
PRESS RELEASE

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Smurfit Kappa completes acquisition of Reparenco

Delivery of central element of SKG's Medium Term Plan

Transaction multiple of less than 4.5x post synergy EBITDA

Smurfit Kappa Group plc ("SKG" or the "Group"), one of the world's largest integrated manufacturers of paper-based packaging products with operations in Europe and the Americas, is pleased to announce that it has completed the acquisition of Reparenco, a paper and recycling business in the Netherlands, for €460 million.

The acquisition represents a transaction multiple, pre-synergies, of 6.4x Reparenco's 2018 expected full year EBITDA of €72million. Reparenco's strong strategic fit with SKG's existing European businesses is expected to deliver synergies of in excess of €30 million. Including synergies, the acquisition multiple is less than 4.5x EBITDA.

Smurfit Kappa, CEO, Europe, Saverio Mayer, said: *"We are very pleased to complete the acquisition of Reparenco and to welcome their 315 employees to Smurfit Kappa. There is a strong cultural fit between our businesses and we are excited about the potential for Reparenco within the Smurfit Kappa integrated system."*

Reparenco represents early delivery of a central element of our Medium Term Plan – to increase our European recycled containerboard capacity. It is ideally situated in our core European operating region where we continue to see strong demand driven by growth in e-commerce and increased substitution of plastic with paper-based packaging. The mill is also very well placed on the cost curve and specialises in producing basis weights from 80 to 120 grams which caters for the market's growing demand for lighter-weight materials."

Laurent Sellier, Smurfit Kappa COO, Paper Europe, added: *"The acquisition of Reparenco will strengthen our integrated business model and adds 405,000 tonnes of recycled containerboard capacity to our system. We are also pleased to have acquired a high quality graphic paper machine very well positioned in its market. While the machine offers the potential for conversion to containerboard over the medium-term, our intention is to continue to produce graphic paper for our customers for the foreseeable future."*

The 750,000 tonne recycling operation increases our security and quality of raw material supply and also ensures we can provide our customers with greater certainty about the quality and performance of our products."

About Reparenco

Reparenco operates a two machine paper mill in the Netherlands with a capacity of 675,000 tonnes together with a 750,000 tonne recovered fibre operation. The mill comprises two machines with capacity of 405,000 tonnes of recycled containerboard and 270,000 tonnes of graphic paper (with the potential for conversion to containerboard).

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About Smurfit Kappa

Smurfit Kappa, a FTSE 100 company, is one of the leading providers of paper-based packaging solutions in the world, with around 46,000 employees in approximately 370 production sites across 35 countries and with revenue of €8.6 billion in 2017. We are located in 22 countries in Europe, and 13 in the Americas. We are the only large-scale pan-regional player in Latin America.

With our pro-active team, we relentlessly use our extensive experience and expertise, supported by our scale, to open up opportunities for our customers. We collaborate with forward-thinking customers by sharing superior product knowledge, market understanding and insights in packaging trends to ensure business success in their markets. We have an unrivalled portfolio of paper-packaging solutions, which is constantly updated with our market-leading innovations. This is enhanced through the benefits of our integration, with optimal paper design, logistics, timeliness of service, and our packaging plants sourcing most of their raw materials from our own paper mills.

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This announcement may include certain "forward looking statements" with respect to the business, strategy and plans of Smurfit Kappa and its expectations relating to Smurfit Kappa's future financial condition and performance. Statements that are not historical facts, including statements about Smurfit Kappa or Smurfit Kappa's belief and expectation, are forward looking statements. Words such as "believes", "anticipates", "estimates", "expects", "intends", "aims", "potential", "will", "would", "could", "considered" and "likely", and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur.

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