

## **Mondi plc**

(Incorporated in England and Wales)

(Registered number: 6209386)

LEI: 213800LOZA69QFDC9N34

LSE share code: MNDI

JSE share code: MNP ISIN: GB00BMWC6P49

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**This announcement contains inside information**

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6 October 2025

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### **Q3 Trading Update**

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Mondi plc ("Mondi") a global leader in sustainable packaging and paper, today provides an update on trading for the three months to 30 September 2025 ("third quarter" or "Q3 2025").

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#### **Key Points**

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- Underlying EBITDA in the third quarter of â,~223 million, including â,~20 million of forestry fair value gain
- Challenging trading environment continued through the quarter
- Ongoing initiatives to optimise Mondi's competitive advantage
- Business unit reorganisation
- Focus on returns and cash generation
- Well positioned to benefit when market conditions improve

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#### **Q3 Trading Update**

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The trading environment in the third quarter remained challenging, resulting in an underlying EBITDA of â,~223 million, including â,~20 million of forestry fair value gain. Volumes were impacted by subdued demand and paper selling prices declined during the quarter. To mitigate the impact of the softer markets, we proactively extended certain scheduled annual maintenance shuts.

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Underlying EBITDA was lower than the second quarter ('Q2 2025') in both our Corrugated and Flexible Packaging businesses. This was as a result of lower sales volumes and the impact of planned maintenance shuts in the upstream pulp and paper businesses. In addition, selling prices declined during the period, largely reversing the increases implemented during the first half of 2025. Our packaging converting businesses delivered a stable performance compared to the second quarter. Uncoated Fine Paper performance was significantly impacted by lower sales volumes due to weak demand and intense competition, planned maintenance shuts and declining selling prices for uncoated fine paper and pulp.

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Challenging trading conditions are expected to persist for the remainder of this year as demand-side confidence remains fragile, key markets remain in oversupply and current selling prices are lower than third quarter average selling prices.

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#### **Ongoing initiatives to optimise Mondi's competitive advantage**

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Mondi's resilience remains strongly supported by our cost competitive production base, vertical integration strengths and balanced geographic, end-use and product exposure. While we remain confident in the structural drivers underpinning through-cycle growth in our packaging solutions, we are equally cognisant of the impact of the current prolonged cyclical downturn on near term performance. In response, we have intensified our focus on operational efficiency, cost control and cash generation in order to maximise our competitive advantage. These initiatives continue to mitigate the impact of softer markets and are aimed at protecting value today while ensuring we are well positioned to capture growth and deliver enhanced returns when favourable market conditions return.

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The integration of the recently acquired Schumacher business is progressing well. We remain confident in the opportunities arising from the broader geographic reach, vertical integration and synergy benefits. In the six months since completion, we have focused on integrating the business while driving the commercial strategy, and have identified an additional â,~10 million cost synergies, taking the total to â,~32 million, to be realised over the three years from completion.

#### **Business unit reorganisation**

With effect from 1 October, the Group has been organised into two business units - Corrugated Packaging and Flexible Packaging. We have combined Uncoated Fine Paper with Corrugated Packaging to form an enlarged Corrugated Packaging Business Unit. Flexible Packaging remains unchanged.

These changes will facilitate a more streamlined organisation supporting faster decision making, cost take-out and delivery of operational synergies across our pulp and paper mills, while retaining our customer focused value chain orientation.

#### **Focus on returns and cash generation**

After a period of investment, Mondi is reaching the end of its current investment cycle with all major capacity expansion projects built on time, on budget and operational. Our focus is now on achieving full productivity ramp-up, executing our commercial strategy, driving cash generation and delivering returns.

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Current profitability from these projects is heavily influenced by prevailing market conditions and, as such, it is now expected the net incremental contribution to EBITDA in FY2025 will be around â,~30 million. We remain confident that our expansionary projects are cost competitive, deliver significant integration benefits and, once fully optimised, will deliver mid-teen returns on a through cycle basis.

Good progress has been made with the feasibility study to build a new sack kraft paper machine at our pulp mill in Hinton (Canada). While this project remains strategically attractive, we have taken the decision to delay the investment due to the current market

environment. We retain full optionality to invest and are well positioned to accelerate when favourable conditions return.  
Current capital expenditure remains focused on stay in business capital expenditure and cost optimisation opportunities.Â  
Andrew King, CEO Mondi Group commented: -

"Trading conditions in the third quarter were challenging, with softer volumes and declining prices across most pulp and paper grades.Â  
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"Across the Group, we remain relentlessly focused on managing the controllables. We have sharpened our emphasis on margin management, rigorous cost optimisation and continuous improvement. These initiatives enable us to navigate current headwinds, build a stronger, more efficient operating platform and drive free cash flow. This will protect value today and deliver enhanced returns when market conditions improve.  
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"Looking further ahead, we remain confident in the long-term sustainable growth fundamentals of our packaging businesses. Our leading positions across attractive packaging markets, supported by a well-invested, cost advantaged and integrated asset base ensure Mondi is well placed to capture future growth and deliver value for our shareholders."Â Â  
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Â,¬ million	Q1	Q2	Q3	Q4
<b>2025 Underlying EBITDA (including forestry fair value)</b>	<b>290</b>	<b>274</b>	<b>223</b>	<b>-</b>
2025 Forestry fair value gain	2	16	20	-
2024 Underlying EBITDA (including forestry fair value)	214	351	223	261
2024 Forestry fair value gain/(loss)	15	34	(15)	(27)

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**Enquiries**

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FTI Consulting

The person responsible for arranging the release of this announcement on behalf of Mondi plc is Jenny Hampshire, Company Secretary.

**Results call details**

A call will be held today at 08:00 (BST), 9:00 (CET/SAST).  
Event registration link:Â Â  
[https://storm-virtual-uk.zoom.us/webinar/register/WN\\_GrMIFv3oSdaAs3o1Oti0hg](https://storm-virtual-uk.zoom.us/webinar/register/WN_GrMIFv3oSdaAs3o1Oti0hg)  
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Once registered, you will receive a confirmation email from 'Mondi Group Events' with the webinar link and ID.  
A replay will be available on our website within a couple hours after the end of the live results presentation at:Â

<https://www.mondigroup.com/investors/results-reports-and-presentations/>

For any queries, please e-mail [ir@mondigroup.com](mailto:ir@mondigroup.com).

**Editor's notes**

Mondi is a global leader in packaging and paper, contributing to a better world by producing products that are sustainable by design. We employ 24,000 people in more than 30 countries and operate an integrated business with expertise spanning the entire value chain, enabling us to offer our customers a broad range of innovative solutions for consumer and industrial end-use applications. Sustainability is at the centre of our strategy, with our ambitious commitments to 2030 focused on circular driven solutions, created by empowered people, taking action on climate.

In 2024, Mondi had revenues of Â,¬7.4 billion and underlying EBITDA of Â,¬1.0 billion. Mondi is listed on the London Stock Exchange in the ESCC category (MNDI), where the Group is a FTSE100 constituent. It also has a secondary listing on the JSE Limited (MNP).  
mondigroup.com

Sponsor in South Africa: Merrill Lynch South Africa Proprietary Limited t/a BofA Securities.

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