

## Appendix 4D Rule 4.2A.3

### Half Year Report

**ORORA LIMITED**  
**ABN 55 004 275 165**

#### 1. Details of the reporting period and the previous corresponding period

Reporting Period: Half-Year Ended 31 December 2023  
Previous Corresponding Period: Half-Year Ended 31 December 2022

#### 2. Results for announcement to the market

Key information	31 Dec 2023				31 Dec 2022
	A\$ million				A\$ million
<b>Statutory results</b>					
2.1 Revenue from ordinary activities	2,139.1	Down	5.5%	From	2,264.5
2.2 Net profit/(loss) from ordinary activities after tax but before significant items, attributable to members	108.6	Up	0.5%	from	108.1
2.3 Net profit/(loss) for the period, after significant items, attributable to members	68.2	Down	36.9%	from	108.1

Dividends	Amount per security	Franked amount per security
<i>Current period</i>		
2.4 Interim dividend payable 11 April 2024	5.0 cents	Unfranked
2.4 Final dividend (in respect of prior year) paid 9 October 2023	9.0 cents	Unfranked
<i>Previous corresponding period</i>		
2.4 Interim dividend paid 12 April 2023	8.5 cents	Unfranked

2.5 Record date for determining entitlements to the dividend	Interim dividend – 6 March 2024
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#### 2.6 Brief explanation of figures in 2.1 to 2.4 –:

- The interim dividend in the current period is unfranked, the prior period interim and final dividends were also unfranked.
- 100.0% of the current period dividend is sourced from the Conduit Foreign Income Account. Dividends to foreign holders are not subject to withholding tax.
- Refer to attached Interim Financial Report and the Investor Results Release for further details relating to 2.1 to 2.4.

### 3. Net tangible assets

	31 December 2023	30 June 2023	31 December 2022
Net tangible asset backing per ordinary security <sup>(1)</sup>	\$0.29	\$0.41	\$0.39

<sup>(1)</sup>The net tangible asset backing per ordinary share of \$0.29 (June 2023: \$0.41, December 2023: \$0.39) presented above is inclusive of right-of-use assets and liabilities. The net tangible asset backing per ordinary share, as at 31 December 2023, would reduce to \$0.05 (June 2023: \$0.20, December 2022: \$0.19) if right-of-use assets were excluded, and right-of-use liabilities were included, in the calculation.

### 4. Control gained or lost over entities having a material effect

On 1 December the Group acquired the Saverglass SAS Group, through the acquisition of all the shares of Olympe SAS, for a final acquisition price, net of cash acquired, of €1,310.0 million (A\$2,159.0 million) including all working capital and completion adjustments. Refer the attached Interim Financial Report, Note 3 – Acquisition of Saverglass for further information regarding the acquisition and the financial impact upon the current reporting period.

### 5. Details of individual dividends and payment dates

Refer the attached Interim Financial Report, Note 6 - Dividends.

### 6. Details of dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) is in operation. No discount is available under the DRP in respect of the FY24 interim dividend. The issue price for the FY24 interim dividend will be calculated based on the arithmetic average of the weighted average market price for the ten ASX trading days from 12 March to 25 March 2024, inclusive. The last date for receipt of election notices for the DRP is 7 March 2024. Shares allotted under the DRP rank equally with existing fully paid ordinary shares of Orora Limited.

### 7. Details of associates and joint venture entities

Not applicable

### 8. For foreign entities, which set of accounting standards is used in compiling the report

International Financial Reporting Standards

### 9. The attached Interim Financial Report includes a copy of the review report. The review report is not subject to a modified opinion, emphasis of matter or other matter paragraph.



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Ann Stubbings  
Company Secretary

Dated: 19 February 2024

**ORORA LIMITED**  
**ABN: 55 004 275 165**

**INTERIM FINANCIAL REPORT**

**31 DECEMBER 2023**

19 February 2024

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# Directors' Report

The Directors present their report on the Group consisting of Orora Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2023.

## Directors

The following persons were Directors of Orora Limited during, or since the end of, the half year:

### Non-executive

A R H (Rob) Sindel - Chairman  
A P (Abi) Cleland  
M A (Michael) Fraser  
T J (Tom) Gorman  
S L (Sam) Lewis  
C (Claude-Alain) Tardy - appointed 4 December 2023

### Executive

B P (Brian) Lowe

## Review and Results of Operations

### Group results

The Group's consolidated statutory profit, after tax, for the half year ended 31 December 2023 was \$68.2 million (Dec 2022: \$108.1 million) which includes a significant item expense of \$40.4 million (\$40.4 million after-tax) relating to transactions costs pertaining to the acquisition of the Saverglass SAS Group (Saverglass) which was acquired through the purchase of all the shares in Olympe SAS. The acquisition of Saverglass completed on 1 December 2023 and therefore the interim result of the Group only includes earnings from this date (refer note 3).

Earnings before significant items, interest and tax of the Group increased to \$184.1 million from \$165.8 million of which \$13.4 million is attributable to earnings from the acquired Saverglass business. Marginal earnings growth was experienced in the North America segment reflecting continued softness of manufacturing industry activity in the region, and the flow through impact of price deflation, whilst another resilient earnings performance within the Australasia segment was underpinned by continued cans volume growth, product mix improvements and inflation cost recoveries.

Earnings per share (EPS) was 5.9 cents (Dec 2022 restated: 11.8 cents) and reflects the impact of the additional shares issued to fund the Saverglass acquisition and the associated transaction costs. The shares from the equity raising were issued in September 2023 at the time the acquisition was announced, however earnings from the acquisition are only recognised subsequent to the completion of the acquisition which occurred 1 December 2023. Hence, the EPS for the current period only reflects a one-month contribution of earnings from Saverglass.

### *Australasia Segment*

Earnings before interest and tax of the Australasia segment increased 2.2% to \$82.9 million from \$81.1 million. Despite soft demand for Australian commercial wine bottles and lower beer bottle sales earnings before interest and tax increased reflecting improved product mix, production efficiencies and active cost management across the business.

### *North America Segment*

Whilst revenue was down 13.6% reflecting low volumes from continued softness in the broader North American manufacturing industry and the flow through impact of price deflation, earnings before interest and tax of the North America segment increased to \$87.8 million from \$84.7 million. The increase in earnings off a lower revenue base was attributable to network optimisation gains, embedded pricing disciplines and pro-active cost management. In local currency, earnings for the North America segment increased by 0.8% to US\$57.3 million from US\$56.8 million.

### Acquisition of Saverglass

On 5 September 2023 the Group announced it had entered into a Put Option Agreement to acquire 100% of Saverglass for €1,290.0 million (A\$2,156.0 million) following the completion of certain mandatory French work council consultation processes. The acquisition was funded via a fully underwritten equity raising of \$1,345.0 million and \$875.0 million of acquisition debt financing. The equity offer comprised a A\$450.0 million Institutional Placement and a \$895.0 million 1-for-2.55 accelerated non-renounceable pro rata Entitlement Offer.

The acquisition completed 1 December 2023, with all conditions precedent within the Share Purchase Agreement having been satisfied. The final acquisition cost, net of cash acquired was €1,309.7 million (A\$2,158.8 million) including all working capital and completion adjustments. Refer to note 3 for further information regarding the acquisition.

Saverglass is a global leader in the design, manufacturing, customisation, and decoration of high-end bottles for the premium and ultra-premium spirit and wine markets. The business differentiates its offering through its integrated decoration capabilities and has manufacturing operations across three continents, located in close proximity to key production regions and servicing customers in more than 100 countries.

# Directors' Report

## Review and Results of Operations (continued)

### Acquisition of Saverglass (continued)

The business represents a unique acquisition of a market leader and a logical and compelling extension of Orora's strategy as a global, sustainable value-added packaging solutions player. The acquisition will provide meaningful scale to Orora's existing operations, extending its operating footprint and product capabilities in attractive offshore markets and enhancing its financial performance and growth prospects.

### Refinancing

During the six months to 31 December 2023, the Group upsized the existing A\$460.0 million Global Syndicated Multicurrency Revolving Facility that was due to mature in November 2024, to a A\$600.0 million and €760.0 million facility to partially fund the acquisition of Saverglass (refer note 3) and provide appropriate liquidity for the Group. The refinancing was completed in November 2023.

Refer to note 7 for details regarding the Groups borrowings held at 31 December 2023.

Additional analysis of the operations of the Group for the half year ended 31 December 2023 is contained in Orora Limited's Statement to the Australian Securities Exchange and Investor Results Release dated 19 February 2024.

### Dividend

Since 31 December 2023 the Directors have declared an interim dividend on ordinary shares, expected to be paid on 11 April 2024, of approximately \$67.2 million. This represents a dividend of 5.0 cents per share unfranked, of which 100.0% will be sourced from the Conduit Foreign Income Account.

The exact amount of the dividend is subject to the number of shares on issue up to Record Date. The financial effect of this dividend has not been brought into account in the consolidated interim financial report for the half year ended 31 December 2023 and will be recognised in subsequent financial reports.

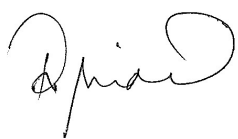
### Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act 2001*, is set out on page 3.

### Rounding Off

The Group is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, amounts in the consolidated interim financial report and Directors' Report have been rounded off to the nearest \$100,000 or, where the amount is \$50,000 or less, zero, unless specifically otherwise stated.

Signed in accordance with a resolution of the Directors.



A R H Sindel  
Chair

19 February 2024



B P Lowe  
Managing Director and Chief Executive Officer

19 February 2024



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Orora Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Orora Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Penny Stragalinos'.

Penny Stragalinos  
*Partner*

Melbourne  
19 February 2024

# Condensed Consolidated Income Statement

For the six months ended 31 December 2023

\$ million	Note	Dec 2023 <sup>[1]</sup>	Dec 2022
<b>Sales revenue</b>	1	<b>2,139.1</b>	2,264.5
Cost of sales		<b>(1,724.0)</b>	(1,839.0)
<b>Gross profit</b>		<b>415.1</b>	425.5
Other income		<b>3.3</b>	2.9
Sales and marketing expenses		<b>(126.4)</b>	(131.9)
General and administration expenses		<b>(148.3)</b>	(130.7)
<b>Profit from operations<sup>[2]</sup></b>		<b>143.7</b>	165.8
Finance income	1	<b>13.2</b>	0.6
Finance expenses		<b>(45.7)</b>	(21.7)
<b>Net finance costs</b>		<b>(32.5)</b>	(21.1)
<b>Profit before related income tax expense</b>	1	<b>111.2</b>	144.7
Income tax expense		<b>(43.0)</b>	(36.6)
<b>Profit from continuing operations</b>		<b>68.2</b>	108.1
		<b>Cents</b>	<b>Cents<sup>[3]</sup></b>
<b>Earnings per share for profit attributable to the ordinary equity holders of Orora Limited</b>			
Basic earnings per share	4	<b>5.9</b>	11.8
Diluted earnings per share	4	<b>5.9</b>	11.7

<sup>[1]</sup> The income statement for the current period includes one month of earnings from Saverglass which was acquired on 1 December 2023 [refer note 3].

<sup>[2]</sup> Profit from operations includes an after-tax significant item expense of \$40.4 million representing transactions costs incurred to acquire Saverglass [refer note 2].

<sup>[3]</sup> In accordance with AASB 133 *Earnings per share*, the 31 December 2022 earnings per share figures have been restated to reflect the bonus element of the share issue that was completed in September 2023 [refer note 4].

The above condensed consolidated income statement should be read in conjunction with the accompanying condensed notes to the interim financial report.



# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2023

\$ million	Dec 2023	Dec 2022
<b>Profit for the financial period</b>	<b>68.2</b>	108.1
<b>Other comprehensive income/(expense)</b>		
<b>Items that may be reclassified to profit or loss:</b>		
<i>Cash flow hedge reserve</i>		
Unrealised (loss)/gain on cash flow hedges	[8.8]	6.9
Realised loss/(gain) transferred to profit or loss	3.0	[2.1]
Income tax relating to these items	1.8	[1.4]
<i>Exchange fluctuation reserve</i>		
Exchange differences on translation of foreign operations	[70.4]	9.9
<b>Other comprehensive (loss)/income for the financial period, net of tax</b>	<b>[74.4]</b>	13.3
<b>Total comprehensive (loss)/income for the financial period attributable to the owners of Orora Limited</b>	<b>[6.2]</b>	121.4

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying condensed notes to the interim financial report.

# Condensed Consolidated Statement of Financial Position

As at 31 December 2023

\$ million	Note	Dec 2023 <sup>(1)</sup>	June 2023
<b>Current assets</b>			
Cash and cash equivalents		270.7	58.4
Trade and other receivables		755.3	517.4
Inventories		933.3	639.1
Derivatives	8	4.3	9.3
Other current assets		58.5	33.5
<b>Total current assets</b>		<b>2,022.1</b>	<b>1,257.7</b>
<b>Non-current assets</b>			
Property, plant and equipment		1,578.2	806.5
Right-of-use assets		320.3	180.7
Deferred tax assets		40.6	12.1
Goodwill and intangible assets		1,601.1	440.1
Derivatives	8	10.1	9.2
Other non-current assets		94.5	95.5
<b>Total non-current assets</b>		<b>3,644.8</b>	<b>1,544.1</b>
<b>Total assets</b>		<b>5,666.9</b>	<b>2,801.8</b>
<b>Current liabilities</b>			
Trade and other payables		1,040.1	758.2
Borrowings	7	1.5	150.0
Lease liabilities		90.6	54.2
Derivatives	8	7.7	2.2
Current tax liabilities		15.9	17.9
Provisions		195.3	102.4
<b>Total current liabilities</b>		<b>1,351.1</b>	<b>1,084.9</b>
<b>Non-current liabilities</b>			
Other payables		17.8	12.8
Borrowings	7	1,891.3	682.4
Lease liabilities		307.9	173.4
Derivatives	8	3.0	1.6
Deferred tax liabilities		47.2	33.1
Provisions		16.0	13.4
<b>Total non-current liabilities</b>		<b>2,283.2</b>	<b>916.7</b>
<b>Total liabilities</b>		<b>3,634.3</b>	<b>2,001.6</b>
<b>NET ASSETS</b>		<b>2,032.6</b>	<b>800.2</b>
<b>Equity</b>			
Contributed equity and treasury shares	5	1,278.5	(38.8)
Reserves		90.4	167.5
Retained earnings		663.7	671.5
<b>TOTAL EQUITY</b>		<b>2,032.6</b>	<b>800.2</b>

<sup>(1)</sup> Includes the balance sheet of Saverglass which was acquired on 1 December 2023, the fair value of the acquired assets and liabilities assumed have been provisionally determined, refer note 3.

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2023

\$ million	Note	Attributable to owners of Orora Limited			Total equity
		Contributed equity and treasury shares	Reserves	Retained earnings	
<b>Balance at 1 July 2023</b>		<b>(38.8)</b>	<b>167.5</b>	<b>671.5</b>	<b>800.2</b>
<b>Net profit for the financial period</b>		-	-	<b>68.2</b>	<b>68.2</b>
<i>Other comprehensive income/(expense):</i>					
Unrealised loss on cash flow hedges		-	<b>(8.8)</b>	-	<b>(8.8)</b>
Realised loss transferred to profit or loss		-	<b>3.0</b>	-	<b>3.0</b>
Exchange differences on translation of foreign operations		-	<b>(70.4)</b>	-	<b>(70.4)</b>
Deferred tax		-	<b>1.8</b>	-	<b>1.8</b>
<b>Total other comprehensive expense</b>		-	<b>(74.4)</b>	-	<b>(74.4)</b>
Realised gains transferred to non-financial assets, net of tax		-	<b>(0.8)</b>	-	<b>(0.8)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs	5	<b>1,319.5</b>	-	-	<b>1,319.5</b>
Purchase of treasury shares	5	<b>(7.0)</b>	-	-	<b>(7.0)</b>
Settlement of options and performance rights		<b>4.8</b>	<b>(4.8)</b>	-	-
Share-based payment expense		-	<b>2.9</b>	-	<b>2.9</b>
Dividends paid	6	-	-	<b>(76.0)</b>	<b>(76.0)</b>
<b>Balance at 31 December 2023</b>		<b>1,278.5</b>	<b>90.4</b>	<b>663.7</b>	<b>2,032.6</b>
<b>Balance at 1 July 2022</b>		<b>(37.3)</b>	<b>138.9</b>	<b>630.1</b>	<b>731.7</b>
<b>Net profit for the financial period</b>		-	-	<b>108.1</b>	<b>108.1</b>
<i>Other comprehensive income/(expense):</i>					
Unrealised gain on cash flow hedges		-	<b>6.9</b>	-	<b>6.9</b>
Realised gains transferred to profit or loss		-	<b>(2.1)</b>	-	<b>(2.1)</b>
Exchange differences on translation of foreign operations		-	<b>9.9</b>	-	<b>9.9</b>
Deferred tax		-	<b>(1.4)</b>	-	<b>(1.4)</b>
<b>Total other comprehensive income</b>		-	<b>13.3</b>	-	<b>13.3</b>
<b>Transactions with owners in their capacity as owners:</b>					
Settlement of options and performance rights		<b>3.0</b>	<b>(3.0)</b>	-	-
Share-based payment expense		-	<b>3.0</b>	-	<b>3.0</b>
Dividends paid	6	-	-	<b>(71.5)</b>	<b>(71.5)</b>
<b>Balance at 31 December 2022</b>		<b>(34.3)</b>	<b>152.2</b>	<b>666.7</b>	<b>784.6</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

# Condensed Consolidated Cash Flow Statement

For the six months ended 31 December 2023

\$ million	Note	Dec 2023 <sup>(1)</sup>	Dec 2022
<b>Cash flows from/(used in) operating activities</b>			
Profit for the financial period		68.2	108.1
Depreciation		43.6	31.4
Amortisation of right-of-use assets		35.8	23.7
Amortisation of intangible assets		5.4	5.0
Net finance costs		32.5	21.1
Fair value gain on financial instruments at fair value through income statement		0.5	0.1
Share-based payment expense		2.9	3.0
Net impairment losses and other sundry items		13.5	23.4
Income tax expense		43.0	36.6
<b>Operating cash inflow before changes in working capital and provisions</b>		<b>245.4</b>	<b>252.4</b>
- (Increase)/decrease in trade and other receivables		24.0	25.3
- (Increase)/decrease in inventories		22.5	[16.6]
- (Increase)/decrease in prepayments and other operating assets		[2.9]	[13.4]
- Increase/(decrease) in trade and other payables		20.4	[39.3]
- Increase/(decrease) in provisions		[22.1]	[15.4]
		<b>287.3</b>	<b>193.0</b>
Interest received		12.2	0.6
Interest and finance costs paid		[39.4]	[21.4]
Income tax paid		[29.4]	[28.3]
<b>Net cash inflow from continuing operating activities</b>		<b>230.7</b>	<b>143.9</b>
Net cash used in discontinued operating activities		-	-
<b>Net cash inflow from operating activities</b>		<b>230.7</b>	<b>143.9</b>
<b>Cash flows from/(used in) investing activities</b>			
Granting of amounts to associated companies and other persons		0.9	[0.2]
Government grant received		4.4	3.0
Payments for acquisition of controlled entities and businesses, net of cash acquired	3	[2,158.8]	-
Payments for property, plant and equipment and intangible assets		[81.4]	[87.8]
Proceeds on disposal of non-current assets		0.2	0.1
<b>Net cash flows used in continuing investing activities</b>		<b>[2,234.7]</b>	<b>[84.9]</b>
Net cash flows from discontinued investing activities <sup>(2)</sup>		[2.2]	[1.8]
<b>Net cash flows used in investing activities</b>		<b>[2,236.9]</b>	<b>[86.7]</b>
<b>Cash flows from/(used in) financing activities</b>			
Proceeds from issue of shares, net of transaction costs	5	1,319.5	-
Payments for treasury shares	5	[7.0]	-
Proceeds from borrowings <sup>(3)</sup>		1,176.5	72.4
Repayment of borrowings		[153.2]	-
Principal lease repayments		[36.7]	[26.3]
Dividends paid and other equity distributions	6	[76.0]	[71.5]
<b>Net cash flows used in continuing financing activities</b>		<b>2,223.1</b>	<b>[25.4]</b>
Net cash flows from discontinued financing activities		-	-
<b>Net cash flows used in financing activities</b>		<b>2,223.1</b>	<b>[25.4]</b>
<b>Net increase/(decrease) in cash held</b>			
Cash and cash equivalents at the beginning of the financial period		58.4	52.6
Effects of exchange rate changes on cash and cash equivalents		[4.6]	0.9
<b>Cash and cash equivalents at the end of the financial period<sup>(4)</sup></b>		<b>270.7</b>	<b>85.3</b>

<sup>(1)</sup> The cash flow statement for the current period includes one month of cash flows from Saverglass which was acquired on 1 December 2023. Net operating cash flows include \$13.5 million of transactions costs incurred to date.

<sup>(2)</sup> Net cash flows from discontinued investing activities represent payments for the settlement of amounts already provided for relating to the sale of the Australasian Fibre business. Further details regarding the sale can be found in the 2022, 2021 and 2020 Annual Reports.

<sup>(3)</sup> Short-term draw downs and repayments of facilities are presented net within the financing activities of the condensed consolidated cash flow statement.

<sup>(4)</sup> For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and at bank and short-term money market investments, net of outstanding bank overdrafts.

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## About this report

Orora Limited (the Company) is a for-profit entity for the purposes of preparing this interim financial report and is domiciled in Australia. These condensed interim financial statements ('interim financial report') as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in the manufacture and supply of packaging products and services to the grocery, fast moving consumer goods and industrial markets.

These interim financial statements for the Group for the six months ended 31 December 2023 were approved by the Company's Board of Directors on 19 February 2024. The Directors have the power to amend and reissue the interim financial report.

The Annual Report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company's registered office at 109 Burwood Road, Hawthorn 3122, Victoria, Australia or at [www.ororagroup.com](http://www.ororagroup.com).

This interim financial report:

- has been prepared in accordance with the requirements of Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001*;
- does not include all of the information required for a full financial report, and should be read in conjunction with the Annual Report of the Group as at and for the year ended 30 June 2023 and any public announcements made by Orora Limited and its controlled entities during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*;
- has been prepared under historical cost basis except for financial instruments which have been measured at fair value. Non-derivative financial instruments are measured at fair value through the income statement;
- is presented in Australian dollars with values rounded to the nearest \$100,000 unless otherwise stated, in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current period presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2023;
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective; and
- has applied the Group accounting policies consistently to all periods presented.

## Current period significant events

### Saverglass acquisition

The Group completed the acquisition of Saverglass on 1 December 2023, upon satisfaction of all conditions precedent within the Share Purchase agreement. The final acquisition cost, net of cash acquired was \$2,158.8 million (€1,309.7 million).

The acquisition was funded via a fully underwritten equity raising of \$1,345.0 million (refer note 5) and \$875.0 million of debt refinancing (refer note 7). The equity raising, which occurred in September 2023, comprised a \$450.0 million Institutional Placement and a \$895.0 million 1-for-2.55 accelerated non-renounceable pro rata entitlement offer.

The acquisition of Saverglass completed 1 December 2023 and therefore the earnings attributable to this business are included in the income and cash flow statement of the Group from this date. The acquisition balance sheet of Saverglass consolidated into the Group's balance sheet at 31 December 2023 has been provisionally determined and is therefore subject to change.

Further information regarding the acquisition is provided in note 3.

### Group financing

During the six months to 31 December 2023, the Group upsized the existing A\$460.0 million Global Syndicated Multicurrency Revolving Facility, that was due to mature in November 2024, to a A\$600.0 million and €760.0 million facility to partially fund the acquisition of Saverglass (refer note 3) and provide appropriate liquidity for the Group. The refinancing was completed in November 2023.

Refer to note 7 for details regarding the Groups borrowings held at 31 December 2023.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## Judgements and estimates

The preparation of the interim financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The judgement, estimates and assumptions applied in the interim financial statements, including key sources of estimation uncertainty and the assessment of hedge effectiveness, are the same as those applied in the Group's last Annual Report for the year ended 30 June 2023.

### **Asset restoration and decommissioning liability**

The decommissioning of the Petrie site is a significant and complex exercise involving multiple government agencies. At the date of this consolidated interim financial report, decommissioning work continues on site with the estimated costs to complete the decommissioning contingent on final remediation requirements which require significant judgement in respect of determining a reliable estimate.

The provision recognised as at 31 December 2023 represents management's best estimate using all currently available information and considering applicable legislative and environmental regulations.

### **Saverglass - acquisition accounting**

The acquisition method is used to account for all business combinations which requires goodwill to be measured, at acquisition date, as the fair value of the consideration transferred less the fair value of identifiable assets and liabilities acquired.

Estimating the fair value of the acquired balance sheet of the Saverglass business is complex and requires considerable judgement, including the identification and measurement of separately identifiable intangible assets.

The fair value of the identifiable net assets acquired, and liabilities assumed of Saverglass consolidated into the Group's balance sheet at 31 December 2023 have been provisionally determined and are therefore subject to change.

Management has engaged an independent valuer to assist with the determination of the fair values of the acquired assets and liabilities, including separately identifiable intangible assets.

Due to the close proximity of the acquisition to half year end, no value has been ascribed to potential separately identifiable assets as at 31 December 2023. The excess of purchase consideration over net identifiable assets acquired has been fully allocated to goodwill. Consequently, the finalisation of the acquisition balance sheet may result in balance sheet reallocations as well as additional amortisation/depreciation charges, refer note 3.

## 1. Segment information

### **Understanding the segment results**

As at 31 December, the Group's operating segments are organised and managed according to their geographical location. Each segment represents a strategic business that offers different products and operates in different industries and markets. The Corporate Executive Team, the chief operating decision-makers (CODM), monitor the operating results of the business separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on earnings before significant items, interest and related income tax expense (EBIT). This measure excludes discontinued operations and the effects of individually significant non-recurring gains/losses which may have an impact on the quality of earnings, whilst including items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

Interest income and expenditure and other finance costs, excluding interest expense related to lease liabilities, are not allocated to the segments, as this type of activity is managed on a Group basis. Transfer prices between segments are priced on an 'arms-length' basis, in a manner similar to transactions with third parties, and are eliminated on consolidation.

The following summary describes the operations of each reportable segment at 31 December 2023.

### **Orora Australasia**

This segment focuses on the manufacture of beverage packaging products within Australia and New Zealand. The products manufactured by this segment include glass bottles, beverage cans and wine closures.

### **Orora North America**

This segment, predominately located in North America, purchases, warehouses, sells and delivers a wide range of packaging and other related materials. The business also includes integrated corrugated sheet and box manufacturing and equipment sales capabilities and point of purchase retail display solutions and other visual communication services.

### **Saverglass acquisition**

The acquisition of Saverglass occurred on 1 December 2023 and therefore earnings attributable to this business have only been recognised within the results of the Group subsequent to this date (refer note 3).

The impact of the Saverglass operations upon the Group for the current period are presented in the segment table below to reconcile the reportable segment information to the Group financial statements for the period to 31 December 2023.

It is anticipated that upon completion of the integration of Saverglass into the existing Orora Group that the reporting segments will be represented by a global Orora Beverage business and global Orora Packaging Solutions business.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 1. Segment information (continued)

The following reportable segment information was provided to the CODM for the reportable segments for the half year ended 31 December 2023 and 31 December 2022.

\$ million	Note	Australasia		North America		Reportable Segments		Saverglass		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Consolidated reported revenue<sup>(1)</sup></b>		<b>529.2</b>	534.2	<b>1,494.7</b>	1,730.3	<b>2,023.9</b>	2,264.5	<b>115.2</b>	-	<b>2,139.1</b>	2,264.5
<b>Reportable segment earnings</b>											
Earnings before significant items, interest, tax, depreciation and amortisation		<b>107.2</b>	104.0	<b>136.8</b>	121.9	<b>244.0</b>	225.9	<b>24.9</b>	-	<b>268.9</b>	225.9
Depreciation and amortisation		<b>[24.3]</b>	[22.9]	<b>[49.0]</b>	[37.2]	<b>[73.3]</b>	[60.1]	<b>[11.5]</b>	-	<b>[84.8]</b>	[60.1]
Earnings before significant items, interest and tax		<b>82.9</b>	81.1	<b>87.8</b>	84.7	<b>170.7</b>	165.8	<b>13.4</b>	-	<b>184.1</b>	165.8
Allocated finance expense - lease liabilities interest		<b>[0.4]</b>	[0.3]	<b>[6.7]</b>	[4.6]	<b>[7.1]</b>	[4.9]	<b>[0.5]</b>	-	<b>[7.6]</b>	[4.9]
Earnings before unallocated interest and tax		<b>82.5</b>	80.8	<b>81.1</b>	80.1	<b>163.6</b>	160.9	<b>12.9</b>	-	<b>176.5</b>	160.9
<i>Reconciliation to profit before tax</i>											
Significant items	2									<b>[40.4]</b>	-
Unallocated finance income										<b>13.2</b>	0.6
Unallocated finance expense										<b>[38.1]</b>	[16.8]
<b>Consolidated profit before income tax expense</b>										<b>111.2</b>	144.7
<b>Operating free cash flow<sup>(2)</sup></b>		<b>77.5</b>	47.2	<b>93.9</b>	93.4	<b>171.4</b>	140.6	<b>46.7</b>	-	<b>218.1</b>	140.6
<i>Reconciliation to cash flow from operating activities</i>											
Add back capital expenditure activities included in segment operating free cash flow										<b>25.0</b>	21.2
Add back principal lease repayments included in segment operating free cash flow										<b>36.7</b>	26.3
Less interest and tax paid excluded from operating free cash flow										<b>[49.1]</b>	[44.2]
<b>Net cash flow from continuing operating activities</b>										<b>230.7</b>	143.9

<sup>(1)</sup> Represents total revenue from external customers. Across all segments, in accordance with AASB 15 *Revenue from Contracts with Customers*, the timing of revenue recognition materially occurs at a point in time.

<sup>(2)</sup> Operating free cash flow represents the cash flow generated from the Group's operating activities net of non-growth capital expenditure, including lease payments but before interest, tax and dividends.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 2. Significant items

Significant items are typically gains or losses arising from events that are not considered part of the core operations of the business.

### 31 December 2023

During the period the Group recognised a significant expense of \$40.4 million (\$40.4 million after-tax) related to transaction costs incurred in respect of the acquisition of Saverglass. These expenses are presented in 'general and administration' expenses, refer note 3 for further details regarding the acquisition.

### 31 December 2022

There were no significant items recognised for the six months to 31 December 2022.

## 3. Acquisition of Saverglass

On 5 September 2023 the Group announced it had entered into a Put Option Agreement to acquire the Saverglass SAS Group (Saverglass), through the acquisition of all the shares of Olympe SAS, for €1,290.0 million (A\$2,156.0 million) upon the completion of certain mandatory French work council consultation processes. The works council consultation process was successfully completed on 4 October 2023, the vendors exercised their put option, and the parties entered into a binding Share Purchase Agreement.

The Group completed the acquisition of Saverglass on 1 December 2023, upon satisfaction of all conditions present within the Share Purchase agreement. The final acquisition cost, net of cash acquired was €1,309.7 million (A\$2,158.8 million) including all working capital and completion adjustments.

The acquisition was funded via a fully underwritten equity raising of \$1,345.0 million and \$875.0 million of debt financing. Details of the extended Global Facility Agreements utilised to fund the acquisition are provided in note 7. The equity raising, which occurred in September 2023, comprised a \$450.0 million Institutional Placement and a \$895.0 million 1-for-2.55 accelerated non-renounceable pro rata entitlement offer. The equity proceeds were converted into Euros using a Deal Contingent Forward swap at an average rate of AUD/EUR 0.5911.

Transaction costs related to the acquisition of \$40.4 million (\$40.4 million after-tax) have been recognised in the income statement for the period ended 31 December 2023. Debt related costs of \$8.2 million have been offset against borrowings incurred and \$25.5 million of costs related to the equity raising have been charged to equity (refer note 5).

Saverglass is a global leader in the design, manufacturing, customisation, and decoration of high-end bottles for the premium and ultra-premium spirit and wine markets. The business differentiates its offering through its integrated decoration capabilities and has manufacturing operations across three continents, located in close proximity to key production regions and servicing customers in more than 100 countries.

The business represents a unique acquisition of a market leader and a logical and compelling extension of Orora's strategy as a global, sustainable value-added packaging solutions player. The acquisition will provide meaningful scale to Orora's existing operations, extending its operating footprint and product capabilities in attractive offshore markets and enhancing its financial performance and growth prospects.

### Purchase consideration and acquisition-related costs

During the period from acquisition date to 31 December 2023 the Group reported the following cash flows in respect of the acquisition:

million	EUR	AUD
Purchase consideration	1,381.0	2,276.2
Less cash balances acquired	(71.3)	(117.4)
<b>Outflow of cash</b>	<b>1,309.7</b>	<b>2,158.8</b>

In the six months to 31 December 2023 acquisition-related costs of \$40.4 million were recognised in general and administrative expenses in the income statement.



# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 3. Acquisition of Saverglass (continued)

The fair value of the identifiable assets acquired, and liabilities assumed of Saverglass and consolidated into the Group's balance sheet at 31 December 2023, have been provisionally determined and are therefore subject to change.

Management has engaged an independent valuer to assist with the determination of the fair values of the acquired assets and liabilities, including separately identifiable intangible assets. Due to the close proximity of the acquisition to half year end, no fair value adjustments on tangible assets or liabilities acquired have been reflected and no value has been ascribed to potential separately identifiable intangible assets as at 31 December 2023, as a result the excess value of the purchase consideration over the net identifiable assets acquired has been fully allocated to goodwill. As management undertake the fair value exercise of the acquired balance sheet this may result in additional amortisation/depreciation charges as well as balance sheet reallocations.

The table below sets out the provisional assets acquired, and liabilities assumed.

million	EUR	AUD
<b>Total purchase consideration</b>	<b>1,381.0</b>	<b>2,276.2</b>
<b>Provisional fair value of net assets acquired</b>		
Cash and cash equivalents	71.3	117.4
Trade and other receivables	176.1	290.2
Inventories	203.9	336.1
Other financial assets	1.4	2.3
Property, plant and equipment	448.3	739.0
Right-of-use assets	55.6	91.7
Deferred tax assets	26.7	44.0
Intangible assets	3.4	5.5
Trade and other payables	(149.6)	(246.5)
Borrowings	(20.1)	(33.2)
Lease liabilities	(78.4)	(129.3)
Income tax receivable	0.8	1.4
Provisions	(76.2)	(125.6)
Deferred tax liability	(0.3)	(0.5)
Provisional fair value of net identifiable assets acquired	662.9	1,092.5
Provisional allocation of goodwill <sup>(1)</sup>	718.1	1,183.7
	<b>1,381.0</b>	<b>2,276.2</b>

<sup>(1)</sup> Goodwill recognised on acquisition represents the premium paid above fair value of the identifiable net assets acquired. As at 31 December 2023 the calculation of goodwill is provisional and will be updated for the final allocation of fair values of tangible and identifiable intangible assets and liabilities arising from the purchase price accounting. The finalisation of the purchase price accounting will be determined within 12 months from the date of acquisition as allowed by AASB 3 *Business Combinations*.

### Acquired trade receivables

The fair value of the acquired trade receivables is \$207.4 million. The gross contractual amount for trade receivables due is \$210.5 million, of which \$3.1 million is expected to be uncollectable.

### Goodwill

The acquired goodwill is mainly attributable to future business growth opportunities, benefits derived from the acquired workforce as well as synergies expected to be achieved from network optimisation, cost rationalisation and operational efficiencies available to the Group upon the integration of the acquired business including other intangible assets that cannot be separately recognised. None of the goodwill is expected to be deductible for tax purposes.

### Revenue and earnings contribution

The acquisition of Saverglass occurred on 1 December 2023 and therefore earnings attributable to this business have only been recognised within the results of the Group subsequent to this date. Revenue of \$115.2 million (€69.5 million), earnings before interest and tax of \$13.4 million (€8.1 million) and earnings before significant items, interest, tax, depreciation and amortisation of \$24.9 million (€15.1 million) have been recognised in the period from the date of acquisition to 31 December 2023 (refer note 1).

Due to the proximity of the acquisition to half year end and the required assessment of accounting differences compared to French GAAP which Saverglass currently report under, the consolidated revenue and consolidated profit after tax if the acquisition had occurred on 1 July 2023 has not been disclosed.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 4. Earnings per share

Earnings per share (EPS) is the amount attributable to each share. During the period the Group issued 498,148,149 shares in respect of the equity raising that was undertaken to partially fund the Saverglass acquisition (refer note 3 and 5).

The issue included an Institutional Placement of 166,637,643 shares and a 1-for-2.55 pro-rata entitlement rights offer to existing shareholders of 331,510,506 shares. The comparative period EPS has been restated to reflect the bonus element of the shares issues that was completed in September 2023.

million	Dec 2023	Dec 2022 <sup>(1)</sup>
Profit for the financial period before significant items	\$108.6	\$108.1
Significant items (refer note 2)	[\$40.4]	-
Profit for the financial period	\$68.2	\$108.1
Weighted average number of ordinary shares for basic earnings per share	1,158.8	915.3
Dilution due to share options and rights	6.6	7.6
Weighted average number of ordinary shares for diluted earnings per share	1,165.4	922.9
<b>Earnings per share</b>		
Basic earnings per share <sup>(2)</sup>	5.9c	11.8c
Diluted earnings per share <sup>(2)</sup>	5.9c	11.7c
Basic earnings per share, before significant items	9.4c	11.8c
Diluted earnings per share, before significant items	9.3c	11.7c

<sup>(1)</sup> The 31 December 2022 earnings per share figures have been restated to reflect the bonus element of the equity raising that was completed in September 2023.

<sup>(2)</sup> Earnings per share reflects the impact of the additional shares issued to fund the Saverglass acquisition and the associated transaction costs. The shares from the equity raising were issued in September 2023 at the time the acquisition was announced, however earnings from the acquisition were only recognised subsequent to the completion of the acquisition which occurred 1 December 2023. Hence, the EPS for the current period only reflects a one-month contribution of earnings from Saverglass.

## 5. Contributed equity and treasury shares

\$ million	Dec 2023	June 2023
<b>Issued and fully paid ordinary shares</b>		
1,343,499,939 ordinary shares with no par value (June 2023: 845,351,790)	1,289.9	(27.9)
<b>Treasury shares</b>		
4,092,449 ordinary shares with no par value (June 2023: 3,151,443)	[11.4]	[10.9]
<b>Total contributed equity and treasury shares</b>	<b>1,278.5</b>	<b>[38.8]</b>

### Ordinary shares issued and fully paid

All issued shares are fully paid, all shares rank equally with regards to the Company's residual assets. Ordinary shares entitle the holder to participate in dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 5 September 2023, the Group invited its shareholders to participate in a rights issue of 331,510,506 ordinary shares at an issue price of \$2.70 per share on the basis of 1 share for every 2.55 fully paid ordinary shares held and made an institutional placement offer of 166,637,643 shares at an issue price of \$2.70 per share.

### Treasury shares

Treasury shares are shares in the Company that are held by the Orora Employee Share Trust for the purpose of issuing shares to employees under the Group's Employee Share Plans.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 5. Contributed equity and treasury shares (continued)

### Reconciliation of fully paid ordinary shares and treasury shares

	Contributed equity		Treasury shares	
	No. '000	\$ million	No. '000	\$ million
<b>At 1 July 2022</b>	845,352	(26.4)	(3,023)	(10.9)
Acquisition of shares by the Orora Employee Share Trust	-	-	(1,369)	(4.5)
Cancellation of RSU Grant	-	0.3	(84)	(0.3)
Treasury shares used to satisfy issue of RSU Grant	-	(0.1)	?	0.1
Restriction lifted on shares issued under the RSU Grant	-	0.1	-	-
Exercise of vested grants under Employee Share Plans	1,318	2.9	-	-
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	(1,318)	(4.7)	1,318	4.7
<b>At 30 June 2023</b>	<b>845,352</b>	<b>(27.9)</b>	<b>(3,151)</b>	<b>(10.9)</b>
Acquisition of shares by the Orora Employee Share Trust	-	-	(2,772)	(7.0)
Issues of shares under the equity placement	166,638	449.9	-	-
Issue of shares under the entitlement offer	331,510	895.1	-	-
Transaction costs associated with the issue of capital	-	(25.5)	-	-
Restriction lifted on shares issued under the RSU Grant	-	0.2	-	-
Treasury shares used to satisfy issue of RSU Grant	-	(0.1)	31	0.1
Exercise of vested grants under Employee Share Plans	1,800	4.6	-	-
Treasury shares used to satisfy exercise of vested grants under Employee Share Plans	(1,800)	(6.4)	1,800	6.4
<b>At 31 December 2023</b>	<b>1,343,500</b>	<b>1,289.9</b>	<b>(4,092)</b>	<b>(11.4)</b>

### Orora Employee Share Trust

The Group holds shares in itself as a result of shares purchased by the Orora Employee Share Trust (the 'Trust'). The Trust was established to manage and administer the Company's responsibilities under the Group's Employee Share Plans through acquiring, holding and transferring of shares in the Company to participating employees. In respect of these transactions, at any point in time the Trust may hold 'allocated' and 'unallocated' shares.

#### Allocated shares

Allocated shares represent those shares that have been purchased and awarded to employees under the Restricted Share Unit (RSU) Grant, options that have vested under Orora's Long Term Incentive Plan but have not yet been exercised, and grants under Orora's Long Term Incentive Plan that contain a one-year holding lock before vesting.

Shares granted to an employee under the RSU Grant are restricted in that the employee is unable to dispose of the shares during the restriction period which can be up to five years (or as otherwise determined by the Board). The Trust holds these shares on behalf of the employee until the restriction period is lifted at which time the Trust releases the shares to the employee. Allocated shares are not identified or accounted for as treasury shares.

#### Unallocated shares

Unallocated shares represent those shares that have been purchased by the Trust on-market to satisfy the potential future allocation or vesting of awards granted under the Group's Employee Share Plans. As the shares are unallocated, they are identified and accounted for as treasury shares.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 6. Dividends

	Cents per share	Total \$ million
<b>Declared and paid during the period</b>		
<i>For the period ended 31 December 2023</i>		
2023 Final dividend (unfranked)	9.0	76.0
<i>For the period ended 31 December 2022</i>		
2022 Final dividend (unfranked)	8.5	71.5
<b>Proposed and unrecognised at period end<sup>(1)</sup></b>		
<i>For the period ended 31 December 2023</i>		
2024 Interim dividend (unfranked)	5.0	67.2
<i>For the period ended 31 December 2022</i>		
2023 Interim dividend (unfranked)	8.5	71.9

<sup>(1)</sup> Estimated interim dividend payable, subject to variations in the number of shares up to record date.

### Dividend Reinvestment Plan

The Group operates a dividend reinvestment plan which allows eligible shareholders to elect to invest dividends in ordinary shares. All holders of Orora Limited ordinary shares with Australian or New Zealand addresses registered with the share registry are eligible to participate in the plan.

The allocation price for shares is based on the average of the daily volume weighted average share price of Orora Limited ordinary shares sold on the Australian Securities Exchange, calculated with reference to a period of not less than ten consecutive trading days as determined by the Directors.

### Franking Account

Franking credits on dividends available to shareholders of the Company at 31 December 2023 are nil (June 2023: nil). The declared 2024 interim dividend will be 100% unfranked (2023: interim and final dividend 100% unfranked).

### Conduit Foreign Income (CFI) Account

For Australian tax purposes, dividends paid to non-resident shareholders are not subject to Australian withholding tax to the extent that they are franked or sourced from the parent entity's conduit foreign income (CFI) account. For the 2024 interim dividend, 100% of the dividend is sourced from the CFI account (2023: interim and final dividend 100% CFI). As a result, 100% of the 2024 interim dividend paid to non-residents will not be subject to Australian withholding tax.

## 7. Borrowings

During the six months to 31 December 2023, the Group upsized the A\$460.0 million committed Global Syndicated Multicurrency Revolving Facility, that was due to mature in November 2024, to a A\$600.0 million and €760.0 million facility to partially fund the acquisition of Saverglass (refer note 3) and provide operational liquidity for the Group. The refinancing was completed in November 2023.

At 31 December 2023, in addition to the US Private Placement notes of US\$143.0 million which matures in July 2025, the Group has access to the following committed facilities as at 31 December 2023:

- a Global Syndicated Facility Agreement comprising A\$250.0 million and €760.0 million revolving multicurrency facilities with maturity dates ranging from May 2027 to November 2028 and a A\$350.0 million term loan facility with a maturity date of November 2030;
- a US\$100.0 million four-year USD revolving syndicated facility maturing in June 2027; and
- four bilateral agreements with domestic institutions: a \$35.0 million revolving facility maturing in April 2025, a \$75.0 million revolving facility maturing in January 2026, a \$100.0 million revolving facility maturing in July 2027, and a US\$100.0 million term facility maturing in January 2028.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 7. Borrowings (continued)

The following table sets out the terms and conditions (expressed in Australian dollars), excluding the impact of capitalised borrowing costs, of the facilities held by the Group at 31 December 2023:

\$ million	Currency	Matures	Dec 2023		June 2023	
			Drawn	Facility size	Drawn	Facility size
US Private Placement <sup>(1)</sup>	USD	July 2023	-	-	150.0	150.0
Global Syndicated Multicurrency Revolving Facility <sup>(2)</sup>	AUD	November 2024	-	-	385.0	460.0
Committed Bilateral Revolving Facility	AUD	April 2025	35.0	35.0	35.0	35.0
US Private Placement	USD	July 2025	210.0	210.0	214.5	214.5
Committed Bilateral Revolving Facility	AUD	January 2026	60.0	75.0	40	75.0
USD Syndicated Revolving Facility	USD	June 2027	10.3	146.8	-	150.0
Committed Bilateral Revolving Facility	AUD	July 2027	-	100.0	10.0	100.0
Committed Bilateral Term Facility	USD	January 2028	146.8	146.8	-	150.0
Global Syndicated Facility Agreement <sup>(2)</sup>						
3.5 year Tranche	AUD	May 2027	60.0	125.0	-	-
3.5 year Tranche	EUR	May 2027	218.7	356.5	-	-
4 year Tranche	EUR	November 2027	324.1	324.1	-	-
5 year Tranche	AUD	November 2028	60.0	125.0	-	-
5 year Tranche	EUR	November 2028	380.8	551.0	-	-
7 year Tranche	AUD	November 2030	350.0	350.0	-	-
Other loans <sup>(3)</sup>	EUR	Various	51.7	51.7	-	-
			<b>1,907.4</b>	<b>2,596.9</b>	834.5	1,334.5

<sup>(1)</sup> The US\$100.0 million US Private Placement notes were repaid in July 2023.

<sup>(2)</sup> In November 2023 the A\$460.0 million Global Syndicated Facility Agreement, maturing November 2024, was refinanced and increased to a A\$600.0 million and €760.0 million (total A\$1,831.6 million) facility. The refinanced facility is split into multiple maturity tranches with tenors ranging from 3.5 to 7 years.

<sup>(3)</sup> Includes several loans with maturities ranging from 3 months to 4.5 years.

All bank debt drawings as at 31 December 2023 that were denominated in Australian dollars bore interest at BBSY plus an applicable credit margin. Any bank debt drawings in EUR, US or New Zealand dollars would bear interest at Euribor, Term SOFR or BKBM plus an applicable margin. The Group's US Private Placement notes bore an interest rate based on an applicable fixed rate coupon.

The committed and uncommitted standby arrangements and unused facilities of the Group are set out below:

\$ million	Dec 2023			June 2023		
	Committed	Uncommitted	Total	Committed	Uncommitted	Total
<i>Financing facilities available:</i>						
Bank overdrafts	-	6.2	6.2	-	6.2	6.2
US Private placement	210.0	-	210.0	364.5	-	364.5
Loan facilities and term debt	2,386.9	78.7	2,465.6	970.0	80.0	1,050.0
	<b>2,596.9</b>	<b>84.9</b>	<b>2,681.8</b>	1,334.5	86.2	1,420.7
<i>Facilities utilised:</i>						
Bank overdrafts	-	-	-	-	-	-
US Private placement	210.0	-	210.0	364.5	-	364.5
Loan facilities and term debt	1,697.4	-	1,697.4	470.0	-	470.0
	<b>1,907.4</b>	-	<b>1,907.4</b>	834.5	-	834.5
<i>Facilities not utilised:</i>						
Bank overdrafts	-	6.2	6.2	-	6.2	6.2
US Private placement	-	-	-	-	-	-
Loan facilities and term debt	689.5	78.7	768.2	500.0	80.0	580.0
	<b>689.5</b>	<b>84.9</b>	<b>774.4</b>	500.0	86.2	586.2

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 7. Borrowings (continued)

### Interest rate risk

To manage the Group's exposure to cash flow interest rate risk arising from variable rates on long-term borrowings the Group's Treasury Risk Management Policy requires maintaining an appropriate mix between fixed and floating rate borrowings, monitoring global interest rates, and where appropriate, hedging floating interest rate exposures or borrowings at fixed interest rates through the use of interest rate swaps and forward interest rate contracts.

The Group regularly analyses its interest rate exposure by taking into consideration its forecast debt position, refinancing renewals of existing positions, hedging positions and a mix of fixed and floating interest rates.

The following table sets out the Group's borrowings interest rate risk exposure:

	Weighted average interest rate	Balance \$ million
<b>31 December 2023</b>		
Borrowings at fixed rates	3.7%	261.7
Borrowings at variable rates	6.0%	1,645.7
Interest rate swaps (notional principal amount)	3.1%	689.5
<b>Net exposure to cash flow interest rate risk</b>		<b>956.2</b>

### 30 June 2023

Borrowings at fixed rates	3.3%	364.5
Borrowings at variable rates	5.6%	470.0
Interest rate swaps (notional principal amount)	3.7%	100.0
<b>Net exposure to cash flow interest rate risk</b>		<b>370.0</b>

### Interest rate derivatives used for hedging

The Group's interest rate swaps are classified as cash flow hedges so any movement in the fair value is recognised directly in equity. The amounts accumulated in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

The table below details the carrying values representing the fair value of the instruments used to hedge interest rate risk, together with the notional principal amounts of the interest the swaps outstanding at the end of the reporting period:

\$ million	Asset	Liability	Total
<b>31 December 2023</b>			
<i>Notional item</i>			
AUD150m floating to fixed	0.6	-	0.6
EUR333m floating to fixed	1.6	-	1.6
EUR400m floating to fixed <sup>(1)</sup>	-	[2.8]	[2.8]
<b>Net derivative asset/(liability) position</b>	<b>2.2</b>	<b>[2.8]</b>	<b>[0.6]</b>
<b>30 June 2023</b>			
<i>Notional item</i>			
AUD150m floating to fixed <sup>(1)</sup>	3.2	-	3.2
<b>Net derivative asset/(liability) position</b>	<b>3.2</b>	<b>-</b>	<b>3.2</b>

<sup>(1)</sup> The cash flow hedge notional amount in the above table includes €400.0 million (June 2023: A\$50.0 million) of forward starting swaps which are hedging the underlying interest rate exposures and therefore not included in the net exposure to cash flow interest rate risk table above.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 8. Financial instruments

### Carrying amounts versus fair values

The carrying amounts and fair values of the Group's financial assets and financial liabilities recognised in the financial statements are materially the same, except for the following:

\$ million	Dec 2023	June 2023
<i>US Private Placement Notes</i>		
Carrying value	210.0	364.5
Fair value	205.0	356.7

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

#### Cash

The carrying amount is fair value due to the liquid nature of these assets.

#### Trade and other receivables/payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are considered reasonable approximations of their fair values.

#### Interest-bearing liabilities

For interest bearing liabilities fair value is based on discounting expected future cash flows at market rates.

#### Other financial assets/liabilities

The fair value of loan receivables are calculated using market interest rates.

The fair value of derivative financial instruments are recognised and measured at fair value in the financial statements. The specific valuation techniques used to value the derivative financial instruments include:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows - ie the amounts that the Group would receive or pay to terminate the swap at reporting date, based on observable yield curves;
- The fair value of forward foreign exchange contracts and currency options is determined using the difference between the contract exchange rate and the quoted exchange rate at the balance sheet date;
- The fair value of the aluminium commodity forward contracts is determined using the difference between the contract commodity price and the quoted market price at the balance sheet date; and
- The fair value of electricity commodity forward contracts is calculated as the present value of the estimated future cash flows using market observable quoted prices and risk adjusted forecast prices at the balance sheet date.

#### Valuation of financial instruments

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into three levels as prescribed under the accounting standards, with each of these levels indicating the reliability of the inputs used in determining fair value. The levels in the hierarchy are:

Level 1: Financial instruments traded in an active market (such as publicly traded derivatives and traded securities). Fair value is from a quoted price, for an identical asset or liability at the end of the reporting period, traded in an active market. The quoted market price used for assets is the last bid price;

Level 2: Financial instruments that are not traded in an active market (for example over-the-counter derivatives). Fair value is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. All significant inputs used in the valuation method are observable;

Level 3: Financial instruments for which no market exists in which the instrument can be traded. Where one or more of the significant inputs in determining fair value for the asset or liability is not based on observable market data (unobservable input), the instrument is included in level 3.

# Condensed Notes to the Interim Financial Report

For the six months ended 31 December 2023

## 8. Financial instruments (continued)

The following table sets out the fair value of the Group's derivative financial instruments by valuation method. The Group does not carry any level 1 financial instruments. There were no transfers between level 1 and 2 for recurring fair value measurements during the period.

\$ million	31 December 2023			30 June 2023		
	Level 2	Level 3	TOTAL	Level 2	Level 3	TOTAL
<i>Current</i>						
Derivative financial assets	4.3	-	4.3	8.5	0.8	9.3
Derivative financial liabilities	(7.6)	(0.1)	(7.7)	(2.2)	-	(2.2)
	(3.3)	(0.1)	(3.4)	6.3	0.8	7.1
<i>Non-current</i>						
Derivative financial assets	0.6	9.5	10.1	3.6	5.6	9.2
Derivative financial liabilities	(3.0)	-	(3.0)	(0.1)	(1.5)	(1.6)
	(2.4)	9.5	7.1	3.5	4.1	7.6

## 9. Commitments and contingent liabilities

### Capital expenditure commitments

At 31 December 2023, the Group has capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment of \$115.1 million (June 2023: \$108.8 million).

### Contingent liabilities

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

### Legal proceedings

The outcome of currently pending and future legal, judicial, regulatory and other proceedings of a litigious nature cannot be predicted with certainty. Legal proceedings can raise difficult and complex issues and are subject to many uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each proceeding is brought and differences in applicable law.

An adverse decision in a legal proceeding could result in additional costs that are not covered, either wholly or partially, under insurance policies, which could significantly impact the business and results of the operations of the Group.

Each legal proceeding is evaluated on a case-by-case basis considering all available information, including that from legal counsel, to assess potential outcomes. Where it is considered probable that a future obligation will result in an outflow of resources, a provision is recognised in the amount of the present value of the expected cash outflows, if these are deemed reliably measurable.



# Directors' Declaration

For the half year ended 31 December 2023, in the opinion of the Directors of Orora Limited (the 'Company'):

1. the condensed consolidated financial statements and notes are in accordance with the *Corporations Act 2001* including:
  - a. complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half year ended on that date; and
2. there are reasonable grounds to believe that Orora Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



A R H Sindel  
**Chair**

19 February 2024



B P Lowe  
**Managing Director and Chief Executive Officer**

19 February 2024



# Independent Auditor's Review Report

To the shareholders of Orora Limited

## Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of Orora Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Orora Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023
- Condensed consolidated income statement, Condensed consolidated statement of comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated cash flow statement for the Half-year ended on that date
- Notes 1 to 9 including selected explanatory notes
- The Directors' Declaration.

The **Group** comprises Orora Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



## Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Penny Stragalinos  
*Partner*

Melbourne  
19 February 2024