Financial Results

Full Year Ended 30 June 2023

17 August 2023

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. Indicators of and guidance on future earnings and financial position are also forward looking statements.

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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. There are a number of factors that may have an adverse effect on our results or operations, including but not limited to those identified as principal risks in our most recent Annual Report filed with the Australian Securities Exchange at asx.com.au

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No offer of securities

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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 and has not been subject to audit or review.

The following notes apply to the entire document.

All currency amounts are in Australian dollars unless stated otherwise. All amounts are presented inclusive of AASB 16 Leases unless stated otherwise.

The financial periods presented in this report represent underlying earnings from continuing operations of the Group, excluding the impact of significant items, unless otherwise stated.

Continuing Businesses:

FY23 – the net 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.

Discontinued Operations:

FY22 – the net significant item expense after tax of $2.4m relates to tax expense recognised upon finalisation of the tax position of the Australasian Fibre business and the filing of associated tax returns with tax authorities.

FY23 Highlights and Group Strategy

Brian Lowe
Managing Director & Chief Executive Officer

FY23 financial highlights

Revenue

$4,291.3m

4.9% increase

-0.9% constant currency

Underlying Earnings Before Interest and Tax (EBIT)

$320.5m

12.3% increase

+7.7% constant currency

Underlying Net Profit After Tax (NPAT)

$203.0m

8.5% increase

+4.0% constant currency

Underlying Earnings Per Share (EPS)

24.1cps

11.1% increase

RoAFE %

21.8%

60bps decrease

Underlying operating cash flow

$269.9m

1.0% decrease
Cash conversion of 70.2%[1]

Total FY23 Dividends

17.5 cps

+1.0 cps or 6.1% vs FY22
72.6% payout ratio

Leverage

2.0x

0.2x increase vs June 2022

Total capex spend invested in the business

$193.8m

77.6% of depreciation[2]

- Disciplined execution of strategy delivers another solid increase in Group earnings, with underlying EBIT and underlying NPAT up 12.3% and 8.5% respectively
- Earnings growth largely driven by continued optimisation gains in the OPS Distribution business in North America
- Underlying EPS increased 11.1% to 24.1 cents per share
- Continued robust cash generation with underlying operating cash flow of $269.9m, which includes base capex of $48.8m, up $12.4m compared to FY22
- Cash conversion at 70.2%[1], reflecting higher working capital and base capex in Australasia
- Increased capital expenditure to support future Australasian earnings growth with total Group capex up $106.6m to $193.8m; growth capex up $94.2m to $145.0m
- Strong balance sheet, with leverage ratio of 2.0x
- Final dividend of 9.0 cps (unfranked) and total FY23 dividends of 17.5 cps (unfranked), up 5.9% and 6.1% respectively
- Group remains well-positioned for future growth

1. Excludes G3 furnace rebuild capex of $13.0m in FY23
2. Calculated as base capital expenditure of $48.8m as a percentage of total Group depreciation

FY23 operating and segment highlights

Strong earnings growth in North America with continued resilient earnings performance in Australasia

North America

Revenue (USD) down 5.1%

Revenue impacted by softer macro-economic conditions

EBIT (USD) up 15.0%

Continued optimisation gains with embedded pricing disciplines

- **Revenue down 5.1%** (up 2.3% on a reported basis) largely reflecting a decline in broader manufacturing industry activity and flow-through impacts of price deflation
- **Local currency EBIT up 15.0% to US$112.6m**, driven by strong performance in the OPS Distribution business, reflecting continued business optimisation gains, customer account profitability management and cost management
- Incremental margin accretion of 90bps in North America to 5.1%; **OPS EBIT margin increased by 70bps to 5.9%**

Australasia

Revenue up 14.1%

Increase in revenue supported by 2.7% net volume growth

Underlying EBIT up 1.8%

Driven by strong earnings growth in Cans, partially offset by softness in Glass

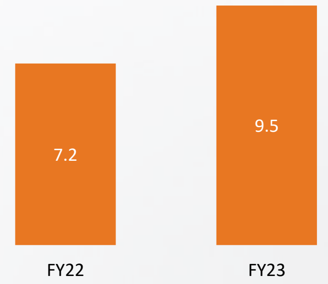
- **Revenue growth of 14.1%** driven by:
  - 2.7% net volume growth
  - 3.5% higher aluminium cost passthrough
  - 7.9% through price increases and product mix
- **Underlying EBIT in line with expectations for FY23, up 1.8% to $153.3m**, reflecting the growth in can volumes across all formats, partially offset by lower glass volumes
- **Underlying EBIT margin of 14.8%** primarily reflects the impact of lower glass volumes, the dilutionary impact of higher aluminium costs, and other inflationary impacts passed through to customers

ORORA

Orora safety performance update

Lost time injury frequency rate (LTIFR)*

Recordable case frequency rate (RCFR)^



LTIFR* = (Number of lost time injuries / Total number of hours worked for employees and contractors) x 1,000,000

RCFR^ = (Number of recordable case injuries (lost time, restricted work case and medical treatment) / Total number of hours worked for employees and contractors) x 1,000,000

Update on our approach to improving safety

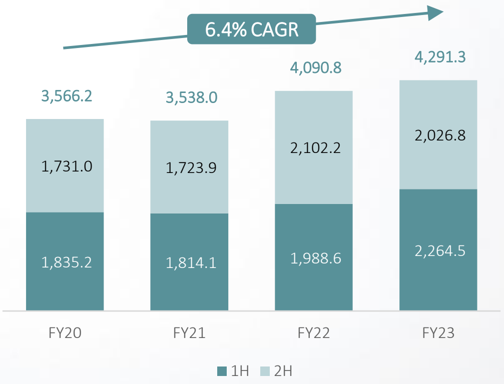
- The frequency of largely preventable, low severity injuries increased in FY23, which is disappointing
- One serious injury was regrettably recorded at our Beverage Glass facility. Extensive risk assessment and proactive controls were implemented
- LTIFR remained stable year-on-year
- We are confident safety performance will improve through focussed continuous improvement and existing programs
- Our FY23-FY25 Global Health & Safety Strategy, focuses on high-risk activities, improving effectiveness of critical controls, incident reporting and governance processes
- We communicated the Orora Stay Safe rules targeting 10 high-risk activities educating and empowering our team members
- We relaunched Safety Leadership Tours (SLTs); informal safety conversations between senior leaders and team members to emphasise everyone's responsibilities for safety

ORORA

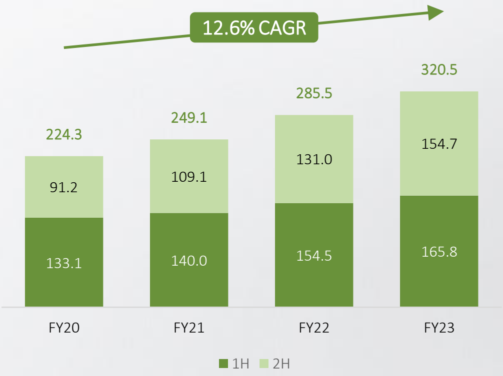
Financial performance

Strong revenue and earnings growth following divestment of the Fibre business

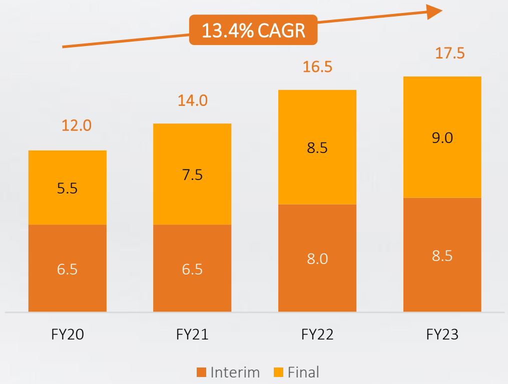
Revenue ($m)



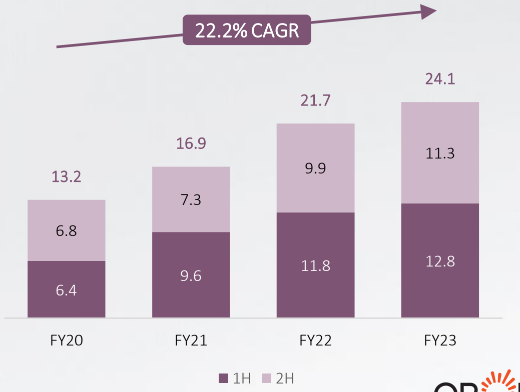
Underlying EBIT ($m)



Ordinary dividends per share (cps)



Underlying EPS (cps)



ORORA

Compelling investment proposition

Orora provides investors with a robust and defensive earnings profile with attractive growth upside

Leadership positions in attractive markets	Robust and diversified business model	Well invested assets and defensive growth profile	Long term customer trading relationships
Disciplined approach to capital allocation	Strong financial track record and strong growth prospects	Experienced stable management team	Favourably positioned in sustainability

A robust platform for further organic and inorganic growth in existing and new markets

ORORA

Orora's strategic advantage

Orora's purpose is to be a leading sustainable packaging solutions provider, designing and delivering products and services that enable our customers' brands to thrive

	Vertically integrated provider of custom packaging solutions	Leading designer and manufacturer of multi-substrate beverage packaging
Attractive market positions	• **Top five market position in North America** • Significant **growth opportunities** given fragmented US$50 billion market	• **Top two market positions in Australasia** in Cans, Glass and Metal Closures • **National coverage** across Australia and New Zealand
Embedded and longstanding customer relationships	• **Broad customer reach** with no single customer comprising >5% of revenue • **Strong customer loyalty**, underpinned by 10+ year relationship with most large customers; bespoke and typically "sticky" relationships	• **Comprehensive market coverage** • **Key customer volumes secured through long term contracts** with track record of contract extensions and renewals
Differentiated value proposition	• **Vertically integrated business** with deep product expertise and design capabilities • **Brand management partner for 11,000+ customers'** packaging and visual graphics needs • **Breadth of value-added services,** including structural and graphic design, product testing and lifecycle analysis, fulfillment and supply chain optimisation, equipment supply and automation • **Deeply experienced sales teams** with longstanding customer relationships	• **Multi-substrate beverage capability** • Leading **design and decoration** capabilities • **Sustainability advantage** – infinitely recyclable aluminium and glass products • **High product quality** and consistency of supply • **Digitally-enabled** business model
Privileged asset position	• **15 manufacturing and 90+ distribution sites** across North America, Europe and Asia • **3,000+ team members**, including **200+ sales team members** • Customer centric sales culture – **extremely low customer churn** • **Trusted channel partner for leading suppliers** with long-term supply partner relationships	• **Eight well invested and maintained manufacturing sites** with ~$360m being invested in significant projects between FY23 and FY25 to enhance capacity and capabilities across network as well as sustainability • **1,000+ team members**
Growth opportunities	• **Expand operating footprint across North American market** and enhance product and service portfolio, including via acquisition	• Expand and extend operating footprint and product capabilities in **attractive offshore markets**

Progressing our business group strategies

Continued disciplined execution of our strategy to drive sustainable earnings growth

Orora Packaging Solutions in North America – FY23 Progress

- ✓ Continued improvement in OPS financial performance and operating discipline, with EBIT margin up 70bps to 5.9% (total North America margin up 90bps to 5.1%)
- ✓ Profitable growth driven by Distribution, with salesforce alignment including embedding account profitability and pricing disciplines
- ✓ Ongoing development work on business model enhancement and optimisation, including improved digital platforms, customer interaction and automation
- ✓ Initiated integration of Orora Visual into OPS
- ✓ Continued investment in growing OPS sales resources and capabilities with the addition of ~40 new sales resources

Orora Beverage in Australasia – FY23 Progress

- ✓ Execution of long-term contract for key Cans customer
- ✓ Production efficiencies delivering volume growth in Cans
- ✓ Ongoing redeployment of Glass capacity – continued growth in new Glass categories
- ✓ Significant capex investment providing future earnings growth and to meet increased customer demand in Cans whilst delivering on sustainability commitments
  - Ballarat ends capacity growth project completed March 2023, as planned
  - New multi-size cans line at Dandenong installed in June 2023, as planned
  - Cullet Beneficiation Plant now fully operational
  - Construction commenced on new multi-size can line at Revesby

Orora Packaging Solutions in North America – FY24+ Priorities

- Continued focus on account profitability and investment in OPS salesforce with the recruitment of a further ~50 sales resources
- Continued enhancement of business model and leveraging digital platform investments to further streamline processes
- Extend OPS product and service offering, broaden customer base and expand custom packaging capabilities, including sustainability-related offerings
- Assess OPS manufacturing footprint and consider scale expansion and consolidation opportunities
- Continue active assessment of M&A opportunities

Orora Beverage in Australasia – FY24+ Priorities

- Deploy increased capacity in Cans, with a focus on efficiency to maximise profitability
- Optimisation of Glass product mix
- Enhance digital capabilities – including the launch of digital printing in Cans
- Drive supply chain excellence and pursue further automation
- Continue to explore opportunities to extend and expand the Beverage footprint in attractive offshore markets

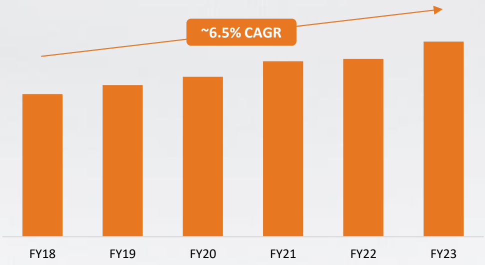
Beverage Cans capacity expansion

Three stages of Beverage Cans capacity expansion, with Stages 1 and 2 now in place

Stage 1	Stage 2	Stage 3
$30m	$80m	$85m
Ballarat (VIC) Line C	Dandenong (VIC) Line 2	Revesby (NSW) Line 2
~40% ends capacity increase	~10% network capacity increase with a focus on Slim, Sleek & 500ml cans	~10% network capacity increase with a focus on Slim, Sleek & 500ml cans
Commissioned March 2023	Installed June 2023	Commissioning planned for 2H25

- Investment in capacity and capabilities reflects a strong customer-led outlook for can volume growth
- Cans growth capex projects are expected to generate a minimum 15% return once fully utilised; this equates to ~$30m of growth related earnings by FY28
- FY23 volume growth in cans of ~10%, primarily driven by production efficiencies

Orora Can sales volumes



Orora Beverage launches *Helio*[1]

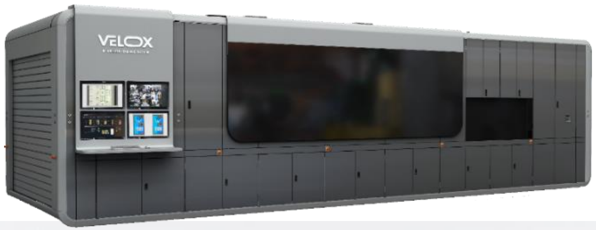
First-to-market high-speed digital print technology, offering exceptional decoration and design

What is *Helio*[1]?

- Transformative **game-changer** for **differentiated design** and decoration
- Agreement with **global provider Velox,** to supply state-of-the-art digital print technology
- **Allows brand owners to realise their colour, texture and finish** imagination for cans, across all formats, to inspire and engage consumers
- **~$14.0m** initial capital investment with **deployment in late 2H24**
- **First state-of-the-art digital printer** to be located at **Dandenong Cans site**
- Capacity to deliver ~**100 million units per annum** (up to 500 cans per minute) with initial capacity of 35 million units per annum

Benefits of *Helio*[1] digital printing

- **High-speed printing** and **customised, direct-to-shape** packaging design and decoration
- Significantly **reduced lead times** for printing
- Ability to print **smaller quantity runs**, with less waste and turnaround times
- **Ideal for new products** promotions
- Caters to **all can diameters and sizes**
- The can becomes the canvas for **innovative marketing communication**
- **Enhances Orora's in-house service offering** and complements cans capacity expansion



1. *Helio by Orora*TM – derives from 'Helios', representing sunlight and every colour, shade and resolution imaginable

Financial Results

Shaun Hughes
Chief Financial Officer

FY23 group financial performance

Underlying ($m)	FY23	FY22	Var$	Var%	CC%
Revenue	**4,291.3**	**4,090.8**	**200.5**	**4.9%**	**(0.9%)**
EBITDA	443.5	403.4	40.1	9.9%	
Depreciation and amortisation	(123.0)	(117.9)	(5.1)	(4.3%)	
EBIT	**320.5**	**285.5**	**35.0**	**12.3%**	**7.7%**
Net finance costs	(47.5)	(26.7)	(20.8)	(77.9%)	
Profit Before Tax	273.0	258.8	14.2	5.5%	
NPAT	**203.0**	**187.1**	**15.9**	**8.5%**	**4.0%**
EPS (cents per share)[1]	**24.1**	**21.7**	**2.4**	**11.1%**	

Statutory ($m)	FY23	FY22	Var$	Var%
EBIT	294.5	285.5	9.0	3.2%
Profit Before Tax	247.0	258.8	(11.8)	(4.6%)
Underlying NPAT – pre significant items (SI)	**203.0**	**187.1**	**15.9**	**8.5%**
Continuing Ops – Petrie	(18.2)	-	(18.2)	Nm
Continuing Ops NPAT – post significant item	**184.8**	**187.1**	**(2.3)**	**(1.2%)**
Discontinued Ops – Australian Fibre	-	(2.4)	2.4	Nm
NPAT – post SI & discontinued operations	**184.8**	**184.7**	**0.1**	**0.1%**
EPS (cents per share)[1]	21.9	21.4	0.5	2.3%

- Revenue up 4.9%, driven by a 14.1% increase in Australasia and a 2.3% increase in North America
- Underlying EBIT of $320.5m, up 12.3%, or 7.7% on a constant currency basis, driven by a 15.0% or US$14.7m increase in North America
- Underlying NPAT of $203.0m, up 8.5%, reflects the higher EBIT (up $35.0m) offset by higher net finance costs (up $20.8m)
- Higher finance costs in FY23 reflects the increase in gross debt from growth capex investments, recent on-market buybacks and elevated base interest rates
- Underlying EPS growth of 11.1% driven by higher EBIT (up 12.3%) and impact of the on-market share buybacks in prior years, partially offset by higher finance costs
- A significant item of $18.2m after tax ($26.0m pre-tax), relating to decommissioning activities for the former Petrie site

1. Calculated as NPAT / weighted average ordinary shares (net of Treasury Shares) of 843.2m (FY22: 864.0m)

FY23 North America financial highlights

Revenue (USD)

$2,190.2m

5.1% decrease

EBIT (USD)

$112.6m

15.0% increase

Underlying Operating cash flow (USD)

$112.5m

89.2% cash conversion

EBIT margin

5.1%

90bps increase

RoAFE %

21.7%

140bps increase

Total capex invested in the business (USD)

$20.5m

116% of depreciation[1]

OPS business performance

- Continued strong earnings growth in OPS, with EBIT up 15.0% and further margin improvement
- Lower revenue reflects a decline in the broader manufacturing industry, the flow-through impacts of price (paper) deflation and cycling out of less profitable customers
- Strong earnings growth in Distribution driven by continued improvements in account profitability, operating efficiencies and cost to serve, and ensuring strong pricing disciplines to manage inflation
- Manufacturing volumes down in line with the broader industry, with earnings performance supported by strong cost management
- North American EBIT margin increased by 90bps to 5.1%, driven by OPS margin accretion
- OPS EBIT margin increased by 70bps to 5.9%, largely reflecting the ongoing impact of improving customer account profitability and cost to serve

Cash flow and investment

- Continued strong cash conversion of 89.2%, up from FY22 of 74.1%
- Underlying operating cash flow of US$112.5m, with a US$27.9m or 33.0% increase on FY22, driven by higher cash EBITDA and lower working capital
- Capex invested of US$20.5m, up from FY22 (US$16.1m)
- RoAFE of 21.7%, up 140bps, driven by the increase in OPS earnings

1. Calculated as base capital expenditure of US$16.9m as a percentage of total depreciation for North America

FY23 Australasia financial highlights

Revenue

$1,036.9m

14.1% increase

Underlying EBIT

$153.3m

1.8% increase

Underlying Operating cash flow

$102.7m

53.7% cash conversion[1]

Underlying EBIT Margin

14.8%

180bps decrease

RoAFE %

21.8%

280bps decrease

Total capex invested in the business

$163.2m

57.4% of depreciation[2]

Beverage business performance

- Revenue growth of 14.1%, driven by 2.7% net volume growth, 3.5% higher aluminium cost passthrough and 7.9% through price increases and product mix
- Continued strong Cans volume demand, with revenue benefiting from both a growth in can volumes, and improved mix versus FY22
- Glass revenue and earnings declined versus the prior year, reflecting a slowdown in commercial wine and beer bottle sales, partially offset by other glass categories
- Underlying EBIT in line with expectations, up 1.8% to $153.3m, with return to growth in 2H23, reflecting:
  - Continued strong Cans volumes and an improvement in mix
  - Lower commercial wine and beer bottle sales, and a change in product mix to lower profit margin glass categories
  - Lower contribution from Closures from lower commercial wine bottle volumes
- Underlying EBIT margin decline primarily reflects the dilutionary impact of higher aluminium costs, and the impact of lower Glass and Closure earnings

Cash flow and Investment

- Underlying operating cash flow of $102.7m was $53.3m below FY22 as a result of an increase in working capital and higher base capex
- The increase in working capital largely reflects higher Glass inventory to support the G3 rebuild, partially offset by a depletion of Cans finished goods
- Multiple year growth capex program to underpin incremental future earnings growth over the medium term
- Capex of $163.2m, up from $65.0m in FY22 including the new Cans line and ends capacity ($67.4m), Oxygen Plant ($10.7m) and G3 furnace rebuild ($13.0m)
- RoAFE declined 280bps to 21.8%, reflecting higher working capital and capex

1. Excludes G3 furnace rebuild capex of $13.0m in FY23
2. Calculated as base capital expenditure of $23.6m as a percentage of total depreciation for Australasia

Operating cash flow

$m	FY23	FY22	Var$	Var%
Underlying EBITDA	**443.5**	**403.4**	**40.1**	**9.9%**
Lease payments	(65.6)	(59.1)	(6.5)	
Non-cash items	25.0	26.8	(1.8)	
Cash EBITDA	**402.9**	**371.1**	**31.8**	**8.6%**
Movement in working capital	(84.8)	(62.6)	(22.2)	
Base capex	(48.8)	(36.4)	(12.4)	
Sale proceeds	0.6	0.5	0.1	
Underlying operating cash flow[1]	**269.9**	**272.6**	**(2.7)**	**(1.0%)**
Cash significant items	(34.4)	(27.0)	(7.4)	
Operating free cash flow	**235.5**	**245.6**	**(10.1)**	**(4.1%)**
Interest	(36.9)	(17.8)	(19.1)	
Tax	(40.3)	(55.4)	15.1	
Growth capex	(145.0)	(50.8)	(94.2)	
Free cash flow available to shareholders	**13.3**	**121.6**	**(108.3)**	**(89.1%)**
Cash conversion[2]	**70.2%**	**73.5%**		

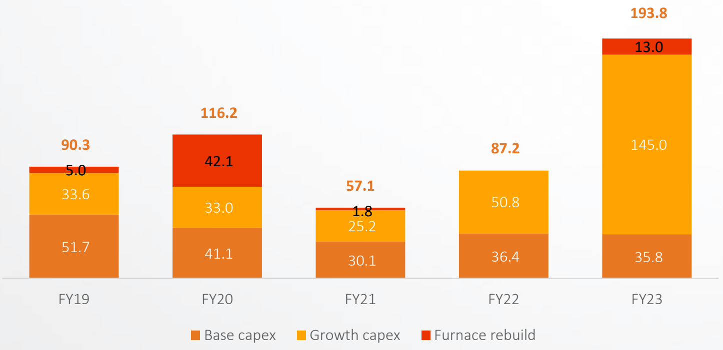
- Cash EBITDA increased $31.8m, or 8.6%, to $402.9m
- Underlying operating cash flow of $269.9m was $2.7m lower than FY22, with the increase in Cash EBITDA offset by an increase in working capital and higher base capex
- Cash conversion of 70.2% (excluding the G3 furnace rebuild)
- The movement in working capital, up $22.2m versus prior year, is driven by Australasia, reflecting the Glass inventory build, partially offset by a depletion of Cans finished goods
- Growth capex of $145.0m was up $94.2m on prior year, comprising the investment in a new canning line, cans ends capacity, as well as the Oxygen Plant
- Interest payments of $36.9m were $19.1m higher than FY22, reflecting the increase in gross debt from growth capex investments, recent on-market buybacks and elevated base interest rates
- Tax payments of $40.3m are lower than FY22 due to timing of FY22 payments and instant asset tax write-off benefits in Australasia

1. Underlying operating cash flow excludes cash flow from discontinuing operations and significant items
2. Cash conversion measured as underlying operating cash flow / cash EBITDA. Excludes G3 furnace rebuild capex of $13.0m in FY23

Group capex profile

Growth capex underpins incremental future earnings growth in Australasia

Base and Growth capex ($m)
Continuing operations



Significant ongoing capex projects

Initiative	Type	Purpose	Spend Period	Capital Spend
Cans – Revesby second canning line	Growth	+10% capacity	FY23 - FY25	~$85m
Cans – Dandenong second canning line	Growth	+10% capacity	FY22 - FY24	~$80m
Cans – Digital printing	Growth	Digital enhancement	FY24	~$14m
Glass – G3 furnace rebuild (oxyfuel)	Base	Rebuild	FY23 - FY25	~$90m
Glass – Oxygen plant	Growth	Sustainability	FY23 - FY25	~$40m[1]

- Growth capex investment to fund a step-change in capacity and drive further earnings growth for Cans:
  - Ballarat ends capacity: fully operational from March 2023, supports Cans line growth
  - Dandenong second canning line: installed in June 2023, +10% capacity, to be progressively filled over 2 – 3 years
  - Revesby second canning line: operational 2H25, +10% capacity

- Cans capex program provides needed capacity to meet continued growing contracted customer demand
- Commitment to sustainability through commissioning of Cullet Beneficiation Plant and investment in oxygen plant (oxyfuel technology) for future glass furnace rebuilds
- Total capex expected to be ~$250m in FY24 – Growth capex of ~$160m
- Growth Cans capex projects are expected to generate a minimum 15% return once fully utilised; this equates to ~$30m of Cans growth related earnings by FY28

1. Gross capital commitment with $12.5m of Government funding

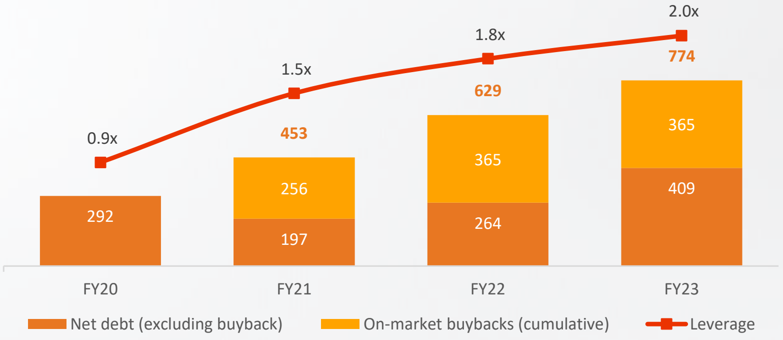
Balance sheet and net debt

Strong balance sheet providing operating and strategic flexibility to support Orora's growth strategy

Balance sheet

$m	FY23	FY22
Average funds employed	1,471.9	1,275.6
Net debt	774.0	629.0
Net assets	800.2	731.7
Leverage (x)[1]	2.0x	1.8x
Undrawn committed bank debt capacity[2]	500.0	372.4

Net debt and leverage ratio



- Disciplined approach to capital deployment and working capital management ensures the balance sheet remains strong to pursue organic and inorganic investment
- Leverage ratio of 2.0x, with a long-term target of 2.0x – 2.5x
- Net debt of $774.0m, up $145.0m attributable to higher capex spend, the investment in working capital, FX increase on USD debt facilities, partially offset by higher earnings
- Committed undrawn debt facilities of $500.0m[2] with an average committed debt maturity of 2.3 years at June 2023 (total liquidity of $558.4m)
- Committed debt facilities increased by ~$335.0m in FY23 to support capital investments and for capacity to re-pay maturing debt facilities in July 2023
- USPP notes (US$100m) repaid in July 2023 with the Group's global A$460m Syndicated Facility Agreement to be refinanced and extended in 1H24
- Growth capex investments will drive a short-term increase in leverage before associated earnings flow from FY24

1. Calculated as net debt / trailing 12-month EBITDA
2. Includes US$100m bilateral facility to repay US$100m of USPP notes maturing July 2023

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FY23 dividend

6.1% dividend growth reflects underlying earnings performance

FY23 final dividend

9.0 cps

+0.5 cps
5.9% increase

Payout ratio

72.6%

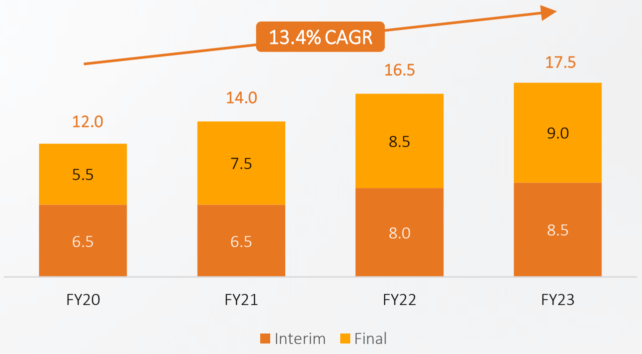
60-80% target payout ratio

Total FY23 dividends

17.5 cps

+1.0 cps
6.1% increase

Ordinary dividends per share (cps)



- Final dividend of 9.0 cents per share (unfranked)
- Total dividends declared for FY23 of 17.5 cents, a 1.0 cents or 6.1% increase from FY22
- Full year underlying dividend payout ratio of 72.6% (FY22:76.2%); target payout ratio: 60 – 80%
- The Dividend Reinvestment Plan will be operative for this dividend, with shares purchased on market to meet DRP obligations

- Key dates for final dividend:
  - Ex-dividend date: 1 September 2023
  - Record date: 4 September 2023
  - Payment date: 9 October 2023
- Given the Group's near-term capital investment programs, and the tax effects of Australia's instant asset write-off legislation, the Group does not expect to frank future dividends until after FY24

Sustainability Update

Brian Lowe
Managing Director & Chief Executive Officer

FY23 sustainability performance highlights

We continue to invest and make good progress with our sustainability goals and commitments

Circular Economy

- Achieved 38% recycled content (cullet) in manufactured glass products, in line with prior year, with a target to achieve 60% recycled content by 2025
- More than 30kt of new cullet sources were developed during FY23, with our cullet sourcing program now active in all mainland Australian states
- Continued focus to drive recycled content in manufactured corrugated board in North America with an average recycled content of 57%, up from 54% in FY22
- Achieved 57% recycled content in aluminium cans, inline with FY22

Climate Change

- Scope 1 & 2 greenhouse gas emissions decreased by 4.84% (utilising Market-based factors for S2) and 12.98% (utilising Location-based factors for S2) from FY19 baseline
- Commenced site preparations to upgrade the G3 furnace to oxyfuelled technology in FY25 – enabling a ~20% reduction in G3 furnace CO_2 emissions
- New solar farm PPA executed to provide 35MW of solar generated electricity to South Australian facilities from FY24, enhancing renewable energy supply
- Ordered first EV tractor (truck) in a multi-year strategy to electrify our OPS fleet

Community

- Continued rollout of Our Orora Culture Shaping workshops to move culture from 'good' to 'great'
- Women in Leadership at Orora (WILO) program in its seventh year
- Published our most recent modern slavery statement in November 2022 and implemented a new supplier onboarding assessment process to assess Modern Slavery risks
- Ongoing focus on DEI activities and progress against objectives

FY24 Perspectives and Outlook

Brian Lowe
Managing Director & Chief Executive Officer

Perspectives for FY24

Disciplined execution of our strategy to continue to drive through the cycle sustainable earnings growth

Orora Packaging Solutions in North America

- Inflationary pressures stabilising, and for some commodities prices have decreased; pricing disciplines firmly embedded
- Continuing to invest in additional sales resources in Manufacturing and Distribution to drive long-term volume growth
- Softer economic trading conditions are expected to impact Distribution, with the business well positioned to benefit from any improvement in the US economy in FY24
- Manufacturing continues to be impacted by recent softness in the US economy and the passthrough impacts of lower prices

Orora Beverage in Australasia

- Expected continued earnings growth in Cans driven by volume growth and product mix optimisation, underpinned by Cans line and ends capacity expansion
- Continued softness in consumer demand for Australian commercial wine bottles and closures – impacting export and domestic sales
- Ongoing focus on management of inflationary pressures
- Drive and enhance digital capability and supply chain excellence
- Continued focus on sustainability post commissioning of Cullet Beneficiation Plant and advancement of Oxygen Plant (for oxyfuel technology) for G3 furnace
- Recent and planned Cans growth related capex expected to generate earnings of ~$30m by FY28

Market conditions

- Inflation expected to continue in real estate and labour markets
- Deflation occurring in commodity raw materials
- Interest rate pressures persisting
- Revenue and margin protection with continuation of price passthroughs and CPI / cost-basket contract mechanisms
- Energy costs well managed in Australasia with ~70% of electricity covered by PPA's (wind farm and solar) and fixed retail contracts, with ~100% of gas contracted to end of 2025

Cash flow and capital management

- Dividend target payout range of 60-80% of NPAT
- Cash conversion (excluding G3 furnace rebuild) of greater than 70%
- Continued significant investment in capacity expansion, asset upgrades, innovation and sustainability initiatives
- Continue to assess opportunities to expand North American footprint and extend Beverage footprint in attractive offshore markets

FY24 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

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Supporting Information

Shareholder value blueprint

Orora applies a returns-focussed, risk-weighted approach to investment and capital management decisions

TSR COMPONENT

STRATEGIC PILLAR

ELEMENT

ORGANIC GROWTH

Optimise to Grow

Australasia

- GDP sales growth
- Enhanced by innovation and customer wins

North America

- GDP sales growth
- Supplemented by market share gains and increased share of wallet

RETURNS-FOCUSED INVESTMENT

Capital investment

- Enhance digital capabilities, particularly in North America
- Enhance sustainability capacity and product capabilities across portfolio
- Customer-backed growth projects

Enhance and Expand

Acquisitions

- Beverage footprint expansion in ANZ and offshore
- Expand aluminium and glass product capability in ANZ
- Expand product and service capabilities in North America

Enter new segments

- Complementary adjacencies – near-term focus in ANZ

CAPITAL MANAGEMENT

Disciplined approach to capital allocation

Sustainable dividend

- Payout ratio of 60% – 80%
- Franked to the extent possible

Potential additional capital returns

- Assessed when appropriate
- On- or off-market buybacks
- Special dividends/ capital returns

Sensible leverage

- Target leverage at 2.0 – 2.5x EBITDA (excluding AASB 16)

RETURN TARGETS

Lower ← Premium to WACC → Higher

Statutory to underlying reconciliations

Statutory to underlying results ($m)	FY23 EBIT	FY23 PBT	FY23 NPAT	FY22 EBIT	FY22 PBT	FY22 NPAT
Statutory result	**294.5**	**247.0**	**184.8**	**285.5**	**258.8**	**184.7**
Add significant items:						
- Continuing operations – Petrie decommissioning	26.0	26.0	18.2	-	-	-
- Discontinued operations – net (profit) / loss on sale of Australasian Fibre	-	-	-	-	-	2.4
Underlying result[1]	**320.5**	**273.0**	**203.0**	**285.5**	**258.8**	**187.1**

Statutory operating cash flow to underlying operating cash flow ($m)	FY23	FY22
Statutory net cash flow from operating activities	**250.3**	**257.6**
Less net base capex and other growth activities	(36.4)	(35.9)
Less lease repayments	(65.6)	(59.1)
Add net external interest and finance charges on RoU assets	46.9	27.6
Add tax paid / (received)	40.3	55.4
Add cash significant items	34.4	27.0
Underlying operating cash flow[2]	**269.9**	**272.6**

1. Underlying result is a non-GAAP measure which adjusts for the effects of one-off significant items
2. Underlying operating cash flow is a non-GAAP measure which adjusts for the effects of certain items included / excluded in the statutory net cash flow from operating activities

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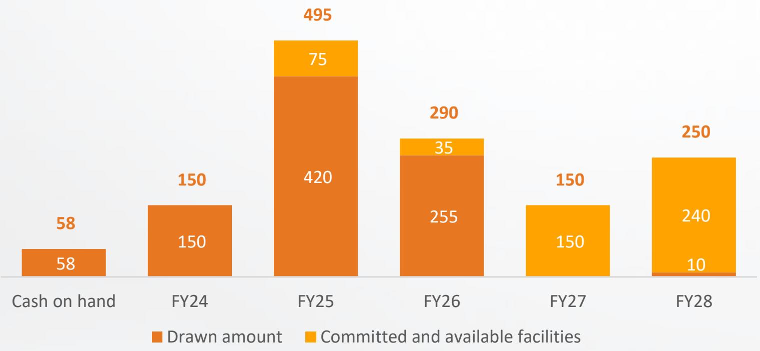
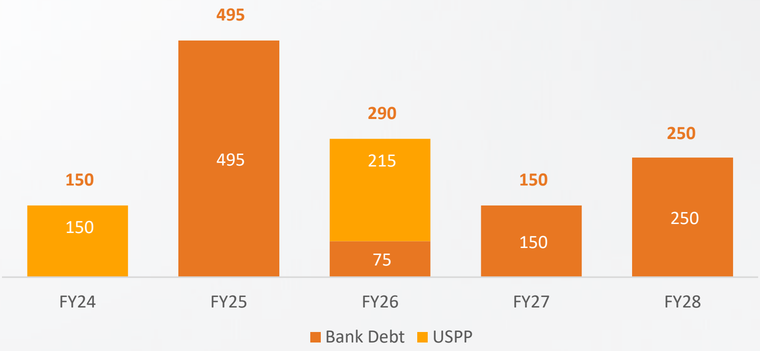
Liquidity and debt maturity profile

Strong liquidity and debt facilities to support growth investments and repayment of maturing debt facilities

Liquidity Profile ($m)
As at 30 June 2023



Debt Maturity Profile ($m)
As at 30 June 2023



- USPP notes (US$100m / A$150m) repaid in July 2023 with a US$100m bilateral facility maturing 2H28
- Global A$460m Syndicated Facility Agreement maturing 1H25 to be refinanced and extended in 1H24

Covenant EBITDA ($m)	FY23	FY22
EBITDA	443.5	403.4
Lease repayments (AASB 16)	(65.6)	(59.1)
Covenant EBITDA	**377.9**	**344.3**

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