Half year results

Half Year Ending December 2018

13 February 2019

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Important information

Forward Looking Statements
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- Changes in behaviour of Orora’s major competitors;
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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 Earnings: There are no changes to reported statutory earnings and no significant items.

Prior Year: Underlying Earnings – excludes Significant items
Throughout this presentation, all references to ‘underlying earnings’ (‘underlying EBITDA’, ‘underlying EBIT’, ‘underlying NPAT’, ‘underlying EPS’) excludes the 1H18 net significant item expense of $1.9 million This information is presented to assist in making appropriate comparisons with the current period and to assess the operating performance of the business. The net significant item expense after tax of $1.9 million is comprised of the following: a net gain after tax on the sale of the Smithfield site of $22.7 million and an expense after tax of $24.6 million 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.

Minor Reclassification of Prior Year Numbers
Certain prior year amounts have been reclassified for consistency with the current period presentation.

1H19 financial highlights

Solid earnings growth, increased dividends and higher returns. Strong balance sheet to continue to pursue growth

SALES REVENUE

$2,306m

9.9% INCREASE

EARNINGS BEFORE INTEREST AND TAX (EBIT)

$175.1m

5.9% INCREASE

NET PROFIT AFTER TAX (NPAT)

$113.7m

7.6% INCREASE

UNDERLYING EARNINGS PER SHARE (EPS)

9.4¢

6.8% INCREASE

RoAFE %

14.3%

40 bps INCREASE

OPERATING CASH FLOW

$132.2m

15.2% DECREASE

FY19 INTERIM DIVIDEND (per share)

6.5 cps

8.3% INCREASE

LEVERAGE

1.8x

0.3x INCREASE

CAPEX INVESTED IN THE BUSINESS

$73.9m

108% OF DEPRECIATION

Orora safety performance

Safety is a priority and ongoing journey for Orora

- RCFR and LTIFR both increased
  - Global independent review commenced in November 2018
- 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 team members

	June 2018	Dec 2018
RCFR	**6.8**	**7.9**
LTIFR	**1.8**	**2.0**

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

Goal is zero harm – all injuries are avoidable

1H19 Australasian financial highlights

SALES REVENUE

$1,088m

4.4% INCREASE

EBIT

$127.6m

5.4% INCREASE

OPERATING CASH FLOW

$75.2m

44% DECREASE

EBIT MARGIN %

11.7%

10 bps INCREASE

ROAFE%

13.5%

40 bps INCREASE

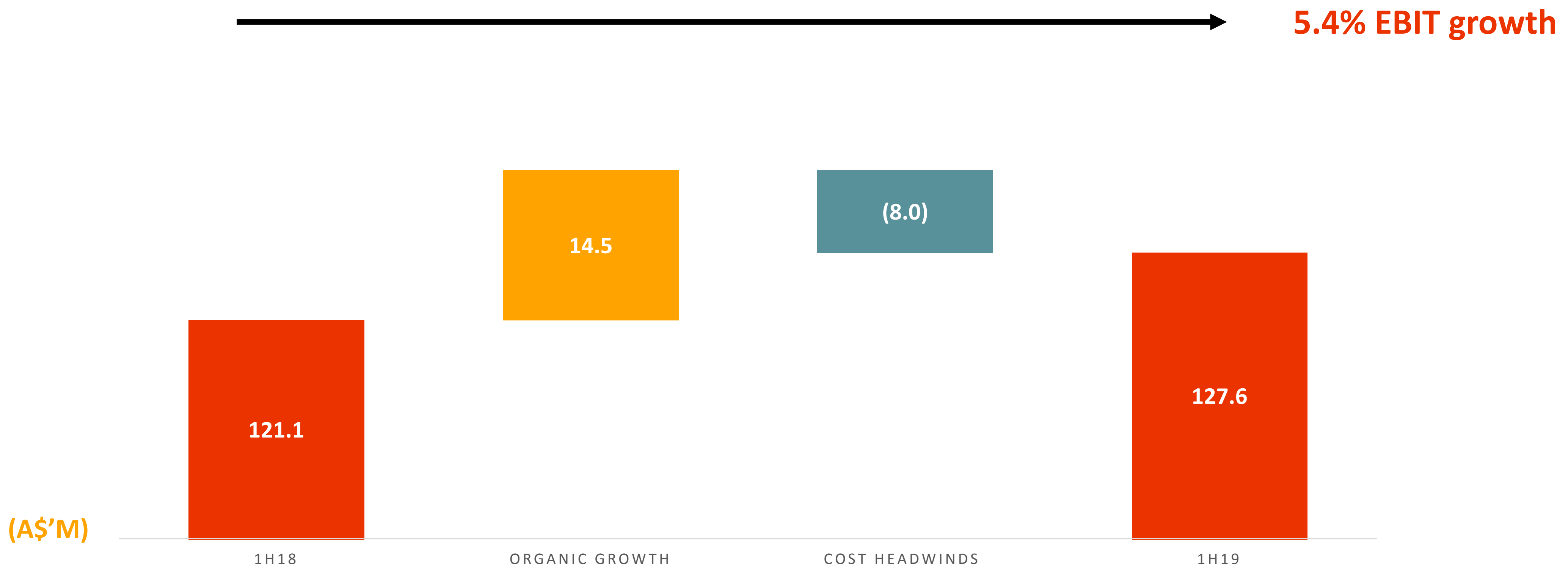
CAPEX INVESTED IN THE BUSINESS

$57.0m

114% of DEPRECIATION

- Underlying sales increased 3.7% after taking into account aluminium price pass through impact
- B9 production volumes were up on pcp and are on track to achieve design capacity again in FY19
- Increased sales and earnings in Fibre Packaging enabled by the ongoing Asset Refresh Program
  - Favourable conditions drove increased volumes in certain processed food, fresh produce and meat sectors
  - The secondary water treatment plant is delivering benefits and is nearing final commissioning
  - Gains were partially offset by cost headwinds in kraft paper, starch and electricity
- Beverage sales and earnings improvement through increased volumes in Cans and favourable product mix in Cans and Glass
- RoAFE improved 40bps through increased earnings and investments delivering expected benefits
- Confidence in base business continues with significant organic capital invested in 1H19 to drive earnings and margins
  - Successfully commissioned digital printer
  - Investment of over 120% of depreciation planned in FY19 to further strengthen and grow earnings into the future

Australasia EBIT growth



"Organic earnings benefits delivered through growth, operational efficiencies and capital investment which more than offset cost headwinds"

1H19 North American financial highlights

USD SALES REVENUE

$882m

7.2% INCREASE

USD EBIT

$46.5m

1.1% DECREASE

OPERATING CASH FLOW

$48.0m

191% INCREASE

EBIT MARGIN %

5.3%

40 bps DECREASE

ROAFE%

20.0%

40 bps DECREASE

CAPEX INVESTED IN THE BUSINESS

$14.7m

89% of DEPRECIATION

North American Group

- Steady local currency earnings in tough market conditions
- Improvement in cash flow from improved working capital management compared to the pcp
- Continued to invest in growth (Bronco/Pollock acquisitions) and organic capital into businesses

OPS

- Sales revenue growth of 8.5% in USD terms
- Landsberg sales increased 4.5% through focus on higher growth targeted segments and pass through of paper and resin increases. Manufacturing revenues impacted by volume reset in pcp
- Acquisitions contributed 5.2% of total OPS revenue
- Successfully commissioned digital printer and commissioning new 6 colour printer as part of OPS Manufacturing asset refresh
- The ERP system rollout has now been completed. Transition costs associated with the implementation are expected to reduce progressively during calendar 2019
- EBIT margin decline driven by the impact of raw material price pass through, market pressures and initial contribution from acquisitions

OV

- The customer value proposition is gaining traction, aided by investments made in harmonising digital print capability across the national footprint and fabric printing, with a number of new accounts on-boarded during the period
- The revenue reset faced by Orora Visual from the loss of business in FY18 (primarily from bankruptcy) has already been recovered from a combination of existing and new customers, albeit at tighter margins
- As the business continues its integration journey and further leverages collaboration across sites, the business is expected to drive towards the targeted returns

North American acquisitions increase scale and geographic coverage

ORORA

Acquisitions of Pollock Packaging and Bronco Packaging are aligned to Orora's North American focused M&A growth strategy in packaging solutions

- Pollock (effective 1 December 2018) is a leading provider of industrial, retail and facility supplies and is a vertically integrated corrugated box manufacturer
- Bronco (effective 1 September 2018) is a highly regarded specialist packaging business primarily serving corporate accounts in the fresh food manufacturing industry
- These businesses provide 'on-demand' packaging solutions to customers across the USA with a particular focus in the large and fast growing state of Texas
- The combined consideration totaled US$104M (~$140M)
- Initial integration activities and trading are in line with expectations

Pollock and Bronco are high quality, accretive targets with a focus on the large and growing Texas market. Both have strong cost synergy opportunities

POLLOCK
WHERE SOLVED HAPPENS.

BRONCO PACKAGING CORPORATION

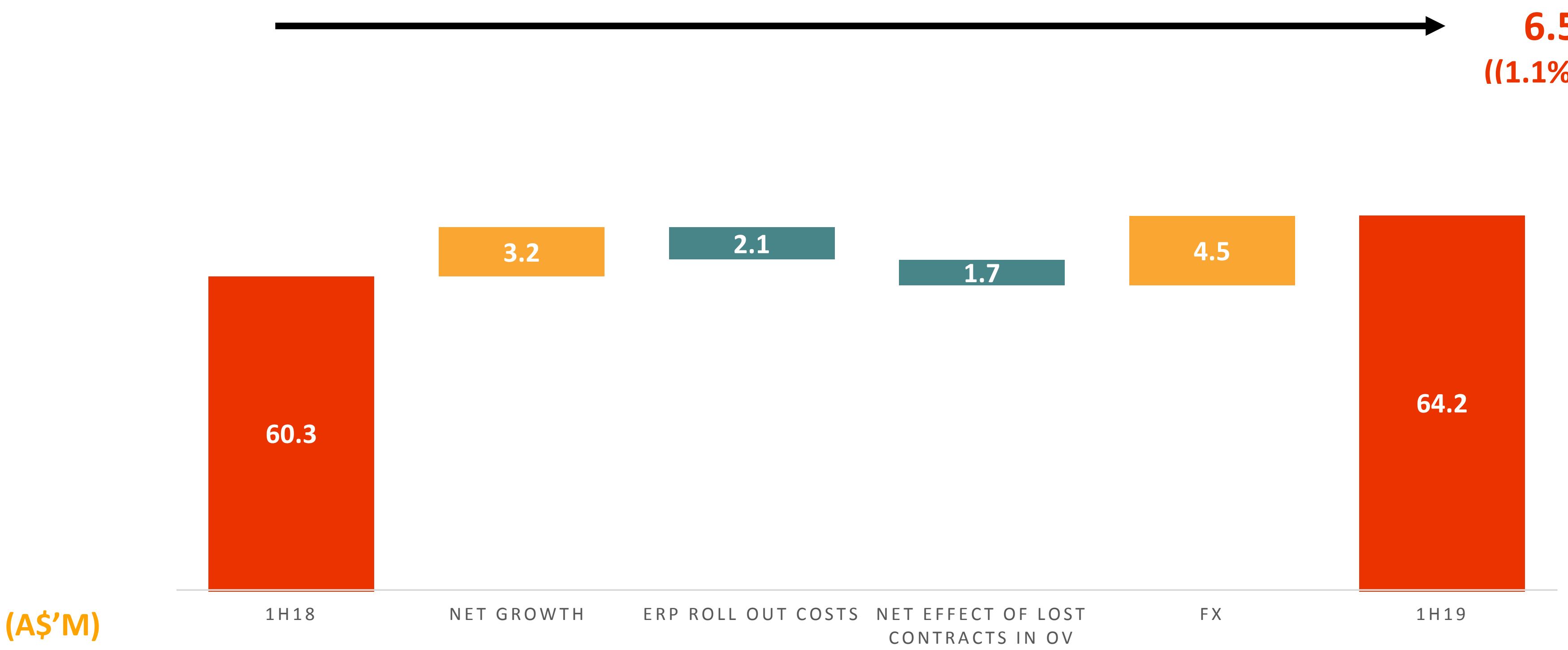
North American acquisitions align with OPS growth strategy

The acquisitions of Pollock and Bronco align with Orora's four key strategic M&A pillars

FOOTPRINT	CUSTOMERS	CAPABILITY	TALENT
• Increases exposure to attractive Texas market, a growth state and the second largest economy in the USA • Opportunities for site consolidation and synergies	• Serve long term blue chip customers • Well balanced customer concentration • Established customers in Orora's current segments with Pollock also providing a strong adjacency in attractive Facility Supplies • Consolidate relationships with key current OPS customers in new jurisdictions	• Strong brand equity • Leverage Pollock's strong position in Facility Supplies across broader OPS footprint • Pollock provides a manufacturing capability platform for vertical integration for existing OPS businesses in Texas	• Experienced, stable and proven management teams in both organisations • Strong cultural fits • Key management have all signed 2 year agreements

North American EBIT growth

6.5% EBIT growth
((1.1%) excluding FX impact)



"Local currency earnings slightly lower; impacted by tough market conditions, ERP transition costs and the reset in OV from the loss of business.
AUD earnings growth from favourable FX"

Orora Corporate

Earnings Summary (EBIT)

A$ Million	1H18	1H19	Δ%
Underlying Corporate	**(16.1)**	**(16.7)**	**(3.8%)**

Corporate costs were $16.7M – slightly higher than prior half year due to:

- Costs associated with the acquisitions of Pollock and Bronco were expensed in the period
- Underlying Corporate costs continue to be well controlled
- Corporate costs in FY19 are expected to be broadly in line with underlying costs in FY18

Operating cash flow in line with expectation

A$ Million	1H18[1]	1H19
EBITDA	227.3	243.5
Non Cash Items	18.6	13.3
Cash EBITDA	**245.9**	**256.8**
Movement in Working Capital	(62.4)	(64.5)
Capex	(74.3)	(61.1)
Proceeds from disposals	46.7	1.0
Operating Cash Flow	**155.9**	**132.2**
Cash Significant Items	(11.2)	(13.6)
Operating Free Cash Flow	**144.7**	**118.6**
Interest	(16.4)	(19.4)
Tax	(18.7)	(36.1)
Growth Capex	(18.7)	(12.8)
Free Cash Flow available to shareholders	**90.9**	**50.3**
Cash Conversion[3]	**63%**	**52%**
Average Working Capital to Sales[2] (%)	**9.1**	**9.3**

Operating cash flow decreased 15.2% to $132.2M

- Higher earnings were offset by seasonal working capital build and shortened trading terms on imported aluminium
- Cash conversion of 52%[3] - below 70% medium term management target[4] but in line with management expectations for the half. Cash conversion ahead of underlying 1H18 of 45% (normalised for removal of one-off proceeds of $45.5M from sale of Smithfield site)

Steady working capital management

- AWC to sales increased slightly to 9.3%
- Continued emphasis on optimising working capital across the Group

Capex spend above depreciation and includes investment in key projects

- Capex includes over $30M on upgrading printing and converting assets in Fibre Packaging as part of asset refresh program
- Growth capex represents ongoing spend on Glass warehouse capacity expansions

(1) Included proceeds from sale of land at Smithfield, NSW ($45.5)
(2) Average net working capital for the period/annualised sales
(3) Cash conversion measured as operating cash flow divided by cash EBITDA
(4) Average working capital to sales target is 10.0% in the medium term

Balance sheet and debt

Balance Sheet

A$ Million	June 18	Dec 18
Funds Employed (period end)	2,298	2,552
Net Debt	667	872
Equity	1,630	1,673
Leverage (x)[(1)]	1.5	1.8
RoAFE (%) [(2)]	14.0%	14.3%
Undrawn bank debt capacity	354	160

(1) Equal to Net Debt / trailing 12 months underlying EBITDA
(2) Calculated as trailing 12 month EBIT / trailing 12 month average funds employed. Trailing 12 months earnings for Bronco and Pollock also included in 1H19

Strong balance sheet to enable further growth investment

- Increased leverage with recent acquisitions and seasonal working capital build
  - Leverage of 1.8x – up from 1.5x in the pcp
  - Adverse FX impact on net debt of $27M

Committed to sensible debt levels and investment grade credit metrics

- Average tenor of facilities is 2.8 years
  - $400M Syndicated Facility is due to mature in December 2019
  - Refinancing of this facility is underway
- Significant capacity and headroom in facilities and covenants
- Maintaining a disciplined approach to expenditure and acquisitions

Strong balance sheet with 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 ~$650M since ASX listing in December 2013

	FY14	FY15	FY16	FY17	FY18	FY19	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 spend committed from 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	Commissioned new sleek can line in NZ ($7M) Glass warehouse expansion stage 1 completed in Jan 2019. Final stages will be completed by end of CY19	~$215M
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" strategy	Two small bolt on acquisitions in Aust - a specialist corrugated box converter and a distributor of consumable packaging	Acquired Pollock, a market leading Texas based packaging and facility supplies business for a total consideration of US$80.5m (A$110m) Acquired Bronco, a specialist packaging business primarily serving corporate accounts in the fresh food manufacturing industry for up to $23.5M (A$33.0M).	~$330M
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 1H19

1. ANZ - delivered 3.7% underlying sales growth NA – 8.5% sales growth in OPS including recent M&A; Orora Visual continues to steadily improve
2. ANZ margin growth to 11.7% from 11.6% in the pcp - ongoing focus on 'self-help' and capital investment program delivering benefits. US EBIT margins declined – impact from raw material pass through and margin pressures from tough market conditions
3. OPS integrating recent Bronco/Pollock acquisitions. ERP system now implemented (will be M&A synergy enabler). OV remains in consolidation phase
4. Continued investment in growth capital and innovation across the Group, expenditure is included within total FY19 capex forecast to be ~120% of depreciation
5. First stage of Gawler warehouse completed, new sleek can line in NZ commissioned, digital printers commissioned in Australia and North America
6. Declared dividends up 8.3% on pcp – 69% payout ratio at top end of 60 - 70% payout range
7. Operating cash flow $132.2M. Cash conversion 52% - in line with 1H19 expectations

Shareholder value creation

- Underlying EPS growth of 7.2%
- 6.5 cent dividend – approximately 69% payout
- RoAFE improved to 14.3% from 14.0% in June 2018
- 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. For the near term the major focus will be on integrating Bronco and Pollock

Perspectives for remainder of 2019

Market conditions

- Expecting ongoing challenging market conditions predominantly in North America
- Recent adverse weather in Queensland and North America have impacted operations and pose a risk to sales volumes

Capital expenditure to continue at ~120% of depreciation

- Benefits delivered from recent capital investments have given management confidence to pursue further organic investment in the base business
- Gross total capex (base and growth) is expected to be approximately 120% of depreciation for FY19, including ongoing asset refresh programs in Fibre Packaging/OPS, the warehouse expansions at Gawler and long lead time items for the forthcoming G2 glass furnace rebuild (currently scheduled for February to April 2020)

Australasia

- As it has done consistently over recent years, in addition to pursuing organic growth and to offset ongoing input cost headwinds, the Australasian business will continue to identify and implement cost reduction opportunities, invest in asset upgrades and utilise the Orora Global Innovation Initiative
- Input costs:
    - The renewable energy PPA's entered into in FY18 are providing greater certainty for electricity costs – no material impact is expected in the coming periods
    - Kraft and starch prices continue at heightened levels – the majority of the $4.0M headwind encountered in the first half is expected to continue in the second half
    - OCC commodity prices volatility to continue for the remainder of FY19, sensitivity is unchanged from previous guidance provided at end of FY18
        - $10 per m/t movement in OCC commodity price represents a gross annualised impact of approximately $0.5M on EBIT

North America

- OPS will pursue further organic growth opportunities and move to optimisation phase to deliver the expected benefits from the new ERP system
    - The additional transitions costs rollout incurred in calendar 2019 are expected to progressively roll off in CY19
    - The integration of Bronco/Pollock will continue with the focus on delivering synergies as soon as practicable.
- The integration of Orora Visual acquisitions continues to drive the business forward towards targeted returns
    - Earnings 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, integrate recent North American acquisitions and invest in innovation during FY19, with constant currency earnings expected to be higher than reported in FY18, subject to global economic conditions

Appendix

Appendix 1 - Contingent liability

Contingent decommissioning liability

- The decommissioning of the Petrie site is a significant exercise, the estimated cost of 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. We expect the final design phase and estimation of costs to conclude before 30 June 2019.

Appendix 2 - 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	✓	✓	✓

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

Over $120M committed to improving Fibre Packaging manufacturing capability