FY22 Half Year Results

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February 1, 2022 US
February 2, 2022 Australia

NYSE: AMCR | ASX: AMC

Disclaimers

Cautionary Statement Regarding Forward-Looking Statements

This document contains certain statements that are “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified with words like “believe,” “expect,” “target,” “project,” “may,” “could,” “would,” “approximately,” “possible,” “will,” “should,” “intend,” “plan,” “anticipate,” “estimate,” “commit,” “potential,” “outlook,” or “continue,” the negative of these words, other terms of similar meaning or the use of future dates. Such statements are based on the current expectations of the management of Amcor and are qualified by the inherent risks and uncertainties surrounding future expectations generally. Actual results could differ materially from those currently anticipated due to a number of risks and uncertainties. None of Amcor or any of its respective directors, executive officers or advisors provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. Risks and uncertainties that could cause actual results to differ from expectations include, but are not limited to: changes in consumer demand patterns and customer requirements; the loss of key customers, a reduction in production requirements of key customers; significant competition in the industries and regions in which Amcor operates; failure by Amcor to expand its business; failure to successfully integrate acquisitions; challenges to or the loss of Amcor’s intellectual property rights; adverse impacts from the ongoing COVID-19 pandemic; challenging future global economic conditions; impact of operating internationally; price fluctuations or shortages in the availability of raw materials and other inputs; disruptions to production, supply and commercial risks; a failure in our information technology systems; an inability to attract and retain key personnel; costs and liabilities related to current and future environmental and health and safety laws and regulations; labor disputes; the possibility that the phase out of the London Interbank Offered Rate (“LIBOR”) causes the interest expense to increase, foreign exchange rate risk; an increase in interest rates; a significant increase in indebtedness; failure to hedge effectively against adverse fluctuations in interest rates and foreign exchange rates; significant write-down of goodwill and/or other intangible assets; need to maintain an effective system of internal control over financial reporting; inability of the Company’s insurance policies to provide adequate protections; litigation, including product liability claims; increasing scrutiny and changing expectations with respect to Amcor Environmental, Social and Governance policies resulting in increased costs; changing government regulations in environmental, health and safety matters; changes in tax laws or changes in our geographic mix of earnings; and the Company’s ability to develop and successfully introduce new products; and other risks and uncertainties identified from time to time in Amcor’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including without limitation, those described under Item 1A. “Risk Factors” of Amcor’s annual report on Form 10-K for the fiscal year ended June 30, 2021 and any subsequent quarterly reports on Form 10-Q. You can obtain copies of Amcor’s filings with the SEC for free at the SEC’s website (www.sec.gov). Forward-looking statements included herein are made only as of the date hereof and Amcor does not undertake any obligation to update any forward-looking statements, or any other information in this communication, as a result of new information, future developments or otherwise, or to correct any inaccuracies or omissions in them which become apparent, except as expressly required by law. All forward-looking statements in this communication are qualified in their entirety by this cautionary statement.

Presentation of non-GAAP information

Included in this release are measures of financial performance that are not calculated in accordance with U.S. GAAP. These measures include adjusted EBIT (calculated as earnings before interest and tax), adjusted net income, adjusted earnings per share, adjusted free cash flow and net debt. In arriving at these non-GAAP measures, we exclude items that either have a non-recurring impact on the income statement or which, in the judgment of our management, are items that, either as a result of their nature or size, could, were they not singled out, potentially cause investors to extrapolate future performance from an improper base. While not all inclusive, examples of these items include:

- material restructuring programs, including associated costs such as employee severance, pension and related benefits, impairment of property and equipment and other assets, accelerated depreciation, termination payments for contracts and leases, contractual obligations, and any other qualifying costs related to the restructuring plan;
- material sales and earnings from disposed or ceased operations and any associated profit or loss on sale of businesses or subsidiaries;
- consummated and identifiable divestitures agreed to with certain regulatory agencies as a condition of approval for Amcor’s acquisition of Bemis;
- impairments in goodwill and equity method investments;
- material acquisition compensation and transaction costs such as due diligence expenses, professional and legal fees, and integration costs;
- material purchase accounting adjustments for inventory;
- amortization of acquired intangible assets from business combinations;
- significant property impairments, net of insurance recovery;
- payments or settlements related to legal claims; and
- impacts from hyperinflation accounting.

Amcor also evaluates performance on a comparable constant currency basis, which measures financial results assuming constant foreign currency exchange rates used for translation based on the average rates in effect for the comparable prior-year period. In order to compute comparable constant currency results, we multiply or divide, as appropriate, current-year U.S. dollar results by the current-year average foreign exchange rates and then multiply or divide, as appropriate, those amounts by the prior-year average foreign exchange rates. We then adjust for other items affecting comparability. While not all inclusive, examples of items affecting comparability include the difference between sales or earnings in the current period and the prior period related to acquired, disposed or ceased operations. Comparable constant currency net sales performance also excludes the impact from passing through movements in raw material costs.

Management has used and uses these measures internally for planning, forecasting and evaluating the performance of the Company’s reporting segments and certain of the measures are used as a component of Amcor’s board of directors’ measurement of Amcor’s performance for incentive compensation purposes. Amcor believes that these non-GAAP measures are useful to enable investors to perform comparisons of current and historical performance of the Company. For each of these non-GAAP financial measures, a reconciliation to the most directly comparable U.S. GAAP financial measure has been provided herein. These non-GAAP financial measures should not be construed as an alternative to results determined in accordance with U.S. GAAP. The Company provides guidance on a non-GAAP basis as we are unable to predict with reasonable certainty the ultimate outcome and timing of certain significant forward-looking items without unreasonable effort. These items include but are not limited to the impact of foreign exchange translation, restructuring program costs, asset impairments, possible gains and losses on the sale of assets and certain tax related events. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP earnings and cash flow measures for the guidance period.

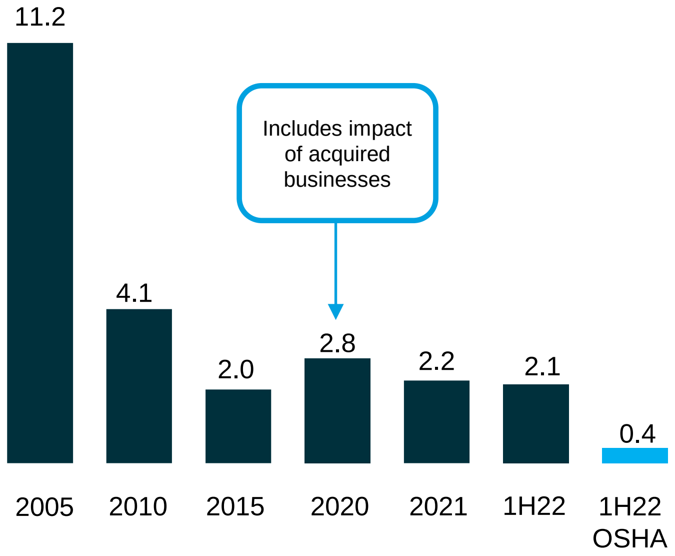
Safety

Committed to our goal of 'no injuries'

Amcor Values

- 10% reduction in number of injuries
- 58% of sites injury free for >12 months

Recordable-case frequency rate
(per million hours worked)



Notes: Recordable cases per 1,000,000 hours worked. All data shown for a 12 month period ended June 30 unless otherwise indicated. Acquired businesses (including Bemis) are included in 2020 and account for the increase in frequency rate compared with 2015
Amcor equivalent under OSHA (Occupational Safety & Health Administration) standard of incidents per 200,000 hours

Key messages

1. Solid first half result and outlook for fiscal 2022 unchanged
2. Increasing cash returns to shareholders
3. Strong foundation and investing for growth
4. Building on our sustainability progress and raising our ambitions

Solid first half financial result

Net sales	EBIT	EPS
$6,927M	$769M	35.8 cents
+12%	+5%	+9%

Increasing returns to shareholders

- RoAFE increased to 16%
- $600 million of share repurchases expected in fiscal 2022
- Quarterly dividend increased to 12 cents per share

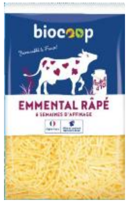
Solid result delivered in a challenging and dynamic operating environment

Notes: EBIT and EPS presented on an adjusted basis. Adjusted non-GAAP measures exclude items which are not considered representative of ongoing operations. Net Sales, EBIT and EPS growth rates exclude the impact of movements in foreign exchange rates and items affecting comparability. RoAFE reflects Adjusted EBIT / Average funds employed (four quarter average). Further details related to non-GAAP measures and reconciliations to U.S. GAAP measures can be found in the appendix section.

Flexibles segment

Strong earnings growth and margin management

	1H21	1H22	Comparable constant currency Δ
Net sales ($m)	4,850	5,347	+2%
Adjusted EBIT ($m)	653	691	+7%
Adjusted EBIT margin	13.5%	12.9%	



AmPrima™ recycle ready laminate for cheese

Recycle ready laminate for powdered juice

First half highlights

- Sales of $5.3bn includes price increases of ~$480 million (10% growth) related to higher raw material costs
- Sales growth of 2% tempered by supply chain disruptions
  - Favorable mix with HSD growth in healthcare and DD growth in pet food and coffee
  - Sequential volume improvement in second quarter
- Adjusted EBIT growth of 7%
  - Growth in priority high value segments & strong cost performance

Notes: Non-GAAP measures exclude items which are not considered representative of ongoing operations. Further details related to non-GAAP measures including Adjusted EBIT and reconciliations to U.S. GAAP measures can be found in the appendix. Comparable constant currency Δ% for Net sales excludes a 10% impact from the pass through of raw material costs, a 1% unfavorable impact from items affecting comparability (disposed and ceased operations) and an unfavourable currency impact of <1%. DD is 'Double Digit'. HSD is 'High-Single Digit'.

Rigid Packaging segment

Expect a return to earnings growth in the second half vs the same period last year

	1H21	1H22	Comparable constant currency Δ
Net sales ($m)	1,352	1,580	+4%
Adjusted EBIT ($m)	134	117	(13)%
Adjusted EBIT margin	9.9%	7.4%	

100% recycled PET

Conversion to PET format in aseptic liquid dairy segment

First half highlights

- Sales of $1.6bn includes price increases of ~$170 million (13% growth) related to higher raw material costs
- Sales growth reflects strong underlying demand
- North America beverage volumes up 3% (6% in 2Q)
- Latin America volumes up DD. Earnings higher
- Improving trends and earnings performance towards the end of the first half
  - As expected, industry-wide supply chain challenges in North America persisted through the first half

Notes: Non-GAAP measures exclude items which are not considered representative of ongoing operations. Further details related to non-GAAP measures including Adjusted EBIT and reconciliations to U.S. GAAP measures can be found in the appendix. Comparable constant currency Δ% for Net sales excludes a 13% impact from the pass through of raw material costs.
DD is 'Double Digit'.

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Cash flow, balance sheet & cash returns to shareholders

Strong balance sheet. Investing in growth. Increasing returns to shareholders

Year to date cash flow ($ million)	1H21	1H22
Adjusted EBITDA	**948**	**976**
Interest and tax payments	(233)	(157)
Capital expenditure	(214)	(249)
Movement in working capital	(209)	(440)
Other	(16)	(25)
Adjusted Free Cash Flow(1)	**276**	**105**

Balance sheet(2)	December 2021
Net debt ($ million)	6,043
Leverage: Net debt / LTM EBITDA (x)	2.9x

First half highlights

- Growing EBITDA
- Working capital impacted by timing of raw material costs
    - Average working capital to sales remains below 8%
- Strategic capital investments in organic growth
- ~50% increase in cash returns to shareholders
    - $295 million of share repurchases to date
    - Quarterly dividend increased to 12 cps
- Additional $200 million of share repurchases announced; Total of $600 million expected in fiscal 2022

Notes: Non-GAAP measures exclude items which are not considered representative of ongoing operations. Further details related to non-GAAP measures including Adjusted EBITDA and Adjusted Free Cash Flow and reconciliations to U.S. GAAP measures can be found in the appendix section.

(1) Adjusted Free Cash Flow excludes material transaction and integration related costs because these cash flows are not considered to be directly related to ongoing operations.

(2) Leverage calculated as net debt divided by adjusted trailing twelve month EBITDA.

Guidance for fiscal year ending 30 June 2022 unchanged

For fiscal 2022 the Company continues to expect:

Adjusted EPS growth of approximately 7 to 11% on a comparable constant currency basis, or approximately 79.0 to 81.0 cents per share on a reported basis assuming current exchange rates prevail through fiscal 2022

Adjusted Free Cash Flow of approximately $1.1 to $1.2 billion

Approximately $600 million (previously $400 million) of cash to be allocated towards share repurchases

Amcor's guidance contemplates a range of factors which create a higher degree of uncertainty and additional complexity when estimating future financial results. Refer to slide 2 for further information.

Note: Reconciliations of the fiscal 2022 projected non-GAAP measures are not included herein because the individual components are not known with certainty as individual financial statements for fiscal 2022 have not been completed.

Investment case: Strong foundation for growth and value creation

- **Global leader in primary consumer and healthcare packaging** with a strong track record
- **Consistent growth** from priority segments, emerging markets and innovation
- **Growing cash flow and strong balance sheet** provides ongoing capacity to invest
- **Increasing investment for growth** and building momentum
- **Compelling and growing dividend** with current yield ~4%

EPS growth + Dividend yield = 10-15% per year

Notes: A range of factors are contemplated when estimating future financial results. Refer to slide 2 for further information.

Investing in multiple drivers of organic growth

Priority Segments

>$4 bn sales in higher growth, higher value segments:

Healthcare

Protein

Pet food

Premium Coffee

Hot-fill beverage

Emerging Markets

>$3 bn Emerging Markets sales across 27 countries:

MSD volume growth across Emerging Markets portfolio

Innovation

Driving value through differentiated packaging:

THE SCHOOL OF PACKAGING MICHIGAN STATE UNIVERSITY

World class global innovation center network

More sustainable packaging

To preserve food and healthcare products, protect consumers and promote brands

Notes: MSD is 'Mid-Single Digit'.

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Competitive advantage and leadership in priority segments

Protein

Healthcare

Premium Coffee

Pet Food

Hot-Fill Beverage

Total Amcor sales >$4 billion across priority segments

Common segment features:

Large addressable markets (>$1bn each)

Higher margins

Above average growth rates

Significant investment opportunities

MSD growth ➡ Mix improvement ➡ Margin expansion

Notes: MSD is 'Mid-Single Digit'.

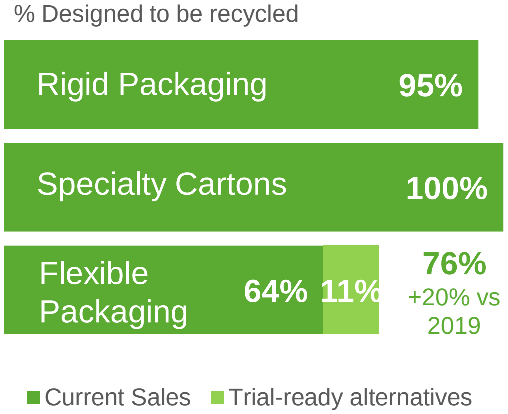
Sustainability: Amcor's greatest opportunity for growth and differentiation

Responsible Packaging:

1. Packaging design
2. Waste management infrastructure
3. Consumer participation

Hearing directly from 12,000 consumers

Making progress across our portfolio



Launching new product platforms

Sustainability: Building on our progress, increasing our ambitions

Strong progress

EnviroAction (vs 2006)

35% Reduction in GHG emissions intensity

115 Sites with zero waste to disposal

100% Sites with water management plans

External recognition

MSCI ESG RATINGS AA

FTSE4Good

SILVER 2021 ecovadis Sustainability Rating

member of the INVESTMENT REGISTER ETHIBEL EXCELLENCE

CDP DISCLOSER 2021

Raising the bar

Net zero GHG emissions by 2050

Pathway aligned with Science Based Targets

Notes: GHG is ‘Greenhouse gas’.

Key messages

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2. Increasing cash returns to shareholders
3. Strong foundation and investing for growth
4. Building on our sustainability progress and raising our ambitions

Appendix slides

FY22 First Half results – supplementary schedules and reconciliations

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FX translation impact

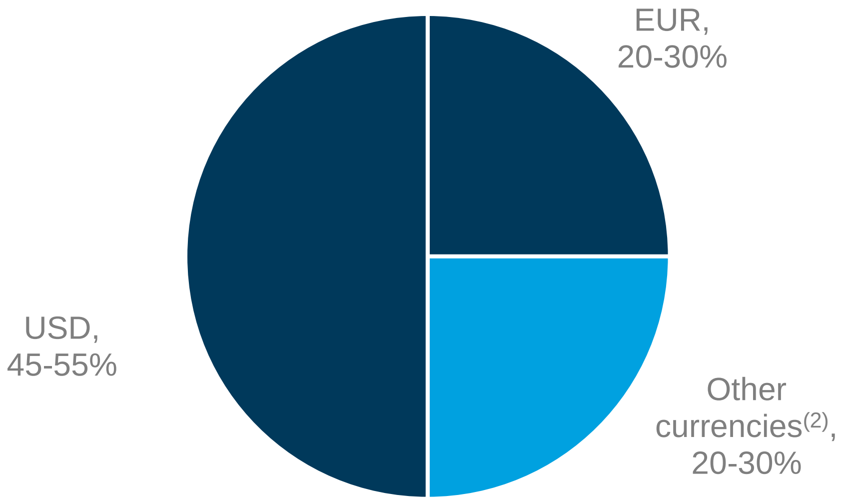
1H22 currency impact

Total currency impact	$ million
Adjusted EBIT	(3)
Adjusted net income	(2)

EUR:USD	
Euro weakened vs USD, Average USD to EUR rate 1H22 0.8615 vs 1H21 0.8473	USD million impact on 1H22 adjusted net income
(2%)	(2)

Other currencies[2]:USD	
Other currencies weighted average vs USD flat for 1H22 vs 1H21 average rates	USD million impact on 1H22 adjusted net income
0%	0

Combined net income currency exposures[1]



(1) Approximate range based on adjusted net income by currency.
(2) Includes all currencies other than USD and EUR.

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Reconciliations of non-GAAP financial measures

Reconciliation of Non-GAAP Measures

Reconciliation of adjusted Earnings before interest, tax, depreciation and amortization (EBITDA), Earnings before interest and tax (EBIT), Net income, and Earnings per share (EPS)

	Six Months Ended December 31, 2020				Six Months Ended December 31, 2021			
($ million)	EBITDA	EBIT	Net Income	EPS (Diluted US cents)	EBITDA	EBIT	Net Income	EPS (Diluted US cents)
Net income attributable to Amcor	**417**	**417**	**417**	**26.5**	**427**	**427**	**427**	**27.9**
Net income attributable to non-controlling interests	5	5			5	5		
Tax expense	116	116			124	124		
Interest expense, net	70	70			69	69		
Depreciation and amortization	287				289			
EBITDA, EBIT, Net income and EPS	**895**	**608**	**417**	**26.5**	**914**	**625**	**427**	**27.9**
Material restructuring and related costs	39	39	39	2.5	17	17	17	1.1
Net (gain) / loss on disposals[1]	(9)	(9)	(9)	(0.6)	9	9	9	0.6
Material transaction and other costs[2]	13	13	13	0.8	2	2	2	0.1
Impact of hyperinflation	11	11	11	0.7	4	4	4	0.3
Property and other losses, net[3]	—	—	—	—	27	27	27	1.8
Pension settlement	—	—	—	—	3	3	3	0.2
Amortization of acquired intangibles		82	82	5.2		82	82	5.3
Tax effect of above items			(29)	(1.8)			(23)	(1.5)
Adjusted EBITDA, EBIT, Net income and EPS	**948**	**743**	**522**	**33.3**	**976**	**769**	**548**	**35.8**
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBITDA, EBIT, Net income, and EPS					**3**	**4**	**5**	**8**
% items affecting comparability[4]					1	1	1	1
% currency impact					—	—	—	—
% comparable constant currency growth					**4**	**5**	**6**	**9**

(1) Net (gain)/loss on disposals for the six months ended December 31, 2021 includes an expense of $9 million, triggered by a commitment to sell non-core assets. The six months ended December 31, 2020 includes the gain realized upon the disposal of AMVIG and the loss upon disposal of other non-core businesses not part of material restructuring programs.
(2) Includes costs associated with the Bemis acquisition.
(3) Property and other losses, net includes property and related business losses primarily associated with the destruction of the Company's Durban, South Africa facility during general civil unrest in July 2021 net of insurance recovery deemed probable for incurred losses.
(4) Reflects the impact of disposed and ceased operations.

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Reconciliations of non-GAAP financial measures

Reconciliation of adjusted EBIT by reporting segment

($ million)	Six Months Ended December 31, 2020 Flexibles	Rigid Packaging	Other(1)	Total	Six Months Ended December 31, 2021 Flexibles	Rigid Packaging	Other(1)	Total
Net income attributable to Amcor				**417**				**427**
Net income attributable to non-controlling interests				5				5
Tax expense				116				124
Interest expense, net				70				69
EBIT	**534**	**110**	**(36)**	**608**	**559**	**108**	**(42)**	**625**
Material restructuring and related costs	27	10	2	39	17	—	—	17
Net (gain) / loss on disposals(2)	6	—	(15)	(9)	9	—	—	9
Material transaction and other costs(3)	7	1	5	13	—	—	2	2
Impact of hyperinflation	—	11	—	11	—	4	—	4
Property and other losses, net(4)	—	—	—	—	27	—	—	27
Pension settlement	—	—	—	—	—	2	1	3
Amortization of acquired intangibles	79	3	—	82	79	3	—	82
Adjusted EBIT	**653**	**134**	**(45)**	**743**	**691**	**117**	**(39)**	**769**
Adjusted EBIT / sales %	**13.5 %**	**9.9 %**		**12.0 %**	**12.9 %**	**7.4 %**		**11.1 %**
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBIT					**6**	**(13)**		**4**
% items affecting comparability(5)					1	—		1
% currency impact					—	—		—
% comparable constant currency					**7**	**(13)**		**5**

(1) Other includes equity in income of affiliated companies, net of tax and general corporate expenses.
(2) Net (gain)/loss on disposals for the six months ended December 31, 2021 includes an expense of $9 million, triggered by a commitment to sell non-core assets. The six months ended December 31, 2020 includes the gain realized upon the disposal of AMVIG and the loss upon disposal of other non-core businesses not part of material restructuring programs.
(3) Includes costs associated with the Bemis acquisition.
(4) Property and other losses, net includes property and related business losses primarily associated with the destruction of the Company's Durban, South Africa, facility during general civil unrest in July 2021 net of insurance recovery deemed probable for incurred losses.
(5) Reflects the impact of disposed and ceased operations.

Reconciliations of non-GAAP financial measures

Reconciliations of adjusted Free Cash Flow

	Six Months Ended December 31,	
($ million)	2020	2021
Net cash provided by operating activities	442	323
Purchase of property, plant, and equipment and other intangible assets	(218)	(255)
Proceeds from sale of property, plant, and equipment and other intangible assets	4	6
Material transaction and integration related costs	48	31
Adjusted Free Cash Flow(1)	**276**	**105**

(1) Adjusted Free Cash Flow excludes material transaction and integration related cash costs because these cash flows are not considered to be directly related to ongoing operations.

	Six Months Ended December 31,	
($ million)	2020	2021
Adjusted EBITDA	948	976
Interest (paid)/received, net	(65)	(47)
Income tax paid	(168)	(110)
Purchase of property, plant and equipment and other intangible assets	(218)	(255)
Proceeds from sale of property, plant and equipment and other intangible assets	4	6
Movement in working capital	(209)	(440)
Other	(16)	(25)
Adjusted Free Cash Flow(1)	**276**	**105**

(1) Adjusted Free Cash Flow excludes material transaction and integration related cash costs because these cash flows are not considered to be directly related to ongoing operations.

Reconciliation of net debt

($ million)	June 30, 2021	December 31, 2021
Cash and cash equivalents	(850)	(626)
Short-term debt	98	115
Current portion of long-term debt	5	6
Long-term debt excluding current portion of long-term debt	6,186	6,548
Net debt	**5,439**	**6,043**