

FY23 Half Year Results

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February 8, 2023 Australia



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,” “commit,” “estimate,” “potential,” “ambitions,” “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; challenging current and future global economic conditions, including inflation and supply chain disruptions; impact of operating internationally, including negative impacts from the Russia-Ukraine conflict; price fluctuations or shortages in the availability of raw materials, energy, and other inputs; disruptions to production, supply, and commercial risks, which may be exacerbated in times of economic volatility; global health outbreaks, including COVID-19; an inability to attract and retain key personnel; costs and liabilities related to current and future environment, health, and safety laws and regulations; labor disputes; risks related to climate change; failures or disruptions in information technology systems; cybersecurity risks; a significant increase in indebtedness or a downgrade in the credit rating; foreign exchange rate risk; rising interest rates; a significant write-down of goodwill and/or other intangible assets; failure to maintain an effective system of internal control over financial reporting; inability of the Company’s insurance policies to provide adequate protections; challenges to or the loss of intellectual property rights; 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 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, 2022 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 EBITDA and EBITDA (calculated as earnings before interest and tax and depreciation and amortization), adjusted EBIT and 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;
- 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 combination;
- significant property impairments, net of insurance recovery;
- payments or settlements related to legal claims;
- impacts from hyperinflation accounting; and
- impacts related to the Russia-Ukraine conflict.

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

Guided by our values. Our number one priority



Safety

Amcor Values



Integrity



Collaboration



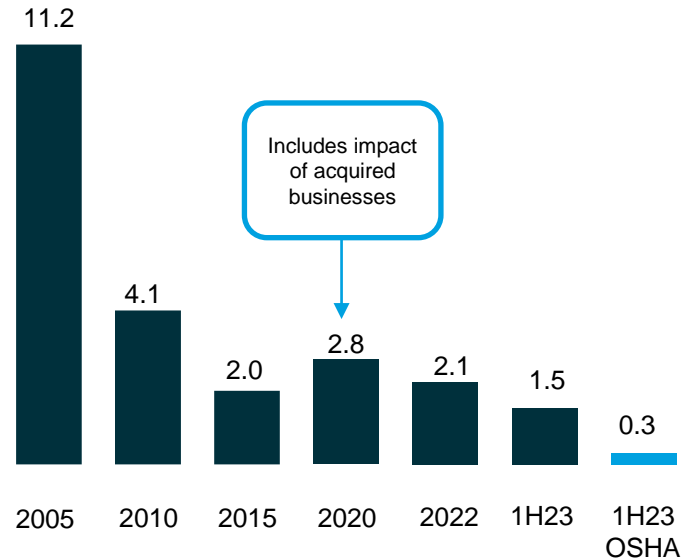
Accountability



Results and
Outperformance

- 24% reduction in number of injuries in 1H23
- 65% of sites injury free for > 12 months

Recordable-case frequency rate (per million hours worked)



Notes: Recordable cases per 1,000,000 hours worked. Graph 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. Strong quarter and year to date financial performance delivered amid ongoing challenges in the macroeconomic environment
2. Amcor well positioned with a strong, resilient portfolio
3. Fiscal 2023 guidance ranges maintained, however, more cautious on demand outlook
4. Focused on execution and investing to build on our strong foundation

Strong year to date and quarter financial performance

Strong operating leverage. Focused on execution, recovering inflation and managing costs

	1H23	2Q23
Net sales	\$7,354m +2% (+12% including 10% pass through of higher raw material costs)	\$3,642m +1% (+9% including 8% pass through of higher raw material costs)
EBIT	\$791m +8%	\$399m +7%
EPS	36.6 cents +8%	18.5 cents +7%

- ~\$400 million first half cash returns to shareholders
- Quarterly dividend increased to 12.25 cents per share
- \$40 million share repurchases
- RoAFE of 17%

Flexibles segment

Solid sales growth and price/mix benefits. Strong cost performance

	1H22	1H23	Comparable constant currency Δ
Net sales (\$m)	5,347	5,591	+3%
Adjusted EBIT (\$m)	691	706	+8%
Adjusted EBIT margin	12.9%	12.6%	



Customer transition - AmPrima™ PE recycle ready film with 50% recycled content



New product launch - AmPrima™ PE Plus recycle ready pouch

First half fiscal 2023 highlights

- Net sales of \$5.6bn includes price increases of ~\$460m (9% growth) related to higher raw material costs
- Net sales growth of 3% reflects strong price/mix benefits across all business units offset by 1% lower volumes
 - Strong volume growth in healthcare and pet care end markets
 - Volumes challenged by macroeconomic conditions in Latin America and COVID lockdowns in China
- Adjusted EBIT growth of 8%
 - Reflects price/mix benefits, strong management of inflation and favorable operating cost performance

Rigid Packaging segment

Improved operating cost performance

	1H22	1H23	Comparable constant currency Δ
Net sales (\$m)	1,580	1,763	(1)%
Adjusted EBIT (\$m)	117	123	+7%
Adjusted EBIT margin	7.4%	7.0%	



New product launch in PET format



Lighter weight refillable PET bottles

First half fiscal 2023 highlights

- Net sales of \$1.8bn include price increases of ~\$210m (13% growth) from higher raw material costs
- North America
 - Beverage: hot fill container volumes up 2% in the first half. Overall volumes impacted by slower demand and customer destocking in the December quarter
 - Specialty containers: volume growth with strength in healthcare, dairy and nutrition end markets
- Latin America volumes up in the first half. December quarter challenged by macroeconomic conditions
- 7% EBIT growth driven by improved operating cost performance

Cash flow and balance sheet

Strong balance sheet and December quarter free cash flow in line with last year

Year to date cash flow (\$ million)	1H22	1H23
Adjusted EBITDA	976	994
Interest and tax payments	(157)	(203)
Capital expenditure	(255)	(250)
Movement in working capital	(440)	(610)
Other	(19)	8
Adjusted Free Cash Flow⁽¹⁾	105	(61)

Balance sheet ⁽²⁾	December 2022
Net debt (\$ million)	6,065
Leverage: Net debt / LTM EBITDA (x)	2.8x

First half fiscal 2023 highlights

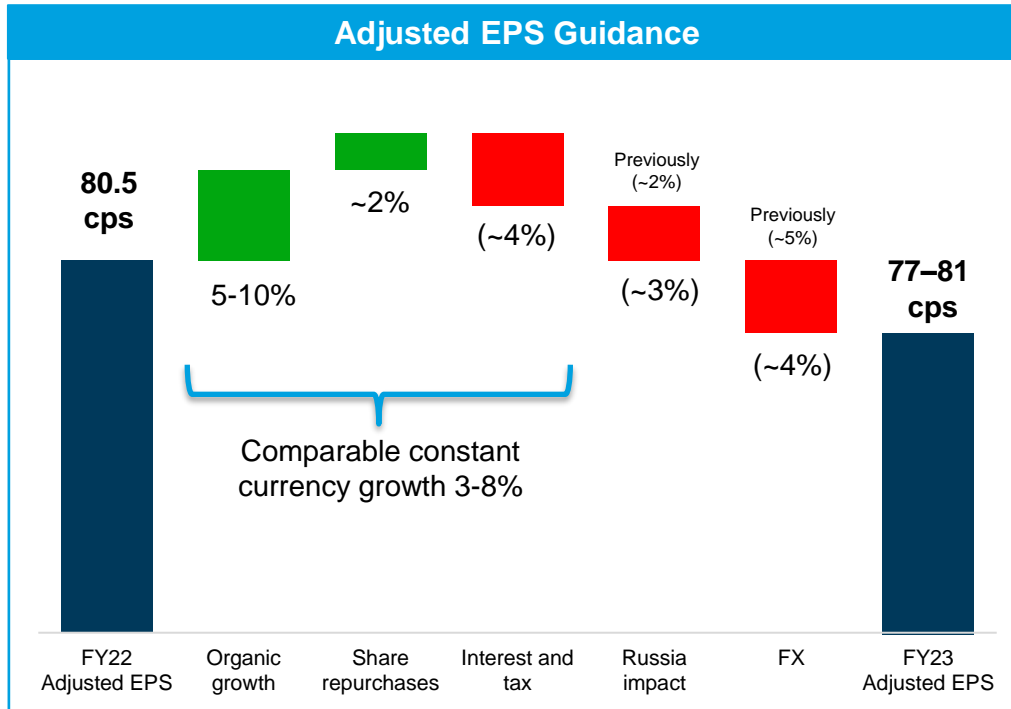
- Strong, investment grade balance sheet
- As expected, first half working capital impacted by higher inventory levels and higher raw material costs
- December 2022 quarter free cash inflow of \$338 million in line with the prior year
- Proceeds from sale of Russian business to be used to invest in global cost saving initiatives to help offset the divested earnings, repurchase shares and reduce debt

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 Russia-Ukraine conflict impacts, 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.

Fiscal 2023 guidance



- More cautious on demand outlook entering the second half
- FY23 adjusted EPS assumptions include:
 - Estimated net interest expense of \$240 to \$260 million (pre tax)
 - Reduced earnings following the sale of three plants in Russia completed on 23 December 2022
 - Current foreign exchange rates prevail for the balance of fiscal 2023
- Adjusted Free Cash Flow of \$1.0 to \$1.1 billion
- Up to \$500 million of cash to be allocated towards share repurchases (previously \$400 million)

Amcor's guidance contemplates a range of factors which create a degree of uncertainty and complexity when estimating future financial results and is provided in the context of greater than usual volatility in demand. 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. Refer to slide 2 for further information.

Investing in multiple drivers of sustainable organic growth

Priority Segments

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



Healthcare



Protein



Hot-fill beverage



Premium Coffee



Pet food

Historic MSD volume growth drives mix improvement and margin expansion

Emerging Markets

>\$3 bn Emerging Markets sales across 27 countries:



Historic MSD volume growth across Emerging Markets portfolio

Innovation

Driving value through differentiated packaging:



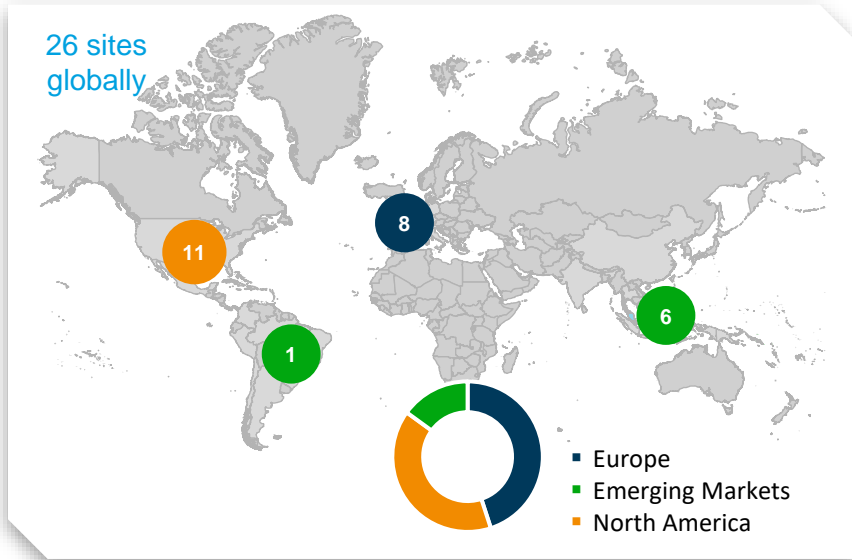
~\$100m invested every year in our industry leading R&D capabilities

More sustainable packaging

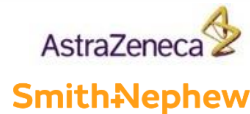
To preserve food and healthcare products, protect consumers and promote brands

Global healthcare packaging leader – Medical and Pharmaceutical

Approaching \$2bn sales
Global footprint, global scale



Globally recognised products and technology platforms across Flexible and Rigid Packaging



Global customers



Substantial opportunities to grow our healthcare business

Leveraging global footprint, product and technology platforms with best in class capabilities

Large, Growing Market

Multi-billion dollar global addressable market

Growing at MSD rates

Global leverage



Leveraging North American expertise to localise thermoforming for medical packaging in Europe

Commissioned state of the art greenfield plant in Singapore

M&A



Acquisition of MDK adds coating capabilities and medical paper-based packaging solutions. Enhances leading position in Asia Pacific medical device packaging segment



Oral



Dermal



Medical Devices



Hospital Packaging



Ophthalmic & vision care



Pulmonary



Intravenous Fluids



Injectables

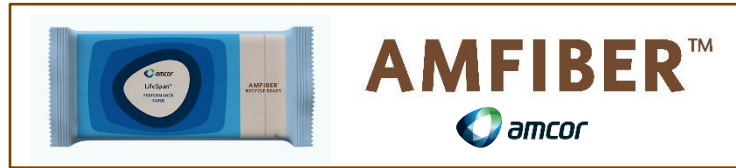
Leading the industry on Responsible Packaging

Responsible Packaging:

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

Innovating to meet growing demand for differentiated, more sustainable products

MARS **FERRERO**








Investing in recycled content

ExxonMobil



Mondelēz
International

Strong foundation for growth & value creation

-  **Global leader in primary packaging for consumer staples and healthcare** with a strong track record
-  **Consistent growth** from priority segments, emerging markets and innovation
-  **Strong cash flow and balance sheet** provide 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

Key messages

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4. Focused on execution and investing to build on our strong foundation



Appendix slides

Supplementary schedules and reconciliations



FX translation impact

1H23 currency impact

Total currency impact	\$ million
Adjusted EBIT	(35)
Adjusted Net income	(29)

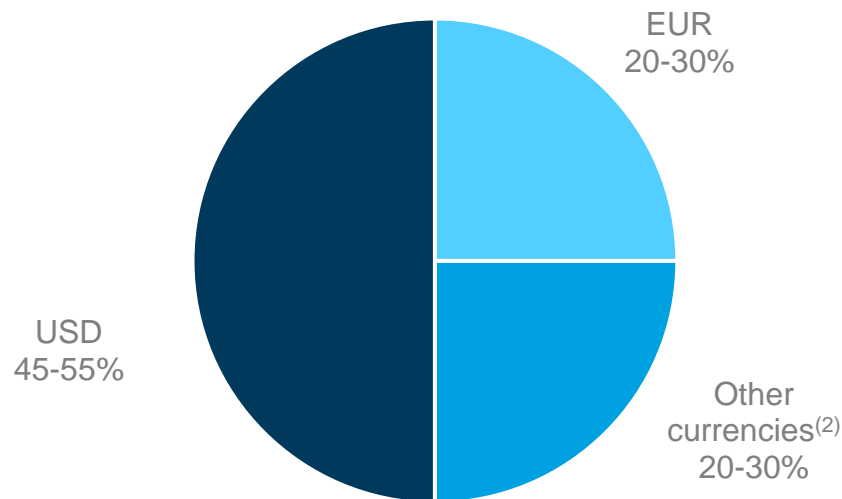
EUR:USD

Euro weakened vs USD, Average USD to EUR rate 1H23 0.9870 vs 1H22 0.8615	USD million impact on 1H23 adjusted Net income
(15%)	(22)

Other currencies⁽²⁾:USD

Other currencies weighted average vs USD weakened for 1H23 vs 1H22 average rates	USD million impact on 1H23 adjusted Net income
(4%)	(7)

Combined Net income currency exposures⁽¹⁾



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)

(\$ million)	Three Months Ended December 31, 2021				Three Months Ended December 31, 2022			
	EBITDA	EBIT	Net Income	EPS (Diluted US cents)	EBITDA	EBIT	Net Income	EPS (Diluted US cents)
Net income attributable to Amcor	225	225	225	14.8	459	459	459	30.7
Net income attributable to non-controlling interests	4	4			2	2		
Tax expense	61	61			33	33		
Interest expense, net	34	34			68	68		
Depreciation and amortization	143				141			
EBITDA, EBIT, Net income and EPS	467	324	225	14.8	703	562	459	30.7
Material restructuring programs	10	10	10	0.6	—	—	—	—
Net loss on disposals	9	9	9	0.6	—	—	—	—
Impact of hyperinflation	2	2	2	0.1	5	5	5	0.3
Property and other losses, net	(1)	(1)	(1)	—	—	—	—	—
Pension settlements	3	3	3	0.2	—	—	—	—
Russia-Ukraine conflict impacts	—	—	—	—	(207)	(207)	(207)	(13.8)
Other	—	—	—	—	(1)	(1)	(1)	—
Amortization of acquired intangibles		41	41	2.6		40	40	2.6
Tax effect of above items			(12)	(0.8)			(19)	(1.3)
Adjusted EBITDA, EBIT, Net income and EPS	490	388	277	18.1	500	399	277	18.5
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBITDA, EBIT, Net income, and EPS					2	3	—	2
% items affecting comparability					1	1	1	1
% currency impact					4	3	4	4
% comparable constant currency growth					7	7	5	7

Reconciliations of non-GAAP financial 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)

(\$ million)	Six Months Ended December 31, 2021				Six Months Ended December 31, 2022			
	EBITDA	EBIT	Net Income	EPS (Diluted US cents) ⁽¹⁾	EBITDA	EBIT	Net Income	EPS (Diluted US cents) ⁽¹⁾
Net income attributable to Amcor	427	427	427	27.9	691	691	691	46.1
Net income attributable to non-controlling interests	5	5			4	4		
Tax expense	124	124			91	91		
Interest expense, net	69	69			118	118		
Depreciation and amortization	289				283			
EBITDA, EBIT, Net income, and EPS	914	625	427	27.9	1,187	904	691	46.1
Material restructuring programs	17	17	17	1.1	—	—	—	—
Net loss on disposals ⁽²⁾	9	9	9	0.6	—	—	—	—
Impact of hyperinflation	4	4	4	0.3	13	13	13	0.9
Property and other losses, net ⁽³⁾	27	27	27	1.8	—	—	—	—
Pension settlements	3	3	3	0.2	—	—	—	—
Russia-Ukraine conflict impacts ⁽⁴⁾	—	—	—	—	(204)	(204)	(204)	(13.6)
Other	2	2	2	0.1	(2)	(2)	(2)	(0.1)
Amortization of acquired intangibles		82	82	5.3		80	80	5.3
Tax effect of above items			(23)	(1.5)			(30)	(2.0)
Adjusted EBITDA, EBIT, Net income and EPS	976	769	548	35.8	994	791	548	36.6
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBITDA, EBIT, Net income, and EPS					2	3	—	2
% items affecting comparability ⁽⁵⁾					1	1	1	1
% currency impact					4	4	5	5
% comparable constant currency growth					7	8	6	8

(1) Calculation of diluted EPS for the three and six months ended December 31, 2022 excludes net income attributable to shares to be repurchased under forward contracts of \$3 million and \$6 million respectively and \$1 million for the three and six months ended December 31, 2021.

(2) Net 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.

(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.

(4) Includes the net gain on disposal of the Russian business and incremental restructuring and other costs associated with the Russia-Ukraine conflict.

(5) Reflects the impact of acquired, disposed and ceased operations.

Reconciliations of non-GAAP financial measures

Reconciliation of adjusted EBIT by reporting segment

(\$ million)	Three Months Ended December 31, 2021				Three Months Ended December 31, 2022			
	Flexibles	Rigid Packaging	Other	Total	Flexibles	Rigid Packaging	Other	Total
Net income attributable to Amcor				225				459
Net income attributable to non-controlling interests				4				2
Tax expense				61				33
Interest expense, net				34				68
EBIT	295	49	(20)	324	516	50	(4)	562
Material restructuring programs	10	—	—	10	—	—	—	—
Net loss on disposals	9	—	—	9	—	—	—	—
Impact of hyperinflation	—	2	—	2	—	5	—	5
Property and other gains, net	(1)	—	—	(1)	—	—	—	—
Pension settlements	—	2	1	3	—	—	—	—
Russia-Ukraine conflict impacts	—	—	—	—	(207)	—	—	(207)
Other	—	—	—	—	6	—	(7)	(1)
Amortization of acquired intangibles	39	2	—	41	38	2	—	40
Adjusted EBIT	352	55	(19)	388	353	57	(11)	399
Adjusted EBIT / sales %	13.0 %	6.9 %		11.1 %	12.5 %	6.9 %		11.0 %
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBIT					—	5		3
% items affecting comparability					1	—		1
% currency impact					4	1		3
% comparable constant currency					5	6		7

Reconciliations of non-GAAP financial measures

Reconciliation of adjusted EBIT by reporting segment

(\$ million)	Six Months Ended December 31, 2021				Six Months Ended December 31, 2022			
	Flexibles	Rigid Packaging	Other	Total	Flexibles	Rigid Packaging	Other	Total
Net income attributable to Amcor				427				691
Net income attributable to non-controlling interests				5				4
Tax expense				124				91
Interest expense, net				69				118
EBIT	559	108	(42)	625	827	107	(30)	904
Material restructuring programs	17	—	—	17	—	—	—	—
Net loss on disposals ⁽¹⁾	9	—	—	9	—	—	—	—
Impact of hyperinflation	—	4	—	4	—	13	—	13
Property and other losses, net ⁽²⁾	27	—	—	27	—	—	—	—
Pension settlements	—	2	1	3	—	—	—	—
Russia-Ukraine conflict impacts ⁽³⁾	—	—	—	—	(204)	—	—	(204)
Other	—	—	2	2	6	—	(8)	(2)
Amortization of acquired intangibles	79	3	—	82	77	3	—	80
Adjusted EBIT	691	117	(39)	769	706	123	(38)	791
Adjusted EBIT / sales %	12.9 %	7.4 %		11.1 %	12.6 %	7.0 %		10.8 %
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBIT					2	5		3
% items affecting comparability ⁽⁴⁾					1	—		1
% currency impact					5	2		4
% comparable constant currency					8	7		8

(1) Net 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.

(2) 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.

(3) Includes the net gain on disposal of the Russian business and incremental restructuring and other costs associated with the Russia-Ukraine conflict.

(4) Reflects the impact of acquired, disposed and ceased operations.

Reconciliations of non-GAAP financial measures

Reconciliations of Adjusted Free Cash Flow

(\$ million)	Six Months Ended December 31,	
	2021	2022
Net cash provided by operating activities	323	145
Purchase of property, plant, and equipment, and other intangible assets	(255)	(250)
Proceeds from sales of property, plant, and equipment, and other intangible assets	6	8
Russia-Ukraine conflict impacts, material transaction and integration related costs	31	36
Adjusted Free Cash Flow⁽¹⁾	105	(61)

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

(\$ million)	Six Months Ended December 31,	
	2021	2022
Adjusted EBITDA	976	994
Interest paid, net	(47)	(112)
Income tax paid	(110)	(91)
Purchase of property, plant, and equipment and other intangible assets	(255)	(250)
Proceeds from sales of property, plant, and equipment and other intangible assets	6	8
Movement in working capital	(440)	(610)
Other	(25)	—
Adjusted Free Cash Flow⁽¹⁾	105	(61)

(1) Adjusted Free Cash Flow excludes Russia-Ukraine conflict impacts, 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, 2022	December 31, 2022
Cash and cash equivalents	(775)	(837)
Short-term debt	136	48
Current portion of long-term debt	14	14
Long-term debt, less current portion	6,340	6,840
Net debt	5,715	6,065