

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 2019. DS Smith will hold its Annual General Meeting at 12 noon today.

Trading update

The business continues to progress well despite, as expected, continued macro-economic uncertainty, and our expectations for overall financial performance remain unchanged.

Our excellent customer engagement and differentiators of scale, service, quality and innovation, have enabled strong pricing discipline. This, combined with ongoing operating cost efficiencies and focus on cashflow generation, together with new business wins in Europe and the US, gives us confidence in our resilient business model despite ongoing subdued volumes in some markets, in particular those economies with significant export-led market exposure, including Germany.

Strategic progress

Europac integration and synergy delivery are progressing very well, with excellent customer and employee engagement. We completed the remedy disposals in June and our paper footprint optimisation review continues to progress. Construction of our greenfield packaging plant in Indiana, which will significantly enhance our capability in the US and reduce our long paper position, is fully on track, with production expected to start in this calendar year. We continue to expect completion of the disposal of our Plastics division before the end of this calendar year.

Miles Roberts, Group Chief Executive, said:

“The underlying drivers of demand for sustainable corrugated packaging remain strong and our leading offerings for highly resilient FMCG and e-commerce customers give us confidence of volume and market share growth.

While volatility in the macro-economic environment and input costs remains, our focus on pricing discipline, margin progression, enhanced cost and efficiency improvements, and cash generation, support our expectation of further good progress in the year.”

Conference Call

A conference call for analysts and investors, hosted by Miles Roberts, will take place today, 3 September 2019 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 10 September 2019. The dial-in number is: +44 (0)20 8196 1998, access pin [6914848#](tel:6914848). A recording and transcript of the call will also be available through the Investor Relations section of our website: www.dssmith.com/investors.

Forthcoming Dates

Results for the half year to 31 October 2019

5 December 2019

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.