

EUROPAC NET PROFIT UP BY 126%

- In the first quarter of 2018 the net profit stood at 25 million euros, while the aggregate turnover was 318 million euros, 13% higher than a year ago
- The consolidated and recurrent EBITDA figures rose by 59% and 70% compared with the first quarter of 2017, amounting to 49 and 50 million euros, respectively
- EBITDA was up 18% on the fourth quarter of 2017, due to the gradual trend of sustained growth against a market backdrop that has been improving on a quarterly basis
- The rise in the paper price caused by final demand and the downturn in the price of raw materials led to a consolidated EBITDA Margin of 21%, 6.2 percentage points higher than a year ago
- Within the current context, the Packaging Division is continuing efforts to gradually pass on the rise in paper price costs to the market

Madrid, 9 May 2018.- The Board of Directors of the Europac Group has approved the accounts corresponding to the first quarter of 2018, registering a net profit of 25 million euros, 126% higher than in the same period the previous year. Compared with the first quarter of 2017, aggregate turnover was up by 13%, to 318 million euros, while the consolidated and recurrent EBITDA figures rose respectively by 59% and 70%, amounting to 49 and 50 million euros, respectively.

The increases in the sale price of paper and the downturn in the price of recovered paper used as the raw material led to an increase in the EBITDA Margin of 6.2 percentage points, standing at 21%. Meanwhile, the consolidated EBIT was 37 million euros, almost double the figure achieved a year ago.

Europac Chairman, José Miguel Isidro, stated that *"this is the best quarter in the company's history, although it should be borne in mind that the result is being compared with the first quarter of 2017, a year which began slowly before ramping up. Compared with the final quarter of 2017, the result reflects the gradual trend of sustained growth within a market context that has progressively improved quarter by quarter"*. In this regard, the increase in recurrent EBITDA was 18% compared with the last quarter of 2017.

The company chairman added that *"the outlook for 2018 is good, and we believe that the current market context, with high paper sale prices and increased availability of raw materials, will continue to drive the results of the Paper Division, with the other side of the coin applying to the Packaging Division, which continues its efforts in the difficult task of passing on to its clients the increase in its raw material costs so as to recover its margins"*.

Paper and Packaging Divisions

At the Paper Division, demand remains solid, with a sustained improvement in sale prices within a context of increased production volume. As for kraft paper, exports from the USA to Europe fell by a cumulative figure of 12% by the month of February, leading to sustained tension in prices in a European market where there is a supply shortfall. In recycled paper, shipments grew by around 3% within a context of slightly lower stock levels than in 2017, confirming that market demand has now soaked up the new production capacity from last year.

As for raw materials, the change in the market as a result of Chinese restrictions on recovered

paper imports, down by 53% in the first quarter of the year, led to an increase in stocks of 15% compared with the same period of 2017. Within this context of greater availability, the average recovered paper price over the first three months of the financial year was 21 euros per tonne lower than a year ago.

Meanwhile, the Packaging Division registered an increase in production volume in all countries, with sales up 7%, though progress was hampered by the rise in paper sale prices. Efforts furthermore continue on the gradual transfer to the market of the rise in the price of raw materials, with new applications in product developments being brought in to help improve sale margins..

More info



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