

## NEWS RELEASE

16 February 2023

### Orora's resilience delivers first half earnings growth with EBIT up 7.3% and EPS up 8.5%

#### Financial highlights for the half year ended 31 December 2022

- Sales revenue of \$2,264.5 million, up 13.9% (up 6.6% on a constant currency basis)
- Statutory net profit after tax (NPAT) of \$108.1 million, up 7.8% (up 2.9% on a constant currency basis)
- Underlying earnings per share (EPS)<sup>1</sup> of 12.8 cents per share (cps), up 8.5%
- Earnings before interest and tax (EBIT) of \$165.8 million, up 7.3% (up 2.4% on a constant currency basis)
- Interim ordinary dividend declared of 8.5 cps, up 6.3%, representing a dividend payout ratio of 66.4%
- Strong earnings growth in North America, with EBIT up 20.2% (up 10.2% on a local currency basis), and resilient earnings in Australasia with EBIT in line with expectations, down 3.5%
- Return on average funds employed (RoAFE)<sup>2</sup> of 21.6%
- Underlying operating cash flow of \$161.1 million, up 10.7%, and cash conversion of 75.2%<sup>3</sup>
- Strong balance sheet with net debt<sup>4</sup> of \$670.8 million, up \$41.8 million from 30 June 2022, and leverage of 1.9 times EBITDA

**Orora Limited (ASX: ORA)**, leading sustainable packaging solutions provider, has today announced its financial results for the half year ended 31 December 2022.

#### Commenting on Orora's interim results, Managing Director and Chief Executive Officer, Brian Lowe said:

"Our results for the first half of fiscal year 2023 demonstrate the resilience of our business, as well as a steadfast commitment to delivering against our strategic priorities.

"The external environment continues to present challenges including rising inflationary pressures and supply chain complexities. Despite this, Orora has delivered a solid result in line with expectations. The Group reported an increase in EBIT and net profit after tax, driven by strong earnings growth in North America and another robust earnings performance in Australasia.

"Our North America business performed strongly, delivering an increase in revenue and double digit earnings growth, driven by performance in distribution, as the business retains its focus on driving cost-to-serve efficiencies as well as business optimisation, pricing discipline and customer account profitability.

"Our Australasian business continues to deliver reliable and resilient earnings. An increase in revenue was supported by Cans volume growth, and the pass-through impact of higher aluminium costs. Earnings were as expected, slightly down for the first half of FY23, largely reflecting the timing of inflationary impacts and lower wine and beer glass volumes.

"Commendably, the Orora team has deftly navigated challenging market conditions to deliver a solid half-year financial performance. Orora's balance sheet and operating cash flow remain strong, positioning the Group firmly for future investment and growth."

<sup>1</sup> Calculated as underlying NPAT / weighted average ordinary shares (net of Treasury shares)

<sup>2</sup> Calculated as trailing 12-month EBIT / trailing 12-month average funds employed

<sup>3</sup> Excludes G3 furnace rebuild capex of \$5.2m in 1H23

<sup>4</sup> Net debt excludes the impact of AASB 16 Leases

## Sustainability Update

Orora continues to make good progress and is on track to achieve its sustainability goals aligned to the pillars of Circular Economy, Climate Change and Community. Significant steps have been made towards our 60% recycled content target in manufactured glass products. The Group's new Cullet Beneficiation Plant at Gawler, South Australia, is now fully operational. This plant is helping to drive the average recycled content in our manufactured glass containers above the 38% achieved in FY22.

Under the Climate Change pillar, Orora is on track to achieve a 40% reduction in greenhouse gas emissions for Scope 1 and 2 by 2035. Orora signed a contract in December to construct an oxygen plant to upgrade the G3 glass furnace at Gawler to oxyfuel technology in 2024. This investment will enable a ~20% reduction in G3 glass furnace CO2 emissions and will move the G3 glass furnace into the top 10% of energy efficient furnaces worldwide.

## Outlook

The Orora Group earnings are expected to be higher in FY23, reflecting the resilience of the business in what is a challenging year of economic conditions.

In North America, we expect 2H23 EBIT to be up on 2H22, delivering EBIT growth for the full year.

In Australasia, we expect 2H23 EBIT to be up on 2H22, with FY23 EBIT to be broadly in line with FY22.

This outlook remains subject to global and domestic economic conditions, currency fluctuations and the continuing impacts of the COVID-19 pandemic.

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

**ENDS**

**MEDIA CALL:** Orora is hosting a media call at 12.00PM (AEDT) today

**Register for the call at this link:**

<https://register.vevent.com/register/Blfb5e27657df246f89df5d426763130ef>

Participants will be provided with dial-in details and a personal PIN code upon registration.

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