2024 Irish Statutory Annual Report

SMURFIT WESTROCK PLC

(Registered Number 607515)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024

IMPORTANT NOTICE TO SHAREHOLDERS

Due to our domicile in Ireland, we are required to produce this Irish Statutory Annual Report prepared under applicable Irish company law, to be filed with the Irish Companies Registration Office. We are also required to make this document available to shareholders in advance of the Company's Annual General Meeting of Shareholders.

This Irish Statutory Annual Report is in addition to our financial statements prepared under applicable U.S. securities laws, filed with the U.S. Securities and Exchange Commission on Form 10-K which is available on our website at www.smurfitwestrock.com.

Officers and Corporate Information

Executive Directors

Anthony Smurfit
Ken Bowles

Non-Executive Directors

Irial Finan
Kaisa Hietala
Colleen F. Arnold
Timothy J. Bernlohr
Carole L. Brown
Terrell K. Crews
Carol Fairweather
Mary Lynn Ferguson-McHugh
Suzan F. Harrison
Lourdes Melgar
Jørgen Buhl Rasmussen
Dmitri L. Stockton*
Alan D. Wilson

Secretary

Gillian Carson-Callan

Registered Office

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Ireland

Auditor

KPMG
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Ireland

*Dmitri L. Stockton will be st*epping down from the Board, effective as of the conclusion of the Company's 2025 Annual General Meeting of Shareholders.*

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Forward Looking Statements

This document 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 (the “Exchange Act”)) regarding, among other things, the plans, strategies, outcomes, and prospects, both business and financial, of Smurfit Westrock plc (“Smurfit Westrock” or the “Company”), the expected benefits of the completed combination of Smurfit Kappa Group plc (“Smurfit Kappa”) and WestRock Company (“WestRock”) (including, but not limited to, synergies), and any other statements regarding Smurfit Westrock’s future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. Statements that are not historical facts, including statements about the beliefs and expectations of the management of Smurfit Westrock, 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”, “estimate” 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 of Smurfit Kappa and WestRock. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to, the factors discussed below under the section entitled “Risk Factors” below and in subsequent filings with the U.S. Securities and Exchange Commission (the “SEC”) by the Company. Forward-looking and other statements in this document may also address the Company’s corporate responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in our filings with the SEC. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

The Company’s forward-looking statements speak only as of the date of this document or as of the date they are made. 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.

Website References

Website references throughout this document are inactive textual references and provided for convenience only, and the content on the referenced websites is not incorporated herein by reference and does not constitute a part of this document.

Directors’ Report

The Directors submit their directors’ report (the “Directors’ Report) and the audited consolidated financial statements (“Consolidated Financial Statements”) and related notes to the Consolidated Financial Statements (the “Notes”, and together with the Directors’ Report and Consolidated Financial Statements, the “Irish Statutory Annual Report”) of Smurfit Westrock plc (“Smurfit Westrock” or the “Company”) for the year ended December 31, 2024. The Directors have elected to prepare the Consolidated Financial Statements in accordance with section 279 of the Irish Companies Act 2014,(as amended) (the “Irish Companies Act”) which provides that a true and fair view of the assets and liabilities, financial position and profit or loss of a company and its subsidiary undertakings may be given by preparing its group financial statements in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP", "GAAP"), as defined in section 279 (1) of the Irish Companies Act, to the extent that the use of those standards in the preparation of the financial statements does not contravene any provision of Part 6 of the Irish Companies Act.

Basis of Preparation

The accompanying Consolidated Financial Statements include the accounts of Smurfit Westrock plc, an Irish company, and its controlled subsidiary companies (collectively, the “Company”). In this Directors’ Report, we use the terms “Smurfit Westrock,” “we,” the “Company,” “our” and “us” to refer to Smurfit Westrock plc and its subsidiaries.

All references to years, unless otherwise noted, refer to our fiscal year, which ends on December 31. For example, a reference to “fiscal 2024” means the 12-month period that ended on December 31, 2024. All references to quarters, unless otherwise noted, refer to the quarters of our fiscal year.

The Consolidated Financial Statements include the Consolidated Balance Sheets of Smurfit Westrock plc and its subsidiaries as of December 31, 2024, and the related Consolidated Statements of Operations, Consolidated Statements of Comprehensive (Loss) Income, Consolidated Statements of Cash Flows and Consolidated Statements of Changes in Equity for the 12-months ended December 31, 2024. The Consolidated Financial Statements and the majority of the information in the Notes thereto have been reconciled to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 7, 2025.

In addition to the Consolidated Financial Statements contained in this Irish Statutory Annual Report, we also prepare an Annual Report on Form 10-K pursuant to the rules and regulations of the SEC and in accordance with U.S. GAAP. The Annual Report on Form 10-K (prepared under U.S. GAAP) is a separate document, a copy of which may be obtained from the website of Smurfit Westrock at www.smurfitwestrock.com.

Overview

Background

Smurfit Westrock was incorporated and registered in Ireland on July 6, 2017, under the Irish Companies Act as a private company limited by shares with registered number 607515, with the name “Cepheidway Limited.” On September 12, 2023, Smurfit Kappa and WestRock announced entry into a transaction agreement pursuant to which the companies would execute a strategic combination (the “Combination”). Prior to the Combination, Smurfit Westrock re-registered as an Irish public limited company pursuant to Part 20 of the Irish Companies Act and was renamed “Smurfit Westrock plc.” Upon completion of the Combination, Smurfit Kappa and WestRock each became wholly owned subsidiaries of Smurfit Westrock, and Smurfit Westrock continued as the new holding company of the combined group of Smurfit Kappa and WestRock. As a result of the Combination, former Smurfit Kappa shareholders and WestRock shareholders became holders of Smurfit Westrock ordinary shares. Smurfit Westrock had no historical operations nor traded or carried out any business of its own since its incorporation until just prior to consummation of the Combination.

Smurfit Westrock has a dual listing on the New York Stock Exchange (“NYSE”) and the equity shares (international commercial companies secondary listing) category of the Official List of the UK Financial Conduct Authority (“FCA”), and Smurfit Westrock ordinary shares trade on the NYSE and the London Stock Exchange’s main market for listed securities.

Principal Activities

Smurfit Westrock was created as a strategic combination between Smurfit Kappa, one of the leading integrated corrugated packaging manufacturers in Europe, with a large-scale pan-regional presence in Latin America, and WestRock, one of the leaders in North America in corrugated and consumer packaging solutions and a multinational provider of sustainable fiber-based paper and packaging solutions.

Smurfit Westrock is a global leader in sustainable, paper-based packaging with extensive scale, quality products and geographic reach and diversity. We aim to create the ‘go-to’ packaging partner of choice, bringing together highly complementary portfolios and sets of capabilities benefiting customers, employees and shareholders.

Products

Our primary products fall into a number of categories, as further described below. Primarily, we produce paper-based packaging products. Our vertically integrated system provides raw materials of wood or recovered fiber, which are used to manufacture various grades of board, which are then converted into packaging products. Our main categories of packaging are corrugated containers, manufactured from containerboard; and consumer packaging, manufactured from paperboard. We also produce other grades of board, such as solidboard, kraft paper, and graphic board, as well as other packaging products such as solidboard packaging, paper sacks and bag-in-box.

Containerboard and Corrugated Containers

Containerboard is the general term that describes the intermediate materials used to manufacture corrugated sheet, namely linerboard and medium.

Linerboard is used to form the inner and outer layers of the corrugated sheet. Linerboard can be manufactured from virgin fiber (known as “kraftliner”) or recovered paper (known as “testliner”). The recycling of old corrugated cases (“OCC”) provides the primary source of recovered paper. In general, kraftliner is of higher quality and more versatile than testliner. Linerboard can be surface treated to improve the printing quality through the use of white, mottled or fully bleached pulp as the top layer.

Medium is used to form the inner layer of the corrugated sheet. It is primarily manufactured from recovered paper but can also be manufactured from virgin fiber.

We feed linerboard and corrugating medium into a corrugator that flutes the medium to specified sizes, glues the linerboard and fluted medium together, and slits and cuts the resulting corrugated paperboard into corrugated sheets whose dimensions fit ultimate customer specifications, and are subsequently converted into corrugated packaging.

Corrugated packaging refers to the conversion of corrugated sheets through the production and the sale of corrugated containers and other corrugated products including displays. Corrugated packaging is used to provide protective packaging for shipment and distribution of food, paper, health and beauty, and other household, consumer, commercial and industrial products. Corrugated packaging may also be graphically enhanced for retail sale, particularly in club store locations. Our corrugated packaging operations manufactures primarily corrugated sheets, corrugated packaging and preprinted linerboard for sale to consumer and industrial products manufacturers and corrugated box manufacturers. We produce a wide range of high-quality corrugated containers designed to protect, ship, store, promote and display products made to our customers' specifications.

Paperboard and Consumer Packaging

Paperboard is a general term that describes the intermediate materials used primarily to produce folding cartons and other consumer packaging products. There are a number of different types of paperboard, that can be manufactured using virgin fiber or recovered paper, or a recycled basestock that is laminated with kraftliner. Paperboard can be unbleached, coated or fully bleached, and manufactured primarily using either wood or recovered fiber as a primary raw material. These are used primarily to manufacture folding cartons and can have specialty characteristics such as grease masking and microwaveability.

Consumer packaging is used mainly as primary packaging for products, providing convenience, marketing support and protection for products, and can consist of folding cartons, carriers and other containers. Our folding cartons are used to package items for industries such as food, paper, beverages, dairy products, confectionery, health and beauty and other household consumer, commercial and industrial products, primarily for retail sale. Our folding cartons are also used by our customers to attract consumer attention at the point-of-sale. We also manufacture express mail packages for the overnight courier industry, provide inserts and labels, as well as rigid packaging and other printed packaging products, such as transaction cards (e.g., credit, debit, etc.), brochures, product literature, marketing materials (such as booklets, folders, inserts, cover sheets and slipcases) and grower tags and plant stakes for the horticultural market. For the global healthcare market, we manufacture paperboard packaging for over-the-counter and prescription drugs.

Solidboard and Solid Board Packaging

Solidboard is a layered form of paperboard. It has an outer layer of linerboard, which is laminated onto a solid layer of recycled paper, producing a product that is heavier and more resistant to moisture and cold than corrugated containers. Solidboard is better suited for certain more demanding packaging applications which may be exposed to wet conditions and freezing temperatures, such as the transportation of fresh products, including fruit, vegetables, fish, meat, poultry and dairy products. Solidboard sheets are produced in paper mills and converted into Solidboard packaging in converting units.

Graphicboard

Graphic board is a heavyweight type of solidboard with distinct properties, including rigidity and stability, which makes it suitable for processing into different applications, such as book covers, game boards, jigsaw puzzles and lever arch files, onto which sophisticated graphics can be laminated.

Kraft Paper and Paper Sacks

Kraft paper is a grade of paper made primarily from wood which is used in different applications, the key one being in paper sack production, with the grade being known as sack kraft. Sack kraft is either converted into sacks for industrial use, transporting building materials, agriculture, chemicals, minerals and animal feed, or bags subject to high quality graphics for more sophisticated packaging end uses such as pet food and retail carrier bags. Other kraft paper has a large number of uses such as but not limited to paper bags, wrapping, and interleaving products.

Bag-In-Box

Bag-in-box is a form of packaging where a liquid is packed in a flexible plastic film or "bag" with a tap attached, which is then generally inserted into a corrugated container.

Geographical Footprint

We maintain operations in 40 countries, primarily in North America, Latin America and Europe, and with some operations in Asia, Africa and Australia. In North America, we are a leader in corrugated and consumer packaging, containerboard and paperboard. In Europe, we are one of the leading companies by production volume in corrugated packaging, containerboard and bag-in-box, and one of the leading producers of consumer packaging. In Latin America, we are a large-scale pan-regional player in corrugated packaging and containerboard.

We currently operate 62 paper mills (40 of which produce containerboard only, and 10 of which produce paperboard only, with five producing both, four producing containerboard and another grade, one producing paperboard and another grade and two producing kraft paper only), 459 converting plants (306 of which convert containerboard into corrugated containers, 88 of which convert paperboard into consumer packaging or manufacture leaflets or labels for consumer packaging, five sack plants and 60 other conversion facilities), 63 recovered fiber facilities, two wood procurement operations in Europe (which together provide raw material for our mills in Europe), two forestry operation in Latin America and 58 distribution facilities in North America, and 31 other production facilities carrying on other related activities. In addition, we own approximately 301,000 acres of forest plantations in Latin America, which support mill operations in addition to propagating trees for planting. Our footprint allows us to better serve customers in close proximity to our corrugated box plants.

Our geographic reach is organized around three segments:

- Smurfit Westrock North America (including the U.S., Canada and Mexico);
- Smurfit Westrock Europe, Middle East and Africa ("MEA") & Asia-Pacific ("APAC"); and
- Smurfit Westrock Latin America ("LATAM").

The North America, Europe, MEA and APAC and LATAM segments are each highly integrated within the segment and there are many interdependencies within these operations. They each include a system of mills and plants that primarily produce a number of grades of containerboard that is converted into corrugated containers within each segment, or is sold to third parties.

In addition, the North America segment also produces paperboard, kraft paper and market pulp; other paper-based packaging, such as folding cartons, inserts, labels and displays and also engages in the assembly of displays as well as the distribution of packaging products.

The Europe, MEA and APAC segment also produces other types of paper, such as solidboard, graphic board, sack kraft paper and machine glazed paper (together known as kraft paper) and graphic paper; and other paper-based packaging, such as honeycomb, solidboard packaging, folding cartons, inserts and labels; and bag-in-box packaging (the latter with operations located in Europe, Argentina, Canada, Mexico and the U.S., but managed under the Europe, MEA and APAC segment).

The LATAM segment also comprises forestry; other types of paper, such as paperboard and kraft paper; and paper-based packaging, such as folding cartons and paper sacks.

Our global corporate headquarters are located in Dublin, Ireland, our North American operations are headquartered in Atlanta, Georgia, U.S., our Europe, MEA and APAC operations are headquartered in Amsterdam, the Netherlands and our LATAM operations are headquartered in Florida, U.S.

Business Strategy

Our business strategy combines the key strategic priorities of both Smurfit Kappa and WestRock, with a continuing focus on the successful integration of the two businesses.

Our Vision

Our vision is to be a globally admired business, dynamically and sustainably delivering secure and superior returns for all stakeholders, comprising shareholders, employees, customers, local communities and suppliers.

- **Globally Admired Business**. We strive to operate a globally admired business, underpinned by the following; (1) our values of safety at work, loyalty, integrity and respect; (2) being an employer of choice; (3) providing a demonstrably differentiated offering to our customers; (4) being a leader in sustainability in the industry; and (5) being valued in excess of our peers.
- **Dynamically and Sustainably Delivering**. With a performance-led culture and a diverse workforce that is both driven and engaged, we seek to seize internal and external growth opportunities by engaging in disciplined and focused capital allocation in order to present a highly differentiated and sustainable offering to customers.
- **Secure and Superior Returns**. In seeking secure and superior returns, we focus on strong cash generation, balance sheet strength with significant financial flexibility and low-cost operations, and an optimum level of vertical integration to mitigate cyclical risk while maximizing the performance of our assets. We aim to have a team of dedicated and engaged employees continually innovating across our product range.

Our vision guides our strategic objective of maintaining and deepening long-term customer relationships by seeking to provide customers with innovative and differentiated sustainable packaging solutions that aim to enhance customers' prospects of success in their end markets.

To achieve this objective, we have identified three key areas of focus through our integrated system:

- **Converting.** Capitalize on differentiation to drive growth. This differentiation encompasses our paper-based packaging offerings corrugated and consumer packaging across our segments, along with other specialist product offerings such as bag-in- box and paper sacks. The offerings are supported by our innovation initiatives.
- **Paper.** Drive the optimization of our paper system to service the growth of the downstream converting businesses, taking into account the dynamics of the marketplace. This is a particular focus in light of the enlarged paper system that was created through the Combination.
- **Integration.** Bring together the best of Smurfit Kappa and WestRock into a culturally aligned, customer-focused and motivated organization.

Based on these focus areas, we have developed the following six strategic priorities:

1. Integrating Smurfit Kappa and WestRock's businesses, administration and cultures, and achieving synergies arising from the Combination;
2. Expanding market positions through focused growth, including in particular driving the sustainability agenda;
3. Continuing Smurfit Kappa's and WestRock's focus on customer engagement and innovation to become the supplier/partner of choice for our customers;
4. Enhancing operational excellence through the continuous upgrade of customer offerings and service;
5. Recruiting, retaining, developing and motivating the best people; and
6. Efficiently allocating capital.

Business Review

Results of Operations

The following table summarizes Smurfit Westrock's consolidated results for the two years ended December 31, 2024 and December 31, 2023.

	($ in millions) 2024	2023
Net sales	$ 21,109	$ 12,093
Cost of goods sold	(16,914)	(9,039)
Gross profit	**4,195**	**3,054**
Selling, general and administrative expenses	(2,793)	(1,604)
Transaction and integration-related expenses associated with the Combination	(395)	(78)
Operating profit	**1,007**	**1,372**
Pension and other postretirement non-service expense, net	(24)	(49)
Interest expense, net	(398)	(139)
Other (expense) income, net	(25)	(46)
Income before income taxes	**560**	**1,138**
Income tax expense	(241)	(312)
Net income	**319**	**826**
Less: Net income attributable to noncontrolling interests	—	(1)
Net income attributable to common shareholders	**$ 319**	**$ 825**

Results of operations for the year ended December 31, 2024, compared to the year ended December 31, 2023

Net Sales

Net sales increased by $9,016 million, to $21,109 million in the year ended December 31, 2024, from $12,093 million in the year ended December 31, 2023. This increase was primarily due to the impact of $9,381 million related to the acquisition of WestRock. Excluding the impact of this acquisition, net sales decreased by $365 million primarily resulting from a $715 million impact due to a lower selling/price mix, partially offset by a positive volume impact of $377 million. See “Segment Information” below for more detail on Smurfit Westrock’s segment results.

Cost of Goods Sold

Cost of goods sold increased by $7,875 million, to $16,914 million in the year ended December 31, 2024, from $9,039 million in the year ended December 31, 2023. The increase in cost of goods sold was primarily due to the impact of the acquisition of WestRock of $7,997 million, which included an expense of $224 million for the amortization of the fair value step up on inventory recognized on WestRock’s inventory acquired. Excluding the impact of this acquisition, cost of goods sold decreased by $122 million primarily due to lower input prices partly offset by higher volumes.

Selling, General and Administrative (“SG&A”) Expenses

SG&A expenses increased by $1,189 million, to $2,793 million in the year ended December 31, 2024, from $1,604 million in the year ended December 31, 2023. The increase in SG&A expenses of $1,189 million was primarily due to additional SG&A expenses of $1,189 million related to the acquisition of WestRock.

Transaction and Integration-related Expenses Associated with the Combination

The Company incurred transaction and integration-related expenses associated with the Combination of $395 million and $78 million in the years ended December 31, 2024 and 2023, respectively.

Transaction-related expenses associated with the Combination were $202 million and $78 million in the years ended December 31, 2024 and 2023, respectively. Transaction-related costs associated with the Combination comprised of banking and financing related costs as well as legal and other professional services which were directly attributable to the Combination and retention payments that were contractually committed to and associated with the successful completion of the Combination.

Integration-related expenses associated with the Combination were $193 million in the year ended December 31, 2024. We incur integration costs post-acquisition that reflect work performed to facilitate merger and acquisition integration and primarily consist of professional services and personnel and related expenses, such as work associated with information systems.

Pension and Other Postretirement Non-Service Expense, Net

Pension and other postretirement non-service expense, net decreased by $25 million, to $24 million in the year ended December 31, 2024, from $49 million in the year ended December 31, 2023. This decrease was primarily due to a $170 million increase in the return on plan assets primarily due to acquired net pension assets in connection with the Combination, that was partially offset by an increase in interest costs of $128 million primarily due to acquired net pension assets in connection with the Combination; a $12 million increase in one-time settlement expenses and a $7 million increase in the net actuarial loss.

Interest Expense, Net

Interest expense, net increased by $259 million to $398 million in the year ended December 31, 2024, from $139 million in the year ended December 31, 2023. The increase was primarily the result of interest on debt assumed as part of the Combination and the $2,750 million April Notes Offering (as hereinafter defined) in connection with the Combination. The increase was partially offset by higher interest income of $96 million primarily due to increased average cash balances in the period. See “Note 12. Debt” of the Notes to Consolidated Financial Statements for details of the April Notes Offering.

Other (Expense) Income, Net

Other (expense) income, net decreased by $21 million, to a net expense of $25 million in the year ended December 31, 2024, from a net expense of $46 million in the year ended December 31, 2023. This decrease was primarily due to a $30 million net positive impact from foreign currency translation of monetary assets and liabilities and a $10 million increase in income from equity method investments. This was partially offset by a $23 million expense recorded in the year ended December 31, 2024 in connection with the sale of receivables under an accounts receivable monetization program acquired as a result of the Combination.

Income Tax Expense

Income tax expense decreased by $71 million, to $241 million (consisting of current tax expense of $378 million and deferred tax benefit of $137 million) in the year ended December 31, 2024, from $312 million (consisting of current tax expense of $340 million and deferred tax benefit of $28 million) in the year ended December 31, 2023.

The net increase of $38 million in current tax expense was primarily due to the tax impact of the acquired U.S. operations resulting from the Combination and from lower profitability elsewhere. The net increase of $109 million in deferred tax benefit largely relates to the amortization of differences arising in the acquisition accounting for the Combination.

Segment Information

Smurfit Westrock has identified its operating segments based on how the chief operating decision maker ("CODM") makes key operating decisions, allocates resources and assesses performance of the Company's business.

Effective the third quarter of 2024, Smurfit Westrock has identified three operating segments:

(i) North America, which includes operations in the U.S., Canada and Mexico;
(ii) Europe, MEA and APAC; and
(iii) LATAM, which includes operations in Central America and Caribbean, Argentina, Brazil, Chile, Colombia, Ecuador and Peru.

No operating segments have been aggregated for disclosure purposes. Prior period comparatives have been recast to reflect the change in segments.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis, but exclude certain central costs such as corporate costs, including executive costs, and costs of Smurfit Westrock's legal, company secretarial, pension administration, tax, treasury and controlling functions and other administrative costs. 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 expense, net, share-based compensation expense, other (expense) income, net, impairment of goodwill and other assets, amortization of fair value step up on inventory, transaction and integration-related expenses associated with the Combination and other specific items that management believes are not indicative of the ongoing operating results of the business.

The following table contains selected financial information for Smurfit Westrock's segments for the years ended December 31, 2024 and 2023.

		($ in millions)		
		2024		**2023**
Net sales (aggregate):[(1)]				
North America	$	10,092	$	1,624
Europe, MEA and APAC		9,577		9,193
LATAM		1,711		1,344
Adjusted EBITDA:				
North America	$	1,610	$	$281
Europe, MEA and APAC		1,529		1,684
LATAM		378		274

(1) Net sales before intersegment eliminations

The year ended December 31, 2024, compared to the year ended December 31, 2023

North America Segment

Net Sales

Net sales before intersegment eliminations for the North America segment increased by $8,468 million, to $10,092 million in the year ended December 31, 2024, from $1,624 million in the year ended December 31, 2023. This increase was primarily due to the positive impact of $8,481 million from the acquisition of WestRock.

Adjusted EBITDA

Adjusted EBITDA for the North America segment increased by $1,329 million, to $1,610 million in the year ended December 31, 2024, from $281 million in the year ended December 31, 2023. This increase was primarily due to the positive impact of $1,380 million from the acquisition of WestRock.

Europe, MEA and APAC Segment

Net Sales

Net sales before intersegment eliminations for the Europe, MEA and APAC segment increased by $384 million, to $9,577 million in the year ended December 31, 2024, from $9,193 million in the year ended December 31, 2023. This increase was primarily due to the impact of $740 million which related to the acquisition of WestRock. Excluding the impact of this acquisition, net sales before intersegment eliminations decreased by $356 million primarily due to a lower selling/price mix of $732 million, partially offset by a positive volume impact of $352 million and net foreign currency impact of $36 million primarily due to the weakening of the U.S. dollar against the euro, pound sterling and Polish zloty.

Adjusted EBITDA

Adjusted EBITDA for the Europe, MEA and APAC segment decreased by $155 million, to $1,529 million in the year ended December 31, 2024, from $1,684 million in the year ended December 31, 2023. There was a $63 million positive impact from the acquisition of WestRock. Excluding the impact of this acquisition, Adjusted EBITDA decreased by $218 million mainly due to a lower selling price/mix impact of $732 million, partly offset by lower input prices of $449 million and a positive impact of $67 million due to higher volumes.

LATAM Segment

Net Sales

Net sales before intersegment eliminations for the LATAM segment increased by $367 million, to $1,711 million in the year ended December 31, 2024, from $1,344 million in the year ended December 31, 2023. This increase was primarily due to the positive impact of $363 million from the acquisition of WestRock.

Adjusted EBITDA

Adjusted EBITDA for the LATAM segment increased by $104 million, to $378 million in the year ended December 31, 2024, from $274 million in the year ended December 31, 2023. This increase was primarily due to the positive impact of $106 million from the acquisition of WestRock.

Liquidity and Capital Resources

Sources and Uses of Cash

Smurfit Westrock’s primary sources of liquidity are the cash flows generated from its operations, its commercial paper program, and committed credit lines. The uncommitted commercial paper program is supported by the $4,500 million revolving loan facility with a separate swingline sub-facility which allows for same-day drawing in U.S. dollar. The amount of commercial paper outstanding does not reduce available capacity under the revolving loan facility. The primary uses of this liquidity are to fund Smurfit Westrock’s day-to-day operations, capital expenditures, debt service, dividends and other investment activity, including acquisitions.

As of December 31, 2024, Smurfit Westrock held cash and cash equivalents of $855 million, of which $426 million were held in euro, $169 million were held in U.S. dollars and $260 million were held in other currencies. At December 31, 2024, the Company had $5,079 million in undrawn committed facilities available under the New RCF and receivables securitization facilities. The weighted average period until maturity of undrawn committed facilities was 4.4 years as of December 31, 2024. Combined with cash and cash equivalents of $855 million, the Company had $5,934 million of available liquidity.

On June 28, 2024, conditional upon the closing of the Combination, the Company entered into the Multicurrency Term and Revolving Facilities Agreement (the "New Credit Agreement") with certain lenders and Wells Fargo Bank, National Association, as agent, providing for (i) the $600 million Term Loan Facility, (ii) a multicurrency revolving loan facility in an aggregate principal amount of $4,500 million including a swingline sub-facility in an aggregate principal amount of $500 million (together, the “New RCF”). On July 2, 2024, the Term Loan Facility of $600 million under the New Credit Agreement was cancelled prior to any drawdown and no early termination penalties were incurred as a result of the cancellation. On July 5, 2024, the Company cancelled the €1,350 million Revolving Credit Facility (that was due to mature in January 2026) (the “Existing RCF”) as part of the conditions of the New Credit Agreement upon the closing of the Combination on the Closing Date. As of December 31, 2024, there were no amounts outstanding under the New RCF.

As of December 31, 2024, Smurfit Westrock had $13,658 million of debt, excluding debt issuance costs, of which $1,053 million was current. The carrying amount of the Company’s debt includes a fair value adjustment related to debt assumed through mergers and acquisitions. At December 31, 2024 the unamortized fair value market adjustment was $48 million. Included within the carrying value of Smurfit Westrock’s borrowings as of December 31, 2024 are deferred debt issuance costs of $63 million, of which $8 million is current, all of which will be recognized in interest expense in Smurfit Westrock’s Consolidated Statements of Operations using the effective interest rate method over the remaining life of the borrowings. See “Note 12. Debt” for a discussion of the Company’s additional debt-related information, including bond issuance and repayments throughout the year.

The Company believes that the cash flows generated from its operations, cash on hand, its commercial paper program, available borrowings under its committed credit lines and available capital through access to capital markets will be adequate to meet the Company's liquidity and capital requirements, including payments of any declared dividends, for the next 12 months and for the foreseeable future.

Smurfit Westrock uses a variety of working capital management strategies including supply chain financing (“SCF”) programs, vendor financing and commercial card programs, monetization facilities where we sell short-term receivables to a group of third-party financial institutions and receivables securitization facilities. The programs are described below.

The Company engages in certain customer-based SCF programs to accelerate the receipt of payment for outstanding accounts receivables from certain customers. Certain costs of these programs are borne by the customer or the Company. Receivables transferred under these customer-based SCF programs generally meet the requirements to be accounted for as sales in accordance with guidance under “Transfers and Servicing” (“ASC 860”), resulting in derecognition of such receivables from the Company’s Consolidated Balance Sheets. Receivables involved with these customer-based SCF programs constitute approximately 6% of the Company’s accounts receivable balance at December 31, 2024. In addition, Smurfit Westrock has monetization facilities that sell to third-party financial institutions all of the short-term receivables generated from certain customer trade accounts. See “Note 11. Fair Value Measurement” for a discussion of the Company’s monetization facilities.

Smurfit Westrock’s working capital management strategy includes working with its suppliers to revisit terms and conditions, including the extension of payment terms. The Company’s current payment terms with the majority of its suppliers generally range from payable upon receipt to 120 days and vary for items such as the availability of cash discounts. The Company does not believe its payment terms will be shortened significantly in the near future, and does not expect its net cash provided by operating activities to be significantly impacted by additional extensions of payment terms. Certain financial institutions offer voluntary SCF programs that enable the Company’s suppliers, at their sole discretion, to sell their receivables from Smurfit Westrock to the financial institutions on a non-recourse basis at a rate that leverages the Company’s credit rating and thus might be more beneficial to the Company’s suppliers. Smurfit Westrock and its suppliers agree on commercial terms for the goods and services we procure, including prices, quantities and payment terms, regardless of whether the supplier elects to participate in SCF programs. The suppliers sell Smurfit Westrock goods or services and issue the associated invoices based on the agreed-upon contractual terms. The due dates of the invoices are not extended due to the supplier’s participation in SCF programs. Smurfit Westrock suppliers, at their sole discretion if they choose to participate in a SCF program, determine which invoices, if any, they want to sell to the financial institutions. No guarantees are provided by the Company under SCF programs, and it has no economic interest in a supplier’s decision to participate in the SCF program. Therefore, amounts due to the Company’s suppliers that elect to participate in SCF programs are included in the “Accounts payable” line item in the Company’s Consolidated Balance Sheets and the activity is reflected in “Net cash provided by operating activities” in the Company’s Consolidated Statements of Cash Flows. Based on correspondence with the financial institutions that are involved with Smurfit Westrock’s two primary SCF programs, while the amount suppliers elect to sell to the financial institutions varies from period to period, the amount generally averages approximately 13.7% of the Company’s accounts payable balance. The outstanding payment obligations to financial institutions under these programs were $450 million as of December 31, 2024.

Smurfit Westrock also participates in certain vendor financing and commercial card programs to support travel and entertainment expenses and smaller vendor purchases. Amounts outstanding under these programs are classified as debt primarily because the Company receives the benefit of extended payment terms and a rebate from the financial institution that would not have otherwise been received without the financial institution's involvement. Smurfit Westrock also has receivables securitization facilities that allows for borrowing availability based on underlying accounts receivable eligibility and compliance with certain covenants. See “Note 12. Debt” and “Note 13. Variable Interest Entities” of the Notes to Consolidated Financial Statements for a discussion of the receivables securitization facilities and the amount outstanding under the Company’s vendor financing and commercial card programs.

Smurfit Westrock is a party to enforceable and legally binding contractual obligations involving commitments to make payments to third parties. These obligations impact Smurfit Westrock’s short-term and long-term liquidity and capital resource needs. Certain contractual obligations are reflected on Smurfit Westrock’s Consolidated Balance Sheets as of December 31, 2024, while others are considered future obligations. Smurfit Westrock’s contractual obligations primarily consist of items such as long-term debt, including current portion, lease obligations, purchase obligations and other obligations. See “Contractual Obligations and Commitments” for more information.

Cash Flow Activity

The following table contains selected financial information from Smurfit Westrock’s Consolidated Statements of Cash Flows for the years ended December 31, 2024 and 2023.

	Years ended December 31, ($ in millions)			
	2024		2023	
Net cash provided by operating activities	$	1,483	$	1,559
Net cash used for investing activities	$	(2,114)	$	(931)
Net cash provided by (used for) financing activities	$	607	$	(479)

Net cash provided by operating activities decreased by $76 million, or 4.9%, to $1,483 million in the year ended December 31, 2024 from $1,559 million in the year ended December 31, 2023, primarily due to a $508 million increase in the outflow in the change in operating assets and liabilities driven by additional operating cash flow activity as a result of the Combination, higher volumes (excluding acquisitions) in the Europe, MEA and APAC segment, and an increased outflow for creditors in the North America segment. The increase in the cash outflows from changes in operating assets and liabilities includes proceeds of $62 million resulting from the sale of accounts receivables in connection with monetization agreements. The increase in the cash outflows from changes in operating assets and liabilities was partially offset by the $432 million increase in net income adjusted for non-cash items, including depreciation, depletion and amortization, cash surrender value increase in excess of premiums paid, impairment charges on assets other than goodwill, share-based compensation expense, deferred tax (benefit) expense, and pension and other post-retirement funding more than cost, resulting in a net decrease in cash flows from operating activities.

Net cash used for investing activities of $2,114 million in the year ended December 31, 2024 consisted primarily of capital expenditures of $1,466 million and cash paid for purchase of businesses, net of cash acquired of $719 million, partially offset by proceeds from sale of property, plant and equipment of $61 million. Net cash used for investing activities of $931 million in the year ended December 31, 2023 consisted primarily of capital expenditures of $929 million and cash paid for purchase of businesses, net of cash acquired of $29 million.

Net cash provided by financing activities of $607 million in the year ended December 31, 2024 consisted primarily of cash inflows from a net increase in debt of $1,367 million, partially offset by cash dividends paid to shareholders of $650 million and debt issuance costs of $63 million. Net cash used for financing activities of $479 million in the year ended December 31, 2023 consisted primarily of cash outflows from net repayments of debt of $55 million and cash dividends paid to shareholders of $391 million.

Contractual Obligations and Commitments

Smurfit Westrock’s primary cash requirements from contractual obligations and commitments include:

- **Debt obligations**. See “Note 12. Debt,” of the Notes to the Consolidated Financial Statements included elsewhere in this Irish Statutory Annual Report for more information on Smurfit Westrock’s debt obligations and timing of expected future payments.
- **Operating and finance leases**. See “Note 8. Leases,” of the Notes to the Consolidated Financial Statements included elsewhere in this Irish Statutory Annual Report for more information on Smurfit Westrock’s operating and finance lease obligations and timing of expected future payments.
- **Pension liabilities.** See “Note 14. Retirement Plans,” of the Notes to the Consolidated Financial Statements included elsewhere in this Irish Statutory Annual Report for more information on Smurfit Westrock’s pension liabilities and the timing of expected future benefit payments under its pension plans and postretirement plans.
- **Capital commitments.** See “Note 18. Commitments and Contingencies,” of the Notes to the Consolidated Financial Statements included elsewhere in this Irish Statutory Annual Report for more information on Smurfit Westrock’s future spending for property, plant and equipment that Smurfit Westrock is obligated to purchase.
- **Purchase commitments.** See “Note 18. Commitments and Contingencies,” of the Notes to the Consolidated Financial Statements included elsewhere in this Irish Statutory Annual Report for more information on Smurfit Westrock’s purchase commitments and the timing of the expected future payments.

Off-Balance Sheet Arrangements

As of December 31, 2024, Smurfit Westrock did not have any off-balance sheet arrangements.

Future Developments

Based on information and belief as of the date of this Irish Statutory Annual Report, the Directors do not anticipate that any of the Company’s primary activities will change in the foreseeable future.

Principal Risks and Uncertainties

Risks Related To Our Industry And Our Business

Risk Factors

Investing in our ordinary shares involves uncertainty and risk due to a variety of factors. You should carefully consider the risks described below, which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability) and/or ordinary share price, with all of the other information included in this Irish Statutory Annual Report. Our business is also subject to general risks and uncertainties that may broadly affect companies, including us. Some of the factors, events, and contingencies discussed below may have occurred in the past, and the disclosures below are not representations as to whether or not the factors, events, or contingencies have occurred in the past, but are provided because future occurrences of such factors, events, or contingencies could have a material adverse effect on our business, results of operations, financial condition, cash flows or share price. Further, the risks and uncertainties described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also materially affect our business, financial condition, results of operations (including revenues and profitability) and/or ordinary share price.

Risk Factors Summary

The following summary is intended to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors discussed below in their entirety for additional information. Some of the factors that could adversely affect our results of operations, cash flows and financial condition, and the trading price of our ordinary shares, include:

Market and Industry Risks

- As a leading global manufacturing business, we have been, and may be materially adversely affected by economic, geopolitical and social factors that are beyond our control.
- We may be adversely affected by uncertainty, downturns, actions taken by competitors or other changes in the paper and packaging industry.
- Our earnings are highly dependent on demand.

- Price fluctuations in, or shortages in the availability of, energy, transportation and raw materials could materially adversely affect our business.
- We are exposed to significant competition in the paper and packaging industry, which may materially and adversely affect the price and volume of products sold.

Operating Risks

- We may experience business disruptions that adversely affect our operations.
- We may fail to anticipate trends and develop or integrate new technologies or to protect intellectual property related to our products and technologies.
- Our capital expenditures may not achieve the desired outcomes or may be completed at a higher cost than anticipated.
- We are exposed to risks related to international sales and operations.
- We could be exposed to currency exchange rate fluctuation risks.
- We may produce faulty or contaminated products due to failures in quality control measures.
- We are subject to cybersecurity risks that could threaten the confidentiality, integrity and availability of data in our systems, and could result in disruptions to our operations.
- We may be adversely impacted by work stoppages and other labor relations matters.
- We may not be able to attract, motivate and/or retain qualified personnel, including our key personnel.
- We face challenges associated with sustainability matters, including the impact of climate change and its potential impact on areas such as our operations and raw material availability.
- Failure by us to successfully implement strategic transformation initiatives, including those relating to information technology infrastructure, could adversely affect our business.
- If we are unsuccessful in integrating acquisitions or if disposals result in unexpected costs or liabilities, our business could be materially and adversely affected.

Risks Related to the Combination

- We may not realize all of the benefits of the recent Combination or such benefits may take longer than anticipated or may be lower than estimated.
- We may fail to successfully integrate Smurfit Kappa and WestRock, including their individual cultures and philosophies.
- We have incurred and will incur significant costs as a result of becoming subject to various U.S. laws and regulations, including U.S. securities laws and reporting requirements.
- We will be required to comply with the Sarbanes-Oxley Act and may incur significant costs and devote substantial management time towards developing and maintaining adequate internal controls, which may materially adversely affect our operating results in the future.
- We have identified a material weakness in our internal control over financial reporting that could, if not remediated, result in material misstatements in our financial statements and cause us to fail to meet our reporting and financial obligations.
- Changes in existing financial accounting standards or practices may have a material adverse effect on our business, results of operations, cash flows and financial condition, and the trading price of our ordinary shares.

Financial Risks

- Our continued growth depends on our ability to retain existing customers and attract new customers.
- Our debt could adversely affect our financial health.
- Adverse credit and financial market events and conditions, as well as credit rating downgrades, could, among other things, impede access to or increase the cost of financing.
- We have a significant amount of goodwill and other intangible assets and a write-down could materially adversely impact our operating results.
- We have a number of pension arrangements that are currently in deficit and may incur additional liability and/or increased funding requirements in connection with multi-employer pension plans.
- Any dividend payment in respect of our shares is subject to a number of factors, and there are no guarantees that the Company will pay dividends or the level of any such dividends.

Legal and Regulatory Risks

- We are subject to a wide variety of laws, regulations and other requirements that may change or may impose substantial compliance costs.
- We are subject to a growing number of environmental and climate change laws and regulations.
- Changes to trade policy, including tariff and customs regulations, or failure to comply with such regulations may have an adverse effect on our reputation, business, financial condition and results of operations.
- We are subject to compliance with antitrust and similar legislation in the jurisdictions in which we operate.
- We are subject to a number of laws and regulations relating to privacy, security and data protection, and failure to comply could lead to fines and/or litigation.
- Failure to comply with applicable occupational health and safety laws and regulations may have a material adverse effect on our business.
- The Company's maintenance of two exchange listings may adversely affect liquidity in the market for our shares and result in pricing differentials of our shares between the two exchanges.

Risks Related to Our Incorporation in Ireland

- We are incorporated in Ireland and Irish law differs from the laws in effect in the U.S. and might afford less protection to our shareholders.
- Any attempts to acquire the Company will be subject to the Irish Takeover Panel Act 1997, Takeover Rules, 2022 (the "Irish Takeover Rules") and subject to the supervisory jurisdiction of the Irish Takeover Panel and the Company's board of directors (the "Board") may be limited by the Irish Takeover Rules in its ability to defend an unsolicited takeover attempt.

Market and Industry Risks

As a leading global manufacturing business, we have been, and may be in the future, materially adversely affected by factors that are beyond our control, such as economic and financial market conditions, geopolitical conflicts and other social and political unrest or change.

Our industry has been, and may be, adversely affected by a number of factors that are beyond our control, including, but not limited to:

- macroeconomic and business conditions, including deteriorating macroeconomic conditions and related supply and demand dynamics, as well as inflation and deflation;
- geopolitical conflicts and other social and political unrest or change;
- sustainability, environmental regulations and trade policies and agreements;
- conditions in the financial services markets, including counterparty risk, insurance carrier risk, rising interest rates, rising commodity prices, and currency exchange rate fluctuations, which may impact price and demand for our products;
- financial uncertainties in our major international markets;
- government deficit reduction and other austerity measures in specific countries or regions, or in the various industries in which we operate; and
- cyber incidents and related threats to the confidentiality, integrity and availability of data in systems.

The outlook for the global economy in the near-to medium-term remains uncertain and we are unable to predict the timing or rate at which economic conditions in our markets may change and the impact of such changes. For example, if the economic climate were to deteriorate as a result of geopolitical events (such as the Russian war in Ukraine or the conflict in the Middle East) or geopolitical uncertainty, trade tensions (including the implementation of tariffs on U.S. imports by the current U.S Administration and potential retaliatory tariffs) and/or a pandemic, it could result in an economic slowdown which, if sustained over any significant length of time, could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares. In addition, changes in trade policies, including renegotiating, or potentially terminating, existing bilateral or multilateral agreements, as well as the imposition of tariffs, could impact demand for our products and the costs associated with operating our business, including certain of our capital investments.

The global economy also continues to experience elevated levels of inflation, and we experienced cost inflation across our business in fiscal 2023 and 2024, albeit at moderating levels since fiscal 2022. Persistent inflation results in higher manufacturing and transportation costs, which we may not be able to recover through higher prices charged to our customers.

We also cannot predict the timing or duration of any downturn in the economy that may occur in the future. In addition, changes to or withdrawals from free trade agreements and the implementation of tariffs, border taxes or other measures that can limit international trade may have a negative impact on manufacturing and production levels of businesses and customers in the markets in which we operate, which may in turn decrease demand for our products.

Unanticipated events such as global conflicts, public health crises, extraordinary weather events, labor disputes or strikes, and cyber incidents may cause instability in global financial and foreign exchange markets. This instability could lead to volatility in the value of our operating and functional currencies and hinder the availability of financing from our current lenders.

Our results of operations, cash flows and financial condition, and the trading price of our ordinary shares could be further adversely affected, perhaps materially, by any of these matters.

We may be adversely affected by uncertainty, downturns, actions taken by competitors (such as the addition of new capacity) or other changes in the paper and packaging industry; in addition, the cyclical nature of the paper and packaging industry could result in overcapacity and depress prices for our products.

We are highly dependent on the market dynamics of the paper and packaging industry. We could therefore be materially adversely affected by negative developments, uncertainty, downturns and changes in the paper and packaging industry as a whole or in part, as well as by the addition of new capacity by our competitors. A lack of investor confidence in the paper and packaging industry could also have an adverse effect on the trading price of our ordinary shares.

Our operating results are impacted by the paper and packaging industry's historical cyclical investment pattern. This cyclicality arises, in part, from the capital intensity of facilities such as paper mills (which generally continue production as long as paper prices are sufficient to cover their marginal costs), the lead time between the planning and completion of a new mill and the fact that new additions of containerboard and paperboard capacity tend to be large relative to the overall demand for the product. In addition, there is the potential to convert certain other paper machines into containerboard machines, which may contribute to overcapacity.

Consequently, the industry has from time-to-time experienced periods of substantial overcapacity and there can be no assurance that this will not reoccur.

In the absence of sufficient economic growth to generate increased demand or the closure of facilities (either temporarily or permanently) to mitigate the effect, new capacity can cause a period of regional overcapacity which may lead to downward pricing pressure.

These adverse effects could be further exacerbated if producers in other regions (particularly China) experience overcapacity within their own local and regional markets and seek to increase their levels of exports into those markets within which we operate and do so at lower pricing levels. The effect of such activity would be to depress prices for our products and could materially adversely affect our selling prices and profitability.

We believe that the trading price of our ordinary shares has from time to time been adversely affected in part due to the impact of macroeconomic conditions on pricing and demand and announcements by certain of our competitors of planned additional capacity in the European and North American containerboard markets in which we participate, as well as the subsequent implementation of certain of those plans and the impact they will have on future supply and demand dynamics and pricing. In addition, many of our customer contracts include price adjustment provisions based upon published indices (including those published by Pulp and Paper Week ("PPW")) for our products that contribute to the setting of selling prices for some of our products. Such publications are limited surveys that may not accurately reflect changes in market conditions for our products. Changes in how these indices are determined or maintained, or other indices are established or maintained, could adversely impact the selling prices for these products. If published containerboard and paperboard index prices decline in a period, such changes will result in lower prices, and likely lower profitability, for certain of our products, which could have an adverse effect on our results of operations, cash flows and financial condition.

Our earnings are highly dependent on demand.

Because our operations generally have high fixed operating costs, and pricing movements can be triggered, at times, by imbalances between supply and demand, our earnings are highly dependent on demand, which tends to fluctuate due to macroeconomic conditions, dynamics in the markets we serve, and due to company- and customer-specific issues. For example, through 2023 and 2024, we experienced lower demand due to factors such as, but not limited to, uncertainty caused by challenging geopolitical and macroeconomic conditions, certain customer inventory rebalancing and shifting consumer spending. These and other fluctuations when they occur can lead to significant variability in our sales, results of operations and cash flow, making it difficult to predict our financial results with certainty.

The extent of the impact of public health crises, including a pandemic, or related containment measures and government responses, are highly uncertain and cannot be predicted, including as it relates to demand and volume for our products and could therefore adversely affect our operational and financial performance.

Price fluctuations in, or shortages in the availability of, energy, transportation and raw materials could adversely affect our business.

Our margins are affected by the prices that we are able to charge for our products and the costs of the raw materials we require to make these products. Our primary raw materials are recovered fiber, particularly old corrugated containers (“OCC”), and wood fiber. The prices for these raw materials tend to be volatile, and price fluctuations affect our margins.

OCC and wood fiber are used in the manufacture of our paper-based packaging products and are purchased in increasingly competitive, price-sensitive markets. OCC prices are based on market prices that have historically exhibited price and demand cyclicality and significant price volatility over short periods and may do so again in the future. In particular, the price of OCC depends on a variety of factors over which we have no control, including demand from outside our countries of operation, environmental and conservation regulations, natural disasters and weather. Despite owning our own recycling depots to independently source some of our OCC supplies, from a price perspective, OCC prices are linked to official reference prices and are therefore based on market prices. Historically, these market prices have exhibited significant price volatility.

Prices of wood fiber are also impacted by many of these factors. A decrease in the supply of such raw materials has caused, and any such decrease in the future can be expected to cause, higher costs. In addition, the increase in demand for products manufactured, in whole or in part, from OCC has in the past caused an occasional supply or demand imbalance in the market for OCC. It may also cause a significant increase in the cost of wood fiber used in the manufacture of recycled containerboard and related products. Asian purchasers have been in the OCC market for a number of years and have become material purchasers in the sector due to significant ongoing expansion of their recycled containerboard mills capacity. The effect of this has been to create volatility with respect to the price of OCC. Our raw material costs are likely to continue to fluctuate based upon supply and demand characteristics.

In response to growing pressure from increased environmental awareness and the need to comply with greenhouse gas emission targets, a number of northern European governments have sought to encourage the use of wood for energy generation purposes through the use of subsidies. These policies create a new source of demand for wood. This has the effect of increasing the price of wood fiber and consequently the cost of our raw materials for the production of kraftliner. If this trend continues or grows, this could lead to further raw material price increases and could have a material adverse effect on our margins. Many of our customer contracts contain price adjustment clauses either allowing us to pass increased costs on to our customers or adjust prices based on an index or other mechanism. However, not all of our agreements contain these clauses and these clauses may not in all cases be effective to fully offset our increased costs. Where we are able to raise prices there is generally a three- to six-month lag between the time our raw material prices increase and the time we realize increased pricing from our customers.

Certain of the Company’s paper mills are subject to regulation under regulatory programs that mandate reductions in greenhouse gas emissions, including the EU Emissions Trading Scheme, Quebec’s Regulation respecting a cap-and-trade system for greenhouse gas emission allowances, and, in the United States, the Washington Climate Commitment Act, whereby covered businesses are issued emissions allowances based on an annual limit or “cap” on greenhouse gas emissions and are required to have a sufficient number of allowances to cover their annual greenhouse gas emissions. If a business’ greenhouse gas emissions exceed its available allowances, it may be required to make capital investments or other expenditures to reduce emissions, or it may be required to buy additional allowances on the market, at government auctions, or from other program participants. Failure to have a sufficient number of allowances available may subject a business to penalties. As part of an energy-intensive, trade-exposed sector, the Company's paper mills that are subject to existing cap-and-trade regulations are entitled to receive a certain number of greenhouse gas emission allowances at no cost to ease the energy transition. To date, the number of no-cost allowances granted to our mills has been sufficient to cover our compliance obligations; however, there is a risk that in the future we will not have enough free allowances to meet our compliance requirements. If we are required to make investments to reduce our greenhouse gas emissions, such as switching fuels to lower carbon alternatives, or purchase allowances, these costs may not be recoverable through higher prices for our products and could negatively affect our operations, financial condition and cash flows. Failure to meet our greenhouse gas obligations could result in fines, penalties and potential damage to our business reputation. We also face risks that more of the Company facilities could become subject to cap-and-trade programs or similar greenhouse gas reduction mandates in the future and that these programs or mandates could significantly increase our energy and other input costs in these jurisdictions. Our production processes are energy intensive. If energy prices increase in the future, this would increase our production costs, which could consequently have a material adverse effect on our profitability.

We distribute our products primarily by truck, rail and sea. The reduced availability of trucks, rail cars or cargo ships, including as a result of labor shortages in the transportation industry, could adversely impact our ability to distribute our products in a timely or cost- effective manner. Higher transportation costs could make our products less competitive compared to similar or alternative products offered by competitors.

The failure to obtain raw materials, energy or transportation services at reasonable market prices (or the failure to pass on price increases to customers) or a reduction in the availability of raw materials, energy or transportation services due to increased demand, significant changes in climate or weather conditions or other factors could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

We are exposed to significant competition in the paper and packaging industry, and if we are unable to compete effectively, our results of operations, cash flows and financial condition, and the trading price of our ordinary shares, could be adversely affected.

We operate in a highly competitive and fragmented industry. The paper and packaging industry is characterized by a high level of price competition, as well as other competitive factors including innovation, design, quality and service. To the extent that any of our competitors are more successful with respect to any key competitive factor, our business, results of operations, financial condition and the trading price of our ordinary shares could be materially adversely affected. Pricing pressure could arise from, among other things, limited demand growth in the market in question, price reductions by competitors, growth in supply from existing competitors, entry of new competitors into the markets in which we operate, the ability of competitors to capitalize on their economies of scale and create excess product supply, the ability of competitors to operate or successfully relocate or open production facilities in countries where production costs are lower than those in which we operate and the introduction by our competitors of new products, technologies and equipment, including the use of artificial intelligence and machine learning solutions.

Our products also compete, to some extent, with various other packaging materials, including products made of plastics, wood and various types of metal. Customer shifts away from paper packaging to packaging made from other materials could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

Operating Risks

We may experience business disruptions that adversely affect our operations.

We depend on continuous operation of our facilities. The operations at our facilities have in the past and may in the future be interrupted or impaired by various operating risks, including, but not limited to, risks associated with:

- catastrophic events, such as fires, floods, earthquakes, explosions, natural disasters, severe weather, including hurricanes, tornadoes and droughts, and pandemics, such as COVID-19, or other health crises or similar occurrences;
- interruptions in the delivery of raw materials or other manufacturing inputs;
- failure of third-party service providers and/or business partners to fulfill their commitments and responsibilities in a timely manner and in accordance with agreed upon terms;
- government regulations;
- prolonged power failures;
- unscheduled maintenance outages, including due to equipment breakdowns or failures;

- information system disruptions or failures due to any number of causes, including cyber incidents;
- violations of our permit requirements, revocation of permits, or permit modifications that impose additional or more stringent obligations;
- releases of pollutants and hazardous substances to the environment;
- disruptions in transportation infrastructure, including roads, bridges, railroad tracks and tunnels;
- shortages of equipment or spare parts; and
- labor disputes, strikes and shortages.

Business disruptions have impaired, and may in the future impair, our production capabilities and adversely affect our results of operations, cash flows and financial condition, and the trading price of our ordinary shares. For example, operations at several of our facilities located in the south and southeastern U.S. have been interrupted in recent years by hurricanes and severe winter weather, resulting in, among other things, lost mill production. In addition, the impact of any future public health crises, including a pandemic, or other business disruptions, on our operational and financial performance in future periods will depend on future developments, which are highly uncertain and cannot be predicted. Our production capabilities may be disrupted if we are unable to secure sufficient supplies of raw materials or if significant portions of our workforce are unable to work effectively as a result of a business disruption. We have contingency plans and insurance coverage, subject to applicable deductibles or retentions, policy limits and other conditions, that we use to seek to mitigate the impact of business disruptions; however, we may not be successful with respect to those mitigation efforts or any claim regarding insurance coverage and, if we are successful, any amounts paid pursuant to the insurance may not be sufficient to cover all our costs and expenses.

Smurfit Westrock has 62 paper mills. If operations at any of these key mills were interrupted for any significant length of time, it could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

We may fail to anticipate trends and develop or integrate new technologies that would enable us to offer products that respond to changing customer preferences or to protect intellectual property related to our products and technologies.

Our success depends, in part, on our ability to offer differentiated solutions, and we must continually develop and introduce new products and services to keep pace with technological and regulatory developments and changing customer preferences. The services and products that we offer customers may not meet their needs as their business models evolve. Also, our customers may decide to decrease their use of our products, use alternative materials for their product packaging or forego the packaging of certain products entirely. Regulatory developments can also significantly alter the market for our products. For example, a move to electronic distribution of disclaimers and other paperless regimes could adversely impact our healthcare inserts and labels businesses. Similarly, certain states and local governments have adopted laws banning single-use paper bags or charging businesses or customers fees to use paper bags. These and similar developments could adversely impact demand for certain of our products. Customer preferences for products and packaging formats are constantly changing based on, among other factors, lifestyle changes, buying habits, cost, convenience, and health and sustainability concerns and perceptions. Also, there is an increasing focus among consumers to ensure that products delivered through e-commerce are packaged efficiently. In addition, customers are increasingly interested in the carbon footprint of our products, and future packaging developments and trends may drive further substitution. Our results of operations, cash flows and financial condition, and the trading price of our ordinary shares, could be adversely affected if we fail to anticipate and address these and other trends, including by developing and offering products that respond to changing customer preferences, or if there is any significant substitution away from paper-based packaging products.

In addition, creating or adopting new or complementary technologies and subsequently integrating them may be costly and difficult. We have been involved in trialing new and evolving technology, but doing so may require significant investments of capital, and such innovations are subject to long lead times and failure. Trialing such technology can take an extended period of time, with little to no returns in the short or medium terms. Any such risks could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

Our success also depends, in part, upon our ability to obtain and maintain protection for certain proprietary packaging products and packaging machine technologies used to produce our products. Failure to protect our existing intellectual property may result in the loss of valuable legal rights. Our competitors may obtain intellectual property rights that could require us to license those rights or to modify or cease the use or sale of certain of our technologies or products. Our patents could be invalidated, rendered unenforceable, circumvented, challenged or licensed to others, and our pending or future patent applications may not be issued with the scope of the claims we seek, if at all. Further, other companies may develop technologies that are similar or superior to our technologies, duplicate our technologies or design around our patents, and steps we take to protect our technologies may not prevent misappropriation of those technologies.

Our capital expenditures may not achieve the desired outcomes or may be completed at a higher cost than anticipated.

We operate in a capital-intensive industry and undertake expansion projects to either support growth in our business or improve the breadth and quality of our product offerings, including investments in both mill and converting operations. Many of our capital projects are complex, costly and/or implemented over an extended period of time. Our expenditures for capital projects could be higher than anticipated, we may experience unanticipated business disruptions or delays in completing the projects and/or we may not achieve the desired benefits from those projects, including as a result of a deterioration in macroeconomic conditions or in our business, unavailability of capital equipment or related materials, delays in obtaining permits or other requisite approvals or changes in laws and regulations. In addition, disputes between us and contractors who are involved with implementing capital projects could lead to time-consuming and costly litigation. Any of these circumstances could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We are exposed to risks related to international sales and operations.

We operate in many different countries. As of December 31, 2024, we had operations in 40 countries. As a result, we have previously been and remain vulnerable to risks in these countries, including:

- the imposition of tariffs, quotas, import duties or other market barriers, (including the implementation of tariffs on U.S. imports by the current U.S Administration and potential retaliatory tariffs), such as restrictions on repatriating cash from foreign countries;
- responding to disruptions in existing trade agreements or increased trade tensions between countries or political and economic unions;
- the difficulties of, and costs of complying with, a wide variety of complex and changing laws, treaties and regulations;
- increased difficulty in the collection of accounts receivable, including longer collection periods;
- inconsistent regulations and unexpected changes in legislation or regulatory requirements and increased difficulty and expense in hiring and dismissing employees;
- the imposition of quotas relating to the composition of the employee base or the local sourcing of raw materials or other similar quotas;
- political, economic and social unrest or instability (such as downturns or changes in economic activity due to, among other things, regional conflicts or commodity inflation), the ongoing hyperinflation in Argentina (which has led us to apply hyperinflationary accounting to our Argentinian operations in recent years), as well as disruptions and government intervention in national economies and social structures, including the threat of terrorism;
- geopolitical conflict, such as the war in Ukraine, which led us to sell our Russian operations and take a related impairment charge of $159 million in respect of our Russian operations in the year ended December 31, 2022;
- work stoppages, transport interruptions and difficulties in managing international operations;
- government limitations on foreign ownership or takeovers, expropriation of private sector assets or mandated price controls;
- transfer pricing and adverse tax policies; and
- adverse currency fluctuations.

We are subject to taxation in the jurisdictions where we operate. We have several ongoing audit examinations and disputes that generally cover multiple years with various tax authorities. We base our tax returns on our interpretation of tax laws and regulations in effect; however, governing tax bodies have in the past and may in the future disagree with certain of our tax positions, which could result in a higher tax liability. See “Note 18. Commitments and Contingencies” of the Notes to the Consolidated Financial Statements for discussion of an ongoing tax liability matter in Brazil.

The occurrence of any of the foregoing could have a material adverse effect on our earnings as a result of the related delays or increased costs in the production and delivery of products and services or otherwise disrupt the demand for our products. Any of these circumstances could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We could be exposed to currency exchange rate fluctuation risks.

We have operations in a number of countries. As such, currency movements can have a number of direct and indirect impacts on our financial statements. Direct impacts include the translation of international operations' local currency financial statements into U.S. dollars and the remeasurement impact associated with non-functional currency financial assets and liabilities. Indirect impacts include the change in competitiveness of imports into, and exports out of, the United States (and the impact on local currency pricing of products that are traded internationally).

In addition, the relative strength or weakness of the U.S. dollar is important for the industry in which we operate because U.S. containerboard and paperboard prices tend to influence the world market. A weak U.S. dollar over a sustained period has the potential to result in lower imports into the United States of goods shipped in corrugated containers and, as a result, lower demand for our containers from LATAM and Europe. A weak U.S. dollar could also result in additional competition in our European and Latin American markets from other U.S. manufacturers that have an incentive to export more products due to increased demand for relatively lower priced U.S. goods. Conversely, our U.S. operations could face additional competition from non-U.S. manufacturers if a strong U.S. dollar was sustained over a long period. A strong U.S. dollar could also have the potential to reduce exports from the United States of goods shipped in corrugated containers and, as a result, lower demand for our containers from the U.S.

We may produce faulty or contaminated products due to failures in quality control measures and systems, which could negatively impact our business and share price.

We may fail to produce products that meet applicable safety and quality standards, which could result in adverse effects on consumer health, litigation exposure, loss of market share and adverse reputational and financial impacts, among other potential consequences, and we may incur substantial costs in taking appropriate corrective action (up to and including recalling products from end consumers and reimbursing customers and/or end consumers for losses that they suffer as a result of these failures). Our failure to meet these standards could lead to regulatory investigations, enforcement actions and/or prosecutions, and could result in adverse publicity, which may damage our reputation. Any of these outcomes could have a material adverse effect on our business, results of operations, financial condition and the trading of our ordinary shares.

We provide representations in certain of our contracts that our products are produced in accordance with customer specifications. If the product contained in packaging manufactured by us is faulty or contaminated, the manufacturer of the product may allege that the packaging we provided caused the fault or contamination, even if the packaging complies with contractual specifications. If our packaging fails to meet contract specifications, we could face liability from our customers and third parties for bodily injury or other damages. These liabilities could adversely affect our operations, cash flows and financial condition and the trading price of our ordinary shares.

We are subject to cybersecurity risks that could threaten the confidentiality, integrity and availability of data in our systems, and could result in disruptions to our operations and adversely affect our operations, cash flows and financial condition.

Cybersecurity incidents could compromise our information technology or data and expose us to liability, which would cause our business and reputation to suffer. We rely on various technologies, some of which are managed by third parties, to process, transmit and store electronic information. In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers and employees, in our information technology. We also collect and store limited, non-sensitive customer personally identifiable information. The secure processing, maintenance and transmission of this information is critical to our operations. The current cyber threat environment presents enhanced risk for all companies, including those in our industry. The rapid evolution and increased availability of artificial intelligence may intensify cybersecurity risks by making targeted attacks more convincing and cybersecurity incidents more difficult to detect, contain, and mitigate.

Despite our security measures, our information technology, and that of our third-party providers and business partners, is subject to recurring attempts by threat actors to access information, manipulate data or disrupt operations. Information technology that we, third- party providers and business partners use may be vulnerable to cyber-attacks or outages by common hackers, criminal groups, nation- state organizations or social activist organizations (whose efforts may increase as a result of geopolitical events and political and social unrest or instability around the world) due to insider threat, malfeasance or other disruptions, such as cyber-attacks, power outages, telecommunication or utility failures, systems failures, service provider failures, natural disasters or other catastrophic events. The significant increase in remote working and the continued expansion of the integrated supply chain increase the risks of cyber incidents and the improper dissemination of personal or confidential information. Any such breach could compromise our information technology and the information stored there could be accessed, publicly disclosed, lost or stolen, potentially resulting in legal claims or proceedings and regulatory penalties. In addition, any such outage could disrupt or temporarily halt our operations resulting in reduced productivity, staff downtime, and increased insurance premiums, as well as additional costs for attempting to recover lost information, equipment or data, and could damage our reputation, which could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

We may also face challenges and risks during integration of acquired businesses and operations, as we and the acquired businesses and operations may face increased targeted attempts during this busy period. While we maintain plans and processes to prevent or mitigate the impact of these events, these events could nonetheless result in disruptions and damage. In addition, as a result of the foregoing, we could experience adverse publicity, loss of sales, the cost of remedial measures, including substantial legal fees, and significant expenditures to reimburse third parties for damages, each of which could adversely impact our results of operations. Any insurance we maintain against the risk of this type of loss may not be sufficient to cover actual losses, may not apply to the circumstances relating to any particular loss, or may become materially more costly over time. As a result, any or all of the above events could adversely affect our operations, cash flows and financial condition and the trading price of our ordinary shares.

We may be adversely impacted by work stoppages and other labor relations matters.

There are different labor unions represented across our sites and a majority of our employees are covered by a collective labor agreement as a result of either local or national negotiations in the countries concerned. Labor disputes or other problems, such as work stoppages, or failure to successfully renegotiate the terms of any of the collective labor agreements, could lead to a substantial interruption to our business.

In addition, our business relies on vendors, suppliers and other third parties that have union employees. Any of the matters described above, including work stoppages or other labor relations matters affecting us or these vendors, suppliers and other third parties, as well as future developments in relation to our business or otherwise that adversely affect relations between us and our employees, could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We operate in a challenging market for talent and may not be able to attract, motivate and/or retain qualified personnel, including our key personnel.

Our success depends on our ability to attract, motivate and retain employees with the skills necessary to understand and adapt to the continuously developing needs of our customers. The increasing demand for qualified personnel makes it more difficult for us to attract, motivate and retain employees with requisite skill sets, particularly employees with specialized technical and trade experience. Changing demographics and labor work force trends also may result in a loss of knowledge and skills as more tenured and experienced workers retire. If we are unable to attract, motivate and retain qualified personnel, or if we experience excessive turnover, including among hourly workers, we may experience declining sales, manufacturing delays or other inefficiencies, increased recruiting, training and relocation costs and other difficulties, and our results of operations, cash flows and financial condition, and the trading price of our ordinary shares may be adversely impacted.

The market for both hourly workers and professional workers remained challenging in fiscal 2024, particularly in the U.S. The market and labor environment for hourly workers is increasingly competitive and facing higher levels of labor unrest than has historically been experienced. In certain locations where we operate, the demand for labor continues to exceed the supply of labor, resulting in higher costs. Despite our focused efforts to attract, motivate and retain employees, we continue to focus on the stabilization of attrition rates within our workforce. We also incurred higher operating costs at certain of our facilities in the form of higher levels of overtime pay due to shift requirements and staffing challenges.

In addition, many professional workers desire a fully remote work setting. We offer flexible working arrangements in the majority of instances; however, we may experience higher levels of attrition within our professional workforce if these workers desire more remote work opportunities than we are able to offer. We may also experience higher levels of attrition if employees do not perceive the purpose and impact of their work to be rewarding or their work-life balance to be satisfactory.

We also rely on key executive and management personnel to manage our business efficiently and effectively. The loss of these employees, combined with a challenging market for attracting and retaining employees, could adversely affect our results of operations, cash flows and financial condition, and the trading price of our ordinary shares may also be adversely impacted. The recent Combination may exacerbate each of these challenges.

We face challenges associated with sustainability matters, including the impact of climate change and its potential impact on areas such as our operations and raw material availability, which could have a significant impact on our reputation, business, results of operations, financial condition and the trading price of our ordinary shares.

We have identified multiple ways in which climate change could impact our business operations, including through extreme weather events. Our physical assets and infrastructure, including our manufacturing operations, are subject to risks from volatile and damaging weather events. For example, severe weather, such as hurricanes, tornadoes, other extreme storms, wildfires, and floods, have resulted in and/or could in future periods result in lost production and/or physical damage to our facilities. Unpredictable weather patterns or extended periods of severe weather may also result in supply chain disruptions and increased material costs. In addition, one of our key raw materials is virgin wood fiber, the availability of which is dependent on access to and the maintenance of healthy forests, which could be impacted by adverse weather conditions, including drought, flooding and local restrictions on water usage. Moreover, the ability to harvest the virgin fiber used in our manufacturing operations may be limited, and prices for this raw material may fluctuate, during prolonged periods of heavy rain or drought or during tree disease or insect epidemics or other environmental conditions that may be caused by variations in climate conditions. Other climate-related business risks that we face include risks related to the transition to a lower-carbon economy, such as increased prices for certain fuels, including natural gas; the introduction of a carbon tax or government mandates to reduce greenhouse gas emissions; and more stringent and/or complex environmental and other legal requirements. To the extent that severe weather or other climate-related risks materialize, and we are unprepared for them, we may incur unexpected costs, which could adversely affect our results of operations, cash flows and financial condition, and the trading price of our ordinary shares.

The paper manufacturing industry in which we operate is energy intensive, and government initiatives, such as the European Union Green Deal, the European Union's initiative to reach net zero emissions of greenhouse gases by 2050, could increase government regulation of greenhouse gas emissions, putting further limits on our paper manufacturing operations. In addition, efforts aimed at transitioning to a lower carbon economy may result in a transition towards the use of materials that are more suitable for reusable packaging. As such, demand for paper packaging may decline, while demand for alternative packaging types may increase, which could adversely affect our results of operations, cash flows and financial condition, and the trading price of our ordinary shares.

Increased focus and activism related to sustainability matters may hinder our access to capital, as investors may reconsider their capital investment as a result of their assessment of our sustainability practices. Customers, investors, regulators and other stakeholders are focused on sustainability issues, including those with respect to climate change, circular economy, packaging waste, sustainable supply chain practices, deforestation, biodiversity, land, energy and water use, diversity, equity, inclusion and belonging and other human capital matters. This focus may result in more prescriptive reporting requirements with respect to these topics, an increased expectation that such topics will be voluntarily disclosed by companies such as ours, and increased pressure to make commitments, set targets and take action to meet them. Concern over climate change or the use and composition of packaging materials may also result in new or increased legal and regulatory requirements to reduce or mitigate impacts to the environment. These demands, regulatory requirements, and related perceptions and preferences could cause us to incur additional costs or to make changes to our operations to comply with such, demands, requirements and customer preferences, and a delay in our response (or the failure to respond effectively) may lead to material adverse effects on our business, results of operations, financial condition and the trading price of our ordinary shares. See also "*We are subject to a growing number of environmental laws and regulations, and the cost of compliance or the failure to comply with, and any liabilities under, current and future laws and regulations may negatively affect our business.*" Further, there can be no assurance that environmental activist groups and similar organizations will not mount campaigns against us. On the other hand, our sustainability efforts may not be favored by certain stakeholders, whose priorities and expectations may not align or may be opposed to one another and/or those of the Company, and there can be no assurance that our sustainability efforts will be perceived positively, including the perception that they are not sufficiently robust, or conversely, too costly or not otherwise in the best interests of the Company and our shareholders, and, as a result, our investor, customer and other stakeholder relationships could be damaged or this could lead to public scrutiny or reputational damage, which could adversely impact our reputation, business and results of operations. Both legacy Smurfit Kappa and WestRock established and publicly disclosed sustainability targets which are important to many stakeholders, including certain investors and customers. Similarly, Smurfit Westrock may develop and publish new consolidated group targets. We expect to report performance relative to any such targets on an annual basis. Failure to meet any such targets could result in negative publicity and reputational damage and could have a material adverse effect on our business, reputation, results of operations, financial condition and the trading price of our ordinary shares. If any such targets or commitments are not achieved on their projected timelines or at all, or if they are perceived negatively, including the perception that they are not sufficiently robust or, conversely, are too costly, this would impact our reputation as well as our relationships with investors, customers and other stakeholders. Moreover, any failure to act responsibly with respect to sustainability issues or to effectively respond to new, or changes in, legal or regulatory requirements concerning environmental or other sustainability matters, or increased operating or manufacturing costs due to increased regulation could have a material adverse effect on our business, reputation, operating results, financial condition and the trading price of our ordinary shares. In addition, we may also be adversely impacted as a result of conduct by contractors, customers or suppliers that fail to meet our or our stakeholders' sustainability standards.

Any of these risks could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

Failure by us to successfully implement strategic transformation initiatives, including those relating to information technology infrastructure, could adversely affect our business.

Smurfit Kappa and WestRock have throughout the years undertaken various projects relating to information technology infrastructure. As part of integration initiatives, the Company is reviewing and evaluating its various business systems and the system strategies and alternatives for Smurfit Westrock. The implementation of changes in business systems could represent a significant financial undertaking and may require substantial time and attention of management and key employees. We may not be able to successfully implement these initiatives without delays or may experience unanticipated business disruptions and/or we may not achieve the desired benefits from such changes. Project completion dates may also change. Any of these items, along with any failure to effectively manage data governance risks during implementation of these initiatives, could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

If we are unsuccessful in integrating acquisitions or if disposals result in unexpected costs or liabilities, our business could be materially and adversely affected.

We have completed a number of mergers, acquisitions, investments and divestitures in the past, including the recent Combination, and we may seek to acquire, invest in, sell or enter into transactions with additional companies in the future. See also the risks discussed under “Risks Related to the Combination” described below.

We may not be able to identify suitable targets or purchasers or successfully complete suitable transactions in the future, and future completed transactions may not be successful.

These transactions create risks, including, but not limited to, risks associated with:

- disrupting our ongoing business, including greater than expected costs and management time and effort involved in identifying and completing the transactions and integrating acquisitions;
- integrating acquired businesses and personnel into our business, including integrating personnel, information technology systems and operations across different cultures and languages, and addressing the operational risks associated with these integration activities as well as the economic, political and regulatory risks associated with specific countries;
- working with partners or other ownership structures with shared decision-making authority;
- obtaining and verifying relevant information regarding a business prior to the consummation of the transaction, including the identification and assessment of liabilities, claims or other circumstances that could result in litigation or regulatory risk exposure;
- obtaining required regulatory approvals and/or financing on favorable terms;
- retaining key employees, contractual relationships or customers;
- the potential impairment of assets and goodwill;
- the additional operating losses and expenses of businesses we acquire or in which we invest;
- incurring substantial indebtedness to finance an acquisition or investment;
- incurring unexpected costs or liabilities in the context of a disposal; and
- implementing controls, procedures and policies in acquired companies.

These transactions may not be successful and may adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares. Among the benefits we expect from potential, as well as completed, acquisitions and joint ventures are synergies, cost savings, growth opportunities or access to new markets (or a combination thereof), and in the case of divestitures, the realization of proceeds from the sale of businesses and assets to purchasers that place higher strategic value on these businesses and assets than we do. For acquisitions, our success in realizing these benefits and the timing of realizing them depend on the successful integration of the acquired businesses and operations with our business and operations. Even if we integrate these businesses and operations successfully, we may not realize the full benefits we expected within the anticipated time frame, or at all, and the benefits may be offset by unanticipated costs or delays.

Risks Related to the Combination

We may not realize all of the benefits of the recent Combination or such benefits may take longer than anticipated or may be lower than estimated.

We are targeting annual pre-tax run-rate synergies of $400 million by the end of the first full year following the recently completed Combination between Smurfit Kappa and WestRock, owing to integration benefits, procurement leverage and administrative and overhead rationalization. In addition, we expect to achieve the anticipated benefits and run-rate synergies without adversely affecting current revenues and investments in future growth. Furthermore, as we implement commercial practices and improve our operating efficiency through the Combination, we expect to deliver further improvements in our results. However, if we are not able to successfully combine the businesses of Smurfit Kappa and WestRock in an efficient and effective manner, the anticipated benefits, and run-rate synergies of the Combination may not be realized fully or at all, may take longer to realize or the costs of achieving the benefits and run-rate synergies may be more than expected. Any such risks may result in our operating costs being greater than anticipated and may reduce the net benefits of the Combination. In addition, there may be some negative impacts on our business as a result of the Combination, which could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We may fail to successfully integrate Smurfit Kappa and WestRock, including their individual cultures and philosophies.

Historically, Smurfit Kappa and WestRock operated as independent companies. There can be no assurance that the two businesses will continue to be integrated successfully. It is possible that the integration process could result in the loss of key Smurfit Kappa or WestRock employees, the loss of customers, the disruption of either or both companies' ongoing businesses, unexpected integration issues, higher than expected integration costs or an overall integration process that takes longer than originally anticipated. Specifically, the following issues, among others, must be addressed in integrating the operations of Smurfit Kappa and WestRock in order to realize the anticipated benefits of the Combination:

- combining the businesses of Smurfit Kappa and WestRock and meeting our capital requirements in a manner that permits us to achieve the run-rate synergies expected to result from the Combination, the failure of which would result in the anticipated benefits of the Combination not being realized in the time frame currently anticipated or at all;
- combining the companies' operations and corporate functions;
- integrating and unifying the offerings and services available to customers;
- identifying and eliminating redundant and underperforming functions and assets;
- reaching the potential from cross-selling corrugated and consumer-packaging products;
- harmonizing the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;
- maintaining existing agreements with customers and suppliers and avoiding delays in entering into new agreements with prospective customers and suppliers;
- addressing possible differences in business backgrounds, corporate cultures and management philosophies;
- consolidating the companies' administrative and information technology infrastructures;
- coordinating distribution and marketing efforts;
- managing the movement of certain positions to different locations;
- coordinating geographically dispersed organizations; and
- effecting actions that may be required in connection with obtaining regulatory approvals.

In addition, at times the attention of certain members of our management teams and their resources will be focused on the integration of the businesses of the two companies and diverted from day-to-day business operations, which may disrupt our business, and adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We have incurred and will incur significant costs as a result of becoming subject to U.S. regulations and reporting requirements, which will place significant demands on our management team, financial controls and reporting systems, and will require a substantial amount of management time. This may materially adversely affect our operating results.

There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the Combination and significant demands will be placed on our managerial, operational and financial personnel and systems. Our future operating results may be affected by the ability of our officers and key employees to manage changing business conditions and to implement, expand and revise our operational and financial controls and reporting systems in response to the Combination. For example, while WestRock prepared its financial statements in accordance with GAAP, Smurfit Kappa has historically prepared its financial statements in accordance with IFRS EU. The revisions required to consolidate the financial reporting system of the combined company and to switch the reporting system from IFRS EU to GAAP has placed demands on our financial controls and reporting systems and may continue to place such demands in the future.

Furthermore, we are required to comply with securities laws and other laws and regulations applicable in the U.S., the U.K. and Ireland. It is expected that the applicable rules and regulations will result in considerable legal and financial compliance costs, and the cost of compliance or the failure to comply with such laws and regulations could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We will be required to comply with the Sarbanes-Oxley Act and may incur significant costs and devote substantial management time towards developing and maintaining adequate internal controls, which may materially adversely affect our operating results in the future.

In addition to complying with securities laws and other laws and regulations applicable in the U.S., the U.K. and Ireland, we are required to comply with the application of the Sarbanes-Oxley Act, as well as revise our internal control systems pursuant to U.S. regulations, all of which is expected to result in considerable legal and financial compliance costs. Our management is responsible for establishing, maintaining and reporting on the Company’s internal controls over financial reporting and disclosure controls and procedures to comply with applicable requirements, including the reporting requirements of the Sarbanes-Oxley Act. These internal controls must be designed by management to achieve the objective of providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes and in accordance with GAAP. We will continue to develop and refine our disclosure controls and procedures and internal control over financial reporting. However, we have not yet assessed our internal controls over financial reporting for the purposes of complying with Section 404 of the Sarbanes-Oxley Act and will only be required to do so beginning with the year ending December 31, 2025. Material weaknesses in our internal control over financial reporting may be discovered in the future. If we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our accounting firm further identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our ordinary shares could decline and we could be subject to lawsuits, sanctions or investigations by regulatory authorities, which would require additional financial and management resources. See also *“We have identified a material weakness in our internal control over financial reporting that could, if not remediated, result in material misstatements in our financial statements and cause us to fail to meet our reporting and financial obligations.”*

We have identified a material weakness in our internal control over financial reporting that could, if not remediated, result in material misstatements in our financial statements and cause us to fail to meet our reporting and financial obligations.

As more fully disclosed in Item 9A, “Controls and Procedures,” in the Company’s Annual Report on Form 10-K, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures and internal control over financial reporting. Based on that evaluation, we have concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report, due to a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in our internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

This material weakness relates to the Company's selection and development of control activities intended to mitigate the risks to achieving its objectives and involves processes and controls principally at legacy Smurfit Kappa that were not previously subject to Section 404 of the Sarbanes-Oxley Act. This material weakness resulted in: (i) a lack of formalization of an existing control process for documenting evidence of management review and performance of control procedures, including the level of precision in the execution of controls and procedures to ascertain completeness and accuracy of information produced by the Company, (ii) existing controls related to the preparation and review of manual journal entries not designed to adequately mitigate the associated risks, and (iii) the need to augment general IT controls, specifically as they pertain to (a) logical access controls to ensure appropriate segregation of duties and that adequately restrict access to financial applications, programs, and data to appropriate Company personnel and (b) program change management controls to ensure that information technology program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately. While these deficiencies did not result in a material misstatement of our financial statements, there is a reasonable possibility that these deficiencies could have resulted in a material misstatement of our annual or interim financial statements that would not be prevented or detected on a timely basis. We have begun the process of designing and implementing remediation measures in respect of this material weakness and to improve our internal control over financial reporting. However, we can give no assurance that the measures we take will remediate the material weakness or that additional material weaknesses will not arise in the future. Any failure to remediate the material weakness, or the development of new material weaknesses in our internal control over financial reporting, could result in material misstatements in our financial statements and cause us to fail to meet our reporting and financial obligations or fail to prevent fraud, which may cause investors to lose confidence in our reported financial information and subject us to potential delisting from the NYSE and/or the LSE, regulatory investigations and civil or criminal sanctions, any or all of which could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

Changes in existing financial accounting standards or practices may have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

Changes in existing accounting rules or practices, new accounting pronouncements or rules or varying interpretations of current accounting pronouncements could have a material adverse effect on our business, results of operations, financial conditions and the trading price of our ordinary shares, or the manner in which we conduct our business. Further, such changes could potentially affect our reporting of transactions completed before such changes are effective.

GAAP is subject to interpretation by the Financial Accounting Standards Board, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a material adverse effect on our business, results of operations, financial conditions and the trading price of our ordinary shares, and could affect the reporting of transactions completed before the announcement of a change.

Financial Risks

Our continued growth depends on our ability to retain existing customers and attract new customers.

The future growth of our business depends on our ability to retain existing customers, attract new customers as well as getting existing customers and new customers to increase their volume commitments. There is no assurance that customers will continue to use our services or that we will be able to continue to attract new volumes at the same rate as we have in the past.

A customer's use of our services may decrease for a variety of reasons, including a decrease in the customer's own sales and volumes, the customer's level of satisfaction with our products and services, the expansion of business to offer new products and services, the effectiveness of our support services, the pricing of our products and services, the pricing, range and quality of competing products or services, the effects of global economic conditions, regulatory limitations, trust, perception and interest in the paper and packaging industry and in our products and services. Furthermore, the complexity and costs associated with switching to a competitor may not be significant enough to prevent a customer from switching packaging providers.

Any failure by us to retain existing customers, attract new customers, and increase revenue from both new and existing customers could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares. These efforts may require substantial financial expenditures, commitments of resources, developments of processes, and other investments and innovations.

A number of the industries in which our customers operate have experienced consolidation in the past and may continue to do so in the future. Such consolidation may affect our relations with our customers. In the past, when one of our customers has combined with another, we have on occasion lost business and there can be no assurance that this will not occur again in the future. Additionally, the ability of customers to exert pricing pressure on all suppliers, including us, has increased as their industries have consolidated and the customers have become larger. However, our level of customer concentration may increase in the future. Such consolidation could have a material adverse impact on our business, results of operations, financial condition and the trading price of our ordinary shares.

Our debt could adversely affect our financial health.

As of December 31, 2024, our total debt was $13.6 billion. Our levels of debt could restrict our operations and make it more difficult for us to satisfy our debt obligations, the implications of which could include but are not limited to:

- requiring us to dedicate a large portion of our cash flow from operations to service debt and fund repayments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- increasing our vulnerability to general adverse economic, industry or competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- limiting our ability to raise additional debt or equity capital in the future;
- restricting us from making strategic acquisitions or exploiting business opportunities; and
- placing us at a competitive disadvantage compared to our competitors that have less debt.

Any of these outcomes may adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares. To the extent that we incur additional debt or such other obligations, the risk associated with our debt described above may increase.

In addition, a portion of our debt bears interest at variable rates that are linked to changing market interest rates. Our exposure to rising interest rates subjects us to increased debt service obligations, both with respect to existing floating rate indebtedness and the incurrence of additional fixed or floating indebtedness during periods where such rates are in effect. Although we may hedge a portion of our exposure to variable interest rates by entering into interest rate swaps from time to time, we cannot provide assurances that we will do so in the future. An increase in market interest rates would increase our interest expense on our variable rate debt obligations, which may exacerbate the risks associated with our capital structure and adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares. Restrictions imposed by certain of our existing and future indentures and credit facilities limit or may limit our ability to take certain actions.

Adverse credit and financial market events and conditions, as well as credit rating downgrades, could, among other things, impede access to or increase the cost of financing, which could have a material adverse impact on our business, results of operations, financial condition and the trading price of our ordinary shares.

We rely on access to the credit and capital markets to finance our operations and refinance existing indebtedness. Any limitations on our access to the credit and capital markets on satisfactory terms, or at all, could limit our liquidity, financial flexibility or cash flows and affect our ability to execute our strategic plans, which could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

Our access to the credit and capital markets is subject to a number of variables, including our results of operations, margins and activity levels, the conditions of the global credit and capital markets, market perceptions of our creditworthiness and the ability and willingness of lenders and investors to provide capital. In recent years, global financial markets have experienced disruptions and general economic conditions have been volatile. During periods of financial market volatility, our access to the credit and capital markets could be impaired, which could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

In addition, the costs and availability of financing from the credit and capital markets depends on our credit ratings. Any rating, outlook or watch assigned to such debt securities could be lowered or withdrawn entirely by a rating agency if, in that rating agency’s judgement, current or future circumstances change relating to the basis of the rating, outlook or watch, such as adverse changes to the Company’s business. Any failure to maintain investment grade credit ratings could adversely affect our future cost of funding, liquidity or access to capital markets, which could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We have a significant amount of goodwill and other intangible assets and a write-down could materially adversely impact our operating results.

As of December 31, 2024, we had goodwill and other intangible assets of $7.9 billion. In accordance with GAAP, we do not amortize goodwill but rather test it annually and as otherwise required for impairment and any such impairments cannot be reversed. Similarly, we review our other intangible assets for impairment when circumstances indicate that the carrying value may not be recoverable. The impairment analysis requires us to analyze a number of factors and make estimates that require significant judgment. In the event that general trading conditions and prospects deteriorate or factors underlying assumed discount rates, such as assumed long-term interest rates, change, the determined recoverable amount of certain other intangible assets and goodwill may fall below carrying value. We have recorded impairments in previous years. Additional impairments may occur in the future, which could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

We have a number of pension arrangements that are currently in deficit and may require increased funding due to statutory requirements, and we may also incur additional liability and/or increased funding requirements in connection with our multi-employer pension funds.

We operate a number of pension and other long-term benefit plans throughout the world, devised in accordance with local conditions and practice. Currently, a significant but declining proportion of our employees are members of defined benefit pension arrangements, most of which are now closed to new entrants and future benefit accrual. The deficit of these employee benefit plans was $129 million as of December 31, 2024.

An increase in the value of the liabilities or decrease in the value of pension plan assets may negatively affect our balance sheet and distributable reserves, any of which could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares. The liabilities will mainly be affected by increases in life expectancy and by changes in long-term yields, which are used to discount the liabilities to present value. The assets will be affected by increases in long-term yields, which will reduce the value of bond investments, and by movements in equity markets. These factors create a considerable degree of volatility in the measurement of any pension scheme's deficit or surplus.

There is a risk that equity and bond markets will deteriorate if the global economic climate worsens, which could negatively affect the funded status of our post-employment defined benefit arrangements. In addition, volatility in our net balance sheet liabilities resulting from the relative change in the value of assets and liabilities may be further enhanced by investment strategies resulting in exposure to various classes of assets.

Existing and potential changes in statutory minimum requirements may also affect the amount and timing of funding to be paid by us. Most funding requirements consider yields on assets such as government bonds or interbank interest rate swap curves, depending on the basis. Although recent statutory easements in the pace of funding on these bases and increases in bond/swap yields have provided some contribution relief to us, we may nonetheless have to pay additional contributions to meet potentially onerous statutory minimum funding requirements in the future, which could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

We submitted formal notification to withdraw from Multi-Employer Pension Plans ("MEPPs") in the past and have recorded withdrawal liabilities. We may withdraw from other MEPPs in the future. We believe that certain of the MEPPs in which we participate or have participated have material unfunded vested benefits. As of December 31, 2024, we had recorded withdrawal liabilities of $131 million. The impact of increased contributions, future funding obligations or future withdrawal liabilities may adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares. See "Note 14. Retirement Plans" of the Notes to Consolidated Financial Statements for additional information.

Any dividend payment in respect of our shares is subject to a number of factors, including the distributions of earnings to the Company by its subsidiaries, the financial condition and results of operations of the Company, as well as the distributable reserves of the Company and the discretion of the Company's Board, and there are no guarantees that the Company will pay dividends or the level of any such dividends.

Any determination to pay dividends to our shareholders will be at the discretion of the Company's Board and will be dependent on then-existing conditions, including but not limited to, our results of operations, capital investment priorities, the market price of our shares and access to capital markets, legal requirements, industry practice, the distribution of earnings to the Company by its subsidiaries, the financial condition, limitations under Irish law and other factors the Company deems relevant. While Smurfit Kappa and WestRock each has historically paid dividends and Smurfit Westrock declared and paid dividends since the Combination, there can be no assurance that our shareholders will receive or be entitled to dividends that are equivalent to the historical dividends of Smurfit Kappa or WestRock, and there is no assurance as to the timing or level of future dividend payments, if any, because these depend on, among other considerations, future earnings, capital requirements and financial condition, legal requirements, covenant compliance, restrictions in our existing and any future debt agreements and other factors that our Board of Directors deems relevant.

Legal and Regulatory Risks

We are subject to a wide variety of laws, regulations and other requirements that may change or may impose substantial compliance costs, and non-compliance with such laws and regulations may negatively affect our business.

We are subject to a wide variety of regional, national, provincial, and local laws, regulations and other requirements, including those relating to the environment, product safety, competition, corruption, sanctions, occupational health and safety, labor and employment, data privacy, tax and health care. These laws, regulations and other requirements may change or be applied or interpreted in ways that will require us to modify our equipment and/or operations, subject us to enforcement risk, expose us to reputational harm or require us to incur additional costs, including substantial compliance costs, which may adversely affect our results of operations, cash flows and financial condition, and the trading price of our ordinary shares.

We operate in multiple countries, and each of these countries may have bribery and anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act, the Sapin II Law in France, the Bribery Act in the United Kingdom and the Criminal Justice (Corruption Offences) Act 2018 in Ireland, some of which are potentially extra-territorial in scope. Our internal control policies and procedures, or those of our vendors, may not adequately protect us from reckless or criminal acts committed or alleged to have been committed by our employees, agents or vendors. Any such non-compliance with bribery and anti-corruption legislation could lead to civil or criminal, monetary and non-monetary penalties and/or could damage reputations.

In addition, the tax laws of Ireland and other jurisdictions in which we operate could change in the future. There may be an enactment of additional, or the revision of existing, state, federal and/or non-U.S. laws, and/or a development of case law, regulations and policy changes in the jurisdictions in which we operate. Any such changes could cause a material change in our effective tax rate.

Moreover, we are subject to regulation by trade sanctions and related legislation, which have become an increasingly prevalent instrument of foreign policy in recent years. Sanctions lists are generated by a wide variety of government agencies in countries where we do business, and the individuals, entities and products on these lists are being modified with increasing frequency in recent years. Due to our scale and footprint, we must monitor existing sanctions closely and exercise caution to avoid trading with any sanctioned country, individual or organization. The penalties for non-compliance with sanctions regimes are severe; offenses for breach of sanctions regimes can be both civil and criminal in nature. We could therefore be adversely affected by sanctions if we fail to closely monitor compliance with sanctions regimes, which could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

In addition, future compliance with existing and new laws and requirements has the potential to disrupt our business operations and may require significant expenditures, and our existing reserves for specific matters may not be adequate to cover future costs. In particular, our manufacturing operations consume significant amounts of energy, and we may in the future incur additional or increased capital, operating and other expenditures from changes due to new or increased climate-related and other environmental requirements. We could also incur substantial liabilities, including fines or sanctions, enforcement actions, natural resource damages claims, cleanup and closure costs, and third-party claims for property damage and personal injury under environmental and other laws.

We are subject to a growing number of environmental laws and regulations, and the cost of compliance or the failure to comply with, and any liabilities under, current and future laws and regulations may negatively affect our business.

Environmental compliance requirements are a significant factor affecting our business. Our manufacturing processes involve the use of natural resources, such as virgin wood fiber and fresh water, discharges to water, air emissions and waste handling and disposal activities. These processes are subject to numerous regional, national and local environmental laws and regulations, as well as the requirements of environmental permits and similar authorizations issued by various government authorities. Complex and lengthy processes may be required to obtain and renew approvals, permits, and licenses for new, existing or modified facilities. Additionally, the use and handling of various chemicals or hazardous materials require release prevention plans and emergency protocols. We have incurred, and expect that we will continue to incur, significant capital, operating and other expenditures complying with applicable environmental laws and regulations. Changes in environmental laws, as well as litigation relating to these laws, could result in more stringent or additional environmental compliance obligations for the Company that may require additional capital investments or increase our operating costs.

We are involved in various administrative and other proceedings relating to environmental matters that arise in the normal course of business, and we may become involved in similar matters in the future. Although the ultimate outcome of these proceedings cannot be predicted and we cannot at this time estimate any reasonably possible losses based on available information, we do not believe that the currently expected outcome of any environmental proceedings and claims that are pending or threatened against us will have a material adverse effect on our results of operations, financial condition or cash flows.

We also may incur significant expenditures in connection with the required remediation of environmental conditions at both currently owned and formerly owned facilities, as well as in connection with various sites owned or operated by third parties. While we believe that we can assert claims for indemnification of remediation expenses pursuant to rights we have under certain agreements in respect of certain remediation sites and we have insurance coverage, subject to applicable deductibles or retentions, policy limits and other conditions, for certain environmental matters, we may not be successful with respect to any claim regarding these insurance or indemnification rights and, if we are successful, any amounts paid pursuant to the insurance or indemnification rights may not be sufficient to cover all our costs and expenses. We also cannot predict whether we will be required to perform remediation projects at other locations, and it is possible that our remediation requirements and costs could increase materially in the future and exceed current reserves. In addition, we cannot currently determine the impact that future changes in cleanup standards or regional, national, local or other environmental laws, regulations or enforcement practices will have on our results of operations, financial condition or cash flows. Any of these circumstances could adversely affect our results of operations, cash flows and financial condition and the trading price of our ordinary shares.

Changes to trade policy, including tariff and customs regulations, or failure to comply with such regulations may have an adverse effect on our reputation, business, financial condition and results of operations.

Changes or proposed changes in U.S. or other countries' trade policies may result in restrictions and economic disincentives on international trade. Tariffs, economic sanctions and other changes in U.S. trade policy have in the past and could in the future trigger retaliatory actions by affected countries, and certain foreign governments have instituted or are considering imposing retaliatory measures on certain U.S. goods. Further, any emerging protectionist or nationalist trends (whether regulatory- or consumer-driven) either in the U.S. or in other countries could affect the trade environment. We, like many other multinational corporations, conduct a significant amount of business that would be impacted by changes to the trade policies of the U.S. and other countries (including governmental action related to tariffs, international trade agreements, or economic sanctions). Such changes have the potential to adversely impact the U.S. economy or certain sectors thereof or the economy of another country in which we conduct operations, our industry and the global demand for our products, and as a result, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to compliance with antitrust and similar legislation in the jurisdictions in which we operate.

We are subject to legislation in many of the jurisdictions in which we operate relating to unfair competitive practices and similar behavior. From time to time, we have been subject to allegations of such practices and regulatory investigations or proceedings with respect thereto. Such allegations, investigations or proceedings (irrespective of merit) may require us to devote significant management resources to defending ourselves. In the event that such allegations are proven, we may be subject to fines, damages awards and other expenses, and our reputation may be harmed, which could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

See “Note 18. Commitments and Contingencies” of the Notes to Consolidated Financial Statements for additional information.

We are subject to a number of laws and regulations relating to privacy, security and data protection, and failure to comply with such laws and regulations could adversely affect our business and our financial condition or lead to fines and/or litigation.

We are subject to a number of laws and regulations relating to privacy, security and data protection, including the General Data Protection Regulation (EU 2016/679) (“GDPR”) and new and evolving privacy laws in the United States, Europe, Latin America, and elsewhere. These laws and regulations have created new individual privacy rights, imposed increased obligations on companies handling personal data, and increased potential exposure to fines and penalties as a result of breaches of such privacy, security or data protection laws. Additionally, new laws or regulations governing privacy, security and data protection may be introduced which apply to us in any of the jurisdictions in which we operate. The nature and extent of any such new and/or amended laws or regulations, and the impact they may have on us, cannot be predicted.

We rely on third-party service providers and our own employees and systems to collect and process personal data and to maintain our databases, and as a result, we are exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, or damaged or processed in breach of such privacy, security or data protection laws. These events could result in disruptions and damage, or the misappropriation of sensitive data, and depending on their nature and scope, could lead to the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes, operational disruptions and exposure to liability. Such disruptions or misappropriations and the resulting repercussions, including reputational damage and legal claims or proceedings, may have a material adverse effect on our business, results of operations, cash flows, financial condition and the trading price of our ordinary shares. See also *“We are subject to cybersecurity risks that could threaten the confidentiality, integrity and availability of data in our systems, and could result in disruptions to our operations and adversely affect our operations, cash flows and financial condition.”*

While we endeavor to comply with all applicable laws and regulations relating to privacy, security and data protection, it is possible that such requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other laws or our practices. That concern is particularly relevant for the GDPR, as different EU member state regulators may differ as to their interpretation of the GDPR and the approach they may take to breaches, enforcement, complaints or the exercise of rights to access personal data by individuals. Any perceived or actual failure by us to protect confidential data, personal data, any material non-compliance with privacy, security or data protection laws or regulations or any general IT system failure may harm our reputation and credibility, adversely affect our revenues, reduce our ability to attract or retain customers, result in litigation or other actions being brought against us and the imposition of significant fines and, as a result, could have a material adverse effect on our business, results of operations, financial condition and the trading price of our ordinary shares.

Failure to comply with applicable occupational health and safety laws and regulations or maintain good health and safety and employee well-being practices in our facilities may have a material adverse effect on our business.

We are subject to a broad range of regional, national, provincial and local laws and regulations relating to occupational health and safety, and our safety program includes measures required for compliance. We have incurred, and will continue to incur, operating costs and capital expenditures to meet our health and safety obligations, as well as to continually improve our safety systems.

In addition, our business involves the use of heavy equipment, machinery and chemicals and requires the performance of activities that create safety exposures, including the performance of relatively difficult and specialized tasks. Safeguarding the health, safety and overall wellbeing of our colleagues is a top concern, critical to attracting and retaining the best talent, and plays a pivotal role in realizing our business and sustainability objectives. We implement our health and safety requirements through a safety management system that includes best practice sharing and operational learning. We seek to reduce exposures and eliminate serious injuries and fatalities through engagement, execution of targeted risk reduction measures, and implementation of systems that promote continuous improvement. Despite such efforts, a serious incident affecting the health and safety of any of our employees could occur and disrupt our operations. There is also a risk of significant fines and penalties or litigation if a health and safety incident occurs. Furthermore, disruption of operations caused by a major incident could have a material adverse effect on our customer relationships, business, results of operations, financial condition and the trading price of our ordinary shares. Additionally, portions of our operations are in areas with ongoing political or geopolitical uncertainty which could pose security risks to our employees or operations. See also *"As a leading global manufacturing business, we have been, and may be in the future, adversely affected by factors that are beyond our control, such as economic and financial market conditions, geopolitical conflicts and other social and political unrest or change*" and "*We are exposed to risks related to our international sales and operation*s."

The Company's maintenance of two exchange listings may adversely affect liquidity in the market for our shares and result in pricing differentials of our shares between the two exchanges.

Given trading in our shares on the NYSE and the LSE takes place in different currencies (U.S. dollars on the NYSE and pounds sterling on the LSE) and at different times (resulting from different time zones, different trading hours and different trading days for the NYSE and the LSE), the trading prices of our shares on these two exchanges may at times differ due to these and other factors. Any decrease in the price of our ordinary shares on the NYSE could cause a decrease in the trading price of our ordinary shares on the LSE and vice versa.

Risks Related to Our Incorporation in Ireland

We are incorporated in Ireland and Irish law differs from the laws in effect in the U.S. and might afford less protection to our shareholders.

As an Irish company, we are governed by the Irish Companies Act. The Irish Companies Act differs in some significant, and possibly material, respects from laws applicable to U.S. corporations and shareholders under various state corporation laws, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors.

Irish law differs from the laws in effect in the U.S., and our shareholders could have more difficulty protecting their interests than shareholders of a corporation incorporated in a jurisdiction of the U.S. The U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on U.S. federal or state civil liability laws, including the civil liability provisions of the U.S. federal or state securities laws, or hear actions against us or those persons based on those laws. Under Irish law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Irish companies do not generally have rights to take action against directors or officers of the company under Irish law and may only do so in limited circumstances. Directors of an Irish company must, in exercising their powers and performing their duties, act with due care and skill, honesty and in good faith with a view to the best interests of the company. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests might conflict and also are under a duty to disclose any personal interest in any contract or arrangement with the company or any of its subsidiaries. If a director or officer of an Irish company is found to have breached his or her duties to that company, he or she could be held personally liable to the company in respect of that breach of duty.

In addition, under Irish law, we must have authority from our shareholders to issue any shares, including shares that are part of the Company's authorized but unissued share capital. In addition, unless otherwise authorized by its shareholders, when an Irish company issues shares for cash to new shareholders, it is required first to offer those shares on the same or more favorable terms to existing shareholders on a pro-rata basis. If we are unable to obtain these authorizations from our shareholders or are otherwise limited by the terms of our authorizations, our ability to issue shares under our equity compensation plans and, if applicable, to facilitate funding acquisitions or otherwise raise capital could be adversely affected.

Any attempts to acquire the Company will be subject to the Irish Takeover Rules and subject to the supervisory jurisdiction of the Irish Takeover Panel and the Board may be limited by the Irish Takeover Rules in its ability to defend an unsolicited takeover attempt.

The Company is subject to the Irish Takeover Rules, which regulate the conduct of takeovers of, and certain other relevant transactions affecting, Irish public limited companies listed on certain stock exchanges, including the NYSE and the LSE. The Irish Takeover Rules are administered by the Irish Takeover Panel, which has supervisory jurisdiction over such transactions. Among other matters, the Irish Takeover Rules operate to ensure that no offer is frustrated or unfairly prejudiced and, in situations involving multiple bidders, that there is a level playing field.

The Company is subject to the Irish Takeover Rules, under which we are not permitted to take certain actions that might "frustrate" an offer for our ordinary shares once we receive an offer, or have reason to believe an offer is or may be imminent, without the approval of more than 50% of our shareholders entitled to vote at a general meeting of the Company's shareholders or the consent of the Irish Takeover Panel. This may limit the ability of the Company's Board to take defensive actions even if it believes that such defensive actions would be in the Company's best interests or the best interests of our shareholders.

Dividends

Historically, Smurfit Kappa has declared dividends at least twice per year and WestRock has declared dividends on a quarterly basis. Following the approval on July 24, 2024 by the High Court of Ireland of a capital reduction in accordance with Part 3 of the Irish Companies Act, on July 26, 2024, Smurfit Westrock announced that the Board approved a quarterly dividend of $0.3025 per share on its ordinary shares. The quarterly dividend of $0.3025 per ordinary share was paid on September 18, 2024 to shareholders of record at the close of business on August 15, 2024. Subsequently, the Board approved a quarterly dividend of $0.3025 per share on the Company's ordinary shares. The quarterly dividend of $0.3025 per ordinary share was paid on December 18, 2024 to shareholders of record at the close of business on November 15, 2024. In January 2025, the Board approved a quarterly dividend of $0.4308 per share on its ordinary shares. The quarterly dividend is expected to be paid on March 18, 2025 to shareholders of record at the close of business on February 14, 2025.

Research and Development

The Company's subsidiaries are engaged in ongoing research and development aimed at providing innovative paper-based packaging solutions and improving products, processes and expanding product ranges.

Accounting Records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Section 281–286 of the Irish Companies Act, are kept by the Company. The Directors have appointed professionally qualified accounting personnel with appropriate expertise and have provided adequate resources to the finance function in order to ensure that those requirements are met. The accounting records of the Company are maintained at the Company's principal executive offices, located at Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland.

Directors and Company Secretary

The Directors and Company Secretary of the Company as of December 31, 2024, are listed below and, except as noted, have served from the period of July 5, 2024* through to the date of this Irish Statutory Annual Report.

Irial Finan	Independent Chair
Anthony Smurfit*	President & Group Chief Executive Officer and Director
Ken Bowles*	Executive Vice President & Group Chief Financial Officer and Director
Kaisa Hietala	Senior Independent Non-executive Director
Colleen F. Arnold	Non-executive Director
Timothy J. Bernlohr	Non-executive Director
Carole L. Brown**	Non-executive Director
Terrell K. Crews	Non-executive Director
Carol Fairweather	Non-executive Director
Mary Lynn Ferguson-McHugh	Non-executive Director
Suzan F. Harrison	Non-executive Director
Lourdes Melgar	Non-executive Director
Jørgen Buhl Rasmussen	Non-executive Director
Dmitri L. Stockton***	Non-executive Director
Alan D. Wilson	Non-executive Director
Company Secretary	
Gillian Carson-Callan	Group Senior Vice-President Finance & Company Secretary

**Anthony Smurfit and Ken Bowles joined the Board of predecessor entity, Cepheidway Limited, on September 11, 2023. Cepheidway Limited then changed its name to Smurfit WestRock Limited on December 11, 2023 and subsequently re-registered as Smurfit Westrock plc, effective on June 18, 2024.*
***Carole L. Brown was appointed as a non-executive Director on March 11, 2025.*
****Dmitri L. Stockton is stepping down from the Board, effective as of the conclusion of the 2025 Annual General Meeting of Shareholders.*

Directors' and Company Secretary's Interests in Shares

The interests of the Directors and Secretary in the ordinary shares of the Company as at December 31, 2024 which are beneficial unless otherwise indicated are shown below. The Directors and Secretary have no beneficial interests in any of the Company's subsidiary or associated undertakings.

	December 31, 2024				July 5, 2024			
	Ordinary shares	Restricted share units	Deferred share units (1)	Performance share units (2)	Ordinary shares	Restricted share units	Deferred share units (1)	Performance share units
Directors								
Irial Finan	30,209	3,330	-	-	30,209	-	-	-
Anthony Smurfit	1,493,878	319,019	-	146,214	1,493,878	315,947	-	-
Ken Bowles	111,458	167,523	-	24,871	111,458	165,977	-	-
Kaisa Hietala	1,471	2,119	-	-	1,471	-	-	-
Colleen F. Arnold	1,197	-	25,901	-	1,197	-	25,599	-
Timothy J. Bernlohr	50,091	-	-	-	50,091	-	-	-
Jørgen Buhl Rasmussen	6,146	2,119	-	-	6,146	-	-	-
Terrell K. Crews	50,004 (3)	-	-	-	49,951 (3)	-	-	-
Carol Fairweather	3,000	2,119	-	-	3,000	-	-	-
Mary Lynn Ferguson-McHugh	-	2,119	-	-	-	-	-	-
Suzan F. Harrison	20,526	-	-	-	20,526	-	-	-
Lourdes Melgar	-	2,119	-	-	-	-	-	-
Dmitri L. Stockton	-	-	11,139	-	-	-	11,011	-
Alan D. Wilson	1,035	-	54,791	-	1,035	-	54,148	-
Secretary								
Gillian Carson-Callan	8,922	56,369	-	-	8,922	55,849	-	-

Anthony Smurfit and Ken Bowles joined the Board of the predecessor entity, Cepheidway Limited, on September 11, 2023. Cepheidway Limited then changed its name to Smurfit WestRock Limited on December 11, 2023 and subsequently re-registered as Smurfit Westrock plc, effective on June 18, 2024. Anthony Smurfit and Ken Bowles held no interests in the shares of the Company until the closing of the Combination on July 5, 2024.

(1) Includes shares beneficially owned through a non-executive Director Deferred Compensation Plan.

(2) The Performance Share Units will ultimately vest between 0% and 200% based on actual performance versus our performance goals.

(3) Includes 22,635 shares held indirectly by a family trust.

Corporate Governance

Under UK DTR 7.2 / LR 14.3.21R, the Directors' Report is required to include a Corporate Governance Statement. The Directors' Corporate Governance Statement is set out on pages 40 to 48 and forms part of this Irish Statutory Annual Report.

Subsidiary Companies and Associated Undertakings

A list of the Company's principal subsidiaries and associates as at December 31, 2024 is set out in Note 32 to the Consolidated Financial Statements.

Audit Committee

The Company has established an Audit Committee. The responsibilities of the Audit Committee are outlined on page 45.

Political Donations

No political contributions that require disclosure by the Electoral Act 1997 (as amended) were made during the financial year ended December 31, 2024.

Non-Financial Reporting

Our non-financial reporting, as required under the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, as amended (the "NFRD Regulations"), will be made available in our sustainability report on our website at: www.smurfitwestrock.com/sustainability in April 2025. The information that will be contained in the sustainability report as part of this obligation is being provided solely in order to comply with the Company's obligations under the NFRD Regulations and for no other purpose. The information contained on the website does not form part of this document and is not incorporated by reference herein.

Transactions in own shares

The Company is authorized to repurchase shares, by way of redemption or otherwise, and will consider whether to do so from time to time, based on many factors, including market conditions and subject to appropriate Board and/or committee approvals. There is no guarantee that the Company will engage in any repurchases (other than for purposes of net share settlement under its equity plans).

Accordingly, for Irish company law purposes, the repurchase of ordinary shares by Smurfit Westrock may technically be effected as a redemption of those shares. Smurfit Westrock may also be given an additional general authority by its shareholders to purchase its own shares on-market.

Change of Control

In the event of a change of control, the lenders under the Revolving Credit Facility which has been entered into by the Company would have the option to cancel the commitments under the facility and/or to declare all outstanding amounts immediately due and payable, and under the Senior Notes Indentures the Company may be obliged to offer to repurchase the notes.

Capital Structure

Details of the structure of the Company's capital is set out in the Liquidity & Capital Resources section above and are deemed to form part of this Directors' Report. Details of the Company's long-term incentive plans are set out in the Directors' Report and Note 26 to the Consolidated Financial Statements and are incorporated into this Directors' Report.

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing compliance by the Company of its relevant obligations as set out in the Irish Companies Act (the "Relevant Obligations").

The Directors further confirm that there is a Compliance Policy Statement in place setting out the Company's policies which, in the Directors' opinion, are appropriate to ensure compliance with the Company's Relevant Obligations.

The Directors also confirm that appropriate arrangements and structures are in place which, in the Directors' opinion, are designed to secure material compliance with the Company's Relevant Obligations. For the partial year ended December 31, 2024, the Directors, with the assistance of the Audit Committee, have conducted a review of the arrangements and structures in place. In discharging their responsibilities under Section 225 of the Irish Companies Act, the Directors relied on the advice of persons who the Directors believe have the requisite knowledge and experience to advise the Company on compliance with its Relevant Obligations.

Events After the Balance Sheet Date

The Company has evaluated subsequent events through the date the Company issued the Consolidated Financial Statements. Except as noted below, the Company has concluded that no events or transactions have occurred that may require disclosure in the accompanying financial statements.

On January 30, 2025, the Company announced 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 March 18, 2025 to shareholders of record at the close of business on February 14, 2025.

Annual General Meeting

The annual general meeting of shareholders of the Company (the "AGM") will take place at the Minerva Suite, RDS, Merrion Road, Dublin 4, D04 AK83, Ireland on Friday, May 2, 2025 at 10.00 a.m. Dublin Time/ 5.00 a.m. Eastern Time. The notice of AGM which is included in the Company's 2025 Proxy Statement, includes a description of the business to be transacted at the AGM and is available on the Company's website at www.smurfitwestrock.com

Financial Instruments

In the normal course of business, the Company has exposure to a variety of financial risks, including foreign currency risk, interest rate risk, liquidity risk, refinancing risk and credit risk. Please also see Principal Risks and Uncertainties on pages 15 to 36.

Disclosure of Information to the External Auditor

For the purposes of Section 330 of the Irish Companies Act, each of the Directors individually confirm that in so far as they are aware, there is no relevant audit information of which the Company's external auditor is unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's external auditor is aware of such information.

External Auditor

KPMG, Chartered Accountants, will continue in office in accordance with section 383(2) of the Irish Companies Act.

A. Smurfit
Director

K. Bowles
Director

March 13, 2025

Corporate Governance Practices

Smurfit Westrock plc ("Smurfit Westrock" or the "Company") is incorporated in Ireland and is subject to Irish company law pursuant to the Irish Companies Act. Smurfit Westrock's ordinary shares are listed and traded on the NYSE and the LSE.

Smurfit Westrock's primary governance obligations arise by virtue of its listing on the NYSE. As a result, the Company is subject to the corporate governance rules of the NYSE, which requires the adoption of certain governance policies which the Company has adopted. The reporting and other rules of the SEC, which will require it to file an annual report on Form 10-K, quarterly reports on Form 10-Q, and Form 8-Ks are among other requirements.

In July 2024, the Board of Smurfit Westrock adopted internal corporate governance principles (the "Principles of Corporate Governance") as a general framework to assist the Board in carrying out its responsibilities for the business and affairs of the Company. Our governance practices and policies are in line with NYSE corporate governance guidelines which the Company has adopted in line with other companies with a primary listing on the NYSE. The Principles of Corporate Governance, which are available on www.smurfitwestrock.com/about/corporate-governance/policies cover the role of the Board and management, the composition of the Board, the structure and operations of the Board and the duties and responsibilities of the Board. The Principles of Corporate Governance are deemed to be incorporated into the Directors' Report and form part of this Corporate Governance Statement for the purposes of DTR 7.2 of the Disclosure, Guidance and Transparency Rules of the FCA.

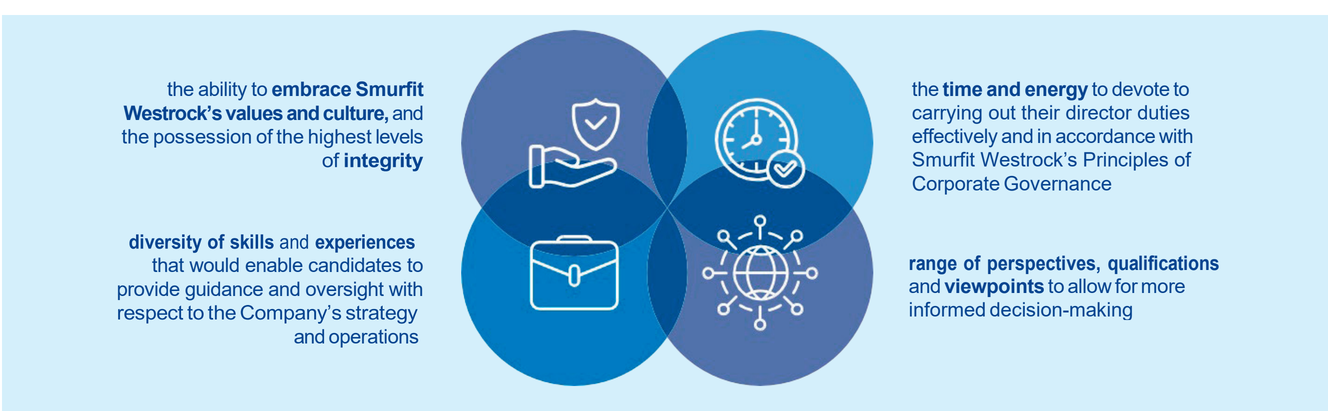
Board Composition

Our Board oversees the management of the Company and its business. Among other things, the Board reviews Smurfit Westrock's financial performance on a regular basis at Board meetings and through periodic updates as well as Smurfit Westrock's long-term strategic plans and the most significant financial, accounting and risk management issues facing Smurfit Westrock from time to time. The Board also assesses the performance of the Company's President & Group Chief Executive Officer, oversees our processes for assessing and managing risk and engages in succession planning for the Board and key leadership roles on the Board and its committees. Additional information is set forth in our Principles of Corporate Governance, which can be found on our website at www.smurfitwestrock.com/about/corporate-governance/policies.

Board Qualifications

Consistent with the Company's Principles of Corporate Governance and the Nomination Committee's charter, the Nomination Committee is charged with developing and recommending Board membership criteria to the Board for approval, evaluating the composition of the Board annually to assess the skills, perspectives and experience that are currently represented on the Board. In addition, the Board considers the qualifications that may be valuable in the future and identifies, evaluates and recommends potential director candidates. The Nomination Committee seeks to create a Board that is composed of individuals whose particular backgrounds, skills, perspectives and expertise, when taken together, will provide the Board with a diversity of skills, experience, backgrounds and perspectives to guide and oversee Smurfit Westrock's strategy, operations and management.

The Board and the Nomination Committee seek candidates who, at a minimum, have one or more of the following characteristics with the ultimate selection based on merit:



The Board and the Nomination Committee actively seek to achieve a diversity of occupational and personal backgrounds and perspectives on the Board. Among other things, we currently have seven women on the Board and three racially/ethnically diverse directors. All final recommendations and selections are based on merit and the contributions Board members bring or are expected to bring to the Board. The Nomination Committee and the Board assess their effectiveness in this regard in connection with annual Board evaluation process.

In addition, generally speaking, the Board does not believe that it should limit the number of terms for which a person may serve as a director of the Company as directors develop significant insights into the Company and its operations over time. The Board also does not believe that a fixed retirement age for directors is appropriate. Rather, the Nomination Committee and Board will take into account the director's age from when they reach 72 in addition to their tenure as part of its assessment of the Board's composition and the qualifications of director candidates as described above.

Required Gender and Ethnic Diversity Disclosure under UKLR

The Company's secondary listing on the London Stock Exchange requires compliance with relevant UK Listing Rules (the "UKLR"). The information below is disclosed solely in order to comply with UKLR 14.3.30R and for no other purpose. The required disclosure below is set out as of December 31, 2024.

The information included in the below table, has been collected by self-disclosure directly from the individuals concerned, using a questionnaire requesting the individual to select their gender identity and ethnicity from a list of options of equal prominence. For the purposes of the below table, executive management is as defined in the UKLR, being the executive committee or most senior executive or managerial management body below the Board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the Company Secretary but excluding administrative and support staff. For Smurfit Westrock, these are the direct reports of the President & Group Chief Executive Officer.

As of December 31, 2024, the Company can confirm the following in relation to each of the following diversity standards contained in the UKLR 14.3.30R: (1) 43% of the Board were women, (2) one senior position on the Board was held by a woman and (3) at least one Board member was from a minority ethnic background. As at the date of this Irish Statutory Annual Report, the Company continues to comply with UKLR 14.3.30R.

In accordance with UKLR 14.3.30R, and for no other purpose, numerical data on the ethnic background and the gender identity or sex of the individuals on the Company's Board and in its executive management as of December 31, 2024 is set out on page 42.

Required Standardized Numerical Disclosures as at December 31, 2024
Sex/Gender Representation

	No. of Board Members	% of the Board	No. of senior positions on the board (CEO, CFO, Chair & SID)	No. in executive management*	% of executive management*
Men	8	57%	3	8	80%
Women	6	43%	1	2	20%
Not specified/prefer not to say	-	-	-	-	-
Board and Executive Management reporting on ethnic background					
White British or Other White (including minority-white groups)	12	86%	4	8	80%
Mixed/Multiple Ethnic Groups	1	7%	-	1	10%
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/ Black British	1	7%	-	-	-
Other Ethnic Group	-	-	-	-	-
Not specified/prefer not to say	-	-	-	1	10%

**Executive management is defined as direct reports of the President & Group Chief Executive Officer*

Board Leadership Structure

Our Board annually reviews its leadership structure to evaluate whether the structure remains appropriate for Smurfit Westrock. Our Board believes that presently it is in the best interests of the Company to have an independent director serve as the Board Chair. Mr. Finan has served as the independent Board Chair since the Combination. Mr. Finan is considered independent under the applicable NYSE independence standards. Please see explanation of independence in the section titled "*Director Independence"* on page 43.

As an independent Board Chair, in addition to serving as liaison between the Board and management, Mr. Finan sets the agendas for and also chairs executive sessions of independent directors. He is also available for consultation and communication with major shareholders upon request. In addition, the Board designated and appointed Ms. Kaisa Hietala to serve as the Senior Independent Director of the Board (the "Senior Independent Director") as required under, and in compliance with, certain UKLR requirements. Historically, Smurfit Kappa had the position of Senior Independent Director, and Ms Kaisa Hietala held that position at Smurfit Kappa as well. The Senior Independent Director provides a sounding board for the Board Chair, serves as an intermediary for the other directors when necessary, chairs Board meetings in the absence of the Board Chair, if requested by the Board Chair or the Board and is also available for consultation and communication with major shareholders upon request.

Our Board believes that this is the appropriate Board leadership structure for us at this time. Separating the roles of the Board Chair and President & Group Chief Executive Officer enables our Board Chair to focus on leading the Board in carrying out its oversight and corporate governance responsibilities and our President & Group Chief Executive Officer to focus on leading the Company's business and executing on its strategy, plans and initiatives. In addition, the Senior Independent Director is there to support the Board Chair in providing additional independent oversight. Our Principles of Corporate Governance provide that, if at any time when the Board Chair is not an independent director, unless the independent directors and / or the Board otherwise determine, the Senior Independent Director will also serve as the lead independent director for a period of at least one year with certain specified responsibilities.

Mr. Bowles, Executive Vice President & Group Chief Financial Officer is also a director of the Board. He served on the board of directors of Smurfit Kappa since 2016 until the Combination, as is customary for Chief Financial Officers in Ireland, and became a director of Smurfit Westrock before the completion of the Combination. Given his immense experience in the boardroom as a Smurfit Kappa director and his decades long knowledge of Smurfit Kappa's business, his insights are invaluable for evaluating strategic decisions, assessing the financial health of Smurfit Westrock and enhancing the Board's understanding of value creation without undermining the Board's overall independence or rigor of the Board's oversight of the Company's finances and its reporting. He also provides a continuity of perspectives to the Board and his Board service is in line with market practice in Ireland for a Chief Financial Officer of an Irish public company.

The Board's current leadership structure facilitates robust communications between management and the Board and provides effective oversight by independent directors, including oversight of risks. Accordingly, the Board believes that its risk management processes are well supported by the current Board leadership structure.

Director Independence

NYSE listing rules require a majority of a listed company's board of directors to be comprised of independent directors. To be considered independent under the NYSE independence standards, a director must not have any direct or indirect material relationship with Smurfit Westrock, as determined affirmatively by the Board. In addition, each member of a listed company's audit, compensation and nominating committees must be independent, and audit and compensation committee members must satisfy additional independence criteria under the NYSE and SEC rules.

Our Nomination Committee and the Board undertake a review of its composition and the independence of each director annually. In making its independence recommendations, the Nomination Committee evaluates the various commercial, charitable and employment transactions and relationships known to the Nomination Committee that exist between us and our subsidiaries on the one hand, and the directors and the entities with which certain of our directors or members of their immediate families are, or have been, affiliated with (including those identified through our annual director questionnaires) on the other hand.

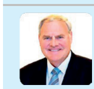
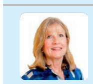
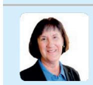
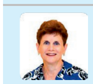
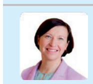
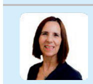
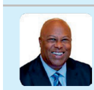
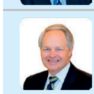
Based on its analysis, the Nomination Committee recommended, and the Board affirmatively determined, that each of the following director nominees are independent under the NYSE listing rules, including, with respect to members of the Audit and Compensation Committees, the NYSE and SEC rules applicable to such committee service: Colleen F. Arnold, Timothy J. Bernlohr, Carole L. Brown, Terrell K. Crews, Carol Fairweather, Mary Lynn Ferguson-McHugh, Irial Finan, Suzan F. Harrison, Kaisa Hietala, Lourdes Melgar, Jørgen Buhl Rasmussen and Alan D. Wilson. In addition, the Nomination Committee recommended, and the Board also determined, that Dmitri L. Stockton, who is not standing for election at this AGM, is independent as well. Anthony Smurfit and Ken Bowles are not deemed to be independent under the NYSE listing rules by virtue of their respective roles as officers of the Company.

Board Committees

Our Board has a separately designated Audit Committee, Compensation Committee, Nomination Committee, Finance Committee and Sustainability Committee, each of which is comprised solely of independent directors as required under the applicable NYSE listing rules and, if applicable, SEC rules, with the membership and responsibilities of each committee summarized and described below.

The Board reviews committee memberships annually. In addition, our Board has a separate Executive Committee, the primary purpose of which is to aid the Board in handling matters which, in the opinion of the Board Chair, should not be postponed until the next scheduled meeting of the Board. Members serve on these committees until their successors are duly elected and qualified or until their earlier resignation or removal and may be removed or replaced, with or without cause, by the Board at any time. Each of these committees is empowered to retain outside advisors as it deems appropriate, regularly reports its activities to the full Board and has a written charter, which is posted on our website located at www.smurfitwestrock.com/about/corporate-governance/board-committees under "Corporate Governance."

The membership of each of the standing Board committees as of the date of this Irish Statutory Annual Report, including the number of Board committee meetings held between July 5, 2024, the date when we completed our Combination, and December 31, 2024, are set forth in the table below:

Board Member	Committees					
	Audit	Compensation	Nomination	Finance	Sustainability	Executive
 Irial Finan			C			C
 Anthony Smurfit						M
 Ken Bowles						
 Colleen F. Arnold		M			M	
 Timothy J. Bernlohr		C		M		M
 Carole L. Brown(1)	M AF				M	
 Terrell K. Crews	C AF			M		M
 Carol Fairweather	M			C		M
 Mary Lynn Ferguson-McHugh		M		M		
 Suzan F. Harrison	M		M			
 Kaisa Hietala			M		C	
 Lourdes Melgar	M				M	
 Jørgen Buhl Rasmussen		M		M		
 Dmitri L. Stockton(2)	M AF				M	
 Alan D. Wilson		M	M			
Number of Meetings (July 5, 2024- December 31, 2024)	6	3	3	3	2	0

C Chair M Member AF Audit Committee Financial Expert

(1) Carole L. Brown joined the Board in March 2025 and, therefore, was not eligible to attend and did not attend any Board or committee meetings in 2024.

(2) Dmitri L. Stockton is not standing for election at this AGM and will no longer be serving on any committees of the Board effective as of the conclusion of the Company's 2025 Annual General Meeting of Shareholders

A description of each of our standing committees as of the date of this Irish Statutory Annual Report, together with its primary responsibilities, is provided below:

Audit Committee

Chair: Terrell K. Crews

The Audit Committee consists of:

- Terrell K. Crews (Chair)
- Carole L. Brown
- Carol Fairweather
- Suzan F. Harrison
- Lourdes Melgar
- Dmitri L. Stockton (who is stepping down from the Board and its committees at the conclusion of this AGM)

The primary responsibilities of our Audit Committee are to assist the Board in its oversight of:

- the quality and integrity of the consolidated financial statements of Smurfit Westrock and its subsidiaries and related disclosure;
- the qualifications, independence and performance of Smurfit Westrock's independent registered public accounting firm and statutory auditor under Irish law;
- the performance of Smurfit Westrock's internal audit function;
- Smurfit Westrock's systems of disclosure controls and procedures and internal controls over financial reporting;
- compliance by Smurfit Westrock and its subsidiaries with all legal and regulatory requirements; and
- the Company's practices with respect to risk assessment and risk management, including risks related to the Company's financial statements and financial reporting processes as well as information technology, data privacy and cybersecurity, in coordination with other committees of the Board, if and as applicable.

The Board has determined that each member of the Audit Committee meets the financial literacy, heightened independence and accounting or auditing requirements of the SEC, the Irish Companies Act and the NYSE, as applicable to audit committee members, and that each of Terrell K. Crews, Carole L. Brown and Dmitri L. Stockton also qualifies as an "audit committee financial expert" for purposes of SEC rules.

Compensation Committee

Chair: Timothy J. Bernlohr

The Compensation Committee consists of:

- Timothy J. Bernlohr (Chair)
- Colleen F. Arnold
- Mary Lynn Ferguson-McHugh
- Jørgen Buhl Rasmussen
- Alan D. Wilson

The primary responsibilities of our Compensation Committee are to:

- oversee the Company's overall compensation philosophy, policies and programs, and assess whether the Company's compensation philosophy establishes appropriate incentives for management and employees;
- review and approve corporate goals and objectives relevant to the compensation of the President & Group Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation;
- in conjunction with the CEO, evaluate the performance of other executives, and set the compensation levels of other executives based on this evaluation and upon the recommendation of the CEO;
- annually review the form and amount of compensation of directors for service on the Board and its committees and recommend changes in such compensation to the Board as appropriate; and
- annually oversee the assessment of the risks related to the Company's compensation policies and programs applicable to officers and employees and review the results of this assessment.

The Compensation Committee may delegate its authority to one or more subcommittees or to one member of the committee. The Compensation Committee may also delegate authority to review and approve the compensation of our employees to certain of our executive officers. The Compensation Committee has the authority to engage outside advisors, such as compensation consultants, to assist it in carrying out its responsibilities.

The Board has determined that each member of the Compensation Committee meets the independence requirements of the SEC, including under Section 16, and heightened NYSE independence requirements applicable to compensation committee members.

Nomination Committee

Chair: Irial Finan

The Nomination Committee consists of:

- Irial Finan (Chair)
- Suzan F. Harrison
- Kaisa Hietala
- Alan D. Wilson

The primary responsibilities of our Nomination Committee are to:

- assist the Board in identifying and recommending individuals qualified to become members of the Board;
- evaluate the composition, size and governance of the Board and its committees;
- review the Principles of Corporate Governance and make recommendations to the Board regarding possible changes;
- assess the qualifications, contributions and independence of director candidates and incumbent directors in determining whether to recommend them for election or re-election to the Board; and
- discuss and make recommendations to the Board regarding succession planning for the Board and key leadership roles on the Board and its committees.

Finance Committee

Chair: Carol Fairweather

The Finance Committee consists of:

- Carol Fairweather (Chair)
- Timothy J. Bernlohr
- Terrell K. Crews
- Mary Lynn Ferguson-McHugh
- Jørgen Buhl Rasmussen

The primary responsibilities of our Finance Committee are to:

- review the Company’s proposed capital budget and make recommendations to the Board as to whether to approve the proposed capital budget;
- review and make recommendations to the Board regarding approval of capital expenditure projects and acquisitions within Board approved limits, where appropriate and not within the purview of another committee of the Board;
- review management’s assessment of the Company’s capital structure, including dividend policies and stock repurchase programs, debt capacity and liquidity;
- review financing and liquidity initiatives proposed by management for Board action; and
- review and monitor the Company’s debt ratings.

Sustainability Committee

Chair: Kaisa Hietala

The Sustainability Committee consists of:

- Kaisa Hietala (Chair)
- Colleen F. Arnold
- Carole L. Brown
- Lourdes Melgar
- Dmitri L. Stockton (who is stepping down from the Board and its committees at the conclusion of this AGM)

The primary responsibilities of our Sustainability Committee are to:

- provide strategic guidance and support to the Board in the implementation of the sustainability strategy of the Company;
- monitor and review current and emerging trends, relevant international standards and legislative requirements related to the Company's sustainability strategy;
- review the Company's sustainability reporting strategy;
- oversee the Company's strategies and policies related to human capital management with respect to matters such as belonging, workplace environment and culture; and
- review the Company's sustainability-related risks and the Company's reporting of sustainability and climate-related disclosures, including under various applicable reporting regimes.

Board and Committee Oversight of Strategy and Risks

Oversight of Strategy

The Board is responsible for providing governance and oversight over the strategy, operations and management of Smurfit Westrock. Acting as a full Board and through the Board's six standing committees, the Board is involved in the Company's strategic planning process. In addition, throughout the year, the Board reviews specific strategic initiatives where the Board may provide additional oversight. The Board is continuously engaged in providing oversight and independent business judgment on the strategic issues that are most important to the Company.

Oversight of Risks, Including Information Technology and Cybersecurity Risks

Risk management is an important part of establishing and executing on the Company's business strategy. The Board has overall responsibility for Smurfit Westrock's system of risk management and internal control and for monitoring and reviewing its effectiveness, in order to safeguard shareholders' investments and Smurfit Westrock's assets. Our Board and its committees receive regular reports from members of the Company's senior management on areas of material risk to the Company, including strategic, operational, financial, legal and regulatory risks, and the Committee chairs provide regular reports to the full Board on relevant areas of oversight, as summarized above. The Company's risk register process is based upon a standardized approach to risk identification, assessment and review with a clear focus on mitigating factors and assignment of responsibility to risk owners. The risk register is updated, as needed, to reflect any significant changes. The risk register is then reviewed by the Audit Committee and the Board. In addition, emerging risks are considered as part of the risk process. All identified emerging risks are monitored and reported to the Audit Committee and the Board. Please see the following page for an outline of the Board and its Committees oversight of risk.

Board of Directors

Risk management is an important part of establishing and executing on the Company's business strategy. The Board has overall responsibility for Smurfit Westrock's system of risk management and internal control and for monitoring and reviewing its effectiveness, in order to safeguard shareholders' investments and Smurfit Westrock's assets. The Board recognizes that it is neither possible or desirable to eliminate all risk, rather the Board views appropriate risk taking as essential to our long-term success.

The Board, as a whole and at its Committee level, focuses its oversight on the most significant risks facing the Company and its processes to identify, prioritize, assess, manage and mitigate those risks. Risk assessment and evaluation is an integral part of the management process throughout Smurfit Westrock. Risks are identified and evaluated, and appropriate risk management strategies are implemented at each level.

The Audit Committee and the Board in conjunction with senior management, review the key business risks faced by Smurfit Westrock and determine the appropriate course of action to manage these risks. The Audit Committee is responsible for reviewing the effectiveness of Smurfit Westrock's system of internal control including risk management on behalf of the Board and reports to the Board on all significant matters. In addition, the Committees oversee specific risks within their purview, as follows:

Audit Committee

The Audit Committee has overall responsibility for overseeing the Company's practices with respect to risk assessment and management. Additionally, the committee is responsible for overseeing management of risks related to our financial statements and financial reporting processes, compliance, information technology, data privacy and cybersecurity. It also oversees compliance with legal and regulatory requirements, including reviewing the effectiveness of compliance programs with our Group General Counsel, who has authority to communicate directly with the committee and is also currently functioning as the Company's Chief Ethics and Compliance Officer. In addition, the Audit Committee, as well as the Board of Directors, receive regular reports from officers with responsibilities for cybersecurity.

Compensation Committee

The Compensation Committee is responsible for overseeing management of risks related to our compensation policies and programs applicable to officers and employees.

Nomination Committee

The Nomination Committee is responsible for overseeing management of risks related to director succession planning and corporate governance.

Sustainability Committee

The Sustainability Committee is responsible for reviewing the climate risks and opportunities of the Company on a periodic basis, including consideration of emerging trends and mitigating action.

Finance Committee

The Sustainability Committee is responsible for reviewing the climate risks and opportunities of the Company on a periodic basis, including consideration of emerging trends and mitigating action.

Risk Management Framework

Smurfit Westrock's enterprise risk management ("ERM") program facilitates the identification, assessment, prioritization, and management of risks. Risk management is owned by management at each reporting level and is evaluated and reviewed on a continuous basis.

Our risk management framework is embedded within our organizational structure, comprising: operational management, who have responsibility for identifying, managing and mitigating risk within their local operations on a day-to-day basis; country and divisional management, who are responsible for oversight and monitoring; subject matter experts and senior management, who are also responsible for oversight together with the identification, management and mitigation of risks. Internal audit acts as an independent assurance provider over certain principal risks.

Statement Of Directors' Responsibilities

The Directors as at the date of this Irish Statutory Annual Report, whose names and functions are listed on page 36 are responsible for preparing the Directors' Report and the Company Financial Statements, in accordance with applicable law and regulations.

Irish Company law requires the directors to prepare Consolidated Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and Parent Company and of the profit or loss of the Company for the year then ended. Under that law, the Directors have elected to prepare the Consolidated Financial Statements in accordance with section 279 of the Irish Companies Act, which provides that a true and fair view of the assets and liabilities, financial position and profit or loss of a company and its subsidiary undertakings may be given by preparing its Company financial statements in accordance with U.S. GAAP, as defined in section 279(1) of the Irish Companies Act, to the extent that the use of those standards in the preparation of the financial statements does not contravene any provision of Part 6 of the Irish Companies Act. The Directors have elected to prepare the Financial Statements of the Parent Company in accordance with FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, as applied under the Irish Companies Act.

Under company law, the Directors must not approve the Company and the Parent Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and Parent Company and of the Company's profit or loss for that year.

In preparing the Company and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless as regards the Company, liquidation is imminent and as regards the Parent Company, they either intend to liquidate the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position of the Company and Parent Company and the profit and loss of the Company and which enable them to ensure that the financial statements comply with the provision of the Irish Companies Act.

The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Company comply with the provisions of the Irish Companies Act. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsibility for safeguarding the assets of the Company and the Parent Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Directors' Report that complies with the requirements of the Irish Companies Act. The Directors are responsible for the maintenance and integrity of this Irish Statutory Annual Report included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

Each of the Directors, whose names and functions are listed on page 36 of this Irish Statutory Annual Report, confirm that, to the best of each person's knowledge and belief:

- the Consolidated Financial Statements prepared in accordance with section 279 of the Irish Companies Act, give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and prepared in accordance with U.S. GAAP, as applicable at December 31, 2024.

- The Directors' Report contained in this Irish Statutory Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risk and uncertainties that they face and this Irish Statutory Annual Report including the Consolidated Financial Statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board.

A. Smurfit	**K. Bowles**
Director	Director

March 13, 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMURFIT WESTROCK PUBLIC LIMITED COMPANY

Report on the audit of the financial statements
Opinion

We have audited the financial statements of Smurfit Westrock Public Limited Company ('the Parent Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2024, which comprise the Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Comprehensive (Loss) Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, Company Balance Sheet, Company Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1 to the Consolidated Financial Statements and note 1 to the Parent Company financial statements. The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish law and US Generally Accepted Accounting Principles ("US GAAP"), and, as regards the Parent Company financial statements, Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

In our opinion:

- The financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at 31 December 2024 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with US GAAP, as permitted by the Companies Act 2014;
- The Parent Company financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- The Group and Parent Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Considering the inherent risks to the Group's and Parent Company's business model and analysing how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. We incorporated additional downside sensitivities to management's underlying cash flow models. There were no risks identified that we considered were likely to have a material adverse effect on the Group and Parent Company's available financial resources over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Parent Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the Company's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.

- Inquiring of directors, the audit committee and internal audit and inspection of policy documentation as to the Group's policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Inquiring of directors, the audit committee, internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.

- Inspecting the Group's regulatory and legal correspondence.

- Reading Board and sub-committee meeting minutes.

- Considering remuneration incentive schemes and performance targets for management/ and directors including the earnings per share target for management remuneration.

- Performing planning analytical procedures to identify any usual or unexpected relationships.

- Using our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the Group to component audit teams of relevant laws and regulations and any fraud risks identified at the Group level and requests to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation taxation legislation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, competition law, employment law, environmental law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We did not identify any additional fraud risks.

Report on the audit of the financial statements ***(continued)***

Detecting irregularities including fraud (continued)

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the financial statements.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We continue to perform procedures over the Group's defined benefit pension liabilities and goodwill. Following comprehensive risk assessment procedures for the Group, we have not identified these areas as key audit matters in our current year audit and, therefore, they are not separately identified in our report this year.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Key audit matters: our assessment of risks of material misstatement

Group key audit matters

Evaluation of the fair value of acquired plant and machinery assets.

Refer to note 1 (accounting policy) and note 2 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Group completed the acquisition of WestRock Company on July 5, 2024, which was accounted for as a business combination. The Group estimated the fair value of the acquired property, plant and equipment assets to be $17,612 million, which includes plant and machinery assets. The measurement of the fair value of the plant and machinery assets involves a significant degree of judgement and estimation. We focus on this area due to the significance of the plant and machinery assets to the balance sheet and the judgement involved in determining the assumptions applied in estimating the fair value. In particular, the effective age, estimated useful lives and residual value involve a significant degree of estimation. Minor changes in these assumptions could have a significant impact on the fair value of the acquired plant and machinery. For the reasons outlined above we determined this matter to be a key audit matter	We obtained and documented our understanding of the purchase price allocation process, specifically over the development of the significant assumptions and tested the design and implementation of the relevant control. We involved valuation professionals with specialised skills and knowledge, who assisted in • evaluating the appropriateness of the valuation methodology by comparing it against methodologies applied by other market participants for similar assets; • assessing the reasonableness of the significant assumptions by comparing them to industry data; and • comparing management's fair value of the acquired plant and machinery assets with an independently developed range of values using available industry data and assumptions. We performed sensitivity analysis on the significant assumptions and considered how likely it is that changes may arise. We also made inquiries of finance and operations management to understand and challenge the significant assumptions applied in the valuation model for the plant and machinery assets. We found that management's estimated fair value of the acquired plant and machinery assets was reasonable and supported by reasonable assumptions.

Parent Company key audit matter

Investment in Subsidiaries $21,539m (2023: $Nil)

Refer to note 1 (accounting policy) and note2 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The investment in subsidiary undertakings is carried in the Balance Sheet of the Parent Company at cost less impairment. There is a risk in respect of the carrying value of these investments if future cash flows and performance of these subsidiaries is not sufficient to support the Parent Company's investments. We focus on this area due to the significance of the balance to the Parent Company Balance Sheet and the judgement involved in forecasting future cash flows. For the reasons outlined above we determined this matter to be a key audit matter.	We made inquiries of management regarding whether they have identified any potential indicators of impairments of investments in subsidiaries during the period. We reviewed the carrying value of subsidiaries to determine any potential impairment of the carrying value of investments in subsidiaries. We compared the current market capitalisation of the group to the carrying value of the investment in subsidiaries at the balance sheet date and noted that there is positive headroom between the market capitalisation and carrying value. We evaluated the key growth assumptions underlying the forecasted cash flows to support the carrying value of the investment. Based on evidence obtained, we found the carrying value of investment in subsidiaries to be appropriate.

Report on the audit of the financial statements *(continued)*

Our application of materiality and an overview of the scope of our audit

	Group Financial Statements	**Parent Company Financial Statements**
Overall materiality	$107 million (2023: $58.8 million)	$107 million (2023: $Nil)
Benchmark applied and %	Group Net sales of which materiality represents 0.5% (2023: 2.6% of Adjusted EBITDA)	Total assets of which materiality represents 0.4% (2023: Nil)
Rationale for the benchmark applied and judgement involved	The benchmark used in determining materiality has changed to Net sales in the current year from adjusted EBITDA in the prior year. In applying our judgement in determining the most appropriate benchmark, the factors, which had the most significant impact were: • the size and scale of the Group following the Combination • the integration plan and strategy for the Group Revenue has been selected as the most appropriate benchmark for materiality in the current year for as it is more reflective of the size and scale of the Group following the business combination which took place during 2024 than relevant profit measures.	In applying our judgement in determining the most appropriate benchmark, the factors, which had the most significant impact were: • The elements of the Financial Statements; and • The nature of the Parent Company and the fact that the Parent Company is an investment holding company for the Group.
	In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors had the most significant impact: • The Group has a high public profile and operates in a regulated environment; • The Group has successfully arranged a number of additional debt facilities none of which have any associated financial covenants; and • The Group has operations in 40 countries.	In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors had the most significant impact: • The Parent Company is listed and has a high public profile; and • The Parent Company, through its underlying operations has operations in 40 countries.

Our application of materiality and an overview of the scope of our audit

We applied Group materiality to assist us determine the overall audit strategy. The scope of our audit was influenced by materiality, tailored to reflect the Group's structure, activities and financially significant operations. We used materiality in our scoping procedures to identify those reporting units for which we deemed that further audit procedures were required due to size, potential risks identified and to ensure appropriate coverage. Refer to the Scoping paragraph for further detail in respect of this.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole which equates to $80.2million (2023: $44.3million) for the Group and $80.2million (2023 $Nil) for the Parent Company. We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. In applying our judgement in determining performance materiality, we considered a number of factors including: the low number and value of misstatements detected and the low number and severity of deficiencies in control activities identified in the prior year financial statement audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMURFIT WESTROCK PUBLIC LIMITED COMPANY *(continued)*

Report on the audit of the financial statements *(continued)*

Our application of materiality and an overview of the scope of our audit

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $5.3million (2023: $2.7million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Scoping

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

The scope of our audit was influenced by materiality, tailored to reflect the Group's structure, activities and financially significant operations. The Group is structured across three operating segments, North America, Europe, the Middle East and Africa (MEA) and Latin America. The operations of the Group are significantly disaggregated, split across a large number of operating plants in 40 countries. Reporting components are considered by individual operating plants, a combination of plants or on a geographical basis.

We used materiality in our scoping procedures to identify those reporting units for which we deemed an audit of account balances was required, due to size, potential risks identified and to ensure appropriate coverage. We also subjected certain reporting units to specified risk-focused audit procedures. The reporting units identified amounted to 74% of the Group's revenue and 70% of the Group's total assets.

The approach to the audit scoping is consistent with that applied in previous years with some components subject to rotational scoping to introduce a level of unpredictability.

Involvement with Component Teams

In establishing our overall audit approach to the Group audit, we determined the type of work to be undertaken across the Group's components. The Group audit team interacted regularly with the local KPMG and non-KPMG component audit teams during each stage of the audit, as set out below. The Group audit team instructed component auditors as to the significant areas to be addressed, including the relevant risks detailed above, and the information to be reported to the Group audit team and was responsible for the overall scope and direction of the audit process.

The Group audit team approved the materiality for components, which ranged from $10.9 million to $89.9 million (2023: $2.8 million to $11.1 million), having regard to the mix of size and risk profile of the components across the Group. The work on all components was performed by component auditors and the audit of the Company was performed by the Group team. For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these components.

Involvement with Component Teams (continued)

We maintained continuous and open dialogue with the component audit teams in addition to holding formal meetings to ensure that we were fully aware of their progress and results of their procedures. These communications and meetings were held physically or virtually using video and telephone conference meetings. At these meetings, a review of workpapers was undertaken by the Group audit team using technology and share-screen functionality. We used materiality to assist us in determining the scope of these reviews, and the findings reported to the Group audit team by the component auditor were discussed in detail. The Group team also visited a number of component locations in the year in Colombia, US, France, Netherlands. Audit closing meetings with Group, Divisional and local management were also carried out physically and virtually.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' Report and Corporate Governance Statement. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that in those parts of the directors' report specified for our review:

- We have not identified material misstatements in the Directors' Report;
- In our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- In our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion:

- The disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.
- The Company has not provided the information required by section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended 31 December 2023 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

Report on the audit of the financial statements *(continued)*

Respective responsibilities and restrictions on use

Responsibilities of Directors for the Financial Statements

As explained more fully in the Directors' responsibilities statement set out on pages 49 and 50, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

13 March 2025

Killian Croke

for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

Smurfit Westrock plc
Consolidated Balance Sheets
(in millions, except share and per share data)

	Note	December 31, 2024	December 31, 2023
Assets			
Current assets:			
Cash and cash equivalents (amounts related to consolidated variable interest entities of $2 million and $3 million at December 31, 2024 and December 31, 2023, respectively)		$ 855	$ 1,000
Accounts receivable, net (amounts related to consolidated variable interest entities of $767 million and $816 million at December 31, 2024 and December 31, 2023, respectively)	4	4,117	1,806
Inventories	5	3,550	1,203
Other current assets	6	1,533	561
Total current assets		10,055	4,570
Property, plant and equipment, net	7	22,675	5,791
Goodwill	9	6,822	2,842
Intangibles, net	10	1,117	218
Prepaid pension asset	14	635	29
Other non-current assets (amounts related to consolidated variable interest entities of $389 million and $— million at December 31, 2024 and December 31, 2023, respectively)	6	2,455	601
Total assets		**$ 43,759**	**$ 14,051**
Liabilities and Equity			
Current liabilities:			
Accounts payable		$ 3,290	$ 1,728
Accrued expenses		715	278
Accrued compensation and benefits		882	438
Current portion of debt	12	1,053	78
Other current liabilities	15	1,393	484
Total current liabilities		7,333	3,006
Non-current debt due after one year	12	12,542	3,669
Deferred tax liabilities		3,600	280
Pension liabilities and other postretirement benefits, net of current portion	14	706	537
Other non-current liabilities (amounts related to consolidated variable interest entities of $335 million and $— million at December 31, 2024 and December 31, 2023, respectively)	15	2,191	385
Total liabilities		**26,372**	**7,877**
Commitments and Contingencies (Note 18)			
Equity:			
Preferred stock; $0.001 par value; 500,000,000 and Nil shares authorized; 10,000 and Nil shares outstanding at December 31, 2024 and December 31, 2023, respectively	19	—	—
Common stock; $0.001 par value; 9,500,000,000 and 9,910,931,085 shares authorized; 520,444,261 and 260,354,342 shares outstanding at December 31, 2024 and December 31, 2023, respectively	19	1	—
Deferred shares, €1 par value; 25,000 shares and 25,000 shares authorized; 25,000 and 100 shares outstanding at December 31, 2024 and December 31, 2023, respectively	19	—	—
Treasury stock, at cost (2,037,589, and 1,907,129 common stock at December 31, 2024 and December 31, 2023 respectively)	19	(93)	(91)
Capital in excess of par value		15,948	3,575
Accumulated other comprehensive loss		(1,446)	(847)
Retained earnings		2,950	3,521
Total shareholders' equity		**17,360**	**6,158**
Noncontrolling interests		**27**	**16**
Total equity		**17,387**	**6,174**
Total liabilities and equity		**$ 43,759**	**$ 14,051**

The accompanying notes are an integral part of these Consolidated Financial Statements.

A. Smurfit
Director

K. Bowles
Director

Smurfit Westrock plc
Consolidated Statements of Operations
(in millions, except share and per share data)

	Note	Years ended December 31, 2024	2023	2022
Net sales	3, 21	$ 21,109	$ 12,093	$ 13,509
Cost of goods sold		(16,914)	(9,039)	(10,237)
Gross profit		**4,195**	**3,054**	**3,272**
Selling, general and administrative expenses		(2,793)	(1,604)	(1,543)
Goodwill impairment	9	—	—	(12)
Impairment of other assets	27	—	—	(159)
Transaction and integration-related expenses associated with the Combination	22	(395)	(78)	—
Operating profit		**1,007**	**1,372**	**1,558**
Pension and other postretirement non-service expense, net	14	(24)	(49)	(8)
Interest expense, net	23	(398)	(139)	(139)
Other (expense) income, net		(25)	(46)	15
Income before income taxes		**560**	**1,138**	**1,426**
Income tax expense	17	(241)	(312)	(391)
Net income		**319**	**826**	**1,035**
Less: Net income attributable to noncontrolling interests		—	(1)	(1)
Net income attributable to common shareholders		**$ 319**	**$ 825**	**$ 1,034**
Basic earnings per share attributable to common shareholders	28	**$ 0.83**	**$ 3.19**	**$ 4.00**
Diluted earnings per share attributable to common shareholders	28	**$ 0.82**	**$ 3.17**	**$ 3.96**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Smurfit Westrock plc
Consolidated Statements of Comprehensive (Loss) Income
(in millions, except share and per share data)

	Years ended December 31,		
	2024	2023	2022
Net income	$ 319	$ 826	$ 1,035
Other comprehensive (loss) income, net of tax:			
Foreign currency translation (loss) gain	(895)	410	(366)
Defined benefit pension and other postretirement benefit plans adjustments	87	(53)	110
Net gains (losses) on cash flow hedging derivatives	—	5	(7)
Other comprehensive (loss) income, net of tax	**(808)**	**362**	**(263)**
Comprehensive (loss) income	**(489)**	**1,188**	**772**
Less: Comprehensive income attributable to noncontrolling interests	—	(1)	(1)
Comprehensive (loss) income attributable to common shareholders	**$ (489)**	**$ 1,187**	**$ 771**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Smurfit Westrock plc
Consolidated Statements of Cash Flows
(in millions)

	Years ended December 31,		
	2024	2023	2022
Operating activities:			
Net income	319	826	1,035
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	1,464	580	564
Cash surrender value increase in excess of premiums paid	(17)	—	—
Goodwill impairment	—	—	12
Impairment charges on assets other than goodwill	24	5	109
Share-based compensation expense	206	66	68
Deferred income tax (benefit) expense	(137)	(28)	41
Pension and other postretirement funding more than cost	(55)	(39)	(61)
Other	28	(10)	(18)
Change in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts receivable	(144)	245	(91)
Inventories	62	220	(209)
Other assets	(31)	43	(116)
Accounts payable	(273)	(260)	(33)
Income taxes	(5)	(99)	53
Accrued liabilities and other	42	10	79
Net cash provided by operating activities	1,483	1,559	1,433
Investing activities:			
Capital expenditures	(1,466)	(929)	(930)
Cash paid for purchase of businesses, net of cash acquired	(719)	(29)	(93)
Proceeds from corporate owned life insurance	5	—	—
Proceeds from sale of property, plant and equipment	61	17	13
Deferred consideration paid	(1)	(4)	(15)
Other	6	14	5
Net cash used for investing activities	(2,114)	(931)	(1,020)
Financing activities:			
Additions to debt	5,707	88	52
Repayments of debt	(4,321)	(136)	(56)
Debt issuance costs	(63)	—	—
Changes in commercial paper, net	1	—	—
Other debt additions (repayments), net	2	(4)	—
Repayments of finance lease liabilities	(22)	(3)	(3)
Tax paid in connection with shares withheld from employees	(26)	—	—
Purchases of treasury stock	(27)	(30)	(32)
Share buyback	—	—	(42)
Cash dividends paid to shareholders	(650)	(391)	(349)
Other	6	(3)	(1)
Net cash provided by (used for) financing activities	607	(479)	(431)
Effect of exchange rate changes on cash and cash equivalents	(121)	10	(126)
(Decrease) Increase in cash and cash equivalents	**(145)**	**159**	**(144)**
Cash and cash equivalents at beginning of period	**1,000**	**841**	**985**
Cash and cash equivalents at end of period	**$ 855**	**$ 1,000**	**$ 841**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Smurfit Westrock plc
Consolidated Statements of Changes in Equity
(in millions, except per share data)

	Shares of Common Stock	Common Stock	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interest ("NCI")	Total
Balance at December 31, 2021[1]	**259**	**$ —**	**$ 3,485**	**$ (69)**	**$ 2,444**	**$ (946)**	**$ 4,914**	**$ 15**	**$ 4,929**
Net income	—	—	—	—	1,034	—	1,034	1	1,035
Other comprehensive loss, net of tax	—	—	—	—	—	(263)	(263)	—	(263)
Share-based compensation	—	—	66	—	—	—	66	—	66
Issuance of common stock	1	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	(32)	—	—	(32)	—	(32)
Shares distributed by Smurfit Kappa Employee Trust	—	—	(23)	23	—	—	—	—	—
Share buyback	—	—	—	(42)	—	—	(42)	—	(42)
Cancellation of common stock	(1)	—	—	42	(42)	—	—	—	—
Dividends declared ($1.35 per share)	—	—	—	—	(349)	—	(349)	(1)	(350)
Balance at December 31, 2022	**259**	**$ —**	**$ 3,528**	**$ (78)**	**$ 3,087**	**$ (1,209)**	**$ 5,328**	**$ 15**	**$ 5,343**
Net income	—	—	—	—	825	—	825	1	826
Other comprehensive income, net of tax	—	—	—	—	—	362	362	—	362
Share-based compensation	—	—	64	—	—	—	64	—	64
Issuance of common stock	1	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	—	(30)	—	—	(30)	—	(30)
Shares distributed by Smurfit Kappa Employee Trust	—	—	(17)	17	—	—	—	—	—
Dividends declared ($1.50 per share)	—	—	—	—	(391)	—	(391)	—	(391)
Balance at December 31, 2023	**260**	**$ —**	**$ 3,575**	**$ (91)**	**$ 3,521**	**$ (847)**	**$ 6,158**	**$ 16**	**$ 6,174**
Net income	—	—	—	—	319	—	319	—	319
Other comprehensive loss, net of tax	—	—	—	—	—	(808)	(808)	—	(808)
Share-based compensation	—	—	200	—	—	—	200	—	200
Shares distributed by Smurfit Kappa Employee Trust	—	—	(25)	25	—	—	—	—	—
Purchases of treasury stock	—	—	—	(27)	—	—	(27)	—	(27)
Shares of Smurfit Westrock common stock issued to WestRock shareholders and NCI assumed as a result of the Merger	258	1	12,098	—	—	—	12,099	11	12,110
Converted WestRock RSUs and Options attributable to pre-Combination services	—	—	91	—	—	—	91	—	91
Issuance of common stock net of tax paid in connection with shares withheld from employees	2	—	4	—	(26)	—	(22)	—	(22)
Reclassification from retained earnings to accumulated other comprehensive loss	—	—	—	—	(209)	209	—	—	—
Dividends declared ($1.25 per share)[2]	—	—	5	—	(655)	—	(650)	—	(650)
Balance at December 31, 2024	**520**	**$ 1**	**$ 15,948**	**$ (93)**	**$ 2,950**	**$ (1,446)**	**$ 17,360**	**$ 27**	**$ 17,387**

[1] Pursuant to the Transaction Agreement, on July 5, 2024 each issued ordinary share, par value €0.001 per share, of Smurfit Kappa (a "Smurfit Kappa Share") was exchanged for one ordinary share, par value $0.001 per share, of Smurfit Westrock (a "Smurfit Westrock Share"). The exchange of shares is reflected retroactively to the earliest period presented.

[2] Includes cash dividends and dividend equivalent units declared on certain unvested share-based payment awards.

1. Description of Business and Summary of Significant Accounting Policies

1.1. Description of Business

Unless the context otherwise requires, or unless indicated otherwise, “we”, “us”, “our”, “Smurfit Westrock” and “the Company” refer to the business of Smurfit Westrock plc, its wholly-owned subsidiaries and its partially-owned consolidated subsidiaries.

Smurfit Westrock plc (formerly known as Cepheidway Limited and Smurfit WestRock Limited) is a company limited by shares that is incorporated in Ireland with the registration number 607515. On December 11, 2023, Smurfit Westrock changed its name to Smurfit WestRock Limited, and then on June 18, 2024, it re-registered as an Irish public limited company and was renamed Smurfit Westrock plc.

We are a multinational provider of sustainable fiber-based paper and packaging solutions. We partner with our customers to provide differentiated, sustainable paper and packaging solutions that enhance our customers’ prospects of success in their markets. Our team members support customers around the world from our operating and business locations in North America, South America, Europe, Asia, Africa, and Australia.

Pursuant to a transaction agreement dated as of September 12, 2023 (the “Transaction Agreement”), among Smurfit Westrock, Smurfit Kappa Group plc (“Smurfit Kappa”), WestRock Company (“WestRock”) and Sun Merger Sub, LLC (“Merger Sub”) the following was completed (i) Smurfit Westrock acquired Smurfit Kappa by means of a scheme of arrangement under the Irish Companies Act (the “Smurfit Kappa Share Exchange”) and (ii) Merger Sub merged with and into WestRock, with WestRock continuing as the surviving entity (the “Merger” and, together with the Smurfit Kappa Share Exchange, the “Combination”). The Combination closed on July 5, 2024 (the “Closing Date”). Upon the completion of the Combination, Smurfit Kappa and WestRock each became wholly owned subsidiaries of Smurfit Westrock.

1.2. Basis of Presentation and Principles of Consolidation

The Consolidated Financial Statements have been derived from the historical accounting records of the Company and were prepared in accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”). Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the Smurfit Westrock plc group and parent company’s assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Smurfit Westrock plc group for the financial year. Under that law, the directors have prepared the Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in Section 279(1) of the Irish Companies Act, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Irish Companies Act or of any regulations made thereunder and the Parent Company financial statements in compliance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and the Irish Companies Act) including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”). The Consolidated Financial Statements are prepared in accordance with Irish Company Law, to present to the shareholders of Smurfit Westrock plc and file with the Companies Registration Office in Ireland. Accordingly, these Consolidated Financial Statements include disclosures required by the Irish Companies Act in addition to those required under U.S. GAAP. Unless otherwise indicated, these financial statements use the North American English spelling.

The Company’s fiscal year end is December 31. The reporting currency is the United States dollar (“the U.S. dollar”).

Other than activities related to its formation and in anticipation of the Combination, Smurfit Westrock did not conduct any operations from its incorporation until completion of the Combination. Given the non-operational nature of Smurfit Westrock prior to the Combination, the Smurfit Kappa Share Exchange is not considered a business combination and does not give rise to any goodwill or adjustments to accounting basis.

The Consolidated Financial Statements of Smurfit Westrock following the Smurfit Kappa Share Exchange are a continuation of the financial statements of Smurfit Kappa. The comparative financial information presented in these Consolidated Financial Statements reflect the pre-Combination carrying values of Smurfit Kappa with the legal share capital retroactively adjusted to reflect the legal capital of Smurfit Westrock as the successor after giving effect to the Smurfit Kappa Share Exchange.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.2. Basis of Presentation and Principles of Consolidation - continued

The Merger is recognized as a business combination under Accounting Standards Codification (“ASC”) 805, “Business Combinations” (“ASC 805”). Smurfit Kappa was determined to be the accounting acquirer of WestRock. Accordingly, the financial statements reflected in these Consolidated Financial Statements include WestRock's financial position and results of operations for the period subsequent to the completion of the Combination on July 5, 2024.

Refer to “Note 2. Acquisitions” for additional information related to the accounting for the Combination.

Following the completion of the Combination, we reassessed our reportable segments due to changes in our organizational structure and how our chief operating decision maker (“CODM”) makes key operating decisions, allocates resources and assesses the performance of our business. Consequently, subsequent to the Combination, we began to manage the combined business as three reportable segments: (1) North America, (2) Europe, the Middle East and Africa (“MEA”), and Asia-Pacific (“APAC”), and (3) Latin America (“LATAM”).

As a result of the change in reportable segments, prior year amounts have been recast to conform to the current year presentation. Throughout these Consolidated Financial Statements, amounts and activity reflect re-presentations related to the change in our reportable segments. The change in reportable segments had no impact on the Company’s Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Comprehensive (Loss) Income, Consolidated Statements of Cash Flows and Consolidated Statements of Changes in Equity previously reported. Refer to “Note 3. Segment Information”, for further discussion of the Company’s segment reporting structure.

The Consolidated Financial Statements include the accounts of Smurfit Westrock plc, and our wholly and partially owned subsidiaries for which we have a controlling financial interest, including variable interest entities for which we are the primary beneficiary. We have eliminated all intercompany accounts and transactions.

The Company consolidates entities in which it has a controlling financial interest based on either the Variable Interest Entity (“VIE”) or voting interest model.

The Company consolidates entities that are VIEs when the Company determines it is the primary beneficiary. Generally, the primary beneficiary of a VIE is a reporting entity that has (a) the power to direct the activities that most significantly affect the VIE’s economic performance, and (b) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

1.3. Going Concern

The Consolidated Financial Statements have been prepared on a going concern basis. The Board has formed a judgment at the time of approving the Consolidated Financial Statements that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future from the date on which the Consolidated Financial Statements are approved for issue. The Board expects that the Company's expected ability to access cash resources, cash expected to be generated from operations, committed borrowing facilities and the Company's expected ability to access the capital and debt markets will be sufficient to fund the Company's operating and capital needs for at least the twelve month period of this going concern assessment. For this reason, the going concern basis continues to be adopted in the preparation of the Company Consolidated Financial Statements.

1.4. Reclassifications and Adjustments

Following the Combination, certain reclassifications have been made to the prior year amounts to conform to the current year presentation. These reclassifications include the recast within our reportable segments, as described above. On completion of the Merger, as part of the harmonization of accounting policies, a disclosure reclassification of amounts previously classified as 'other postretirement benefit plans' took place with the plans now being classified and disclosed as 'defined benefit pension plans'. The prior year disclosure information in “Note 14. Retirement Plans” has been updated to conform to the current year presentation.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.5. Use of Estimates

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about gain contingencies and contingent liabilities and reported amounts of revenues and expenses, including income taxes. Such estimates include the fair value of assets acquired and assumed liabilities in a business combination, determining goodwill and measuring impairment, income taxes and pension and other postretirement benefits. These estimates and assumptions are based on management's judgment. Actual results may differ from those estimates, and the differences could be material.

We base our estimates on the current information available, our experiences and various other assumptions believed to be reasonable under the circumstances. The process of determining significant estimates is fact specific and takes into account factors such as historical experience, current and expected economic conditions, product mix, and in some cases, actuarial techniques. We regularly evaluate these significant factors and make adjustments in the Consolidated Financial Statements where facts and circumstances dictate.

1.6. Revenue Recognition

Generally, we recognize revenue on a point-in-time basis when the customer takes title to the goods and assumes the risks and rewards for the goods, which coincides with the transfer of control of our goods to the customer upon delivery. Additionally, we manufacture certain customized products that have no alternative use to us (since they are made to specific customer specifications), and we believe that for certain customers we have a legally enforceable right to payment for performance completed to date on these products, including a reasonable profit. For products that meet these two criteria, we recognize revenue over time. This results in revenue recognition prior to the date of shipment or title transfer for these products and results in the recognition of a contract asset (unbilled receivables) with a corresponding reduction in finished goods inventory on our Consolidated Balance Sheets.

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods and is derived primarily from fixed consideration. Certain contracts may also include variable consideration, typically in the form of volume-based rebates and early settlement discounts. If a contract with a customer includes variable consideration, we estimate the expected impact based on historical experience and net the provisions for volume-based rebates, early settlement discounts and other adjustments against our gross sales. We concluded this method is consistent with the most likely amount method under ASC 606, “Revenue from Contracts with Customers” (“ASC 606”) and allows us to make the best estimate of the consideration we will be entitled to from customers.

As permitted by ASC 606, we have elected to treat costs associated with obtaining new contracts as expenses when incurred if the amortization period of the asset we would recognize is one year or less. We do not record interest income when the difference in timing of control transfer and customer payment is one year or less. No element of financing is deemed present as the sales are made with credit terms consistent with market practice and are in line with normal credit terms in the entities' country of operation.

We also account for sales and other taxes that are imposed on and concurrent with individual revenue-producing transactions between a customer and us on a net basis which excludes the taxes from our net sales.

1.7. Shipping and Handling Costs

We account for shipping and handling activities as fulfillment costs. Accordingly, we classify shipping and handling costs, such as freight to our customers' destinations, as a component of cost of goods sold while amounts billed to customers are classified as a component of net sales.

1.8. Cash and Cash Equivalents

We consider all highly liquid investments that mature three months or less from the date of purchase to be cash equivalents. The carrying amounts of our cash and cash equivalents approximate fair market values.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.9. Accounts Receivable and Allowances

Our accounts receivable balance arises from a diverse and varied customer base, across the Company's operations and as such there is no significant concentration of credit risk. Credit evaluations are performed on all customers over certain thresholds and all customers are subject to continued monitoring. Credit limits are reviewed on a regular basis.

We perform an evaluation of the current expected credit losses inherent in our accounts receivable at each balance sheet date. Such an evaluation includes consideration of historical loss experience, trends in customer payment frequency, present economic conditions, and judgment about the future financial health of our customers and industry sector. Generally, credit terms associated with our receivables collection are approximately 30 to 90 days.

We state accounts receivable at the amount owed by the customer, net of allowances for estimated credit impairment losses, returns, early settlement discounts and rebates (when netting conditions are met). We do not discount accounts receivable because we generally collect accounts receivable over a relatively short time. We write off receivables when they are no longer determined to be collectible.

See "Note 4. Accounts Receivable, net" for additional information on accounts receivable and allowances. See "Note 11. Fair Value Measurement" and "Note 12. Debt" for additional information on receivables securitization facilities.

1.10. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined on a first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition.

Raw materials are valued on the basis of purchase cost on a first-in, first-out basis. For finished goods and work-in-progress, cost includes direct materials, direct labor and attributable overheads based on normal operating capacity and excludes borrowing costs. Net realizable value is the estimated proceeds of sale less costs to completion and any costs to be incurred in selling and distribution.

We include the cost of wood harvested from forestlands in the carrying values of raw materials.

Full provision is made for all damaged, deteriorated and unusable material. The Company regularly reviews inventory quantities on-hand for excess and obsolete inventory and, when circumstances indicate, records charges to write-down inventories to their estimated net realizable value. Any write-down of inventory to net realizable value creates a new cost basis for that inventory. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods, in which they will be incorporated, are expected to be sold at or above cost. See "Note 5. Inventories" for additional information.

1.11. Leased Assets

We lease various real estate, including certain operating facilities, warehouses, office space and land. We also lease equipment and vehicles.

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. We recognize a right-of-use ("ROU") asset and a lease liability at the lease commencement date which is the date at which the asset is made available for our use. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. We categorize leases with contractual terms longer than 12 months as either operating or finance.

Finance leases are generally those leases that allow us to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in "Property, plant and equipment, net." All other leases are categorized as operating leases.

For operating and finance leases, the lease liability is initially measured at the present value of the future lease payments at the lease commencement date. The lease liability is subsequently measured at amortized cost using the effective-interest method. Our leases may include options to extend or terminate the lease. These options to extend are included in the lease term when it is reasonably certain that we will exercise that option. As the implicit rate is generally not readily determinable for our leases, we apply a portfolio approach using an estimated incremental borrowing rate to determine the initial present value of lease payments over the lease terms on a collateralized basis over a similar term, which is based on market and company specific information.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.11. Leased Assets - continued

We use the unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate, and apply the rate based on the currency of the lease.

While some leases provide for variable payments, they are not included in the ROU assets and liabilities because they are not based on an index or rate. Variable payments for real estate leases primarily relate to common area maintenance, insurance, taxes and utilities. Variable payments for equipment, vehicles and leases within supply agreements primarily relate to usage, repairs, and maintenance. We have made an accounting policy election to not recognize an ROU asset and liability for leases with a term of 12 months or less unless the lease includes an option to renew or purchase the underlying asset that we are reasonably certain to exercise. In addition, the Company has applied the practical expedient to account for the lease and non-lease components as a single lease component for all of the Company's leases. See “Note 8. Leases” for additional information.

1.12. Property, Plant and Equipment

We record property, plant and equipment at cost less accumulated depreciation and impairment charges. Cost includes major expenditures for improvements and replacements that extend useful lives, increase capacity, increase revenues or reduce costs, while normal maintenance and repairs are expensed as incurred. For financial reporting purposes, we provide depreciation and amortization primarily on a straight-line method generally over the estimated useful lives of the assets as follows:

Buildings and Building Improvements	10 - 40 years
Plant and Equipment	3 - 25 years

Leasehold improvements are depreciated over the shorter of the asset life or the lease term, generally between 3 and 15 years.

The estimated residual value and the useful lives of assets are reviewed at each reporting date. The useful lives of assets could be reduced by climate-related factors, for example, because of physical risks, obsolescence or legal restrictions. Capital expenditures will continue to be required for ongoing projects in order to meet our climate change targets and the useful lives of future capital expenditure may differ from current assumptions, however there are no significant changes in the estimates of useful lives during the current financial year. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Consolidated Statements of Operations.

Capitalization of costs in respect of constructing an asset commences when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Cost includes expenditures that are directly attributable to the construction of the asset. Construction in progress is not depreciated and is assessed for impairment when there is an indicator of impairment. When these assets are available for use, they are transferred out of construction in progress to the applicable heading under property, plant and equipment.

Forestlands consist of standing timber. Timber is stated at cost less depletion. Depletion refers to the carrying value of timber that is harvested. Costs related to acquiring, planting and growing timber and expenditure directly attributable to the timber are capitalized. At the time of harvest, the cost of the wood harvested is included in inventories.

1.13. Goodwill and Non-current Assets

The amount of goodwill acquired in a business combination that is assigned to one or more reporting units as of the acquisition date is the excess of the purchase price of the acquired businesses (or portion thereof) included in the reporting unit, over the fair value assigned to the individual assets acquired or liabilities assumed from a market participant perspective. Goodwill is assigned to the reporting unit(s) expected to benefit from the synergies of the combination even though other assets or liabilities of the acquired entity may not be assigned to that reporting unit. We determine recoverability by comparing the estimated fair value of the reporting unit to which the goodwill applies to the carrying value, including goodwill, of that reporting unit.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.13. Goodwill and Non-current Assets - continued

Irish Company Law requires goodwill and indefinite-lived intangible assets to be amortized. However, the Company does not believe this gives a true and fair view, as not all goodwill and intangible assets decline in value, and goodwill is not amortized under U.S. GAAP. In addition, as goodwill that does decline in value rarely does so on a straight-line basis, straight-line amortization of goodwill and indefinite-lived intangible assets over an arbitrary period does not reflect the economic reality. Therefore, goodwill and indefinite-lived intangible assets are not amortized. In accordance with ASC 350, "Intangibles – Goodwill and Other" ("ASC 350"), we review the carrying value of our goodwill annually in the fourth quarter or more often if events or changes in circumstances indicate that the carrying amount may exceed fair value. We test goodwill for impairment at the reporting unit level, which is an operating segment or one level below an operating segment, referred to as a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. However, two or more components of an operating segment are aggregated and deemed a single reporting unit if the components have similar economic characteristics. We determine the fair value of each reporting unit using the discounted cash flow method or, as appropriate, a combination of the discounted cash flow method and the guideline public company method.

ASC 350 allows an optional qualitative assessment, prior to a quantitative assessment test, to determine whether it is "more likely than not" that the fair value of a reporting unit exceeds its carrying amount. We evaluate goodwill for impairment by first performing a qualitative assessment to determine whether a quantitative goodwill test is necessary. If the Company determines, based on qualitative factors, that the fair value of each reporting unit more likely than not exceeds its carrying value, no further assessment is necessary. If based on qualitative factors, the fair value of the reporting unit may more likely than not be less than its carrying amount, a quantitative goodwill impairment test would be required. For reporting units where the Company performs the quantitative goodwill impairment test, an impairment loss is recorded to the extent that the reporting unit's carrying amount exceeds the reporting unit's fair value. As part of the quantitative test, we utilize the present value of expected cash flows or, as appropriate, a combination of the present value of expected cash flows and the guideline public company method to determine the estimated fair value of our reporting units. This present value model requires management to estimate future cash flows, the timing of these cash flows, and a discount rate (based on a weighted average cost of capital), which represents the time value of money and the inherent risk and uncertainty of the future cash flows. Factors that management must estimate when performing this step in the process include, among other items, sales volume, sales prices, inflation, discount rates, exchange rates, tax rates, anticipated synergies and productivity improvements resulting from past acquisitions, capital expenditures and continuous improvement projects. The assumptions we use to estimate future cash flows are consistent with the assumptions that the reporting units use for internal planning purposes, which we believe would be generally consistent with that of a market participant. If we determine that the estimated fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired. If we determine that the carrying amount of the reporting unit exceeds its estimated fair value, we measure the goodwill impairment charge based on the excess of a reporting unit's carrying amount over its fair value, but not in excess of the total amount of goodwill allocated to the respective reporting unit, as required under ASU 2017-04 "Simplifying the Test for Goodwill Impairment."

The Company has capitalized certain contractual or separable intangible assets, primarily customer relationships, trade names and trademarks, developed technology, software assets and land use rights. These intangible assets are amortized based on the expected pattern in which the economic benefits are consumed or straight-line if the pattern was not reliably determinable. The useful lives of intangible assets other than goodwill are finite and range from two to twenty-two years. Amortization is recognized as an expense within "Selling, general and administrative expenses" and "Cost of goods sold" in the Consolidated Statements of Operations.

We follow the provisions included in ASC 360, "Property, Plant, and Equipment" in determining whether the carrying value of any of our non-current assets, including ROU assets and amortizable intangibles other than goodwill, is impaired. We determine whether indicators of impairment are present. We review non-current assets for impairment when events or changes in circumstances indicate that the carrying amount of the non-current asset might not be recoverable. If we determine that indicators of impairment are present, we determine whether the estimated undiscounted cash flows for the potentially impaired assets are less than the carrying value.

This requires management to estimate future cash flows through operations over the remaining useful life of the asset and its ultimate disposition. The assumptions we use to estimate future cash flows are consistent with the assumptions we use for internal planning purposes, updated to reflect current expectations. If our estimated undiscounted cash flows do not exceed the carrying value, we estimate the fair value of the asset and record an impairment charge if the carrying value is greater than the fair value of the asset. We estimate fair value using discounted cash flows, observable prices for similar assets, or other valuation techniques.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.13. Goodwill and Non-current Assets - continued

Our judgments regarding the existence of impairment indicators are based on legal factors, market conditions and operational performance. Future events could cause us to conclude that impairment indicators exist and that assets associated with a particular operation are impaired. Evaluating impairment also requires us to estimate future operating results and cash flows, which also require judgment by management. Any resulting impairment loss could have a material adverse impact on our financial condition and results of operations.

1.14. Business Combinations

In accordance with ASC 805, we recognize the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquiree at their fair values as of the date of acquisition. We measure goodwill as the excess of consideration transferred, which we also measure at fair value, over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. The acquisition method of accounting requires us to make significant estimates and assumptions regarding the fair values of the elements of a business combination as of the date of acquisition, including the fair values of identifiable property, plant and equipment, intangible assets, deferred tax asset valuation allowances, liabilities including those related to debt, pensions and other postretirement plans, unrecognized tax benefits, contingent consideration and contingencies. Significant estimates and assumptions include subjective and/or complex judgments regarding items such as discount rates, customer attrition rates, economic lives and other factors, including estimating future cash flows that we expect to generate from the acquired assets.

The acquisition method of accounting also requires us to refine these estimates over a measurement period not to exceed one year to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. If we are required to adjust provisional amounts that we have recorded for the fair values of assets and liabilities in connection with acquisitions, these adjustments could have a material impact on our financial condition and results of operations. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could record future impairment charges. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If our estimates of the economic lives change, depreciation or amortization expenses could be increased or decreased, or the acquired asset could be impaired. Acquisition related costs are expensed as incurred.

In a business combination achieved in stages, the cost includes the acquisition date fair value of any pre-existing equity interest in the subsidiary. When settlement of all or part of a business combination is deferred, the fair value of the deferred component is determined by discounting the amounts payable to their present value at the date of exchange. Where a business combination agreement provides for an adjustment to the purchase consideration which is contingent on future events, the contingent consideration is measured at fair value. Any subsequent remeasurement of the contingent amount is recognized in the Consolidated Statements of Operations if it is identified as a financial liability.

1.15. Fair Value of Financial Instruments and Nonfinancial Assets and Liabilities

We estimate fair values in accordance with ASC 820 “Fair Value Measurement” (“ASC 820”). ASC 820 provides a framework for measuring fair value and expands disclosures required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and a hierarchy prioritizing the inputs to valuation techniques. ASC 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Additionally, ASC 820 defines levels within the hierarchy based on the availability of quoted prices for identical items in active markets, similar items in active or inactive markets and valuation techniques using observable and unobservable inputs. We incorporate credit valuation adjustments to reflect both our own nonperformance risk and the respective counterparty’s nonperformance risk in our fair value measurements.

The hierarchy consists of:

- Level 1: fair value measurements represent exchange-traded securities, which are valued at quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date;
- Level 2: fair value measurements are determined using input prices that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data; and
- Level 3: fair value measurements are determined using unobservable inputs, such as internally developed pricing models for the asset or liability due to little or no market activity for the asset or liability.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.15. Fair Value of Financial Instruments and Nonfinancial Assets and Liabilities - continued

Financial instruments not recognized at fair value on a recurring or non-recurring basis include cash and cash equivalents, accounts receivable, certain other current assets, short-term debt, accounts payable, certain other current liabilities and non-current debt. With the exception of debt with fixed interest rates, the carrying amounts of these financial instruments approximate their fair values due to either their variable interest rates or short maturities. The fair value of debt such as debentures and various notes are based on quoted market prices as of the balance sheet date. The fair value of the revolving credit facility approximates its carrying value due to the nature of the repricing and interest based on variable rates. We measure the fair value of our mutual fund investments based on quoted prices in active markets. Additionally, we measure our derivative contracts, if any, based on observable inputs such as interest rates, yield curves, spot and future commodity prices, and spot and future exchange rates.

We discuss fair values in more detail in “Note 11. Fair Value Measurement” and our pension and postretirement assets and liabilities in “Note 14. Retirement Plans”.

1.16. Income taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amount and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The tax effects of accumulated other comprehensive income are eliminated when the circumstances upon which it is premised cease to exist. Where applicable, the portfolio approach is utilized. All deferred tax assets and liabilities are classified as non-current in our Consolidated Balance Sheets.

We reduce deferred tax assets with a valuation allowance to the amount we believe is more-likely than-not to be realized. In making such determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, recent financial operations and carry back availability, if any. In the event we were to determine that we would be able to realize or not realize our deferred tax assets in the future at their net recorded amount, we would make an adjustment to the valuation allowance, which would reduce or increase income tax expense, respectively.

Certain provisions of ASC 740, “Income Taxes” (“ASC 740”) provide that a “tax position that meets the more-likely-than-not recognition threshold shall initially and subsequently be measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement with a taxing authority that has full knowledge of all relevant information.” We use significant judgment in (i) determining whether a tax position, based solely on its technical merits, is more-likely- than-not to be sustained upon examination and (ii) measuring the tax benefit as the largest amount of benefit that is greater than 50-percent likely of being realized upon settlement. We do not record any benefit for the tax positions where we do not meet the initial recognition threshold. Income tax positions must meet the ASC 740 recognition criteria as of the reporting date to be recognized. We recognize interest related to tax positions in “Income tax expense” in the Consolidated Statements of Operations. Prior to the Combination, interest relating to tax positions was immaterial. We recognize penalties related to tax positions in “Income tax expense” in the Consolidated Statements of Operations. Resolutions of tax positions could have a material adverse effect on our cash flows or materially benefit our results of operations in future periods upon their resolution.

The Company has made an accounting policy election to account for the income tax effect(s) of U.S. Global Intangible Low-Taxed Income (GILTI) as a period cost. The Company had made an accounting policy election to account for the income tax effect(s) of investment tax credits under the flow-through method.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.17. Pension and Other Postretirement Benefits

We sponsor pension and other postretirement benefits in the U.S. and most of the other countries in which we operate. We use a December 31 measurement date for these plans. We measure our plan assets at fair value and the obligations at the present value of the estimated payments to plan participants. We recognize the net funded position of our plans as assets or liabilities in our Consolidated Balance Sheets. Estimated future payments are determined based on assumptions. Actuarial gains and losses occur when actual experience differs from the estimates used to determine the components of net periodic pension cost including differences between actual and expected returns on plan assets, plan remeasurement and when certain assumptions used to determine the projected benefit obligation are updated, such as but not limited to, changes in the discount rate and the change in the rate of compensation.

The amount of unrecognized actuarial gains and losses recognized in the current year's operations is based on amortizing the unrecognized gains or losses for each plan that exceed the larger of 10% of the projected benefit obligation or the fair value of plan assets, also known as "the corridor". The amount of unrecognized gain or loss that exceeds the corridor is amortized over the average future service of the plan participants or the average life expectancy of inactive plan participants for plans where all or almost all the plan participants are inactive.

1.18. Share-Based Compensation

We recognize an expense for share-based compensation plans based on the estimated fair value of the related awards. We measure share-based compensation awards using fair value-based measurement methods determined at the grant date. The compensation expense is recognized using the straight-line method over the requisite service period for time-based awards. For awards vesting based on market conditions, a compensation expense is recognized whether or not the market condition is met, as long as the service condition is met. For awards vesting based on performance conditions, compensation expense is recognized over the requisite service period only if it is probable that the performance condition will be achieved. The Company reassesses the probability of vesting at each reporting period and adjusts the compensation expense based on its probability assessment. Forfeitures are estimated based on historical experience.

1.19. Foreign Currency

The Consolidated Financial Statements are presented in the U.S. dollar, which is the reporting currency of the Company. We translate the assets and liabilities of our foreign operations to U.S. dollars using end-of-period exchange rates. Changes in the carrying value of these assets and liabilities attributable to fluctuations in exchange rates are recognized in "Foreign currency translation (loss) gain" a component of "Other comprehensive (loss) income, net of tax". We translate income statement activity of our foreign operations to U.S. dollar using the average exchange rate prevailing during the period. On disposal of a foreign operation, accumulated currency translation differences are reclassified to profit or loss as part of the overall gain or loss on disposal.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the foreign exchange rate at the reporting date. Non-monetary assets and liabilities carried at cost are not subsequently retranslated. Non-monetary assets carried at fair value are subsequently remeasured at the exchange rate at the date of valuation. Gains or losses arising on foreign currency remeasurements are recorded within "Other (expense) income, net" in the Consolidated Statements of Operations with the exception of differences on foreign currency borrowings that qualify as a hedge of the Company's net investment in foreign operations. The portion of exchange gains or losses on foreign currency borrowings used to provide a hedge against a net investment in a foreign operation and that is determined to be an effective hedge is recognized in "Other comprehensive (loss) income, net of tax".

We recorded a loss on foreign currency transactions of $22 million, $52 million and $2 million in the years ended December 31, 2024, 2023 and 2022, respectively.

(in millions, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies - continued

1.20. Supplier Finance Program Obligations

We maintain supplier finance programs whereby we have entered into payment processing agreements with certain financial institutions. These agreements allow participating suppliers to track payment obligations from Smurfit Westrock, and if voluntarily elected by the supplier, to sell payment obligations from Smurfit Westrock to financial institutions at a discounted price. We are not a party to the agreements between the participating financial institutions and the suppliers in connection with the program, and we do not reimburse suppliers for any costs they incur for participation in the program. We have not pledged any assets as security or provided any guarantees as part of the programs. We have no economic interest in our suppliers' decisions to participate in the programs. Our responsibility is limited to making payment in full to the respective financial institution according to the terms originally negotiated with the supplier, which generally do not exceed 120 days. Smurfit Westrock or the financial institutions may terminate the agreements upon 30 or 90 days' notice. These obligations are classified as accounts payable within the Consolidated Balance Sheets.

The Company's outstanding payment obligations to financial institutions for the year ended December 31, 2024 were as follows:

	2024
Outstanding payment obligations at the beginning of the fiscal year	$ —
Assumed as part of the Combination	440
Amounts added during the period	792
Amounts settled during the period	(782)
Balance at end of the fiscal year	$ 450

1.21. Repair and Maintenance Costs

We expense routine repair and maintenance costs as we incur them. We defer certain expenses we incur during planned major maintenance activities and recognize the expenses ratably over the shorter of the estimated interval until the next major maintenance activity or the life of the deferred item. This maintenance is generally performed every 12 to 24 months and has a significant impact on our results of operations in the period performed primarily due to lost production during the maintenance period. The deferred planned major maintenance costs are recorded as assets within “Other non-current assets” on the Consolidated Balance Sheets.

1.22. Provision for liabilities

The Company records a liability in the Consolidated Financial Statements for loss contingencies when a loss is known or considered probable and the amount may be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed.

Schedule 3 Section 82 of the Irish Companies Act 2014 contains specific requirements for the classification of any liability uncertain as to the amount at which it will be settled or as to the date on which it will be settled. Retirement benefit obligations (Note 14), income tax liabilities, including deferred taxes (Note 17), and other liabilities of uncertain timing or amount (Note 16) are classified as provisions.

1. Description of Business and Summary of Significant Accounting Policies - continued

1.23. New Accounting Standards Recently Adopted

In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, "Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations." This ASU requires that all entities that use supplier finance programs in connection with the purchase of goods and services disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. This ASU was effective for fiscal years beginning after December 15, 2022, except for the amendment on rollforward information, which was effective for fiscal years beginning after December 15, 2023. The Company adopted this ASU effective January 1, 2023, with the exception of the amendment on rollforward information, which was adopted in the year beginning January 1, 2024 and applied prospectively. The adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements. See Note 1.20. Supplier Finance Program Obligations for more information.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This ASU requires an entity to disclose incremental segment information, including enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for the Company's annual reporting periods beginning after December 15, 2023 and for interim periods beginning after December 15, 2024. Adoption is a fully retrospective method of transition. Early adoption is permitted. The Company adopted this ASU in the fourth quarter of the year ended December 31, 2024 by including the required applicable segment disclosures. See "Note 3. Segment Information" for more information.

1.24. New Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Company's annual reporting periods beginning after December 15, 2024. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Company is currently evaluating the effect that adoption of ASU 2023-09 will have on its disclosures in the Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" ("ASU 2024-03"). This ASU requires new financial statement disclosures disaggregating prescribed expense categories within relevant income statement expense captions. ASU 2024-03 will be effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Companies have the option to apply the guidance either on a retrospective or prospective basis, and early adoption is permitted. The Company is currently evaluating the impact of this standard on its disclosures in the Consolidated Financial Statements.

(in millions, except share and per share data)

2. Acquisitions

The following relates to acquisitions by the Company that took place in the years ended December 31, 2024, 2023 and 2022. We accounted for these acquisitions in accordance with ASC 805.

Fiscal 2024 Acquisitions

As referred to in "Note 1. Description of Business and Summary of Significant Accounting Policies", on September 12, 2023, Smurfit Kappa and WestRock, a public company incorporated in Delaware, announced they had reached a definitive agreement on the terms of a proposed combination.

The Combination closed on July 5, 2024. Pursuant to the Transaction Agreement, on the Closing Date each issued ordinary share, par value €0.001 per share, of Smurfit Kappa (a "Smurfit Kappa Share") was exchanged for one ordinary share, par value $0.001 per share, of Smurfit Westrock (a "Smurfit Westrock Share") and, in exchange for the net assets of WestRock acquired through the Merger, each share of common stock, par value $0.01 per share, of WestRock (the "WestRock Common Stock"), was converted into the right to receive one Smurfit Westrock Share and $5.00 in cash (the "Merger Consideration") for an aggregate cash consideration of $1,291 million (the "Cash Consideration") and issuance of 258,228,403 shares to WestRock shareholders.

Upon completion of the Combination, Smurfit Kappa and WestRock each became wholly owned subsidiaries of Smurfit Westrock with Smurfit Kappa shareholders owning approximately 50.3% and WestRock shareholders owning approximately 49.7%.

The Company expects the Combination to result in a global leadership position in sustainable packaging, characterized by quality, product, and geographic diversity.

On April 3, 2024, Smurfit Kappa Treasury (a wholly owned subsidiary of Smurfit Westrock plc) completed an offering in the aggregate principal amount of $2,750 million of senior unsecured notes in three series, comprised of the following: $750 million aggregate principal amount of 5.200% senior notes due 2030 (the "2030 Notes"), $1,000 million aggregate principal amount of 5.438% senior notes due 2034 (the "2034 Notes") and $1,000 million aggregate principal amount of 5.777% senior notes due 2054 (the "2054 Notes" and, together with the 2030 Notes and 2034 Notes, the "Notes" or the "Financing") (such offering, the "April Notes Offering"). A portion of the net proceeds of the April Notes Offering was used to finance the Cash Consideration, fees, commissions, costs and expenses payable in connection with the Combination.

Merger Consideration

The following table summarizes the components of the aggregate Merger Consideration. The amounts are calculated by reference to Smurfit Kappa's share price of £36.56 on the Closing Date, translated to U.S. dollars using the closing exchange rate as of that date.

Cash paid for outstanding WestRock Stock [(a)]	$	1,291
Smurfit Westrock Shares issued to WestRock Shareholders [(b)]		12,098
Converted WestRock Options and WestRock RSU Awards attributable to pre-Combination service [(c)]		101
Settlement of pre-existing relationships, trade and other payable and receivable balances with WestRock [(d)]		(29)
Aggregate Merger Consideration	**$**	**13,461**

(a) The cash component of the aggregate Merger Consideration is based on 258,228,403 shares of WestRock Stock multiplied by the Cash Consideration of $5.00 per WestRock share.

(b) Value of Smurfit Westrock Shares issued is based on 258,228,403 shares of outstanding WestRock Stock resulting in the issue of 258,228,403 Smurfit Westrock Shares at the closing share price of £36.56 on July 5, 2024, translated to U.S. dollars using the closing exchange rate of £1 to $1.2815 as of that date.

(c) Consideration for WestRock Options and WestRock restricted stock unit ("RSU") Awards replaced with Smurfit Westrock equity awards with similar terms, and the amount represents the consideration for their replacement. A portion of the fair value of Smurfit Westrock equity awards issued represents consideration transferred, while the remaining portion represents the post-Combination compensation expense based on the vesting terms of the converted awards. Also included, is the Merger Consideration in respect of WestRock Director RSU Awards, settled options held by former WestRock employees and vested and unreleased RSU awards all of which converted into WestRock Stock immediately prior to the Closing Date.

(d) Component of Merger Consideration in respect of the settlement for no gain or loss of trade and other receivable and payable balances with WestRock as of the date of the Merger. The Merger Consideration has been increased by the amount of the settled Smurfit Kappa receivable of $3 million in respect of sales to WestRock and has been reduced to account for the effective settlement of accounts payable of $32 million in respect of trade and other purchases from WestRock. The WestRock receivable and payable in respect of these inter-company transactions were not recognized as an acquired asset or assumed liability.

(in millions, except share and per share data)

2. Acquisitions - continued

Fiscal 2024 Acquisitions - continued

Preliminary Purchase Price Allocation

Smurfit Westrock management determined that Smurfit Kappa is the accounting acquirer in the Merger, which is accounted for under the acquisition method of accounting for business combinations in accordance with ASC 805.

The preliminary allocation of the purchase price with respect to the Merger is based upon management's estimates of and assumptions related to the fair values of WestRock assets acquired and liabilities assumed as of the Closing Date using currently available information. The excess of the purchase price over the fair value of net assets acquired has been allocated to goodwill.

The purchase price allocation for the Merger is preliminary and is subject to revision as additional information about the acquisition-date fair value of assets and liabilities becomes available. The Company is still evaluating the fair value of acquired property, plant and equipment, intangible assets and certain income tax related items in addition to ensuring all other assets and liabilities and contingencies have been identified and recorded. The Company has estimated the preliminary fair value of assets acquired and liabilities assumed based on information currently available and will continue to adjust those estimates during the measurement period (a period not to exceed 12 months from the Closing Date). The Company has reflected the measurement period adjustments to date in the period in which the adjustments occurred, and will continue to reflect measurement period adjustments, if any, in the period in which the adjustments occur. The Company will finalize the accounting for the Merger within the measurement period.

The following table summarizes the preliminary purchase price allocation to the fair value of the assets acquired and liabilities assumed as of the acquisition date:

	Preliminary Allocation	Measurement Period Adjustments	Adjusted Preliminary Allocation
Identifiable net assets:			
Cash and cash equivalents	$ 603	$ —	$ 603
Accounts receivable	2,374	—	2,374
Inventories	2,504	29	2,533
Other current assets	825	(13)	812
Property, plant and equipment	17,567	45	17,612
Intangibles	922	41	963
Prepaid pension asset	558	—	558
Other non-current assets	1,765	68	1,833
Accounts payable	(2,018)	—	(2,018)
Accrued compensation and benefits	(447)	—	(447)
Current portion of debt	(1,285)	—	(1,285)
Other current liabilities	(1,123)	(16)	(1,139)
Non-current debt due after one year	(7,438)	(2)	(7,440)
Deferred tax liabilities	(3,523)	27	(3,496)
Pension liabilities and other postretirement benefits, net of current portion	(299)	—	(299)
Other non-current liabilities	(1,872)	(2)	(1,874)
Noncontrolling interests	(11)	—	(11)
Identifiable net assets acquired as of July 5, 2024	**9,102**	**177**	**9,279**
Goodwill arising on Merger	4,359	(177)	4,182
Aggregate Merger Consideration	**$ 13,461**	**$ —**	**$ 13,461**

2. Acquisitions - continued

Fiscal 2024 Acquisitions - continued

Measurement period adjustments primarily related to the adjustments in the fair values of the acquired property, plant and equipment and other intangible assets from the third-party valuation and related impact on deferred income taxes. The measurement period adjustments are based on facts and circumstances that existed, but were not known, as of the acquisition date. The offset to the measurement period adjustments was to goodwill. The impact to the Consolidated Statement of Operations as a result of these measurement period adjustments was not material.

The goodwill arising from the Merger is attributable to the workforce of the acquired business and the significant synergies expected to arise after the Merger. Of the total goodwill recognized on the Merger, $3,882 million was allocated to the North American segment, $206 million was allocated to the LATAM segment and $94 million was allocated to the Europe, MEA and APAC segment. Of the total goodwill recognized, $187 million is estimated to be deductible for tax purposes.

The fair value of the assets acquired includes accounts receivable of $2,374 million that are not purchased financial assets with credit deterioration. The gross amount due under contracts was $2,429 million of which $55 million was expected to be uncollectible. Acquired other non-current assets includes a sales-type lease receivable and notes receivable with an aggregate fair value of $85 million. The gross amount due under contracts was $107 million, $22 million of which was expected to be uncollectible.

The preliminary fair value of acquired property, plant and equipment was determined primarily using the cost approach method. Due to the specialized industrial nature of our plant and machinery assets, we have primarily applied the depreciated replacement cost method to determine their acquisition date fair value. This valuation method involves making assumptions for the current replacement costs of similar fixed assets adjusted for estimated physical deterioration, functional and economic obsolescence. The determination of key assumptions was supported by the market approach if an active secondary market was identified, and the income approach was considered to determine economic obsolescence for certain assets. These valuations resulted in Level 3 non-recurring fair value measurements.

The preliminary fair values of intangible assets were generally determined using income-based methods. The income method used for customer relationship intangibles is the multi-period excess earnings method based on forecasts of the expected future cash flows attributable to those assets. The relief from royalty method which the Company has used for the valuation of trade name and certain technology intangibles, estimates fair value by reference to the royalties saved through ownership of the intangible asset rather than paying a rent or royalty for its use. The fair value of certain technology-based intangibles was determined using a cost savings approach that measures the value of an asset by estimating the cost savings achieved through owning the asset.

Significant estimates and assumptions inherent in the valuations reflect consideration of other market participants, the amount and timing of future cash flows (including expected growth rates, discount rates, cost savings and profitability), royalty rates used in the relief from royalty method, and the discount rate applied to the cash flows. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions used to calculate the fair values of acquired intangible assets.

(in millions, except share and per share data)

2. Acquisitions - continued

Fiscal 2024 Acquisitions - continued

Preliminary identifiable intangible assets are presented in the following table:

	Preliminary Fair Value	Weighted Average Useful Lives (in years)
Preliminary fair value of intangible assets acquired:		
Customer relationships	$ 459	14
Trade names and trademarks	228	10
Developed technology	179	12
Software assets	93	5
Land use rights	4	22
Intangible assets acquired	**$ 963**	**12**

The Company incurred transaction-related expenses associated with the Combination of $202 million for the year ended December 31, 2024 ($78 million for the year ended December 31, 2023). These costs were associated primarily with legal and other professional services and were recorded in transaction and integration-related expenses associated with the Combination.

Following the Combination, Smurfit Kappa funded the prepayment and cancellation of WestRock's credit agreement with an outstanding amount of $750 million ("Delayed Draw Term Facility"). Waivers from lenders removing change in control provisions had previously been received for this loan facility. The outstanding balance of the facility as of July 5, 2024 was recognized as an assumed liability. The repayment did not form part of Merger Consideration. The repayment of the principal ($750 million) has been presented as a financing cash outflow with the payment of accrued interest ($1 million) reflected within operating activities, each in the Consolidated Statement of Cash Flows.

Outstanding WestRock Share-based Compensation Awards

In connection with the Combination, outstanding WestRock RSU Awards (other than director RSUs) for current employees were replaced with Smurfit Westrock RSU Awards and a cash award equal to $5.00 per share, both of which will vest over the same requisite service period as the original awards. Director RSUs were fully vested upon the change in control and settled shortly thereafter in July 2024. Outstanding WestRock performance stock units ("PSUs") were converted at the higher of target or the average actual performance of the last three years prior to the Merger and replaced with Smurfit Westrock RSU Awards and a cash award equal to $5.00 per share, both of which will vest over the same requisite service period as the original awards. The outstanding WestRock stock options and their exercise prices were converted using an exchange ratio based on the volume weighted average price of Smurfit Kappa shares for a ten day period prior to the close of the Merger and replaced with Smurfit Westrock stock options with the same terms and conditions as the original awards. Outstanding WestRock stock options for former employees were settled in connection with the acquisition. The Merger Consideration includes $101 million related to WestRock awards that were settled or replaced in connection with the acquisition. Compensation expense of $21 million was recognized immediately post-acquisition and $162 million of compensation expense will be recognized over the remaining service period of up to three years. In addition, during the year ended December 31, 2024, $51 million of stock compensation expense was recognized in respect of "dual trigger" awards to certain executives, which accelerated vesting upon (i) a change in control and (ii) involuntary termination or a termination for good reason following a change in control.

WestRock Net Sales and Earnings

WestRock contributed net sales of $9,381 million and net loss of $39 million to the consolidated results of Smurfit Westrock for the period from completion of the Merger to December 31, 2024.

(in millions, except share and per share data)

2. Acquisitions - continued

Fiscal 2024 Acquisitions - continued

Unaudited Pro Forma Combined Financial Information

The following unaudited pro forma combined financial information presents the combined results of operations for the year ended December 31, 2024 and 2023, as if the Merger had occurred on January 1, 2023.

	Years ended December 31,	
	2024	**2023**
Net sales	$ 30,919	$ 32,511
Net income (loss) attributable to common shareholders	$ 650	$ (1,410)

The unaudited pro forma combined financial information above is based on the historical financial statements of Smurfit Kappa, WestRock, and Smurfit Westrock, and is not indicative of the results of operations that would have been achieved if the Merger had occurred on January 1, 2023, nor is it indicative of future results. The unaudited pro forma combined financial information has been prepared by applying the accounting policies of Smurfit Westrock and includes, where applicable, adjustments for the following factually supportable items or transactions, directly attributable to the Merger: (i) elimination of intercompany activity; (ii) incremental depreciation expense from the preliminary fair value adjustments to property, plant and equipment; (iii) amortization expense from the preliminary fair value adjustments to acquired intangible assets; (iv) incremental stock-based compensation expense associated with the Merger; (v) interest expense for acquisition financing and the amortization of the fair value adjustment to debt assumed; (vi) removal of pension and other postretirement amortization expense resulting from the fair value adjustment to acquired WestRock pension and other post-employment benefit assets and liabilities; (vii) changes to align accounting policies; and (viii) associated tax-related impacts of adjustments.

The unaudited pro forma combined financial information also reflects pro forma adjustments for the following material non-recurring expenses directly attributable to the Merger, each reflected as of the beginning of the earliest pro-forma comparative period presented: (i) transaction-related costs of both Smurfit Kappa and WestRock amounting to $448 million, including retention-related bonuses; and (ii) amortization of the fair value adjustment to acquired inventories of $224 million.

These pro forma adjustments are based on available information as of the date hereof and upon assumptions that the Company believes are reasonable to reflect the impact of the Merger on the Company’s historical financial information on a supplemental pro forma basis. Adjustments do not include costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined business.

In the year ended December 31, 2024, we also acquired Artemis, a bag-in-box packaging company in Bulgaria, and goodwill arising on the acquisition was $10 million. The acquisition was not considered to be significant as to warrant separate disclosure of the net assets acquired.

During fiscal 2024, the Company recorded a measurement period adjustment to the fair values initially assigned to the Cartonajes Carrión business acquired in 2023, resulting in a reduction in goodwill recognized of $10 million.

Fiscal 2023 Acquisitions

We acquired Asterias, a folding carton company in Poland, and Cartonajes Carrión, a specialty packaging operation in Spain, in the year ended December 31, 2023. Goodwill arising on these acquisitions was $21 million in total, of which $16 million was expected to be deductible for income tax purposes. Neither acquisition was considered to be significant as to warrant separate disclosure of the net assets acquired.

During fiscal 2023, the Company recorded a measurement period adjustment to the fair values initially assigned to the PaperBox and Pusa Pack businesses acquired in 2022, resulting in a decrease in goodwill of $24 million and $1 million, respectively.

2. Acquisitions - continued

Fiscal 2022 Acquisitions

We completed the following acquisitions in the year ended December 31, 2022:

- On April 1, 2022, we acquired 100% of Argencraft, a corrugated facility in Argentina.
- On April 29, 2022, we acquired 100% of Atlas Packaging, a corrugated packaging company in the United Kingdom.
- On October 3, 2022, we acquired 100% of PaperBox, a packaging plant in Brazil.
- On October 31, 2022, we acquired 100% of Pusa Pack, a bag-in-box packaging plant in Spain.

The total aggregate purchase consideration for the 2022 acquisitions was $107 million, consisting of $99 million in cash and $8 million in deferred consideration. None of the business combinations completed during the year were considered material to warrant separate disclosure of the fair values attributable to those combinations.

The $93 million of cash outflows reflected in the Consolidated Statements of Cash Flows for the year ended December 31, 2022, relate to the total cash consideration, net of $6 million in cash acquired in 2022.

The total net assets acquired were $87 million. Acquisition related costs were expensed as incurred and were not material to our financial statements. The aggregate purchase price of these acquisitions reflects goodwill of $20 million, which is not expected to be deductible for income tax purposes. The goodwill is primarily composed of expected benefits related to expanding the Company's established and growing packaging business.

3. Segment Information

Following the completion of the Combination, we reassessed our reportable segments due to changes in our organizational structure and how our CODM makes key operating decisions, allocates resources and assesses the performance of our business. The CODM is determined to be the executive management team, comprising the Group Chief Executive Officer and Group Chief Financial Officer. The CODM is responsible for assessing performance, allocating resources and making strategic decisions.

During the year ended December 31, 2024, we identified three operating segments, which are also our 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.

These changes reflect how we manage our business effective during the third quarter of 2024, following the completion of the Combination. Our operating segments are consistent with our internal management structure and no operating segments have been aggregated for disclosure purposes. Prior period comparatives have been recast to reflect the change in segments.

In the identification of the operating and reportable segments, we considered the level of integration of our different businesses as well as our objective to develop long-term customer relationships by providing customers with differentiated packaging solutions that enhance the customer's prospects of success in their end markets.

The North America, Europe, MEA and APAC and LATAM segments are each highly integrated within the segment and there are many interdependencies within these operations. They each include a system of mills and plants that primarily produce a number of grades of containerboard that is converted into corrugated containers within each segment, or is sold to third parties.

(in millions, except share and per share data)

3. Segment Information - continued

In addition, the North America segment also produces paperboard, kraft paper and market pulp; other paper-based packaging, such as folding cartons, inserts, labels and displays and also engages in the assembly of displays as well as the distribution of packaging products.

The Europe, MEA and APAC segment also produces other types of paper, such as solidboard, graphic board, sack kraft paper and machine glazed paper (together known as kraft paper) and graphic paper; and other paper-based packaging, such as honeycomb, solidboard packaging, folding cartons, inserts and labels; and bag-in-box packaging (the latter with operations located in Europe, Argentina, Canada, Mexico and the U.S., but managed under the Europe, MEA and APAC segment).

The LATAM segment also comprises forestry; other types of paper, such as paperboard and kraft paper; and paper-based packaging, such as folding cartons and paper sacks.

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions on an arm's length basis.

The accounting policies of the reportable segments are the same as those described in "Note 1. Description of Business and Summary of Significant Accounting Policies."

We operate in 40 countries worldwide. The table below reflects financial data of our foreign operations for each of the past three fiscal years:

	Years ended December 31,		
	2024	**2023**	**2022**
Net sales (unaffiliated customers)			
Ireland (country of domicile)	$ 172	$ 128	$ 124
U.S.	7,311	303	373
Mexico	1,960	1,343	1,365
Germany	1,711	1,694	1,960
France	1,427	1,492	1,603
Other Americas	2,330	1,322	1,388
Other Europe, MEA and APAC	6,198	5,811	6,696
Total	**$ 21,109**	**$ 12,093**	**$ 13,509**

Our net sales are derived almost entirely from the sale of goods and are disclosed based on the location of production.

No one customer represents greater than 10% of our net sales.

(in millions, except share and per share data)

3. Segment Information - continued

	December 31,	
	2024	2023
Long-lived assets[1]		
Ireland (country of domicile)	$ 62	$ 44
U.S.	14,841	217
Mexico	1,686	625
Germany	683	633
France	638	624
Other Americas	2,327	889
Other Europe, MEA and APAC	3,424	3,133
Total	**$ 23,661**	**$ 6,165**

[1] Long-lived assets include "Operating lease right-of-use assets" and "Property, plant and equipment, net" and are disclosed based on their location.

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 expense, net, share-based compensation expense, other (expense) income, net, impairment of goodwill and other assets, amortization of fair value step up on inventory, transaction and integration-related expenses associated with the Combination and other specific items that management believes are not indicative of the ongoing operating results of the business.

The 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.

(in millions, except share and per share data)

3. Segment Information - continued

The following tables show selected financial data for our segments.

Year ended December 31, 2024	North America	Europe, MEA and APAC	LATAM	Total
Net sales (unaffiliated customers)	$ 9,901	$ 9,556	$ 1,652	**$ 21,109**
Add net sales (intersegment)	191	21	59	**271**
Net sales (aggregate)	**$ 10,092**	**$ 9,577**	**$ 1,711**	**$ 21,380**
Less segment expenses:				
Segment cost of goods sold	$ (7,450)	$ (6,948)	$ (1,192)	**$ (15,590)**
Segment selling, general and administration expenses	(1,032)	(1,100)	(141)	**(2,273)**
	$ (8,482)	**$ (8,048)**	**$ (1,333)**	**$ (17,863)**
Segment Adjusted EBITDA	**$ 1,610**	**$ 1,529**	**$ 378**	**$ 3,517**
Unallocated corporate costs				(131)
Depreciation, depletion and amortization				(1,464)
Transaction and integration-related expenses associated with the Combination				(395)
Amortization of fair value step up on inventory				(224)
Interest expense, net				(398)
Pension and other postretirement non-service expense, net				(24)
Share-based compensation expense				(206)
Other expense, net				(25)
Other adjustments				(90)
Income before income taxes				**$ 560**

Significant segment expenses are segment cost of sales and segment selling, general and administrative expenses. Segment cost of sales primarily include raw materials, direct labor and plant overhead costs. Segment selling, general and administrative expenses primarily include compensation and benefits, external professional fees and other operating costs. Both segment cost of sales and segment selling, general and administrative expenses exclude certain adjustments that management believes are not indicative of the operating results of the business.

Other adjustments in the table above include restructuring costs of $56 million, a non-recurring, non-cash currency translation adjustment in Argentina of $42 million and losses at closed facilities of $10 million partially offset by a reimbursement of a fine from the Italian Competition Authority of $18 million.

(in millions, except share and per share data)

3. Segment Information - continued

Year ended December 31, 2023	**North America**	**Europe, MEA and APAC**	**LATAM**	**Total**
Net sales (unaffiliated customers)	$ 1,623	$ 9,184	$ 1,286	**$ 12,093**
Add net sales (intersegment)	1	9	58	**68**
Net sales (aggregate)	**$ 1,624**	**$ 9,193**	**$ 1,344**	**$ 12,161**
Less segment expenses:				
Segment cost of goods sold	$ (1,165)	$ (6,498)	$ (939)	**$ (8,602)**
Segment selling, general and administration expenses	(178)	(1,011)	(131)	**(1,320)**
	$ (1,343)	**$ (7,509)**	**$ (1,070)**	**$ (9,922)**
Segment Adjusted EBITDA	**$ 281**	**$ 1,684**	**$ 274**	**$ 2,239**
Unallocated corporate costs				(111)
Depreciation, depletion and amortization				(580)
Transaction and integration-related expenses associated with the Combination				(78)
Interest expense, net				(139)
Pension and other postretirement non-service expense, net				(49)
Share-based compensation expense				(66)
Other expense, net				(46)
Other adjustments				(32)
Income before income taxes				**$ 1,138**

Significant segment expenses are segment cost of sales and segment selling, general and administrative expenses. Segment cost of sales primarily include raw materials, direct labor and plant overhead costs. Segment selling, general and administrative expenses primarily include compensation and benefits, external professional fees and other operating costs. Both segment cost of sales and segment selling, general and administrative expenses exclude certain adjustments that management believes are not indicative of the operating results of the business.

Other adjustments in the table above includes restructuring costs of $32 million.

(in millions, except share and per share data)

3. Segment Information - continued

Year ended December 31, 2022	North America	Europe, MEA and APAC	LATAM	Total
Net sales (unaffiliated customers)	$ 1,719	$ 10,432	$ 1,358	**$ 13,509**
Add net sales (intersegment)	1	19	39	**59**
Net sales (aggregate)	**$ 1,720**	**$ 10,451**	**$ 1,397**	**$ 13,568**
Less segment expenses:				
Segment cost of goods sold	$ (1,263)	$ (7,533)	$ (996)	**$ (9,792)**
Segment selling, general and administration expenses	(176)	(998)	(121)	**(1,295)**
	$ (1,439)	**$ (8,531)**	**$ (1,117)**	**$ (11,087)**
Segment Adjusted EBITDA	**$ 281**	**$ 1,920**	**$ 280**	**$ 2,481**
Unallocated corporate costs				(91)
Depreciation, depletion and amortization				(564)
Goodwill impairment				(12)
Impairment of other assets				(159)
Interest expense, net				(139)
Pension and other postretirement non-service expense, net				(8)
Share-based compensation expense				(68)
Other income, net				15
Other adjustments				(29)
Income before income taxes				**$ 1,426**

Significant segment expenses are segment cost of sales and segment selling, general and administrative expenses. Segment cost of sales primarily include raw materials, direct labor and plant overhead costs. Segment selling, general and administrative expenses primarily include compensation and benefits, external professional fees and other operating costs. Both segment cost of sales and segment selling, general and administrative expenses exclude certain adjustments that management believes are not indicative of the operating results of the business.

Impairment of other assets in the table above is made up of the impairment of Russian operations of $159 million, included in the Europe, MEA and APAC segment. See “Note 27. Disposal of Russian Operations” for additional information on the impairment of the Russian operations.

Other adjustments in the table above include restructuring costs of $29 million.

(in millions, except share and per share data)

3. Segment Information - continued

	Years ended December 31,		
	2024	2023	2022
Capital expenditures:			
North America	$ 723	$ 135	$ 124
Europe, MEA and APAC	503	594	600
LATAM	216	194	202
Total per reportable segments	**$ 1,442**	**$ 923**	**$ 926**
Corporate	24	6	4
Total capital expenditure	**$ 1,466**	**$ 929**	**$ 930**

	Years ended December 31,		
	2024	2023	2022
Other significant non-cash charges: [1]			
Goodwill impairment			
LATAM	$ —	$ —	$ (12)
Total goodwill impairment	**$ —**	**$ —**	**$ (12)**

[1] Refer to “Note 9. Goodwill” for more details.

Total assets by segment were:

	December 31,	
	2024	2023
Assets:		
North America	$ 29,078	$ 1,607
Europe, MEA and APAC	10,723	9,521
LATAM	3,180	1,795
Total per reportable segments	**$ 42,981**	**$ 12,923**
Corporate[1]	778	1,128
Total assets	**$ 43,759**	**$ 14,051**

[1] Corporate assets are composed primarily of Pension assets, “Property, plant and equipment, net”, Deferred tax assets, Recoverable or refundable income taxes and “Cash and Cash Equivalents”.

(in millions, except share and per share data)

4. Accounts Receivable, net

Accounts receivable consists of the following:

	December 31,	
	2024	2023
Gross accounts receivable	$ 4,339	$ 1,976
Less: Allowances	(222)	(170)
Accounts receivable	**$ 4,117**	**$ 1,806**

The following table represents a summary of the changes in allowances for the years ended December 31, 2024, 2023 and 2022:

	Years ended December 31,		
	2024	2023	2022
Balance at the beginning of the fiscal year	$ 170	$ 160	$ 145
Charges to net sales and selling, general and administrative expenses	380	196	229
Deductions	(318)	(185)	(203)
Write offs	(10)	(1)	(11)
Balance at the end of the fiscal year	**$ 222**	**$ 170**	**$ 160**

Allowances include the reserves for allowance for estimated credit impairment losses, returns, early settlement discounts and rebates (where netting requirements are met).

5. Inventories

Inventories are as follows:

	December 31,	
	2024	2023
Finished goods	$ 1,374	$ 514
Work-in-progress	206	52
Raw materials	1,288	348
Consumables and spare parts	682	289
Inventories	**$ 3,550**	**$ 1,203**

(in millions, except share and per share data)

6. Other Assets

Other assets consist of the following:

		December 31,	
	Note	2024	2023
Other non-current assets			
Operating lease right-of-use assets	8	$ 986	$ 374
Deferred tax assets	17	325	140
Timber Notes receivable		387	—
Long-term receivables		520	49
Financial fixed assets		108	32
Other non-current assets		129	6
		$ 2,455	**$ 601**
Other current assets			
Current income tax assets		$ 387	$ 43
Sales taxes receivable		267	142
Contract assets	21	197	—
Prepayments		343	134
Other current assets		339	242
		$ 1,533	**$ 561**

(in millions, except share and per share data)

7. Property, Plant and Equipment, net

Property, plant and equipment consists of the following:

	Land and buildings	Forestlands	Plant and equipment	Construction in progress	Finance lease right-of-use assets	Total
At January 1, 2024						
Cost or deemed cost	$ 2,679	$ 78	$ 8,860	$ 656	$ 32	$ 12,305
Accumulated amortization and impairment losses	(1,119)	—	(5,389)	—	(6)	(6,514)
Carrying amount	**$ 1,560**	**$ 78**	**$ 3,471**	**$ 656**	**$ 26**	**$ 5,791**
Financial year ended December 31, 2024						
Opening net book amount	$ 1,560	$ 78	$ 3,471	$ 656	$ 26	$ 5,791
Additions	2	17	46	1,269	7	1,341
Acquisitions	2,810	194	13,337	900	391	17,632
Depreciation and depletion charge	(153)	(9)	(1,175)	—	(26)	(1,363)
Impairments	—	—	(3)	(21)	—	(24)
Reclassifications	106	—	1,104	(1,215)	—	(5)
Disposals	(2)	—	(27)	—	—	(29)
Foreign currency translation adjustment	(139)	(29)	(413)	(72)	(15)	(668)
Carrying amount	**$ 4,184**	**$ 251**	**$ 16,340**	**$ 1,517**	**$ 383**	**$ 22,675**
At December 31, 2024						
Cost or deemed cost	$ 5,337	$ 251	$ 22,306	$ 1,517	$ 419	$ 29,830
Accumulated amortization and impairment losses	(1,153)	—	(5,966)	—	(36)	(7,155)
Carrying amount	**$ 4,184**	**$ 251**	**$ 16,340**	**$ 1,517**	**$ 383**	**$ 22,675**

Depreciation, depletion and amortization expense for the year ended December 31, 2024, 2023 and 2022 was $1,363 million, $528 million and $512 million, respectively and is recognized within “Cost of goods sold” and “Selling, general and administrative expenses” in the Consolidated Statements of Operations.

In fiscal 2024, due to restructuring, we recognized impairment charges of $23 million in the North America segment and $1 million in the Europe, MEA and APAC segment, respectively. In fiscal 2023, due to restructuring, we recognized an impairment charge of $5 million in the Europe, MEA and APAC segment. In fiscal 2022, we recognized an impairment charge of $55 million in the Europe, MEA and APAC segment prior to classifying the Russian disposal group as held for sale (refer to “Note 27. Disposal of Russian Operations”) and an impairment charge of $14 million in the North America segment due to restructuring.

Non-cash additions to property, plant and equipment included within accounts payable were $384 million, $235 million and $187 million at December 31, 2024, 2023 and 2022, respectively.

(in millions, except share and per share data)

8. Leases

We lease various real estate, including certain operating facilities, warehouses, office space and land. We also lease material handling equipment, vehicles and certain other equipment.

Components of Lease Costs

The following table presents certain information related to the lease costs for finance and operating leases:

	Years ended December 31, 2024	2023	2022
Operating lease costs	$ (264)	$ (118)	$ (107)
Variable and short-term lease costs	(123)	(47)	(40)
Finance lease cost:			
Amortization of lease assets	(26)	(3)	(3)
Interest on lease liabilities	(14)	(1)	(1)
Lease cost	**$ (427)**	**$ (169)**	**$ (151)**

Supplemental Consolidated Balance Sheets Information Related to Leases

	Balance Sheet Location	December 31, 2024	2023
Operating leases:			
Operating lease right-of-use assets	Other non-current assets	**$ 986**	**$ 374**
Current operating lease liabilities	Other current liabilities	$ 309	$ 113
Non-current operating lease liabilities	Other non-current liabilities	710	269
Total operating lease liabilities		**$ 1,019**	**$ 382**
Finance leases:			
Property, plant and equipment		$ 419	$ 32
Accumulated amortization	Property, plant and equipment, net	(36)	(6)
Property, plant and equipment, net		**$ 383**	**$ 26**
Current finance lease liabilities	Current portion of debt	$ 33	$ 3
Non-current finance lease liabilities	Non-current debt due after one year	506	26
Total finance lease liabilities		**$ 539**	**$ 29**

Operating lease right-of-use assets and lease liabilities increased by $660 million and $665 million, respectively, as a result of leased assets acquired and liabilities assumed from the Combination. Similarly, finance lease right-of-use assets and lease liabilities have increased by $391 million and $514 million, respectively. The measurement period adjustments included in the lease right-of-use assets and liabilities since the preliminary allocation are immaterial.

(in millions, except share and per share data)

8. Leases - continued

Lease Term and Discount Rate	**December 31, 2024**	**December 31, 2023**
Weighted average remaining lease term:		
Operating leases	5.1 years	7.5 years
Finance leases	13.1 years	12.7 years
Weighted average discount rate:		
Operating leases	4.9 %	3.6 %
Finance leases	5.8 %	3.6 %

Supplemental Cash Flow Information Related to Leases

The following table presents supplemental cash flow information related to leases:

	Years ended December 31, 2024	**2023**	**2022**
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows related to operating leases	$ 265	$ 118	$ 107
Operating cash flows related to finance leases	14	1	1
Financing cash flows related to finance leases	22	3	3
Leased assets obtained in exchange for lease liabilities:			
Operating leases	$ 213	$ 133	$ 111
Finance leases	$ 7	$ —	$ —

Maturity of Lease Liabilities

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liabilities and finance lease liabilities recorded on the Consolidated Balance Sheets at December 31, 2024:

	Operating Leases	**Finance Leases**	**Total**
Year ending December 31, 2025	$ 353	$ 49	$ 402
Year ending December 31, 2026	271	49	320
Year ending December 31, 2027	197	127	324
Year ending December 31, 2028	121	40	161
Year ending December 31, 2029	75	37	112
Thereafter	138	500	638
Total lease payments	**$ 1,155**	**$ 802**	**$ 1,957**
Less: Interest	(136)	(263)	(399)
Present value of future lease payments	**$ 1,019**	**$ 539**	**$ 1,558**

(in millions, except share and per share data)

9. Goodwill

During the third quarter of 2024, following completion of the Combination, the Company changed its reportable segments as described in “Note 3. Segment Information”. Concurrent with the change in reportable segments, the Company reassessed its reporting units. The prior year amounts for goodwill by reportable segment have been recast by assigning reporting units to new reportable segments based on location of reporting units. The Company concluded the change in reportable segments was not a triggering event for goodwill impairment.

The changes in the carrying amount of goodwill for the years ended December 31, 2024 and December 31, 2023 are as follows:

	North America	Europe, MEA and APAC	LATAM	Total
At January 1, 2024				
Cost or deemed cost	$ 264	$ 2,653	$ 189	$ 3,106
Accumulated impairment losses	—	(209)	(55)	(264)
Carrying amount	**$ 264**	**$ 2,444**	**$ 134**	**$ 2,842**
Financial year ended December 31, 2024				
Opening net book amount	$ 264	$ 2,444	$ 134	$ 2,842
Acquisitions	3,882	94	206	4,182
Foreign currency translation adjustment	(23)	(141)	(38)	(202)
Carrying amount	**$ 4,123**	**$ 2,397**	**$ 302**	**$ 6,822**
At December 31, 2024				
Cost or deemed cost	$ 4,123	$ 2,595	$ 346	$ 7,064
Accumulated impairment losses	—	(198)	(44)	(242)
Carrying amount	**$ 4,123**	**$ 2,397**	**$ 302**	**$ 6,822**

Further information on acquisitions is included in “Note 2. Acquisitions”.

During the fourth quarter of fiscal 2024, the Company performed a qualitative impairment test and determined it was more likely than not that the fair value of all reporting units was greater than their carrying amount. Accordingly, the Company concluded that a quantitative impairment test was not necessary, and that goodwill was not impaired.

In connection with the Company’s annual goodwill impairment testing performed during fiscal 2023, the Company elected to bypass the qualitative assessment and proceeded directly to performing the quantitative goodwill impairment test. The Company concluded goodwill was not impaired in fiscal 2023.

In 2022, management reassessed the expected future business performance in Peru as a result of the continued difficult economic conditions and projected cash flows that were lower than expected, giving rise to an impairment charge of $12 million in the LATAM segment.

(in millions, except share and per share data)

10. Other Intangible Assets

The gross carrying amount and accumulated amortization relating to intangible assets, excluding goodwill, are as follows and reflect the removal of fully amortized intangible assets in the period fully amortized.

	Customer relationships	Trade names and trademarks	Developed technology	Software assets	Land use rights	Total
At January 1, 2024						
Cost or deemed cost	$ 397	$ 30	$ —	$ 293	$ —	$ 720
Accumulated amortization and impairment losses	(261)	(25)	—	(216)	—	(502)
Carrying amount	**$ 136**	**$ 5**	**$ —**	**$ 77**	**$ —**	**$ 218**
Financial year ended December 31, 2024						
Opening net book amount	$ 136	$ 5	$ —	$ 77	$ —	$ 218
Additions	—	—	—	43	—	43
Acquisitions	468	228	179	93	4	972
Amortization charge	(51)	(2)	(7)	(41)	—	(101)
Reclassifications	—	—	—	7	—	7
Foreign currency translation adjustment	(6)	(16)	(9)	10	(1)	(22)
At December 31, 2024	**$ 547**	**$ 215**	**$ 163**	**$ 189**	**$ 3**	**$ 1,117**
At December 31, 2024						
Cost or deemed cost	$ 839	$ 252	$ 170	$ 424	$ 3	$ 1,688
Accumulated amortization and impairment losses	(292)	(37)	(7)	(235)	—	(571)
Carrying amount	**$ 547**	**$ 215**	**$ 163**	**$ 189**	**$ 3**	**$ 1,117**

Intangible asset amortization expense was $101 million, $52 million and $52 million during the years ended December 31, 2024, 2023 and 2022, respectively.

Estimated other intangible asset amortization expense for the succeeding five years is as follows:

Year ending December 31, 2025	$ 138
Year ending December 31, 2026	131
Year ending December 31, 2027	120
Year ending December 31, 2028	109
Year ending December 31, 2029	96

(in millions, except share and per share data)

11. Fair Value Measurement

The fair values of the Company's financial assets and financial liabilities listed below reflect the amounts that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price).

The Company's non-derivative financial instruments primarily include cash and cash equivalents, trade and other receivables, certain other current assets, trade and other payables, certain other current liabilities, short-term debt and non-current debt, all of whose carrying values approximates fair value (with the exception of debt with fixed interest rates). Fair value disclosures are classified based on the fair value hierarchy. See “Note 1. Description of Business and Summary of Significant Accounting Policies” for information about the Company's fair value hierarchy.

The carrying values, net of deferred debt issuance costs, and estimated fair values of debt with fixed interest rates (classified as Level 2 in the fair value hierarchy) were as follows:

	2024		2023	
	Book Value	Fair Value	Book Value	Fair Value
Debt with fixed interest rates	**$ 11,370**	**$ 11,289**	**$ 3,615**	**$ 3,379**

The fair value of the Company's debt with fixed interest rates is based on quoted market prices. With the exception of financial instruments included in the table above, the carrying amounts of all other debt instruments approximate their fair values. The variable nature and repricing dates of the receivables securitization facilities and the revolving credit facility result in carrying values approximating their fair values. Both the revolving credit facility and the receivables securitization facilities are classified as Level 2 in the fair value hierarchy.

Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis

The Company measures and records certain assets and liabilities, including derivative instruments at fair value. The following table summarizes the fair value of these instruments, which are measured at fair value on a recurring basis, by level, within the fair value hierarchy:

	Level 1		Level 2	
	December 31,		December 31,	
	2024	2023	2024	2023
Assets				
Other Investments:				
Listed	$ 2	$ 2	$ —	$ —
Unlisted	—	—	10	9
Derivatives in cash flow hedging relationships	—	—	3	5
Derivatives not designated as hedging instruments	—	—	11	14
Assets measured at fair value	**$ 2**	**$ 2**	**$ 24**	**$ 28**
Liabilities				
Derivatives in cash flow hedging relationships	$ —	$ —	$ 1	$ 8
Derivatives not designated as hedging instruments	—	—	13	12
Liabilities measured at fair value	**$ —**	**$ —**	**$ 14**	**$ 20**

There were no assets or liabilities, which are measured at fair value on a recurring basis, classified as Level 3 in the fair value hierarchy for the periods presented.

11. Fair Value Measurement - continued

Following the Combination, we have financial instruments recognized at fair value including supplemental retirement savings plans ("Supplemental Plans") that are nonqualified deferred compensation plans where participants' accounts are credited with investment gains and losses in accordance with their investment election or elections. The investment alternatives under the Supplemental Plans are generally similar to investment alternatives available under 401(k) plans. Assets and liabilities held in respect of these Supplemental Plans were carried at $185 million and $168 million, respectively, as of December 31, 2024. The amount of expense we recorded for the current fiscal year was not significant.

The fair value of listed financial assets is determined by reference to their bid price at the reporting date. Unlisted financial assets are valued using recognized valuation techniques for the underlying security including discounted cash flows and similar unlisted equity valuation models.

The fair value of foreign currency forwards, cross currency swaps and energy hedging contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of natural gas commodity derivatives is estimated based on observable inputs such as commodity future prices.

For derivative financial instruments that are not designated as accounting hedges, the entire change in fair value of the financial instrument is reported immediately in current period earnings.

Assets and Liabilities Measured and Recorded at Fair Value on a Non-recurring Basis

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records certain assets and liabilities at fair value on a non-recurring basis. This includes assets acquired and liabilities assumed as a result of business combinations or non-monetary exchanges, situations where events or changes in circumstances indicate the carrying value may not be recoverable, or when they are deemed to be other than temporarily impaired. These assets include property, plant, and equipment, goodwill and other intangible assets, assets and disposal groups held for sale and other non-current assets. The fair values of these assets are determined, when applicable, based on valuation techniques using the best information available, and may include quoted market prices, observable price for similar assets, market comparables, and discounted cash flow projections. These non-recurring fair value measurements are considered to be Level 3 in the fair value hierarchy.

As further detailed in "Note 9. Goodwill", in 2022, impairment charges were recorded for our Peru business, leading to the write-down of goodwill to fair value. There was no goodwill related to this business recognized in the years ended December 31, 2023 or December 31, 2024.

In addition, impairment losses on non-current assets were recorded in 2022 in respect of the Russian operations, resulting in a write-down to fair value less costs to sell. In March 2023, we successfully concluded the sale of our Russian business, leading to the derecognition of the assets and liabilities classified as held for sale as of December 31, 2022. The classification of the business as held for sale met the required criteria as of December 31, 2022, which resulted in the remeasurement of the disposal group at its fair value less costs to sell as of that date.

Refer to "Note 27. Disposal of Russian Operations" for more detailed information regarding the disposal of the Russian business and the derecognition of assets and liabilities.

For more details on the measurement of assets acquired and liabilities assumed as part of business combinations during the year ended December 31, 2024, refer to "Note 2. Acquisitions". The fair values of assets and liabilities assumed as a result of business combinations completed during the year ended December 31, 2023, have been evaluated and determined to be immaterial for separate disclosure purposes.

(in millions, except share and per share data)

11. Fair Value Measurement - continued

Accounts Receivable Monetization Agreements

Available to the Company is a $700 million accounts receivable monetization facility to sell to a third-party financial institution all of the short-term trade receivables generated from certain customer trade accounts. On September 13, 2024, we amended this agreement to extend the maturity date by one year to September 15, 2025. This facility (the "Monetization Agreement") has Coöperatieve Rabobank U.A., New York Branch, as purchaser ("Rabobank"). The terms of the Monetization Agreement limit the balance of receivables sold to the amount available to fund such receivables sold, thereby eliminating the receivable for proceeds from the financial institution at any transfer date. Transfers under the Monetization Agreement meet the requirements to be accounted for as sales in accordance with guidance in ASC 860, "Transfers and Servicing". We pay a monthly yield on investment to Rabobank at a rate equal to adjusted Term SOFR plus a margin on the outstanding amount of Rabobank's investment. The Company has a similar $110 million bilateral facility with Sumitomo Mitsui Banking Corporation, New York Branch as purchaser, with a maturity of December 4, 2025.

The customers from these facilities are not included in the receivables securitization facilities, as discussed in more detail in "Note 12. Debt" and "Note 13. Variable Interest Entities".

The following table presents a summary of these accounts receivable monetization agreements for the year ended December 31, 2024:

Receivable from financial institutions recognized as part of Combination	$	—
Receivables sold to the financial institutions and derecognized		(1,381)
Receivables collected by financial institutions		1,319
Cash proceeds from financial institutions		62
Receivable from financial institutions at December 31, 2024	$	—

Receivables sold under these accounts receivable monetization agreements as of the balance sheet date were approximately $725 million.

Cash proceeds or payments related to the receivables sold are included in "Net cash provided by operating activities" in the Consolidated Statements of Cash Flows in the "Accounts receivable" line item. The expense related to the sale of receivables was $23 million for the post-Combination period. The expense recorded may vary depending on current rates and levels of receivables sold and is recorded in "Other (expense) income, net" in the Consolidated Statements of Operations. Although the sales are made without recourse, we maintain continuing involvement with the receivables sold as we provide collections services related to the transferred assets. The associated servicing liability is not material given the high credit quality of the customers underlying the receivables and the anticipated short collection period.

(in millions, except share and per share data)

12. Debt

The following were individual components of debt:

	December 31,			
	2024		2023	
	Carrying value	Weighted average interest rate	Carrying value	Weighted average interest rate
€250 million senior notes due 2025	$ —	— %	$ 279	2.8 %
$292 million senior debentures due 2025	292	7.5 %	294	7.5 %
€1,000 million senior notes due 2026	—	— %	1,121	2.9 %
$500 million senior notes due 2027	479	3.4 %	—	— %
$700 million receivables securitization due 2027	435	5.7 %	—	— %
€750 million senior notes due 2027	781	1.5 %	832	1.5 %
$500 million senior notes due 2028	481	3.9 %	—	— %
$600 million senior notes due 2028	580	4.0 %	—	— %
Revolving credit facility due 2029	—	— %	4	4.6 %
€100 million receivables securitization variable funding notes due 2029	—	— %	6	4.9 %
€230 million receivables securitization variable funding notes due 2029	5	4.3 %	14	5.0 %
€500 million senior green notes due 2029	520	0.5 %	553	0.5 %
$750 million senior notes due 2029	749	4.9 %	—	— %
$400 million senior notes due 2030	454	8.2 %	—	— %
$750 million senior green notes due 2030	749	5.2 %	—	— %
$300 million senior notes due 2031	339	8.0 %	—	— %
$76 million senior notes due 2032	82	6.8 %	—	— %
$500 million senior notes due 2032	473	4.2 %	—	— %
€600 million senior green notes due 2032	624	3.5 %	—	— %
€500 million senior green notes due 2033	519	1.0 %	553	1.0 %
$600 million senior notes due 2033	514	3.0 %	—	— %
$1,000 million senior green notes due 2034	1,000	5.4 %	—	— %
$850 million senior green notes due 2035	850	5.4 %	—	— %
€600 million senior green notes due 2036	624	3.8 %	—	— %
$3 million senior notes due 2037	3	6.8 %	—	— %
$150 million senior notes due 2047	175	7.6 %	—	— %
$1,000 million senior green notes due 2054	1,000	5.8 %	—	— %
Commercial paper	546	4.8 %	—	— %
Vendor financing and commercial card programs	116	— %	—	— %
Term loan facilities	600	6.1 %	—	— %
Bank loans	120	7.6 %	68	10.2 %
Finance lease obligations	539	5.8 %	29	3.6 %
Bank overdrafts	9	2.1 %	16	1.5 %
Total debt, excluding debt issuance costs	**13,658**		**3,769**	
Debt issuance costs	(63)		(22)	
Total debt	**13,595**		**3,747**	
Less: Current portion of debt	(1,053)		(78)	
Non-current debt due after one year	**$ 12,542**		**$ 3,669**	

(in millions, except share and per share data)

12. Debt - continued

The weighted average interest rate for short term debt was 5.1% and 7.2% as of December 31, 2024, and 2023, respectively.

As of December 31, 2024, the aggregate maturities of debt, excluding finance lease obligations, for the succeeding five years and thereafter are as follows:

Year ended December 31, 2025	$	1,030
Year ended December 31, 2026		30
Year ended December 31, 2027		1,731
Year ended December 31, 2028		1,105
Year ended December 31, 2029		1,877
Year ended December 31, 2030 and thereafter		7,399
Unamortized fair value adjustments, bond discounts and debt issuance costs		(116)
Total	**$**	**13,056**

See “Note 8. Leases” of the Notes to Consolidated Financial Statements for the aggregate maturities of finance lease obligations for the succeeding five fiscal years and thereafter.

The maturity profile of undrawn committed facilities are as follows:

		2024		**2023**
Within one year	$	—	$	—
Between one and two years		—		—
More than two years		5,079		1,832

The undrawn commitments above pertain to the revolving credit facility and the receivables securitization facilities, which are further explained below.

The commitment fees on the revolving credit facility and receivables securitization facilities were immaterial for the years ended December 31, 2024, and 2023.

During the years ended December 31, 2024, 2023 and 2022, amortization of debt issuance costs charged to interest expense were $10 million, $7 million and $7 million, respectively.

The carrying amount of borrowings which are designated as net investment hedges at the year-end amounted to $49 million as of December 31, 2024, and 2023. There has been no ineffectiveness recognized in relation to these hedges in the current or prior financial years.

The carrying amount of our debt includes a fair value adjustment related to debt assumed through mergers and acquisitions. The value of the debt assumed upon the Combination (inclusive of the adjustment) was $8,725 million. At December 31, 2024, the unamortized fair value adjustment was $48 million, which will be amortized over a weighted average remaining life of 7.4 years.

At December 31, 2024, all of our debt was unsecured with the exception of our receivables securitization facilities and finance lease obligations.

The Senior Notes are unsecured, unsubordinated obligations that rank equally in right of payment with all of our existing and future unsecured, unsubordinated obligations. The Senior Notes are effectively subordinated to any of our existing and future secured debt to the extent of the value of the assets securing such debt and to the obligations of our non-debtor/guarantor subsidiaries.

12. Debt - continued

Senior Notes Issued and Redeemed

On April 3, 2024, Smurfit Kappa Treasury completed the April Notes Offering which is described in further detail in “Note 2. Acquisitions”. This issuance automatically cancelled the commitments under a bridge facility agreement in the amount of $1,500 million which had been previously entered into to finance (directly or indirectly) the cash consideration of the Combination and/or fees, commissions, costs and expenses payable in relation to the Combination. The bridge facility agreement was due to mature in December 2024.

We (a) used a portion of the proceeds from the April Notes Offering (i) to finance the payment of the Cash Consideration of the Combination; (ii) to finance the payment of fees, commissions, costs and expenses in relation to the Combination and the April Notes Offering; and (iii) for general corporate purposes, including the repayment of indebtedness, and (b) intend to use an amount equivalent to the proceeds from the April Notes Offering to finance or refinance a portfolio of eligible green projects in accordance with Smurfit Kappa’s Green Finance Framework, which we may, in the future, update in line with developments in the market.

On August 12, 2024, we redeemed €250 million aggregate principal amount of our 2.750% senior notes due February 2025. We funded this redemption by drawing on our receivables securitization facilities. No gain/loss on extinguishment of debt has been recorded.

On September 17, 2024, we discharged $600 million aggregate principal amount of our 3.750% senior notes due March 2025. We funded this discharge using a portion of the proceeds from our April Notes Offering. We recorded a $4 million loss on extinguishment of debt.

On November 26, 2024, we issued $850 million aggregate principal amount of 5.418% senior notes due 2035, with interest payable semi-annually in arrears, beginning on July 15, 2025. On November 27, 2024, we also issued €600 million aggregate principal amount of 3.454% senior notes due 2032 and €600 million aggregate principal amount of 3.807% senior notes due 2036, both with interest payable annually in arrears. These senior notes (the “November Notes”) can be redeemed, at par in whole or in part, within three months to their maturity, in accordance with the respective indentures.

We used the net proceeds of the above November Notes (i) to redeem, on December 2, 2024, the outstanding €1,000 million in aggregate principal amount of 2.875% senior notes due 2026, in full at the applicable redemption price set forth in the applicable indenture, (ii) to redeem, on December 6, 2024, the outstanding $750 million in aggregate principal amount of 4.650% senior notes due 2026, in full at the applicable redemption price set forth in the applicable indenture, and we intend to use the remaining funds for general corporate purposes, including the repayment of indebtedness. We also intend to use an amount equivalent to the proceeds of these November Notes to finance or refinance a portfolio of eligible green projects in accordance with our Green Finance Framework, which we may, in the future, update in line with developments in the market.

We recorded a $7 million and $2 million loss on extinguishment at repayment of the $750 million 4.650% senior notes due 2026 and the €1,000 million 2.875% senior notes due 2026, respectively.

Revolving Credit Facility

On June 28, 2024, conditional upon the closing of the Combination, the Company entered into a Multicurrency Term and Revolving Facilities Agreement (the “New Credit Agreement”) with certain lenders and Wells Fargo Bank, National Association, as agent, providing for (i) a U.S. dollar term loan facility in an aggregate principal amount of $600 million (the “Term Loan Facility”), (ii) a multicurrency revolving loan facility in an aggregate principal amount of $4,500 million including a swingline sub-facility in an aggregate principal amount of $500 million (together, the “New RCF”).

On July 2, 2024, the Term Loan Facility of $600 million under the New Credit Agreement was cancelled prior to any drawdown and no early termination penalties were incurred as a result of the cancellation.

12. Debt - continued

Revolving Credit Facility - continued

We cancelled the €1,350 million Revolving Credit Facility, that was due to mature in January 2026 (the "Existing RCF") as part of the conditions of the New Credit Agreement upon the closing of the Combination on the Closing Date. There were no early termination penalties incurred as a result of the termination of the Existing RCF. The conditions attaching to the New Credit Agreement became effective on the Closing Date.

Loans under the New RCF may be drawn in U.S. dollars, euro, pounds sterling, Swiss francs, Japanese yen, Swedish kronor and Canadian dollars, with a borrower (or the obligors' agent on behalf of a borrower) selecting the currency of a loan under the New RCF. Borrowings under the New RCF bear interest at rates based upon an underlying reference rate, plus a margin determined in accordance with a ratings-based pricing grid. Reference rates include SOFR for U.S. dollars, EURIBOR for euro, SONIA for pounds sterling, STIBOR for Swedish kronor and SARON for Swiss francs. Unused revolving commitments under the New RCF will accrue a commitment fee equal to a percentage of the applicable interest rate margin. The New RCF also requires the payment of a utilization fee calculated on outstanding revolving loans, based on the utilization rate of the New RCF. The New RCF has an initial term of five years from the date of the New Credit Agreement, which may be extended on two occasions by up to an aggregate of two years. The New RCF is unsecured. The New RCF includes customary terms and conditions for investment grade borrowers. There are no financial covenants. As of December 31, 2024, there were no amounts outstanding under the facility.

Term Loan Facilities

Farm Credit Facility
A credit agreement (the "Farm Credit Facility Agreement") is in place with CoBank, ACB, as administrative agent. The Farm Credit Facility Agreement provides for a senior unsecured term loan facility in an aggregate principal amount of $600 million (the "Farm Credit Facility") with a maturity date of July 9, 2029. The carrying value of this facility at December 31, 2024, was $600 million.

At our option, loans issued under the Farm Credit Facility Agreement will bear interest at either Term SOFR or an alternate base rate, in each case plus an applicable interest rate margin that will fluctuate between 1.650% per annum and 2.275% per annum (for Term SOFR loans) or between 0.650% per annum and 1.275% per annum (for alternate base rate loans), based upon the Company's corporate credit ratings (as defined in the Farm Credit Facility Agreement). In addition, Term SOFR loans will be subject to a credit spread adjustment equal to 0.1% per annum.

Delayed Draw Term Facility
A credit agreement with an outstanding amount of $750 million (the "Delayed Draw Term Facility") was in place at the Combination date. This amount (plus accrued interest) was repaid and the facility cancelled on July 5, 2024.

Receivables Securitization Facilities

We have three trade receivables securitization programs. The first program has a facility size of €100 million, a margin of 1.1%, and was scheduled to mature in January 2026. During December 2024 the facility was amended to extend the maturity date to December 2029. This program is supported by receivables generated by our operating companies in Austria, Belgium, Italy, and the Netherlands, which are sold to a special purpose Group subsidiary. The funding for this program is provided by a conduit of Coöperatieve Rabobank U.A. (trading as Rabobank).

The second program has a facility size of €230 million, a margin of 1.1%, and was scheduled to mature in November 2026. During December 2024 the facility was amended to extend the maturity date to December 2029. This program is supported by receivables generated by our operating companies in the UK, Germany, and France, which are sold to a special purpose entity. The funding for this program is provided by Lloyds Banking Group.

12. Debt - continued

Receivables Securitization Facilities - continued

As of December 31, 2024, the gross amount of receivables collateralizing the €100 million 2029 trade receivables securitization program was €318 million (December 31, 2023: €327 million). At December 31, 2024, maximum available borrowings, excluding amounts outstanding under this facility, were $104 million (December 31, 2023: $105 million). The gross amount of receivables collateralizing the €230 million 2029 trade receivables securitization program at December 31, 2024 was €421 million (December 31, 2023: €415 million). At December 31, 2024 maximum available borrowings, excluding amounts outstanding under this facility, were $234 million (December 31, 2023: $240 million). In accordance with the contractual terms, the counterparties have recourse to the securitized debtors only. Given the short-term nature of the securitized receivables and the variable floating rates, the carrying amount of the securitized receivables and the associated liabilities reported on the Consolidated Balance Sheets is estimated to approximate fair value.

Following the Combination, the Company also has a third receivables securitization program provided by Coöperatieve Rabobank U.A., New York Branch, in its capacity as administrative agent and certain other lenders. It has a facility size of $700 million, a margin of 0.9% plus 0.1% credit spread adjustment and matures in June 2027. At December 31, 2024, maximum available borrowings under this program were $676 million. At December 31, 2024, amounts available for borrowing under this facility (excluding amounts utilized), were $241 million. The gross carrying amount of receivables collateralizing the maximum available borrowings at December 31, 2024, was approximately $1,077 million. We have continuing involvement with the underlying receivables as we provide credit and collection services pursuant to the underlying agreement.

Borrowing availability under this facility is based on the eligible underlying accounts receivable and compliance with certain covenants. The agreement governing the receivables securitization facility contains restrictions, including, among others, on the creation of certain liens on the underlying collateral.

The sale of the securitized receivables under our securitization programs does not meet the requirements for derecognition under ASC 860 “Transfers and Servicing”. As a result, the securitized receivables continue to be shown on the face of the Consolidated Balance Sheets, and the notes issued to fund the purchase of these receivables are shown as secured borrowings with attributable interest expense recognized over the life of the related transactions.

Commercial Paper

The Company, through its wholly owned subsidiary WRKCo Inc. as the issuer, maintains an unsecured commercial paper program. Under the program, we may issue senior short-term unsecured commercial paper notes in an aggregate principal amount at any time not to exceed $1,000 million with up to 397-day maturities. The program has no expiration date and can be terminated by either the agent or us with not less than 30 days’ notice. The $1,000 million commercial paper program is supported by the $4,500 million New RCF with a separate $500 million swingline sublimit which allows for same-day drawing in U.S. dollar. The amount of commercial paper outstanding does not reduce available capacity under the New RCF. Commercial paper borrowings may vary during the period, largely as a result of fluctuations in funding requirements.

Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. At December 31, 2024, $546 million was issued. The weighted average interest rate pertaining to this facility was 4.8% as of that date.

13. Variable Interest Entities

Trade Receivables Securitization Arrangements

The Company is a party to arrangements involving securitization of its trade receivables. The arrangements required the establishment of certain special purpose entities namely Smurfit Kappa International Receivables DAC, Smurfit Kappa Receivables plc and Smurfit Kappa European Packaging DAC (a subsidiary of Smurfit Kappa Receivables plc). The sole purpose of the securitization entities is the raising of finance for the Company using the receivables generated by certain operating entities, as collateral. All entities are considered to be VIEs.

The Company is the primary beneficiary of Smurfit Kappa International Receivables DAC, Smurfit Kappa European Packaging DAC and Smurfit Kappa Receivables plc, through various financing arrangements and due to the fact that it is responsible for the entities' most significant economic activities.

The carrying value of the restricted assets and limited recourse liability as of December 31, 2024 ($765 million and $5 million respectively) and as of December 31, 2023 ($819 million and $20 million respectively) approximates fair value due to the short-term nature of the securitized assets and the floating rates of the liabilities.

Timber Note Receivable Securitization Arrangement

The Company is also a party to an arrangement involving securitization of its note receivable. Pursuant to the sale of forestlands in 2007, a special purpose entity ("SPE") namely MeadWestvaco Timber Notes Holding, LLC ("MWV TN") received an installment note receivable in the amount of $398 million ("Timber Note"). Using this installment note as collateral, the SPE received proceeds under secured financing agreements, which is recorded as a non-recourse liability.

Using the Timber Note as collateral, MWV TN received $338 million in proceeds under a secured financing agreement with a bank. Under the terms of the agreement, the liability from this transaction is non-recourse to the Company and is payable from the Timber Note proceeds upon its maturity in October 2027. As a result, the Timber Note is not available to satisfy any obligations of the Company. MWV TN can elect to prepay at any time the liability in whole or in part, however, given that the Timber Note is not prepayable, MWV TN expects to repay the liability at maturity from the Timber Note proceeds.

The Company is the primary beneficiary of MWV TN through various financing arrangements and due to the fact that it is responsible for the entity's most significant economic activities. This entity is considered to be a VIE.

The carrying value of the restricted asset and non-recourse liability as of December 31, 2024 ($387 million and $333 million respectively) approximates fair value due to their floating rates. The fair values of the restricted assets and non-recourse liabilities are classified as level 2 within the fair value hierarchy.

Green Power Solutions

Green Power Solutions of Georgia, LLC ("GPS") is a joint venture providing steam to the Company and electricity to a third party client. The Company owns a 48% interest in GPS and the majority of the debt issued through the entity SP Fiber Holdings Inc. ("SP Fiber"), a 100% owned subsidiary. Based on the commercial and financial relationships in force between SP Fiber and GPS, it has been determined that the SP Fiber has a controlling financial interest in and is the primary beneficiary of GPS. The vehicle holds unrestricted cash of $2 million as of December 31, 2024.

(in millions, except share and per share data)

13. Variable Interest Entities - continued

The carrying amounts of the assets and liabilities of VIEs reported within the Consolidated Balance Sheets are set out in the following table:

	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 2	$ 3
Accounts receivable	767	816
Non-current assets:		
Property, plant and equipment, net	60	—
Other non-current assets	389	—
Total assets	**$ 1,218**	**$ 819**
Liabilities		
Current liabilities:		
Accounts payable	$ 6	$ —
Current portion of debt	2	—
Other current liabilities	2	—
Non-current liabilities:		
Non-current debt due after one year	8	20
Other non-current liabilities	335	—
Total liabilities	**$ 353**	**$ 20**

14. Retirement Plans

We operate both defined benefit and defined contribution pension plans as well as other postretirement benefit plans throughout our operations in accordance with local conditions and practice. The disclosures included below relate to all pension schemes and other postretirement benefits in the Company. The majority of plans are of the defined benefit type and are funded by payments to separately administered funds.

In connection with the Combination, Smurfit Kappa acquired the existing employee benefit plans of WestRock. At the time of the acquisition, the projected benefit obligation in respect of the acquired pension and postretirement benefits amounted to $4,930 million and plan assets of $5,164 million.

After the transaction, the Company reports more than 95% of its benefit obligations by order of size in the U.S., the UK, the Netherlands, Canada, Germany, and Ireland.

In the U.S., the largest plan is the qualified WestRock Company Consolidated Pension Plan which represents more than 50% of the Company's benefit obligations. It consolidates former WestRock plans that were frozen for salaried and non-union hourly employees at various times in the past, and nearly all remaining U.S. salaried and U.S. non-union hourly employees accruing benefits ceased accruing benefits as of December 31, 2020. In addition, the Company sponsors several smaller qualified and non-qualified pension plans and postretirement benefit plans. For the qualified plans the Company contributes the minimum required contribution in accordance with the provisions of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder.

In the UK, the Company sponsors four pension funds of which the largest are the Smurfit Kappa UK Pension Fund which is closed to future accrual and the Field Group Pension Plan which is closed for new hires. The Company operates a defined benefit pension fund in The Netherlands for Smurfit Kappa's current, former, and retired employees and beneficiaries.

Smurfit Westrock sponsors several defined benefit pension plans and postretirement benefit plans in Canada. The primary defined benefit pension funds are closed defined benefit plans for WestRock's salaried employees and for unionized employees at La Tuque and Pointe-aux-Trembles.

The Company has a few pension plans in place for its current and former employees in Germany. The major plan is a closed pension plan for the employees of Smurfit Kappa. The plan is broadly unfunded with direct pension payments to retirees and beneficiaries by the Company.

In Ireland, the Company sponsors two frozen pension funds - the largest plan is the Smurfit Kappa Ireland Pension Fund for salaried employees.

The pension funds are governed by a board of trustees or similar institutes. The funding requirements are agreed between the Company, the trustees and the relevant regulators on country or state level in the UK, the Netherlands, Canada, and Ireland.

(in millions, except share and per share data)

14. Retirement Plans - continued

The following table shows the changes in benefit obligation, plan assets and funded status for the years ended December 31:

	Defined Benefit Pension Plans				Other Postretirement Benefit Plans			
	U.S. Plans		Non-U.S. Plans		U.S. Plans		Non-U.S. Plans	
	2024	2023	2024	2023	2024	2023	2024	2023
Change in projected benefit obligation:								
Benefit obligation at beginning of year	$ 42	$ 43	$ 2,406	$ 2,193	$ —	$ —	$ 10	$ 10
Service cost	11	—	32	23	—	—	3	2
Interest cost	105	2	112	91	2	—	2	—
Plan amendments	—	—	(10)	5	—	—	—	—
Actuarial (gain) loss	(81)	1	(50)	106	(2)	—	(4)	—
Benefits paid	(131)	(4)	(135)	(100)	(2)	—	(4)	(3)
Plan participant contributions	—	—	6	6	—	—	—	—
Curtailments	—	—	(1)	—	—	—	—	—
Settlements	—	—	(45)	(19)	—	—	—	—
Acquisitions	3,851	—	969	—	61	—	49	—
Other items	—	—	—	—	—	—	—	1
Foreign currency rate changes	—	—	(152)	101	—	—	(4)	—
Benefit obligation at end of year	**$ 3,797**	**$ 42**	**$ 3,132**	**$ 2,406**	**$ 59**	**$ —**	**$ 52**	**$ 10**

(in millions, except share and per share data)

14. Retirement Plans - continued

	Defined Benefit Pension Plans				Other Postretirement Benefit Plans			
	U.S. Plans		Non-U.S. Plans		U.S. Plans		Non-U.S. Plans	
	2024	2023	2024	2023	2024	2023	2024	2023
Change in plan assets:								
Fair value of plan assets at beginning of year	$ 31	$ 31	$ 1,886	$ 1,683	$ —	$ —	$ 2	$ 2
Actual gain on plan assets	58	3	78	128	—	—	—	—
Employer contributions	6	1	113	109	2	—	4	3
Plan participant contributions	—	—	6	6	—	—	—	—
Benefits paid	(131)	(4)	(135)	(100)	(2)	—	(4)	(3)
Settlements	—	—	(45)	(19)	—	—	—	—
Acquisitions	4,215	—	949	—	—	—	—	—
Foreign currency rate changes	—	—	(122)	79	—	—	—	—
Fair value of plan assets at end of year	**$ 4,179**	**$ 31**	**$ 2,730**	**$ 1,886**	**$ —**	**$ —**	**$ 2**	**$ 2**
Funded status at end of year	**$ 382**	**$ (11)**	**$ (402)**	**$ (520)**	**$ (59)**	**$ —**	**$ (50)**	**$ (8)**
Amounts recognized in the Consolidated Balance Sheets:								
Non-current assets	$ 508	$ 2	$ 127	$ 27	$ —	$ —	$ —	$ —
Current liabilities	(13)	(1)	(33)	(29)	(8)	—	(4)	(1)
Non-current liabilities	(113)	(12)	(496)	(518)	(51)	—	(46)	(7)
Funded status at end of year	**$ 382**	**$ (11)**	**$ (402)**	**(520)**	**$ (59)**	**$ —**	**$ (50)**	**$ (8)**
Accumulated Benefit Obligation	**$ 3,794**	**$ 42**	**$ 3,078**	**$ 2,351**				

(in millions, except share and per share data)

14. Retirement Plans - continued

The net actuarial loss (gain) in benefit obligation for the U.S. Plans and Non-U.S. Plans is generally driven by a change in discount rates and to a lesser degree the rate of compensation change in the Non-U.S. Plans.

Accumulated other comprehensive loss (income) at December 31 not yet recognized as components of net periodic benefit cost consist of:

	Defined Benefit Pension Plans				Other Postretirement Benefit Plans			
	U.S. Plans		Non-U.S. Plans		U.S. Plans		Non-U.S. Plans	
	2024	2023	2024	2023	2024	2023	2024	2023
Net actuarial loss (gain)	$ 8	$ 5	$ 659	$ 757	$ (2)	$ —	$ (2)	$ —
Prior service credit	—	—	(16)	(6)	—	—	—	—
Total accumulated other comprehensive loss (income)	**$ 8**	**$ 5**	**$ 643**	**$ 751**	**$ (2)**	**$ —**	**$ (2)**	**$ —**

The following table sets forth the pension plans for which their accumulated benefit obligation (“ABO”) or projected benefit obligation (“PBO”) exceeds the fair value of their respective plan assets on December 31:

	Defined Benefit Pension Plans				Other Postretirement Benefit Plans			
	U.S. Plans		Non-U.S. Plans		U.S. Plans		Non-U.S. Plans	
	2024	2023	2024	2023	2024	2023	2024	2023
Plans with projected benefit obligations in excess of plan assets:								
Projected benefit obligation	$ 125	$ 13	$ 1,308	$ 1,417	$ —	$ —	$ —	$ —
Accumulated benefit obligation	125	13	1,266	1,374	—	—	—	—
Fair value of plan assets	—	—	779	870	—	—	—	—
Plans with accumulated benefit obligations in excess of plan assets:								
Accumulated benefit obligation	125	13	1,262	1,362	—	—	—	—
Fair value of plan assets	—	—	774	855	—	—	—	—
Plans with accumulated postretirement benefit obligations in excess of plan assets:								
Accumulated postretirement benefit obligation					59	—	52	10
Fair value of plan assets					$ —	$ —	$ 2	$ 2

(in millions, except share and per share data)

14. Retirement Plans - continued

The net periodic benefit cost recognized in the Consolidated Statements of Operations is composed of the following for the years ended December 31:

	Defined Benefit Pension Plans						Other Postretirement Benefit Plans					
	U.S. Plans			Non-U.S. Plans			U.S. Plans			Non-U.S. Plans		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Service cost	$ 11	$ —	$ —	$ 32	$ 23	$ 32	$ —	$ —	$ —	$ 3	$ 2	$ 2
Interest cost	105	2	1	112	91	44	2	—	—	2	—	—
Expected return on assets	(142)	(2)	—	(112)	(82)	(69)	—	—	—	—	—	—
Amortization of:												
Net actuarial (gain) loss	—	(1)	—	39	33	35	—	—	—	—	—	(1)
Prior service credit	—	—	—	(1)	(1)	(1)	—	—	—	—	—	—
Curtailment gain	—	—	—	(1)	—	—	—	—	—	—	—	—
Settlement loss (gain)	—	—	—	20	8	(1)	—	—	—	—	—	—
Other one-time expense	—	—	—	—	—	—	—	—	—	—	1	—
Net periodic benefit (income) cost	**$ (26)**	**$ (1)**	**$ 1**	**$ 89**	**$ 72**	**$ 40**	**$ 2**	**$ —**	**$ —**	**$ 5**	**$ 3**	**$ 1**

Service cost is included within Cost of goods sold and Selling, general and administrative expenses while all other cost components are recorded within Pension and other postretirement non-service expense, net.

As part of the Company's pension de-risking strategy, annuities were purchased with an insurance company for the pensioners in our Irish Executive Fund during the quarter ended June 30, 2024. As a result of this transaction, a settlement loss of $20 million occurred when approximately 70% of the projected benefit obligation was settled.

(in millions, except share and per share data)

14. Retirement Plans - continued

Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income for the years ended December 31:

	Defined Benefit Pension Plans						Other Postretirement Benefit Plans					
	U.S. Plans			Non-U.S. Plans			U.S. Plans			Non-U.S. Plans		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Net actuarial loss (gain)	$ 3	$ —	$ (2)	$ (16)	$ 60	$ (11)	$ (2)	$ —	$ —	$ (4)	$ —	$ (1)
Prior service (credit) cost arising during the year	—	—	—	(10)	5	(1)	—	—	—	—	—	—
Amortization of prior service credit	—	—	—	1	1	1	—	—	—	—	—	—
Amortization of actuarial gain (loss) and settlement gain (loss)	—	1	—	(59)	(41)	(34)	—	—	—	—	—	1
Exchange rate (gain) loss	—	—	—	(24)	33	(65)	—	—	—	2	—	—
Amount recognized in other comprehensive loss (income)	3	1	(2)	(108)	58	(110)	(2)	—	—	(2)	—	—
Amount recognized in net periodic pension benefit (income) cost and other comprehensive loss (income)	**$ (23)**	**$ —**	**$ (1)**	**$ (19)**	**$ 130**	**$ (70)**	**$ —**	**$ —**	**$ —**	**$ 3**	**$ 3**	**$ 1**

Major actuarial assumptions used in determining the benefit obligations and net periodic pension cost for our defined benefit plans are presented in the following tables.

Weighted-average assumptions used to determine benefit obligations as of December 31 are:

	Defined Benefit Pension Plans				Other Postretirement Benefit Plans			
	U.S. Plans		Non-U.S. Plans		U.S. Plans		Non-U.S. Plans	
	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate	5.66 %	4.93 %	4.42 %	3.81 %	5.51 %	4.93 %	7.44 %	3.30 %
Rate of compensation increase	3.02 %	5.00 %	2.32 %	2.64 %	— %	— %	2.60 %	2.60 %
Interest crediting rates	4.51 %	— %	1.91 %	2.00 %	— %	— %	— %	— %

(in millions, except share and per share data)

14. Retirement Plans - continued

Weighted-average assumptions used in the calculation of benefit plan expense for years ended December 31:

	Defined Benefit Pension Plans						Other Postretirement Benefit Plans					
	U.S. Plans			Non-U.S. Plans			U.S. Plans			Non-U.S. Plans		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Discount rate	4.93 %	5.15 %	2.75 %	3.81 %	4.15 %	1.54 %	4.93 %	5.15 %	2.75 %	3.30 %	3.70 %	1.15 %
Rate of compensation increase	5.00 %	5.00 %	3.50 %	2.64 %	2.64 %	2.30 %	— %	— %	— %	2.60 %	2.60 %	2.30 %
Expected long-term rate of return on plan assets	5.85 %	4.11 %	3.50 %	4.73 %	4.79 %	3.02 %	— %	— %	— %	— %	3.95 %	1.40 %
Interest crediting rates	— %	— %	— %	2.00 %	2.00 %	2.00 %	— %	— %	— %	— %	— %	— %

At December 31, 2024, the discount rates for both the U.S. and non-U.S. pension plans and other postretirement plans were determined based on a yield curve developed by our actuary.

Our assumption regarding the future rate of compensation increases is reviewed periodically and is based on both our internal planning projections and recent history of actual compensation increases.

We typically review our expected long-term rate of return on plan assets periodically through an asset allocation study with either our actuary or investment advisor. Our expected rates of return in fiscal 2024 are based on an analysis of our long-term expected rate of return and our current asset allocation.

Our Investment Policies and Strategies

Our investment policies and strategies guide and direct how the funds are managed for the benefit plans we sponsor. Our main funds include:

- WestRock U.S. Pension Funds
- Smurfit Kappa The Netherlands Pension Fund
- WestRock Canada Pension Funds
- Smurfit Kappa UK Pension Funds
- WestRock UK Pension Funds
- Smurfit Kappa Ireland Pension Funds

The Trustees of all our funded plans all use a fiduciary manager to implement the investment policy appropriate for each plan and there is an Investment Committee for each of these plans. The investment strategy varies by local legislative requirements, funded status and maturity of the plan. Periodic reviews are made of both investment policy objectives and investment manager performance.

Over the last few years, we have de-risked certain plans for which market conditions were opportune to do so, using a combination of automatic triggers and decision making by the applicable Investment Committee. In these cases the investment strategy targets a percentage allocation to growth assets and a percentage allocation to liability hedging assets based on each plans funded status and local legislative requirements.

(in millions, except share and per share data)

14. Retirement Plans - continued

The Company has continued to implement a diversified and strategic investment approach for its various pension plans, aimed at ensuring long-term financial stability and growth. The strategy focuses on balancing risk and return by investing in a mix of equities, fixed-income securities, alternative assets and property. In alignment with our fiduciary responsibilities, we have prioritized sustainable investment practices, incorporating environmental, social and governance (ESG) criteria into the decision-making process. The diversified portfolios have been designed to withstand market volatility while maximizing returns to meet the future obligations of our pension plan beneficiaries. Through regular monitoring and adjustments, we aim to achieve consistent, risk-adjusted performance to safeguard the financial security of our employees' retirement funds.

Investments are diversified across asset classes and within each asset class to minimize the risk of large losses. Derivatives, including swaps, forward and future contracts may be used as asset class substitutes or for hedging or other risk management purposes. All the plans hold highly diversified investment portfolios that are not reliant on any single named stocks or specific parts of the market.

Valuation of Our Plan Assets

Pension assets are stated at fair value or Net Asset Value ("NAV"). Fair value is based on the amount that would be received to sell an asset or paid to settle a liability, in an orderly transaction between market participants at the reporting date. We consider both observable and unobservable inputs that reflect assumptions applied by market participants when setting the exit price of an asset or liability in an orderly transaction within the principal market for that asset or liability.

We typically review our expected long-term rate of return on plan assets periodically through an asset allocation study with either our actuary or investment advisor. We value the pension plan assets based upon the observability of exit pricing inputs and classify pension plan assets based upon the lowest level input that is significant to the fair value measurement of the pension plan assets in their entirety.

The Company's weighted target asset allocations are as follows:

	Defined Benefit Pension Plans		Other Postretirement Benefit Plans	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
	2024	2024	2024	2024
Equities	29 %	16 %	— %	— %
Fixed Income	60 %	73 %	— %	— %
Real Estate	3 %	— %	— %	— %
Other (incl. Liability-Driven Investments ("LDI"))	8 %	11 %	— %	100 %

Fair Value Measurement

The guidance for fair value measurements and disclosure sets out a fair value hierarchy that group fair value measurement inputs into the three classifications outlined in the table below. Transfers between levels are recognized at the end of the reporting period.

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market-based inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability reflecting the reporting entity's own assumptions or external inputs from inactive markets.

(in millions, except share and per share data)

14. Retirement Plans - continued

The following table summarizes our pension plan assets measured at fair value on a recurring basis (at least annually) as of December 31:

	Defined Benefit Pension Plans							
	U.S. Plans							
	2024				2023			
Asset Class	**Quoted Prices in Active Markets For Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**	**Quoted Prices in Active Markets For Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Cash	$ 224	$ —	$ —	$ 224	$ 1	$ —	$ —	$ 1
Equity	483	2	—	485	—	3	—	3
Government Bonds	—	356	—	356	—	—	—	—
Corporate Bonds	154	2,585	—	2,739	—	26	—	26
Real Estate / Property	—	1	—	1	—	1	—	1
Insurance Contracts	—	—	—	—	—	—	—	—
Derivatives	—	10	—	10	—	—	—	—
Investment Funds	—	—	—	—	—	—	—	—
Other (incl. LDI)	—	1	—	1	—	—	—	—
Total assets measured using fair value hierarchy	**$ 861**	**$ 2,955**	**$ —**	**$ 3,816**	**$ 1**	**$ 30**	**$ —**	**$ 31**
Assets measured at NAV				363				—
Total assets				**$ 4,179**				**$ 31**

(in millions, except share and per share data)

14. Retirement Plans - continued

Defined Benefit Pension Plans
Non-U.S. Plans

Asset Class	2024 Quoted Prices in Active Markets For Identical Assets (Level 1)	2024 Significant Other Observable Inputs (Level 2)	2024 Significant Unobservable Inputs (Level 3)	2024 Total	2023 Quoted Prices in Active Markets For Identical Assets (Level 1)	2023 Significant Other Observable Inputs (Level 2)	2023 Significant Unobservable Inputs (Level 3)	2023 Total
Cash	$ 21	$ 55	$ —	$ 76	$ 23	$ 8	$ —	$ 31
Equity	509	97	1	607	348	88	13	449
Government Bonds	313	489	—	802	653	34	—	687
Corporate Bonds	190	516	—	706	158	178	—	336
Real Estate / Property	8	50	24	82	3	64	28	95
Insurance Contracts	—	—	29	29	—	—	35	35
Derivatives	—	(120)	—	(120)	—	(29)	—	(29)
Investment Funds	—	19	—	19	—	—	—	—
Other (incl. LDI)	13	62	77	152	1	180	101	282
Total assets measured using fair value hierarchy	**$ 1,054**	**$ 1,168**	**$ 131**	**$ 2,353**	**$ 1,186**	**$ 523**	**$ 177**	**$ 1,886**
Assets measured at NAV				377				—
Total assets				**$ 2,730**				**$ 1,886**

Other Postretirement Benefit Plans
Non-U.S. Plans

Asset Class	2024 Quoted Prices in Active Markets For Identical Assets (Level 1)	2024 Significant Other Observable Inputs (Level 2)	2024 Significant Unobservable Inputs (Level 3)	2024 Total	2023 Quoted Prices in Active Markets For Identical Assets (Level 1)	2023 Significant Other Observable Inputs (Level 2)	2023 Significant Unobservable Inputs (Level 3)	2023 Total
Insurance Contracts	$ —	$ —	$ 2	$ 2	$ —	$ —	$ 2	$ 2
Total assets measured using fair value hierarchy	**$ —**	**$ —**	**$ 2**	**$ 2**	**$ —**	**$ —**	**$ 2**	**$ 2**
Assets measured at NAV				—				—
Total assets				**$ 2**				**$ 2**

(in millions, except share and per share data)

14. Retirement Plans - continued

The assets recognized for the OPEB plans are pledged insurance contracts in respect of specific German benefits. These insurance contracts are considered level 3 plan assets.

NAV Measurement

Commingled fund investments are valued at the NAV per share multiplied by the number of shares held. The determination of NAV for the commingled funds includes market pricing of the underlying assets as well as broker quotes and other valuation techniques. Fixed income and fixed income related instruments consist of commingled debt funds, which are valued at their NAV per share multiplied by the number of shares held. The determination of NAV for the commingled funds includes market pricing of the underlying assets as well as broker quotes and other valuation techniques.

We maintain holdings in certain private equity partnerships and private real estate investments for which a liquid secondary market does not exist. The private equity partnerships are commingled investments. Valuation techniques, such as discounted cash flow and market based comparable analyses, are used to determine fair value of the private equity investments. Unobservable inputs used for the discounted cash flow technique include projected future cash flows and the discount rate used to calculate present value. Unobservable inputs used for the market-based comparisons technique include earnings before interest, taxes, depreciation and amortization multiples in other comparable third party transactions, price to earnings ratios, liquidity, current operating results, as well as input from general partners and other pertinent information. Private equity investments have been valued using NAV as a practical expedient.

Private real estate investments are commingled investments. Valuation techniques, such as discounted cash flow and market based comparable analyses, are used to determine fair value of the private equity investments. Unobservable inputs used for the discounted cash flow technique include projected future cash flows and the discount rate used to calculate present value. Unobservable inputs used for the market-based comparison technique include a combination of third-party appraisals, replacement cost, and comparable market prices. Private real estate investments have been valued using NAV as a practical expedient.

Equity-related investments are hedged equity investments in a commingled fund that consist primarily of equity indexed investments which are hedged by options and also hold collateral in the form of short-term treasury securities. Equity related investments have been valued using NAV as a practical expedient.

A reconciliation of the beginning and ending balances of the pension plan assets measured at fair value using significant unobservable inputs (Level 3) is presented below:

	Defined Benefit Pension Plans Non-U.S. Plans					
	Balance at December 31, 2023	**Actual return on plan assets**	**Purchases**	**Sales and settlements**	**Currency Impact**	**Balance at December 31, 2024**
Equity	$ 13	$ —	$ —	$ (12)	$ —	$ 1
Real Estate / Property	28	(1)	6	(8)	(1)	24
Insurance Contracts	35	(3)	1	(2)	(2)	29
Other (incl. LDI)	101	1	5	(26)	(4)	77
Total assets	**$ 177**	**$ (3)**	**$ 12**	**$ (48)**	**$ (7)**	**$ 131**

(in millions, except share and per share data)

14. Retirement Plans - continued

	Other Postretirement Benefit Plans Non-U.S. Plans					
	Balance at December 31, 2023	Actual return on plan assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2024
Insurance Contracts	$ 2	$ —	$ 3	$ (3)	$ —	$ 2
Total assets	**$ 2**	**$ —**	**$ 3**	**$ (3)**	**$ —**	**$ 2**

	Defined Benefit Pension Plans Non-U.S. Plans					
	Balance at December 31, 2022	Actual return on plan assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2023
Equity	$ —	$ —	$ 13	$ —	$ —	$ 13
Real Estate / Property	41	3	—	(17)	1	28
Insurance Contracts	31	2	3	(2)	1	35
Other (incl. LDI)	62	10	38	(12)	3	101
Total assets	**$ 134**	**$ 15**	**$ 54**	**$ (31)**	**$ 5**	**$ 177**

	Other Postretirement Benefit Plans Non-U.S. Plans					
	Balance at December 31, 2022	Actual return on plan assets	Purchases	Sales and settlements	Currency Impact	Balance at December 31, 2023
Insurance Contracts	$ 2	$ —	$ —	$ —	$ —	$ 2
Total assets	**$ 2**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 2**

The assumed healthcare cost trend rates as of December 31 are:

	Other Postretirement Benefit Plans			
	U.S. Plans		Non-U.S. Plans	
	Years ended in December 31,			
	2024	2023	2024	2023
Health care cost trend rate assumed for next year	6.29 %	5.14 %	5.56 %	— %
Rate to which the cost trend rate gradually declines	4.00 %	5.00 %	5.56 %	— %
Year the rate reaches the ultimate rate	2048	2025	2024	—

(in millions, except share and per share data)

14. Retirement Plans - continued

Pension Plan Contributions and Benefit Payments

Established funding standards govern the funding requirements for our qualified and approved pensions in various jurisdictions. We fund the benefit payments of our nonqualified or unfunded plans as benefit payments come due.

During 2025, based on estimated year-end asset values and projection of plan liabilities we expect to make contributions and/or benefit payments of approximately: $55 million for our non-qualified or unfunded plans and $80 million for our qualified or funded plans.

At December 31, 2024, projected future pension and other postretirement benefit payments (excluding any termination benefits) were as follows:

Year ending December 31,	Defined Benefit Pension Plans	Other Postretirement Benefit Plans
2025	$ 452	$ 13
2026	457	12
2027	466	11
2028	470	10
2029	470	9
2030-2034	2,535	44

Defined Contribution Plans

We have 401(k) plans that cover certain U.S. salaried, union and non-union hourly employees, generally subject to an initial waiting period. The 401(k) plans permit participants to make contributions by salary reduction pursuant to Section 401(k) of the Internal Revenue Code. At December 31, 2024, our contributions may be up to 7.5% for U.S. salaried and non-union hourly employees, consisting of a match of up to 5% and an automatic employer contribution of 2.5%.

Outside the U.S., the Company operates various defined contribution plans for its employees in line with local market practice and the tax and legal rules in the jurisdictions in which they operate.

The expense for defined contribution pension plans for the years ended December 31, 2024, 2023 and 2022, was $170 million, $79 million, and $75 million, respectively. The increase in the expense for the year ended December 31, 2024 was due to the Combination.

14. Retirement Plans - continued

Multiemployer Plans

As a result of the acquisition of WestRock, we participate in several multiemployer pension plans (“MEPP” or “MEPPs”) that provide retirement benefits to certain union employees in accordance with various collective bargaining agreements and WestRock has participated in other MEPPs in the past. In the normal course of business, we evaluate our potential exposure to MEPPs, including potential withdrawal liabilities. In fiscal 2018, WestRock submitted formal notification to withdraw from the Pace Industry Union-Management Pension Fund (“PIUMPF”) and recorded a withdrawal liability and a liability for their proportionate share of PIUMPF’s accumulated funding deficiency (“AFD”). Subsequently, in fiscal 2019 and 2020, WestRock received demand letters from PIUMPF, including a demand for withdrawal liabilities and for their proportionate share of PIUMPF's AFD. In July 2021, PIUMPF filed suit against WestRock in the U.S. District Court for the Northern District of Georgia claiming the right to recover their pro rata share of the pension fund’s AFD along with interest, liquidated damages and attorney's fees.

In connection with the Combination, we assumed withdrawal liabilities of $169 million, including liabilities associated with PIUMPF's AFD demands.

In November 2024, PIUMPF and the Company entered mediation and reached resolution of the litigation. In December 2024, we paid $37 million to settle the AFD matter with each party bearing their own attorney’s fees in connection with the litigation. The litigation was subsequently dismissed with prejudice. We adjusted the provisional amount recognized in the Combination to the settlement amount with an offsetting credit to goodwill. At December 31, 2024, we had recorded withdrawal liabilities of $131 million.

With respect to certain other MEPPs, in the event we withdraw from one or more of the MEPPs in the future, it is reasonably possible that we may incur withdrawal liabilities in connection with such withdrawals. Our estimate of any such withdrawal liabilities, both individually and in the aggregate, are not material for the remaining plans in which we participate.

(in millions, except share and per share data)

15. Other Liabilities

Other liabilities consist of the following:

		December 31,	
	Note	2024	2023
Other non-current liabilities			
Operating lease liabilities	8	$ 710	$ 269
Provisions for liabilities	16	287	46
Income tax payable		527	—
Timber Notes payable		333	—
Multiemployer pension plans liabilities		119	—
Other non-current liabilities		215	70
		$ 2,191	**$ 385**
Other current liabilities			
Operating lease liabilities	8	$ 309	$ 113
Provisions for liabilities	16	179	137
Income tax payable		170	—
Value-added tax		178	101
Other taxes payable		60	5
Pension liabilities and other postretirement benefits, current portion	14	58	31
Other current liabilities		439	97
		$ 1,393	**$ 484**

(in millions, except share and per share data)

16. Provisions

Provisions for liabilities consist of the following:

	Asset Retirement Obligation	Legal	Restructuring	Environmental	Other	Total
At December 31, 2024						
Current	$ 6	$ 90	$ 18	$ 6	$ 59	$ 179
Non-current	94	4	4	8	177	287
	$ 100	$ 94	$ 22	$ 14	$ 236	$ 466
Financial year ended December 31, 2024						
Opening net book amount	$ 17	$ 78	$ 30	$ 4	$ 54	$ 183
Additions	—	—	9	1	67	77
Acquisitions	90	33	12	9	173	317
Released	(6)	(15)	(3)	—	(2)	(26)
Utilized	(3)	(5)	(25)	(1)	(36)	(70)
Reclassifications	—	5	—	—	—	5
Foreign currency translation adjustment	2	(2)	(1)	1	(20)	(20)
At December 31, 2024	**$ 100**	**$ 94**	**$ 22**	**$ 14**	**$ 236**	**$ 466**

Asset retirement obligation

These provisions relate to our asset retirement obligations throughout the Company which consist primarily of costs related to the closure of manufacturing facilities, including captive, non-hazardous solid waste landfills owned and operated by certain paper mills, and dilapidations.

Restructuring

These provisions relate to irrevocable commitments in respect of restructuring programs throughout the Company. During 2024, the Company incurred an exceptional charge of $6 million in relation to redundancy and reorganization costs in the Americas, of which $6 million was unpaid at December 31, 2024 and is expected to be paid in 2025.

Environmental

Provisions for environmental costs mainly relate to the reinstatement of landfill sites and other remediation and improvement costs incurred in compliance with either local or national environmental regulations together with constructive obligations stemming from established practice. The timing of settlement of these provisions is not certain particularly where provisions are based on past practice and there is no legal obligation.

Legal

Legal represents provisions for certain legal claims the Company is involved in. Provisions are expensed in the Consolidated Statements of Operations within “Selling, general and administrative expenses”. Legal provisions are uncertain as to timing and amount as they are the subject of ongoing cases.

Other

Other comprises a number of provisions including: employee compensation in certain countries in which we operate amounting to $83 million (2023: $17 million); provisions for asbestos-related personal injury litigation of $73 million (2023: $— million) and numerous other items which are not individually material and are not readily grouped together.

(in millions, except share and per share data)

17. Income Taxes

The components of income before income taxes are as follows:

	Years ended December 31,		
	2024	2023	2022
Income before income taxes:			
Domestic (Ireland)	$ 197	$ 173	$ 235
Foreign (U.S.)	(111)	(17)	(22)
Foreign (Other)	474	982	1,213
Total income before income taxes	**$ 560**	**$ 1,138**	**$ 1,426**
Income tax expense consists of the following components:			
Current tax expense (net of investment tax credits of $8, $10 and $16)			
Domestic (Ireland)	$ 64	$ 44	$ 33
Foreign (U.S., Federal & State)	66	4	1
Foreign (Other)	248	292	316
Total current tax expense	**$ 378**	**$ 340**	**$ 350**
Deferred tax expense (benefit):			
Domestic (Ireland)	$ 19	$ 2	$ —
Foreign (U.S., Federal & State)	(123)	1	1
Foreign (Other)	(33)	(31)	40
Total deferred tax (benefit) expense	**(137)**	**(28)**	**41**
Total income tax expense	**$ 241**	**$ 312**	**$ 391**

The differences between income tax expense and the amount computed by applying the Republic of Ireland statutory trading income tax rate of 12.5% (the primary rate of our country of domicile) to income before income taxes are as follows:

	Years ended December 31,		
	2024	2023	2022
Income before income taxes	$ 560	$ 1,138	$ 1,426
Income before income taxes multiplied by the statutory income tax rate	70	142	178
Effects of:			
Income subject to different rates of tax	104	171	197
Change related to outside basis difference in foreign subsidiaries	9	8	17
Change in valuation allowance	14	(1)	32
Uncertain tax positions	10	12	10
U.S. state and local taxes	(10)	—	—
Ireland non-deductible interest	12	11	4
Non-deductible U.S. executive compensation	12	—	—
Non-deductible transaction costs	21	11	—
Other items	(1)	(42)	(47)
Income tax expense	**$ 241**	**$ 312**	**$ 391**

(in millions, except share and per share data)

17. Income Taxes - continued

The tax effects of items recognized in "Equity" consist of the following:

	Years ended December 31, 2024	2023
Recognized in the Consolidated Statements of Comprehensive (Loss) Income:		
Arising on defined benefit pension plans	$ 22	$ (6)
Total recognized within Equity	$ 22	$ (6)

The tax effects of temporary differences and carryforwards that give rise to deferred tax assets and liabilities consist of the following:

	December 31, 2024	2023
Deferred tax assets:		
Pension liabilities and other postretirement benefits	$ 45	$ 78
Carryforwards	570	126
Lease liabilities	196	50
Accrued expenses	341	97
Stock-based compensation	33	5
Other	144	66
Total	**$ 1,329**	**$ 422**
Deferred tax liabilities:		
Property, plant and equipment	(3,338)	(313)
Investments in subsidiaries	(179)	(126)
Prepaid pension asset	(124)	—
Intangibles	(183)	(5)
Inventory reserves	(203)	—
Other non-current assets	(91)	—
Other	(114)	(51)
Total	**$ (4,232)**	**$ (495)**
Valuation allowances	**(372)**	(67)
Net deferred tax liability	**$ (3,275)**	**$ (140)**

At December 31, 2024, we had net operating loss carryforwards of approximately $2,214 million. Of these net operating losses, $1,655 million expire between 2025 and 2044 and $559 million of losses carryforward indefinitely. At December 31, 2024, we also had other carryforwards of $113 million of tax credit carryforwards, the majority of which expire within 5 to 10 years.

(in millions, except share and per share data)

17. Income Taxes - continued

The following table represents a summary of the change in the valuation allowances against deferred tax assets for each year:

	2024	2023	2022
Balance at the beginning of the fiscal year	$ 67	$ 68	$ 60
Increases through continuing operations	21	9	38
Reductions through continuing operations	(7)	(10)	(6)
Net change in the valuation allowance through continuing operations	14	(1)	32
Reclassifications related to the disposal of Russian operations	—	—	(24)
Valuation allowances assumed as part of the Combination	291	—	—
Net change in the valuation allowance	305	(1)	8
Balance at the end of the fiscal year	**$ 372**	**$ 67**	**$ 68**

We consider a portion of earnings from certain foreign subsidiaries as subject to repatriation and have recognized deferred taxes accordingly. However, we consider that all other outside basis differences from all other foreign subsidiaries to be indefinitely reinvested. Accordingly, we have not provided for any deferred taxes for amounts that would be due upon recovery of those investments.

As of December 31, 2024, we estimate our unremitted earnings of foreign subsidiaries that are considered indefinitely reinvested to be approximately $1,663 million. In the event of a distribution in the form of dividends or dispositions of the subsidiaries, we may be subject to incremental foreign tax, subject to an adjustment for foreign tax credits, withholding taxes or income taxes payable to the foreign jurisdictions. As of December 31, 2024, the determination of the amount of unrecognized deferred tax liability related to investments in foreign subsidiaries that are indefinitely reinvested is not practicable.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years presented is as follows:

	2024	2023	2022
Balance at the beginning of the fiscal year	$ 50	$ 40	$ 23
Additions for tax positions taken in current year	11	12	25
Unrecognized tax benefits acquired as part of the Combination	427	—	—
Additions for tax positions taken in prior years	1	—	—
Reductions for tax positions taken in prior years	—	(1)	(2)
Reductions due to settlements	(8)	—	(1)
Currency translation adjustments	(6)	—	—
Reductions as a result of a lapse of the applicable statute of limitations	(3)	(1)	(5)
Balance at the end of the fiscal year	**$ 472**	**$ 50**	**$ 40**

As of December 31, 2024 and 2023, the total amount of unrecognized tax benefits was approximately $472 million and $50 million, respectively, exclusive of interest and penalties. Of these balances, as of December 31, 2024 and 2023, if all unrecognized tax benefits recorded were to prevail, approximately $429 million and $46 million, respectively, would benefit the effective tax rate.

We recognized interest accrued related to income taxes in income tax expense amounting to $8 million and $1 million in the years ended December 31, 2024 and 2023, respectively; no penalties were recorded during the period. As of December 31, 2024, and 2023, we have liabilities of $127 million and $2 million, respectively, related to estimated interest and penalties for income taxes.

As of December 31, 2024, $72 million of unrecognized tax benefits are expected to be resolved within the next 12 months.

(in millions, except share and per share data)

17. Income Taxes - continued

See “Note 18. Commitments and Contingencies — Brazil Tax Liability” for additional information.

We file tax returns in Ireland and foreign jurisdictions. With limited exceptions, we are no longer subject to income tax examinations by tax authorities for years prior to 2016.

During the years ended December 31, 2024, 2023 and 2022, cash paid for income taxes, net of refunds, was $383 million, $439 million and $338 million, respectively.

18. Commitments and Contingencies

We have financial commitments and obligations that arise in the ordinary course of our business. These include debt (discussed in “Note 12. Debt”), lease obligations (discussed in “Note 8. Leases”), pension liabilities (discussed in “Note 14. Retirement Plans”) and capital commitments, purchase commitments and certain legal proceedings are discussed below.

Capital Commitments

Estimated costs for future purchases of Property, plant and equipment that we are obligated to purchase as of December 31, 2024, total approximately $916 million.

Purchase Commitments

In the table below, we set forth our enforceable and legally binding purchase obligations as of December 31, 2024. These obligations relate to various purchase agreements for items such as minimum amounts of energy, fiber, wood purchases, transport and software licensing over periods ranging from one year to six years. Some of the amounts are based on management’s estimates and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties, and other factors. Because these estimates and assumptions are necessarily subjective, our actual payments may vary from those reflected in the table. Total purchase commitments are as follows:

2025	$	1,136
2026		400
2027		244
2028		173
2029		143
Thereafter		301
Total	**$**	**2,397**

Brazil Tax Liability

Our subsidiary, WestRock, is challenging claims by the Brazil Federal Revenue Department that we underpaid taxes as a result of amortization of goodwill generated by the 2002 merger of two of its Brazilian subsidiaries. The matter has proceeded through the Brazil Administrative Council of Tax Appeals (“CARF”) principally in two proceedings, covering tax years 2003 to 2008 and 2009 to 2012.WestRock was assessed additional taxes, penalties, and interest in both CARF proceedings. In the proceeding for the tax years 2003 to 2008, WestRock was also assessed penalties and interest for fraud, but WestRock won the fraud claim in the proceeding for the tax years 2009 to 2012. WestRock subsequently filed two lawsuits in Brazilian federal courts seeking annulment of the adverse CARF decisions. In February 2025, the federal court adjudicating the WestRock challenge to CARF's decision against WestRock for the 2003 and 2008 period issued a ruling in favor of WestRock nullifying the financial assessments in that case. The decision of the federal court is subject to appeal.

18. Commitments and Contingencies - continued

Brazil Tax Liability - continued

We assert that we have no liability in these matters. The total amount in dispute before CARF and in the annulment actions relating to the claimed tax deficiency was R$752 million ($122 million) as of December 31, 2024, including various penalties and interest. Resolution of the tax positions could have a material adverse effect on our cash flows and results of operations or materially benefit our results of operations in future periods depending upon their ultimate resolution.

PIUMPF-Related Litigation

Refer to "Note 14. Retirement Plans" for the resolution of the litigation filed by PIUMPF against the Company.

Asbestos-Related Litigation

We have been named as a defendant in asbestos-related personal injury litigation, primarily in relation to the historical operations of certain companies that have been acquired by the Company. To date, the costs resulting from the litigation, including settlement costs, have not been significant. We accrue for the estimated value of pending claims and litigation costs using historical claims information, as well as the estimated value of future claims based on our historical claims experience. As of December 31, 2024, there were approximately 660 such lawsuits. We believe that we have substantial insurance coverage, subject to applicable deductibles and policy limits, with respect to asbestos claims. We also believe we have valid defenses to these asbestos-related personal injury claims and intend to continue to contest these matters vigorously. Should the Company's litigation profile change substantially, or if there are adverse developments in applicable law, it is possible that the Company could incur significantly more costs resolving these cases. We record asbestos-related insurance recoveries that are deemed probable. In assessing the probability of insurance recovery, we make judgments concerning insurance coverage that we believe are reasonable and consistent with our historical dealings and our knowledge of any pertinent solvency issues surrounding the insurers. The Company currently does not expect the resolution of pending asbestos litigation and proceedings to have a material adverse effect on the Company's results of operations, financial condition or cash flows. As of December 31, 2024, the Company had recorded liabilities in respect of these matters of $73 million and estimated insurance recoveries of $47 million.

Italian Competition Authority Investigation

In August 2019, the Italian Competition Authority (the "AGCM") notified approximately 30 companies, of which Smurfit Kappa Italia, a subsidiary of Smurfit Westrock, was one, that an investigation had found the companies to have engaged in anti-competitive practices, in relation to which the AGCM levied a fine of approximately $138 million on Smurfit Kappa Italia, which was paid in 2021.

In October 2019, Smurfit Kappa Italia appealed the AGCM's decision to the First Administrative Court of Appeal (TAR Lazio), however Smurfit Kappa Italia was later notified that this appeal had been unsuccessful. In September 2021, Smurfit Kappa Italia filed a further appeal to the Council of State which published its ruling in February 2023. While some grounds of appeal were dismissed, the Council of State upheld Smurfit Kappa Italia's arguments regarding the quantification of the fine. As a result, the AGCM was directed to recalculate Smurfit Kappa Italia's fine. On March 7, 2024, the AGCM notified Smurfit Kappa Italia that its fine had been reduced by approximately $18 million. Smurfit Kappa Italia has appealed the amount of this reduction and a decision on that appeal is expected later in 2025.

Separate to these proceedings regarding the fine, in May 2023, Smurfit Kappa Italia filed an application with the Council of State for revocation of the February 2023 ruling to the extent that it failed to consider certain pleas that had been raised by Smurfit Kappa Italia on appeal. One such plea is to be (re-)assessed by the Council of State, which, if successful, could determine the partial annulment of the August 2019 AGCM decision, although this would not impact the size of the fine levied on Smurfit Kappa Italia. A decision is expected later in 2025.

18. Commitments and Contingencies - continued

Italian Competition Authority Investigation - continued

After publication of the AGCM's August 2019 decision, a number of purchasers of corrugated sheets and boxes initiated litigation proceedings against Smurfit Kappa companies, alleging that they were harmed by the alleged anti-competitive practices and seeking damages. These actions are still in early stages and Smurfit Westrock cannot predict its potential liability or their outcomes with certainty at this point in time. In addition, other parties have threatened litigation against Smurfit Westrock seeking damages (either specified or unspecified). It cannot be anticipated whether these threatened actions will become actual litigation proceedings, nor whether any amounts claimed will be the same as those that have been threatened.

International Arbitration Against Venezuela

Smurfit Kappa, which is now a subsidiary of Smurfit Westrock, announced in 2018 that due to the Government of Venezuela's measures, Smurfit Kappa no longer exercised control over the business of Smurfit Kappa Carton de Venezuela. Smurfit Kappa's Venezuelan operations were therefore deconsolidated in the third quarter of 2018. Later that year, Smurfit Kappa's wholly owned subsidiary, Smurfit Holdings BV, filed an international arbitration claim against the Bolivarian Republic of Venezuela before the World Bank's International Center for Settlement of Investment Disputes ("ICSID") seeking compensation for Venezuela's unlawful seizure of its Venezuelan business as well as for other arbitrary, inconsistent and disproportionate State measures that destroyed the value of its investments in Venezuela. Following the exchange of written submissions, an oral hearing was held in September 2022 in Paris.

On August 28, 2024, upon the completion of its deliberations, the arbitral tribunal issued an award granting Smurfit Holdings BV, then a wholly owned subsidiary of Smurfit Westrock, compensation in excess of $469 million, plus legal costs of $5 million, plus interest from May 31, 2024, until the date of payment (the "Award"). In September 2024 Smurfit Holdings BV initiated proceedings against the Bolivarian Republic of Venezuela to enforce the Award. In December 2024, the Bolivarian Republic of Venezuela applied to ICSID to annul the Award. An Annulment Committee will now be formed by ICSID to decide on this application.

Combination-Related Litigation

In May 2024, in connection with the Combination, two lawsuits were filed by purported shareholders of WestRock challenging the sufficiency of the disclosures that have been made in connection therewith in the definitive proxy statement that WestRock filed with the SEC on April 26, 2024: Robert Scott v. WestRock Company et al., No. 652627/2024 (N.Y.S.), filed on May 21, 2024, and Richard McDaniel v. WestRock Company et al., No. 652638/2024 (N.Y.S.), filed on May 22, 2024. Both complaints, which name WestRock and its directors as defendants, alleged state law claims for breach of fiduciary duty. The plaintiffs in the Scott and McDaniel cases filed notices of voluntary dismissal in their respective cases on January 15, 2025. Those notices were effective upon filing, and accordingly these lawsuits are no longer pending.

Other Litigation

We are a defendant in a number of other lawsuits and claims arising out of the conduct of our business. While the ultimate results of such suits or other proceedings against us cannot be predicted as of the date of this Annual Report, we believe the resolution of these other matters will not have a material adverse effect on our results of operations, financial condition or cash flows.

18. Commitments and Contingencies - continued

Section 357 Guarantees

Pursuant to the provisions of Section 357 of the Irish Companies Act, Smurfit Westrock plc has irrevocably guaranteed all commitments entered into by certain of its Irish subsidiaries (including amounts shown as liabilities (within the meaning of Section 357 (1) (b) of the Irish Companies Act in the statutory financial statements of such subsidiaries) for the financial year ended 31 December 2024 and as a result such subsidiaries have been exempted from the filing provisions of Section 347 and Section 348 of the Irish Companies Act. The Irish subsidiaries availing of this exemption are as follows - Belgray Holdings Unlimited Company, Brenchley Limited, Claystoke Designated Activity Company, Damous Limited, DLRS (Holdings) Limited, Smurfit Kappa Security Concepts Limited, Gorda Limited, Iona Print Limited, iVenus Limited, Jefferson Smurfit & Sons Limited, Margrave Investments Limited, Smurfit International Designated Activity Company, Smurfit Kappa Investments Limited, Smurfit Kappa Ireland Limited, Smurfit Kappa Irish Paper Sacks Limited, Smurfit Kappa Leasing Unlimited Company, Smurfit Kappa Packaging Limited, Smurfit Kappa Services Limited, Smurfit Kappa Treasury Funding Designated Activity Company, Smurfit Securities Limited, Smurfit Kappa Group plc (to be re-registered as an Irish limited company).

Article 403 Guarantees

Smurfit Westrock plc has, in accordance with Article 403, Book 2 of the Dutch Civil Code, guaranteed the debts of its following Dutch subsidiaries – Adavale (Netherlands) B.V., Smurfit International B.V. Smurfit Holdings B.V., Smurfit Investments B.V., Packaging Investments Netherlands (PIN) B.V., Packaging Investments Holdings (PIH) B.V., Smurfit Westrock Europe B.V., Smurfit Kappa Nederland B.V., Smurfit Westrock Corrugated Benelux B.V., Smurfit Westrock TWINCORR B.V., Smurfit Westrock MNL B.V., Smurfit Westrock Van Dam B.V., Smurfit Westrock Vandra B.V., Smurfit Westrock Orko-Pak B.V., Smurfit Westrock ELCORR B.V., Smurfit Westrock Trobox B.V., Smurfit Westrock Zedek B.V., Smurfit Westrock Recycling B.V., Smurfit Westrock Development Centre B.V., Smurfit Westrock Paper Services B.V., Smurfit Westrock Roermond Paper B.V., Smurfit Westrock RapidCorr B.V., Smurfit Westrock Global IS B.V., Smurfit Westrock Hexacomb B.V., Smurfit Westrock Parenco B.V., Parenco Energy B.V., Reparco Nederland B.V., WestRock Holdings B.V., WestRock Packaging Systems Netherlands B.V., WestRock Consumer Paperboard EMEA B.V., Shorewood Holdings B.V., Shorewood Intellectual Property Holdings B.V., Multi Packaging Solutions Netherlands B.V., Multi Packaging Solutions Oss B.V.

(in millions, except share and per share data)

19. Shareholders' Equity

	Years ended December 31,					
	2024			2023		
	Authorized shares	Allotted, called-up and fully paid shares	Paid-in capital	Authorized shares	Allotted, called-up and fully paid shares	Paid-in capital
Common stock consisting of ordinary shares, $0.001 par value	9,500,000,000	520,444,261	$ 1	9,910,931,085	260,354,342	$ —
			—			—
Preferred stock, $0.001 par value	500,000,000	10,000	—	—	—	—
Convertible shares			—			—
Class A1, €0.001 par value			—	2,356,472	—	—
Class A2, €0.001 par value			—	2,356,471	—	—
Class A3, €0.001 par value			—	2,355,972	—	—
Class B, €0.001 par value			—	30,000,000	2,089,514	—
Class C, €0.001 par value			—	30,000,000	2,089,514	—
Class D, €0.001 par value			—	75,000,000	786,486	—
			—			—
Deferred shares, €1 par value	25,000	25,000	—	25,000	100	—
Paid-in capital	—	—	$ 1	—	—	$ —

Ordinary Shares

Subject to the articles of association of the Company, the holders of ordinary shares are entitled to share in any dividends in proportion to the number of shares held by them and are entitled to one vote for every share held by them.

Preferred Stock

The holders of the Series A Preferred Stock are entitled in priority to any payments of dividends on any other class of shares in the Company to be paid annually on a fixed non-cumulative preferential dividend rate of 8% per annum. On a return of assets, whether on liquidation or otherwise, the Series A Preferred Stock entitle the holder to repayment of the capital paid up on those shares (including any share premium) in priority to any repayment of capital to the holders of any other shares. The holder of the Series A Preferred Stock is not entitled to any further participation in the assets or profits of the Company and is not entitled to receive notice of, attend, speak or vote at any general meeting of the Company.

During the year ended December 31, 2024, 500,000,000 Series A Preferred Shares were authorized and 10,000 were issued.

Treasury Stock

This represents common stock assumed by the Smurfit Kappa Employee Trust under the terms of the Deferred Bonus Plan. For the avoidance of doubt, 'treasury stock' shall not be construed to have the same meaning as treasury shares under section 109 of the Irish Companies Act.

As of December 31, 2024 and 2023, there were 2,037,589 and 1,907,129 shares of treasury stock issued, respectively, with a nominal value of $0.001 per share.

(in millions, except share and per share data)

19. Shareholders' Equity- continued

Convertible shares

The holders of convertible shares have no right to participate in the profits of the Company and are not entitled to receive notice of, attend or vote at general meetings or to vote on any members' resolution (save for any resolution with regard to the rights of convertible shares). On return of capital (whether on repayment of capital, liquidation or otherwise) the assets and/or capital legally available to be distributed shall, subject first to the rights of the holders of ordinary shares be distributed amongst the holders of convertible shares, in proportion to the number of convertible shares held by them, of the nominal value of their convertible shares. At 31 December 2020, all exercisable convertible shares had lapsed and are no longer convertible into ordinary shares. At December 31, 2024, there are no longer any authorized and called-up convertible shares.

Deferred Shares

Holders of deferred shares have no right to receive notice of, attend, speak, or vote at any general meetings of the Company. Deferred shares do not carry the right to receive dividends. Any deferred shares that are issued will rank in priority below the ordinary shares with respect to liquidation rights and such entitlement will be limited to the repayment of the amount paid up or credited as paid up on the deferred shares.

On July 5, 2024, 25,000 ordinary shares of €1.00 each were re-designated as 25,000 Euro deferred shares of €1.00 each.

20. Accumulated Other Comprehensive Loss

The tables below summarize the changes in accumulated other comprehensive loss by component for the years ended December 31, 2024, 2023 and 2022:

	Foreign Currency Translation	Cash Flow Hedges	Defined Benefit Pension and Postretirement Plans	Other Reserves[1]	Total[2]
Balance at December 31, 2021	**$ 833**	**$ 14**	**$ 850**	**$ (751)**	**$ 946**
Other comprehensive loss (income)	366	7	(110)	—	263
Balance at December 31, 2022	**$ 1,199**	**$ 21**	**$ 740**	**$ (751)**	**$ 1,209**
Other comprehensive (income) loss	(410)	(5)	53	—	(362)
Balance at December 31, 2023	**$ 789**	**$ 16**	**$ 793**	**$ (751)**	**$ 847**
Other comprehensive loss (income)	895	—	(87)	—	808
Reclassification from retained earnings	—	—	(209)	—	(209)
Balance at December 31, 2024	**$ 1,684**	**$ 16**	**$ 497**	**$ (751)**	**$ 1,446**

(1) This relates to a reverse acquisition reserve which arose on the creation of a new parent of the Company prior to the United Kingdom and Ireland listings.
(2) All amounts are net of tax and noncontrolling interest.

(in millions, except share and per share data)

20. Accumulated Other Comprehensive Loss - continued

A summary of the components of other comprehensive (loss) income, including noncontrolling interest, for the years ended December 31, 2024, 2023 and 2022, is as follows:

	Year ended December 31,								
	2024			2023			2022		
	Pre-Tax	Tax	**Net of Tax**	Pre-Tax	Tax	**Net of Tax**	Pre-Tax	Tax	**Net of Tax**
Foreign currency translation (loss) gain	$ (895)	$ —	$ (895)	$ 410	$ —	$ 410	$ (366)	$ —	$ (366)
Defined benefit pension and other post-retirement benefit plans:									
Net actuarial gain (loss) arising during year	19	(5)	14	(60)	13	(47)	14	(1)	13
Amortization and settlement recognition of net actuarial loss	59	(15)	44	40	(9)	31	33	(1)	32
Prior service credit (cost) arising during year	10	(2)	8	(5)	2	(3)	1	—	1
Amortization of prior service credit	(1)	—	(1)	(1)	—	(1)	(1)	—	(1)
Foreign currency gain (loss) - pensions	22	—	22	(33)	—	(33)	65	—	65
Derivatives:									
Changes in fair value of cash flow hedges	—	—	—	5	—	5	(6)	—	(6)
Changes in fair value of cost of hedging	—	—	—	—	—	—	(1)	—	(1)
Consolidated other comprehensive (loss) income	(786)	(22)	(808)	356	6	362	(261)	(2)	(263)
Less: Other comprehensive loss (income) attributable to noncontrolling interests	—	—	—	—	—	—	—	—	—
Other comprehensive (loss) income attributable to common shareholders	**$ (786)**	**$ (22)**	**$ (808)**	**$ 356**	**$ 6**	**$ 362**	**$ (261)**	**$ (2)**	**$ (263)**

(in millions, except share and per share data)

21. Revenue Recognition

Disaggregated Revenue

ASC 606 requires that we disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following tables summarize our disaggregated revenue with unaffiliated customers by product type and segment for the year ended December 31, 2024, 2023 and 2022. Net sales are attributed to segments based on the location of production.

	Year ended December 31, 2024			
	North America	Europe, MEA and APAC	LATAM	Total
Revenue by product:				
Paper	$ 2,271	$ 1,468	$ 117	$ 3,856
Packaging	7,630	8,088	1,535	17,253
Total	**$ 9,901**	**$ 9,556**	**$ 1,652**	**$ 21,109**

	Year ended December 31, 2023			
	North America	Europe, MEA and APAC	LATAM	Total
Revenue by product:				
Paper	$ 106	$ 1,380	$ 53	$ 1,539
Packaging	1,517	7,804	1,233	10,554
Total	**$ 1,623**	**$ 9,184**	**$ 1,286**	**$ 12,093**

	Year ended December 31, 2022			
	North America	Europe, MEA and APAC	LATAM	Total
Revenue by product:				
Paper	$ 163	$ 1,925	$ 106	$ 2,194
Packaging	1,556	8,507	1,252	11,315
Total	**$ 1,719**	**$ 10,432**	**$ 1,358**	**$ 13,509**

Packaging revenue is derived mainly from the sale of corrugated and consumer packaging products. The remainder of packaging revenue is composed of bag-in-box, packaging solutions and other paper-based packaging products.

(in millions, except share and per share data)

21. Revenue Recognition - continued

Revenue Contract Balances

In connection with the Combination, the Company acquired contract assets and assumed contract liabilities. These contract assets relate to the manufacture of certain products that have no alternative use to us, with right to payment for performance completed to date on these products, including a reasonable profit. Contract assets are reduced when the customer takes title to the goods and assumes the risks and rewards for the goods. Contract liabilities represent obligations to transfer goods or services to a customer for which we have received consideration and are reduced once control of the goods is transferred to the customer.

Contract assets and contract liabilities are reported within “Other current assets” and “Other current liabilities”, respectively, on the Consolidated Balance Sheets.

	Contract Assets (Short-Term)	Contract Liabilities (Short-Term)
Recorded on the Combination	$ 220	$ 10
Decrease	(23)	(5)
Ending balance - December 31, 2024	**$ 197**	**$ 5**

22. Transaction and Integration-related costs associated with the Combination

The following table summarizes the transaction and integration costs associated with the Combination:

	Years ended December 31,		
	2024	2023	2022
Transaction-related costs associated with the Combination	$ (202)	$ (78)	$ —
Integration-related costs associated with the Combination	(193)	—	—
Total transaction and integration-related costs associated with the Combination	**$ (395)**	**$ (78)**	**$ —**

Transaction-related Costs Associated with the Combination

Transaction-related costs associated with the Combination comprise of banking and financing related costs as well as legal and other professional services which are directly attributable to the Combination and retention payments that are contractually committed to and associated with the successful completion of the Combination.

Integration-related Costs Associated with the Combination

We incur integration costs post-acquisition that reflect work performed to facilitate merger and acquisition integration and primarily consist of professional services and personnel and related expenses, such as work associated with information systems.

We consider transaction and integration costs to be corporate costs regardless of the segment or segments involved in the transaction.

(in millions, except share and per share data)

23. Interest

The components of interest expense, net is as follows:

	Years ended December 31, 2024	2023	2022
Interest expense	$ (525)	$ (170)	$ (148)
Interest income	127	31	9
Interest expense, net	**$ (398)**	**$ (139)**	**$ (139)**

Interest payable and similar expense	Years ended December 31, 2024	2023
Interest payable on amounts owed to credit institutions	$ 61	$ 52
Interest payable on leases	14	1
Interest payable on other borrowings	437	110
Capitalized borrowing costs	(22)	(10)
Other interest expense	35	17
	$ 525	**$ 170**

	Years ended December 31, 2024	2023
Interest receivable and similar income		
Bank interest	$ 101	$ 22
Other interest income	26	9
	$ 127	**$ 31**

Total cash paid for interest, net of interest received was $396 million, $146 million and $129 million for the year ended December 31, 2024, 2023 and 2022, respectively.

24. Auditors' Remuneration

Auditor's remuneration was as follows:

	Years ended December 31, 2024			2023		
	KPMG Ireland	Other KPMG Network Firms	Total	KPMG Ireland	Other KPMG Network Firms	Total
Audit of the Company financial statements	$ 6	$ 10	$ 16	$ 3	$ 9	$ 12
Other assurance services	3	8	11	2	4	6
Tax advisory services	—	2	2	—	—	—
Other non-audit services	2	—	2	2	—	2
	$ 11	**$ 20**	**$ 31**	**$ 7**	**$ 13**	**$ 20**

(in millions, except number of employees, share and per share data)

25. Employee Benefit Expense

Employees

The average number of full-time equivalent persons employed by the Company during the financial year is as follows:

	Years ended December 31,	
	2024	2023
North America	52,989	9,186
Europe, MEA and APAC	37,532	29,915
LATAM	10,236	7,881
	100,757	**46,982**

The employee benefit expenses for the year for the above employees consisted of the following:

		Years ended December 31,	
	Note	2024	2023
Wages and salaries		$ 4,470	$ 2,172
Social insurance costs		601	433
Share-based payment expense	26	206	66
Defined benefit expense	14	46	25
Defined contribution pension plan expense	14	170	79
		$ 5,493	**$ 2,775**

26. Share-based Compensation

Share-based compensation expense relates primarily to awards granted under the Deferred Bonus Plan (“DBP”), the Performance Share Plan (“PSP”), Performance Share Units (“PSUs”), Restricted Stock Units (“RSUs”), and Stock Options (“Options”). Share-based compensation expense recognized in the Consolidated Statements of Operations is as follows:

	Years ended December 31,		
	2024	2023	2022
Deferred Bonus Plan	$ 24	$ 29	$ 24
Performance Share Plan	65	35	42
Performance Share Units	2	—	—
Restricted Stock Units	109	—	—
Total share-based compensation expense	**$ 200**	**$ 64**	**$ 66**
Income tax benefit related to share-based compensation expense	$ 15	$ —	$ 3

Social charges relating to equity settled share-based payments for the years ended December 31, 2024, 2023 and 2022, were $6 million, $2 million and $2 million, respectively.

The following note disclosure details the legacy Smurfit Kappa Group plans (the Deferred Bonus Plan and the Performance Share Plan), the conversion of the legacy Westrock RSU and PSU awards due to the Combination and also the Smurfit Westrock 2024 Long Term Incentive Plan (“LTIP”).

(in millions, except share and per share data)

26. Share-based Compensation - continued

Deferred Bonus Plan

The DBP is a legacy Smurfit Kappa Group plc plan. The DBP authorized the granting of conditional awards. The number of shares awarded under the DBP during the years ended December 31, 2024, 2023 and 2022, were 651,648, 764,182 and 571,693, respectively. No new awards will be issued under the DBP from 2025 onwards.

Under the DBP, participants could be granted an award of up to 150% of salary (other than a recruitment award). The actual bonus earned in any financial year was based on the achievement of clearly defined stretching annual financial targets for some of Smurfit Kappa's Key Performance Indicators. For 2024, these were Earnings before Interest and Tax, Free Cash Flow, together with targets for Health and Safety, People and ESG and personal/strategic targets for the executive Directors.

The structure of the plan was that 50% of any annual bonus earned for a financial year was deferred into Smurfit Kappa plc shares ("Deferred Shares") to be granted in the form of a Deferred Share Award. In connection with the Combination, the Smurfit Kappa plc shares were converted into Smurfit Westrock plc shares on a one-to-one basis.

The Deferred Shares will vest (i.e. become unconditional) after a three-year holding period based on a service condition of continuity of employment, or in certain circumstances, based on normal good leaver provisions.

Deferred Share Awards were granted in 2024 to eligible employees in respect of the financial year ended December 31, 2023. The total DBP expense for the year comprises an expense pertaining to the Deferred Share Awards granted in respect of 2021, 2022 and 2023.

The table below summarizes the changes in the DBP during the year ended December 31, 2024:

	Number of shares	Weighted average grant date fair value
Outstanding at beginning of year	1,862,573	$ 46.00
Granted	651,648	41.34
Forfeited	(13,366)	42.88
Vested	(523,972)	47.42
Outstanding at end of year	**1,976,883**	**$ 43.42**

The grant date fair value of the awards is equivalent to the closing price of the Company shares at the date the award was granted.

The weighted average grant date fair value for awards granted in the year ended December 31, 2023 and 2022 were $38.88 and $53.09, respectively.

During the years ended December 31, 2024, 2023 and 2022, 523,972, 483,801, and 929,542 shares vested having a fair value of $21 million, $18 million, and $49 million, respectively. As of December 31, 2024, unrecognized compensation expense related to the awards was $27 million, which will be recognized over the remaining weighted average vesting period of 1.6 years.

(in millions, except share and per share data)

26. Share-based Compensation - continued

Performance Share Plan

The PSP is a legacy Smurfit Kappa Group plc plan. The PSP authorized the granting of conditional awards or nil-cost options (right to acquire shares during an exercise period without cost to the participant). The number of shares awarded under the PSP during the years ended December 31, 2024, 2023 and 2022 were 1,700,922, 2,003,416, and 1,554,551, respectively. No new awards will be issued under the PSP from 2025 onwards.

Under the PSP, participants could be granted an award of up to 250% of salary (other than a recruitment award). Awards could vest after a three-year performance period to the extent to which the performance conditions had been met. Awards were also subject to an additional holding period following vesting (of up to two years). At the end of the relevant holding period, the PSP awards are released (i.e. become unconditional) to the participant. The performance targets assigned to the PSP awards were set by the Smurfit Kappa Group plc Remuneration Committee on the granting of awards at the start of each three-year cycle.

The actual number of shares that vested under the PSP was dependent on the performance conditions of the Company's Earnings per Share ("EPS"), Return on Capital Employed ("ROCE"), Total Shareholder Return ("TSR") (relative to a peer group) and Sustainability targets measured over a three-year performance period. PSP performance conditions were reviewed at the end of the three-year performance period and the PSP shares awarded vested depending upon the extent to which these performance conditions had been satisfied. In connection with the Combination, the performance goals applicable to the Smurfit Kappa awards outstanding under the PSP at the time of the Combination were deemed achieved at 100%.

The table below summarizes the changes in the PSP for the year ended December 31, 2024:

	Number of shares	Weighted average grant date fair value
Outstanding at beginning of year	4,375,762	$ 34.32
Granted	1,700,922	43.29
Forfeited	(157,115)	35.50
Vested	(742,163)	38.35
Lapsed	(409,729)	38.35
Outstanding at end of year	4,767,677	$ 36.51

The weighted average grant date fair value for the year ended December 31, 2024 incorporates the fair value of the TSR component of the awards. The weighted average grant date fair values were $30.13 and $36.53 during the years ended December 31, 2023 and 2022, respectively.

The fair values assigned to the EPS, ROCE and Sustainability components of the PSP are equivalent to the closing price of the Company shares on the trading day prior to the grant date.

The fair value assigned to the portion of awards which are subject to TSR performance was calculated as of the grant date using the Monte Carlo simulation model. The grant date fair values for the TSR portion of these awards were $16.96 and $18.54, for 2023 and 2022, respectively. The Monte Carlo simulation takes into account peer group TSR and volatilities together with the following assumptions:

	2024	2023	2022
Risk-free interest rate (%)	— %	3.2 %	0.7 %
Expected volatility (%)	— %	27.7 %	31.5 %
Expected term (years)	0	3.0	3.0

(in millions, except share and per share data)

26. Share-based Compensation - continued

For the 2024 awards, a TSR valuation was not required as they were granted in contemplation of the Combination. For the 2023 and 2022 awards, the expected volatility rate applied was based upon Smurfit Kappa's historical and implied share price volatility levels. Historical volatility was calculated over a period equal to the expected term. The risk-free interest rate is based on the yield at the date of grant of swap rate curves with a maturity period equal to the expected term.

During the years ended December 31, 2024, 2023 and 2022 742,163, 1,322,030 and 1,178,642 shares vested having a fair value of $30 million, $50 million and $62 million, respectively.

As of December 31, 2024, unrecognized compensation expense related to the awards was $103 million, which will be recognized over the remaining weighted average vesting period of 1.6 years.

Modification of Performance Share Plan Awards due to Combination

In connection with the Combination, the performance goals applicable to the Smurfit Kappa awards outstanding under the PSP at the time of the Combination were deemed achieved at 100% and these awards were converted on a one-to-one basis into Smurfit Westrock awards as of the Combination date.

Modification accounting was required for the TSR portion of the 2023 and 2022 PSP awards as the fair value changed as a result of the Combination. Modification accounting was also required for the non-TSR portion of the 2024, 2023 and 2022 PSP awards as the vesting conditions changed as a result of the Combination. These modifications were accounted for as a Type 1 probable-to-probable modification. Modification accounting was not required for the TSR portion of the 2024 PSP awards as the fair value, vesting conditions and classification did not change as a result of the Combination.

The total incremental fair value associated with the modification of the 2024, 2023 and 2022 PSP was $27 million, $49 million and $30 million respectively.

Long-Term Incentive Plan

On July 5, 2024, immediately prior to the Combination, the Board adopted the LTIP, pursuant to which Smurfit Westrock plc may grant RSUs, PSUs, stock options, including incentive stock options, stock appreciation rights, share awards, which may be subject to time-based or performance-based vesting conditions, and cash bonus incentives to eligible employees (including Named Executive Officers), directors and consultants/independent contractors. The key purpose of the LTIP is to retain key executives and to align the interests of our executives with the achievement of sustainable long-term growth and performance.

Performance Share Units granted under the LTIP

On August 2, 2024, the Company granted PSUs under the LTIP. The performance period for these awards begins on July 8, 2024, and ends on December 31, 2026. The number of shares that will ultimately vest are based on a TSR condition, where a participant can earn between 0% and 200% based on the TSR achieved relative to a peer group. The Smurfit Westrock plc 2024 LTIP authorizes granting of 26 million shares to employees. As of December 31, 2024, there were 25,521,231 shares available to be granted under this plan (including RSUs), assuming the PSUs previously granted vest at maximum.

The table below summarizes the changes in the PSUs for the year ended December 31, 2024:

	Number of shares	Weighted average grant date fair value
Outstanding at beginning of year	—	$ —
Granted	232,422	50.07
Outstanding at end of year	**232,422**	**$ 50.07**

(in millions, except share and per share data)

26. Share-based Compensation - continued

The fair value assigned to the awards, which are subject to TSR performance, was calculated as of the grant date using the Monte Carlo simulation model. The grant date fair values for the TSR portion of these awards were $50.07 for 2024. The Monte Carlo simulation takes into account peer group TSR and volatilities together with the following assumptions:

	Year ended December 31, 2024
Risk-free interest rate (%)	3.7 %
Expected volatility (%)	33.7 %
Expected term (years)	2.4

For the awards granted on August 2, 2024, in order to account for the Combination, the expected volatility rate applied was based on a blended volatility that used historical adjusted daily stock prices that were time weighted based on pre- and post-acquisition prices of Smurfit Kappa, WestRock, and Smurfit Westrock. For a term of 0.08 years, historical volatility of Smurfit Westrock was used (which was calculated as the time from the transaction date of July 5, 2024, to the grant date of August 2, 2024). For the remaining term of 2.33 years, a market capitalization weighted volatility was used for Smurfit Kappa and WestRock as of the transaction date. The risk-free interest rate is based on the U.S. Treasury Rate Yield Curve, adjusted to approximate zero coupon yields using the “bootstrap” technique, over a period equal to the expected term.

During the year ended December 31, 2024, no shares vested.

As of December 31, 2024, unrecognized compensation expense related to the awards was $9 million, which will be recognized over the remaining weighted average vesting period of 2.0 years.

Restricted Stock Units

As part of the Combination described in “Note 2. Acquisitions”, the Company replaced outstanding Westrock RSU Awards (other than director RSUs) for current employees and Westrock PSUs with Smurfit Westrock RSUs and a cash award equal to $5 per share. See Smurfit Westrock RSUs acquired in connection with the Combination outlined below. See “Note 2. Acquisitions - Outstanding WestRock Share-based Compensation Awards” for additional information relating to the acquired share-based compensation awards.

On August 2, 2024, the Company granted RSUs under the LTIP. The service period for these awards begins on July 8, 2024, and ends on December 31, 2024. The RSU awards will vest, subject to the participants’ continued service through to the vesting date.

The table below summarizes the changes in the RSUs granted under the LTIP and Westrock RSU awards converted to Smurfit Westrock RSU awards during the year ended December 31, 2024:

	Number of shares	Weighted average grant date fair value
Outstanding at beginning of year	—	$ —
Acquired in connection with Combination	5,393,653	46.85
Granted	56,936	48.09
Forfeited	(43,432)	46.86
Vested	(1,695,195)	46.86
Outstanding at end of year	3,711,962	$ 46.87

During the year ended December 31, 2024, 1,695,195 shares vested having a fair value of $75 million. As of December 31, 2024, unrecognized compensation expense related to the awards was $54 million, which will be recognized over the remaining weighted average vesting period of 1.6 years.

(in millions, except share and per share data)

26. Share-based Compensation - continued

Stock Options

On July 5, 2024, as part of the Combination with WestRock, the Company assumed 203,707 Stock Options. During the year ended December 31, 2024, 61,581 options were exercised, 136 options expired, and 141,990 options remain outstanding. The aggregate intrinsic value of options exercised was $1 million.

27. Disposal of Russian Operations

The sale of the Russian operations was completed on March 20, 2023, following the Company's previously announced plan to exit the Russian market in an orderly manner in 2022. The results of the operations in Russia were not presented as a discontinued operation as they did not represent a strategic shift that had or will have a major effect on our operations and financial results. Such operations are neither a major line of business or a major geographical area and represented less than 1.5% of the Company's net sales in 2023 and in 2022. During the year ended December 31, 2022, in advance of classifying the Russian disposal group as held for sale, the recoverable value of zero was reassessed based on the terms of the sales agreement entered into, applying the fair value less costs to sell method. This resulted in an impairment charge of $159 million being recorded in 2022 within Impairment of other assets.

Upon completion of the sale during 2023, the assets and liabilities previously classified as held for sale were derecognized and a pre-tax net loss on disposal was recognized of $10 million within Other (expense) income, net.

28. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Years ended December 31,		
	2024	**2023**	**2022**
Numerator:			
Net income attributable to common shareholders	$ 319	$ 825	$ 1,034
Denominator:			
Basic weighted average shares outstanding	386	258	258
Effect of dilutive share options	3	2	3
Diluted weighted average shares outstanding	389	260	261
Basic earnings per share attributable to common shareholders	**$ 0.83**	**$ 3.19**	**$ 4.00**
Diluted earnings per share attributable to common shareholders	**$ 0.82**	**$ 3.17**	**$ 3.96**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. These comprise of restricted stock units, performance stock units and performance shares issued under the Company's long-term incentive plans. Details of these plans are set out in "Note 26. Share-based Compensation".

For the years ended December 31, 2024, 2023 and 2022, respectively, there were no material weighted average share-based compensation awards excluded from the diluted earnings per share computation because the effect would have been antidilutive.

29. Related Party Transactions

We sell products to and receive services from affiliated entities. These transactions are undertaken and settled at normal trading terms. No guarantees are given or received by either party. Related party balances and transactions were not material for any period presented.

(in millions, except share and per share data)

30. Directors' Remuneration

Directors' remuneration for the financial year was as follows:

	Years ended December 31,	
	2024	2023
Emoluments	$ 9	$ 5
Benefits under long-term incentive schemes	$ 9	$ 4
Gain on exercise of share options	$ —	$ —
Contributions to retirement benefit schemes:		
- Defined benefit scheme	$ —	$ —
- Defined contribution scheme	—	—
	$ —	$ —
Compensation for loss of office paid by the Company and other termination payments	$ —	$ —

No retirement benefits under a defined benefit scheme were accrued for any directors for the years ended December 31, 2024, and 2023.

In the years ended December 31, 2024 and 2023, two directors received a cash allowance in lieu of Company contributions under the Company's tax qualified defined contribution pension plan (at a rate of 10% base salary for the applicable year).

31. Subsequent Events

The Company has evaluated subsequent events through the date the Company issued the Consolidated Financial Statements. Except as noted below, the Company has concluded that no events or transactions have occurred that may require disclosure in the accompanying financial statements.

Dividend Approval

On January 30, 2025, the Company announced 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 March 18, 2025 to shareholders of record at the close of business on February 14, 2025.

(in millions, except share and per share data)

32. Principal Subsidiaries

A listing of the Company's Principal Subsidiaries is set out as follows:

Subsidiaries[(1)]	Principal activities	Registered Office / Principal Place of Business	Country of Incorporation[(2)]	Holding %
Cartón de Colombia, S.A.	Manufacture and sale of paperboard, paper sacks, writing paper and packaging products	Calle 15 No. 18-109 Puerto Isaacs, Yumbo - Valle del Cauca, Colombia	Colombia	99.7
Smurfit Carton y Papel de México S.A. de C.V.	Manufacture and sale of paperboard and packaging products	Miguel de Cervantes Saavedra, 301, Torre B Piso 8. Colonia Ampliación Granada, Alc. Miguel Hidalgo Ciudad de Mexico, c.p. 11520, Mexico	Mexico	100
Smurfit Kappa Nettingsdorf AG & Co KG	Manufacture and sale of containerboard and holding company for Austrian operations which manufacture corrugated board	Nettingsdorfer Straße 40, 4053 Haid bei Ansfelden, Austria	Austria	100
Smurfit International B.V.	Principal international holding company	Innovatiepark 8, 4906AA Oosterhout, The Netherlands	Netherlands	100
Smurfit Kappa de Argentina, S.A.	Manufacture and sale of paperboard and packaging products	Av. Cordoba 838, 9 Floor, of. 18, Ciudad de Buenos Aires, Argentina	Argentina	100
Smurfit Westrock Deutschland GmbH	Holding company for German operations whose principal activities are the manufacture and sale of paperboard, solidboard and packaging products	Tilsiter Straße 162, 22047 Hamburg, Germany	Germany	100
Smurfit Westrock Europe B.V.	International holding company	Evert van de Beekstraat 1-106, 1118 CL Schiphol, The Netherlands	Netherlands	100
Smurfit Westrock Italia, S.p.A.	Manufacture and sale of paperboard and packaging products	Via Vincenzo Monti, 12, 20123 Milano (MI), Italy	Italy	100
Smurfit Kappa Holdings US Inc.	Holding company for the United States and certain Mexican operations whose principal activities are the manufacture and sale of paperboard and packaging products	913 N. Market Street, Suite 200, Wilmington, DE 19801, USA	United States	100
Smurfit Kappa Ireland Limited	Manufacture and sale of packaging products	Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland	Ireland	100
Smurfit Westrock Piteå AB	Manufacture and sale of containerboard and holding company for operations in Sweden and Norway which manufacture and sell packaging products	SE - 941 86, Piteå, Sweden	Sweden	100
Smurfit Kappa Nederland B.V.	Holding company for Dutch operations which manufacture paper, paperboard and packaging products	Innovatiepark 8, 4906AA Oosterhout, The Netherlands	Netherlands	100
Smurfit Westrock Nervión, S.A.	Manufacture and sale of sack paper and holding company for Spanish, Portuguese and Moroccan operations whose principal activities are the manufacture and sale of paperboard and packaging products	B Arriandi s/n, 48215 Iurreta, Vizcaya, Spain	Spain	100

(in millions, except share and per share data)

32. Principal Subsidiaries - continued

Subsidiaries[1]	Principal activities	Registered Office / Principal Place of Business	Country of Incorporation[2]	Holding %
Smurfit Westrock Packaging UK Limited	Holding company for operations in the United Kingdom whose principal activities are the manufacture and sale of paperboard and packaging products	Cunard Building, Pier Head, Liverpool, LS3 1SF, United Kingdom	England	100
Smurfit Kappa do Brasil Indústria de Embalagens S.A.	Holding company for operations in Brazil whose principal activities are the manufacture and sale of paperboard and packaging products	Rua Castilho, 392, Cj.162, Brooklin, CEP 04568-010, São Paulo, Brazil	Brazil	100
Smurfit Kappa Participations SAS	Holding company for French operations whose activities are the manufacture and sale of paperboard and packaging products	5 Avenue du Général de Gaulle, 94160 Saint Mandé, France	France	100
Smurfit Kappa Treasury Unlimited Company	Finance company	Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland	Ireland	100
Smurfit Kappa Acquisitions Unlimited Company	Holding and finance company	Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland	Ireland	100
Smurfit Kappa Investments Limited	Holding company	Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland	Ireland	100
Smurfit Kappa Group Public Limited Company	Management activities of holding companies	Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland	Ireland	100
Smurfit Westrock Financing Designated Activity Company	Finance company	Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland	Ireland	100
Smurfit WestRock US Holdings Corporation	Holding company	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Company	Holding company	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WRKCo Inc	Holding company for US and non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock MWV, LLC	Holding and operating company for US and non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock RKT, LLC	Holding company for US and non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Coated Board, LLC	Operating company and holding company for non-US operations and timber notes financing	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Timber Note Holding Company III	Holding company for non-US operations and finance company	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100

(in millions, except share and per share data)

32. Principal Subsidiaries - continued

Subsidiaries[1]	Principal activities	Registered Office / Principal Place of Business	Country of Incorporation[2]	Holding %
WestRock CP, LLC	Holding and operating company for US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Holding Company III	Holding company for finance company	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Paper and Packaging, LLC	Holding company for US and non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Kraft Paper, LLC	Holding company for US and non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Finco, LLC	Finance company	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Converting, LLC	Holding and operating company for US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Finco Holdings LLC	Holding company for finance company	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
Super Eagle Acquisitions LLC	Holding company for Mexico operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WRK Luxembourg, Sarl	Holding company for non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	51, Boulevard Grande Duchesse Charlotte, 1331 Luxembourg	Luxembourg	100
WRK International Holdings Sarl	Holding company for non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	51, Boulevard Grande Duchesse Charlotte, 1331 Luxembourg	Luxembourg	100
WestRock Luxembourg S.A.R.L	Holding company for non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	51, Boulevard Grande Duchesse Charlotte, 1331 Luxembourg	Luxembourg	100
Stone Global LLC	Holding company for non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Canada Holdings II, LLC	Holding company for non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	1000 Abernathy Road, NE, Atlanta, GA 30328, USA	United States	100
WestRock Holdings B.V.	Holding company for non-US operations whose activities are primarily the manufacture and sale of paper and packaging products	Weidehek 119D, Breda 4824 AT, The Netherlands	Netherlands	100

32. Principal Subsidiaries - continued

Subsidiaries[1]	Principal activities	Registered Office / Principal Place of Business	Country of Incorporation[2]	Holding %
Gondi S. de R. L. De C.V.	Holding and operating company for Mexico whose activities are primarily the manufacture and sale of paper and packaging products	Blvd. Manuel Ávila Camacho No. 36 Piso 21, Col. Lomas de Chapultepec Alcaldía Miguel Hidalgo, 11000 México	Mexico	100
Super Eagle Acquisition Mexico S de RL de CV.	Holding company for Mexico operations whose activities are primarily the manufacture and sale of paper and packaging products	San Pedro Garza García, Nuevo Leon, Mexico	Mexico	100

[1] A full list of subsidiaries and associates will be annexed to the Annual Return of the Company to be filed with the Irish Registrar of Companies.
[2] The companies operate principally in their countries of incorporation.

Smurfit Westrock plc
Parent Company Balance Sheet
(in millions, except share and per share data)

	Note	December 31, 2024	December 31, 2023
Fixed assets			
Investments in subsidiaries	2	$ 21,539	$ —
Loans to group undertakings	3	3,044	
		24,583	**—**
Current assets			
Cash at bank and in hand		—	—
Debtors	4	11	—
		11	**—**
Creditors: amounts falling due within one year	5	(319)	—
Net current liabilities		**(308)**	**—**
Total assets less current liabilities		**24,275**	**—**
Provisions for liabilities	6	(17)	—
Net assets		**$ 24,258**	**$ —**
Capital and Reserves			
Called-up share capital presented as equity	7	$ 1	$ —
Share premium account	7	2	—
Share-based payment reserve	7	315	—
Profit and loss account	7	23,940	—
Total equity		**$ 24,258**	**$ —**

In accordance with Section 304(2) of the Irish Companies Act, Smurfit Westrock plc is availing of the exemption from presenting and filing its individual Profit and loss account. Smurfit Westrock plc's net profit for the financial years ended December 31, 2024 and 2023 was $32 million and $nil, respectively.

The notes on pages 146 to 155 form part of the financial statements.

Approved by the board on March 13, 2025 and signed on its behalf by:

A. Smurfit
Director

K. Bowles
Director

Smurfit Westrock plc
Parent Company Statement of Changes in Equity
(in millions, except share and per share data)

	Called up Share Capital	Share Premium	Share-Based Payment Reserve	Other Reserves	Profit and Loss Account	Total
At December 31, 2023	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Shares issued	1	25,521	—	(1,291)	—	24,231
Capital reduction	—	(25,519)	—	—	25,519	—
Reclassification	—	—	—	1,291	(1,291)	—
Share-based payment	—	—	310	—	—	310
Profit for the financial year	—	—	—	—	32	32
Dividends paid	—	—	5	—	(320)	(315)
At December 31, 2024	**$ 1**	**$ 2**	**$ 315**	**$ —**	**$ 23,940**	**$ 24,258**

The notes on pages 146 to 155 form part of the financial statements.

Smurfit Westrock plc
Notes to the Parent Company Financial Statements
(in millions, except share and per share data)

1. Basis of Presentation and summary of significant accounting policies

On September 12, 2023, Smurfit Kappa Group plc ("Smurfit Kappa") and WestRock Company ("WestRock"), a public company incorporated in Delaware, announced they had reached a definitive agreement on the terms of a proposed combination to be implemented through (i) an acquisition by Smurfit WestRock Limited (which was re-registered and renamed Smurfit Westrock plc on June 18, 2024) of the entire issued ordinary share capital of Smurfit Kappa by means of a Scheme under Section 450 of the Irish Companies Act; and (ii) merger of a subsidiary of Smurfit Westrock with and into WestRock ("the Combination" or "the Transaction"). This transaction completed on July 5, 2024.

Smurfit Westrock plc ("the Parent Company") is incorporated as a public limited company in the Republic of Ireland with registration number 607515. The address of its registered office is Beech Hill, Clonskeagh, Dublin 4, D04 N2R2, Ireland. The Parent Company has been actively trading since July 5, 2024. The principal activity of the Parent Company is that of an investment holding company.

Statement of compliance

The Parent Company financial statements have been prepared on a going concern basis and in accordance with Reporting Council and the Irish Companies Act including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

Significant accounting policies

The significant accounting policies used in the preparation of the Parent Company financial statements are set out below. These policies have been consistently applied to all financial years presented.

Basis of preparation

The Parent Company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgment in the process of applying the Parent Company's accounting policies. Estimates and judgments made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going concern

In preparing these financial statements, the directors consider it appropriate to adopt the going concern basis of accounting, which assumes that the Parent Company will continue in operational existence and will have sufficient resources to enable it to meet its debts as and when they fall due for a minimum period of twelve months from the signing date of the financial statements.

Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption to a member of a group where the parent of that group prepares publicly available Consolidated Financial Statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation. The Parent Company is a qualifying entity and has taken advantage of the below disclosure exemptions:

(1) Exemption from the requirement to present a statement of cash flows,
(2) Exemption from the requirement to disclose key management personnel compensation in total, and
(3) Exemption from the requirements of Section 26 Share based Payment: paragraph 26.18 (b), 26.19 to 26.21 and 26.23.

1. Basis of Presentation and summary of significant accounting policies - continued

Critical accounting estimates

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Carrying value of investment in subsidiaries

The Parent Company assesses whether investment in subsidiaries have suffered any impairment in line with the accounting policies stated. Investments in subsidiaries are reviewed for impairment if there are indicators that the carrying value may not be recoverable. The Parent Company's judgments in relation to the impairment of investment in subsidiary undertakings are included in Note 2.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Parent Company operated ("the functional currency"). The functional currency of the Parent Company is U.S. dollar, represented by "$", which is also the presentation currency of the Parent Company.

Transactions and balances

Transactions in foreign currencies are translated into U.S. dollar at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollar at the foreign exchange rate ruling at the Balance Sheet date. Foreign exchange differences arising on translation are recognized in profit or loss.

Income Taxes

The income tax expense recognized in the financial year comprises current and deferred tax.

Current income tax

Current tax consists mainly of the expected tax payable or recoverable on the taxable income for the year using the applicable tax rates during the year.

Deferred income tax

Deferred income tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities in the Parent Company Financial Statements and their tax bases. If the temporary differences arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting nor taxable profit or loss, it is not recognized.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not subject to discounting.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividends

Equity dividends are recognized when they become legally payable. Interim equity dividends are recognized when paid. In the case of final dividends, these are recognized when approved by the shareholders at the Annual General Meeting ("AGM").

1. Basis of Presentation and summary of significant accounting policies - continued

Investments in subsidiaries

Investment in subsidiary companies are stated in the Balance Sheet at cost less provision for any permanent diminution in their value. The carrying value of investments in subsidiaries is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Cash at bank and in hand

Cash at bank and in hand includes all cash balances and deposits which are repayable upon demand.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

Financial instruments

The Parent Company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, loans to fellow group companies, and cash at bank and in hand, are initially recognized at transaction price, and are subsequently measured at amortized cost using the effective interest method.

At the end of each financial year financial assets measured at amortized cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortized cost is impaired an impairment loss is recognized in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognized the previously recognized impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognized. The impairment reversal is recognized in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and preference shares, are initially recognized at transaction price, and are subsequently measured at amortized cost using the effective interest method.

Ordinary share capital

The ordinary share capital of the Parent Company is presented as equity.

1. Basis of Presentation and summary of significant accounting policies - continued

Preference shares

Preference shares are presented as a non-current liability in the Financial Statements as they carry a fixed 8% non-cumulative dividend right.

Preference shares issued by the Parent Company are treated as equity only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Parent Company to deliver cash or other financial assets, or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavorable to the Parent Company; and
- Where the instrument will or may be settled in the Parent Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Parent Company's own equity instruments, or is a derivative that will be settled by the Parent Company's exchanging of a fixed amount of cash or other financial asset for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Share-based payments

The Parent Company operates equity-settled, share-based payment plans for employees of some of its subsidiaries. We measure share-based payments using fair value-based measurement methods determined at the grant date. The share-based payment expense related to employees of subsidiaries of the Parent Company is recognized over the vesting period as an increase in investment in subsidiaries with a corresponding credit in equity.

The share-based payment expense is calculated using the straight-line method over the requisite service period for time-based awards. For awards vesting based on market conditions, a share-based payment expense is recognized whether or not the market condition is met, as long as the service condition is met. For awards vesting based on performance conditions, the share-based payment expense is recognized over the requisite service period only if it is probable that the performance condition will be achieved. The Parent Company reassesses the probability of vesting at each reporting period and adjusts the share-based payment expense based on its probability assessment. Forfeitures are estimated based on historical experience.

(in millions, except share and per share data)

2. Investments in Subsidiaries

	Total
At January 1, 2024	
Cost	$ —
Carrying amount	**—**
Financial year ended December 31, 2024	
Opening carrying amount	$ —
Additions	21,229
Capital contribution relating to share-based payments	310
Closing carrying amount	**$ 21,539**
At December 31, 2024	
Carrying amount	**$ 21,539**

The following were subsidiary undertakings of the Parent Company:

Name	Registered Office / Principal Place of Business	Nature of business	Class of shares	Holding
Smurfit WestRock US Holdings Corporation	1000 Abernathy Road, NE, Atlanta, GA 30328	Holding company	Ordinary	100%
Smurfit Kappa Group plc	Beech Hill, Clonskeagh, Dublin 4, Ireland	Management activities of holding companies	Ordinary	100%

None of the shares in subsidiary companies are listed. In the opinion of the directors the shares in subsidiary companies are worth at least the amounts at which they are stated in the Balance Sheet.

Share Exchange and Scheme of Arrangement

As of January 1, 2024, the Parent Company's investment in subsidiaries represented 100% of the share capital of Smurfit WestRock US Holdings Corporation and Sun Merger Sub, LLC. On May 27, 2024, the Parent Company transferred all of its investment holdings in Sun Merger Sub, LLC to Smurfit WestRock US Holdings Corporation in exchange for shares of Smurfit WestRock US Holdings Corporation.

On July 5, 2024, pursuant to a High Court-ordered transfer scheme of arrangement, the Parent Company issued 261,094,836 ordinary shares to the former shareholders of Smurfit Kappa Group plc ("SKG plc") in exchange for the transfer of all of the issued ordinary shares in SKG plc. The investment in SKG plc was recorded at $12,218 million.

On July 5, 2024, the Parent Company's indirect subsidiary Sun Merger Sub, LLC merged with and into WestRock Company ("WestRock"), with WestRock being the surviving entity (the "Merger"). The Parent Company issued 258,228,403 shares to the former shareholders of WestRock in exchange for the consummation of the Merger. The Parent Company's subsidiary, Smurfit WestRock US Holdings Corporation, undertook to pay $3,000 million to the Parent Company pursuant to the terms of promissory notes in part consideration for the shares issued to the former WestRock shareholders and this is recorded as loans to group undertakings in the Balance Sheet. The Parent Company's investment in Smurfit WestRock US Holdings Corporation arising from this transaction was recorded at $9,011 million.

In the opinion of the directors, the recoverable amount of the financial assets held at December 31, 2024 are at least equivalent to the carrying value of such assets as at the respective Balance Sheet date.

(in millions, except share and per share data)

3. Loans to group undertakings

		Total
At January 1, 2024		
Cost	$	—
Carrying amount		**—**
Financial year ended December 31, 2024		
Opening carrying amount	$	—
Additions		3,000
Interest receivable		44
Closing carrying amount	**$**	**3,044**
At December 31, 2024		
Carrying amount	**$**	**3,044**

The receivable of $3,000 million owing to the Parent Company arising from the transaction as explained in Note 2 is payable in five tranches of (i) $300 million to be paid in three years, (ii) $500 million to be paid in five years, (iii) $750 million to be paid in seven years, (iv) $750 million to be paid in ten years, and (v) $700 million to be paid in twelve years. The receivables carry interest rates ranging from 1.17% to 1.79% per annum.

4. Debtors

		December 31, 2024		December 31, 2023
Amounts due from subsidiary undertakings	$	4	$	—
Corporation tax receivable		4		—
Sales taxes receivable		3		—
	$	**11**	$	—

Amounts due within one year from subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

5. Creditors - amounts falling due within one year

		December 31, 2024		December 31, 2023
Amounts owed to subsidiary undertakings	$	312	$	—
Accruals		7		—
	$	**319**	**$**	**—**

Trade and other creditors are payable in accordance with the creditors usual and customary credit terms.

An amount of $311 million included within amounts owed to subsidiary undertakings relates to an unsecured loan payable within one year from the Balance Sheet date. The loan is unsecured. Interest is applied to the loan at a rate of 1.3% plus 3-month term Secured Overnight Financing Rate (“Term SOFR”) and is payable on a 3-monthly basis.

The remaining payable of $1 million included within amounts owed to subsidiary undertakings is unsecured, non-interest bearing, and does not have a fixed repayment date.

(in millions, except share and per share data)

6. Provisions for liabilities

The Parent Company had the following provisions during the financial year:

	December 31, 2024	December 31, 2023
Current	**$ —**	$ —
Non-current	17	—
	$ 17	$ —

	Deferred tax	Other	Total
At January 1, 2024	**$ —**	**$ —**	**$ —**
Recognized in Profit and loss	11	6	17
At December 31, 2024	**$ 11**	**$ 6**	**$ 17**

Deferred tax

The provision for deferred taxation consists of temporary timing differences on interest incurred on intercompany loans. There were no unused tax losses or unused tax credits.

Other

A provision was created during the financial year in relation to capital gains tax for the indirect transfer of 49.6% of the Dominican Republic entity to Legacy WestRock shareholders. An external valuation team assessed the liability to be approximately $6 million. This amount has been fully recognized within non-current provisions, with the corresponding amount recognized in the Profit and loss account.

7. Capital and Reserves

Ordinary Shares

Per the Memorandum of Association of Smurfit Westrock plc, the holders of ordinary shares are entitled to share in any dividends in proportion to the number of shares held by them and are entitled to one vote for every share held by them at a general meeting.

Deferred Shares

Per the Memorandum of Association of Smurfit Westrock plc, the holders of deferred shares are not entitled to receive any dividend declared, made or paid or any return of capital, nor are they entitled to vote at a general meeting of the Parent Company.

An analysis of authorized, allotted, called up and fully paid share capital as of December 31, 2024 and December 31, 2023 is as follows:

Authorized share capital	December 31, 2024	December 31, 2023
25,000 Euro deferred shares of €1.00 each	$ —	$ —
9,500,000,000 Ordinary shares of $0.001 each	10	—
	$ 10	**$ —**

(in millions, except share and per share data)

7. Capital and Reserves - continued

Allotted, called up and fully paid share capital - presented as equity	December 31, 2024		December 31, 2023	
25,000 Euro deferred shares of €1.00 each	$	—	$	—
520,444,261 Ordinary shares of $0.001 each		1		—
	$	**1**	**$**	**—**

On June 13, 2024, the Parent Company issued 24,900 ordinary shares with a nominal value of €1 each.
On July 5, 2024, 25,000 ordinary shares of €1.00 each were re-designated as 25,000 Euro deferred shares of €1 each.

On July 5, 2024, the Parent Company issued:

- 261,094,836 ordinary shares with a nominal value of $0.001 each to the former shareholders of SKG plc in exchange for 100% of the ordinary share capital of SKG plc.

- 258,228,403 ordinary shares with a nominal value of $0.001 each to the former shareholders of WestRock in exchange for the net assets of WestRock Company, acquired through the merger with the Parent Company's indirect subsidiary Sun Merger Sub, LLC.

An analysis of movements in shares issued by the Parent Company as of December 31, 2024 and December 31, 2023 is as follows:

	Ordinary shares, $0.001 nominal value			Euro deferred shares, €1.00 nominal value		
	Number of shares	Nominal value		Number of shares	Nominal value	
December 31, 2023	**—**	**$**	**—**	**100**	**$**	**—**
Shares issued in respect of acquisition	519,323,239		1	24,900		—
Shares issued relating to share-based compensation	1,121,022		—	—		—
December 31, 2024	**520,444,261**	**$**	**1**	**25,000**	**$**	**—**

Preference Shares

Per the Memorandum of Association of Smurfit Westrock plc, directors are empowered to cause Preference Shares to be issued from time to time, as long as the shares may be redeemed on the happening of a specified event or on a given date, are liable to be redeemed at the option of the Parent Company or the holder, and with any such other preferred, deferred, qualified or other special rights or such restrictions, whether in regard to voting, return of capital, conversion or otherwise.

Authorized share capital	December 31, 2024		December 31, 2023	
500,000,000 Preference shares of $0.001 each	$	1	$	—

(in millions, except share and per share data)

7. Capital and Reserves - continued

Allotted, called up and fully paid share capital - presented as a liability	Number of shares	Nominal value
December 31, 2023	**—**	**—**
Issued during the financial year	10,000	—
December 31, 2024	**10,000**	**$ —**

During the year the Parent Company authorized 500,000,000 Preference shares of $0.001 each and issued 10,000 of these shares. These shares are presented as a liability as they carry a fixed 8% non-cumulative dividend right.

Share premium

Share premium of $2 million (2023: $nil) relates to the share premium arising on share issues.

Share-based payment reserve

This reserve represents the amounts credited to equity in relation to the share-based payment compensation awarded to employees of the Parent Company's subsidiaries.

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years, less dividends paid.

Capital Reduction

In accordance with Part 3 of the Irish Companies Act, the Parent Company submitted an application to the High Court of the Ireland to reduce its share premium account. On July 24, 2024, the High Court of Ireland approved a reduction of the share premium account of the Parent Company of approximately $25,519 million with the resulting balance being treated as realized profits of the Parent Company. The High Court of Ireland's order was registered with the Companies Registration Office and became effective on July 25, 2024.

Other reserves

The other reserve recognized in equity of $1,291 million represents the difference between the amount at which called up capital and share premium were recorded ($25,520 million) in relation to the shares issued on July 5, 2024 and amount at which the related investment in subsidiaries ($21,229 million) and promissory note ($3,000 million) was recorded at the same date. This reserve has subsequently been transferred to the Profit and loss account in equity.

Dividends paid

Dividends with a value of $315 million were declared and paid to shareholders during the year in two tranches: 1) $157 million paid in September 2024, and 2) $158 million paid in December 2024. In addition, dividend equivalent units with a value of $5 million were declared on certain unvested share-based payment awards: 1) $3 million in September 2024, and 2) $2 million in December 2024.

8. Employee benefits

Employee numbers

The average monthly number of employees during the financial year was nil (2023: nil).

Directors' remuneration

Directors' remuneration of $1 million was paid by the Parent Company during the year for emoluments in respect of qualifying of services (2023: $nil). There were no amounts paid by the Parent Company during the year or in the prior year in relation to benefits under long-term incentive schemes, gains on exercise of share options, contributions to retired benefit schemes, compensation for loss of office or other termination payments. Refer to "Note 30. Directors' Remuneration" in the Consolidated Financial Statements for details of directors' remuneration paid by the Group.

9. Auditors' remuneration

Auditors' remuneration for services provided by KPMG Ireland, the statutory auditor to the Parent Company was $0.1 million and $nil for the years ended December 31, 2024 and 2023, respectively. Disclosure of the auditors' remuneration for the Smurfit Westrock plc group is included in "Note 24. Auditors' Remuneration" to the Consolidated Financial Statements.

10. Commitments and Contingencies

Financial commitments and obligations arise in the ordinary course of our business. The Parent Company acts as a guarantor for some of the group's debt obligations. The amount of debt guaranteed by the Parent Company is $12,374 million.

11. Related Party Transactions

The Parent Company has not disclosed related party transactions between the Parent Company and its subsidiaries as it has availed of the exemption available under Schedule 3(65), paragraph 3, Irish Companies Act, and the exemption available under the provisions of FRS 102 Section 33.1A, which exempt disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

12. Subsequent Events

On January 30, 2025, the Parent Company announced 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 on March 18, 2025 to shareholders of record at the close of business on February 14, 2025.

13. Approval of Financial Statements

The Financial Statements were approved and authorized for issue by the board of directors on March 13, 2025.

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