

PRESENTATION
RESULTS
1Q2018



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europacgroup.com



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OLIVER HASLER

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CEO



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DIRECTOR OF INVESTOR
RELATIONS AND COMMUNICATION

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A blurred photograph of a cardboard box being processed on a conveyor belt in a factory setting. The box is light brown and is moving from left to right. The background shows industrial machinery, including rollers and a metal frame, with a bright light flare on the left side.

RESULTS

1Q 2018

Growth in Recurring EBITDA of 18% vs 4Q2017 and rise of 59% in the Group's Consolidated EBITDA and 70% in Recurring EBITDA compared with 1Q2017

The pressure of final demand for Paper continues. Increase in the availability of recovered paper in Europe

Gradual transfer of the raw material price rise in Packaging

Ongoing focus on the main strategic lines of action with the customer as the focal point for all actions

Net Profit grew by 28% vs 4Q2017 and by 126% vs 1Q2017, to €25m

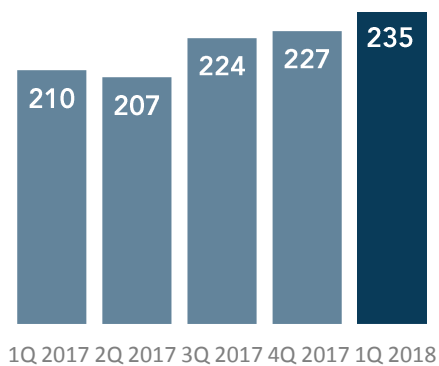
Net Profit grew by 28% vs 4Q2017 and by 126% vs 1Q2017



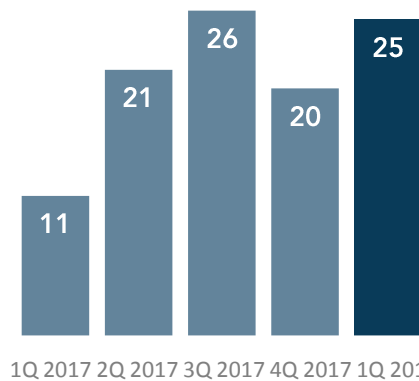
€m	4Q 2017	% diff.	1Q 2017	1Q 2018	% diff.
Aggregate Revenue	309	+3%	282	318	+13%
Consolidated Revenue	227	+4%	210	235	+12%
Recurring EBITDA	43	+18%	29	50	+70%
Consolidated EBITDA	40	+24%	31	49	+59%
<i>Consolidated EBITDA Margin</i>	<i>17,6%</i>	<i>+3,4pp</i>	<i>14,8%</i>	<i>21,0%</i>	<i>+6,2pp</i>
Recurring EBIT	31	+23%	17	38	+123%
Consolidated EBIT	28	+31%	19	37	+100%
EBT	27	+32%	16	35	+113%
Net Profit	20	+28%	11	25	+126%
EPS*	0,20	+28%	0,11	0,25	+121%

*The growth in EPS is lower than the growth in net profit due to the bonus issue in November 2017

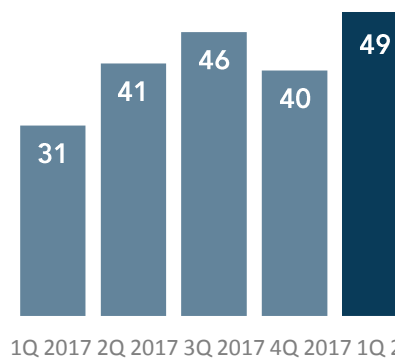
SALES (€m)



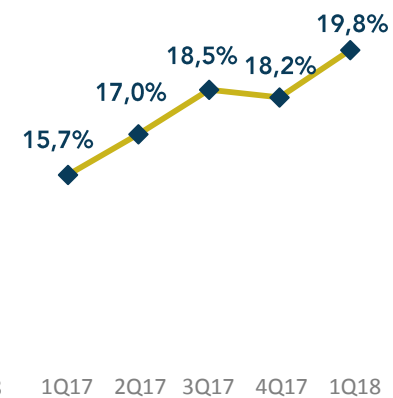
NET PROFIT (€m)



EBITDA (€m)



EBITDA MARGIN (LTM)



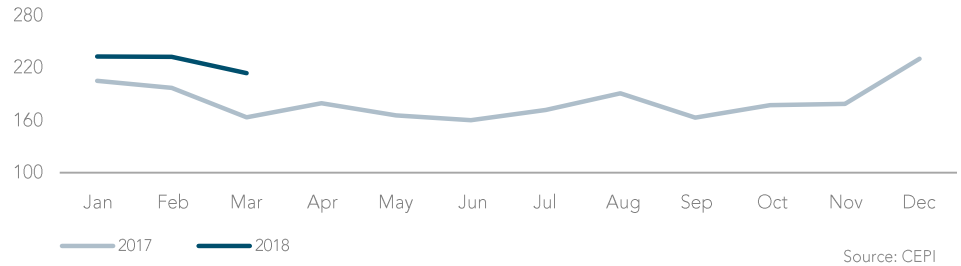
A photograph of a worker in a high-visibility vest and dark pants operating a large industrial machine in a factory. The worker is positioned in the center-right of the frame, facing away from the camera. The machine is green and features a large, circular, light-colored component. The background shows a complex industrial environment with various pipes, machinery, and structural elements. The lighting is bright, and the overall scene conveys a sense of industrial activity.

MARKET

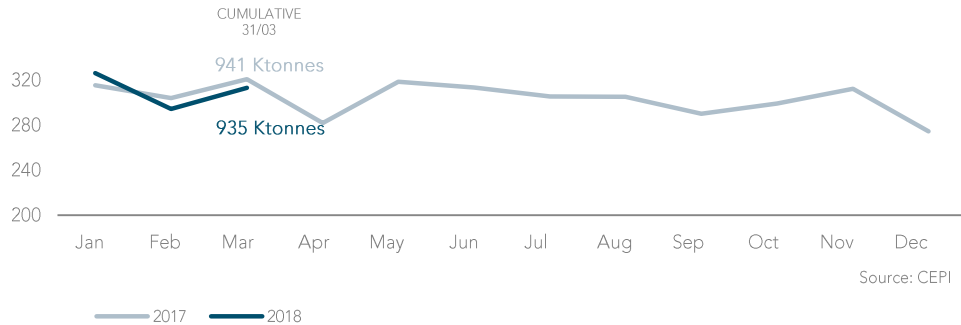
Market: Kraft paper

- Stocks with a downward trend, influenced in 1Q2018 by seasonality.
- Reduction in American exports to the European market in deficit (-12% cumulative to February).
- Shipments affected due to stockpiling as a result of the machine halt of a European manufacturer at the end of the first quarter.
- Ongoing improvement in sales prices that started in 1Q2017.

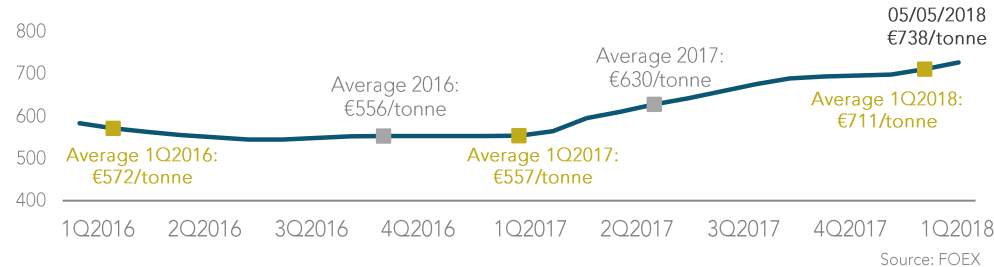
STOCKS (KTONNE)



SHIPMENTS (KTONNE)



PRICE (€/tonne)

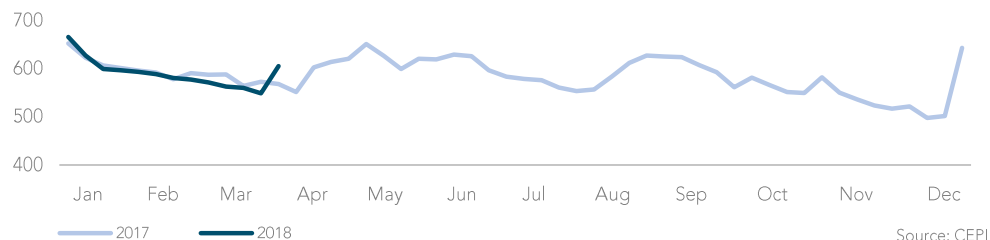


Market: Recycled paper

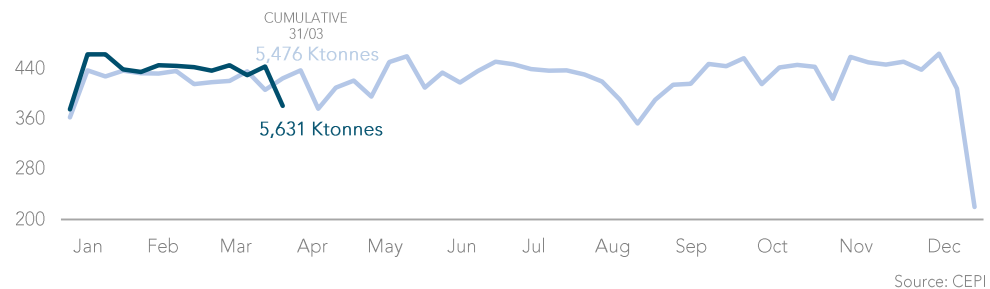


- Average stock levels of 1Q2018 similar to 1Q2017 (-0.6%). The 2017 capacity increases have been absorbed.
- Upturn in stocks in the last week of March due to the Easter holiday period.
- Shipments from European manufacturers remain solid with an increase of 2.8%, bearing in mind the effect of Easter week, which leads to seasonality in deliveries.
- The price increase recorded over 2017 continued during 1Q2018 based on strong final demand.

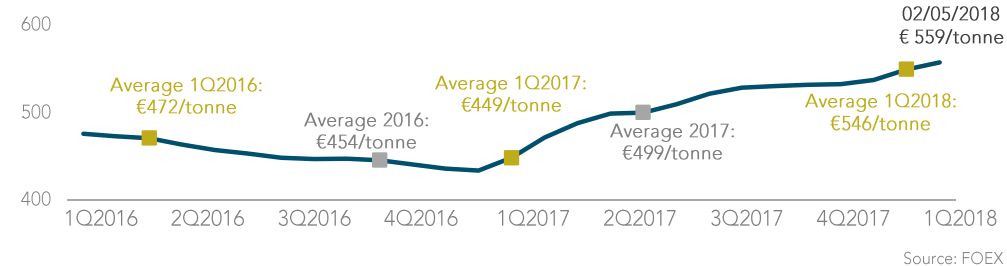
STOCKS (KTONNE)



SHIPMENTS (KTONNE)



PRICE (€/tonne)



Market: Recovered paper

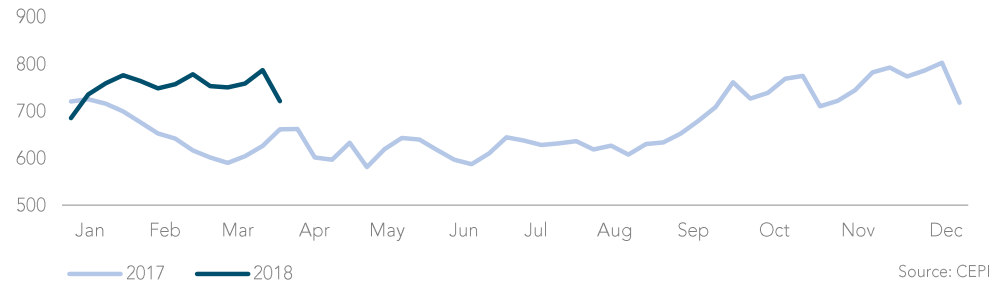
- Continuous increase in recovered paper stocks since August 2017 as a result of the change in the raw materials market brought on by the new Chinese legislation (+15% vs 1Q2017).

- Exports to China from CEPI countries fell by 53% in the first few months of the year.

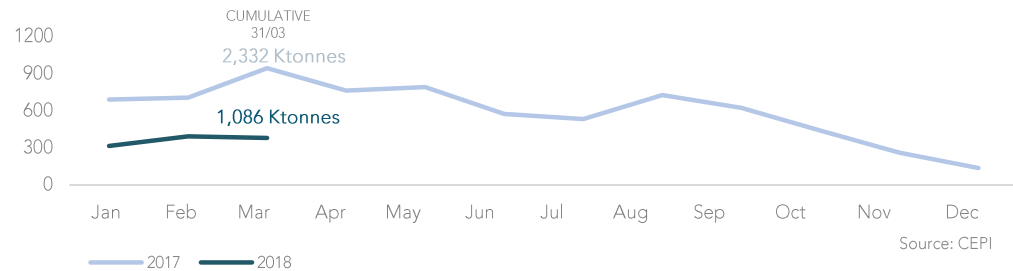
- Fall in prices as a result of increase in availability of raw material in Europe.
- Reduction in average price of €-21/tonne 1Q2018 vs 1Q2017.



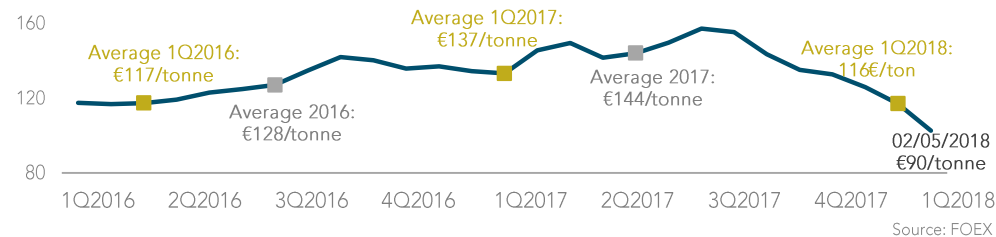
STOCKS (KTONNE)



SHIPMENTS (KTONNE)



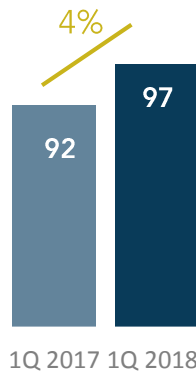
PRICE (€/tonne)



BUSINESS
LINES

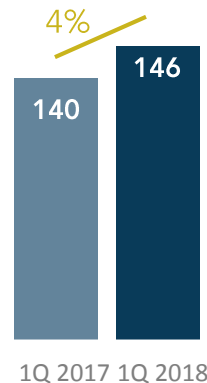


KRAFT PRODUCTION VOLUME (ktonne)



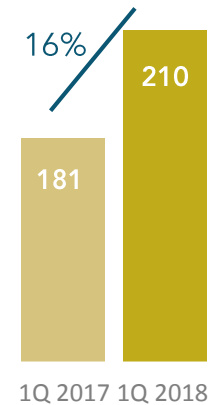
- Rise in Kraftliner production volume as a result of the increase in production capacity in May 2017.

RECYCLED PRODUCTION VOLUME (ktonne)



- Recycled production volumes higher as a result of efficiency improvements in the machines.

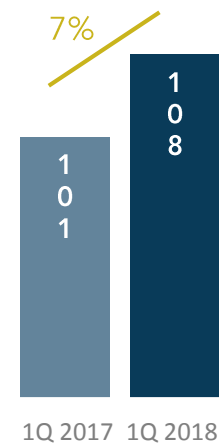
PAPER SALES (€m)



- Paper sales rose by 16%.
 - Sales price rises.
 - Greater volume.
 - Positioning in higher added value segments.

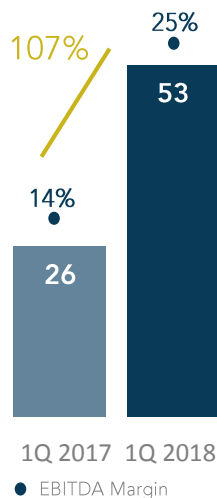
- Implementation of new applications and product development.
- Increase in production volumes in every country.
- Gradual transfer of the raw material price.

SALES (€m)

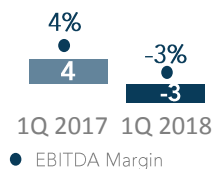


Recurring EBITDA and margins

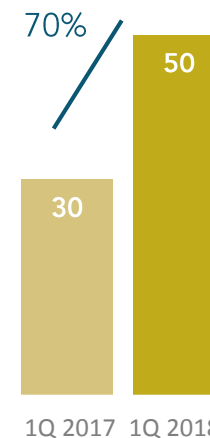
PAPER (€m)



PACKAGING (€m)



GROUP (€m)



- Impact of sales price rises and higher volume.
- Lower raw material cost as the result of the change in the recovery model.
- Cost optimisation.
- 107% growth in EBITDA and improvement in margin to 25%.

- The paper price rises in 2017 and in 1Q2018 had a negative impact as a result of the increase in the cost of its raw material.
- Management projects that soften the impact of the rise in raw material prices.
- Work continues on transferring gradually paper price rises to the market.

- 70% growth in EBITDA and improvement in margin to 21%.
- The integrated management model makes it possible to take advantage of moments of market strength and reduce the impact at times of fluctuation, thus ensuring sustainability in the results.

TRENDS THAT DRIVE THE GROWTH IN DEMAND

CHANGES IN THE STYLE OF CONSUMPTION

- Customised Packaging
- E-commerce
- Optimisation by structural design and savings

DESIGN, INNOVATION AND COMPETITIVENESS

- Lower weight, digital printing, smart, flexible and adaptable

SUSTAINABILITY

- Recyclable, biodegradable, renewable and single-material



EUROPAC: CUSTOMER FOCUSED



ACTING AS STRATEGIC PARTNERS

- Entering their operations
- Developing solutions together

GENERATING ADDED VALUE FOR THE CUSTOMER

- Increase in sales
- Reduction in costs

SHAREHOLDER

REMUNERATION



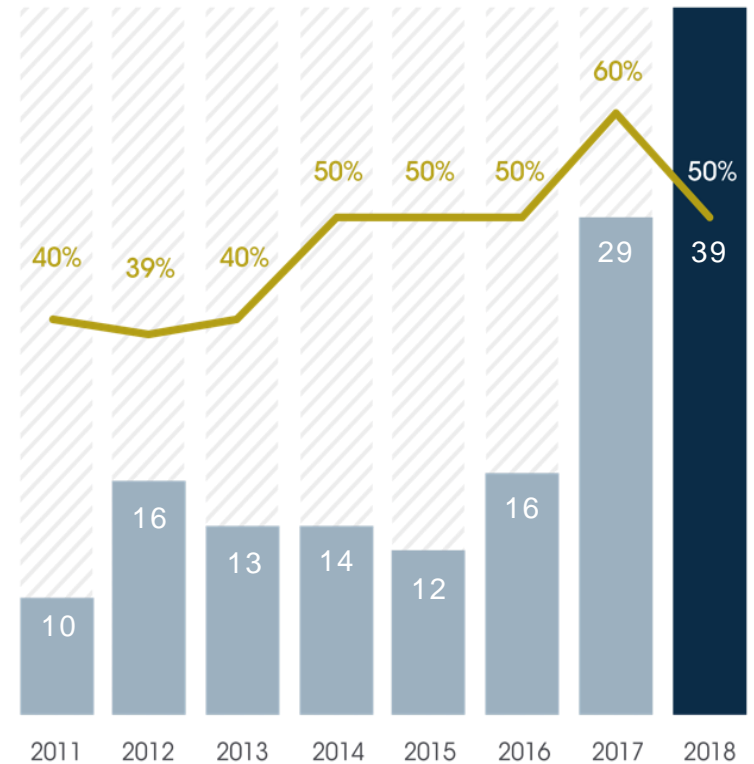
Shareholder remuneration

50% Pay-out

- Proposal to GSM of payout of 50%.
- Dividend growth +35% * payable in 2018
- Interim dividend of €0.125/share paid on 26 February (€0.0951 in 2017)
- Continuity in 2018 with regard to the bonus issue and cancellation of treasury shares*

*Subject to approval at the General Shareholders' Meeting following a proposal by the Board of Directors

DIVIDEND (€m) and PAYOUT ⁽¹⁾ (%)



(1) Pay-out: over Net Profit from the previous year

CONCLUSION



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The pressure of final demand for Paper continues. Increase in the availability of recovered paper in Europe

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TOGETHER, POWERING PACKAGING