

## NEWS RELEASE

17 August 2023

**Orora's consistent performance drives solid increase in earnings, with underlying EBIT up 12.3% and underlying EPS up 11.1%<sup>1</sup>****Financial highlights for the full year end 30 June 2023**

- Sales revenue of \$4,291.3m, up 4.9% (down 0.9% on a constant currency basis)
- Statutory net profit after tax (NPAT) from continuing operations of \$184.8m, down 1.2%
- Underlying NPAT of \$203.0m, up 8.5% (up 4.0% on a constant currency basis)
- Underlying earnings before interest and tax (EBIT) of \$320.5m, up 12.3% (up 7.7% on a constant currency basis)
- Underlying earnings per share (EPS)<sup>2</sup> of 24.1 cents per share (cps), up 11.1%
- Final ordinary dividend of 9.0cps, up 5.9%, with total FY23 dividends declared of 17.5cps, up 6.1%, representing a dividend payout ratio of 72.6%
- Strong earnings growth in North America, with EBIT up 15.0% on a local currency basis, and resilient earnings performance in Australasia with EBIT in line with expectations, up 1.8%
- Return on average funds employed (RoAFE)<sup>3</sup> of 21.8%, down from 22.4% for the prior year
- Underlying operating cash flow of \$269.9m, down 1.0% and cash conversion of 70.2%<sup>4</sup>
- Strong balance sheet with net debt<sup>5</sup> of \$774.0m, up \$145.0m from \$629.0m, and leverage of 2.0 times EBITDA, up 0.2x

**Orora Limited (ASX: ORA)**, leading sustainable packaging solutions provider, has today announced its financial results for the year ended 30 June 2023.

**Commenting on Orora's full year results, Managing Director and Chief Executive Officer, Brian Lowe said:**

"Against a backdrop of ongoing challenging market conditions, Orora has delivered another solid result for the fiscal year 2023, reporting an increase in EBIT and earnings per share.

"The team have continued to navigate market pressures including inflation and supply chain challenges, and have remained disciplined in executing against our strategy. Their agility and commitment is reflected in our results.

"Double digit EBIT growth was delivered by OPS in North America, largely driven by strong performance in our Distribution business as a result of continued business optimisation gains, further operating efficiencies and active management of customer account profitability.

"The Orora Beverage business in Australasia has again proven to be resilient, driving double digit revenue growth supported by higher can volumes, improved mix and cost inflation recoveries. In line with expectations, EBIT was slightly up, reflecting the impact of lower glass volumes, offset by growth across all formats in cans. Importantly, the Australasian business returned to profit growth in 2H23.

"With continued robust cash generation and a strong balance sheet, the Group continues to make strategic capital investments to meet growing customer demand and remains well positioned for future investment and growth."

<sup>1</sup> References to underlying earnings and measures exclude a significant item expense post tax of \$18.2m (pre-tax of \$26.0m) relating to the former Petrie mill site. Underlying cash flow excludes significant items of \$34.4m relating to the former Petrie mill site.

<sup>2</sup> Calculated as underlying NPAT / weighted average ordinary shares (net of Treasury shares)

<sup>3</sup> Calculated as trailing 12-month EBIT / trailing 12-month average funds employed

<sup>4</sup> Excludes G3 furnace rebuild capex of \$13.0m in FY23

<sup>5</sup> Net debt excludes the impact of AASB 16 Leases

## Significant item

Significant item expense after tax of \$18.2m relates to additional costs associated with the decommissioning of the former Petrie mill site. These additional estimated costs to complete were recognised in FY23 following ongoing project review and reassessment of remediation requirements.

## Sustainability update

Orora made good progress on 'Our Promise to the Future' sustainability goals aligned to the pillars of Circular Economy, Climate Change and Community. Under the Circular Economy pillar, Orora achieved an average of 38% recycled content in its manufactured glass products, in line with the prior year. The company's ~\$25m glass beneficiation plant at Gawler is fully operational and more than 30,000 tonnes of new cullet sources were developed during FY23, with Orora's cullet sourcing program now active in all mainland Australian states. Under the Climate Change pillar, the Group is committed to achieving a 40% reduction in greenhouse gas emissions for Scope 1 and 2 by 2035. Scope 1 & 2 greenhouse gas emissions decreased by 4.8% (utilising Market-based factors for S2) and 12.9% (utilising Location-based factors for S2) from FY19 baseline. To help address climate change risk, Orora signed a new foundational solar farm PPA in FY23 with EPIC Energy for 100% offtake from the Mannum Solar Farm. This will provide the company's South Australian facilities with access to 35MW of solar generated electricity from FY24. Site preparation for the new oxygen plant to upgrade the G3 glass furnace at Gawler to oxyfuel technology has also commenced, which will reduce G3 furnace emissions by ~20%.

## Capital investment & innovation update

Orora continues to invest in capacity and capability expansion to support the strong outlook for growth across the industries it services. In Australasia, a ~\$30m can ends capacity growth project was completed in March at the company's Ballarat site and installation of a new ~\$80m multi-size cans line at Dandenong was completed in June. Construction has also commenced on a new ~\$85m multi-size can line at Revesby due for commissioning in 2H25. In July 2023, the Orora Beverage business announced its innovative *Helio by Orora* offering, a first-to-market can decoration and high-speed digital printing solution, providing customers with the benefit of fast turnaround and smaller quantity print runs suited to new products and promotional campaigns. The OPS business in North America has been focused on enhancing the business model and value proposition for customers through further investment in sustainability initiatives and digital capabilities.

## Outlook

Whilst global economic conditions remain uncertain, Orora Group earnings are expected to be higher in FY24. In North America, further margin accretion through account profitability programs and a continued focus on cost management, is expected to be largely offset by ongoing volume softness. In Australasia, continued strength in Cans with incremental volume growth from recent investments, is expected to offset the ongoing softness in Glass from lower commercial wine volumes. This outlook remains subject to global and domestic economic conditions, and currency fluctuations.

*Authorised for release to the ASX by Orora's Company Secretary, Ann Stubbings.*

ENDS

**MEDIA CALL:** Orora is hosting a media call at 12.00PM (AEST) today

**Register for the call at this link:**

**<https://register.vevent.com/register/BI2e8602d3970c4302ba91200325d73054>**

Participants will be provided with dial-in details and a personal PIN code upon registration.

### Company contacts:

#### Media enquiries

Carolyn Coon  
General Manager  
Corporate Affairs & Communications  
carolyn.coon@ororagroup.com  
+61 405 183 628

#### Investor enquiries

Alister Crow  
General Manager  
Treasury & Investor Relations  
investors@ororagroup.com  
+61 408 175 405