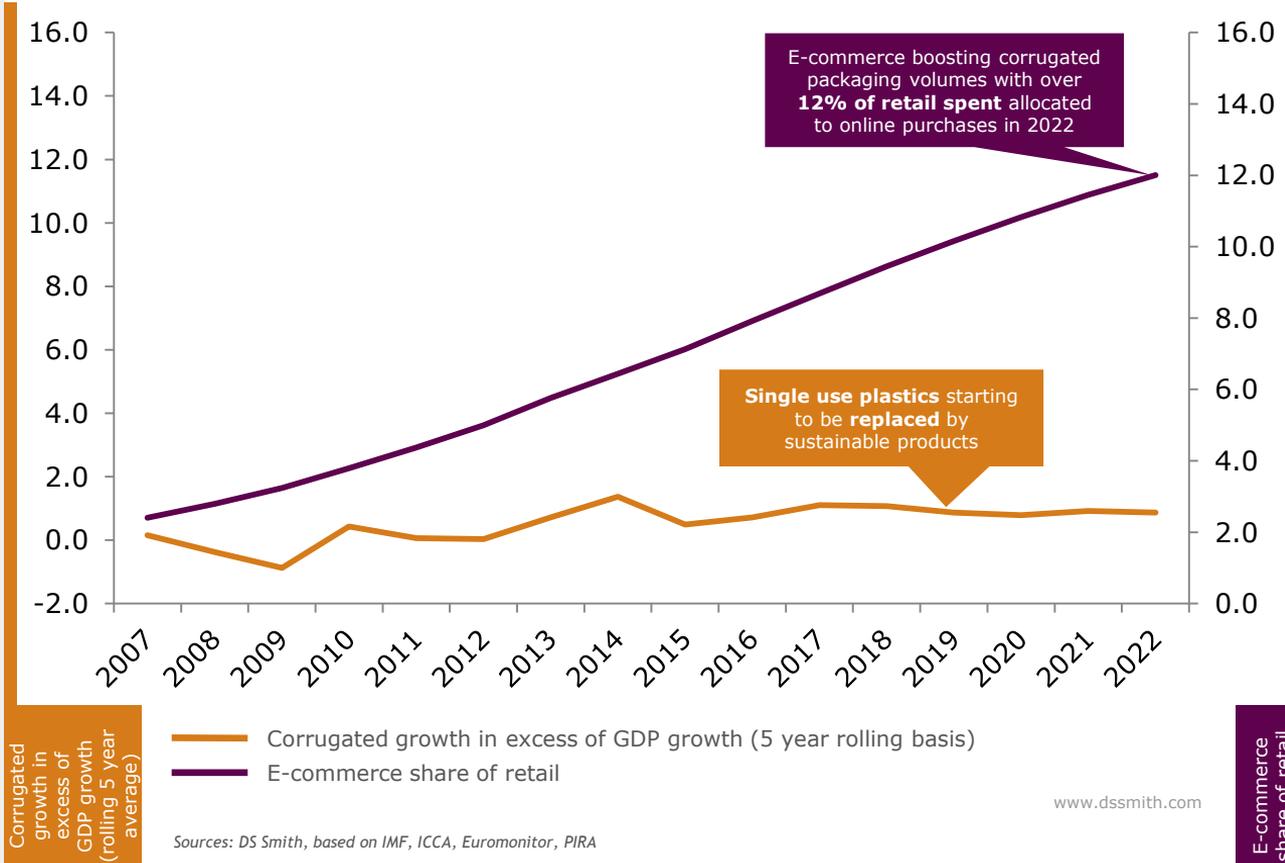
Regional corrugated market growth 2012-2017



The future: corrugated market 2018-2022: European

- Market growth expected to run above the real GDP growth
- E-commerce, plastics replacement and retail changes the main factors

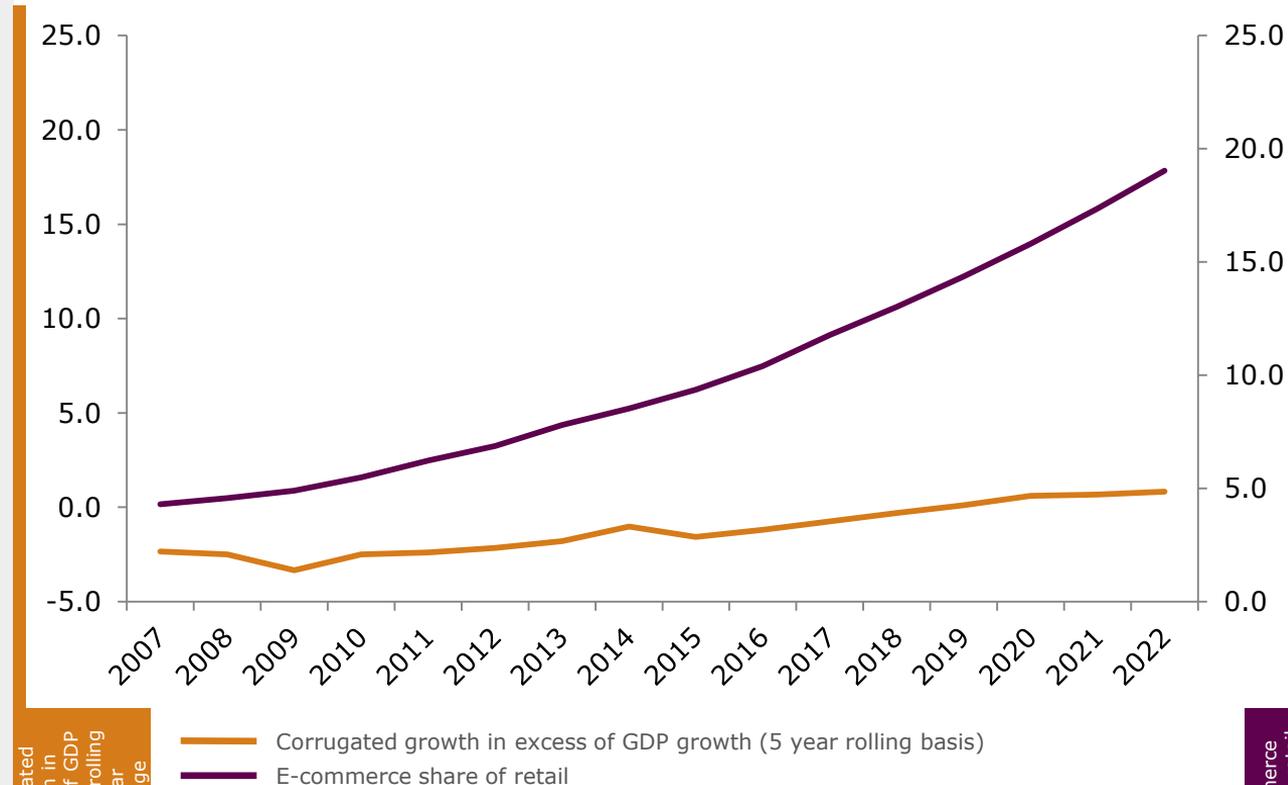
European corrugated packaging market 2007-2022 growth projection



Corrugated market 2018-2022: United States

- US corrugated growth was well below GDP before 2010
- Market has shown a marked change since then and the effect appears to be accelerating

US corrugated packaging market
2007-2022 growth projection



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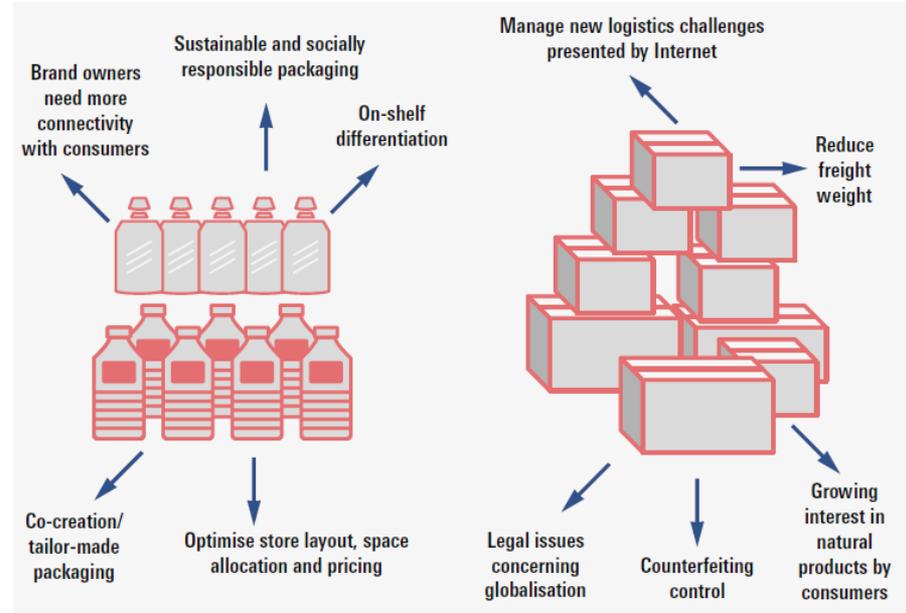


3. Packaging companies need to have smart and bold responses



Global packaging market is undergoing fundamental change...

- Paper and Global packaging market:
 - \$900 billion in 2016;
 - \$1 trillion by 2020
 - Board ~33%
- Subject to a myriad of new supply chain, regulatory and consumer trends
- Customers faced with a bewildering landscape of opportunities and risks



...impacting volume and value of corrugated

- Reduced commoditisation, greater customisation and a closer link with consumer attitudes
- DS Smith is responding with focused account management, innovation and value-based pricing to reap the benefit
- Focus on three main areas today

Trend	Volume impact	Value impact
E-commerce		
Right-sizing/void removal		
Boxes-on-demand		
Performance packaging		
Sustainable packaging		
Digital printing opportunities		
Retail channel changes		
Increased use of fine-flute		
Industry consolidation		

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Packaging: the global challenge

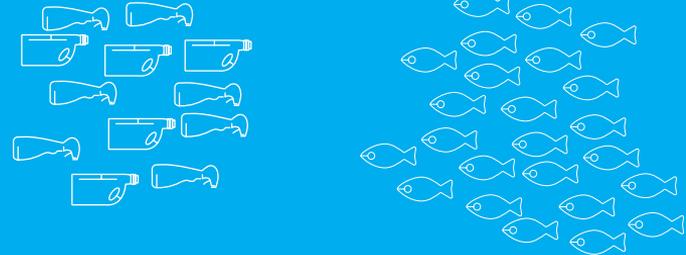
- ▶ Reputational issue on a global scale
 - ▶ Consumers see it as wasteful
 - ▶ Overpackaging is strongly criticised
 - ▶ Broad public debate on the need for sustainable packaging



War on plastics

- ▶ Plastic perceived as the least sustainable packaging material by Millennials
- ▶ Only 9% of all plastics is recycled⁽¹⁾
- ▶ Single-use plastics the biggest concern – (Blue Planet effect)

If we carry on business as usual:
2025 - One ton of plastic to three tonnes of fish in the ocean
2050 - More plastic than finfish in the ocean



(1) Source: National Geographic
Private & Confidential © DS Smith

Source: Sophie Thomas, SAP Leonardo

www.dssmith.com

Brands and retailers rethinking approach to packaging

► New EC strategy:

- make all plastic packaging in the EU recyclable by 2030
- reduce the consumption of single-use plastics
- Supermarkets introducing "plastic-free" aisles and eliminating non-recyclable packaging
- Shops experimenting with complete "packaging-free" / "no-waste" bulk concepts
- Replacement of single-trip plastics



Strong support for corrugated...

- Approval rates for cardboard (55%) and paper (30%) much higher than for plastic (7%) and polystyrene (1%)
- 85% of European shoppers prepared to pay a 12% premium for sustainably packaged goods



Replacing single use plastics

- Identify those design aspects that have made plastic more attractive
- Isolate, replicate and pivot towards corrugated alternative
- Over 125,000 miles of category shelving in 80,000 traditional supermarkets potentially available to transfer across Europe
- Increase to market size of 0.4% per annum (CAGR 2018-2022), equivalent to c.\$700m increased size of market over that period in Europe and US combined



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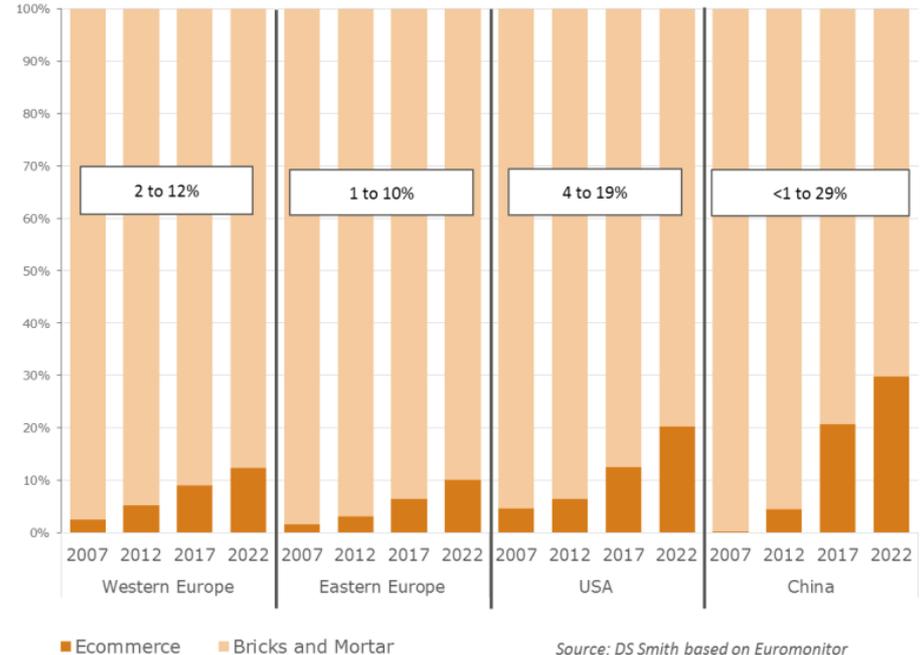


E-commerce is on the rise everywhere

- ▶ Increasing share in total retail sales
- ▶ New entrants and developments
 - ▶ E-pharma, E-grocery, frozen food, sharing economy
 - ▶ Demographics, internet penetration, improving delivery infrastructure



In 15 years, the share of e-commerce in total retail grows from:



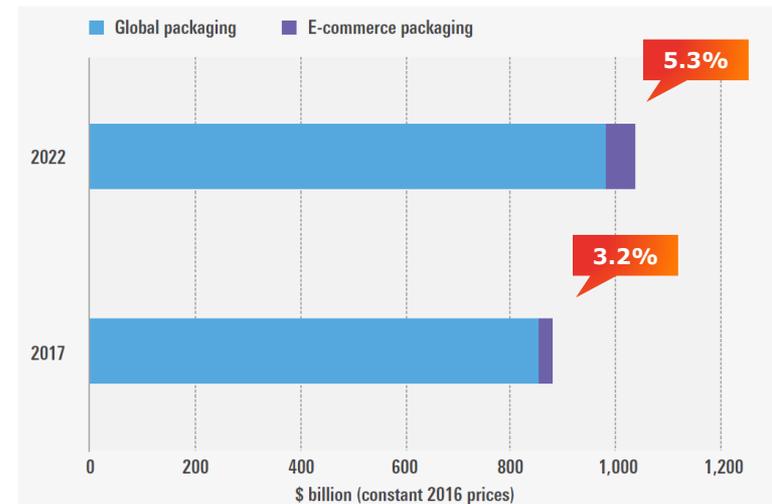
Source: DS Smith based on Euromonitor

Boosting e-commerce packaging

- Set to grow to over 5% of total packaging by 2022, or \$55bn
- Over 2017-2022, CAGR for e-commerce packaging will be nearly 5x higher than for traditional packaging (14% vs 3%)
- Corrugated packaging affected more strongly by these trends than other media
- Increase to market size of 0.3% per annum (CAGR 2018-2022), equivalent to c.\$500m increased size of market over that period in Europe and US combined



E-commerce vs global packaging market share



Why corrugated matters

- ▶ Today, e-commerce packaging requires 50% more corrugated than traditional retail:
 - ▶ Over-sized packs
 - ▶ Increased need for protection
 - ▶ More single product shipments
 - ▶ Direct delivery from brand to customer
- ▶ Creating logistical challenges for customers and retailers, and criticism from consumers



- **39%** of online shoppers concerned by excess packaging
- **72%** believe too much packaging is used for online orders

Source: Nielsen



Corrugated as the value creator

- Lightweighting and design will drive down volumes of corrugated required per package and reinforce its value in the supply chain
- Other trends will add volume and value such as:
 - Packaging that reinforces brands
 - Easy returns and recycling
 - Customisation with digital print
 - Subscription delivery models
 - Traceability
 - Tracking



< Flowers delivered in a box that matches the brand experience (Greetz)

Wine bottle fit for mail delivery (Garçon) >



< Resalable fashion box for easy returns (Amazon)

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“We anticipate the birth of a re-imagined retail industry driven by the integration of online, offline, logistics and data across a single value chain”

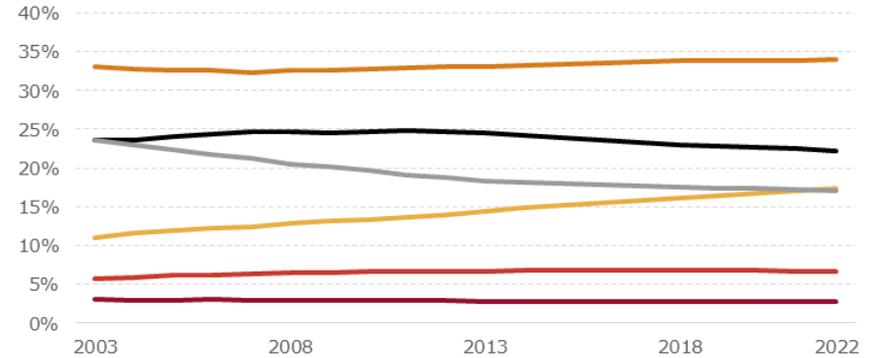
Jack Ma
Letter to Alibaba's shareholders (2016)

Retail channels 2003-2022: Europe & USA

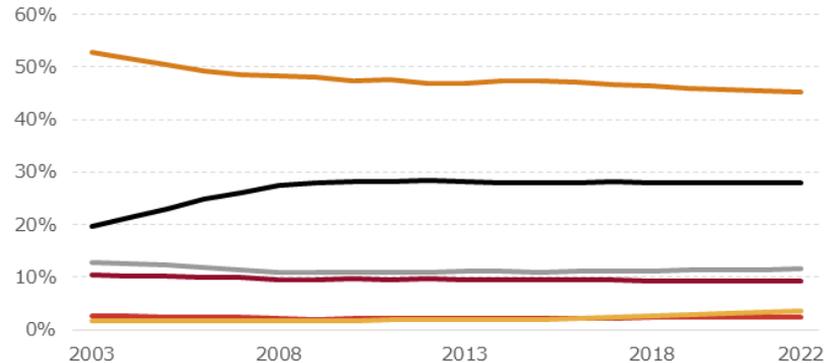
- ▶ Traditional retailers on continuous downward trend
- ▶ Discounters continuing to take share
- ▶ Hypermarkets transforming into smaller units
- ▶ USA – many hypermarkets in fact discounters



Western Europe

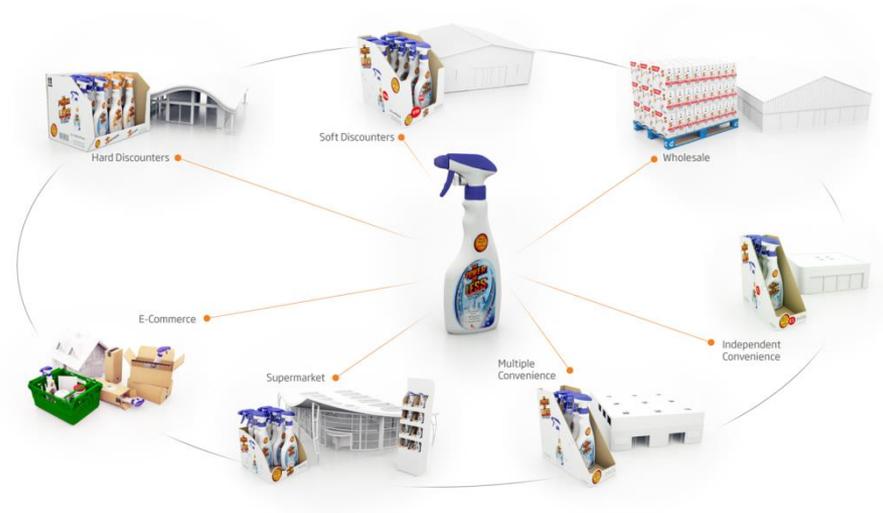


United States



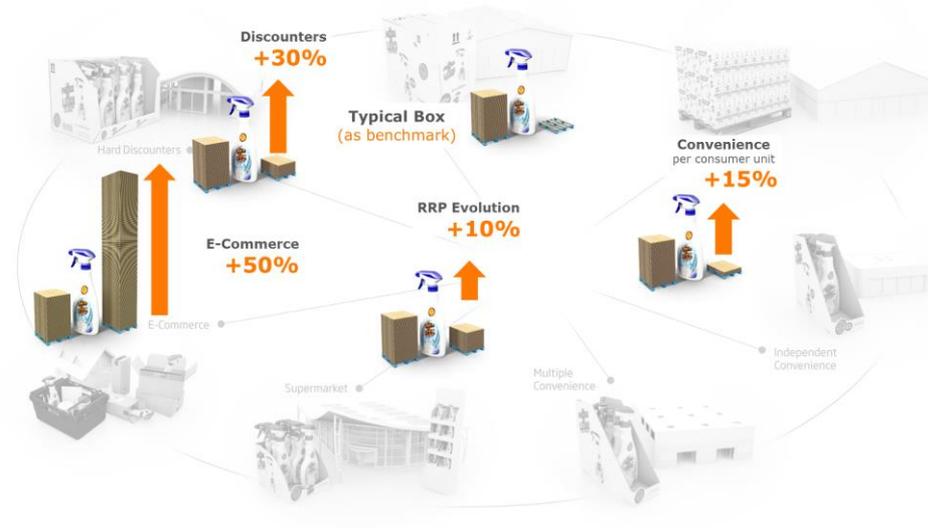
Omni-channel

- Consistent and unified customer experience without visible boundaries and complexities
- Each channel placing different demands on product and packaging



Implications

- Ratio of corrugated volume per unit of consumer product increases with different formats
- Lots of mileage left in traditional retail RRP development as well
- Increase to market size of 0.1% per annum (CAGR 2018-2022), equivalent to c.\$100m increased size of market over that period in Europe and US combined



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Q&A



DS Smith differentiation



Market trends in practice

- Retail channel disruption
 - Impacts brands
 - Impacts retailers
 - Marked increase in brand innovation
- Sustainability matters
- E-commerce boom





Retail channel disruption is driving change



Brands

Greater channel fragmentation is one of our key challenges...”

David Walker - Nestle Project Manager *Logistics Transformation (May 2018)*





We have set out our aim to remove plastic packaging from our own label range completely by 2023.

#TooCoolForPlastic

Iceland



Using sustainable packaging is an important part of fulfilling our Sustainability promise.

Vice President
Environmental Responsibility,



E-comm booming – opportunity and challenges

Brands now selling direct via e-commerce versus through retailers

- ▶ Mondelez on track to hit **\$1 billion** in direct e-commerce sales by 2020.
 - ▶ Net revenues from direct e-commerce **+40%** in 2017.
 - ▶ Accelerating gifting and subscription growth platforms



“ We invest in order to premiumise our range of products but we do invest a lot as well in new channels, and this is really at the core of our strategy. And e-commerce is a good illustration of it.

(Nestlé CFO)



E-COMMERCE Sales Growth

P&G Categories	P&G Growth	Versus Market	Top 8 Countries	P&G Growth	Versus Market
Category 1	+20%	●	Country 1	+30%	●
Category 2	+20%	●	Country 2	+50%	●
Category 3	+30%	●	Country 3	+10%	●
Category 4	+40%	●	Country 4	+10%	●
Category 5	+50%	●	Country 5	+20%	●
Category 6	+70%	●	Country 6	+20%	●
Category 7	+40%	●	Country 7	+0%	●
Category 8	+40%	●	Country 8	+60%	●
Category 9	+60%	●			
Category 10	+10%	●			



Packaging more relevant than ever

- More packaging formats and SKUs
- Impactful packaging needed to get brands noticed
- Relentless cost pressure

Hard discounters

Two piece packs = more corrugated

+30%
m²



Convenience stores

smaller pack sizes = more corrugated for the same number of units

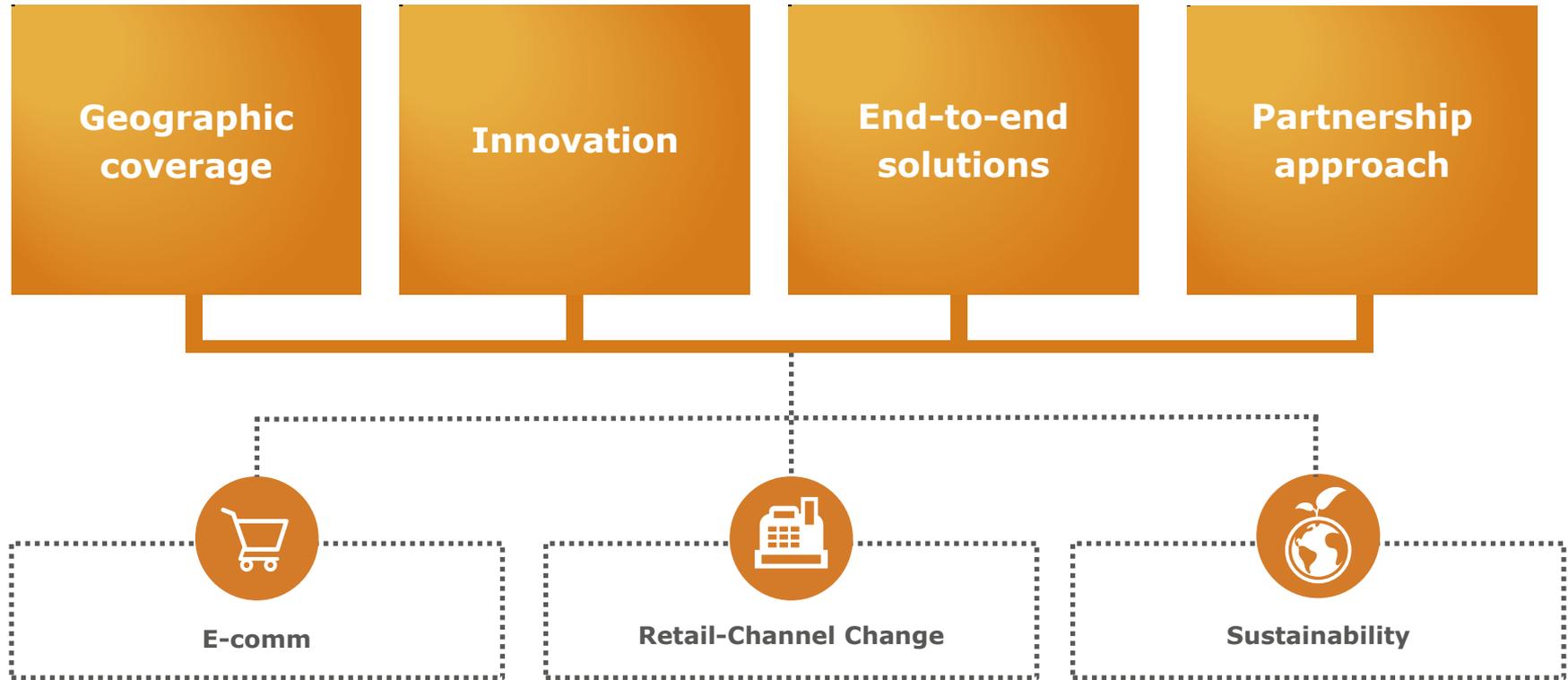
+15%
m²

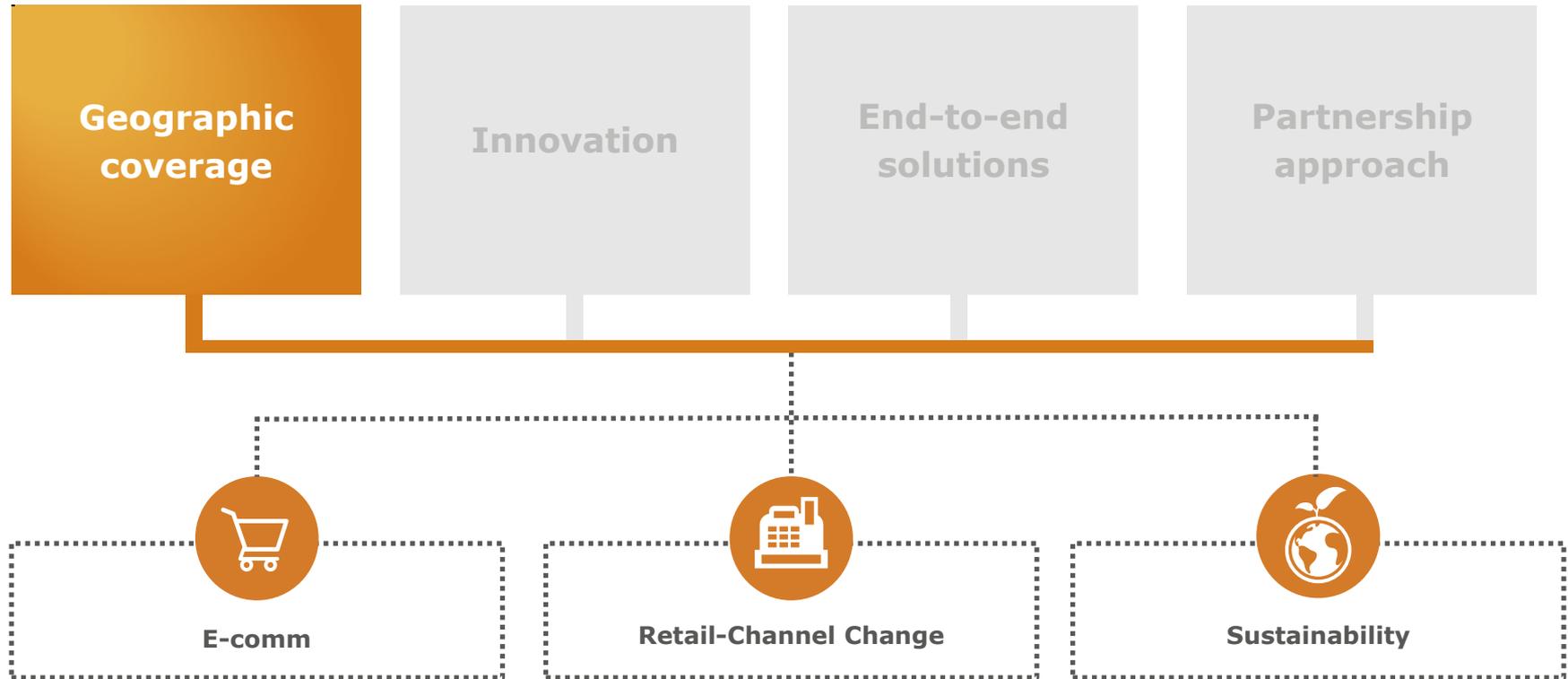


Our differentiated approach



Our differentiation





Our scale means we are able to serve global customers...⁵⁰

2010

c. **28,500**
Employees

2018

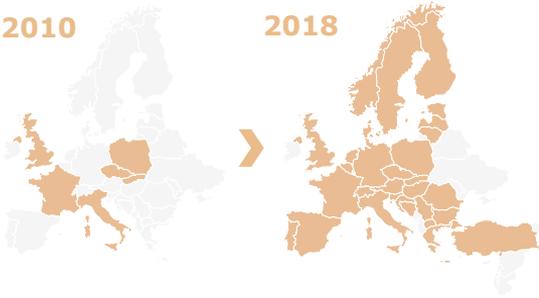
37
Countries

Over
200
Manufacturing sites

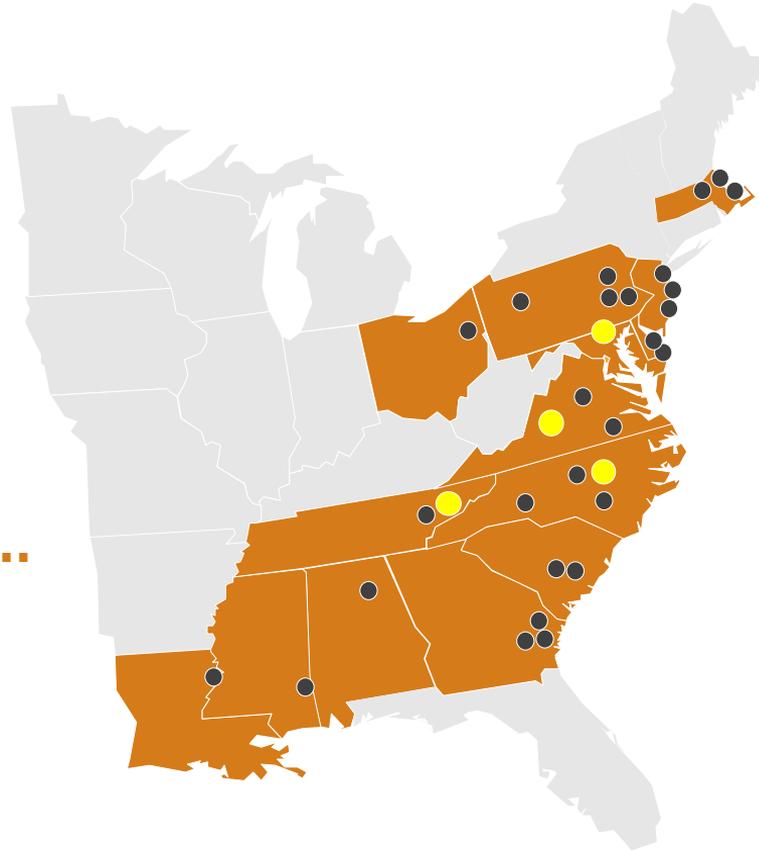
Our scale enables us to serve global customers...

2010

2018



Growing in the US...



We work with all the major FMCG groups in Europe

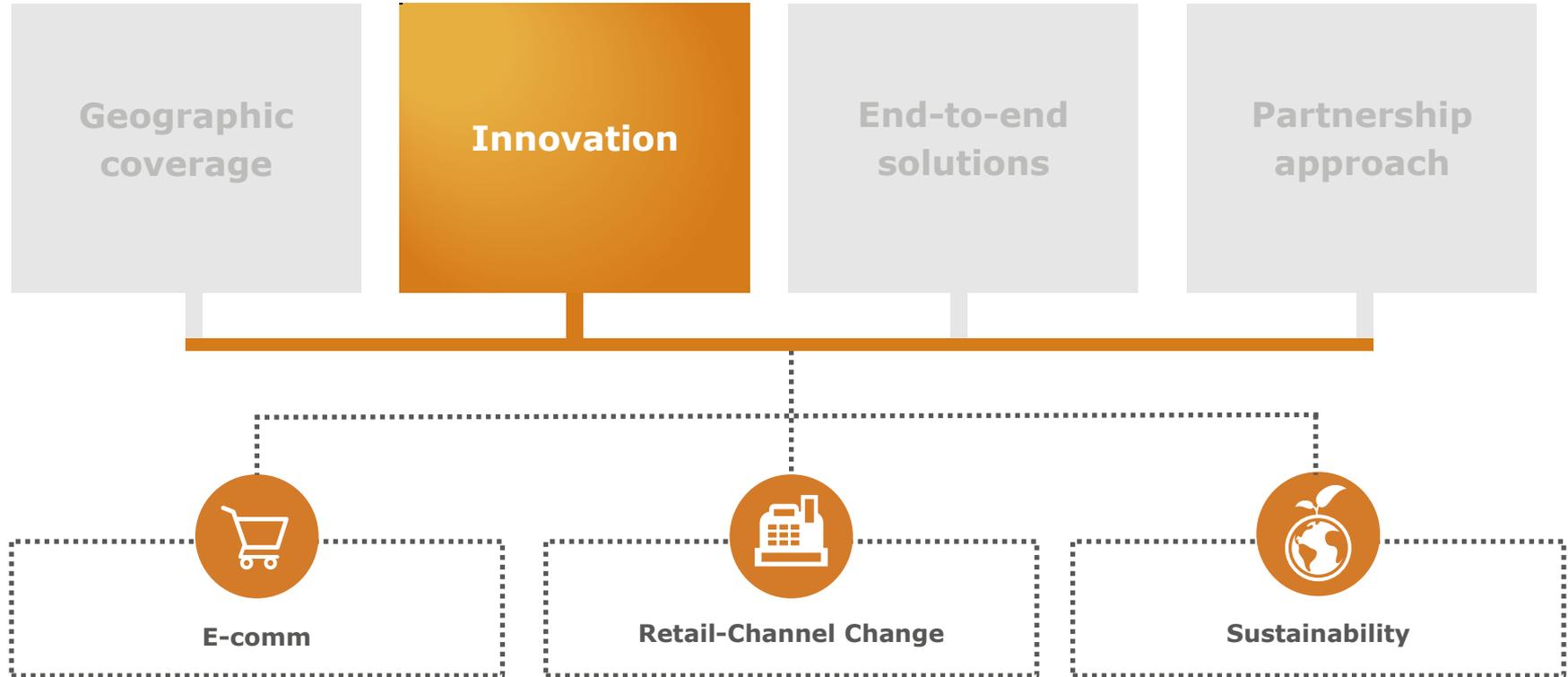
- top-20 customers – served in an average of 14 countries
- 40% of our customers served in multiple countries



We are also focused on more strategic supplier relationships... Over the past five years, we have reduced our total number of suppliers by roughly 20%.

Global product supply officer, 18 Nov 2016





Investing in scalable innovation

54

- Leader in packaging innovation
- c. 700 designers and innovators
- 9 major innovation hubs
- 33 practical innovation centres
- R&D in raw materials innovation
- Collaboration with partnership research organisations



- Unique offering
- Performance packaging designed to optimise the use of materials
 - Proprietary board testing technology
 - Developed in collaboration with our paper operations
- Customers benefit from guaranteed performance of their packaging
- >70% European customers now buy from us on a performance basis



- ▶ Supporting Orkla's sustainability targets through performance packaging
- ▶ Challenge – more environmentally friendly packaging
- ▶ Action – performance packaging programme roll out
- ▶ Result – reduction in packaging
- ▶ 10% weight reduction of packaging saves 74kgCO₂e per tonne of packaging



- Top issues for e-commerce customers
 - Damage
 - Product returns
 - Speed of packing
 - Void space and cost
 - Customer acceptance of packaging / sustainability issues
 - Brand support
 - Need for personalisation



DISCS – surviving the last mile delivery process

- 10x risk of product damage from home deliveries vs. traditional supply chain
- Proprietary testing protocol
 - Simulates e-comm supply chain
 - Certified packaging for e-commerce
 - Dramatically reduces design cycle time



[SHOP BY PRODUCTS](#) ▾[SHOP BY USAGE](#) ▾[CUSTOMISE](#)[MY ACCOUNT](#)[BASKET \(0\)](#)

Made2Fit Cardboard Boxes

- Get 26 different box sizes options from just two boxes
- Reduce packaging material storage space, void fill and shipping costs
- Improve unboxing experience for your customers

SHOP BOXES FROM
£0.86*



<https://shop.dssmith.com/en-gb>

- Made2Fit solution to minimise packaging and void space
- Automated solution for large volume e-tailers
- Reduces labour costs
- Right-sized packaging
 - better pack protection
 - customer acceptance
 - reduced shipping costs



- Premiumisation trend in e-commerce packaging
- Brand support – “wow” effect
- Printing inside and outside
- Innovative designs for easy opening and product return
- Personalisation
- Digital printing expertise



Point of sale ever more important

Salesfront

- keeps product visible
- Sales uplift > 5%

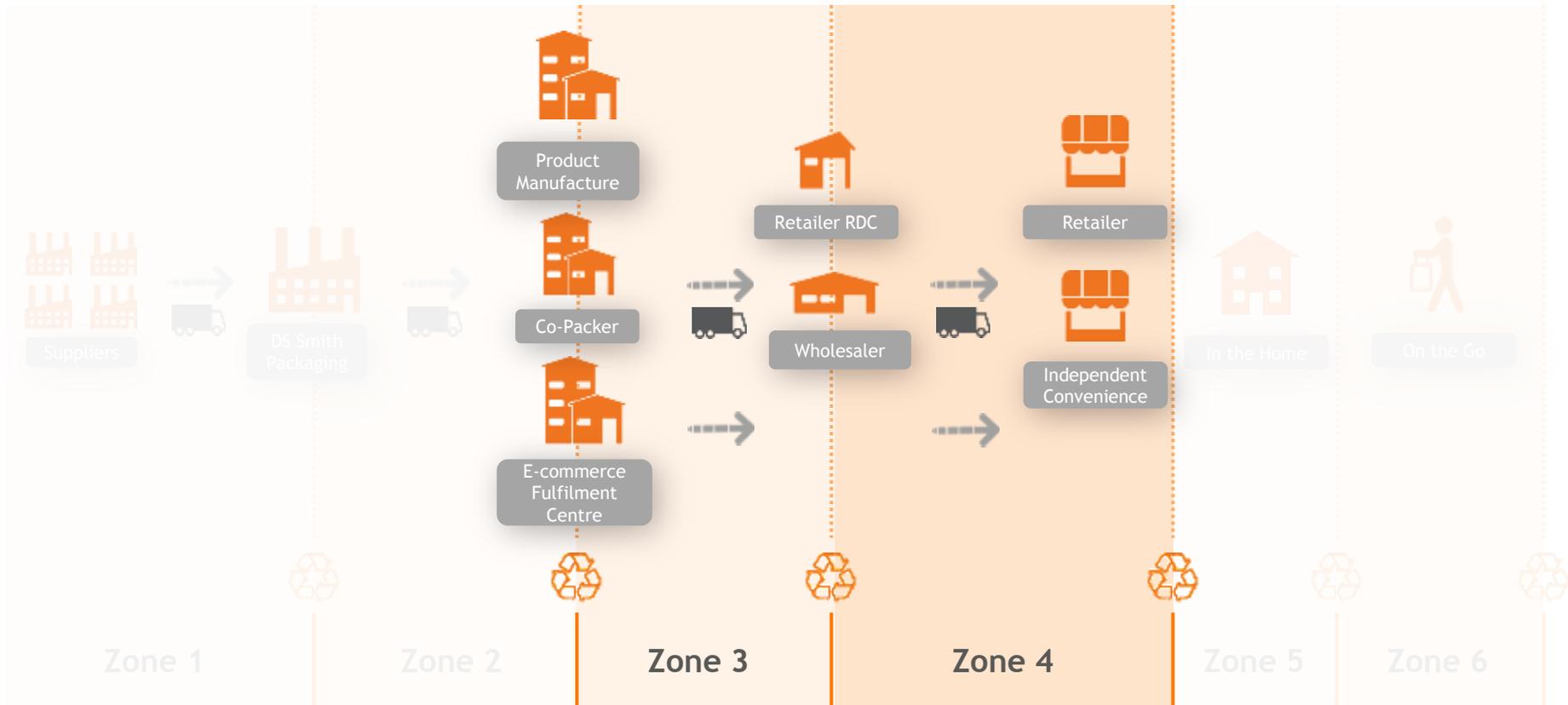


IRIS and the Impact Centre 100% changed our views on SRP, it showed us how powerful it can be when used correctly.

Head of Packaging Development
– Food business



Single use plastics – analysing the supply chain 'zones' ⁶³



Innovation in sustainable packaging

- **Plastics substitution**
- Focusing on **replacing plastic** shelf-ready packaging



Challenge to find sustainable alternative packaging that is:

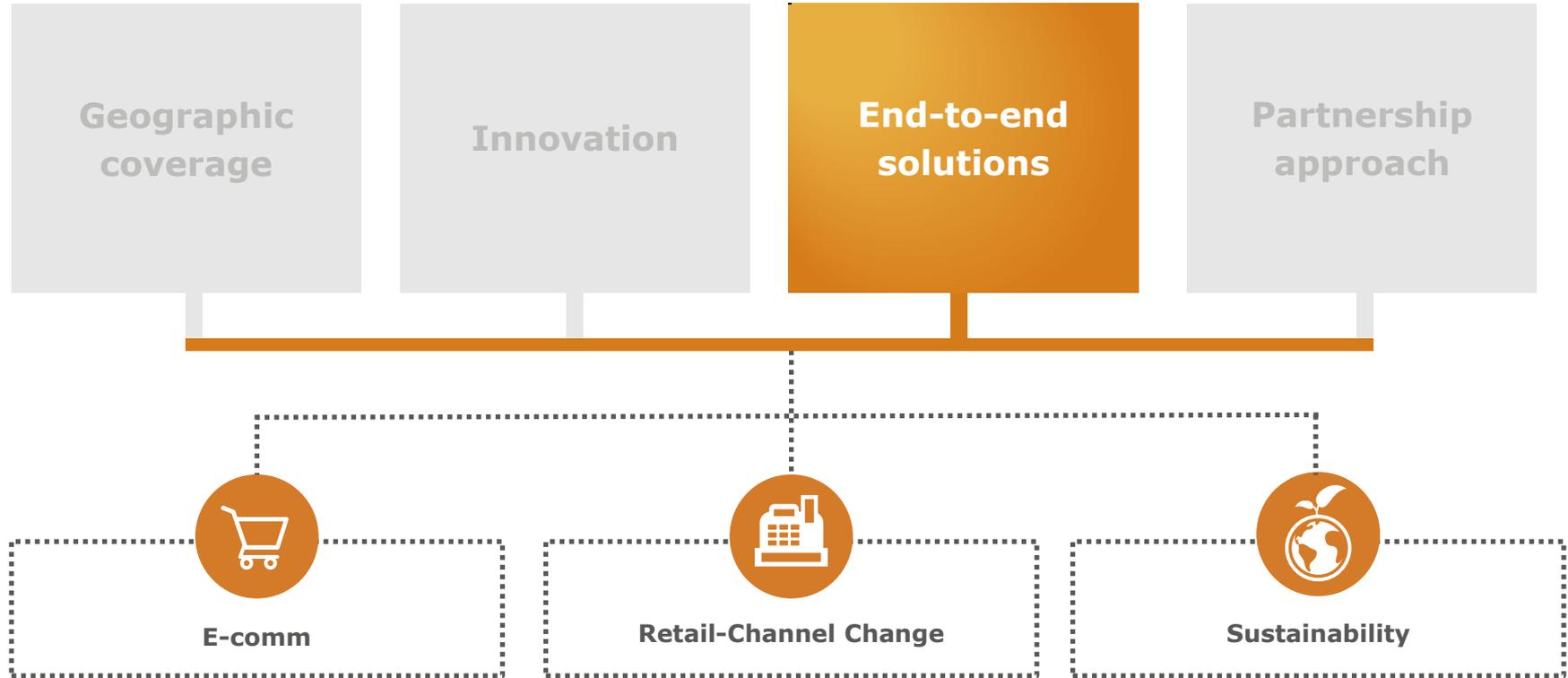
- ▶ waterproof
- ▶ stretchable
- ▶ sealable
- ▶ impermeable

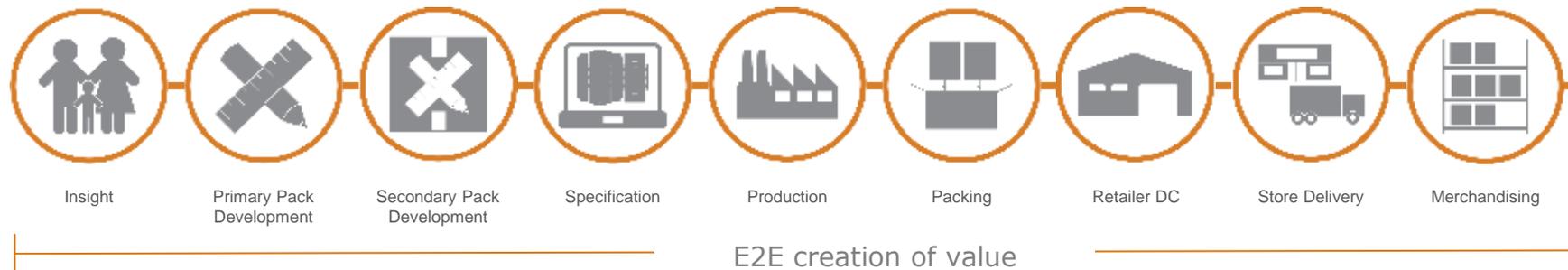
Continuous innovation

- ▶ Greencoat® waxed box substitute solution in the US



Our differentiation





- **Unique consumer, retail and technology insight**
- **Range of systems and tools developed**



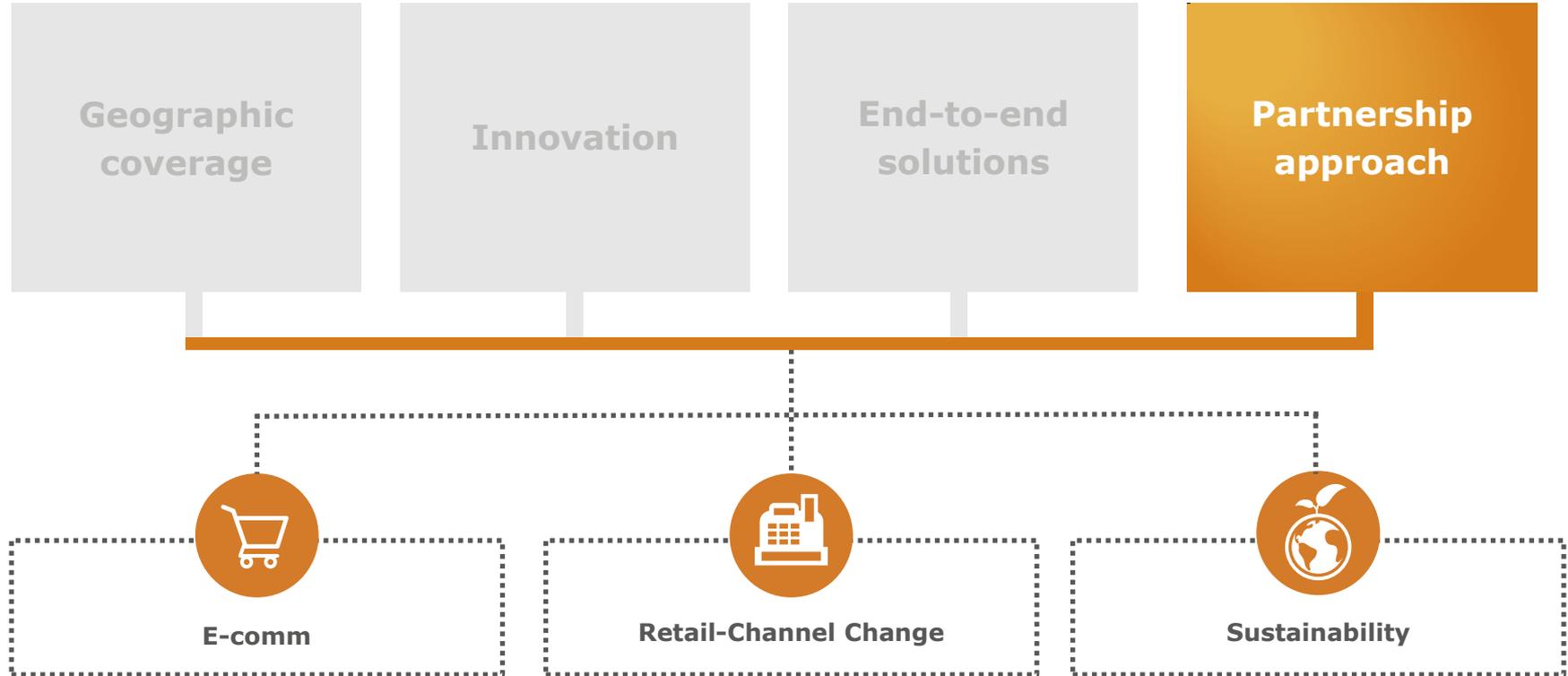
The DS Smith POS retail integration model saved us €750,000 in 12 months on more than 2.2 million units from development to the co-packing.

Head of Direct Procurement, Germany, Nestlé

- ▶ Solutions for a **complex supply chain**
- ▶ For example: Ebro foods
- ▶ **Challenge** – save time and cost: 27 display types, 137 components, inefficient filling and co-packing
- ▶ **Solution** – harmonized base unit, 12 components,
- ▶ Result – reduced total cost of ownership **over 1/3**



Our differentiation



Long-term relationships – partnership approach

- Very deep understanding with customers
- Typical period of collaboration 20 years+
- Deep industry and customer insight
- Business units designed around customers



Long-term relationships – partnership approach

MARS

- ▶ A strong long term relationship built up over many years fuelled through piloting Supplier Performance Relationship Management
- ▶ Collaborative design and innovation
- ▶ Working to support global innovation
- ▶ We are working in all of the Mars segments
- ▶ Getting the basics right - quality and service are vital components to our strong relationship

MARS
WRIGLEY
confectionery

MARS
petcare

MARS
food



Working together



Summary



We are winning with our customers

Increasing share of wallet with large customers

36%

(2015)



41%

(2018)

(estimated share of wallet
of top-20 customers)



Total opportunity with
top-20 customers

c.€2bn

remaining in Europe alone...



Nestlé



Evolving a strategic vision through our mirrored partnership with continuous narrative

4.32 Supplier Score

A4Y

Regular young employees
hired: **1058**

Temp young employees hired:
694

Young apprentices hired:
178

Total job opportunities:
1970

Employability events held or
supported by DSS:
50

85 Nestle sites and delivery
points

60
DS Smith sites

2017 Turnover

Eur 127m

>5.4m CHF

Cost savings
implemented
2017

25

Countries

4000+

Specifications

8

Market segments in
Europe + Purina, Nespresso,
Waters & Nutrition

Key statistics

Strategic partnership accelerate together

- ✓ Account structures that support growth (implants)
- ✓ Top to Top strategic relationships
- ✓ Lean Value Stream opportunities & efficiencies
- ✓ Game changing long term transformational ideas
- ✓ Full traceability & transparency of entire end to end supply chain
- ✓ "Whatever Whenever However "

Supplier engagement

- ✓ Proactive focused innovation and renovation aligned to business strategy
- ✓ Regular Supplier Reviews
- ✓ Joint Measures collaboration
- ✓ 'Can do' Supplier agility
- ✓ Proactive use of data and tools for capacity seasonal & contingency planning
- ✓ Joint OMP, NCE journey

Brilliant at the basics & sustain

- ✓ VES Minimum 97% (average)
- ✓ Clear Timely Communication and contact points and cover, issue resolution and support (TCO)
- ✓ Right Quality
- ✓ Master data & Material technical compliance – proactive review and maintenance
- ✓ Proactive Risk management and plans

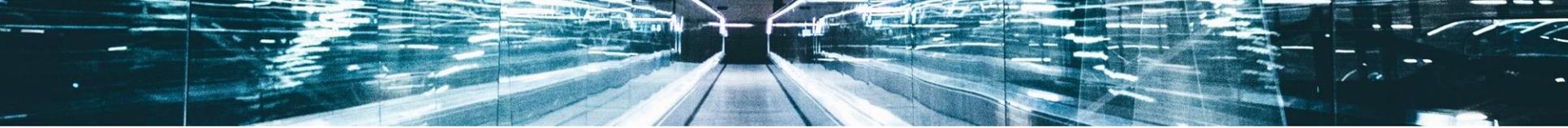
Expectations continue to climb

What is important for Nestle:

Promoting a holistic approach
focused on end to end
value chain optimization



A joint strategic vision



Strategic partnership

- Open discussion & responsiveness
- Bring external perspectives from other industries & customers
- Mutual best interest
- Room for both to win

End-to-end

- End-to-end gets more complicated
- Pressure from consumers for low costs, while shareholders require value creation
- Conventional way to do business doesn't work anymore

TDC

- Looking at cost as total delivered cost through the supply chain
- Understand and find cost that doesn't add value to consumer

Understanding

- The world is changing fast with disruptors like e-commerce and higher expectation from consumers, shareholders etc.
- Committed team that truly understands what Nestlé needs & challenge their ways of working

Quality & service

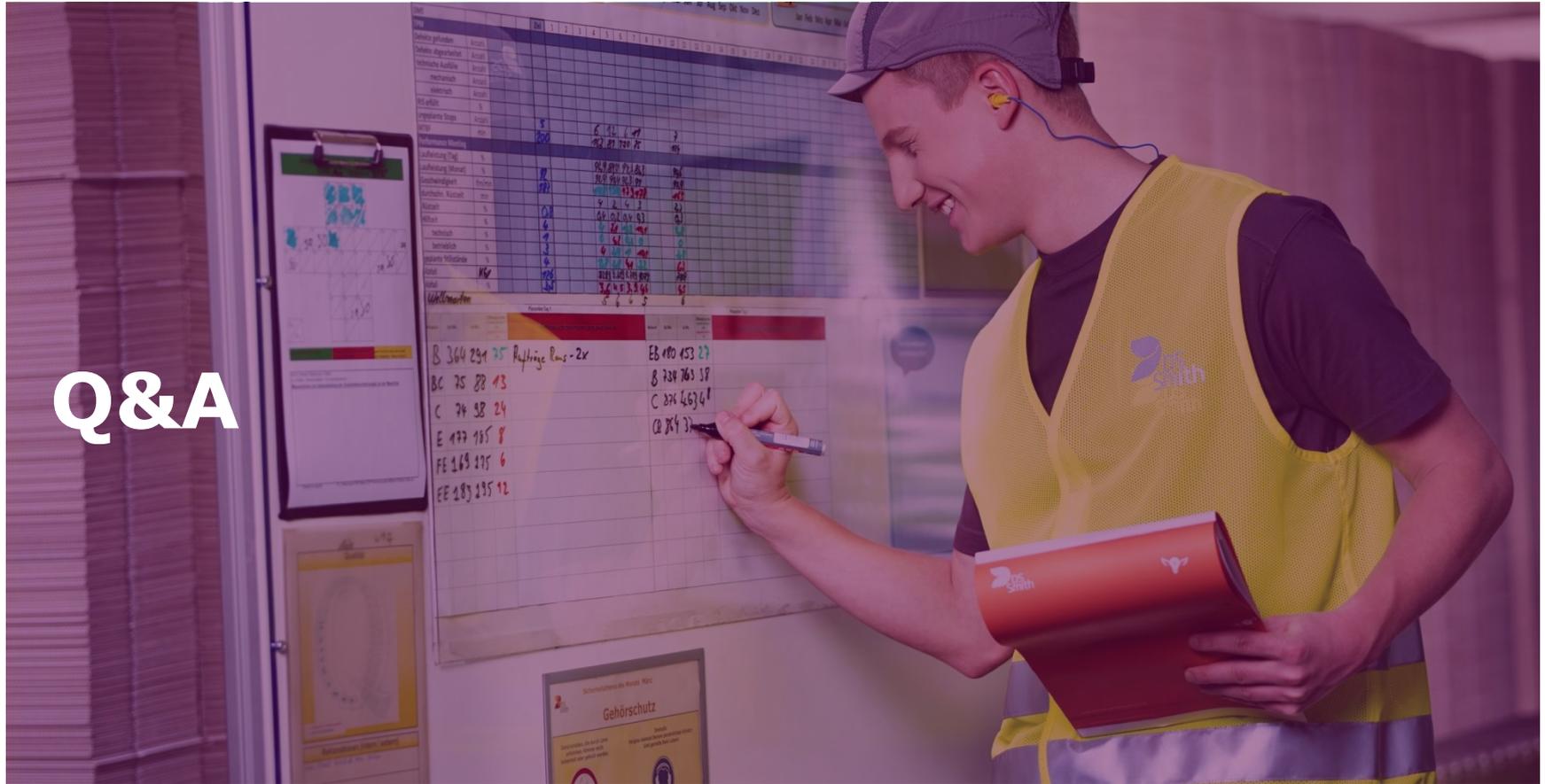
- Quality & service are a prerequisite
- VES: on time, in full & defect free
- Address issues quickly and openly to quickly fix them

Sustainability

- Financial sustainability -> both need to be profitable to invest in innovative solutions
- Awareness responsible sourcing and doing the right things
- Following responsible sourcing guidelines

What do Nestlé want from a supplier?

Q&A





DS Smith North America

Customer pull to the US

- Significant multinational customer pull for our capabilities, innovation and partnership credentials
- Proven ability to deliver value for customers through:
 - Leading insight to drive customer product sales
 - Multinational approach
 - Total supply chain perspective



DS Smith has been a strategic supplier to Nestlé for many years in Europe. Like for all key business partners, Nestlé supports DS Smith's strategy to become a global supplier of corrugated packaging, and this announcement is an important step towards realizing that ambition. We look forward to working with DS Smith across our business to continue to develop mutual value generation and shared understanding.

Christophe Dupas
Global Head of Procurement – Packaging

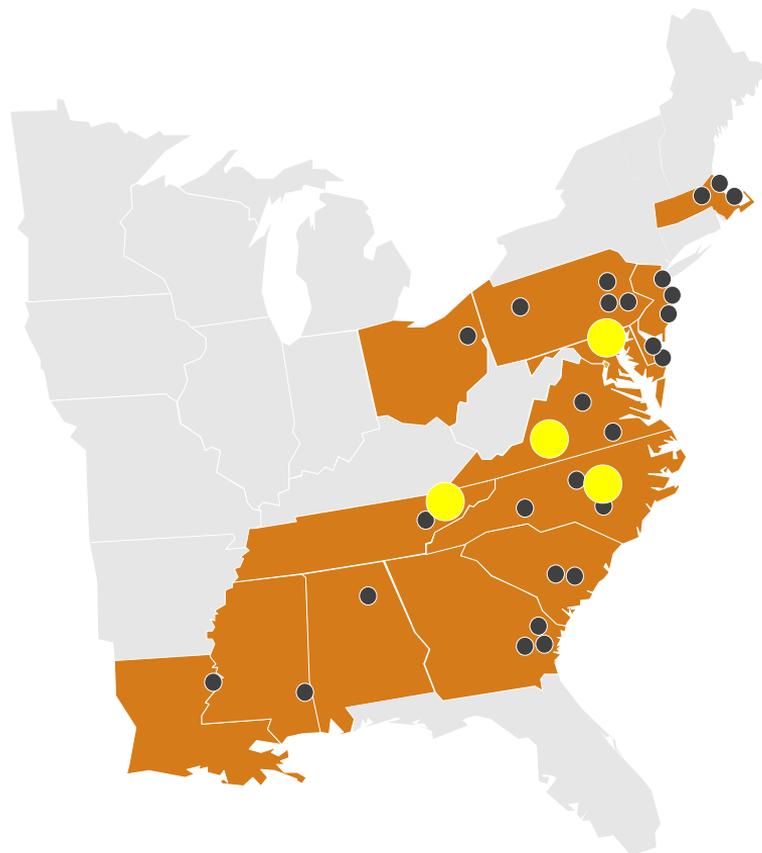


Mondelēz has a strong relationship with DS Smith, our sole supplier of corrugated packaging in Europe, based on shared vision and values. DS Smith's entry into the North American market is an exciting development, and we look forward to continuing the growth of our partnership over coming months.

Brian Harasymchuk
Director of Procurement North American
Region & Global Paper Procurement

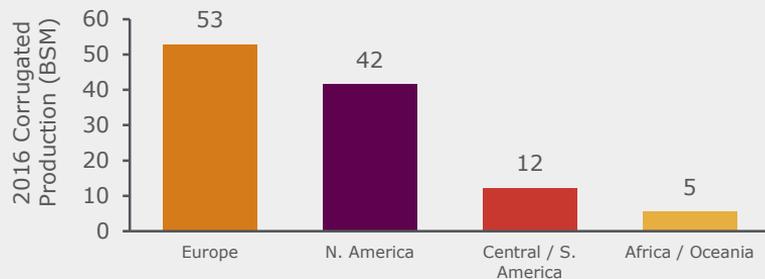
Our position in the US market

- ▶ 12 Interstate Resources packaging plants
- ▶ 2 Paper mills
- ▶ CCC added 4 further packaging plants
- ▶ Run rate volumes:
 - ▶ c.570 msm box
 - ▶ c.390 kt kraftliner
 - ▶ c.195 kt recycled CCM



Macro drivers – attractive and growing market

Large corrugated packaging market



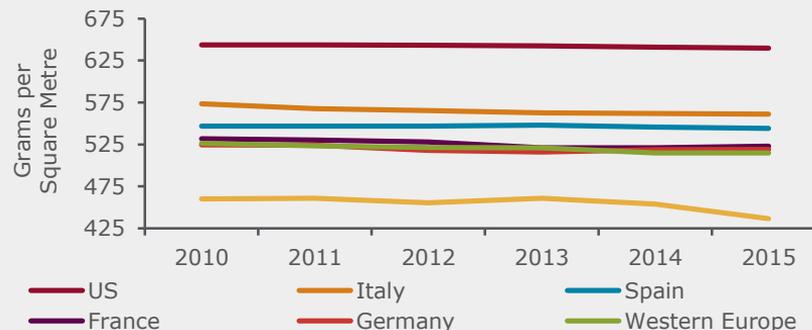
Retail ready opportunity

	RRP penetration ⁽¹⁾	2016-2021(f) CAGR ⁽²⁾
UK	c. 50%	1.6%
Continental Europe	c. 30%	2.3%
US	c. 15%	2.7%

E-commerce opportunity



Performance packaging opportunity





Competitive Landscape – consolidated market

- ▶ Highly consolidated market
- ▶ Attractive margin profile

Competitor	Approximate Containerboard Market Share
International Paper	33%
WestRock/Kapstone	23%
Georgia Pacific	10%
Packaging Corp. of America	9%
Top 4	75%

Packaging Trends in the US

- ▶ Global trends are becoming much more evident
 - ▶ European retailers make inroads into the US market (Aldi, Lidl)
 - ▶ Retail Ready Packaging increasing
- ▶ “Performance Packaging” gaining good traction
- ▶ E-commerce growth accelerating
 - ▶ Disproportionate impact on transit security packaging
- ▶ Digital Printing is making packaging more individual and relevant
- ▶ Sustainable Packaging becoming ever more important





Current Market Trends

- ▶ Expected 2018 market shipment growth is **2.4%**⁽¹⁾
- ▶ Consolidation continues at all levels of the Corrugated/Containerboard market
- ▶ Growing international influence on the market. Driven by globalization of demand and raw material availability



(1) Source: AFPA

A photograph of a male worker in a warehouse setting. He is wearing a grey hard hat with the 'DS Smith' logo, a yellow high-visibility safety vest over a dark t-shirt, and earplugs. He is focused on his work, using a blue handheld tool with a metal probe to inspect a large roll of material. The background shows stacks of similar rolls in a well-lit industrial environment. The entire image has a semi-transparent purple overlay.

Progress in Year One

Seamless Integration

- ▶ Management team established from day 1
 - ▶ Clear structure, mirroring Group functions
- ▶ Stronger Together culture
- ▶ Disciplined integration process
- ▶ Smooth transition to DS Smith – North American Packaging and Paper.
- ▶ Day 1 Health, Safety and Environmental expectations magnified the focus of a safety conscious organization



Be trusted



Be challenging



Be caring



Be tenacious



Be responsive

Developed toolkit for integration

- ▶ Approximately 50 value creation work steams
 - ▶ Mix of DS Smith & Interstate personnel
 - ▶ Confidence to upgrade synergy expectations
- ▶ Ongoing work through our Program Delivery Office
 - ▶ Continuous Improvement
 - ▶ R&D
 - ▶ Innovation and Value Creation
- ▶ “Best of both” approach
- ▶ Benefits of scale and transfer of best practice



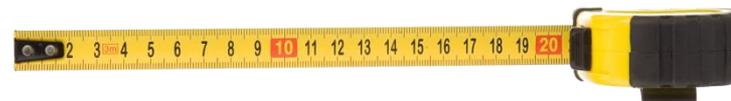
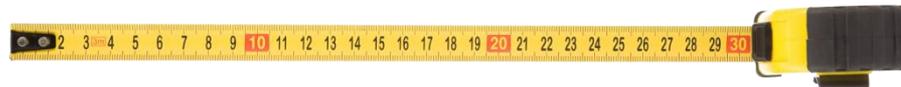
Operational excellence

- ▶ Aim – to implement operational excellence through knowledge sharing and a “best of both” culture
 - ▶ Improve H&S
 - ▶ Improve service
 - ▶ Mill capacity enhancements to support Supply Engine
 - ▶ Improve capacity utilisation at box plants
- ▶ Results:
 - ▶ Lost Time accidents have been reduced by 89% YTD from an industry average performance in FY17
 - ▶ Both mills - record production levels through Year 1 and operating as part of Supply Engine model
 - ▶ Service levels (OTIF) up from c. 80% to over 90%
 - ▶ Reading and Columbia packaging sites now 24/7



Expanding our scope and scale

- ▶ We have aggressively engaged in expanding the scope and scale of our North American business
 - ▶ Corrugated Container Corporation, a four plant packaging business in North Carolina, Virginia and Tennessee, acquired in May
 - ▶ Significant underutilised capacity
 - ▶ Established a Recycling business
 - ▶ Building innovation centre
 - ▶ Reducing “long” paper position through strong volume growth
 - ▶ Planning new greenfield corrugated packaging site in Mid West



Winning with customers

- ▶ Customers are asking us
 - ▶ To “shake it up”
 - ▶ To bring innovation
 - ▶ To help them manage change and risk
- ▶ We are responding by
 - ▶ Bringing disruption
 - ▶ Innovation with performance packaging and display harmonisation
 - ▶ Leveraging network of Impact centres for global customers
 - ▶ Change – solutions focus and SRP expertise
- ▶ Global teams for a co-ordinated and collaborative approach



Commercial success

New customers in the US...



Reckitt
Benckiser



JOHN DEERE



Deeper global relationships with existing US customers

HERSHEY'S[®]

MARS

L'ORÉAL

Unilever – new work with growing brand

- ▶ Our long standing partnership with Unilever is now transatlantic
- ▶ Unilever has been a top-20 customer of DS Smith for many years in Europe
- ▶ Now managed by a global team from both the US and Europe
- ▶ Won sole supply contract for Dollar Shave Club (both US and Europe)
- ▶ Dollar Shave Club visited European Impact centre – important element in winning contract
- ▶ Market leading e-commerce pack with print inside and out



- ▶ Longstanding European DS Smith customer
- ▶ RB expanding operations in the US following acquisition of Mead Johnson
- ▶ New business at Belle Mead operation
 - ▶ Served out of Reading corrugated site
 - ▶ Potential for substantial growth in contract



L'Oréal – deeper global relationship

97

- ▶ A global approach to end-to-end solutions for L'Oréal
- ▶ Longstanding customer of Interstate Resources
- ▶ We partner with L'Oréal across their supply chain:
 - ▶ Shelf-ready Packaging
 - ▶ Display
 - ▶ Recycling services
 - ▶ Packing solutions
 - ▶ CSR recognition
- ▶ Serve 22 L'Oréal sites from 18 DS Smith sites (including sites in the US), across 10 countries
- ▶ Joint working between US and European teams with common mission and story
- ▶ Double-digit growth year-on-year



Case Study – Mountaire Farms

- ▶ Major poultry processor in the United States
- ▶ Use DS Smith’s innovative Greencoat® packaging for retail, wholesale, and global export markets



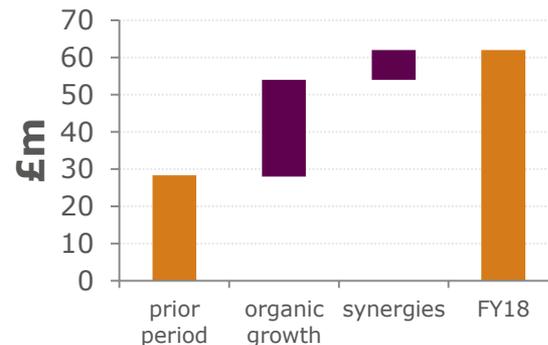
We have seen only positive change since August of last year. They continue to be truly focused on our business and our needs. As a simple example, last week DS Smith secured and shipped packaging and emergency relief supplies within 24 hours of Hurricane Florence impacting our largest facility. This was clear dedication to us and our team. Just like before the name change.”

Ron Pittington, Director of Procurement, Mountaire Farms



Financial success

- Financial success
 - Synergy targets upgraded from (initially) €25m to \$40m by the end of the 3rd full year
 - Profits in initial period more than doubled
 - Return on capital ahead of WACC in initial period of ownership



A photograph of a woman with long blonde hair, wearing a black and white striped shirt and a dark cardigan, smiling broadly as she receives a cardboard box from a man in a dark blue uniform. The man is seen from the side, wearing a white cap. The scene is set indoors, possibly in a home or office. The entire image has a soft, reddish-pink tint. The text "The Future is Bright" is overlaid in white, bold, sans-serif font across the center of the image.

The Future is Bright

The Future is Bright

- ▶ The market opportunity from the increasing relevance of packaging is huge
- ▶ Growth opportunities in North America
 - ▶ Global customer take-up
 - ▶ Expansion in e-commerce supported by the supply chain expertise and e-commerce platform in Europe
 - ▶ Service offering
 - ▶ Geographic expansion
 - ▶ Significant growth in the Recycling business
- ▶ Resources in place to drive and support growth



Q&A





Summary



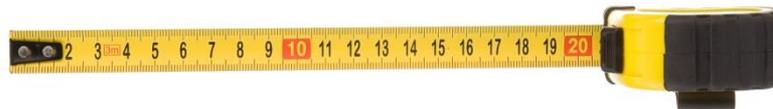
Strategy for growth

What are we trying to achieve?

- Sustainable, growing volumes
- Consistent, growing profits
- Consistent, growing returns

How?

- Focused on value-adding packaging for FMCG customers
- Building a market leading multinational business
- Investment in innovation
- Disciplined capital allocation behind business model
- Resourced and structured for growth





Q&A



Presenters' biographies



Miles Roberts
Group Chief Executive

Miles joined DS Smith as Group Chief Executive in May 2010.

Prior to DS Smith, he was Chief Executive of McBride Plc, having originally joined as its Group Finance Director.

Miles is also non-executive Director of Aggreko plc.

Miles holds an engineering degree from Bristol University and is a chartered accountant.



Adrian Marsh
Group Finance Director

Adrian joined DS Smith in 2013 as Group Finance Director.

As a former head of tax, treasury and corporate finance at Tesco PLC, Adrian has helped DS Smith to significantly build the finance function and deliver strong financial results. Adrian has also held a range of senior divisional CFO positions at both Astra Zeneca plc and Pilkington plc.



Alex Manisty
Head of Strategy

Alex worked at KPMG and ICI (chemicals) in various financial and M&A roles before joining DS Smith in 1999.

Since then he has worked in corporate development, finance and general management roles including Managing Director UK Packaging Region (until 2012) and Commercial Director European Packaging (until 2015). He was appointed into the latter role immediately following the acquisition of SCA Packaging, and was responsible for managing integration and ongoing activities in Sales and Marketing, Commercial Excellence, Performance Packaging, R&D/Technical and Design matters.



Jim Morgan
President and Chief Executive, North America Paper and Packaging

Jim Morgan leads the North American Packaging and Paper division of DS Smith. He previously led the business under prior ownership from 2007 until the acquisition by DS Smith in August 2017.

Jim began his career in the paper and packaging business in 1988 after working in both the power equipment and aerospace industries. He served in leadership positions with Gaylord Container, Bay State Paper and Duro Bag Manufacturing, prior to joining Interstate Resources/Indevco.

Jim holds a Bachelors of Science, Economics and a Masters of Science from West Virginia University.



Adrienne Liebenberg

Sales and Marketing Director, Packaging

Adrienne joined DS Smith in 2016 as Director of Sales, Marketing and Innovation for DS Smith Packaging.

Prior to that, Adrienne spent five years in BP Castrol leading Global Marketing, Customer Experience and Brand functions, and prior to that 16 years in Linde in various business management, category management, engineering and commercial roles, with her first role in the manufacturing plants in Africa and final role overseeing the company's global industrial gases category.

Adrienne combines an engineering degree with business and marketing post grad qualifications.



Stefano Rossi

Chief Executive, Packaging Europe

Stefano started to work in the Packaging industry in 1988 for the Company SCA and spent most of his business journey on the paper side of the business – covering all roles, from operations, to sales & marketing and finally CEO of the Division as of the year 2010. He continued in that role following the acquisition of SCA Packaging by DS Smith in 2012.

In 2014 Stefano took over the role of Divisional CEO for the Packaging Division – the larger Division of DS Smith.

Stefano holds a University degree in Pulp and Paper Technology and a Master in Chemical Engineering.



Jordi Cazorla

Managing Director for the South Region

Jordi joined DS Smith in 2017.

Prior to joining DS Smith, Jordi worked in Ideal Standard International in several leadership positions. Before that Jordi worked in managerial positions in American Standard General Electric and Hewlett Packard.

Based in Barcelona, Jordi holds a degree in Industrial Engineering and MBA.



Will Faure Walker

Integration Director

Will joined DS Smith in 2000 having qualified as a Chartered Accountant with Deloitte.

Will had held various financial and project-based roles within DS Smith including 8 years with the Paper division.

Since 2014 Will has headed up the Group's integration team, including the integration work on Duropac, Lantero and Interstate Resources.



Colin McIntyre

**Divisional Chief Executive,
Paper and Recycling**

Colin joined DS Smith in 2015 as the CEO of the Paper and Recycling divisions including all supply elements to the Packaging Division which include External Paper Procurement and Non-paper Procurement. Prior to joining DS Smith, Colin spent 25 years at McBride plc where he held a number of senior positions including Supply Chain Director of their Western European division, Managing Director of the UK division and Global COO.



Jochen Behr

Head of Recycling

Jochen Behr joined DS Smith in 2017 as Head of Recycling, following his successful track record as a Country General Manager for global blue-chip companies. Prior to joining DS Smith, Jochen developed his exceptional analytical and problem-solving skills working for Siemens, GE Capital and CHEP. A Six Sigma Master Black Belt, Jochen gained 20 years' experience in developing and executing high impact strategies to enable greater operational efficiency, turn around underperforming operations, and promote profitable business growth.



Hugo Fisher

Group Communications Director

Hugo joined DS Smith as Group Communications Director in 2013.

Hugo qualified as a chartered accountant with Deloitte before working in corporate broking and investment banking for more than 15 years, at RBS Hoare Govett & UBS. He has advised a wide range of companies on capital markets and M&A transactions as well as equity market communications.



Rachel Stevens

Director of Investor Relations

Rachel joined DS Smith in 2010.

Prior to DS Smith, Rachel qualified as a chartered accountant with PwC and then spent eight years working in M&A and corporate broking for JPMorgan Cazenove. She also worked in investor relations at Cadbury Plc, prior to their acquisition by Kraft Inc.



Greg Dawson

Group Corporate Affairs Director

Greg joined DS Smith in December 2017 as Director of Corporate Affairs.

Prior to joining DS Smith, Greg held numerous senior communications and public affairs positions for some of the world's leading brands including Ford Motor Company, Samsung and Virgin Atlantic.