

---

# Amcor Flexibles Americas Investor Presentation

June 2016

An abstract graphic in the bottom right corner of the slide. It consists of several overlapping, curved, semi-transparent shapes in shades of blue and green, creating a sense of movement and depth. The shapes are layered, with some appearing in front of others, and they curve upwards and to the right.



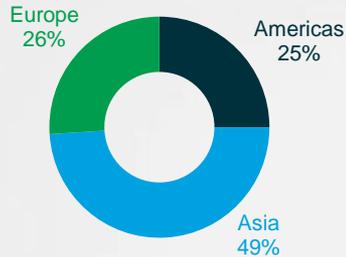
## Agenda

- 1 Safety Briefing
- 2 Introduction to AFA**
- 3 AFA North America Business Update
- 4 AFA South America Business Update
- 5 Innovation Agenda

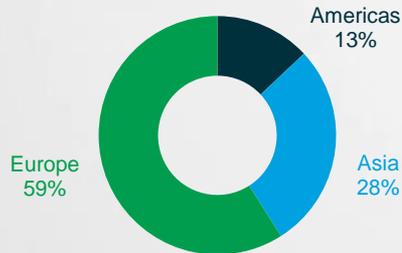
## Global flexible packaging sales by geography

### Projected Growth Rates

EU 2%  
 Asia 7%  
 N.A. 3-4%  
 S.A. 4-5%



## Amcor flexible packaging sales by geography (prior to Alusa acquisition)



## Dedicated organization created in 2015 to focus on the Americas flexible packaging market

- Flexibles market roughly equivalent in size to European market but with higher projected growth rates
- Investments made to build robust Americas organization

## Growth ambitions being realized in first year

- Focus on value-driven growth in the best segments
- Leverage global technologies and customer relationships; execute on a local level
- Ensure that we have the best talent and invest in further developing our people

## Solid foundation for continued growth

- Deluxe and Alusa acquisitions are a good start for 2016
- Amcor now has a strong base in North & South America for organic investments and bolt-on acquisitions
- Continue driving value for our customers through innovation

**Significant growth opportunities in the region. Amcor is here to win**



## Flexibles Americas Footprint

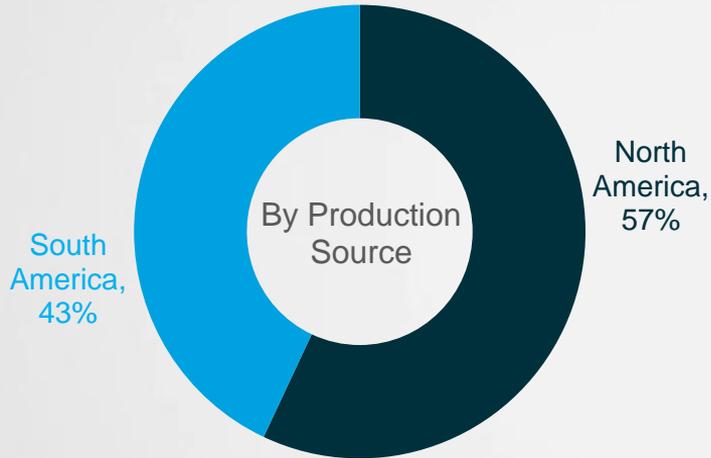
### Flexibles Americas

16 plants

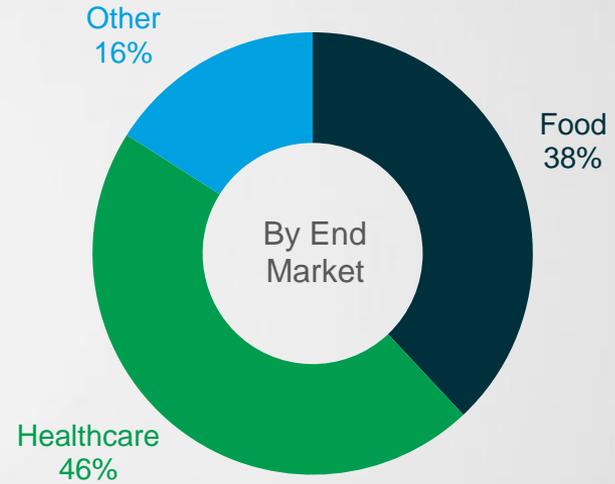
7 countries



## Balanced production footprint to serve customers' needs

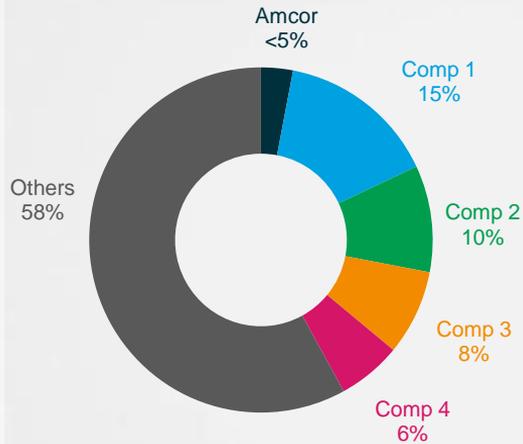


## Attractive mix of end markets

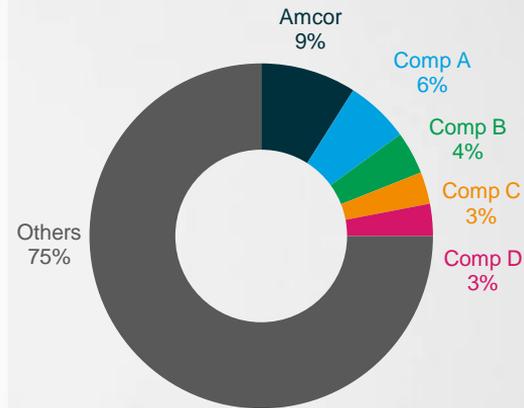


## Flexibles Americas market position

Leading producers:  
North America



Leading producers:  
South America



Significant opportunity to accelerate growth in the Americas region



## Flexibles Americas

A focused strategy

### Our key growth drivers:



#### Smart investments

We're expanding our footprint in North and South America, through **customer-backed investments and acquisitions.**



#### The best people

Our talent will be the best in the business. Supported by ongoing training and development, we'll have **the right teams** in place to support turbocharged sales.



#### Global resources with a local perspective

We'll grow with our global customers, who will benefit from **localization of Amcor's global technology and innovation portfolio.**

### The Bottom Line

Through **innovation, simplification and customer focus**, we're going to dramatically grow sales and PBIT to develop a strong leadership position in flexible packaging in the Americas.



## Agenda

- 1 Safety Briefing
- 2 Introduction to AFA
- 3 AFA North America Business Update**
- 4 AFA South America Business Update
- 5 Innovation Agenda

## North America Packaging Trends



### Overall flexible packaging demand is growing...

- US flexible packaging expected to grow at 3-5% <sup>(1)</sup>
- Growth in flexible/stand-up pouches forecasted at 9% <sup>(2)</sup>
- Demand for ready-to-eat produce packaging forecasted to grow approx. 4% with some segments such as fruit projecting 6% growth <sup>(3)</sup>



### ...and consumers are showing preference for high-value add packaging, including

- Convenient and more easily accessible packaging
- Sustainable packaging that creates less waste



### Aging demographics to drive growth in pharma, medical, and hospital packaging

- ~15% of U.S. population is 65 years or older, growing to 22% by 2040<sup>(4)</sup>
  - Increasing need for medication
  - Increasing chronic health issues
- Hospital activity and operating room procedures expected to grow significantly through early 2020s



### Many products in Amcor's portfolio are already positioned to address these trends

Source: (1) Flexible Packaging Association, (2) Allied Development Study, (3) Freedonia Group, (4) U.S. Department of Health and Human Services



## Flexibles North America

### Executive Summary

#### Where to Play

- **Customers:** Strengthen relationships with key customers in Pharmaceutical and Fresh Produce segments and expanding global key account relationships for food packaging applications
- **Segments:** Focus on segments outpacing market growth, including Nuts & Dried Fruits, Ambient Meals and Frozen Foods
- **Specialty products:** Grow share in high value-add products like specialty lidding and retort pouches
- **Geography:** Identify opportunities to minimize cross-country shipments for key customers

#### How to Win

- Continue to pursue **attractive end uses** with innovative and cost-effective packaging solutions
- **Leverage Amcor's global product portfolio** with global brands and North America key accounts
- **Invest in capital equipment** behind designated growth segments and global key account manufacturing footprint



## Fresh Produce: AF Yuba City and AF Hagerstown

**Deluxe acquisition strengthens position in an attractive growth market**

### **Growth opportunities in fresh produce...**

- Fresh produce segment sales are ~\$250mil with expected aggregate growth rate of 4% p.a. (2012-2017). Segments like Salad Tray Lidstock, Bagged Fruit and Bagged Vegetables growing at higher rates
- Growth in premium product mixes, upscale and high-nutritional food profile further drive premium quality packaging demand

### **... supported by Amcor's bicoastal footprint**

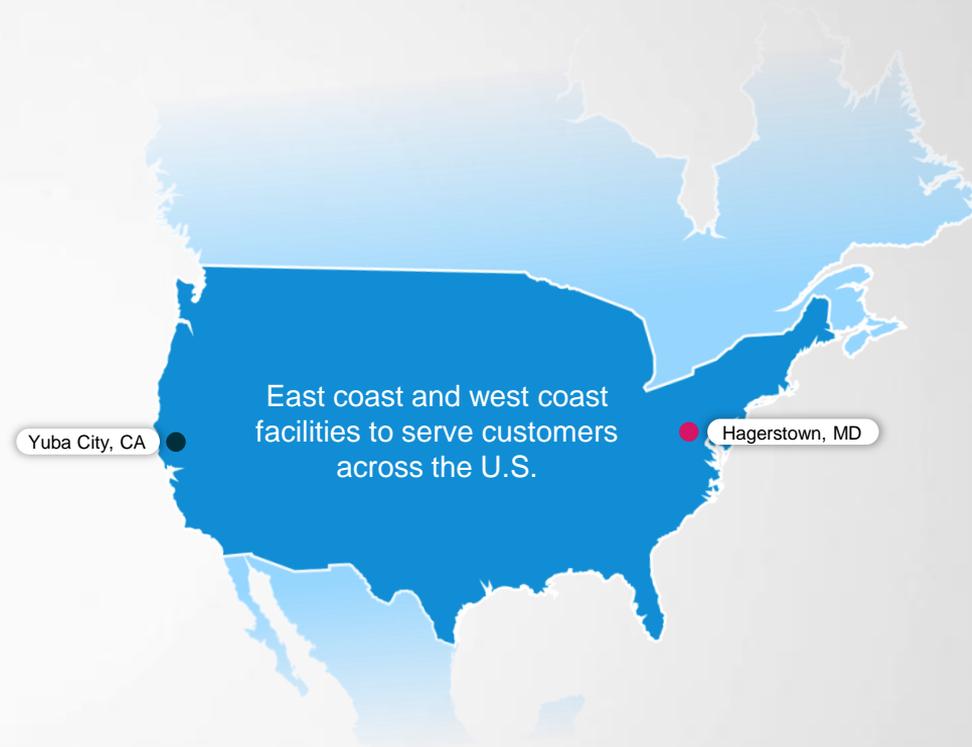
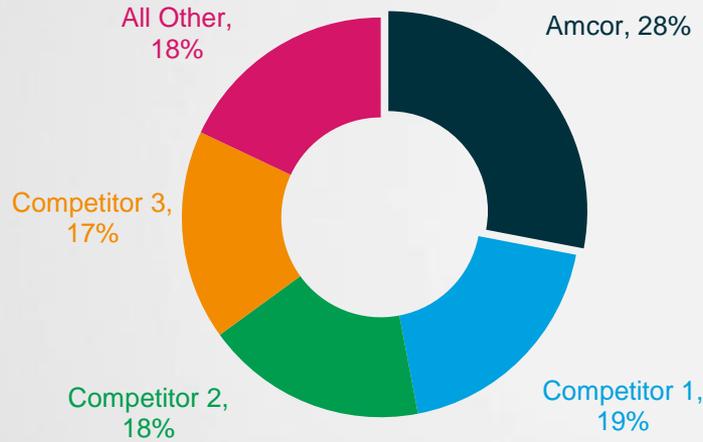
- Similar equipment manufacturing similar products
- Reduction in cross-country shipments
- Strong relationships across consolidated customer base
- Capacity and products to support high growth segments



## AF Yuba City and AF Hagerstown

A good strategic fit

### Combined Amcor Participation in US Fresh Produce<sup>(1)</sup>



Source: Freedonia - Produce Packaging – US - Nov 2013 & Amcor's Internal Analysis



## Medical North America

### Executive Summary

#### Where to Play

- **Customers:** Deepen relationships with North American medical device manufacturers and hospital sterilization packaging
- **Segments:** Focus on segments where Amcor can capitalize on its innovation and vertical integration
- **Specialty products:** Grow competitive advantage in packaging for devices and components requiring advanced sterilization methods
- **Geography:** Identify and pursue growth opportunities in Central America and the Caribbean

#### How to Win

- Continuing **product and innovation leadership**
- Continue **strategic partnerships** with key customers to maintain base and drive organic growth opportunities
- **Investment** in capital equipment to maintain and improve quality and efficiencies
- Continuous commercial process improvements to **increase speed to market**
- Optimizing profitable growth in selected categories through **simplification** – creating advantaged cost and scale positions



### Short-term headwinds...

- Average medical product usage is down ~4% for 2015 vs 2014
- Hospitals continue trend of consolidation, looking for synergies, cost reductions, and inventory reductions
- More costs pushed to the patient, resulting in fewer elective surgeries

### ...with a positive long-term outlook

- Long term expectations are ~3.0% growth driven by the fundamentals of an aging population and developing countries increasing their demand for better healthcare
- Expect to see expanded outpatient resources and restructured inpatient capabilities

### Amcor Growth Plans

- Build upon strategic partnerships with key customers to grow organically
- Differentiate in the marketplace with our new technology platforms (Fortis™, Flexiform™, Quickvent™, VLR) by offering high performance and low cost solutions to our customers
- Expand Amcor areas of participation into attractive segments (Sterile Fluids and Semi Rigid Trays)
- Further our investment in new technology and equipment to expand on our low cost positions

## Growing our share of the North American flexible packaging market

### Leveraging Amcor's strengths...

- Technology and product portfolio to meet consumer expectations
- Experience in high-value add segments
- Innovation and simplification technology



### ... to achieve further growth through:

- Local production to stimulate broader segment participation
- Providing attractive value propositions to new and existing customers
- Organizational investments and talent improvements



## Agenda

- 1 Safety Briefing
- 2 Introduction to AFA
- 3 AFA North America Business Update
- 4 AFA South America Business Update**
- 5 Innovation Agenda

## South America packaging trends



### Demographics skewing young and urban

- Young, growing population
- Increasing urbanization
- Per capita consumption of packaging still well below US and European levels



### Our customers are hungry to grow here

- Growing presence of MNCs in South America, backed by concrete investment plans
- Improved retail distribution infrastructure is boosting demand for packaging



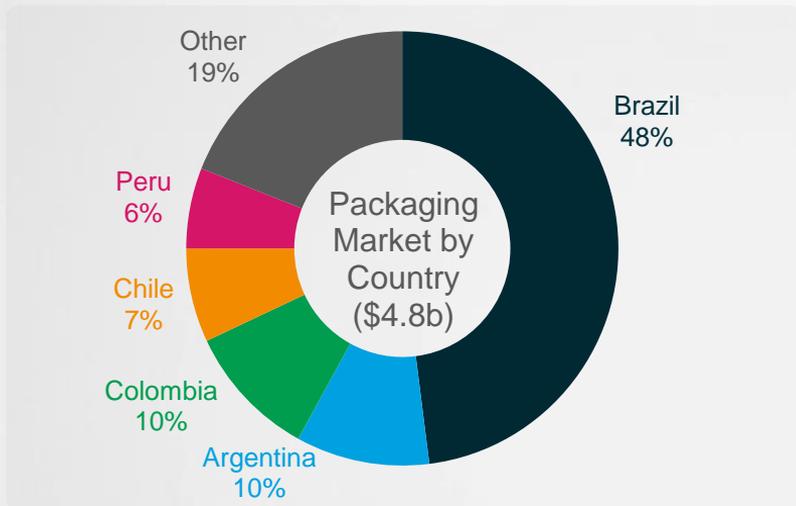
### Heightened expectations for flexible packaging

- Increasingly sophisticated and growing flexible packaging industry and upstream supply base
- New packaging formats increasingly favor flexible packaging, including higher value-add products like stand-up pouches, pharma, pet food, and dairy

Acquisitions  
(both completed  
and in the pipeline)  
**position Amcor as a  
leader in South America  
with a strong foundation  
for further growth**



## South America packaging market



- The South American packaging market comprises 5% of the global market and is expected to grow at 4-5% per year
- Highly fragmented, with most converters focusing on their own domestic markets
- MNCs and Alusa's long-standing customers in the region are investing to grow

Source: PCI Films Consulting

## Amcor's South American footprint



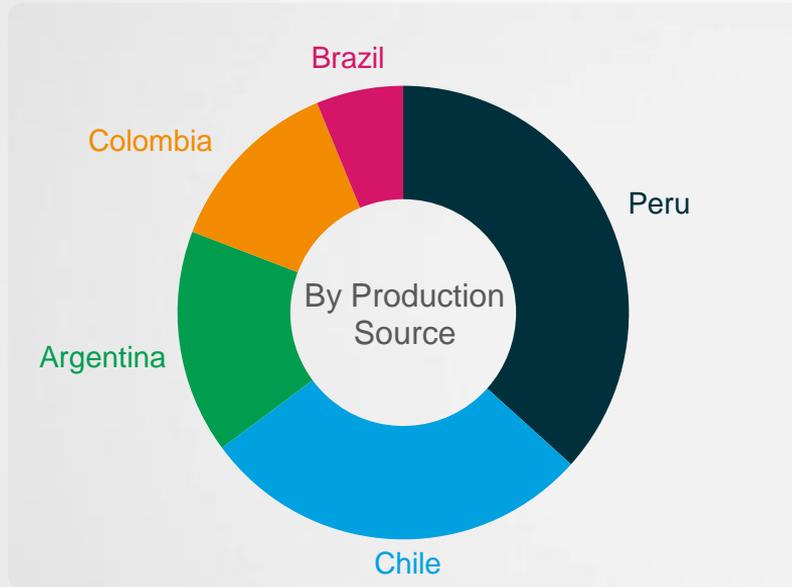
With the acquisition of Alusa, Amcor is now the leading flexibles packaging business in South America, backed by...

- Strong, long-standing relationships with large multinational and regional customers
- Film extrusion, lamination, flexographic and gravure printing

**Combined with leadership positions in Europe and Asia, Amcor's customer value proposition is substantially improved with a strong presence in South America**

# Flexibles South America sales by production source & destination

Multiple production sites...



...to serve all key markets in Central & South America



### Broad range of product offering...



#### ...With value added product features

- Extrusion & wax coating
- Stand-up pouches
- Zipper installation
- Laser cutting
- Spout installation
- Gusset features

#### ...Supported by vertically integrated operations & product development expertise

- Vertically integrated operations
  - Operations include extrusion, plate and cylinder engraving, laminating, printing (rotogravure and flexo)
  - Pouch and Bag making as well
- Legacy and commitment for product innovation alongside customers
  - First flexible packaging company to introduce retort pouches to the Latam market

**Approximately 70% of Amcor South American sales incorporate high-complexity features**

## Alusa acquisition – strategic rationale

Unique opportunity  
to **substantially  
improve presence  
and value  
proposition**  
in the region



Opportunity to become #1 player in South America with a platform for regional growth - supported by Alusa's strong capabilities and talent



Achieve immediate scale and leverage the experience of other Amcor businesses in the region



Significantly improve customer value proposition and position Amcor as regional partner of choice



Leverage global technology and accelerate key account growth



Significant synergies

### *At a glance*

- US\$435 million acquisition
- Synergy benefits US\$25 million
- Returns to reach 15% by year 3 and 20% by year 5

## Alusa Integration

An ambitious growth agenda based on synergies, innovation, and customer focus



### Manage the Noise

Regular communication to keep all stakeholders updated on integration status

Maintain customer focus; avoid tendency to focus internally

### Capture Synergies

Implement manufacturing best practices

Enhanced benefits from procurement, shared innovation pipeline, and organization scale

### Stay Safe

Introduce Amcor Safety culture  
Implement Amcor and industry best standards  
Goal = Zero Injuries

### Strong & Focused Governance team

- Joint planning to realise the best of both businesses
- Dedicated resource for integration planning and management
- Cross-functional and regional teams to ensure alignment
- Leveraging experiences and expertise of AFA, ARP and ATP

### Customer Focus

Strengthen and grow base business  
Deliver strong DIFOTIS

### Align the Organisation

Engage co-workers and retain and develop talent  
Build culture of Safety and Outperformance

## Becoming the South American leader in flexible packaging

### Leveraging Amcor's strengths...

- Long-term, wide-ranging relationships with multinational companies
- Global product offering
- Innovation and simplification of technology
- Scale benefits in procurement and operating efficiencies
- Deep segment-specific expertise



### ... to achieve growth through:

- Targeted investments
- New products to meet local needs
- Bolt-on M&A
- Organizational investments and talent improvement
- Local execution of global platforms



## Agenda

- 1 Safety Briefing
- 2 Introduction to AFA
- 3 AFA North America Business Update
- 4 AFA South America Business Update
- 5 Innovation Agenda**

## Innovation focus areas / customer needs



**Product  
Safety**



**Total Cost of  
Ownership**



**Sustainability**



**Differentiation**

## Innovation capabilities



### Retort pouches(on the market)

---



Latin America represents a big market for retort pouches. Amcor's high-performance, cost-competitive solutions are already on the market in Costa Rica, with significant additional volumes and synergy opportunities anticipated upon finalization of the full qualification process.

**Customer need:** Total cost of ownership

### HPC pouches from post-consumer recycled material (in development)

---



25% of the South American flexibles market is HPC, and Amcor is pushing the limits of recycle and monofilm content for pouch products. Our aspirational goal is to create recyclable flexible packaging made from 100% post-consumer recycled (PCR) raw materials

**Customer need:** Sustainability

### AmLite transparent barriers

---



Amcor's extensive experience in micro-thin, high barrier coating produces a more environmentally friendly, and consumer friendly package. Amcor is a leader in transparent barriers and will be a first mover in this space in South America

**Customer need:** Differentiation, total cost of ownership, sustainability

### AOF Blister Lidding

---



Amcor Opening Feature is the most senior-friendly, child-resistant push through blister lidding available. Already on the market in North America, this product represents the opportunities for Amcor's medical and pharma experience to grow in South America.

**Customer need:** Product safety, differentiation



AFA was created to focus on growth in the Americas, where Amcor has significant opportunity to grow



We're off to a good start with the Deluxe and Alusa acquisitions this year



AFA will continue to focus on growing in the right segments – the ones where we can add value for our customers



We have the resources of the global packaging leader



...and we have built a strong foundation and organization in North and South America to deliver outstanding value to our customers