INVESTOR RESULTS RELEASE

Orora results for the year ended 30 June 2023

Disciplined execution of strategy results in a 12.3% increase in underlying EBIT and an 11.1% increase in underlying EPS[2].

FY23 results reflect double digit earnings growth in North America with the Australasian business returning to growth in 2H23.

FINANCIAL SUMMARY

- Underlying net profit after tax (NPAT) was $203.0m, up 8.5%.
- Underlying earnings per share (EPS) was 24.1 cents per share (cps), up 11.1%.
- Statutory NPAT from continuing operations was $184.8m, down $2.3m, and Basic EPS was 21.9cps, up 1.0%.
- Significant item (SI) expense after tax of $18.2m comprises additional decommissioning costs at Petrie ($26.0m pre-tax).
- Sales revenue was $4,291.3m, up 4.9% on FY22, or down 0.9% on a constant currency basis, driven by:
  - North America revenue, up 2.3% on a reported basis, down 5.1% on a constant currency basis, largely reflecting a decline in broader manufacturing industry activity and the flow through impact of paper price deflation; and
  - Australasian revenue up 14.1%, reflecting higher aluminium costs passed through to customers and continued strength in Cans volumes. Cans revenue also benefited from an improvement in product mix, partially offset by lower Glass volumes, reflecting a slowdown in commercial wine and beer bottle sales.
- Underlying earnings before interest and tax (EBIT) was $320.5m, up 12.3% (up 7.7% on a constant currency basis), attributable to:
  - Continued strong, double-digit earnings growth in North America, largely driven by performance in Distribution. The increase in EBIT is a result of continued business optimisation gains and active customer account profitability management, with North American margins improving by 90bps to 5.1%.
  - Another resilient earnings performance in Australasia, underpinned by continued growth in Cans across all formats, with EBIT of $153.3m. Importantly, the business returned to growth in 2H23, with underlying EBIT increasing 8.5% (versus pcp) on pricing adjustments passed through.
  - Australasian EBIT increase of $2.7m, or 1.8%, was driven by:
    - Continued strong Cans volumes and an improvement in mix;
    - Inflation recovery; partially offset by
    - Lower commercial wine and beer bottle sales, and a change in Glass product mix to lower profit margin categories.
  - Continued strong cash generation, with underlying operating cash flow of $269.9m, down $2.7m or 1.0%, with 8.6% growth in Cash EBITDA, partially offset by the investment in working capital, and higher base capex.

Financial Summary[1,2] A$m	FY23	FY22	Var%	Var% Constant Currency
Australasia revenue	1,036.9	909.1	14.1%	
North America revenue	3,254.4	3,181.7	2.3%	(5.1%)
Total revenue	**4,291.3**	**4,090.8**	**4.9%**	**(0.9%)**
Underlying EBITDA	443.5	403.4	9.9%	5.2%
Australasia EBIT	153.3	150.6	1.8%	
North America EBIT	167.2	134.9	23.9%	15.0%
Underlying EBIT	**320.5**	**285.5**	**12.3%**	**7.7%**
Underlying NPAT	**203.0**	**187.1**	**8.5%**	**4.0%**
Underlying EPS (cents)[3]	24.1	21.7	11.1%	
Return on Sales (EBIT margin)[4]	7.5%	7.0%		
Underlying operating cash flow[5]	269.9	272.6	(1.0%)	
Cash conversion[6]	70.2%	73.5%		
RoAFE	21.8%	22.4%		
Dividends per share (cents)	17.5	16.5	6.1%	
Net Debt[7]	774.0	629.0		
Leverage[8]	2.0x	1.8x		
Gearing	49%	46%		

- Cash conversion remains strong at 70.2%[6] (FY22: 73.5%), excluding the G3 rebuild.
- Net debt at 30 June 2023 was $774.0m, up $145.0m from 30 June 2022, attributable to higher capex spend, investments in working capital and the FX increase on US dollar denominated borrowings ($12.4m increase), partially offset by higher earnings.
- Leverage of 2.0 times EBITDA is up from 1.8 times at 30 June 2022, and remains within the long-term target of 2.0 to 2.5 times EBITDA.
- RoAFE of 21.8% is below the prior year of 22.4%, reflecting higher Australasian working capital, partially offset by the increase in North American earnings.
- Foreign exchange translation sensitivity on EBIT and NPAT to a 1 cent move in the AUD/USD on an annualised basis is ~$2.8m and ~$1.9m, respectively.
- The final dividend is 9.0 cps, a 0.5 cent or 5.9% increase on FY22. Total dividend declared for FY23 of 17.5 cps or 6.1% increase from FY22, representing a dividend payout ratio of 72.6%.
- The final dividend is unfranked and sourced from the conduit foreign income account. The ex-dividend date is 1 September 2023, the record date is 4 September 2023 and the payment date is 9 October 2023.
- The Dividend Reinvestment Plan (DRP) will be operative for this dividend, with shares purchased on market to meet DRP obligations.

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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 reference to earnings before signification items, interest and tax
2 References to underlying earnings and measures exclude a significant item expense post tax of $18.2m (pre-tax of $26.0m) relating to the former Petrie mill site
3 Calculated as underlying NPAT / weighted average ordinary shares (net of Treasury Shares)
4 Calculated as underlying EBIT / Sales
5 Excludes cash significant items that are considered to be outside of the ordinary course of operations
6 Calculated as underlying operating cash flow / cash EBITDA (excludes G3 furnace rebuild of $13.0m)
7 Net debt excludes the impact of AASB 16 *Leases*
8 Calculated as Net Debt / trailing 12-month underlying EBITDA (both excluding AASB 16 *Leases)*
9 Cash impact of AASB 16 Leases has been included in operating cash to provide a view of cash EBITDA
10 Net of Government grants received

GROUP BALANCE SHEET

Balance Sheet A$m	30 June 2023	30 June 2022	Var%
Cash	58.4	52.6	10.9%
Other Current Assets	1,199.3	1,255.1	(4.4%)
Property, Plant & Equipment	806.5	685.2	17.7%
ROU Lease Assets	180.7	173.7	4.1%
Goodwill & Intangible Assets	440.1	433.2	1.6%
Other Non-Current Assets	116.8	109.0	7.2%
Total Assets	**2,801.8**	**2,708.8**	3.4%
Borrowings	832.4	681.6	22.1%
ROU Lease Liabilities	227.6	224.5	1.4%
Payables & Provisions	941.6	1,071.0	(12.1%)
Total Equity	800.2	731.7	9.4%
Total Liabilities & Equity	**2,801.8**	**2,708.8**	3.4%
Net Debt	774.0	629.0	
Leverage	2.0x	1.8x	
Gearing	49%	46%	

- Key balance sheet movements since June 2022 were:
  - Cash and cash equivalents were up $5.8m to $58.4m;
  - Other current assets decreased $55.8m as a result of lower trade and other receivables (-$44.4m) and lower inventory (-$11.7m). Trade and other receivables deceased due to lower revenue in North America and timing of Australasian aluminium passthrough recovery receipts. Inventory decreased as North America normalised inventory levels, partially offset by higher inventory in Australasia, largely reflecting higher Glass inventory. The FX impact to other current assets was $30.1m (increase);
  - Property, plant and equipment (PP&E) increased by $121.3m, reflecting capex spend of $193.8m and depreciation for the period of $62.9m (excluding RoU assets). The FX impact on PP&E was $5.6m (increase);
  - Goodwill and intangible assets increased by $6.9m as a result of movement in FX rates, up $13.5m and IT related additions of $5.1m, partially offset by $10.1m amortisation for the period;
  - Borrowings increased by $150.8m and net debt increased by $145.0m, with the main drivers being the increased capex and the investment made in working capital, partially offset by stronger North American earnings. The FX impact was $12.4m (increase). Orora remains well within all debt covenant requirements and at 30 June 2023 had committed undrawn debt facilities of $500.0m to support future investment, growth and debt re-financing requirements;
  - Decrease in payables and provisions of $129.4m was driven primarily by the decrease in trade and other payables. The decrease in trade and other payables was a result of lower inventory purchases in North America, reflecting a decline in broader manufacturing industry activity, and lower commodity prices attributable to aluminium. The FX impact was $18.8m (increase); and
  - The net of Right of Use (RoU) lease liability position decreased $3.9m. RoU assets and lease liabilities relate predominantly to the North American businesses, with very few leases in Australasia.

GROUP CASH FLOW

Cash Flow[1] A$m	FY23	FY22	Var%
Underlying EBITDA	**443.5**	**403.4**	**9.9%**
Lease repayments[9]	(65.6)	(59.1)	
Non-cash Items	25.0	26.8	
Cash EBITDA	**402.9**	**371.1**	**8.6%**
Movement in Total Working Capital	(84.8)	(62.6)	
Base Capex	(48.8)	(36.4)	
Sale Proceeds	0.6	0.5	
Underlying Operating Cash Flow	**269.9**	**272.6**	**(1.0%)**
Cash Significant Items	(34.4)	(27.0)	
Operating Free Cash Flow	**235.5**	**245.6**	**(4.1%)**
Interest	(36.9)	(17.8)	
Tax	(40.3)	(55.4)	
Growth capex[10]	(145.0)	(50.8)	
Free Cash Available to Shareholders	**13.3**	**121.6**	**(89.1%)**
Cash Conversion [6]	70.2%	73.5%	

- Underlying operating cash flow remains strong at $269.9m, with cash conversion of 70.2%[6], driven by cash EBITDA growth of $31.8m, offset by an increase in working capital and higher base capex.
- Main cash flow movements in FY23 include:
  - Increase in EBITDA, up $40.1m or 9.9%;
  - Total increase in the movement in working capital, up $22.2m to $84.8m, largely attributable to Australasia, reflecting the Glass inventory build, partially offset by a depletion of Cans finished goods;
  - Base capex of $48.8m was $12.4m higher and includes $13.0m relating to the G3 Furnace rebuild and leasehold improvements in North America of $9.6m;
  - Interest payments of $36.9m were $19.1m higher reflecting the increase in gross debt from growth capex investments, recent on-market buybacks, and higher base interest rates;
  - Tax payments of $40.3m are lower due to timing of FY22 tax payments and benefit of the instant asset tax write-off; and
  - Growth capex of $145.0m was up $94.2m. This spend includes $67.4m on the new Dandenong cans line, the fully operational ends capacity expansion at Ballarat and initial payments on the new cans line at Revesby, $10.7m on the Oxygen Plant for the G3 furnace, $8.3m on flat sheet decorating for Closures, $5.6m towards the new Cans digital printer, and $4.6m for warehouse automation in Glass.
- FY24 total capex is expected to be ~$250m, with growth capex of ~$160m.

OUTLOOK

- Whilst global economic conditions remain uncertain, Orora Group earnings are expected to be higher in FY24.
- In North America, further margin accretion through account profitability programs and a continued focus on cost management, is expected to be largely offset by ongoing volume softness.
- In Australasia, continued strength in Cans with incremental volume growth from recent investments, is expected to offset the ongoing softness in Glass from lower commercial wine volumes.
- This outlook remains subject to global and domestic economic conditions and currency fluctuations.

NORTH AMERICA

KEY POINTS

- Sales were down 5.1% to US$2,190.2m (up 2.3% to $3,254.4m on a reported basis), largely reflecting a decline in broader manufacturing industry activity, the flow-through impacts of paper price deflation and continued cycling out of less profitable customers.
- EBIT increased by 15.0% to US$112.6m (up 23.9% on a reported basis to A$167.2m), driven by:
  - Distribution, reflecting ongoing benefits from the customer account profitability program and disciplined pricing management;
  - Operating efficiency through production optimisation and pro-active operational cost management; partially offset by
  - Volume softness, reflecting a decline in broader manufacturing industry activity.
- EBIT margin increased 90bps to 5.1%, with the OPS EBIT margin improving by 70bps to 5.9%.
- Underlying operating cash flow increased by 33.0% to US$112.5m, attributable to higher cash EBITDA, up 10.6%, and lower working capital.
- Working capital improved as the business normalised inventory levels.
- Total capex of US$20.5m was US$4.4m higher, largely attributable to higher growth capex.
- Continued strong cash conversion of 89.2%, up from FY22 of 74.1%.
- RoAFE of 21.7% was up 140bps and reflects increased North American earnings.
- Reported EBIT includes a positive $13.6m FX translation impact.

ORORA PACKAGING SOLUTIONS BUSINESS GROUP

Distribution

- Distribution revenue declined marginally, reflecting volume softness in 2H23 due to softer US economic conditions.
- Earnings growth in Distribution, particularly in Mexico and the East, was driven by continued improvements in account profitability and cost to serve, further operating efficiencies, and ensuring strong pricing disciplines continue to manage inflation.

Manufacturing

- Manufacturing revenue was below FY22 as the business experienced lower volumes, along with the broader industry.
- Continued focus on improvements in operating efficiencies, active cost management and operational excellence, partially offset the earnings decline from lower volumes.

Orora Visual (OV)

- OV continued to execute its business improvement programs which delivered earnings growth as well as EBIT margin expansion versus FY22.
- OV operations were aligned under OPS to support operational and back-office efficiencies and to optimise further growth opportunities.

Financial Summary[1] A$m	FY23	FY22	Var%
Sales Revenue	3,254.4	3,181.7	2.3%
EBIT	167.2	134.9	23.9%
EBIT Margin %	5.1%	4.2%	
RoAFE	21.7%	20.3%	

Financial Summary[1] US$m	FY23	FY22	Var%
Sales Revenue	2,190.2	2,308.3	(5.1%)
EBIT	112.6	97.9	15.0%

Segment Cash Flow[1] US$m	FY23	FY22	Var%
EBITDA	**164.2**	**150.8**	8.9%
Lease repayments	(41.1)	(40.2)	
Non-cash Items	3.1	3.5	
Cash EBITDA	**126.2**	**114.1**	**10.6%**
Movement in Total Working Capital	2.8	(14.2)	
Base Capex	(16.9)	(15.4)	
Sale Proceeds	0.4	0.1	
Underlying Operating Cash Flow	**112.5**	**84.6**	**33.0%**
Cash Significant Items	-	(0.3)	
Operating Free Cash Flow	**112.5**	**84.3**	**33.5%**
Cash Conversion	89.2%	74.1%	

PERSPECTIVES FOR FY24 – NORTH AMERICA

- With pricing disciplines firmly embedded and inflationary pressures stabilising, the focus for OPS is investing in additional sales resources in Manufacturing and Distribution to drive long-term volume growth.
- Management continues to build on the demonstrated operating performance momentum to drive further earnings, cost efficiencies and margin expansion.
- Softer economic trading conditions are expected to impact Distribution, with the business well positioned to benefit from any improvement in the US economy in FY24.
- Recent softness in the US economy, as seen in the broader industry, and the passthrough impacts of lower paper prices will continue to impact Manufacturing.
- Investments in sales resources, capabilities and ongoing operational improvements to maintain margin are expected to contribute to long-term volume growth.
- Management is confident of the business' ability to perform through the cycle and provide a strong platform for growth in the medium-to-long term.
- Management will assess OPS' manufacturing footprint and consider scale expansion and consolidation opportunities.
- With OPS' business platforms stabilised and scalable, Management continue to actively assess opportunities to expand our North American footprint into new markets and enhance the product and service portfolio, including via acquisitions.

AUSTRALASIA

KEY POINTS

- Sales revenue, up 14.1%, driven by 2.7% net volume growth, 3.5% higher aluminium cost passthrough and 7.9% through price increases and product mix.
- Net volume growth of 2.7% is due to continued strong growth in Cans volumes (up ~10%) and improved Cans product mix, partially offset by lower Glass volumes reflecting a slowdown in domestic and export consumer demand for Australian commercial wine bottles, and lower beer bottle sales.
- Excluding the impact of aluminium passthrough, sales revenue increased 10.6%.
- This result underscores the resilience of the Beverage business with strong consumer demand for Cans driving FY23 earnings growth, despite softness in Glass.
- EBIT was in-line with expectations, up 1.8% to $153.3m, reflecting:
  - Continued strong Cans volumes, supported by production efficiencies, and an improvement in product mix; and
  - A reduction in Glass bottle volumes driven by lower sales of Australian commercial wine (both export and domestic sales), and beer. The earnings contribution from new Glass products in FY23 was higher than the prior year.
- Importantly, the business returned to growth in 2H23 (versus pcp), growing underlying EBIT 8.5% as inflation cost recovery adjustments were made to pricing.
- EBIT margin of 14.8%, primarily reflects the dilutionary impact of higher aluminium costs passed through to customers, and lower Glass and Closures earnings.
- Underlying operating cash flow of $102.7m was $53.3m below FY22 due to higher working capital, up $46.1m, and higher base capex.
- Cash conversion of 53.7%[6] was lower than prior year due to the investment in working capital. This reflects the Glass inventory build ahead of the G3 furnace rebuild, and higher raw materials to support the new Cans line at Dandenong, partially offset by a depletion of Cans finished goods.
- Base capex of $23.6m was $8.4m higher, driven by commencement of the G3 furnace rebuild ($13.0m).
- Growth capex of $139.6m was $89.9m higher in FY23, primarily due to $67.4m invested in the Dandenong and Revesby can lines, Ballarat ends capacity expansion, and the Oxygen Plant ($10.7m).
- RoAFE was 21.8%, a decline of 280 bps on prior year, reflecting the higher working capital and growth capex investments.

ORORA BEVERAGE BUSINESS GROUP

Cans:

- Cans revenue was significantly higher than the prior year, with strong operating momentum (versus pcp), reflecting the impact of growth in volumes (up ~10%) and improved product mix, as well as higher aluminium costs passed through to customers.
- Increased earnings were driven by growth in volumes across all formats, improvement in product mix, contract price passthrough mechanisms, cost recoveries and further operating efficiencies.
- Volume growth was underpinned by ongoing strong demand in carbonated soft drink (CSD), craft beer, energy drinks and ready to drink (RTD's) products, which benefited from a continuation of the preference shift to Can formats. Growth in Slim, Sleek and multi-size formats reflect continued evolution of consumer preferences.

Glass:

- Revenue and earnings were below FY22, largely attributable to a reduction in Glass bottle volumes driven by lower sales of Australian commercial wine and beer.

Financial Summary[1,2] A$m	FY23	FY22	Var%
Revenue	1,036.9	909.1	14.1%
Underlying EBIT	153.3	150.6	1.8%
EBIT Margin %	14.8%	16.6%	
RoAFE	21.8%	24.6%	

Segment Cash Flow A$m	FY23	FY22	Var%
Underlying EBITDA	**199.5**	**195.6**	**2.0%**
Lease repayments	(4.4)	(3.7)	
Non-cash Items	20.3	21.9	
Cash EBITDA	**215.4**	**213.8**	**0.7%**
Movement in Total Working Capital	(89.1)	(43.0)	
Base Capex	(23.6)	(15.2)	
Sale Proceeds	-	0.4	
Underlying Operating Cash Flow	**102.7**	**156.0**	**(34.2%)**
Cash Significant Items	(34.4)	(26.6)	
Operating Free Cash Flow	**68.3**	**129.4**	**(47.2%)**
Cash Conversion [6]	53.7%	72.9%	

- The business continued to be impacted by a packaging mix shift in beer, higher supply chain costs due to higher inventory and commodity prices (Soda Ash).
- Volumes, revenue, and earnings from new Glass products, including the carbonated water, spirits and olive oil markets, were higher than FY22.

Closures:

- Closure earnings were below the prior year due to lower commercial wine volumes, inflationary pressures and supply chain challenges associated with aluminium supply in 1H23.

PERSPECTIVES FOR FY24 - AUSTRALASIA

- The multiple year growth capex underpins medium term earnings growth, with incremental future earnings to flow from FY24 following the Cans ends capacity expansion in Ballarat and installation of the multi-size can line at Dandenong in March 2023 and June 2023, respectively.
- FY24 capex investment will comprise the following key projects:
  - Cans second line at Revesby (~$85m investment), with construction scheduled for completion in 2H25;
  - Cans digital printing at Dandenong (~$14m investment), scheduled for completion in 2H24;
  - Glass G3 furnace rebuild at Gawler (~$90m investment), scheduled for completion in 1H25; and
  - Construction of the Oxygen Plant at Gawler (~$40m investment), scheduled for completion in 1H25.
- Recent and planned Cans growth related capex expected to generate earnings of ~$30m by FY28.
- Wine Glass volumes are expected to remain subdued, impacted by consumer demand for Australian commercial wine.
- Gas and electricity market price volatility continues to be well managed, supported by retail and wholesale contracts as well as Power Purchase Agreements (PPA).
  - Gas supply for Gawler (Glass) 100% contracted until end of 2025 and partially contracted to end of 2034 with new 10 year gas agreement signed in 2H23.
  - VIC/NSW/SA electricity usage mostly hedged until end of 2027 under wind farm and solar PPA's.
  - Various gas and electricity retail fixed price contracts by state which expire at various intervals through to 2026.

STRATEGY, GROWTH AND INNOVATION

CORPORATE STRATEGY

- The Group's corporate strategy underpins Orora's purpose to be a leading sustainable packaging solutions provider 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.
- The financial results for FY23 demonstrate the continued disciplined execution of a range of strategic initiatives delivering against the Company's strategy.
- Orora remains well-positioned for growth and continues to actively prepare for the deployment of further capital in the near to medium term.

NORTH AMERICA

Optimise to Grow

- OPS has continued the strong momentum in proactively managing account profitability and enhancing salesforce effectiveness, further strengthening the platform for future growth.
- The management team is committed to leading the market in not only driving increased penetration of sustainable products, but also in educating the market about sustainable product alternatives.
- With the OV business now part of OPS, focus has turned to identifying, assessing and ultimately executing on initiatives to generate incremental value from the combination of the two businesses.

Enhance and Expand

- Strategically, OPS continues to focus on providing customised solutions that enhance the value of its customers' products and services, specialising in small and medium sized runs, enhancing sustainability, whilst also reducing the costs of their packaging. OPS benefits from its vertically integrated corrugate manufacturing capability, ensuring enhanced customer responsiveness and operating flexibility.
- Continued investment in new digital platforms that improve productivity and the value proposition for customers. The refreshed eCommerce platform is enabling 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.
- The OPS management team have been focused on establishing platforms that enable scalable expansion. This includes seeking to differentiate themselves through their design capabilities, product expertise, tailored customer solutions, experience of their sales teams, disciplined execution and supply chain excellence.

Enter New Segments

- OPS continues to assess opportunities to expand its manufacturing and distribution footprints into new markets, as well as explore potential new complimentary products and services, that can enhance our existing value proposition.

AUSTRALASIA

Optimise to Grow

- The strategy for Beverage continues to be underpinned by a relentless focus on creating value with customers through our leadership in packaging decoration and design, and reliable and high quality supply through manufacturing and supply chain excellence.
- The Beverage business maintained its focus on operational excellence through Advanced Manufacturing and i4.0 initiatives (including data analytics), automation and lean manufacturing programs. This has enabled productivity gains and contributed to Cans production volumes being higher than prior year.
- With a portfolio of leading sustainable packaging formats, Australasia is well-placed to benefit from continued momentum in consumer preference towards recycled packaging formats.

Enhance and Expand

- The Beverage business continues to invest in capacity and capabilities across its network of sites to meet customers' growing demand. This significant capital investment program reflects a strong customer-led outlook for Can volume growth, underpinned by long-term customer contracts and customer filling expansion investments.
- Growth capital investments include:
  - Cans ends capacity expansion at Ballarat, completed in March 2023;
  - Cans new multi-size line at Dandenong, which was installed in June 2023, adds ~10% capacity to Orora's can body production; and
  - Cans second line at Revesby, with construction underway and commissioning expected in FY25. This investment will add a further ~10% capacity to Orora's can body production.
- Within the Closures business, product capabilities are being enhanced through further investment in equipment, increased focus on driving volume growth in higher margin products and mitigating supply chain risk by insourcing flat sheet aluminium supply.
- Quality and service remain paramount, and investments in eCommerce enhancements continue to assist with customer engagement.

Enter New Segments

- Innovation in new product development and transformative packaging decoration continues to be a cornerstone of the Beverage business.
- The business continues its market leading decoration and differentiation capabilities with the launch of *Helio by Orora* in July 2023. *Helio by Orora* is a new state-of-the-art high-speed digital printing technology, that will complement and capitalise on the new multi-size can line investment in Dandenong. Operational in 2H24, this investment will provide brand owners with enhanced decorating capabilities and faster speed to market for new products and promotions.
- The Glass business has successfully consolidated its expansion into new glass formats such as Olive Oil and Spirit bottles, with the business developing a new premium flint colour (Orora Crystal) that underpins further penetration in the domestic spirits market.
- The Beverage business in Australasia continues to assess opportunities to extend its manufacturing footprint and product capabilities in attractive offshore markets.

SUSTAINABILITY

- Orora has made good progress on 'Our Promise to the Future' sustainability goals and commitments which are aligned to the pillars of Circular Economy, Climate Change and Community.

Circular Economy Pillar

- As a proven leader in Circular Economy initiatives, Orora achieved 38% recycled content in glass packaging it manufactures and is on track to achieve its 2025 goal of 60%. More than 30kt of new cullet sources were developed during FY23, with Orora's cullet sourcing program now active in all mainland states.
- Our new Cullet Beneficiation Plant at Gawler, South Australia, is fully operational and will make a strong and growing contribution to diverting more cullet from landfill.
- Orora continues to use ~80% of the recycled cullet from South Australia's Container Deposit Scheme (CDS) and most of the cullet from Western Australia's CDS. Orora continues to seek new ways to maximise the use of recycled cullet including from Victoria's CDS, commencing FY24.
- Orora achieved an average of 57% recycled content in the manufacture of corrugated board in North America and an average of 57% recycled content in aluminium Cans in Australia.

Climate Change Pillar

- Orora is committed to achieving a 40% reduction in greenhouse gas emissions for Scope 1 and 2 by 2035 and Net Zero Scope 1 and 2 emissions by 2050.
- Scope 1 & 2 greenhouse gas emissions decreased by 4.84% (utilising Market-based factors for S2) and 12.98% (utilising Location-based factors for S2) from FY19 baseline.
- In Australasia, site preparation has commenced for the Oxygen Plant to upgrade the G3 furnace at the Gawler Glass Plant to oxyfuel technology in FY25. This will enable a ~20% reduction in G3 furnace CO_2 emissions and move it into the top 10% of energy efficient furnaces worldwide, delivering Orora a step change reduction in fossil fuel use and reducing greenhouse gas emissions.
- Long term Power Purchase Agreements with renewable providers continue to supply wind generated electricity to Australasian Beverage operations on Australia's east coast. In FY23 Orora signed a new PPA for 100% offtake from the Mannum Solar Farm, providing Beverage facilities in South Australia with 35MW of solar generated electricity from FY24.
- In North America, over 70% of warehouse based vehicles are now electric. Further, the first electric tractor (truck) is expected in 1H24 and will be used to make deliveries in Southern California.

Community Pillar

- The Community pillar focuses on the safety, health and human rights of Orora's team members and communities, Orora has led a number of initiatives in FY23, including:
    - Embedding the final elements of the Global Integrated Safety Improvement Plan (GISIP) into the FY23-FY25 Health & Safety Strategy and started execution.
    - Implemented high-risk safety procedures including Contractor Management, and Hazard Identification and Risk Management.
    - Intensified the focus to drive a health and safety culture through leaders' communication and Safety Leadership Tours.
    - Rolled-out 'Our Orora' culture program to create an innovative, high performing and inclusive working environment.
    - Women in Leadership (WILO) program, now in its seventh year.
    - Published Orora's third Modern Slavery Statement.

CORPORATE

- Corporate costs are allocated directly to the business segments.
- Post repayment of the US$100.0m of USPP notes in July 2023, Orora has $350.0m of committed headroom under its existing debt facilities to support future investments.
- The following committed medium term bank debt facilities were refinanced or put in place in FY23 to extend the Group's weighted average debt maturity profile, fund ongoing capital expenditure projects and to re-pay maturing debt facilities:
    - $110m increase in facility limit to the global syndicated multi-currency facility maturing in November 2024;
    - A new $75m bilateral revolving debt facility maturing January 2026;
    - A new US$100m bilateral term debt facility maturing January 2028. This facility was used to repay US$100m of USPP notes which matured in July 2023;
    - Amended and extended a $35m bilateral revolving debt facility by two years to April 2025; and
    - Amended and extended the US syndicated facility by four years to June 2027 for US$100m.
- Leverage ratio of 2.0x is within the long-term target range of 2.0x – 2.5x, with leverage expected to increase in FY24 and FY25 due to the growth capex program.
- The decommissioning of the Petrie mill site continues to be a significant and complex exercise involving multiple government agencies. A further $34.4m was spent on decommissioning the site during FY23 ($26.5m in FY22). Unprecedented and continuing rainfall levels in Queensland in FY23 and unforeseen complexities related to the remediation of the remaining and most technically complex areas of the site have resulted in delays, with a further $26.0m ($18.2m after tax) recognised in respect of estimated costs to complete. A specialist environmental consulting firm continues to be engaged to manage the completion of the remaining remediation works. The Petrie related provision at 30 June 2023 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.
- Dividends in FY24 will be unfranked, due to capital investment programs and the tax benefits associated with Australia's instant asset write-off legislation for capital expenditure. The Group does not expect to frank future dividends until after FY24.

CONFERENCE CALL

- Orora is hosting a conference call for investors and analysts at 10:30am 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.