

# ANNUAL GENERAL MEETING

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2017



**amcor**



**CHAIRMAN**

Mr Graeme Liebelt

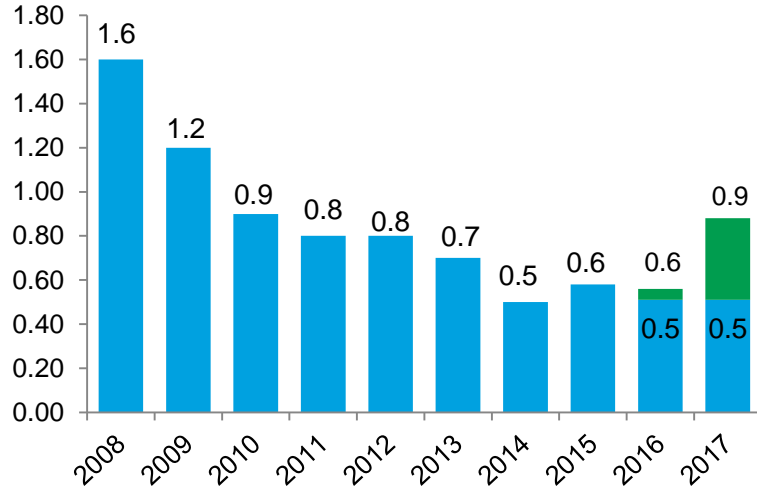


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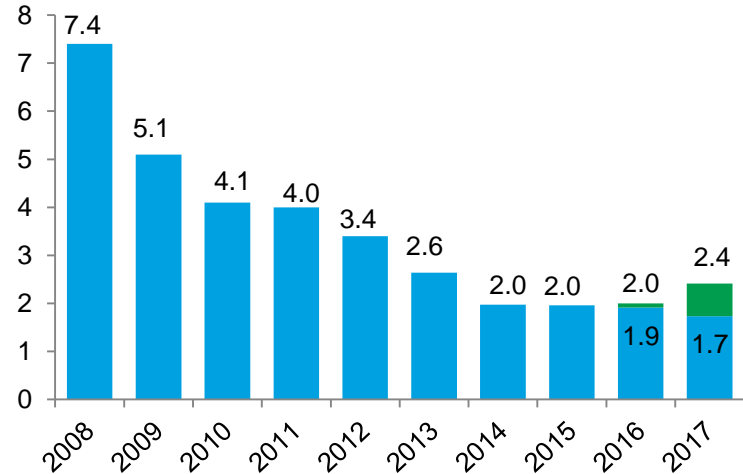


## Committed to our goal of 'no injuries'

Lost Time Frequency Rate



Recordable Case Frequency Rate



■ Legacy businesses ■ Acquired businesses

2008 to 2012 is shown inclusive of the demerged Orora business. 2015 to 2017 is shown inclusive of acquired businesses from the first day of ownership.

# Full year results<sup>(1)</sup> – strong financial and operating performance

US\$ million	Jun 16	Jun 17	△ %	Constant currency △ % <sup>(2)</sup>
Profit after tax	671.1	701.2	4.5	9.6
Earnings per share (US cents per share)	57.7	60.6	5.0	10.1
Free cash flow	311.2	245.3		
Operating margin (%)	11.2	12.0		
Return on funds employed (%)	21.6	20.4		
Dividend per share (US cents per share)	41.0	43.0		
Dividend per share (AUD cents per share)	55.3	55.45		

1. References are to underlying earnings unless otherwise indicated. Earnings growth presented on a comparable basis. Refer to slides 30-33 for further information, including a reconciliation of statutory earnings to underlying earnings.

2. Growth rates adjusted to reflect the elimination of financial exposure to Amcor's business in Venezuela



# Flexibles



- Earnings growth of 8.2% in constant currency terms
- Operating margins expanded to 12.9%
- Returns remained strong at 24.4%
- Alusa acquisition contributed US\$32 million to earnings
- Good organic growth and includes restructuring benefits of US\$15m

References are to underlying PBIT. Refer to slides 30-33 for further information, including a reconciliation of statutory earnings to underlying earnings.

# Rigid Plastics

- Earnings increased by 8.6%
- Higher volumes and favourable mix in North America beverage
- Challenging economic environment in Latin America
- Growth in Specialty Containers and Bericap
- Sonoco acquisition contributed US\$12 million



1. References are to underlying PBIT. Refer to slides 30-33 for further information, including a reconciliation of statutory earnings to underlying earnings.

# Strong balance sheet and free cash flow

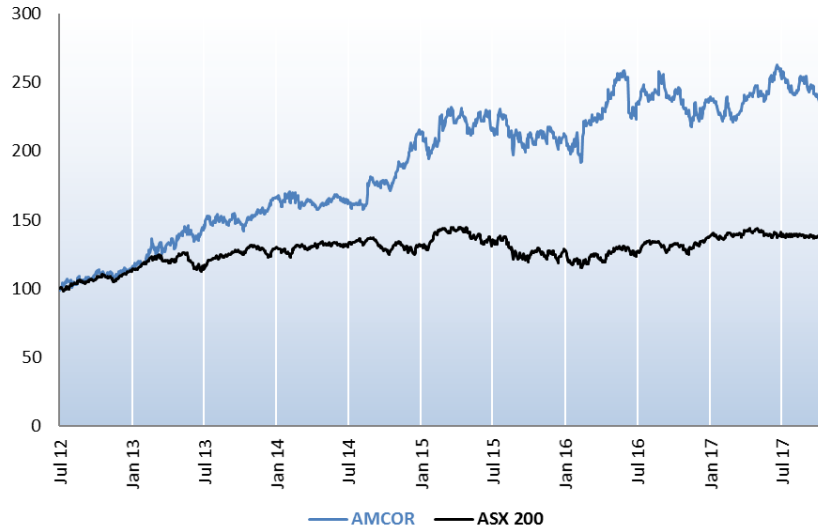
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- Strong free cash flow of US\$245 million
- Balance sheet remains strong
  - Net debt / EBITDA 2.7 times
  - EBITDA interest cover 7.8 times
- Well positioned to continue to fund growth and the dividend

# Strong returns for shareholders

Rebased share price performance



Source: Bloomberg

- Total Shareholder Return 212% since 1 July 2012
- Share price appreciation 151%
- Dividend 61%

Based on closing share price of \$15.97 on 26 October 2017



# Corporate Governance

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- The Board is committed to achieving and demonstrating the highest standards of corporate governance



**CHAIRMAN**

Mr Graeme Liebelt



**amcor**





# MANAGING DIRECTOR & CEO

Mr Ron Delia



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**MANAGING  
DIRECTOR  
& CEO**

Mr Ron Delia



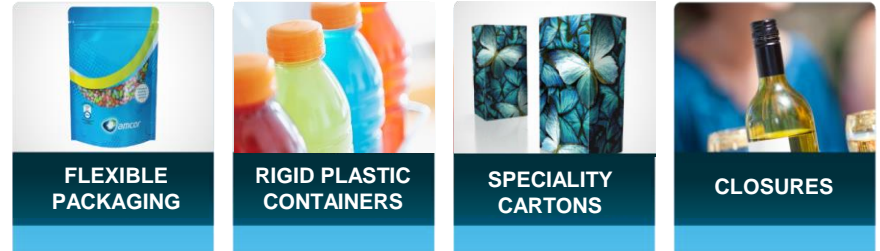
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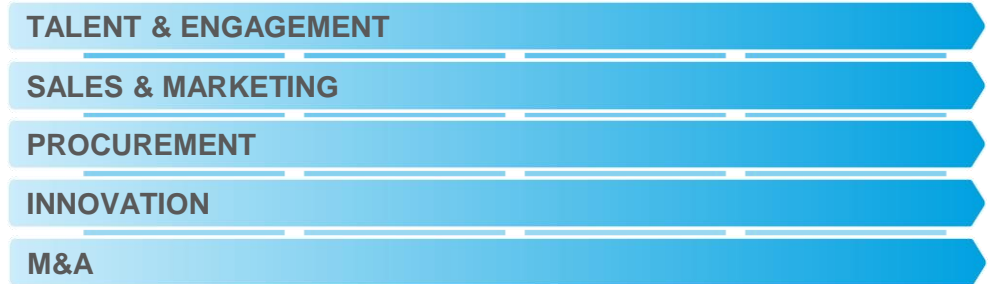
Aspire.  
Focus.  
Grow.

# Amcor strategy and growth

**Focused Portfolio**



**Differentiated Capabilities**



**Shareholder Value Creation**





# Amcor strategy and growth

## Focused Portfolio



### Strong businesses

- Primary, consumer packaging
- Good industry structure
- Attractive relative growth

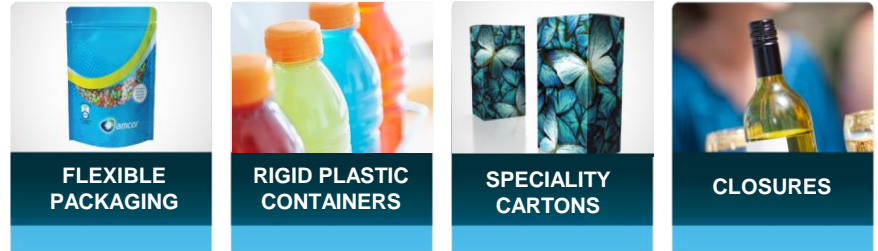
### Multiple paths to winning

- Market leadership / Scale
- Differentiation



# Amcor strategy and growth

## Focused Portfolio



## Differentiated Capabilities

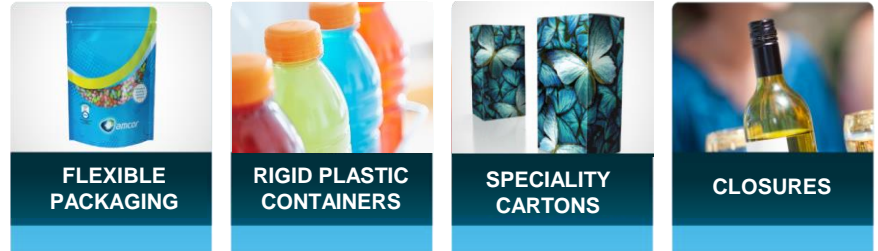


- Competitive advantage
- Leverage
- Growth and productivity

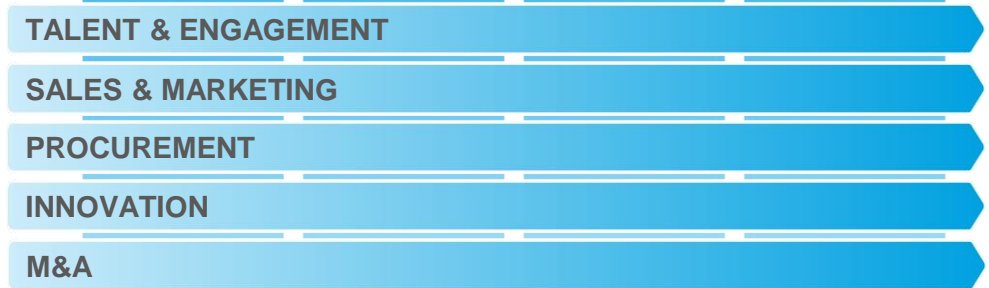


# Amcor strategy and growth

**Focused Portfolio**



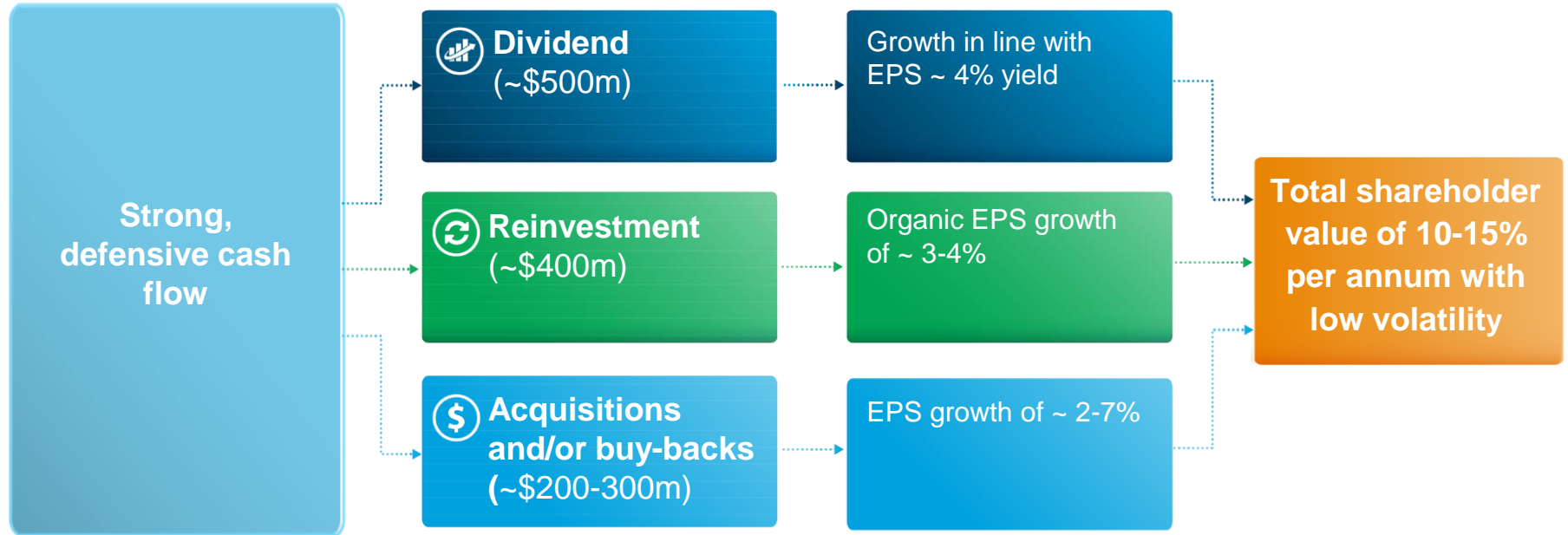
**Differentiated Capabilities**



**Shareholder Value Creation**



# Amcor shareholder value creation model



# Current operating priorities advance the strategy

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## Strong foundation

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- Values, starting with safety
  - The Amcor Way
- Execution and delivery of results
- Cash focus and disciplined capital allocation

## Opportunities

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- Generating our own growth
- Increasing agility and pace of adapting operations
- Strengthening and engaging our team

Build on



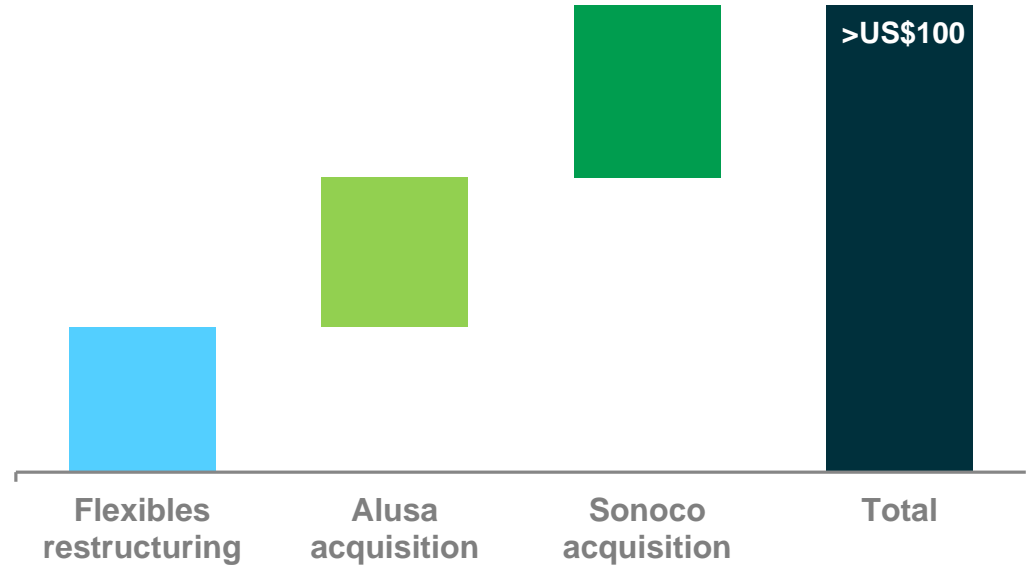
Accelerate



# Mid-term growth: delivering on recent investments

## Contribution to earnings growth by 2019/20

- Investments underpin further PBIT growth of >US\$100 million over the next three years
- In addition to organic growth and continued M&A



# Longer-term growth: opportunities across all businesses

## All Amcor Businesses : Organic and Acquisition Opportunities

### Focus segments: substantial growth potential

#### Flexible Packaging Americas



#### Flexible Packaging Asia



#### Rigid Plastics specialty containers



#### Capsules and Closures



Attractive  
Fundamentals

Opportunity to  
Differentiate

Underweight  
Position

# Strategic progress and recognition

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## New Plastics Economy



## Executive Development Program



## DuPont Awards



# Strategic progress and recognition

## Fortune 'Change the World' Report

### FORTUNE

39	Allstate	Insurance: Property & Casualty
40	Woolworths Holdings	General Merchandisers
41	American Express	Diversified Financials
42	Amcor	Packaging, Containers
43	Marriott	Hotels, Casinos, Resorts
44	Chobani	Food Production
45	Grupo Nutresa	Food Production





## Summary

- Strong foundation to build on
- Good progress against strategic priorities
- Broad range of growth opportunities
- Continued strong value creation



# First Quarter Trading

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# Flexibles



- Developed markets and restructuring initiatives in line with expectations
- Headwinds from higher raw materials costs and weak performance in emerging markets
- Strong PBIT growth expected for 2017/18
  - Dependent on raw material developments and trading conditions over the balance of the year
- First half earnings expected to be broadly in line with prior year

# Rigid Plastics

- Specialty Containers as expected and good volume growth with regional customers
- Weak beverage and closure volumes in North America and Latin America remains soft
- Solid PBIT growth expected for 2017/18
  - Dependent on beverage volumes in North and South America over the balance of the year
- First half earnings expected to be broadly in line with prior year



# Trading Summary



- Parts of the business performing well, but overall a difficult September quarter, especially in emerging markets
- Appropriate actions, proactive response
  - Pricing to recover raw materials
  - Cost and capacity flexing
- More cautious outlook but continue to expect PAT growth within the range of outcomes expected in August





Aspire.  
Focus.  
**Grow.**



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# Results

US\$ million	Statutory result		Adjustments <sup>(1)</sup>		Underlying result	
	2016	2017	2016	2017	2016	2017
Sales revenue	9,421.3	9,101.0	-	-	9,421.3	9,101.0
PBITDA	929.7	1,311.5	(479.6)	(135.5)	1,409.3	1,447.0
- Depreciation and amortisation	(354.0)	(358.8)	-	-	(354.0)	(358.8)
PBIT	575.7	952.7	(479.6)	(135.5)	1,055.3	1,088.2
- Net finance costs	(166.8)	(187.0)	-	-	(166.8)	(187.0)
<b>Profit before tax</b>	<b>408.9</b>	<b>765.7</b>	<b>(479.6)</b>	<b>(135.5)</b>	<b>888.5</b>	<b>901.2</b>
- Income tax expense	(135.3)	(151.7)	52.6	31.3	(187.9)	(183.0)
- Non-controlling interest	(29.5)	(17.0)	-	-	(29.5)	(17.0)
<b>Profit after tax</b>	<b>244.1</b>	<b>597.0</b>	<b>(427.0)</b>	<b>(104.2)</b>	<b>671.1</b>	<b>701.2</b>
<b>Key ratios</b>						
PBIT margin (%)					11.2	12.0
Return on funds employed (%)					21.6	20.4
EPS (US cents)					57.7	60.6
Operating cash flow (US\$ million)					311.2	245.3

1. Refer to slides 31-32 for further details.

# Details of adjustments

	US\$ million									
	Flexibles € million		Flexibles		Rigid Plastics		Investments / Other		Consolidated	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<b>Income statement</b>										
Flexibles segment restructuring	(85.5)	(124.4)	(94.9)	(135.5)	-	-	-	-	(94.9)	(135.5)
Change of accounting treatment Venezuela	-	-	-	-	(384.7)	-	-	-	(384.7)	-
<b>Total PBIT adjustments</b>	<b>(85.5)</b>	<b>(124.4)</b>	<b>(94.9)</b>	<b>(135.5)</b>	<b>(384.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(479.6)</b>	<b>(135.5)</b>
Tax on adjustments	15.1	28.8	16.8	31.3	35.8	-	-	-	52.6	31.3
<b>Total PAT adjustments</b>	<b>(70.4)</b>	<b>(95.6)</b>	<b>(78.1)</b>	<b>(104.2)</b>	<b>(348.9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(427.0)</b>	<b>(104.2)</b>

# Details of adjustments *continued*

## Flexibles segment restructuring

### 1. Main initiatives announced

Date	Announcement
14 June 2016	Closure of the Flexibles packaging plant in Halen (Belgium)
14 June 2016	Closure of the Tobacco packaging plant in Bristol (England)
14 June 2016	A restructure of the Flexibles packaging plant in Cumbria (England)
21 June 2016	A new organisation structure for Flexibles, Europe, Middle East & Africa business
17 July 2016	Closure of the Flexibles packaging plant in Nunawading (Australia)
22 August 2016	Closure of the Flexibles packaging plant in Christchurch (New Zealand)
29 November 2016	Closure of the Tobacco packaging plant in Singapore
29 November 2016	Closure of the Tobacco packaging plant in Lachine (Canada)
9 February 2017	Closure of the Flexibles packaging plant in Argentan (France)

### 2. Expected phasing of restructuring costs and benefits

(US\$ million)	Total post-tax costs <sup>(1)</sup>	Cash costs	Pre-tax benefits <sup>(2)</sup>
Recognised in FY16	78	-	-
Recognised in FY17	104	98	15
Expected to be recognised in FY18	-	62	25-30
Expected to be recognised in FY19	-	-	10-15
<b>Cumulative costs and benefits</b>	<b>182</b>	<b>160</b>	<b>50-60</b>

(1) Total costs on a pre-tax basis of US\$230 million. There are no further costs expected to be recognised in profit and loss in relation to these restructuring initiatives.

(2) Benefits to be recognised in earnings for the Flexibles segment in the period indicated.

# Constant currency growth

Growth in underlying earnings represents growth for ongoing operations. This has been adjusted to reflect the elimination of financial exposure to Amcor's business in Venezuela. As announced to the ASX on 9 June 2016, and detailed in Amcor's 2016 full year earnings release on 25 August 2016, a number of measures were taken at 30 June 2016 to eliminate Amcor's financial exposure to Venezuela, following a deterioration in economic conditions. As outlined in those documents, the full year negative impact for the 2016/17 financial year on PBIT is approximately US\$40 million (unfavourable PAT impact of US\$20 million) compared with 2015/16. The full year negative impact for the 2016/17 financial year on Sales is approximately US\$600 million. Growth has been adjusted to exclude Venezuela impact as above.

	Total Sales			Total PBITDA			Total PBIT		
	FY16 US\$ million	FY17 US\$ million	Δ %	FY16 US\$ million	FY17 US\$ million	Δ %	FY16 US\$ million	FY17 US\$ million	Δ %
Underlying	9,421.3	9,101.0	(3.4)	1,409.3	1,447.0	2.7	1,055.3	1,088.2	3.1
Constant currency		9,232.4	(2.0)		1,468.3	4.2		1,106.2	4.8
Constant currency ongoing operations			4.4			7.2			8.6

	Total PAT			EPS			Rigid Plastics Sales			Rigid Plastics PBIT		
	FY16 US\$ million	FY17 US\$ million	Δ %	FY16 US cents	FY17 US cents	Δ %	FY16 US\$ million	FY17 US\$ million	Δ %	FY16 US million	FY17 US million	Δ %
Underlying	671.1	701.2	4.5	57.7	60.6	5.0	3,357	2,877	(14.3)	352.5	342.7	(2.8)
Constant currency		715.4	6.6		61.8	7.1		2,877	(14.3)		342.7	(2.8)
Constant currency ongoing operations			9.6			10.1			3.8			8.6