

## Mondi Q3 underlying operating profit surges 27%

Packaging and paper group Mondi said on Thursday its underlying operating profit surged 27% to EUR221 million in the third quarter, thanks to good performance from all business units and strong incremental contributions from packaging paper, uncoated fine paper and the South Africa division.



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But the underlying operating profit was 13% lower than the second quarter, reflecting the impact of planned maintenance shuts in a number of key operations and the usual seasonal slowdown in demand in certain segments.

In its interim management statement, Mondi said selling prices in local currency terms for most of its key paper grades were generally stable to higher versus both the second quarter and the comparable prior year period.

Like-for-like sales volumes were up on the comparable prior year period with the exception of kraft paper, which was impacted by softer demand in certain export markets and the closure of the Lohja plant in the first half.

Among the key input costs, wood, energy and chemical costs remained stable in local currency terms, while average benchmark European paper for recycling costs rose by 13% over the previous quarter.

Polyethylene prices remained volatile, with the average price level higher than the prior quarter.

There was a mixed impact in the period from currencies to which the group was exposed. The South African division benefited from the weaker rand against both the dollar and euro, while the weakening of the Russian rouble during the third quarter had a net negative translation effect on the profits from the domestically focused uncoated fine paper business.

During the third quarter, a number of planned maintenance shuts took place at various containerboard, kraft paper and uncoated fine paper operations.

In the fourth quarter, maintenance shuts are planned at the group's Swiecie and Steti mills.

**Source:** INET BFA

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