INVESTOR RESULTS RELEASE

Orora results for the half year ended 31 December 2021

Focused execution of strategic priorities results in an 11.1% increase in constant currency EBIT and a 22.9% increase in EPS compared to the prior corresponding period.

1H22 results reflect the continued strength of the Group's diversified packaging assets and sustainable earnings.

FINANCIAL SUMMARY

- Underlying net profit after tax (NPAT) before significant items was $102.7M, up a 12.9% on the prior corresponding period (pcp) or 13.6% on a constant currency basis.
- Underlying earnings per share (EPS) was 11.8 cents per share (cps), up 22.9%.
- Statutory NPAT was $100.3M and Basic EPS was 11.5cps.
- Sales revenue was $1,988.6, up 9.6% on the pcp (up 10.6% on a constant currency basis), driven by:
    - North American revenue up 12.6% reflecting a significant improvement in operating performance, with OPS and OV revenue increasing by 14.0% and 12.0% respectively in local currency terms; and
    - Australasian revenue up 0.5%, mainly due to higher aluminium input costs that have been passed onto customers, partially offset by short term COVID-19 Can volume impacts and a reduction in Glass volumes as the Business cycled the impact of China wine tariffs in the pcp.
- Underlying Earnings Before Interest and Tax (EBIT) was $154.5M, up 10.4% on the pcp (up 11.1% on a constant currency basis), driven by:
    - Significantly improved financial performance in North America, driven by strong earnings growth from both the manufacturing and distribution businesses within OPS as we continue to drive improvements in operating efficiency and cost to serve. Local currency EBIT increased 32.1% on the prior period, a result of revenue growth and an ongoing focus on profit improvement initiatives with OPS margins improving by 60bps to 5.2%.
    - Solid performance in the Australasian business despite COVID-19 related site disruptions at key customer production sites in late 1H22.
    - The Australasian EBIT decline of 2.3% was predominantly driven by:
        - Weakness in Glass, driven by a reduction in volumes in 1H22 as the Business cycled the impact of lower exports to China; and
        - In Cans, a modest COVID-19 impact in late 1H22 resulting in short term supply chain and key customer production site disruptions.
    - Negative translational FX impact from US denominated earnings of ~$17.5M. US dollar earnings were translated at AUD/USD ~73 cents in 1H22, compared to ~72 cents in the prior period.

FINANCIAL SUMMARY – Continuing Operations (refer to footnotes)

(A$ mil)	1H22[1]	1H21[1]	Change %	Change % Constant Currency
Australasia revenue	443.2	441.2	0.5%	
North America revenue	1,545.4	1,372.9	12.6%	13.9%
Total sales revenue	1,988.6	1,814.1	9.6%	10.6%
EBITDA[2]	212.9	199.3	6.8%	7.5%
Australasia EBIT	84.0	86.0	(2.3%)	
North America EBIT	70.5	53.9	30.8%	32.1%
Total EBIT	154.5	139.9	10.4%	11.1%
NPAT	102.7	91.0	12.9%	13.6%
EPS (cents)[3]	11.8	9.6	22.9%	
Return on sales (EBIT margin)[4]	7.8%	7.7%		
Operating cash flow[5]	145.5	144.7	0.6%	
Cash conversion[6]	75%	79%		
RoAFE[7]	24.8%	21.4%		
Dividend per share (cents)	8.0	6.5	23.1%	
Net debt[8]	512	277		
Leverage[9]	1.6x	0.9x		
Gearing	39%	23%		

- Operating cash flow remains strong at $145.5M, broadly in-line with the pcp, reflecting stronger earnings offset by an increase in the movement in working capital. Cash conversion was 75% (79% in 1H21).
- The interim dividend is 8.0 cps, a 23.1% or 1.5 cps increase on the pcp, representing a dividend payout ratio of ~68% (~68% in 1H21). The FY22 total dividend payout range is expected to be towards the top end of the 60%-80% target payout range, reflecting the strength of the balance sheet and positive outlook for the Group's businesses.
- The interim dividend is unfranked and sourced from the conduit foreign income account. The ex-dividend date is 1 March 2022, the record date is 2 March 2022 and the payment date is 30 March 2022.
- Net debt at 31 December was ~$512M, up $59M from ~$453M at 30 June 2021, primarily reflecting the impact of increased debt arising from the on-market share buyback ("buyback") of ~$31.5M, and increased capital expenditure partially offset by stronger earnings.
- Leverage was 1.6 times EBITDA, up from 1.5 times at 30 June 2021 and 0.9x at 31 December 2020. Current leverage remains below the targeted leverage level of 2.0 to 2.5 times EBITDA.

[1] This report includes certain non-IFRS financial information (operating cash flow, average funds employed, EBIT and EBITDA). This information is considered by Management in assessing the operating performance of the business and has been included for the benefit of investors. References to earnings throughout this report are references to earnings before interest and tax and significant items.
[2] Earnings before significant items, interest, tax, depreciation, and amortisation
[3] Calculated as underlying NPAT / weighted average ordinary shares (net of Treasury Shares)
[4] Calculated as EBIT / Sales
[5] Excludes cash significant items that are considered to be outside the ordinary course of operations and discontinued operations
[6] Calculated as underlying operating cash flow / underlying cash EBITDA
[7] Calculated as EBIT / trailing 12-month average funds employed.
[8] Net debt excludes the impact of AASB16 Leases.
[9] Calculated as Net Debt (excluding AASB16 Leases) / trailing 12 month underlying EBITDA including discontinued operations (excluding AASB16 Leases)

- RoAFE was 24.8%, up from 21.4% at the pcp, reflecting higher Group earnings.
- Foreign exchange translation sensitivity on EBIT and NPAT to a 1 cent move in the AUD/USD on an annualised basis is ~$2.1M and ~$1.4M respectively.

DISCONTINUED OPERATIONS
- Further amounts are expected to be received late FY22 and early FY23 relating to the deferred settlement of two legacy Fibre properties of ~$32M.

CAPITAL MANAGEMENT UPDATE
- In October 2021, Orora announced a $150M on-market buyback[10].
- As at 31 December 2021, the buyback is ~20% complete, with ~9.3 million shares bought back at an average price of $3.37, for total consideration of $31.5M. The buyback is forecast to be completed during 2022.
- The buyback reflects the strength of Orora's balance sheet, current liquidity position and the strong cash generation capability of the Group's businesses .
- Shareholders need to ensure their account details are up to date by 2 March 2022 (record date) in order to receive their dividend payment on 30 March 2022. The Dividend Reinvestment Plan will be suspended for the 2022 interim dividend.

STRATEGY UPDATE
- The Group's corporate strategy underpins Orora's ambition to be a leading sustainable packaging solutions company through three strategic pillars:
    - Pillar 1: Optimise to grow through operational improvement and best in class execution;
    - Pillar 2: Enhance and expand core products and services to enhance Orora's customer value proposition; and
    - Pillar 3: Enter new segments that are complementary to Orora's capabilities.
- Each of Orora's business units have formulated strategic priorities in each of these pillars underpinned by a focus on sustainability, innovation and digitisation.
- The strategic pillars form a critical part of Orora's blueprint for shareholder value creation. The pursuit of our priorities has ensured continued resilience in our business model, and supported positive progress in the optimisation of our operations and stabilisation of Orora's businesses in North America.
- Orora's strategy is expected to continue to generate strong cash flows from the core business operations. Deployment of this cash will be to a combination of investments in the core businesses, strategic acquisitions that enhance Orora's product and service offering and capital management considerations, taking into account Orora's targeted dividend payout ratio of 60% - 80% of NPAT and targeted leverage ratio of 2.0 to 2.5 times EBITDA.
- Orora is well-positioned for growth and continues to actively prepare for the deployment of further capital in the near and medium term – both within our market leading Australasian Beverage business and in response to growth opportunities that emerge to expand our product and service capabilities in North America following the stabilisation of our businesses.
- Future growth initiatives will be assessed across all businesses with a rigorous approach to capital allocation ensuring that only value accretive investments that meet Orora's return criteria (to generate a return with an appropriate premium to WACC depending on risk of the investment) are undertaken.

ORORA VISUAL
- Review of strategic direction announced at 1H21 Results completed at the end of calendar 2021.
- The holistic review considered the market outlook for US retail visual displays, the competitive landscape and OV's relative value proposition and strategic alternatives, including exit considerations compared to OV managements' 5 year strategic plan.
- The improvement in business performance over the last 6-12 months, the stability of the management team and OV's materially higher full earnings potential, compared to current earnings run rate, has confirmed that the most attractive option to maximise shareholder value is to retain OV.
- OV will continue to operate as a standalone business, with direct oversight from the Group CEO and CFO.

SUSTAINABILITY UPDATE
- Following a comprehensive review of Orora's sustainability framework in FY21, the company made good progress on its sustainability goals and commitments aligned to the refreshed pillars of Circular Economy, Climate Change and Community.
- Under the Circular Economy pillar, Orora is on track to achieve its 2025 goal of 60% recycled content in the glass packaging it manufactures, with use of recycled glass (cullet) increasing year on year.
- Construction of a new $25M Glass Beneficiation Plant at Gawler, South Australia is well progressed, with commissioning expected in Q4 FY22.
- Under the Climate Change pillar, Orora is on track to achieving a 40% reduction in greenhouse gas emissions for Scope 1 and 2 by 2035. Initiatives include:
    - Exploring less greenhouse gas intensive glass furnace technology and construction of the new Glass Beneficiation Plant at Gawler;
    - Ongoing renewable energy initiatives as part of procuring greenhouse gas-free electricity for the global business; and
    - A program of procuring electrical warehouse-based vehicles for OPS in North America.
- Under the Community pillar, which focuses on the safety, health and human rights of Orora's team members and communities, the company led a number of initiatives including Global Diversity, Equity and Inclusion goals; Continuing the Women in Leadership program (now in its sixth year); Publishing the company's Modern Slavery Statement; and Delivering Unconscious Bias training across Orora.

COVID-19 IMPACT AND RESPONSE
- COVID-19 and the recent Omicron variant that emerged late in 1H22 has been successfully managed through the first half.
- Our North American operations were able to minimise impacts as supply chain and workforce availability issues emerged.
- In Australasia, late in the 1H22 the Business experienced a modest impact in Cans resulting from customer site disruptions and the short term impacts on supply chain.
- Orora has been, and will continue to work with, customers and procurement partners to ensure continuity of our operations and quality of supply.

OUTLOOK
- Positive operating and earnings momentum is expected to continue for the Orora group throughout FY22, correspondingly we are forecasting FY22 EBIT to be higher than FY21.
- In Australasia, EBIT growth is expected for the Beverage business in 2H22, with FY22 EBIT to be broadly in line with FY21.
- In North America, with sustained improvement in the performance of both OPS and OV, we expect 2H22 EBIT to be up on pcp with continued strong earnings growth for the full year.
- This outlook remains subject to global and domestic economic conditions, currency fluctuations and the continuing impacts of the COVID-19 pandemic.

[10] An Appendix 3C was released on 21 October 2021. The buyback commenced on 5 November 2021. Orora reserves the right to vary, suspend or terminate the share buyback at any time.

BALANCE SHEET

- Key balance sheet movements since June 2021 were:
  - Reduction of Cash (down ~$29M) reflects a more centralised approach to cash management and debt reduction;
  - Increase in other current assets of $157M was driven by an increase in Cans inventory (up ~$90M) within the Beverage Group, and higher receivables (up ~60M), principally due to increased sales in North America. The FX impact was $18.7M (increase);
  - Net property, plant and equipment ("PP&E") increased by ~$12M. Capex for 1H22 was $40.9M which included ~$13M Cans and Ends capacity investment and ~$7.3M relating to the Cullet Beneficiation Plant. Depreciation, excluding AASB16, for the period was $31.8M. The FX impact on PP&E was $4.5M (increase);
  - Intangible assets increased by ~$11M which was largely as a result of movement in FX rates, up ~$12M. Investments of $3.1M made in digital platforms and software upgrades was offset by $4.3M Amortisation for the period;
  - Net debt increased by $59M from 30 June 2021, with the main drivers being the ~$31.5M spent on the share buyback, increased capital expenditure (~$14.5M) partially offset by stronger earnings. The FX impact was $10M (increase). Orora remains well within all debt covenant requirements;
  - Increase in payables and provisions of ~$119M was driven primarily by the increase in trade and other payables of $~121M, relating principally to the increase in inventories. The FX impact was $14.5M (increase); and
  - The net of Right of Use ("ROU") Assets and Lease Liabilities increased ~$3M with ~$1.4M of the net movement due to FX. ROU leases relate predominantly to the North American businesses, with very few leases in Australia.

Balance Sheet (A$ mil)	31/12/21	30/06/21	Change %
Cash	22	51	(56.9%)
Other Current Assets	1,087	930	16.9%
Property, Plant & Equipment	640	628	1.9%
ROU Lease Assets	186	201	(7.5%)
Intangible Assets	422	411	2.7%
Other Non Current Assets	122	104	17.3%
Total Assets	**2,479**	**2,325**	6.6%
Borrowings	534	504	6.0%
ROU Lease Liabilities	241	253	(4.7%)
Payables & Provisions	918	799	14.9%
Total Equity	786	769	2.2%
Total Liabilities & Equity	**2,479**	**2,325**	6.6%
Net debt	512	453	13.0%
Leverage	1.6x	1.5x	
Gearing	39%	37%	

CASH FLOW

- Operating cash flow remains strong at $145.5M, broadly in-line with the pcp.
- EBITDA up 6.8% to $212.9M on the pcp.
- Cash EBITDA up $10.9M or 5.9% on the pcp.
- Cash conversion remains strong at ~75% (1H21:~79%).
- Main movements / points to note in cash flow include:
  - Increase in cash EBITDA (sum of EBITDA, lease repayments and non-cash items), up 5.9%, broadly in-line with EBITDA;
  - Total increase in the movement in working capital, up ~$14M to $30.7M, broadly in-line with increase in EBITDA (up $13.6M);
  - Base capex of $18.2M was $3.2M lower compared to the pcp of $21.4M; and
  - Gross capex (base and growth) of $40.9M was elevated at ~129% of underlying depreciation for the first half, reflecting the $17.7M increase in growth capex (1H21:$5M) .
- FY22 base capex is expected to be ~80% of underlying depreciation (excluding depreciation of leases).
- Tax payments of $45.5M reflect normal company tax payments, with the pcp reflecting a tax refund from the $1.72B Fibre sale.
- Growth capex of $22.7M, up $17.7M, reflects expenditure on the new Cans line & Can Ends capacity (~$13M) and the Cullet Beneficiation Plant (~$7.3M).

Average total working capital to sales was 5.8% (6.9% in pcp), with the decrease largely attributable to increased sales and reduced working capital balances.

The medium term management target for average total working capital to sales is less than 10.0%.

Cash Flow (A$ mil)	1H22	1H21	Change %
EBITDA	**212.9**	**199.3**	6.8%
Lease repayments[11]	(29.6)	(30.5)	
Non-cash Items	10.8	14.4	
Cash EBITDA	**194.1**	**183.2**	5.9%
Movement in Total Working Capital	(30.7)	(17.1)	
Base capex	(18.2)	(21.4)	
Sale Proceeds	0.3	0.0	
Operating cash flow	**145.5**	**144.7**	0.6%
Cash significant Items	(12.2)	(18.0)	
Operating free cash flow	**133.3**	**126.7**	5.2%
Interest	(8.9)	(9.0)	
Tax	(45.5)	18.9	
Growth capex	(22.7)	(5.0)	
Free cash available to shareholders	**56.2**	**131.6**	
Cash conversion	75%	79%	

11 Cash impact of AASB16 Leases has been included in operating cash to provide a view of cash EBITDA

AUSTRALASIA

KEY POINTS

- Sales were up 0.5%, reflecting higher aluminium input costs that have been passed onto customers and solid demand for Cans, offset by the revenue impacts in Glass arising from tariffs on Australian wine exports to China compared to the pcp.
- EBIT was down 2.3% on the pcp, but in line with expectations and underscores the resilience of the Group's earnings and reflects:
  - The impact of COVID-19 related supply chain and customer site disruptions in Can production volumes in late 1H22; and
  - A reduction in Glass volumes in 1H22 as the Business cycled the impact of lower exports to China. The shift in Glass mix to other beverage categories to fully utilise furnace capacity and throughput, given lower wine volumes, is now complete.
- As a result of the above, EBIT margin reduced by 50 bps to 19.0%.
- Underlying sales in Australasia decreased 2.6% after taking into account the pass through of higher aluminium prices.
- Operating Cash Flow was $83.5M.
- Cash conversion remains strong at 74%, down on the pcp of 77%.
- The movement in total working capital increased by $3.2M compared to the pcp to $17.7M. This increase largely reflects a higher value of finished goods Cans inventory.
- Base capital expenditure of $8.4M was $2M lower than the pcp.
- Growth capital expenditure of $22.7M was $17.7M higher than the pcp, this reflects growth related investments in Cans and Can Ends Capacity (~$13M) and Cullet Beneficiation Plant (~$7.3M).
- RoAFE was 28.0%, in-line with the pcp.

(A$ mil)	1H22	1H21	Change %
Sales Revenue	443.2	441.2	0.5%
EBIT	84.0	86.0	(2.3%)
EBIT Margin %	19.0%	19.5%	
RoAFE	28.0%	28.0%	

Segment Cash Flow

(A$ mil)	1H22	1H21	Change %
EBITDA	**106.0**	**109.8**	(3.5%)
Lease repayments	(1.9)	(3.1)	
Non-cash Items	8.4	13.1	
Cash EBITDA	**112.5**	**119.8**	(6.1%)
Movement in Total Working Capital	(20.9)	(17.7)	
Base Capex	(8.4)	(10.4)	
Sale Proceeds	0.3	-	
Operating Cash Flow	**83.5**	**91.7**	(9.0%)
Cash Significant Items	(11.8)	(13.8)	
Operating Free Cash Flow	**71.7**	**77.9**	(8.0%)
Cash Conversion	74%	77%	

BEVERAGE BUSINESS GROUP

Cans:

- Earnings declined on the prior period, reflecting the impact of short term COVID-19 related supply chain disruptions in Can production volumes in late 1H22.
- Despite the impact of COVID-19 customer site disruptions in late 1H22, volumes were solid overall and were underpinned by ongoing strong demand in both craft beer and mainstream beer segments, carbonated soft drinks, all benefiting from a preference shift from Glass and plastic to Can formats.
- Volumes increased in non-alcoholic beverages such as still and sparkling water, and other alcoholic beverages such as seltzers, RTD's, and wine.

Glass:

- Earnings declined in line with the expected impact of reduced bottled wine exports to China.
- The Glass business has successfully entered the attractive Olive Oil and Spirits markets, with production commencing in late 1H22. Olive Oil bottle production will also be expanded from current 1 litre size to 500ml and 750ml bottles during 2022.
- These alternate Glass growth pathways mean that the volumes lost due to lower bottled wine exports to China have now been replaced.

Closures:

- Closure volumes were down on the pcp reflecting lower wine bottle volumes.
- Volume shortfall partially offset by favourable customer and product mix.

STRATEGY, GROWTH & INNOVATION UPDATE

- Orora Australasia's strategy continues to be underpinned by a relentless focus on servicing our customers through manufacturing and supply chain excellence and maintaining leadership in packaging decoration and design.
- With a portfolio of leading sustainable packaging formats, Orora is well-placed to benefit from continued momentum in consumer preference towards recyclable packaging formats.
- Orora continues to prioritise investment in its market leading Australasian operations with a number of milestones achieved during 1H22 to support further growth across the full spectrum of the business.
- As announced at the 2021 AGM, reflecting a strong customer led outlook for Can volume growth and underpinned by long term contracts, construction commenced in 1H22 for the installation of a new Can line in Dandenong and expansion of our Can Ends multi-size capacity at Ballarat at a total cost of ~$110M.

AUSTRALASIA (continued)

- In FY21 Orora began utilising glass cullet from the new West Australian Container Deposit Scheme ("CDS"). This was in addition to cullet already used from the South Australian and New South Wales schemes. The business continues to seek further opportunities to source recycled content.
- Construction of an advanced Glass Beneficiation Plant is well progressed at Gawler at an estimated cost of ~$25M. Federal and State Government funding of ~$8M will be received to support this development through the Recycling Modernisation Fund. As at 31 December 2021, ~$2M of Government Funding has been received. Commissioning is expected in 2H22. This will enable Orora to increase recycled glass content toward its target of ~60%, further progressing the Group's sustainability agenda.
- The Beverage Group continued to focus on operational excellence through Advanced Manufacturing including data analytics and Integrated Work Systems deployment. In line with this strategy, investment has continued in the Industry 4.0 plant efficiency initiative. The data analytics platform has now been rolled out to all Cans body sites and at Gawler, providing better data to problem solve and improve efficiencies.
- Orora continues to invest in capacity and innovation to produce best in class products and services. At Glass, ~$260M has been invested in the world class Gawler facility since the demerger, including the G2 furnace rebuild, capacity expansions, mould insourcing, system upgrades and on-site, highly automated warehouse capacity. The Cans business has also seen significant investment in capacity and capability with ~$110M invested since demerger.
- With Cans, Orora maintains its market leading decoration and differentiation capabilities while continuing to explore a number of innovative concepts in aluminium containers.
- Within the Closures business, the team is focused on enhancing our product capabilities through further investment in key equipment and increased focus on driving volume growth in higher margin products.
- Quality and service remain paramount, and investments in eCommerce enhancements continue to assist with customer engagement.

PERSPECTIVES FOR FY22 - AUSTRALASIA

- The Australasian business will continue to identify and implement cost reduction initiatives, reinvest in upgrades to the asset base and build out new capacity with the support of customers. This is consistent with Orora's proven approach to offset ongoing cost headwinds, in addition to pursuing organic and inorganic growth.
- Investment in growth related capital expenditure will continue in 2H22 on the ~$110M Cans and Can Ends capacity, and ~$25M Cullet Beneficiation Plant. In 1H22, approximately $13M of growth capex was invested in Cans, with ~$7.3M of growth related capex invested in the Cullet Beneficiation Plant. The Cans projects are progressing well, and it is the expected the new lines will commissioned from late FY23. The Cullet Beneficiation Plant will be commissioned in late FY22.
- With Glass volumes lost due to lower bottled wine exports to China now replaced via entry into new segments, diversification of production capabilities, customer portfolio expansion and the continued strength in Cans demand, the Australasian business is expected to deliver an FY22 EBIT that is broadly in line with FY21.
- Cash conversion in FY22 is expected to be greater than 70.0%.

NORTH AMERICA

KEY POINTS

- North American sales were up 13.9% on a local currency basis to US$1,130.7M, with increases achieved for both OPS and OV. On a reported basis sales were up 12.6%.
- North America's EBIT increased by 32.1% to US$51.5M on a constant currency basis (up 30.8% on a reported basis to $70.5M).
- Strong earnings growth from both the manufacturing and distribution OPS businesses.
- EBIT margins increased 70bps to 4.6% compared to the prior period.
- Operating Cash flow increased by 17.0% or $9.0M to $62.0M, driven by an ~19% increase in EBITDA, offset by an increase in total working capital of $10.4M.
- Total capex of $9.8M, was broadly in line with pcp of $11.0M.
- Cash conversion remains strong at ~76%, down from ~84% in 1H21, reflecting the increase in working capital.
- Cash conversion target for FY22 remains >70%.
- RoAFE increased by 650bps to 21.9% reflecting the higher earnings and improved working capital management.
- Reported EBIT includes a negative A$0.9M FX translation impact.

ORORA PACKAGING SOLUTIONS

- OPS delivered low double digit revenue growth, with price increases the key driver.
- EBIT margin improved by 60bps to 5.2%, from 4.6% in the pcp.
- The strong growth in earnings in 1H22 reflects an improved operating performance in both the distribution and manufacturing businesses as we continue to drive improvements in operating efficiency and cost to serve.
- The EBIT margin increase was the result of traction gained in executing the profit improvement program focussed on margin recovery and efficiency / cost reduction. The improved financial performance in 1H21 was driven by:
  - OPS price increases executed in FY21 and the current period;
  - Focused execution of the comprehensive 'self-help' improvement program which includes further leveraging the ERP and associated data analytics to provide additional transparency to sales representatives, further enhancing account profitability, decision making on price, procurement, and costs to serve; and
  - An increase in the quality of customer earnings as the share of wallet from profitable customers expands, and unprofitable customers are exited and replaced.

ORORA VISUAL

- OV delivered low double digit revenue growth, with the increase in sales driven from an improvement in retail activity and stronger packaging sales.
- Continued focus on cost reduction and a strength in horticulture and fabric segments delivered revenue and margin growth, and a positive EBIT result up on the pcp.
- Revenue for the Top 20 Customers represents over 60% of the revenue base. These typically national customers are predominantly in defensive end segments including food & beverage, telco, horticulture, education and beauty, home & apparel.
- Initiatives are underway within OV to drive further profit growth and improve returns.

(A$ mil)	1H22	1H21	Change %
Sales Revenue	1,545.5	1,372.9	12.6%
EBIT	70.5	53.9	30.8%
EBIT Margin %	4.6%	3.9%	
RoAFE	21.9%	15.4%	

(US$ mil)	1H22	1H21	Change %
Sales Revenue	1,130.7	993.1	13.9%
EBIT	51.5	39.0	32.1%

Segment Cash Flow

(A$ mil)	1H22	1H21	Change %
EBITDA	**106.9**	**89.5**	19.4%
Lease repayments	(27.7)	(27.4)	
Non-cash Items	2.4	1.3	
Cash EBITDA	**81.6**	**63.4**	28.7%
Movement in Total Working Capital	(9.8)	0.6	
Base Capex	(9.8)	(11.0)	
Operating Cash Flow	**62.0**	**53.0**	17.0%
Cash Significant Items	(0.4)	(4.2)	
Operating Free Cash Flow	**61.6**	**48.8**	26.2%
Cash Conversion	76%	84%	

STRATEGY, GROWTH & INNOVATION UPDATE

- In both OPS and OV, the management teams have been focused on establishing platforms that enable scalable expansion.
- Strategically, OPS continues to focus on providing customised solutions that enhance the value of its customers' products and services, whilst also reducing the costs of their packaging.
- OPS continues to benefit from its vertically-integrated corrugate manufacturing capability ensuring enhanced customer responsiveness and operating flexibility.
- OV's strategy remains to utilise its national footprint, creative resources and breadth of in-house services and manufacturing capabilities to deliver impactful graphic visual solutions for customers.
- Both OPS and OV seek to differentiate themselves in their respective markets through their product expertise, tailored customer solutions, experience of their sales teams, sound execution and supply chain excellence.
- OPS continues to invest in new digital platforms to enable customers to transact digitally with customised product offerings via digital channels and on a just in time basis. The omnichannel strategy is designed to integrate all channels of customer engagement and improve the overall customer experience, with the first phase of the new platform launched in 1H22, after COVID-19 related delays in FY21.
- OV continues to build on its value proposition to serve regional and national customers with a series of consistent point of purchase, visual communication, and fulfilment offerings. Focus remains on growth in the packaging, horticulture, quick-service restaurant and retail segments.
- OV continues to gain traction with its diverse customer base by leveraging its strong creative and structural design capabilities and broadening its digital ordering and fulfilment capacity. Fabric printing remains a strength and key focus area, servicing customers in the Telco, Beauty, and Home and Apparel sectors.
- OV continues to invest in digital technology including Customer and Consumer Engagement capability and print on demand solutions.

PERSPECTIVES FOR FY22 – NORTH AMERICA

- The focus for the North American businesses remains on driving further positive momentum and continuing to build on the demonstrated improvements in performance delivered over the last 18 months via earnings, cost efficiency and margin improvement programs.

- Pass-through of substrate and other input cost increases is expected to continue.
- OPS EBIT margin was 5.2% in 1H22, and is expected to improve overtime, noting seasonality of OPS earnings weighted to the first half.
- With significant progress made on the implementation of core strategic initiatives, and the OPS profit improvement program expected to continue, and the improved OV operating and performance momentum, we are confident that recent performance improvements are sustainable, and we anticipate further EBIT growth in FY22.
- With the business platforms now stabilised and scalable, expansion of product and service capabilities for OPS, including through M&A, will come into greater focus throughout 2022 and beyond.
- Cash conversion in FY22 is expected to remain in excess of 70%.

CORPORATE

- Corporate costs are allocated directly to the business segments.
- Orora has substantial committed headroom under its existing debt facilities (~$400M) with no material maturities until July 2023.
- The decommissioning of the Petrie site is progressing but continues to be a significant and complex exercise involving multiple government agencies. Approximately $12M was spent on decommissioning during the half ($14M in the pcp). The Petrie related provision at 31 December 2021 represents management's best estimate in respect of the anticipated costs to complete the remediation, using all currently available information and considering applicable legislative and environmental regulations.
- Orora expects dividends in FY22 to be towards the top end of its target payout range (60% - 80% of NPAT).
- Dividends in FY22 will be unfranked, due to the tax benefits associated with Australia's instant asset write-off legislation for capital expenditure and other timing differences. The Group does not expect to frank future dividends until after FY23.

CONFERENCE CALL

Orora is hosting a conference call for investors and analysts at 11:30am today. The audio cast will be available on the Orora website, www.ororagroup.com, within 24 hours.

Authorised for release to the ASX by Orora's Company Secretary, Ann Stubbings.