



ANNUAL GENERAL MEETING

15 October 2019



Chris Roberts

Chairman



Important information



Forward Looking Statements

This presentation contains forward looking statements that involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to Orora. Forward looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “forecast”, “plan”, “seeks”, “estimate”, “anticipate”, “believe”, “continue”, or similar words.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including Orora). In addition, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statements will be achieved. Actual future events may vary materially from the forward looking statement and the assumptions on which the forward looking statements are based. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

In particular, we caution you that these forward looking statements are based on management’s current economic predictions and assumptions and business and financial projections. Orora’s business is subject to uncertainties, risks and changes that may cause its actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. The factors that may affect Orora’s future performance include, among others:

- Changes in the legal and regulatory regimes in which Orora operates;
- Changes in behaviour of Orora’s major customers;
- Changes in behaviour of Orora’s major competitors;
- The impact of foreign currency exchange rates; and
- General changes in the economic conditions of the major markets in which Orora operates.

These forward looking statements speak only as of the date of this presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rule, Orora disclaims any obligation or undertaking to publicly update or revise any of the forward looking statements in this presentation, whether as a result of new information, or any change in events conditions or circumstances on which any statement is based.

Non-IFRS information

Throughout this presentation, Orora has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Orora uses these measures to assess the performance of the business and believes that the information is useful to investors. All non-IFRS information unless otherwise stated has not been extracted from Orora’s financial statements.

Current Year Earnings: Underlying Earnings – excludes Significant items

Throughout this presentation, all references to ‘underlying earnings’ (‘underlying EBITDA’, ‘underlying EBIT’, ‘underlying NPAT’, ‘underlying EPS’) exclude the net significant item expenses after tax of \$55.8M (described below) to assist in appropriate comparisons with the operating performance of the business and the prior corresponding period.

The net significant item expense after tax is comprised of the following: restructuring costs associated with optimising and aligning the cost base of certain parts of the Australasian and North American businesses of \$20.8M and additional decommissioning costs associated with the Petrie Mill site of \$35.0M.

Prior Year: Underlying Earnings – excludes Significant items

A net significant item expense of \$1.9M and one off tax adjustment of \$5.5M (described below) have been excluded to assist in making appropriate comparisons with the current period and operating performance of the business.

The net significant item expense after tax of \$1.9M is comprised of the following; a net gain after tax on the sale of the Smithfield site of \$22.7M and an expense after tax of \$24.6M relating to the restructure of Fibre Packaging NSW including the closure of the Smithfield site and additional costs associated with decommissioning the Petrie Mill site. The net impact from the US tax reform measures was \$5.5m, mainly reflecting the one-off revaluation of the Group’s net deferred tax liability to the reduced US tax rate

Minor Reclassification of Prior Year Numbers

Certain prior year amounts have been reclassified for consistency with the current period presentation.

Leadership transition – Brian Lowe



- Brian Lowe commenced as Managing Director and CEO, 1 October 2019
- Brian joined Orora in 2011, brings broad global experience and has successfully led the key Orora Fibre and Beverage business groups

Leadership transition – Nigel Garrard



- Nigel Garrard retired at Managing Director and CEO on 30 September, 2019
- Nigel led the Orora business for more than 10 years, including Orora's inaugural listing on the ASX and generated substantial value for stakeholders during his tenure

Transaction summary



Orora has announced the sale of its Australasian Fibre business for A\$1,720 million to Nippon Paper Industries Co., Limited

Gross and net proceeds Net gain on disposal	<ul style="list-style-type: none">• Enterprise value - A\$1,720 million• Net proceeds after tax and costs ~ A\$1,550 million• Estimated net gain on sale (to be recognised as a significant item) after tax and transaction related costs of ~A\$225.0 million
EV / FY19 multiples	<ul style="list-style-type: none">• ~11.5x adjusted EBITDA• ~18.9x adjusted PBIT
Other Key Points	<ul style="list-style-type: none">• Sale of the Australasian Fibre Business is compelling and in the best interests of shareholders• The transaction includes Orora's Fibre Packaging, Paper & Recycling, Cartons, Bags, Functional Coatings and Orora WRS Packaging Distribution businesses in Australia and New Zealand (Australasian Fibre Business)• Orora intends to return the majority of net proceeds of A\$1,200 million to shareholders – further details will be provided in due course• Completion is expected to occur in early calendar 2020 – subject to customary conditions for a transaction of this nature, including regulatory approvals

2019 financial year highlights



**UNDERLYING
NET PROFIT AFTER TAX (NPAT)**

\$217.0m

4.0% INCREASE

**UNDERLYING EARNINGS BEFORE
INTEREST AND TAX (EBIT)**

\$335.2m

3.7% INCREASE

**UNDERLYING
EARNINGS PER SHARE (EPS)**

18.0¢

3.7% INCREASE

SALES REVENUE

\$4,761.0m

12.1% INCREASE

OPERATING CASH FLOW

\$268.9m

17.3% DECREASE

NET DEBT

\$890m

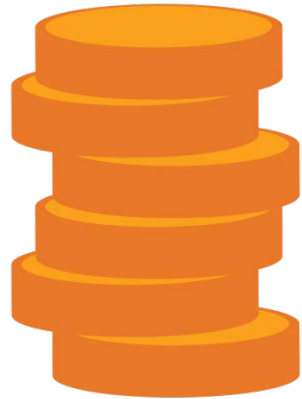
\$223M INCREASE

LEVERAGE

1.9x

0.4x INCREASE

- Earnings growth and increased dividends
- Continuing to invest
- Strong cash flows and balance sheet to continue to pursue growth



**Annual
Dividend**

13.0¢

**AUD
Per share**

**Payout
Ratio**

~72%

of Net profit after tax

Orora's strategy



Committed to being the industry-leading packaging and visual solutions company



The Orora Board continues to refine and enhance corporate governance practices to ensure they meet the interests of Orora's stakeholders

Board composition and performance

- Board continues to regularly monitor and assess Board composition and performance
- A number of announcements have been made regarding Board composition



ASX
Corporate
Governance
Council



Corporate
Governance
Principles and
Recommendations

4th Edition
February 2019

Board composition



Rob Sindel

(BEng, MBA, GAICD, FIEAust, CPEng)

Stands for election today as an Independent
Non-Executive Director

Board composition



Tom Gorman

(BA, MBA)

Stands for election today as an Independent
Non-Executive Director



Sam Lewis

(BA (Hons), CA, ACA, GAICD)

Stands for re-election today as an Independent
Non-Executive Director





Brian Lowe

Managing Director & CEO



Orora will continue to provide an extensive range of packaging solutions and displays



Orora's products

Glass bottles

Aluminium cans

Closures and caps

Boxes and cartons

Point-of-purchase displays

Packaging equipment

Rigid packaging

Flexible packaging

General packaging materials and supplies

North America

- Implementation of stabilisation and optimisation initiatives across the North American businesses
- Sustainable sales growth to capitalize on future growth opportunities



Innovation

- Bringing new customer-led product solutions to life
- Improving plant productivity



Sustainable packaging solutions

Glass

- Glass bottles manufactured with high levels of recycled content
- Orora recycles approx. 80% of all glass collected through South Australia's CDS scheme

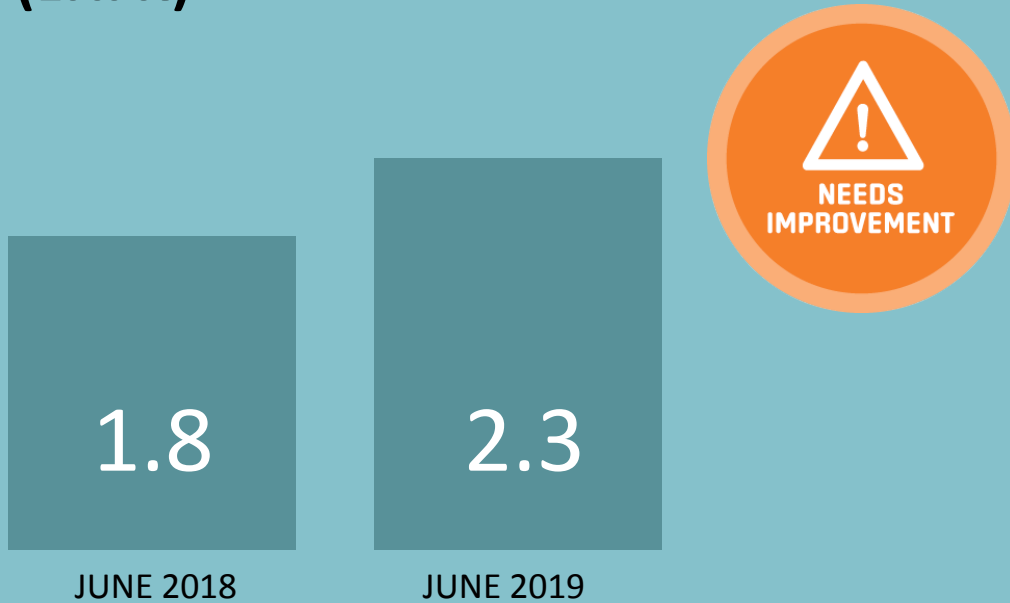


Cans

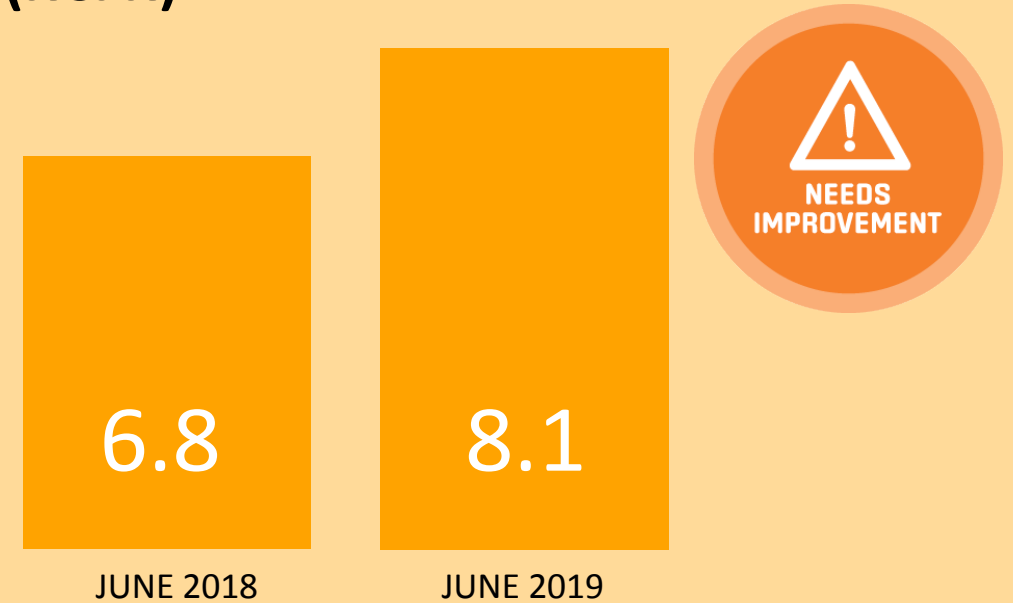
- Aluminium cans manufactured with high levels of recycled content
- Orora sources coils of aluminium that contain approximately 66% recycled aluminium to make cans



Lost time injury frequency rate (LTIFR)



Recordable case frequency rate (RCFR)



Business performance



Orora Australasia

Orora North America

Fibre

Beverage

Orora Packaging Solutions

Orora Visual



FINANCIAL HIGHLIGHTS

EARNINGS BEFORE INTEREST
AND TAX (EBIT)

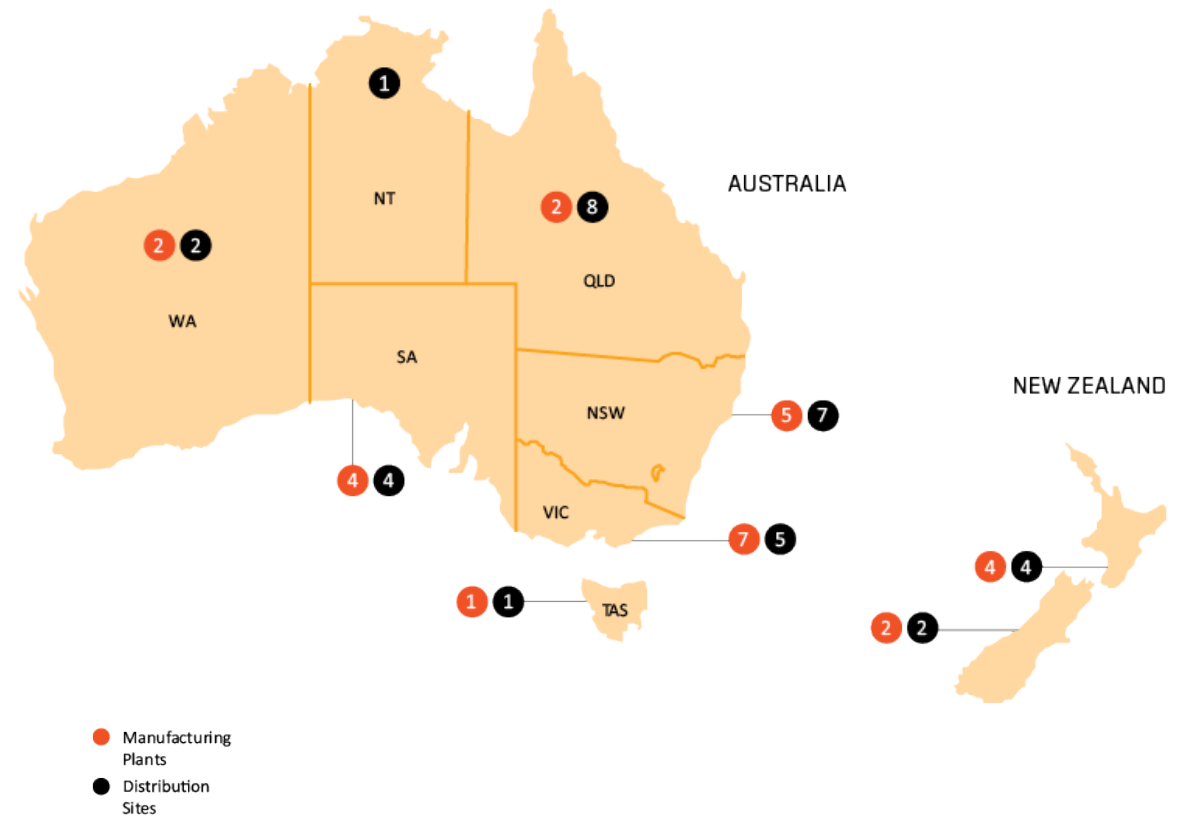
\$246.6m

6.2% INCREASE

SALES REVENUE

\$2,150m

2.1% INCREASE



Australasia highlights

In Fibre Packaging, higher earnings driven by:

- Record production volumes at B9
- Sales growth in targeted market segments
- Benefits from recent organic and innovation investments

In Beverage, higher earnings driven by:

- Higher can volumes
- Favourable product mix in Cans and Glass



Business performance – North America

FINANCIAL HIGHLIGHTS

EARNINGS BEFORE INTEREST
AND TAX (EBIT)

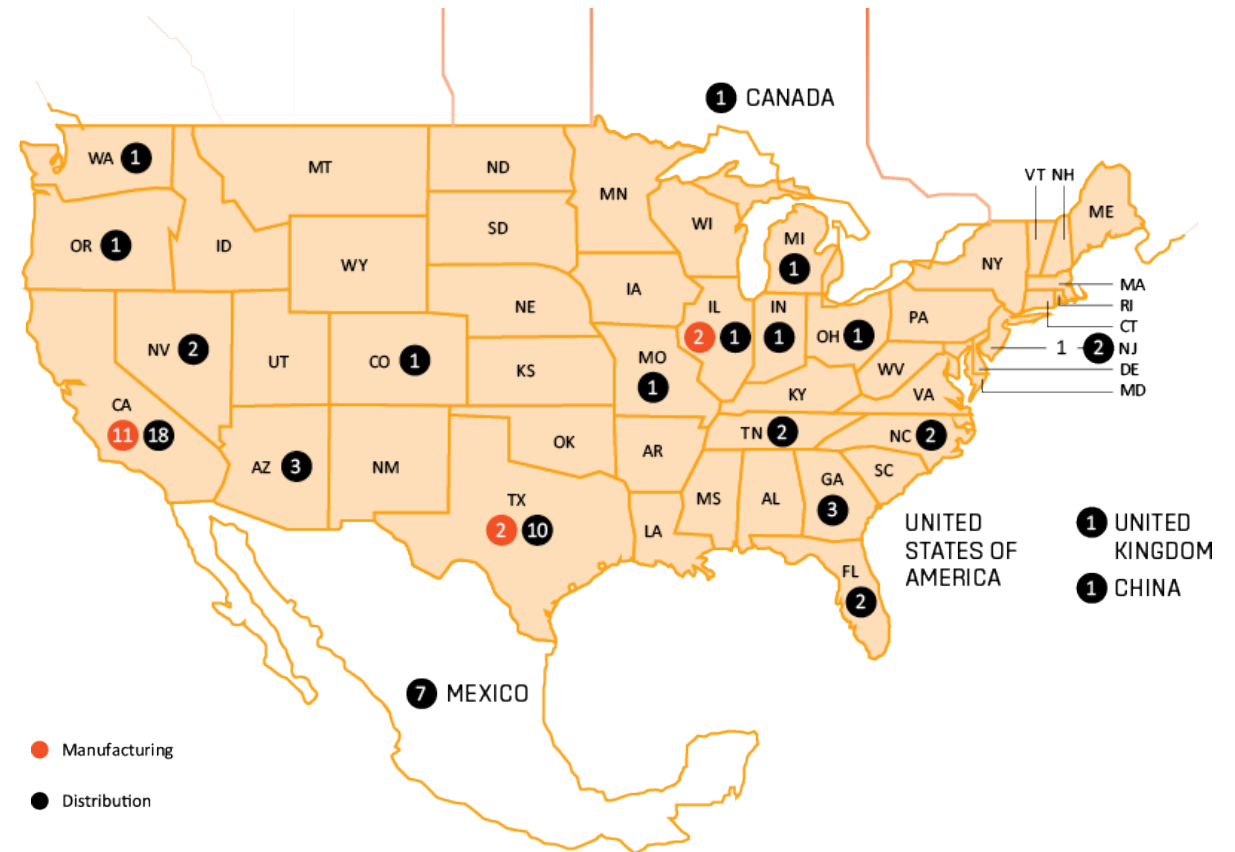
USD83.4m

11.1% Decrease

SALES REVENUE

USD1,867.8m

12.4% INCREASE



North America highlights



- Businesses right-sized for future growth
- Orora Packaging Solutions ERP system rollout completed
- Acquisitions of Pollock and Bronco completed during the year and integration is delivering to expectation
- Orora Visual continues to steadily improve



Sale of Australasian Fibre business to Nippon Paper Group

- The offer fully values the Australasian Fibre Business with reference to the outlook for the business
- The transaction allows Orora to divest a mature, market leading business operating across multiple end markets
- The Australasian Fibre Business, upon completion, will be able to benefit from the synergies and other value enhancements available to Nippon Paper and its Australian subsidiary, Australian Paper
- Transaction expected to complete in early 2020



Orora following the transaction



Orora generated sales revenue of ~A\$3.4 billion and EBITDA of ~A\$350⁽¹⁾ million from the Australasian Beverage and North American Businesses in FY19

Two market leading businesses with attractive growth outlooks and strong financial profiles

Beverage business

- Leading supplier of aluminium cans, glass and wine closures in Australia and New Zealand
- Market leading positions in cans and glass wine bottles
- Growth opportunities with glass beer bottles and wine closures
- Well invested and positioned for growth and participation in trends toward more sustainable beverage packaging

North America

- Orora's North American businesses includes Orora Packaging Solutions (OPS) and Orora Visual (OV)
- OPS is a top 5 participant in the highly fragmented US\$50.0 billion North American fibre packaging distribution segment
- OV is a top 5 participant in the US\$10.0 billion point of purchase/visual displays segment
- Significant organic and inorganic growth potential through leveraging the breadth of product offering, service levels and a nationwide distribution network
- Initiatives are progressively being implemented to deliver earnings growth through improved processes, efficiencies and cost reductions

Higher growth and return on capital businesses

Trading update

FY20 Trading update

- With the sale of the Australasian Fibre businesses announced last week, this update is limited to the Beverage and North American businesses only.
- Subdued trading conditions have continued in both Australasia and North America and Orora has not seen any material improvement in economic and market conditions.
- The Beverage business performance is in line with the prior year.
- The North American businesses will be behind at the FY20 Half Year (with First Half of FY19 being a strong comparative).
- To offset these challenging market conditions and known cost headwinds, Orora has implemented the majority of the restructure initiatives announced in June and continues its focus on improving and optimising the North American businesses.
- While these initiatives are progressively delivering the expected benefits, the impact will be more weighted to the second half of FY20.





Thank you