FY21 Full Year Results

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August 18, 2021 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,” “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; 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; increasing scrutiny and changing expectations with respect to Amcor Environmental, Social and Governance policies resulting in increased costs; litigation, including product liability claims; 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, 2020 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;
- payments or settlements related to legal claims; and
- impacts from hyperinflation accounting.

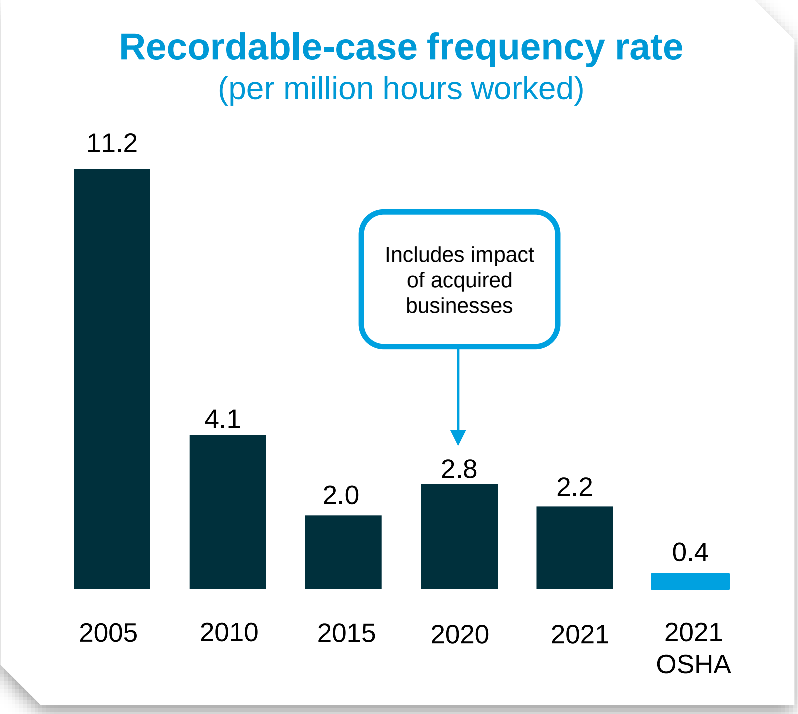
Amcor also evaluates performance on a comparable constant currency basis, which measures financial results assuming constant foreign currency exchange rates used for translation based on the average rates in effect for the comparable prior-year period. In order to compute comparable constant currency 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’

- 23% reduction in number of injuries
- 53% of sites injury free for >12 months



Notes: Recordable cases per 1,000,000 hours worked. All data shown for a 12 month period ended June 30. 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) standards

Key messages for today

1. FY21: An outstanding year on multiple dimensions

2. Momentum building - expect another strong year in FY22

3. Bemis integration complete, exceeding expectations, stronger foundation

4. Investing behind organic growth drivers, including sustainability

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FY21: Outstanding financial results and ahead of expectations

Record earnings. Exceptional margin management. Carrying momentum into FY22

Revenue	EBIT	EBIT margin	EPS	Free Cash Flow
$12,861M	$1,621M	12.6%	74.4 cents	$1.1 bn
+2%	+8%	+60bps	+16%	

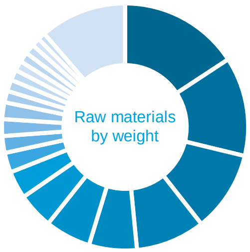
RoAFE of 15.4%
>$1 billion cash returned to shareholders

Notes: EPS, EBIT and EBIT margin presented on an adjusted basis. Adjusted non-GAAP measures exclude items which are not considered representative of ongoing operations. Revenue, EBIT and EPS growth rates expressed in comparable constant currency terms which excludes 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 execution, margin expansion and earnings growth

	FY20	FY21	Comparable constant currency Δ
Net sales	9,755	10,040	-
Adjusted EBIT ($m)	1,296	1,427	+9%
Adjusted EBIT margin	13.3%	14.2%	



Raw materials consumption: diversified by material and geography

Full Year Highlights

- Record annual sales and EBIT
- Adjusted EBIT growth 9%
- 4Q21 net sales includes price increases of >$100 million related to higher raw material costs
- 4Q21 EBIT margin expansion of 40 bps; FY21 EBIT margin expansion of 90 bps to 14.2%
- Segment volumes 1% higher
  - MSD growth in meat, pet food and coffee
  - DD growth in China and India
  - Offset by DD decline in healthcare volumes

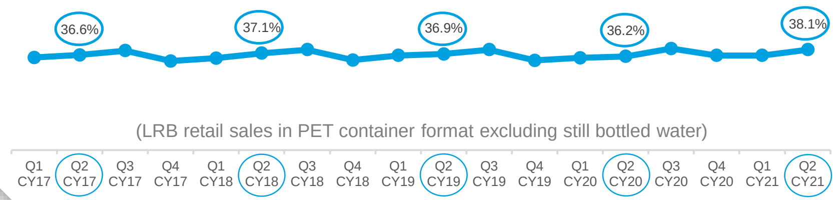
Notes: Non-GAAP measures exclude items which are not considered representative of ongoing operations. Further details related to non-GAAP measures including Adjusted EBIT and reconciliations to U.S. GAAP measures can be found in the appendix. Comparable constant currency Δ% for Net sales excludes a 2% favorable currency impact, a 1% unfavorable impact from items affecting comparability (disposed businesses) and a 1% favorable impact from the pass through of raw material costs. MSD is 'Mid-Single Digit' and DD is 'Double digit'.

Rigid Packaging segment

Increasing consumer demand and strong earnings growth

	FY20	FY21	Comparable constant currency Δ
Net sales	2,716	2,823	+8%
Adjusted EBIT ($m)	284	299	+8%
Adjusted EBIT margin	10.4%	10.6%	

Consistent PET share in a growing US LRB market



Source: IRI Calendar Year data

Full Year Highlights

- Organic adjusted EBIT growth of 8%
- Segment volume growth 5% and positive mix
  - North America – strong demand resulting in capacity shortages across the industry
    - Beverage volumes up 8% - hot fill up 13%
    - Specialty Container volumes higher
  - Latin America volumes up 5%
- Acceleration of new product introductions with recycled resin to meet strong demand
- Total recycled resin usage almost doubled in the last two years.

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 3% unfavorable impact from the pass through of raw material costs and a 1% unfavorable currency impact. LRB references non-alcoholic Liquid Refreshment Beverage.

Cashflow, balance sheet & cash returns to shareholders

$1.1 billion adjusted free cash flow
Balance sheet capacity to invest, execute M&A and return cash to shareholders

Year to date cash flow ($ million)	FY20	FY21
Adjusted EBITDA	**1,913**	**2,028**
Interest and tax payments	(396)	(452)
Capital expenditure	(400)	(468)
Movement in working capital	213	29
Other	(110)	(38)
Adjusted Free Cash Flow(1)	**1,220**	**1,099**

Balance sheet(2)	June 2021
Leverage: Net debt / LTM EBITDA (x)	2.7x

Full Year Highlights

- Growing EBITDA
- Average working capital to sales of 8%
  - 3% reduction & ~$250m cash benefit since Bemis acquisition
- Adverse timing of tax payments compared with last year
- Increased capital spend on organic growth projects
  - Further increase of ~10-15% expected in FY22
- $1.1 billion cash returned to shareholders through:
  - Higher dividends per share; and
  - 2% of outstanding shares repurchased

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.

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Guidance for fiscal year ending 30 June 2022

For fiscal 2022 the Company expects:

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 will increase to approximately $1.1 to $1.2 billion

Approximately $400 million of cash to be allocated towards share repurchases

Amcor's guidance contemplates a range of factors, including the COVID-19 pandemic which creates a higher degree of uncertainty and additional complexity when estimating future financial results. Refer to slide 2 for further information

Note: Reconciliations of the FY22 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.

Transformational Bemis acquisition exceeding expectations

Enhancing financial performance…strengthening foundation for growth

Expectations for FY22 (3rd year post closing):

Cost synergies	Flexibles EBIT margin	Earnings Per Share	Shares repurchased
≥10%	>200bps	+>21cps	~25%
above original \$180m target	vs FY19	or >35% vs FY19	of consideration shares issued

Stronger customer value proposition:

- *Comprehensive global footprint in flexible packaging*
- *Absolute and relative scale advantage in every region*
- *Enhanced innovation and sustainability capabilities*
- *Greater exposure to attractive healthcare and protein end markets*

Notes: EPS and EBIT margin presented on an adjusted basis. Adjusted non-GAAP measures exclude items which are not considered representative of ongoing operations. Further details related to non-GAAP measures and reconciliations to U.S. GAAP measures can be found in the appendix section. Based on expectations for fiscal 2022. 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.

Investing in multiple drivers of organic growth

Higher Growth Segments

Higher growth, higher value segments including:

Healthcare

Protein

Hot-fill beverage

Investing in capacity

Emerging Markets

>$3 bn Emerging Markets business across 27 countries including:

MSD volume growth across all emerging markets with China and India up double digits in fiscal 2021

Innovation

Investing in our innovation capabilities

THE SCHOOL OF PACKAGING
MICHIGAN STATE UNIVERSITY

Extending world class innovation center network into China & Europe and investing to develop the best talent in the industry

More Sustainable Packaging…
…to preserve food and healthcare products, protect consumers and promote brands

Notes: MSD is 'Mid-Single Digit'.

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Accelerating delivery of Responsible Packaging solutions

Responsible Packaging:

1 Packaging design

2 Waste management infrastructure

3 Consumer participation

Commercialising new product platforms to meet increasing customer demand

2x Higher PCR usage in the last two years

PCR content

Recyclable

PVC free

TIPA® Compostable Packaging

Compostable

Recyclable paper

Collaboration across the value chain to set standards and drive global alignment

ALLIANCE TO END PLASTIC WASTE

The Consumer Goods FORUM

U.S. PLASTICS PACT

ANZPAC PLASTICS PACT MEMBER

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The Amcor investment case has never been stronger

- **Global industry leader** with proven track record and clear strategy
- **Consistent growth** from consumer and healthcare end markets
- **Attractive and growing dividend** with current yield >4%
- **Growing cash flow and strong balance sheet** provides sustainable capacity to invest
- **Momentum building** and investing for growth

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.

Key messages for today

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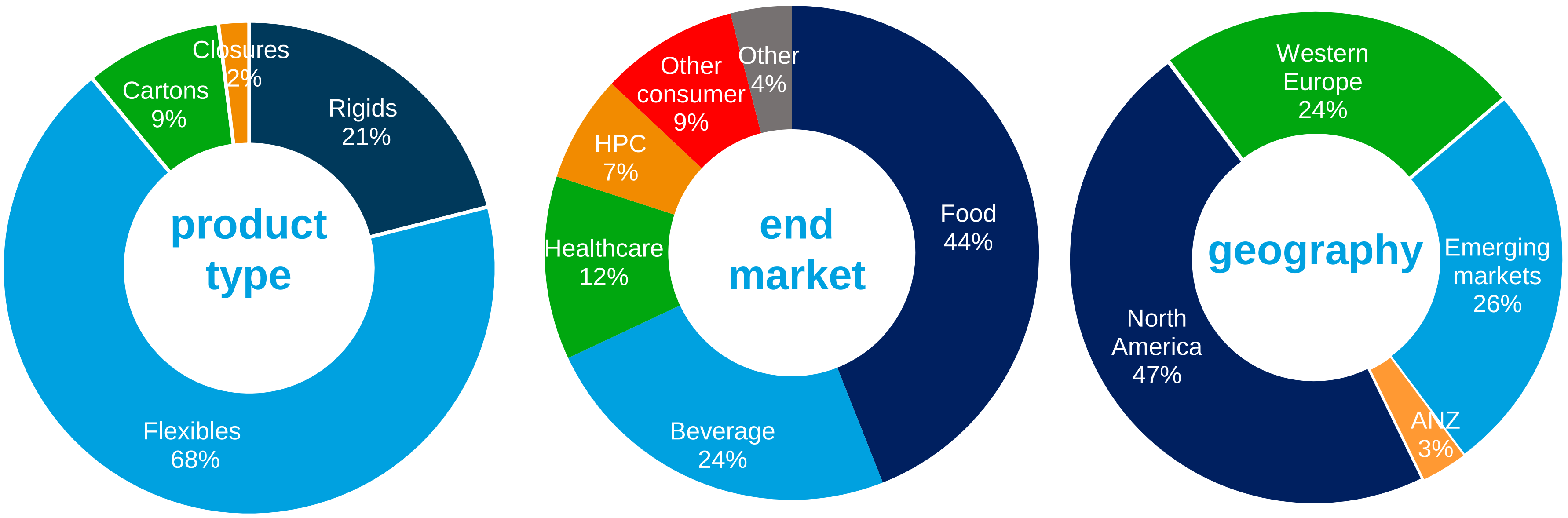
2. Momentum building - expect another strong year in FY22
3. Bemis integration complete, exceeding expectations, stronger foundation
4. Investing behind organic growth drivers, including sustainability

Appendix slides

FY21 Full year results – supplementary schedules and reconciliations

Focused global portfolio

$12.9 bn combined sales by product type, end market and geography



Notes: Reflects FY21 sales
HPC is Home & Personal Care.

FX translation impact

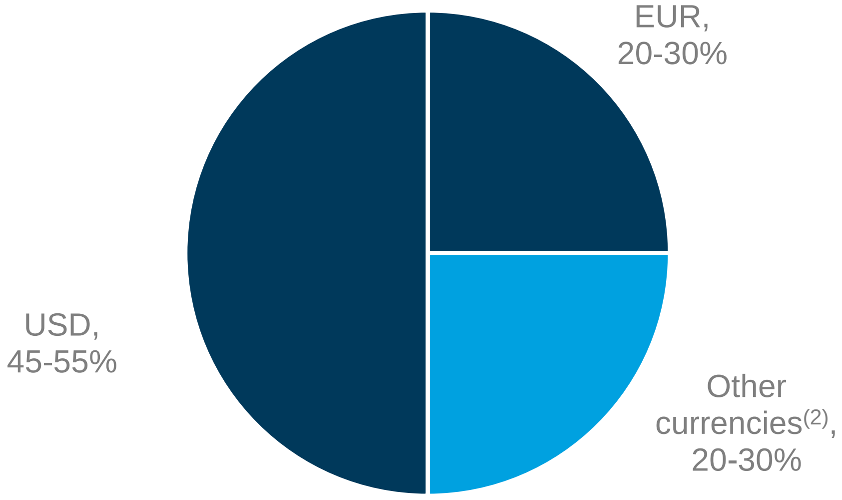
FY21 currency impact

Total currency impact	$ million
Adjusted EBIT	7
Adjusted net income	5

EUR:USD	
Euro strengthened vs USD, Average USD to EUR rate FY21 0.8385 vs FY20 0.9045	USD million impact on FY adjusted net income
7%	20

Other currencies[2]:USD	
Other currencies weighted average vs USD weakened for FY21 vs FY20 average rates	USD million impact on FY adjusted net income
(6%)	(15)

Combined net income currency exposures[1]



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

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)

	Twelve Months Ended June 30, 2020				Twelve Months Ended June 30, 2021			
($ million)	EBITDA	EBIT	Net Income	EPS (Diluted US cents)	EBITDA	EBIT	Net Income	EPS (Diluted US cents)
Net income attributable to Amcor	**612**	**612**	**612**	**38.2**	**939**	**939**	**939**	**60.2**
Net income attributable to non-controlling interests	4	4			12	12		
Loss from discontinued operations	8	8	8	0.5	—	—	—	—
Tax expense	187	187			261	261		
Interest expense, net	185	185			139	139		
Depreciation and amortization	607				572			
EBITDA, EBIT, Net income and EPS	**1,603**	**996**	**620**	**38.7**	**1,923**	**1,351**	**939**	**60.2**
Material restructuring and related costs[1]	106	106	102	6.3	88	88	88	5.7
Impairment in equity method investments	26	26	26	1.6	—	—	—	—
Net gain on disposals[2]	—	—	—	—	(9)	(9)	(9)	(0.6)
Material transaction and other costs[3]	145	145	145	9.2	7	7	7	0.5
Material impact of hyperinflation	28	28	28	1.7	19	19	19	1.2
Pension settlements	5	5	5	0.3	—	—	—	—
Amortization of acquired intangibles[4]		191	191	12.0		165	165	10.6
Tax effect of above items			(89)	(5.6)			(51)	(3.2)
Adjusted EBITDA, EBIT, Net income and EPS	**1,913**	**1,497**	**1,028**	**64.2**	**2,028**	**1,621**	**1,158**	**74.4**
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBITDA, EBIT, Net income and EPS					**6**	**8**	**13**	**16**
% items affecting comparability[5]					**1**	**1**	**1**	**1**
% currency impact					**(1)**	**(1)**	**(1)**	**(1)**
% comparable constant currency growth					**6**	**8**	**13**	**16**

(1) The twelve months ended June 30, 2021 includes a $51 million gain realized upon disposal of a non-core European hospital supplies business as part of optimizing its portfolio under the Bemis Integration restructuring plan.
(2) Includes $15 million gain realized upon disposal of AMVIG and losses on disposal of other non-core businesses.
(3) Includes costs associated with the Bemis acquisition. The twelve months ended June 30, 2021 includes a $19 million benefit related to Brazil indirect taxes. The twelve months ended June 30, 2020 includes $58 million of acquisition related inventory fair value step-up costs.
(4) The twelve months ended June 30, 2020 includes $26 million of sales backlog amortization related to the Bemis acquisition.
(5) Reflects the impact of disposed businesses.

Reconciliations of non-GAAP financial measures

Reconciliation of adjusted EBIT by reporting segment

($ million)	Twelve Months Ended June 30, 2020 Flexibles	Rigid Packaging	Other(1)	Total	Twelve Months Ended June 30, 2021 Flexibles	Rigid Packaging	Other(1)	Total
Net income attributable to Amcor				**612**				**939**
Net income attributable to non-controlling interests				4				12
(Income) loss from discontinued operations				8				—
Tax expense				187				261
Interest expense, net				185				139
EBIT	**970**	**210**	**(184)**	**996**	**1,142**	**253**	**(44)**	**1,351**
Material restructuring and related costs(2)	63	38	5	106	126	20	(58)	88
Impairment in equity method investments	—	—	26	26	—	—	—	—
Net (gain) loss / on disposals(3)	—	—	—	—	6	—	(15)	(9)
Material transaction and other costs(4)	77	3	65	145	(7)	2	12	7
Material impact of hyperinflation	—	28	—	28	—	19	—	19
Pension settlements	—	—	5	5	—	—	—	—
Amortization of acquired intangibles(5)	186	5	—	191	160	5	—	165
Adjusted EBIT(6)	**1,296**	**284**	**(83)**	**1,497**	**1,427**	**299**	**(105)**	**1,621**
Adjusted EBIT / sales %	**13.3 %**	**10.4 %**		**12.0 %**	**14.2 %**	**10.6 %**		**12.6 %**
Reconciliation of adjusted growth to comparable constant currency growth								
% growth - Adjusted EBIT					**10**	**6**		**8**
% items affecting comparability(7)					—	—		**1**
% currency impact					**(1)**	**2**		**(1)**
% comparable constant currency growth					**9**	**8**		**8**

(1) Other includes equity in income (loss) of affiliated companies, net of tax and general corporate expenses.
(2) The twelve months ended June 30, 2021 includes a $51 million gain realized upon disposal of a non-core European hospital supplies business as part of optimizing its portfolio under the Bemis Integration restructuring plan.
(3) Includes $15 million gain realized upon disposal of AMVIG and losses on disposal of other non-core businesses.
(4) Includes costs associated with the Bemis acquisition. The twelve months ended June 30, 2021 includes a $19 million benefit related to Brazil indirect taxes. The twelve months ended June 30, 2020 includes $58 million of acquisition related inventory fair value step-up costs.
(5) The twelve months ended June 30, 2020 includes $26 million of sales backlog amortization related to the Bemis acquisition.
(6) During the first quarter of fiscal 2021, the Company reported that it revised the presentation of the reportable segments adjusted EBIT to include an allocation of certain research and development and selling, general and administrative expenses that management previously reflected in Other. Prior periods have been recast to conform to the new cost allocation methodology.
(7) Reflects the impact of disposed businesses.

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Reconciliations of non-GAAP financial measures

Reconciliations of adjusted Free Cash Flow

($ million)	Twelve Months Ended June 30, 2020	2021
Net cash provided from operating activities	1,384	1,461
Purchase of property, plant and equipment and other intangible assets	(400)	(468)
Proceeds from sales of property, plant and equipment and other intangible assets	13	26
Operating cash flow related to divested operations	60	—
Material transaction and integration related costs	163	80
Adjusted Free Cash Flow[1]	**1,220**	**1,099**

(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.

($ million)	Twelve Months Ended June 30, 2020	2021
Adjusted EBITDA	1,913	2,028
Interest paid, net	(187)	(131)
Income tax paid[1]	(209)	(321)
Purchase of property, plant and equipment and other intangible assets	(400)	(468)
Proceeds from sale of property, plant and equipment and other intangible assets	13	26
Movement in working capital	213	29
Other	(123)	(64)
Adjusted Free Cash Flow[2]	**1,220**	**1,099**

(1) The twelve months ended June 30, 2020 excludes tax cash paid of $95 million related to disposal proceeds from divestments which were required by the European Commission and the U.S. Department of Justice at the time of approving Amcor's acquisition of Bemis.
(2) 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.

Reconciliation of net debt

($ million)	June 30, 2020	June 30, 2021
Cash and cash equivalents	(743)	(850)
Short-term debt	195	98
Current portion of long-term debt	11	5
Long-term debt excluding current portion of long-term debt	6,028	6,186
Net debt	**5,491**	**5,439**