

Smurfit Westrock Reports Second Quarter 2025 Results

Dublin – July 30, 2025 – Smurfit Westrock plc (NYSE: SW, LSE: SWR) today announced the financial results for the second quarter ended June 30, 2025.

Key points:

- Second quarter Net Sales of \$7,940 million
- Second quarter Net Loss of \$26 million, with a Net Income Margin of negative 0.3%
- Second quarter Adjusted EBITDA¹ of \$1,213 million, with an Adjusted EBITDA Margin¹ of 15.3%
- Quarterly dividend of \$0.4308 per ordinary share
- On July 2, Fitch upgraded our long-term issuer rating to BBB+ with stable outlook

Smurfit Westrock plc's performance for the three months ended June 30, 2025 and 2024 (in millions, except margins):

	June 30,	
	2025	2024 ²
Net Sales	\$ 7,940	\$ 2,969
Net (Loss) Income	\$ (26)	\$ 132
Net (Loss) Income Margin	(0.3%)	4.4%
Adjusted EBITDA ¹	\$ 1,213	\$ 480
Adjusted EBITDA Margin ¹	15.3%	16.2%
Net Cash Provided by Operating Activities	\$ 829	\$ 340
Adjusted Free Cash Flow ¹	\$ 387	\$ 189

Tony Smurfit, President and CEO, commented:

"I am pleased to report a strong second quarter performance as we continue to deliver in line with our Adjusted EBITDA guidance. This performance is driven by the significant improvement in our North American business and continued excellent results from our Latin American operations, somewhat offset by a resilient performance from our EMEA and APAC businesses.

"As a result of costs associated with the previously announced closures and other restructuring actions totaling \$280 million, the Net Loss was \$26 million for the quarter. Our Adjusted EBITDA was \$1,213 million, with an Adjusted EBITDA margin of 15.3%.

"While at the early stages of our journey, I am pleased to deliver a significant improvement in our North American operations, with an Adjusted EBITDA of \$752 million and an Adjusted EBITDA margin of 15.8% for the quarter, as a result of our sharper operating focus and the benefit of our synergy program.

"In our EMEA and APAC operations, Adjusted EBITDA was \$372 million and Adjusted EBITDA margin was 13.4% for the quarter. Against a challenging European backdrop, we believe we continue to outperform the industry due to our customer centric approach and leadership in innovation and sustainability.

"Our Latin American operations, which reported an Adjusted EBITDA of \$123 million and a 23.7% Adjusted EBITDA margin for the quarter, continue to benefit from strong market positions and improvement in our performance across the region.

"With our geographic reach, unrivalled product portfolio and most importantly our people, we see extensive opportunities across all our regions. In North America, we believe the implementation of our operating model will drive continued significant improvement. In our EMEA and APAC region, we have a well invested asset base and strong market positions, primed to take advantage of an improved demand environment. Latin America remains a region of substantial growth opportunities, both organic and inorganic.

¹ Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Free Cash Flow are non-GAAP measures. See the "Non-GAAP Financial Measures and Reconciliations" below for discussion and reconciliation of these measures to the most comparable GAAP measures.

² All results reported for the three months ended June 30, 2024 reflect the historical financial results of legacy Smurfit Kappa Group plc, which is considered the accounting acquirer in the combination between Smurfit Kappa Group plc and WestRock Company, which closed on July 5, 2024.

"I am increasingly excited about the performance and prospects of the business and assuming the current conditions prevail, we expect third quarter Adjusted EBITDA³ to be approximately \$1.3 billion and our current estimate for a full year Adjusted EBITDA³ remains between \$5.0 billion and \$5.2 billion."

Dividend

Smurfit Westrock plc announced today that its Board approved a quarterly dividend of \$0.4308 per share on its ordinary shares. The quarterly dividend of \$0.4308 per ordinary share is payable September 18, 2025 to shareholders of record at the close of business on August 15, 2025.

The default payment currency is U.S. Dollar for shareholders who hold their ordinary shares through a Depository Trust Company participant. It is also U.S. Dollar for shareholders holding their ordinary shares in registered form, unless a currency election has been registered with the Company's Transfer Agent, Computershare Trust Company N.A. by 5:00 p.m. (New York) / 10:00 p.m. (Dublin) on August 14, 2025.

The default payment currency for shareholders holding their ordinary shares in the form of Depository Interests is U.S. Dollar. Such shareholders can elect to receive the dividend in Pounds Sterling or Euro by providing their instructions to the Company's Depository Interest provider, Computershare Investor Services plc, by 12:00 p.m. (New York) / 5:00 p.m. (Dublin) on August 27, 2025.

Earnings Call

Management will host an earnings conference call today at 7:30 AM ET / 12:30 PM BST to discuss Smurfit Westrock's financial results. The conference call will be accessible through a live webcast. Interested investors and other individuals can access the webcast, earnings release, and earnings presentation via the Company's website at www.smurfitwestrock.com. The webcast will be available at <https://investors.smurfitwestrock.com/overview> and a replay of the webcast will be available on the website shortly after the call.

Forward Looking Statements

This press release includes certain "forward-looking statements" (including within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) regarding, among other things, the plans, strategies, outcomes, outlooks, and prospects, both business and financial, of Smurfit Westrock, the expected benefits of the completed combination of Smurfit Kappa Group plc and WestRock Company (the "Combination"), including, but not limited to, synergies as well as our scale, geographic reach and product portfolio, demand outlook, impact of announced closures, additional economic downtime and any other statements regarding the Company's future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events, outlook or performance. Statements that are not historical facts, including statements about the beliefs and expectations of the management of the Company, are forward-looking statements. Words such as "may", "will", "could", "should", "would", "anticipate", "intend", "estimate", "project", "plan", "believe", "expect", "target", "prospects", "potential", "commit", "forecasts", "aims", "considered", "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. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the control of the Company. 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. Actual results may differ materially from the current expectations of the Company depending upon a number of factors affecting its business, including risks associated with the integration and performance of the Company following the Combination. Important factors that could cause actual results to differ materially from plans, estimates or expectations include: changes in demand environment, our ability to deliver on our closure plan and associated efforts; our future cash payments associated with these initiatives; potential future cost savings associated with such initiatives; the amount of charges and the timing of such charges or actions described herein; potential future impairment charges; accuracy of assumptions associated with the charges; economic, competitive and market conditions generally, including macroeconomic uncertainty, customer inventory rebalancing, the impact of inflation and increases in energy, raw materials, shipping, labor and capital equipment costs; geo-economic fragmentation and protectionism such as tariffs, trade wars or similar governmental actions affecting the flows of goods, services or currency (including the implementation of tariffs by the US federal government and reciprocal tariffs and other protectionist or retaliatory measures governments in Europe, Asia, and other countries have taken or may take in response); the impact of public health crises, such as pandemics and epidemics and any

³ Adjusted EBITDA is a non-GAAP financial measure. We have not reconciled Adjusted EBITDA outlook to the most comparable GAAP outlook because it is not possible to do so without unreasonable efforts due to the uncertainty and potential variability of reconciling items, which are dependent on future events and often outside of management's control and which could be significant. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide an outlook for the comparable GAAP measure (net income).

related company or governmental policies and actions to protect the health and safety of individuals or governmental policies or actions to maintain the functioning of national or global economies and markets; reduced supply of raw materials, energy and transportation, including from supply chain disruptions and labor shortages; developments related to pricing cycles and volumes; intense competition; the ability of the Company to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made events, including the ability to function remotely during long-term disruptions; the Company's ability to respond to changing customer preferences and to protect intellectual property; the amount and timing of the Company's capital expenditures; risks related to international sales and operations; failures in the Company's quality control measures and systems resulting in faulty or contaminated products; cybersecurity risks, including threats to the confidentiality, integrity and availability of data in the Company's systems; works stoppages and other labor disputes; the Company's ability to establish and maintain effective internal controls over financial reporting in accordance with the Sarbanes Oxley Act of 2002, as amended, and remediate any weaknesses in controls and processes; the Company's ability to retain or hire key personnel; risks related to sustainability matters, including climate change and scarce resources, as well as the Company's ability to comply with changing environmental laws and regulations; the Company's ability to successfully implement strategic transformation initiatives; results and impacts of acquisitions by the Company; the Company's significant levels of indebtedness; the impact of the Combination on the Company's credit ratings; the potential impairment of assets and goodwill; the availability of sufficient cash to distribute dividends to the Company's shareholders in line with current expectations; the scope, costs, timing and impact of any restructuring of operations and corporate and tax structure; evolving legal, regulatory and tax regimes; changes in economic, financial, political and regulatory conditions in Ireland, the United Kingdom, the United States and elsewhere, and other factors that contribute to uncertainty and volatility, natural and man-made disasters, civil unrest, geopolitical uncertainty, and conditions that may result from legislative, regulatory, trade and policy changes associated with the current or subsequent Irish, US or UK administrations; legal proceedings instituted against the Company; actions by third parties, including government agencies; the Company's ability to promptly and effectively integrate Smurfit Kappa's and WestRock's businesses; the Company's ability to achieve the synergies and value creation contemplated by the Combination; the Company's ability to meet expectations regarding the accounting and tax treatments of the Combination, including the risk that the Internal Revenue Service may assert that the Company should be treated as a US corporation or be subject to certain unfavorable US federal income tax rules under Section 7874 of the Internal Revenue Code of 1986, as amended, as a result of the Combination; other factors such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of regulators and other factors such as changes in the political, social and regulatory framework in which the Company's group operates or in economic or technological trends or conditions, and other risk factors included in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. Neither the Company nor any of its associates or directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any such forward-looking statements will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation and other applicable regulations), the Company is under no obligation, and the Company expressly disclaims any intention or obligation, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

About Smurfit Westrock

Smurfit Westrock is a leading provider of paper-based packaging solutions in the world, with approximately 100,000 employees across 40 countries.

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Condensed Consolidated Statements of Operations (Unaudited)
(in \$ millions, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net sales	\$ 7,940	\$ 2,969	\$ 15,596	\$ 5,899
Cost of goods sold	(6,425)	(2,276)	(12,504)	(4,496)
Gross profit	1,515	693	3,092	1,403
Selling, general and administrative expenses	(963)	(389)	(1,936)	(769)
Impairment and restructuring costs	(280)	-	(295)	-
Transaction and integration-related expenses associated with the Combination	(21)	(60)	(57)	(83)
Operating profit	251	244	804	551
Pension and other postretirement non-service income (expense), net	7	(29)	16	(39)
Interest expense, net	(182)	(33)	(349)	(58)
Other (expense) income, net	(18)	5	(23)	-
Income before income taxes	58	187	448	454
Income tax expense	(84)	(55)	(92)	(131)
Net (loss) income	(26)	132	356	323
Net income attributable to noncontrolling interests	(2)	-	-	-
Net (loss) income attributable to common shareholders	\$ (28)	\$ 132	\$ 356	\$ 323
Basic (loss) earnings per share attributable to common shareholders	\$ (0.05)	\$ 0.51	\$ 0.68	1.25
Diluted (loss) earnings per share attributable to common shareholders	\$ (0.05)	\$ 0.51	\$ 0.68	1.24

Segment Information

We report our financial results of operations in the following three reportable segments:

- i. North America, which includes operations in the U.S., Canada and Mexico.
- ii. Europe, the Middle East and Africa ("MEA") and Asia-Pacific ("APAC").
- iii. Latin America ("LATAM"), which includes operations in Central America and Caribbean, Argentina, Brazil, Chile, Colombia, Ecuador and Peru.

Segment profitability is measured based on Adjusted EBITDA, defined as income before income taxes, unallocated corporate costs, depreciation, depletion and amortization, interest expense, net, pension and other postretirement non-service income (expense), net, share-based compensation expense, other (expense) income, net, amortization of fair value step up on inventory, transaction and integration-related expenses associated with the Combination, impairment and restructuring costs and other specific items that management believes are not indicative of the ongoing operating results of the business. The chief operating decision maker ("CODM") uses Adjusted EBITDA for each segment predominantly: to forecast and assess the performance of the segments, individually and comparatively; to set pricing strategies for the segments; and to make decisions about the allocation of operating and capital resources to each segment strategically, in the annual budget and in the quarterly forecasting process. The CODM considers budget, or forecast, -to-actual variances on a quarterly and annual basis for segment Adjusted EBITDA to inform these decisions.

Financial information by segment is summarized below (in \$ millions, except margins).

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net sales (aggregate)				
North America	\$ 4,755	\$ 438	\$ 9,424	\$ 850
Europe, MEA and APAC	2,778	2,211	5,360	4,405
LATAM	518	340	1,031	681
Total	\$ 8,051	\$ 2,989	\$ 15,815	\$ 5,936
Less net sales (intersegment)				
North America	\$ 103	\$ 1	\$ 194	\$ 1
Europe, MEA and APAC	5	4	11	8
LATAM	3	15	14	28
Total	\$ 111	\$ 20	\$ 219	\$ 37
Net sales (unaffiliated customers)				
North America	\$ 4,652	\$ 437	\$ 9,230	\$ 849
Europe, MEA and APAC	2,773	2,207	5,349	4,397
LATAM	515	325	1,017	653
Total	\$ 7,940	\$ 2,969	\$ 15,596	\$ 5,899
Segment Adjusted EBITDA				
North America	\$ 752	\$ 61	\$ 1,537	\$ 120
Europe, MEA and APAC	372	362	761	747
LATAM	123	87	238	141
Total	\$ 1,247	\$ 510	\$ 2,536	\$ 1,008
Adjusted EBITDA Margin				
Adjusted EBITDA/Net sales (aggregate)				
North America	15.8%	13.9%	16.3%	14.1%
Europe, MEA and APAC	13.4%	16.4%	14.2%	17.0%
LATAM	23.7%	25.6%	23.1%	20.8%

Condensed Consolidated Balance Sheets (Unaudited)
(in \$ millions, except share data)

	June 30, 2025	December 31, 2024
Assets		
<i>Current assets:</i>		
Cash and cash equivalents (amounts related to consolidated variable interest entities of \$5 million and \$2 million at June 30, 2025 and December 31, 2024, respectively)	\$ 778	\$ 855
Accounts receivable, net (amounts related to consolidated variable interest entities of \$893 million and \$767 million at June 30, 2025 and December 31, 2024, respectively)	4,844	4,117
Inventories	3,774	3,550
Other current assets	1,583	1,533
Total current assets	10,979	10,055
Property, plant and equipment, net	23,097	22,675
Goodwill	7,207	6,822
Intangibles, net	1,107	1,117
Prepaid pension asset	677	635
Other non-current assets (amounts related to consolidated variable interest entities of \$389 million and \$389 million at June 30, 2025 and December 31, 2024, respectively)	2,679	2,455
Total assets	\$ 45,746	\$ 43,759
Liabilities and Equity		
<i>Current liabilities:</i>		
Accounts payable	\$ 3,380	\$ 3,290
Accrued compensation and benefits	872	882
Current portion of debt	1,034	1,053
Other current liabilities	2,305	2,108
Total current liabilities	7,591	7,333
Non-current debt due after one year (amounts related to consolidated variable interest entities of \$296 million and \$8 million at June 30, 2025 and December 31, 2024, respectively)	13,329	12,542
Deferred tax liabilities	3,482	3,600
Pension liabilities and other postretirement benefits, net of current portion	746	706
Other non-current liabilities (amounts related to consolidated variable interest entities of \$334 million and \$335 million at June 30, 2025 and December 31, 2024, respectively)	2,274	2,191
Total liabilities	27,422	26,372
Equity:		
Preferred stock; \$0.001 par value; 500,000,000 shares authorized; 10,000 shares outstanding	-	-
Common stock; \$0.001 par value; 9,500,000,000 shares authorized; 522,058,394 and 520,444,261 shares outstanding at June 30, 2025 and December 31, 2024, respectively	1	1
Deferred shares; €1 par value; 25,000 shares authorized; Nil and 25,000 shares outstanding at June 30, 2025 and December 31, 2024, respectively	-	-
Treasury stock; at cost; 1,459,832 and 2,037,589 common stock at June 30, 2025 and December 31, 2024, respectively	(65)	(93)
Capital in excess of par value	16,018	15,948
Accumulated other comprehensive loss	(428)	(1,446)
Retained earnings	2,771	2,950
Total shareholders' equity	18,297	17,360
Noncontrolling interests	27	27
Total equity	18,324	17,387
Total liabilities and equity	\$ 45,746	\$ 43,759

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating activities:				
Net (loss) income	\$ (26)	\$ 132	\$ 356	\$ 323
Adjustments to reconcile consolidated net (loss) income to net cash provided by operating activities:				
Depreciation, depletion and amortization	613	160	1,216	308
Impairment charges	184	-	184	-
Cash surrender value increase in excess of premiums paid	(15)	-	(20)	-
Share-based compensation expense	36	16	79	31
Deferred income tax benefit	(98)	(8)	(127)	(10)
Pension and other postretirement funding more than cost	(36)	4	(59)	(4)
Other	5	(2)	6	(1)
Change in operating assets and liabilities, net of acquisitions and divestitures:				
Accounts receivable	(92)	(40)	(434)	(236)
Inventories	7	(28)	(55)	(20)
Other assets	-	(54)	(47)	(105)
Accounts payable	82	90	(35)	(12)
Income taxes	79	3	9	63
Accrued liabilities and other	90	67	(9)	45
Net cash provided by operating activities	829	340	1,064	382
Investing activities:				
Capital expenditures	(522)	(177)	(999)	(385)
Cash paid for purchase of businesses, net of cash acquired	(1)	(28)	(5)	(28)
Proceeds from sale of property, plant and equipment	-	3	-	3
Other	3	(1)	8	-
Net cash used for investing activities	(520)	(203)	(996)	(410)
Financing activities:				
Additions to debt	203	2,757	498	2,812
Repayments of debt	(56)	(6)	(121)	(33)
Debt issuance costs	(1)	(29)	(6)	(29)
Changes in commercial paper, net	(264)	-	(18)	-
Other debt repayments, net	(2)	(4)	(18)	(4)
Repayments of finance lease liabilities	(7)	-	(23)	(1)
Tax paid in connection with shares withheld from employees	(3)	-	(67)	-
Purchases of treasury stock	-	-	-	(27)
Cash dividends paid to shareholders	(225)	(335)	(450)	(335)
Other	-	(1)	1	(1)
Net cash (used for) provided by financing activities	(355)	2,382	(204)	2,382
Effect of exchange rate changes on cash and cash equivalents	27	(5)	59	(29)
(Decrease) increase in cash and cash equivalents	(19)	2,514	(77)	2,325
Cash and cash equivalents at beginning of period	797	811	855	1,000
Cash and cash equivalents at end of period	\$ 778	\$ 3,325	\$ 778	\$ 3,325

Non-GAAP Financial Measures and Reconciliations

Smurfit Westrock plc ("Smurfit Westrock") reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). However, management believes certain non-GAAP financial measures provide Smurfit Westrock's Board of directors, investors, potential investors, securities analysts and others with additional meaningful financial information that should be considered when assessing its ongoing performance. Smurfit Westrock management also uses these non-GAAP financial measures in making financial, operating and planning decisions, and in evaluating company performance. Non-GAAP financial measures are not intended to be considered in isolation of or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP and should be viewed in addition to, and not as an alternative for, the GAAP results. The non-GAAP financial measures we present may differ from similarly captioned measures presented by other companies. Smurfit Westrock uses the non-GAAP financial measures "Adjusted EBITDA," "Adjusted EBITDA Margin," and "Adjusted Free Cash Flow." We discuss below details of the non-GAAP financial measures presented by us and provide reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

Definitions

Smurfit Westrock uses the non-GAAP financial measures "Adjusted EBITDA" and "Adjusted EBITDA Margin" to evaluate its overall performance. The composition of Adjusted EBITDA is not addressed or prescribed by GAAP. Smurfit Westrock defines Adjusted EBITDA as net (loss) income before income tax expense, depreciation, depletion and amortization, interest expense, net, pension and other postretirement non-service income (expense), net, share-based compensation expense, other (expense) income, net, amortization of fair value step up on inventory, transaction and integration-related expenses associated with the Combination, impairment and restructuring costs and other specific items that management believes are not indicative of the ongoing operating results of the business.

Management believes Adjusted EBITDA and Adjusted EBITDA Margin measures provide Smurfit Westrock's management, Board of directors, investors, potential investors, securities analysts and others with useful information to evaluate Smurfit Westrock's performance relative to other periods because it adjusts out non-recurring items that management believes are not indicative of the ongoing results of the business. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Net Sales.

Smurfit Westrock uses the non-GAAP financial measure "Adjusted Free Cash Flow". Smurfit Westrock defines Adjusted Free Cash Flow as net cash provided by operating activities as adjusted for capital expenditures and to exclude certain costs not reflective of underlying ongoing operations. Management utilizes this measure in connection with managing Smurfit Westrock's business and believes that Adjusted Free Cash Flow is useful to investors as a liquidity measure because it measures the amount of cash generated that is available, after reinvesting in the business, to maintain a strong balance sheet, pay dividends, repurchase stock, service debt and make investments for future growth. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. By adjusting for certain items that are not indicative of Smurfit Westrock's underlying operational performance, Smurfit Westrock believes that Adjusted Free Cash Flow also enables investors to perform meaningful comparisons between past and present periods.

Reconciliations to Most Comparable GAAP Measure

Set forth below is a reconciliation of the non-GAAP financial measures Adjusted EBITDA and Adjusted EBITDA Margin to Net (Loss) Income and Net (Loss) Income Margin, the most directly comparable GAAP measures, for the periods indicated (in millions, except margins).

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (26)	\$ 132	\$ 356	\$ 323
Income tax expense	84	55	92	131
Depreciation, depletion and amortization	613	160	1,216	308
Impairment and restructuring costs ⁽¹⁾	280	-	295	-
Transaction and integration-related expenses associated with the Combination	21	60	57	83
Interest expense, net	182	33	349	58
Pension and other postretirement non-service (income) expense, net	(7)	29	(16)	39
Share-based compensation expense	36	16	79	31
Other expense (income), net	18	(5)	23	-
Other adjustments ⁽²⁾	12	-	14	(18)
Adjusted EBITDA	\$ 1,213	\$ 480	\$ 2,465	\$ 955
Net Sales	\$ 7,940	\$ 2,969	\$ 15,596	\$ 5,899
Net (Loss) Income Margin (Net (Loss) Income/Net Sales)	(0.3)%	4.4%	2.3%	5.5%
Adjusted EBITDA Margin (Adjusted EBITDA/Net Sales)	15.3%	16.2%	15.8%	16.2%

⁽¹⁾ Impairment and restructuring costs for the three months ended June 30, 2025, include impairment charges of \$176 million, severance and other restructuring costs of \$54 million associated with previously announced closures and costs associated with other individually immaterial restructuring plans totaling \$50 million (three months ended June 30, 2024: \$- million). Impairment and restructuring costs for the six months ended June 30, 2025, include impairment charges of \$176 million, severance and other restructuring costs of \$54 million associated with previously announced closures and costs associated with other individually immaterial restructuring plans totaling \$65 million (six months ended June 30, 2024: \$- million).

⁽²⁾ Other adjustments for the three months ended June 30, 2025, include losses at closed facilities of \$12 million (three months ended June 30, 2024: \$- million). Other adjustments for the six months ended June 30, 2025, include losses at closed facilities of \$14 million (six months ended June 30, 2024: \$- million). Other adjustments for the six months ended June 30, 2024, include a reimbursement of a fine from the Italian Competition Authority of \$18 million.

Set forth below is a reconciliation of the non-GAAP financial measure Adjusted Free Cash Flow to Net cash provided by operating activities, the most directly comparable GAAP measure, for the periods indicated (in millions).

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 829	\$ 340	\$ 1,064	\$ 382
Capital expenditures	(522)	(177)	(999)	(385)
Free Cash Flow	\$ 307	\$ 163	\$ 65	\$ (3)
Adjustments:				
Transaction and integration costs	21	23	97	57
Restructuring costs	68	4	112	7
Tax on above items	(9)	(1)	(31)	(2)
Adjusted Free Cash Flow	\$ 387	\$ 189	\$ 243	\$ 59