



Orora Limited

For presentation at Macquarie Conference

4 May 2017

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”, “plan”, “seek”, “estimate”, “anticipate”, “believe”, “continue”, or similar words.

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

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Non-IFRS information

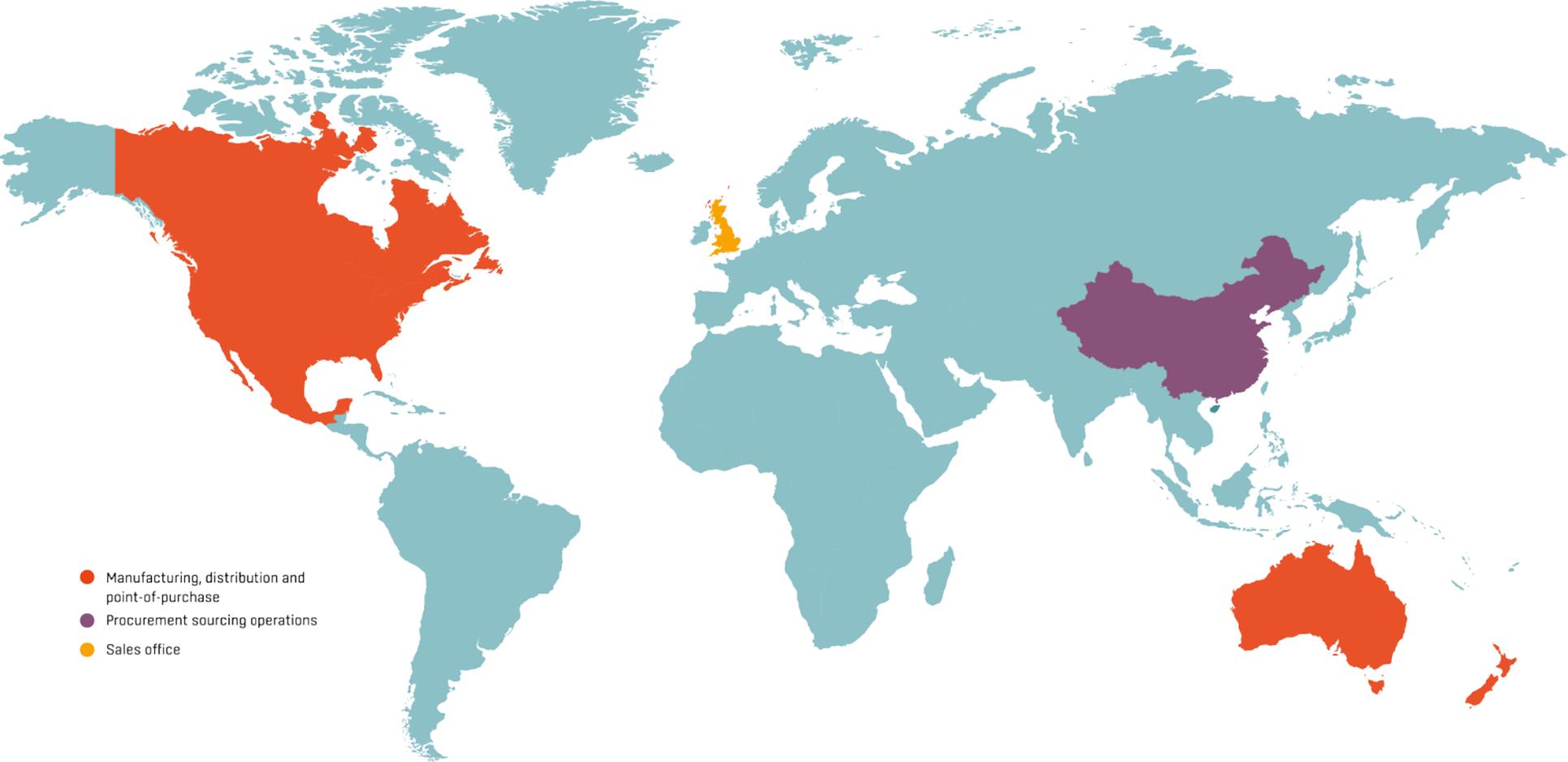
Throughout this presentation, Orora has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Orora uses these measures to assess the performance of the business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

- Orora overview
- 1st half financial highlights
- Orora's blue print for creating shareholder value
- Orora North America
 - Introducing Orora Visual
- Orora Australasia
 - Glass capacity expansion project
 - Corrugated asset upgrade program
 - Energy
 - Old corrugated cardboard prices
- Innovation update
- Outlook

An innovative, customer-led provider of packaging solutions



GEOGRAPHICALLY FOCUSED BUSINESSES
WITH NATIONAL SERVICE MODELS



- Manufacturing, distribution and point-of-purchase
- Procurement sourcing operations
- Sales office

- Australia
- New Zealand
- USA
- Mexico
- UK
- Canada
- China

REVENUE: PRO FORMA

\$4b+

TEAM MEMBERS

6.7K

MANUFACTURING PLANTS

44

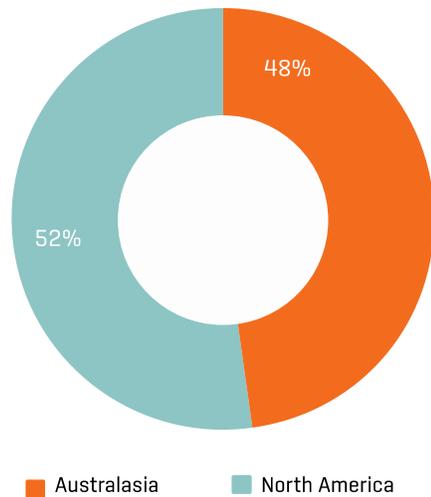
DISTRIBUTION SITES

90

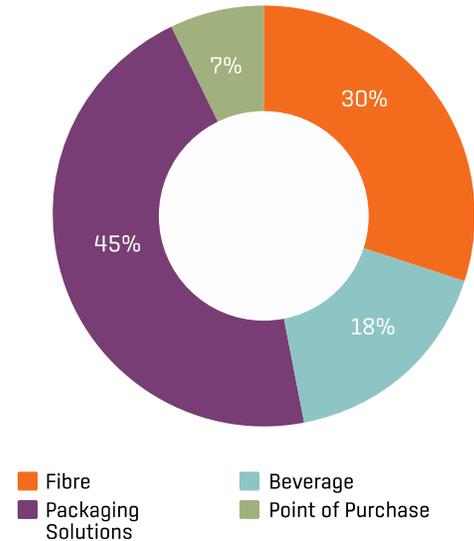
Orora – overview of sales and earnings



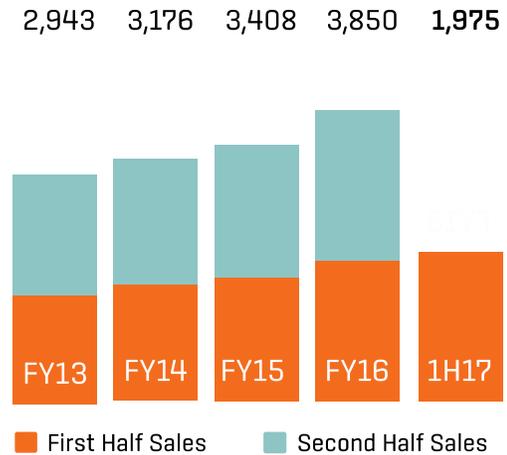
Pro Forma Sales by Region*



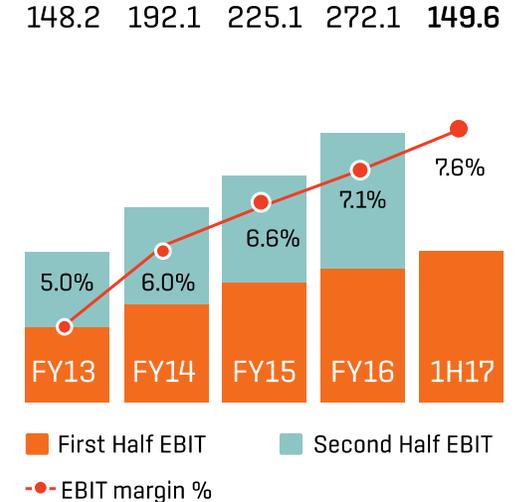
Pro Forma Sales by End Segment*



Sales
AUD million



EBIT
AUD million



“ A diversified and defensive business with a healthy track record of improving earnings and cash flow generation ”

1H17 financial highlights



SALES GROWTH



EARNINGS BEFORE INTEREST AND TAX (EBIT)



NET PROFIT AFTER TAX (NPAT)



EARNINGS PER SHARE (EPS)



OPERATING CASH FLOW



INTERIM DIVIDEND (per share)



Earnings growth is being converted into strong cash flow and increased dividends

1H17 business performance



Australasia

UNDERLYING SALES*



EBIT



- Organic earnings benefits of \$10M largely offset by \$7M of input cost headwinds
- Generally muted market conditions notwithstanding continued volume growth in Glass and Wine Closures
- Improving operating efficiency and cost control
- EBIT margin +40bps to 11.0%

North America

SALES [USD]

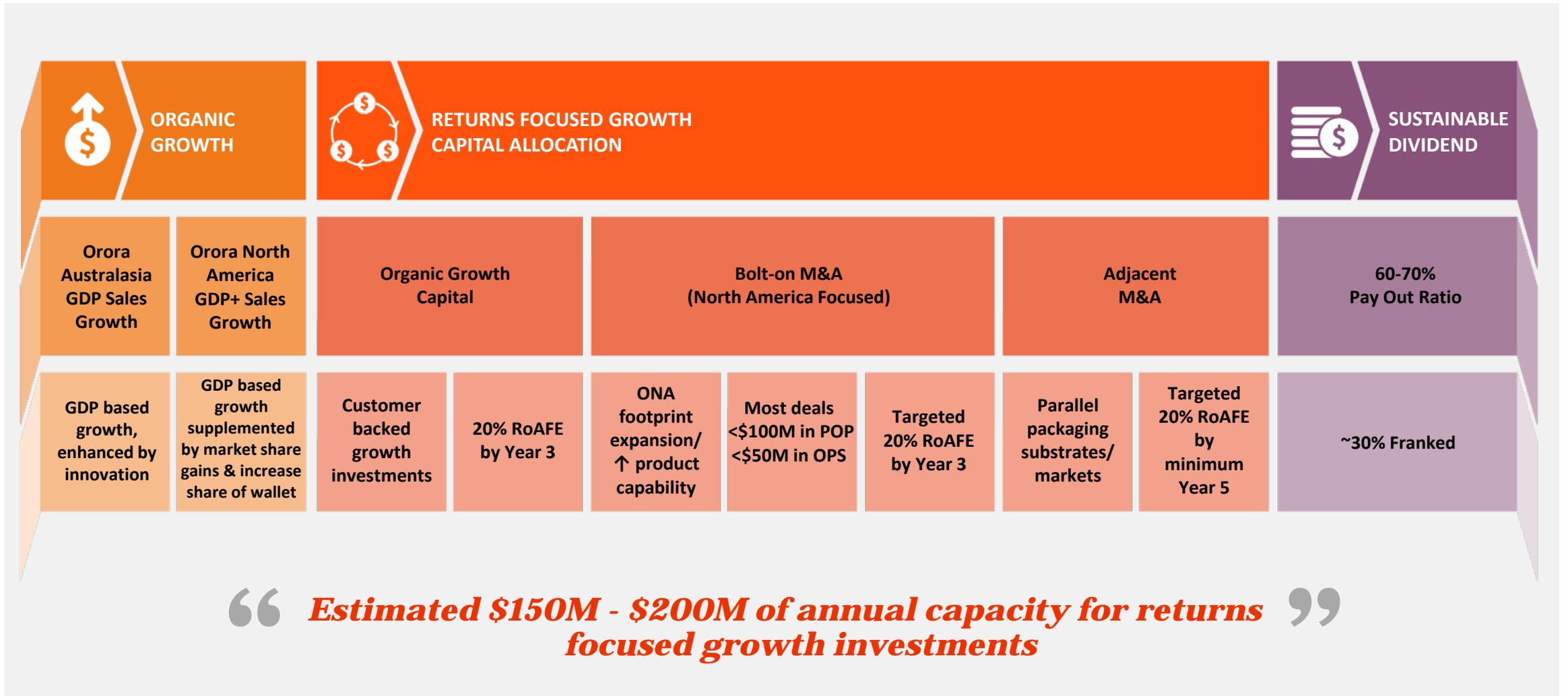


EBIT [USD]

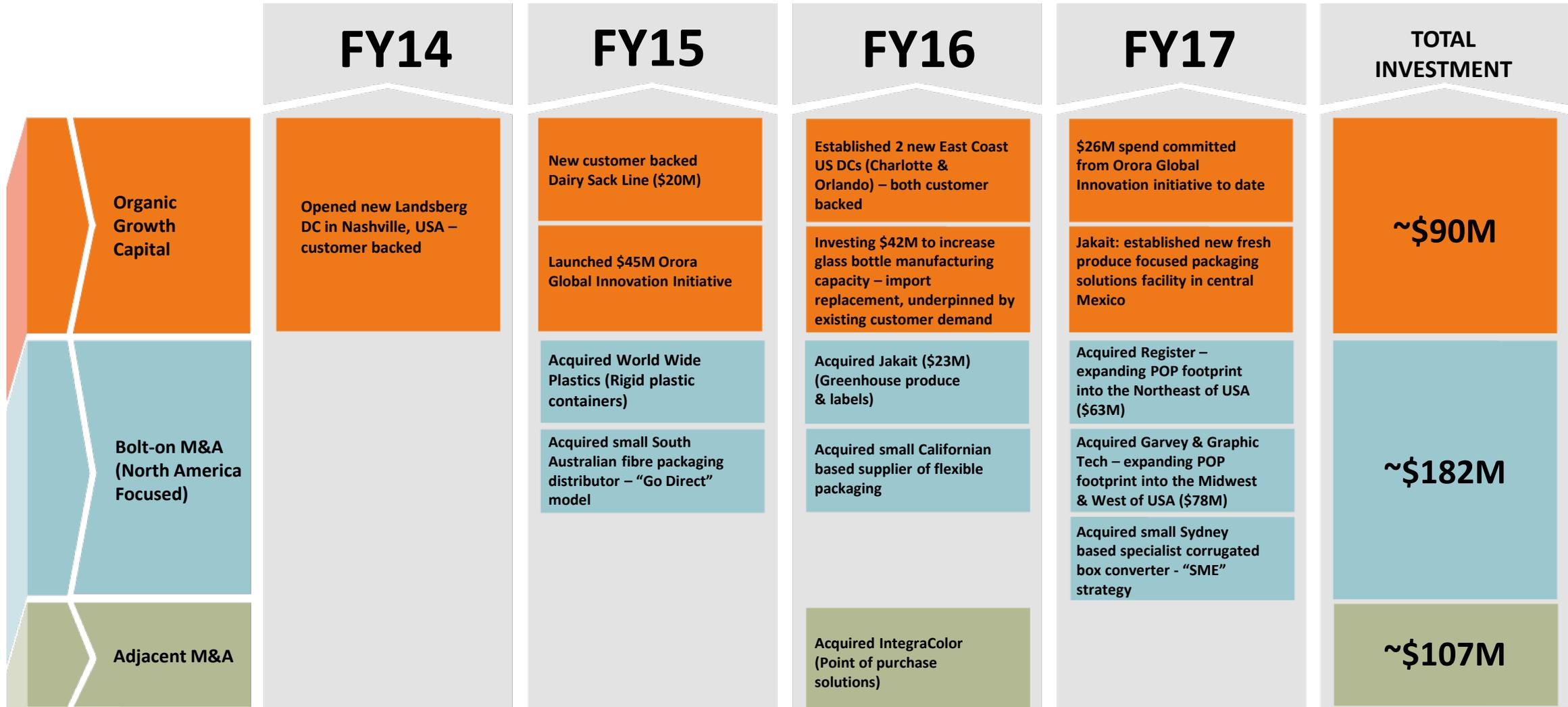


- OPS organic sales growth of 6% driven by market share gains and increased sales to existing customers
- OPS EBIT margin +10bps to 5.2%
- IntegraColor performed in line with expectations, integration on track, synergies flowing as expected
- Acquisition of Register (completed January) and Garvey/GT (completed March)

Orora's blueprint for creating shareholder value



Orora has invested approx. \$380M in growth since ASX Listing in December 2013



Orora Ltd 2017 **“Majority of expected benefits from growth projects impact FY18 and beyond”**

Orora North America

Introducing Orora Visual

OR  RA Visual



To watch the video visit ororagroup.com/about/orora-visual

Orora North America services the complete customer value chain



Structural design & Graphics

Manufacturing

Automation & Fulfillment

Essential Packaging Products

On-demand logistics

Retail ready displays

Technology Solutions

Into the consumer's hands

ORORA PACKAGING SOLUTIONS



ORORA VISUAL



Orora Visual overview



Capital invested: ~USD180M

Annual revenue: ~USD230M

Average multiple paid: 6.3 times trailing EBITDA

Total synergies: ~USD7.0M over the first 2-3 years

Returns hurdle: Orora Visual is expected to generate a 20% RoAFE by the 3rd full year

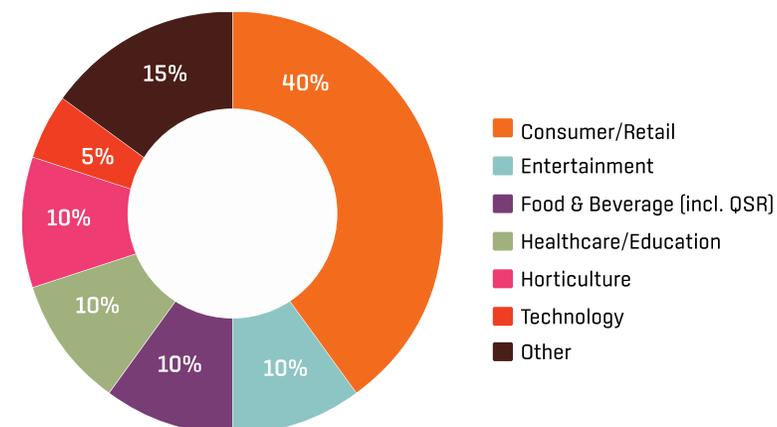
Employees: ~800

“ **USD180M invested over 12 months to establish a national footprint in the US POP market** ”

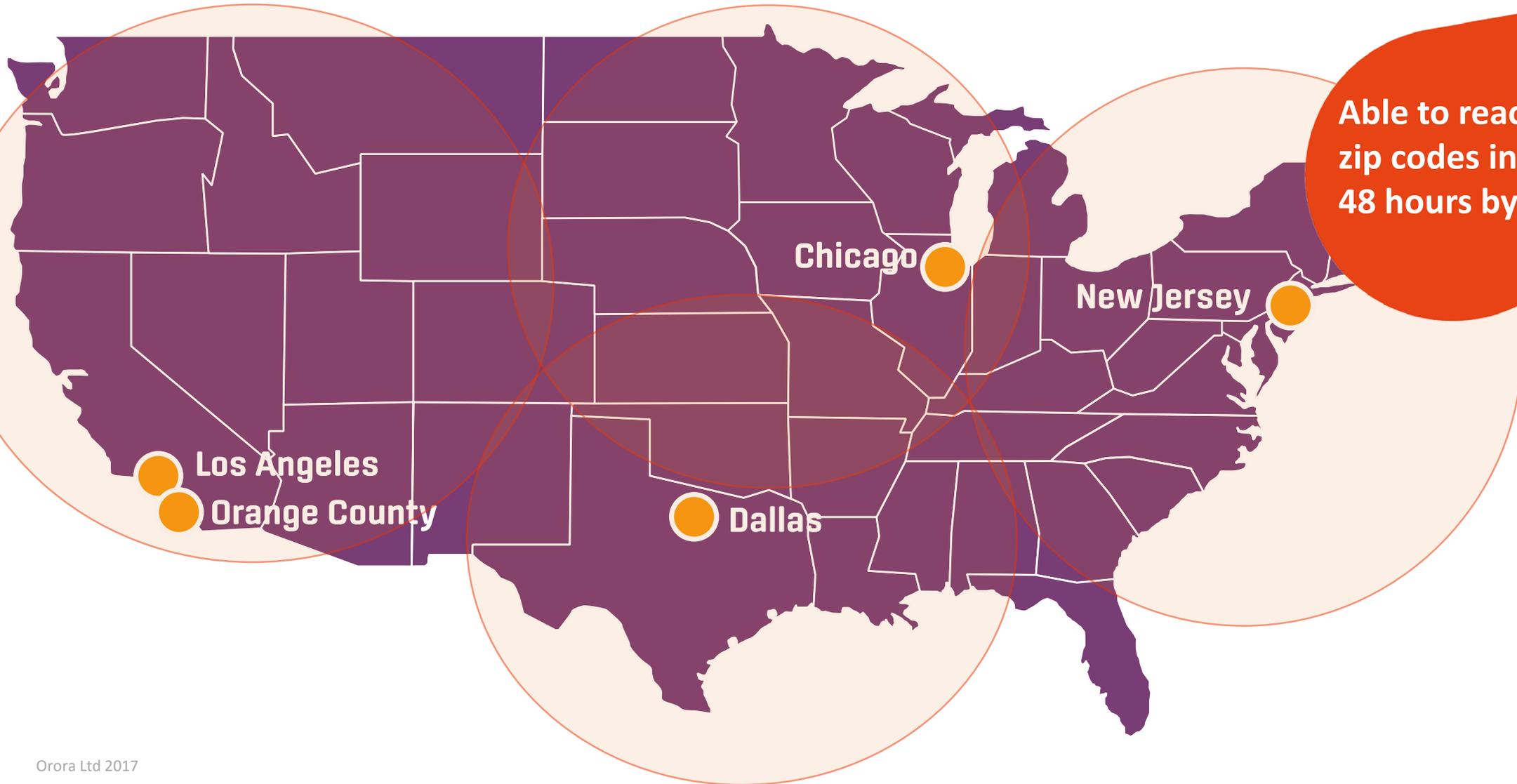
Uniting 4 market leading POP businesses under one brand



Approximate Revenue by End Segment



Unique national footprint optimising customer's supply chain



Able to reach 90% of US zip codes in less than 48 hours by ground...

Estimated target market size: USD10B (total market is USD20B)

Fragmented and regional industry structure provides growth opportunity

- Multiple market participants
- Top 5 players hold an estimated 25%-30% market share
- Orora Visual is a top 5 player within its target market – approximately 2.5% market share

Attractive product dynamics

- Complex
- Frequent promotional turnover
- Highly customised
- Short run
- Quick turnaround/speed to market

Instore promotional spend is well positioned through the cycle

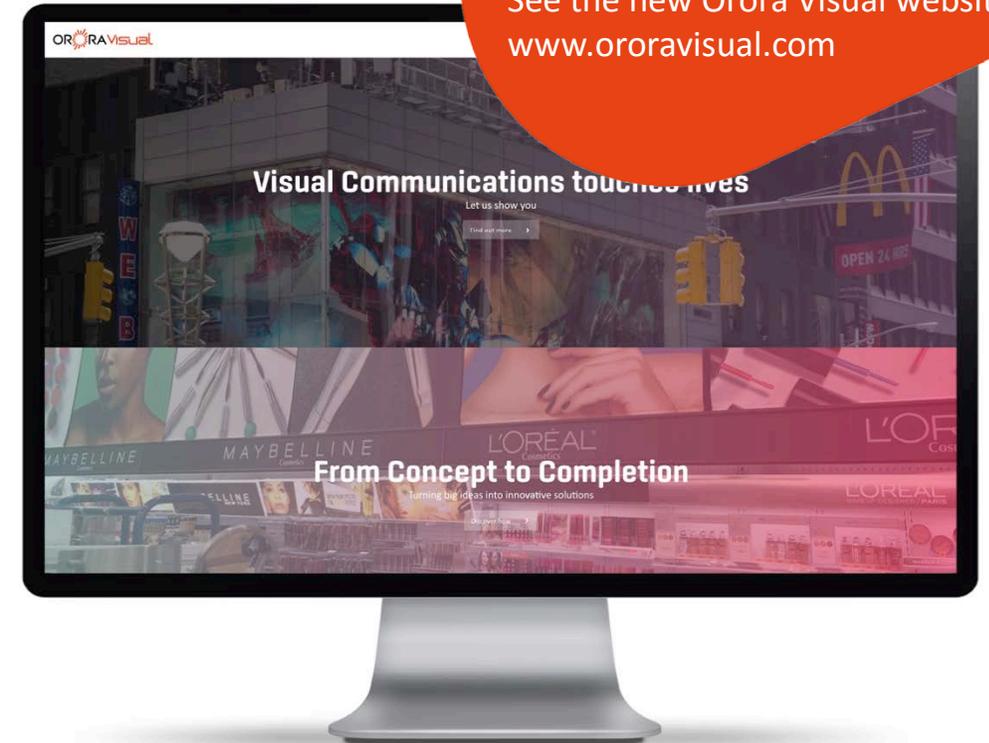
- Instore/merchandising promotion is the highest ROI spend for a brand owner
- Stronger brands have historically promoted through the cycle to generate sales growth/win market share



- Successfully completed the acquisition of Garvey Group and Graphic Tech in March 2017
- Chief Operating Officer has been appointed to help drive Orora Visual's integration and growth strategy, reporting to Larry King as President
- Integration of Orora Visual is on track - synergies being realised as anticipated
- Early stage integration of Register, Garvey and Graphic Tech progressing well
- Good employee engagement across all acquired businesses
- Orora Visual's national value proposition is being well received by customers

**Established a single
'go to market' brand**

See the new Orora Visual website
www.ororavisual.com



“ ***Integration on track*** ”
Orora Visual's national value proposition is seeing good customer engagement

Orora Australasia Update

Glass capacity expansion project

- Bottled wine industry export volume growing ahead of GDP
- Orora's glass furnaces (Gawler) are in an oversold position – have been importing approx. 100M bottles to meet customer demand
- Orora successfully completed the \$42.0M expansion of its bottle forming capacity in March 17 – increasing output by 60M bottles and reducing import needs
- Project completed on time and budget
- Neutral earnings impact in FY17
- Investment expected to exit FY18 at or near return hurdles
- Gawler is now a world top 10 glass production site by volume

“ ***Project successfully completed – commercial sales have commenced*** ”



In excess of \$70M committed for investment in the ANZ corrugating business over the past 3 years

- Improving quality and output capacity
 - Upgrading printing and converting assets
 - Investment in state-of-the-art large format digital printer
- Improving productivity and safety with automated material handling
- Innovation initiatives to enhance customer value proposition – e.g. cold-chain monitoring system in partnership with Xsense®
- Improving supply chain and distribution
 - Three new distribution centres opened in Queensland
 - Refrigerated logistics partnership with AHG

“

Investing to improve product quality, cost curve competitiveness and customer value proposition

”

Over \$70M committed to improving corrugated manufacturing capability



Converting Equipment Upgrade

Australian energy prices have increased significantly due to widely publicised supply issues

- A range of Government initiatives have recently been announced – timing and impact are unclear
- Orora's gas supply and price is secured until end of CY19
- Legacy NSW electricity contract expires in Dec 17 - estimated \$6M-\$8M headwind in FY18

Orora is proactively investing in self-help energy initiatives to reduce usage and cost

- Assessing potential on-site electricity generation at Glass (SA) and B9 (NSW)
- Investments will be announced as appropriate
- Approximately \$5M invested in energy efficiency projects across ANZ over the past 3 years
- Option agreement in Strike Energy's prospective gas field in SA
- Setting new energy efficiency targets for all manufacturing plants

“ ***Orora is investing in initiatives to reduce energy usage and cost*** ”

Volatile Old Corrugated Cardboard (OCC) prices



Key Points

Orora sources OCC as feedstock for B9 - range of vendors, mixture of terms

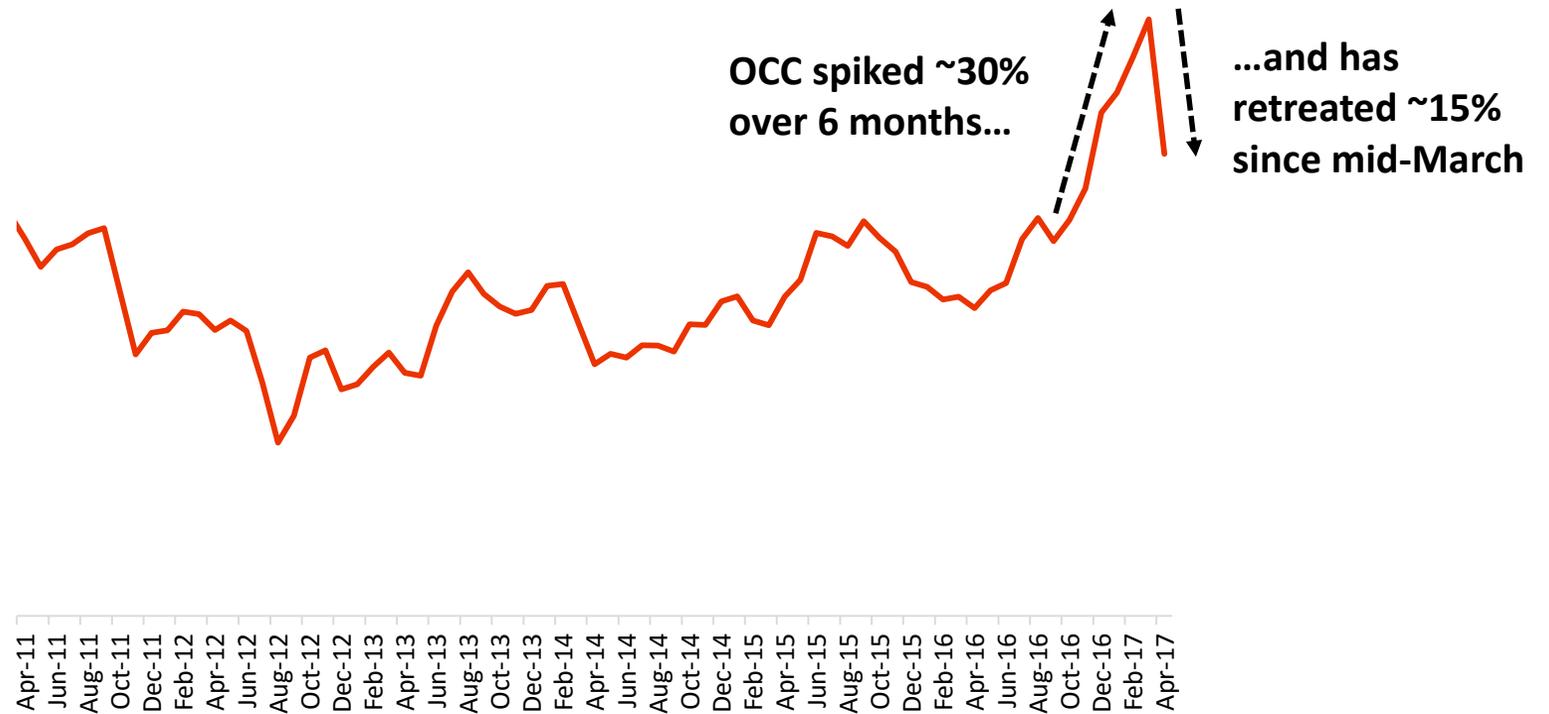
Price of OCC has retreated from all time high set in Mar 17 - currently 15% above top end of historical range

Chinese stock piling, new recycled mills and seasonality driving price volatility

Increasing global paper prices provide partial offset with approximately 80k tonnes exported to USA

As price is volatile – FY18 impact too early to quantify – will update at full year results

OCC AUD\$/tonne CIF to South East Asia and China



Source: RISI

Orora Innovation Update

“Fresh Realm” – Fresh Food Start Up (OPS)



Glass Bottle Sleeving Line



Large Format Digital Printer (Corrugated)



\$27 million committed thus far to new product and process innovations

\$45 million
Global Innovation Initiative

Orora expects to continue to drive organic growth and invest in innovation and growth during the remainder of FY17, with earnings expected to be higher than reported in 2016, subject to global economic conditions

“ ***Maintain guidance provided in February 2017*** ”

