Full year results
Ended 30 June 2018

9 August 2018

Presentation by
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Important information

This presentation contains summary information about the current activities of Orora Limited (Orora) and its subsidiaries (Group). It should be read in conjunction with Orora's other periodic and continuous disclosure announcements filed with the Australian Stock Exchange.

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", "seeks", "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 non-IFRS information unless otherwise stated has not been extracted from Orora's financial statements.

Current Year: Underlying Earnings – excludes Significant Items and one off tax benefit

Throughout this presentation, all references to 'underlying earnings' ('underlying EBITDA', 'underlying EBIT', 'underlying NPAT', 'underlying EPS') exclude a net significant item expense of $1.9M and a net one-off tax benefit of $5.5M both (described below) to assist in making appropriate comparisons with the operating performance of the business and the prior corresponding period.

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

Prior Year: Underlying Earnings – excludes Significant Items

An after tax significant item expense $15.1M NPAT relating to additional expected costs associated with decommissioning the Petrie Mill site has been excluded to assist in making appropriate comparisons with the current period and to assess the operating performance of the business.

Minor Reclassification of Prior Year Numbers

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

All amounts are in Australian dollars unless otherwise stated

FY18 Highlights

SALES REVENUE

$4,248.0m

5.2% INCREASE

EARNINGS BEFORE INTEREST AND TAX (EBIT)

$323.4m

7.0% INCREASE

UNDERLYING NET PROFIT AFTER TAX (NPAT)

$208.6m

12.0% INCREASE

UNDERLYING EARNINGS PER SHARE (EPS)

17.4¢

11.5% INCREASE

RoAFE %

14.0%

40bps INCREASE

- **Solid earnings growth is being converted into strong cash flow, increased dividends and higher returns.**
- **Organic capex increased.**
- **Strong balance sheet to continue to pursue growth.**

OPERATING CASH FLOW

$325.3m

1.9% DECREASE

TOTAL DIVIDEND

12.5¢

13.6% INCREASE

LEVERAGE

1.5x

0.1x DECREASE

CAPEX INVESTED IN THE BUSINESS

$188.9m

155% OF DEPRECIATION

Orora safety performance

Safety is a priority and on-going journey for Orora

- Slight improvement in RCFR
  - Continued reinforcement of standards
  - Heightened awareness at existing sites
  - Progressive implementation of Orora's safety standards and processes at recently acquired sites
- Increase in LTIFR
  - Emphasis is on minimising the risk of higher consequence incidents by implementing corrective action from risk assessments/root cause analysis
- Continued rollout of comprehensive risk profiling reviews and development of improvement plans for each site
- Focus remains on ensuring best practice tools and processes are available to all employees

	June 2017(1)	June 2018
RCFR	6.9	6.8
LTIFR	1.6	1.8

(1) Note: Safety metrics are calculated on a rolling 12 month basis. To enable accurate comparison, prior year statistics have been presented on a pro forma basis to include results for businesses acquired in FY17

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

At Orora we keep each other safe

One injury is too many

FY18 Australasian financial highlights

SALES REVENUE

$2,104.8m

5.2% INCREASE

EBIT

$232.3m

8.7% INCREASE

OPERATING CASH FLOW

$236.0m

2.2% INCREASE

EBIT MARGIN %

11.0%

30 bps INCREASE

ROAFE %

13.4%

100bps INCREASE

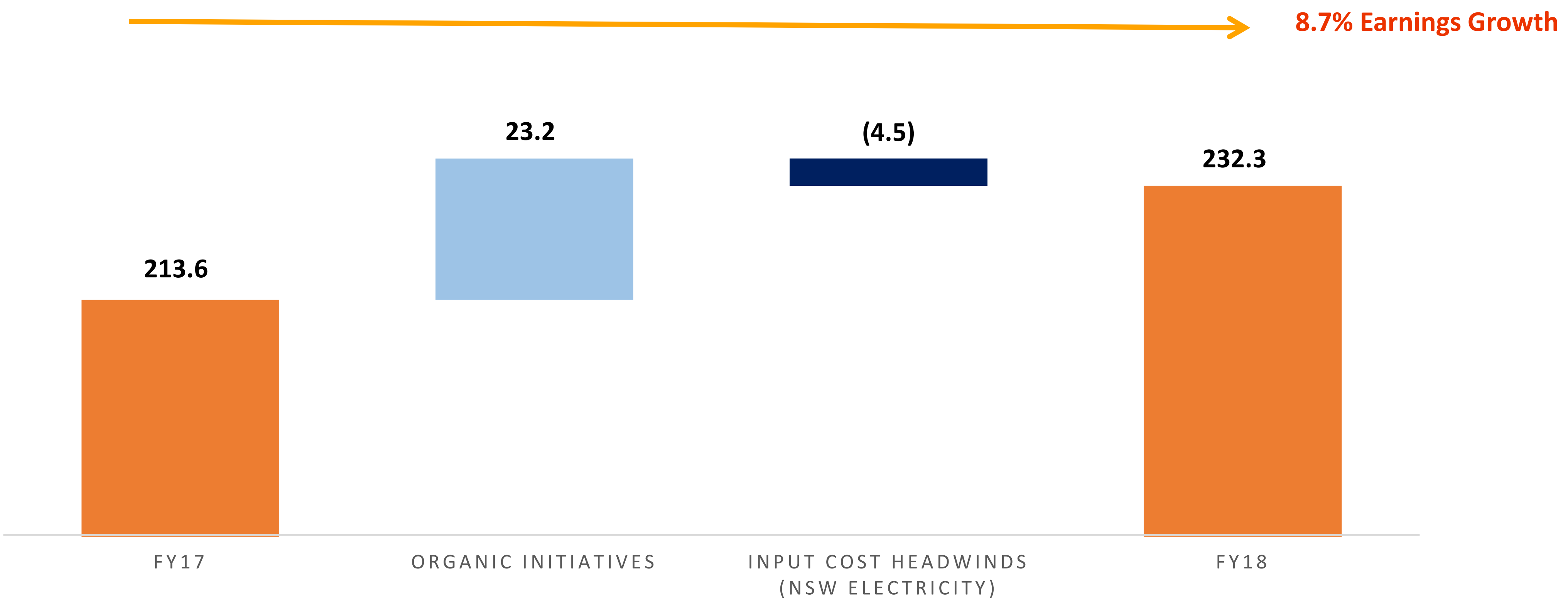
CAPEX INVESTED IN THE BUSINESS

$139.5m

152% OF DEPRECIATION

- Underlying sales increase of 4.2% after taking into account aluminium price pass through impact
- B9 achieved above design capacity of 400kt for first time, continued focus on optimising production efficiency
- Increased sales in Fibre Packaging with market channel and segmentation strategy continuing to track well
  - Favourable growing conditions drove increased volumes in certain fruit and produce segments
  - A number of key customer contracts were successfully renewed
  - Kraft paper supply contract renewed for 10 years
  - Rising raw material costs in Fibre offset by higher paper export prices
- Beverage sales and earnings improvement through increased volumes in Can and improved mix (make v import) on growing Glass volumes in wine segment
- RoAFE improved 100bps through increased earnings and investments delivering expected benefits
- Confidence in base business continues with significant organic capital invested in FY18 to drive earnings and margins
  - Investment of over 150% of depreciation in FY18 to further strengthen and grow earnings into the future

Australasia EBIT growth



Organic earnings benefits delivered through sales growth, operational efficiencies and capital investment

Australasian organic initiatives update

Lowering energy cost volatility

- NSW and VIC have fixed price electricity for up to 10 years at competitive prices from renewable source, South Australia continues to benefit from a renewable agreement that started in Jan 2018
- 80% of Australian electricity requirements now covered by long term renewable contracts
- Energy reduction targets set for each site with over $10m spent on efficiency programs to reduce overall usage and lower energy intensity

Fibre refresh program continues to be rolled out

- Continue to invest to improve product quality, cost competitiveness and overall customer value proposition
- Over $120m committed to program with $70.0m invested to date. Majority of remaining spend in FY19
- ~15% return on investment targeted by year 3, but expect some benefits will be shared with market

Botany secondary water treatment plant now fully commissioned

- Completed on time and on budget, with initial benefits starting to flow in Q4 FY19
- Expect to exit FY19 at return on investment hurdle rate

Glass finished stock warehouse expansion

- Dec 2017 purchased - 2 previously leased warehouses. Capital upgrades underway to optimise these in CY18 – expecting 15%+ return from end of FY19
- Final designs being drafted for a further warehouse with ~ $35m investment announced in May. Expected to be completed end of CY19.
    - Expect 15%+ return once fully operational

FY18 North America financial highlights

USD SALES REVENUE

$1,661.2m

8.1% INCREASE

USD (EBIT)

$93.8m

5.9% INCREASE

OPERATING CASH FLOW

$113.3m

2.9% INCREASE

EBIT MARGIN %

5.6%

20bps DECREASE

ROAFE%

19.0%

470bps INCREASE

CAPEX INVESTED IN THE BUSINESS

$39.5m

158% OF DEPRECIATION

OPS

- Organic sales volume growth of 3.2% in USD terms despite economic conditions remaining flat
- Landsberg sales increased 5.4% through focus on higher growth targeted segments and pass through of paper and resin increases
- Manufacturing exited short term opportunistic volumes
- ERP implementation on track – 29 sites in FY18. Related transition costs are impacting earnings
- Margins remained steady despite raw material price pass through pressures – a lag is expected on the latest paper price increase

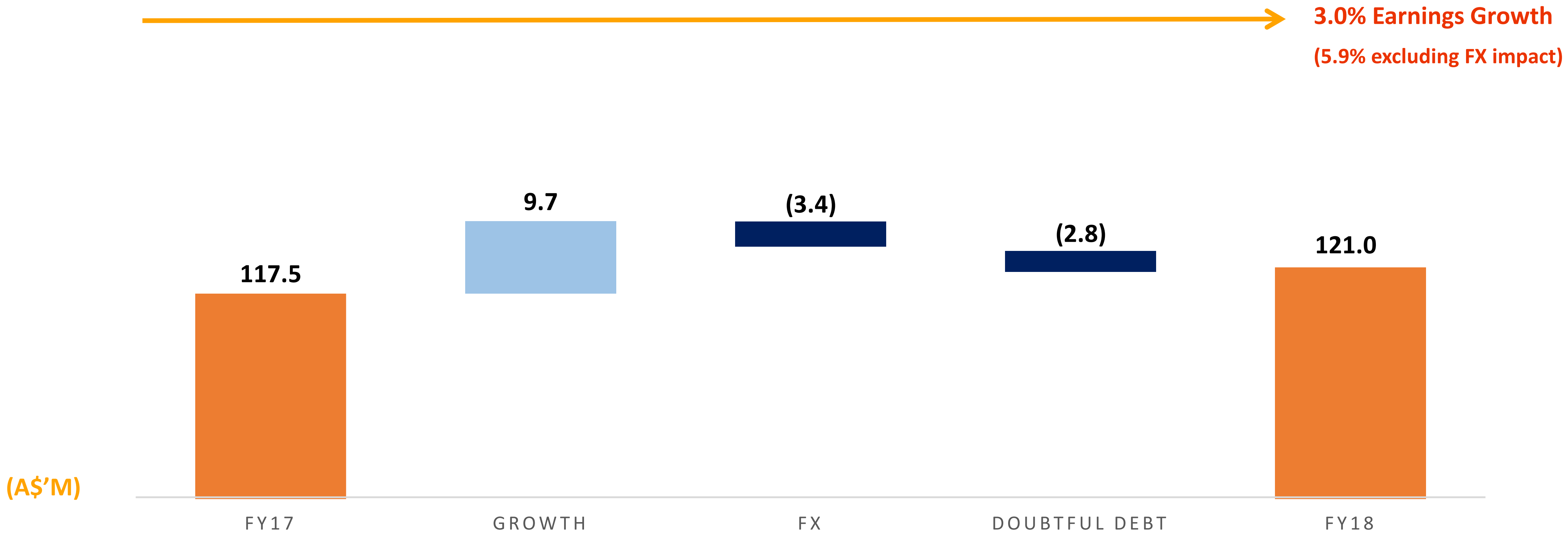
OV

- Starting to see benefits of senior management changes made in 2H18 through improving collaboration between sites
- Expected to drive towards targeted returns
- Doubtful debt of US$2.2m and loss of earnings from this customer impacting results in FY18

North American group

- Improvement in working capital management in 2H18 offset and rectified the deterioration reported in 1H18
- Continue to invest organic capital into business

North America EBIT growth



Consolidation year in North America

Earnings growth of 8.3% before doubtful debt and FX impact

North American organic initiatives update

New ERP system in OPS

- New ERP rollout has taken significant resources and Management attention over the last 12 months with completion expected Q1 of FY19
- Early rollout sites are benefiting from the improved business processes, inventory and margin visibility and enhanced functionality – expected bottom line impact to begin from CY19
- Additional transition costs incurred in FY18 likely to continue into 1H19

Fibre refresh program to be replicated in OPS manufacturing

- Following success of the Australasian Asset Refresh program, planning is underway for similar program for OPS to be invested in FY19 to FY21
- Detailed design and rollout plan being finalised over FY19

Orora Visual uniform digital print capability

- The value proposition is resonating well with existing and new customers with several recent wins and an encouraging pipeline
- Synergy delivery starting to get back on track

FY18 Corporate Costs

Earnings Summary (EBIT)

A$ Million	FY17	FY18	Δ%
Underlying Corporate	**(28.8)**	**(29.9)**	**(3.8)**

Corporate costs were $29.9M – slightly higher than prior year due to:

- Costs associated with assessing the feasibility of growth options in North America
- Underlying costs continue to be well managed
- Corporate costs in FY19 are expected to be broadly in line with underlying costs in FY18

US Tax Reform

- Significant tax reform in December 2017
- Broad range of provisions impacting businesses. Key provisions of note:
  - Federal corporate tax rate reduction from 35% to 21% effective 1 Jan 2018 (blended rate of 28% applies for Orora in FY18)
  - Up front deductions for capital expenditure giving rise to short term cash tax benefits to Orora
- One-off $5.5M net benefit to income tax expense in FY18 which has been excluded from underlying results
- Orora's effective tax rate is likely to be approximately 28% in the medium term

Solid operating cash flow

A$ Million	FY17	FY18
EBITDA	418.4	445.3
Non Cash Items	32.4	38.9
Cash EBITDA	**450.8**	**484.2**
Movement in Working Capital	(14.8)	(51.9)
Gross Capex	(124.6)	(155.0)
Sale Proceeds	20.0	48.0
Operating Cash Flow	**331.4**	**325.3**
Cash Significant Items	(1.2)	(30.0)
Operating Free Cash Flow	**330.2**	**295.3**
Interest	(34.3)	(32.9)
Tax	(49.1)	(41.6)
Growth Capex	(32.5)	(33.9)
Free Cash Flow available to shareholders	**214.3**	**186.9**
Cash Conversion[1]	**74%**	**67%**
Average Working Capital to Sales[2] (%)	**8.4%**	**9.1%**

Operating cash flow solid at $325.3M

- Reflecting higher earnings and disciplined balance sheet management
- Cash conversion of 67% - slightly below the 70% management medium term target(1). Solid outcome given heightened organic capital programs

Continued improvement in working capital management

- AWC to sales increased to 9.1%(2) with some appropriate rebalancing of inventories – still below 10.0%(3) target
- Investment in inventory for ERP rollout in OPS and Fibre Packaging during asset refresh program
- Higher sales activity in corporate accounts within OPS, typically with longer payment terms
- Addressed 1H18 US receivables collections issue
- Continued emphasis on optimising working capital across the Group

Increased total capex includes investment in key projects

- Capex includes upgrading printing and converting assets in Fibre Packaging, B9 waste water treatment plant and innovation projects
- Growth capex represents spend on acquiring warehouses for Glass, residual spend on Glass expansion and digital printers in Fibre Packaging and OPS

(1) Cash conversion measured as operating cash flow divided by cash EBITDA
(2) Average net working capital for the period/annualised sales
(3) Average working capital to sales target is 10.0% in the medium term

Balance sheet and debt

Balance Sheet

A$ Million	June 17	June 18
Funds Employed (period end)	2,221	2,298
Net Debt	674	667
Equity	1,547	1,631
Leverage (x)[(1)]	1.6	1.5
RoAFE (%)	13.6	14.0
Undrawn bank debt capacity	350	354

(1) Equal to Net Debt / trailing 12 months underlying EBITDA

Robust balance sheet to enable further growth investment

- Reduced leverage through conversion of earnings into cash
  - Leverage of 1.5x - down from 1.6x at June 2017
  - Adverse FX impact on net debt of $19.7M

Committed to sensible debt levels and investment grade credit metrics

- Average tenor of facilities is 3.3 years
  - Recently renewed $100M bilateral facilities until Sept 2020
  - No facilities maturing in next 12 months
- Significant capacity and headroom in facilities and covenants
- Maintaining a disciplined approach to expenditure and acquisitions

Strong balance sheet with significant headroom to fund growth

Our Orora – culture of driving outperformance

THE ORORA WAY

OUR BELIEF

AT ORORA WE BELIEVE PACKAGING TOUCHES LIVES.
TOGETHER WE DELIVER ON THE PROMISE OF WHAT'S INSIDE.

OUR VALUES

TEAMWORK	PASSION	RESPECT	INTEGRITY
· Safety first · One Orora · In it together	· Courageous · Innovative · Responsible	· For each other · For the community · For our customers	· Do what is right · True to what we stand for · True to our promise

OUR VISION

TO BE THE INDUSTRY-LEADING PACKAGING SOLUTIONS COMPANY
DELIVERING ON OUR PROMISE EVERY DAY.

OUR STRATEGIC FOCUS

INNOVATE TO LEAD	ENHANCE THE CORE	INVEST TO GROW
· Customer solutions · Technical leadership · Digital enablement	· Doing better every day · Best-in class capabilities – people, process & systems · Improving efficiency	· In partnership with customers · Extending our reach (bolt-on M&A) · Diversified solutions (adjacent M&A)

OUR OUTPERFORMANCE

SAFETY	CUSTOMER FOCUS	OUR PEOPLE	FINANCIAL DISCIPLINE
· Zero harm · Injury frequency	· Sales growth · Net Promoter Score	· Engagement · Diversity	· Increasing earnings & ROAFE · Operating cash flow

CREATING SHAREHOLDER VALUE

Orora's blueprint for creating shareholder value

ORGANIC GROWTH		RETURNS FOCUSED GROWTH CAPITAL ALLOCATION							SUSTAINABLE DIVIDEND
Orora Australasia GDP Sales Growth	Orora North America GDP+ Sales Growth	Organic Growth Capital		Bolt-on M&A (North America Focused)			Adjacent M&A		60-70% Pay Out Ratio
GDP based growth, enhanced by innovation	GDP based growth supplemented by market share gains & increase share of wallet	Customer backed growth investments	20% RoAFE by Year 3	ONA footprint expansion/ ↑ product capability	Most deals <$100M	Targeted 20% RoAFE by Year 3	Parallel packaging substrates/ markets	Targeted 20% RoAFE by minimum Year 5	~30% Franked

Estimated $150M - $200M of annual capacity for returns-focused organic and M&A growth investments

Orora has committed ~$500M since ASX listing in December 2013

	FY14	FY15	FY16	FY17	FY18	TOTAL INVESTMENT
Organic Growth Capital	Opened new Landsberg DC in Nashville, USA – customer backed	New customer backed Dairy Sack Line ($20M) Launched $45M Orora Global Innovation Initiative	Established 2 new East Coast US DCs (Charlotte & Orlando) – both customer backed Investing $42M to increase glass bottle manufacturing capacity – import replacement, underpinned by existing customer demand	$29M invested in Orora Global Innovation Initiative to date Jakait: established new fresh produce focused packaging solutions facility in central Mexico	Invested additional $23M in Orora Global Innovation Initiative, Increased capital allocation by $30M to $75M Glass warehouse expansion through purchase and upgrade of 2 adjacent warehouses and commitment to build a further warehouse in CY19	~$200M
Bolt-on M&A (North America Focused)		Acquired World Wide Plastics (Rigid plastic containers) Acquired small South Australian fibre packaging distributor – "Go Direct" model	Acquired Jakait ($23M) (Greenhouse produce & labels) Acquired small Californian based supplier of flexible packaging	Acquired Register – expanding POP footprint into the Northeast of USA ($63M) Acquired Garvey & Graphic Tech – expanding POP footprint into the Midwest & West of USA ($78M) Acquired small Sydney based specialist corrugated box converter – part of "SME" growth strategy	Two small bolt on acquisitions in Aust - a specialist corrugated box converter and a distributor of consumable packaging	~$190M
Adjacent M&A			Acquired IntegraColor (Point of purchase solutions)			~$107M

Benefits from growth investments starting to impact earnings

Committed to creating shareholder value

What we said we would do

1. Organic sales growth, profitable market share gain & improved efficiency/cost control
2. Increasing profitability (return on sales)
3. Bolt on M&A – primarily focused on NA footprint expansion and/or increase product capability
4. Invest in innovation to enhance customer value proposition
5. Customer driven growth investments
6. Sustainable dividend payouts
7. Disciplined expenditure approach

What we have done in FY18

1. ANZ - delivered 4.3% underlying sales growth
   NA – 3.2% organic sales growth in OPS; Orora Visual integration getting back on track
2. ANZ margin growth to 11% from 10.7% - ongoing focus on 'self-help' and capital investment program delivering benefits
   OPS margin stable despite effect of passing through raw material price increases
3. Consolidation year with OPS and OV platforms. OPS now ready for M&A opportunities with ERP system largely implemented (will be M&A synergy enabler), while OV remains in consolidation phase
4. Committed a further ~$23M in innovation initiatives. $52M in total since inception has now been approved
5. Following on from $42M Glass capacity expansion project, new investment in warehousing at Gawler to optimise supply chain
6. Declared dividends up 13.6% on pcp – just over top end of 60-70% payout range
7. Operating cash flow $325.3m Cash conversion 67% - in line with FY18 management expectations

Shareholder value creation

- Underlying EPS growth of 11.5%
- 12.5 cent dividend – approximately 70% payout
- RoAFE improved to 14.0% from 13.6% in pcp
- Orora remains committed to generating further shareholder value through a continued focus on profitable sales growth, cost control and efficiency, investments in innovation and the disciplined allocation of free cash flow to growth projects that are expected to meet targeted returns
- A pipeline of acquisition targets continues to be developed – subject to the opportunities meeting the hurdle rates and being strategically compelling, acquisitions will continue to be pursued and executed as appropriate

Perspectives for 2019

Markets

- Expecting ongoing flat market conditions
- Risk of rising inflationary pressures in North America

Organic capital expenditure above depreciation to continue

- Benefits delivered from recent capital investment have given Management confidence for further organic investment in the base business
- Gross total capex (base and growth) is expected to be approximately 120% of depreciation for FY19, including asset refresh programs in Fibre Packaging and OPS and long lead time spend of the early calendar 2020 G2 furnace rebuild in Glass

Australasia

- As it has done consistently over recent years, in addition to pursuing organic growth, to offset ongoing input cost headwinds, the Australasian business will continue to identify and implement cost reduction opportunities and utilise the Orora Global Innovation Initiative
- Input costs:
  - Renewable energy PPAs in FY18 will provide greater certainty for electricity costs for FY19 and beyond
    - The estimated residual adverse impact in NSW and Vic in FY19 is $2.5M, continued reduced volatility in South Australia energy prices
  - OCC commodity prices volatility to continue in FY19, sensitivity is unchanged from previous guidance provided at Innovation Day
    - $10 per m/t movement in OCC commodity price represents a gross annualised impact of approximately $0.5M on EBIT
    - Some offsetting EBIT benefits come from higher export prices to the US (approx. A$60 / tonne)

North America

- OPS will pursue further customer-supported organic geographic expansion opportunities and move to optimisation phase of the new ERP system
  - Additional transitions costs for rollout were incurred in FY18 and will continue through 1H19
- The integration of Orora Visual acquisitions continues
  - Capability added to drive the business forward towards targeted returns
  - Future revenue growth is expected to be driven by the ongoing penetration of a uniform national offering and value proposition

Outlook

Orora expects to continue to drive organic growth and invest in innovation and growth during FY19, with constant currency earnings expected to be higher than reported in FY18, subject to global economic conditions

Appendix

Appendix 1 - Significant items and contingent liability

The net significant item expense after tax of $1.9M is comprised of the following

- A net gain after tax of $22.7M related to the sale of the Smithfield site. During the period the Group restructured the Fibre Packaging NSW business which included the sale of the Smithfield site. Sale proceeds were $45.5M which were received during the period.
- This gain was offset by a net expense after tax of $24.6M related to the restructure of Fibre Packaging NSW business, which included redundancies, transition costs and asset impairment costs related to the closure of the Smithfield site, and potential additional costs associated with decommissioning the Petrie site.

Contingent decommissioning liability

- The decommissioning of the Petrie site is a significant exercise which remains contingent on final remediation design solutions approved by regulatory authorities. At the date of this Report, decommissioning work continues on site, and this is being completed in conjunction with finalising the remaining design phase for decommissioning the site.
- This final design phase is complex and time consuming and involves various stakeholders including the landowner and multiple Government agencies. The estimated costs to complete the decommissioning are contingent on all these factors and require significant judgement in respect of determining a reliable estimate.
- Orora will continue to progress the design solutions and maintain engagement with the land owner, experts and Government agencies in an effort to finalise the cost estimates and complete decommissioning and handover of the site.

Appendix 2 - Volatile old corrugated cardboard (OCC) prices continues

Orora externally sources ~90% OCC as feedstock for B9

Range of vendors, mixture of terms (fixed v floating)

Price volatility continues to be driven by ongoing changes in Chinese import regulations

- Import licence allocation basis – now piecemeal compared to annual
- Lower contamination levels for imports in place and being enforced
- Impact on supply / demand balance resulting in price volatility

Various mechanisms being deployed to reduce pricing volatility with vendors including enhancing the value proposition

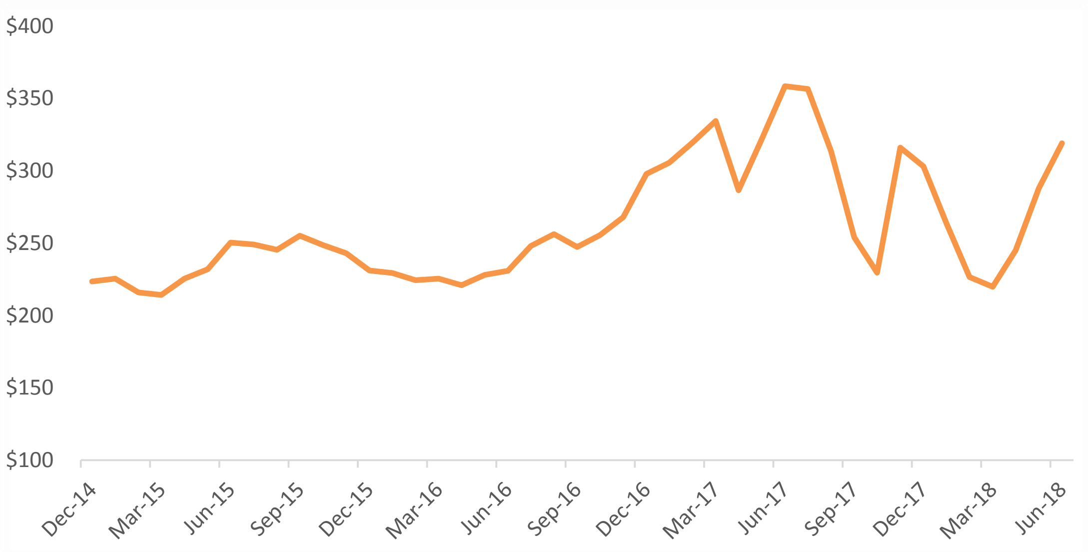
Impact from OCC pricing in FY18 was not material

Sensitivity:

For 1H19 – the estimated impact of a $10 per m/t movement in OCC prices on EBIT is $0.5M on an annualized basis (gross before offset from higher export prices)

US$50m/t paper increase was effective from May 2018 for US export volumes from B9 for FY19

OCC AUD$ / tonne



Reduction in volatility of raw materials has been a priority of the business in FY18

Appendix 3 - Fibre refresh program site summary

Manufacturing Site	Conversion upgrade	Corrugator upgrade	Automation upgrade
Revesby – NSW	✓ ✓		✓
Scoresby- VIC	✓ ✓ ✓ ✓	✓	
Brooklyn- VIC	✓ ✓	✓	
Athol Park- SA	✓	✓	
Rocklea- QLD			✓
Wiri- NZ	✓	✓	✓
Christchurch- NZ		✓	
Hastings- NZ	✓	✓	✓

Over $120M committed to improving Fibre Packaging manufacturing capability

Benefits

- Improving product quality, efficiency and capacity
- Strengthening cost curve competitiveness
- Enhancing customer value proposition
- Improving safety
- ~15% return on investments by year 3 – organic, low risk investments
    - Expect some benefits will be shared with market