

ASX Announcement

5 September 2023

Orora announces acquisition of Saverglass and associated equity raising

Key Highlights

- Orora Ltd (ASX:ORA) (“Orora”) has entered into arrangements to acquire 100% of Saverglass SAS (“Saverglass”) through the acquisition of all of the shares of Olympe SAS for an enterprise value of €1,290 million¹ (A\$2,156 million)² (the “Acquisition”)³
- Saverglass is a global leader in the design, manufacturing, customisation, and decoration of high-end bottles for the premium and ultra-premium spirit and wine markets
- Saverglass represents a unique acquisition of a high-quality business, enhancing Orora’s strategic advantage, scale, diversification and its future growth opportunities
- The Acquisition is expected to be mid-single digit earnings per share (“EPS”) accretive (including full run-rate synergies)⁴ in the first full financial year of ownership
- The Acquisition will be funded via a fully underwritten equity raising of approximately A\$1,345 million comprising a A\$450 million institutional placement and a A\$895 million 1-for-2.55 accelerated non-renounceable pro rata entitlement offer (“Equity Raising”), and A\$875 million of Acquisition debt financing⁵
- Acquisition funding to result in leverage of 2.50x pro forma FY23 Underlying EBITDA within Orora’s stated range, and with strong cash flow to support future deleveraging
- Saverglass will become the centrepiece of Orora’s global glass business unit, and will operate as a third platform for growth, under the leadership of Orora and Saverglass’ highly experienced management teams who will remain with the business

¹ Acquisition price on a debt free, cash free basis, subject to working capital and net debt adjustments

² Converted to AUD at EUR/AUD exchange ratio of 1.67

³ Orora and the vendors of Olympe SAS have entered into a Put Option Agreement which provides the vendors the option to sell the shares in Olympe SAS (whether directly or indirectly through the sale of certain upstream management companies holding shares in Olympe SAS) to Orora following the completion of certain mandatory French works council consultation processes. The Put Option Agreement attaches an agreed form Share Purchase Agreement to be entered into by the parties following completion of these works council consultation processes and upon the vendors exercising the put option. The put option cannot be exercised, and the parties cannot enter into a binding Share Purchase Agreement in order to implement the Acquisition, until these works council consultation processes have been completed, which usually takes a few months

⁴ First full financial year of ownership reflects FY25. Inclusive of full run-rate synergies and before purchase price adjustments, such as amortisation of intangible assets, one-off transaction and integration costs, and working capital and net debt adjustments. The purchase price accounting for the Transaction has not been completed, which may impact future depreciation and amortisation charges. Applies the adjustment factor taking into account the bonus element of the Entitlement Offer consistent with AASB 133. The bonus element of the Entitlement Offer is calculated to reflect the discount to the theoretical ex-rights price (“TERP”) and is based on a share price of A\$3.43, representing the last close of Orora’s shares of A\$3.52 as at Friday, 25 August 2023, adjusted for A\$0.09 final dividend with a record date of 4 September 2023. TERP includes shares issued under the Institutional Entitlement Offer, Retail Entitlement Offer and the Placement

⁵ Orora has entered into a bilateral bridge facility which, subject to satisfying customary conditions precedent, is available for the purposes of funding the debt component of the Acquisition (and related costs and expenses)

Transaction Overview

Orora is pleased to announce that it has entered into arrangements relating to the acquisition of Saverglass, a global leader in the design, manufacturing, customisation and decoration of high-end bottles for the premium and ultra-premium spirit and wine markets. The enterprise value of €1,290 million¹ (A\$2,156 million)² represents an implied multiple of 7.7x Adjusted EBITDA of Saverglass for the last 12 months (LTM) to 30 June 2023 (Jun-23) of €168 million⁶ (excluding any pro forma synergies).

From a commercial, product and geographic perspective the combination of Saverglass and Orora is expected to unlock significant value creation opportunities for the Combined Group⁷. In addition, near-term synergies of A\$15 million are expected from network optimisation, cost rationalisation and operational efficiencies. The Acquisition will provide attractive value creation for existing shareholders of Orora and is expected to be mid-single digit EPS accretive (including full run-rate synergies)⁴ in the first full financial year of ownership. On a pro forma basis, the Acquisition represents a c. 69% uplift in Orora's Underlying FY23 EBITDA to c. A\$749 million² (excluding any pro forma synergies), providing a 320bps increase in Underlying EBITDA margin.

Orora and the vendors of Olympe SAS have entered into a Put Option Agreement which provides the vendors the option to sell the shares in Olympe SAS to Orora. Exercise of the put option by the vendors under the Put Option Agreement and entry into a binding Share Purchase Agreement in order to implement the Acquisition is subject to the completion of certain mandatory French works council consultation processes in order to comply with French labour laws⁸. Following exercise of the put option and upon execution of a binding Share Purchase Agreement, the Acquisition will be subject to various conditions precedent customary for a transaction of this nature, including obtaining all necessary regulatory approvals. Subject to the satisfaction of all conditions precedent, completion of the Acquisition is expected to occur in the last quarter of CY2023.

Orora CEO Brian Lowe said: *"We are extremely pleased to welcome Saverglass into the Orora Group. This strategic acquisition further strengthens our existing glass business, establishing Orora as a global player of scale in attractive premium segments. I look forward to working with the Saverglass team, led by CEO Jean-Marc Arrambourg as we embark on this journey together."*

Saverglass CEO Jean-Marc Arrambourg said: *"We are extremely excited to join Orora as we look to consolidate and accelerate Saverglass' strong momentum. We see Orora as a natural owner of Saverglass, given the high complementarity of the two businesses and significant benefits to be realised from the combined global network and capabilities."*

Overview of Saverglass

Saverglass is a leading global manufacturer of premium and ultra-premium glass bottles, servicing luxury spirits and wine producers globally, and differentiating its offering through its integrated decoration capabilities. Saverglass has created a well-invested network of strategically located manufacturing operations across three continents, located in close proximity to key production regions and servicing customers in more than 100 countries.

Saverglass is recognised as the preferred partner for established and emerging brands in premium spirits and wine, with leading design and R&D capabilities providing the ability to create bespoke, exclusive and personalised products (more than 140+ new customer models are created each year). Saverglass retains exclusive rights to bottle designs and moulds, resulting in a loyal and committed customer base, demonstrated by its average 15-year relationship with its top 20 customers.

Saverglass has leveraged its strong market position and global footprint to grow into a resilient and profitable operator at scale, with sustained margin performance, achieving a 16% CAGR in revenue and Adjusted EBITDA from CY19 to LTM Jun-23⁹. Saverglass is expected to benefit from continued growth given it is leveraged to strong premiumisation trends in spirits and wine and has recently invested in incremental capacity in North America, a key under-penetrated market with significant momentum in Premium+ spirits (including tequila and US whiskey) expected to continue.

⁶ Shown on a pre AASB-16 (Leases) basis as per French GAAP reporting standards

⁷ Represents Orora and Saverglass post Completion

⁸ While Orora expects the vendors to exercise the put option following completion of the relevant works council consultation processes, such exercise is entirely at the vendors' discretion. Should the works council consultation processes complete and the vendors do not exercise the put option or do not enter into the Share Purchase Agreement, the vendors will be required to pay Orora a substantial break fee. The vendors have also agreed to grant Orora exclusivity with respect to the purchase of Saverglass SAS until nine months following the date of the Put Option Agreement

⁹ Reflects LTM to Jun-23 Adjusted EBITDA, shown on a pre AASB-16 (Leases) basis as per French GAAP reporting standards. Reflects partial year CAGR adjustment accounting for LTM to Jun-23

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Strategic rationale and investment highlights

Saverglass represents a unique acquisition of a market leader and a logical and compelling extension of Orora's strategy as a global, sustainable value-added packaging solutions player. The Acquisition will provide meaningful scale to Orora's existing operations, extending its operating footprint and product capabilities in attractive offshore markets and enhancing its financial performance and growth prospects.

- **Unique acquisition of a global market leader**, extending and enhancing Orora's core competencies in premium sustainable **value-added** beverage packaging
- Well-positioned to benefit from **ongoing growth trends in premium spirits and wine**, enhancing Orora's embedded organic growth outlook
- **Unlocks significant value creation opportunities** for the Combined Group, leveraging complementary operational footprint, sustainability practices and customer networks
 - Estimated A\$15 million of near-term synergies across new value creation opportunities, including:
 - Addition of Gawler¹⁰ to the Saverglass portfolio enabling greater operational flexibility across the combined global network, optimisation of capacity utilisation and improved mix; and
 - Ability to leverage accumulated technical capabilities and operational expertise / discipline to optimise performance and financial outcomes, including upside from procurement consolidation and sustainability best-practices
 - Significant additional upside expected from the strategic benefits identified across the Combined Group over time:
 - Leveraging Orora's existing distribution network and customer relationships to provide Saverglass with a platform to accelerate growth prospects in the North American wine and spirits market; and
 - Enhanced capability to service customer needs globally with complementary product categories and expanded geographic presence, allowing the Combined Group to service its combined customer network more broadly
- Creates a **global, diversified packaging player of scale** with a strengthened platform and multiple growth pathways
- **Highly capable management team, with significant experience** in managing a global network of glass manufacturing sites
- Acquisition of a **well-invested, established business model** with a historically **consistent long-term growth profile and robust financial performance**

Approach to integration

Saverglass will become the centrepiece of Orora's global glass business unit and will operate as a third platform for growth. Adding Gawler to the Saverglass portfolio will form a global network of high performance production facilities, with integration expected to occur over the next twelve months.

Saverglass' CEO, Jean-Marc Arrambourg, will assume responsibilities over the new division, supported by Orora's deeply experienced glass leadership team alongside Saverglass' highly capable management team who will remain with the business. Given the strength of the local management team, who have been with Saverglass on average 15 years¹¹, Saverglass presents relatively low integration risk.

¹⁰ Orora's glass manufacturing plant in South Australia

¹¹ Includes eight management personnel within Saverglass' Executive Committee

Acquisition Funding

The Acquisition and transaction costs will be funded by a combination of:

- A fully underwritten Equity Raising of approximately A\$1,345 million comprising a A\$450 million institutional placement and a A\$895 million 1-for-2.55 accelerated non-renounceable pro rata entitlement offer; and
- A\$875 million of Acquisition debt financing⁵

Orora estimates pro forma FY23 net debt / Underlying EBITDA of 2.50x and maintains its target leverage range of 2.00x – 2.50x.

Details of Equity Raising

The fully underwritten Equity Raising of approximately A\$1,345 million consists of:

- A fully underwritten institutional placement to eligible new and existing institutional investors to raise approximately A\$450 million (“Placement”); and
- A fully underwritten 1-for-2.55 accelerated non-renounceable pro rata entitlement offer to raise approximately A\$895 million (“Entitlement Offer”)

Approximately 498 million new fully paid ordinary shares in Orora (“New Shares”) will be issued under the Equity Raising, equivalent to 59% of existing Orora shares on issue.

Under the Entitlement Offer eligible shareholders are invited to subscribe for 1 New Share for every 2.55 existing Orora shares (“Entitlement”) held as at 7.00 pm (Sydney time) on Thursday, 7 September 2023.

All New Shares under the Equity Raising will be issued at A\$2.70 per New Share (“Offer Price”) representing:

- 14.5% discount to Dividend Adjusted TERP¹²
- 21.3% discount to A\$3.43, based on the last close of Orora shares as at Friday, 25 August 2023 adjusted for the A\$0.09 final dividend¹³

Each New Share issued under the Equity Raising will rank equally with existing shares on issue.

Placement

The Placement will result in approximately 167 million New Shares being issued. The Placement will be conducted concurrently with the institutional component of the Entitlement Offer (“Institutional Entitlement Offer”). New Shares issued under the Placement will rank equally with existing Orora shares from their date of issue. New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

¹² Dividend Adjusted TERP based on a share price of A\$3.43 representing the last close of Orora shares of A\$3.52 as at Friday, 25 August 2023, adjusted for the A\$0.09 final dividend with a record date of 4 September 2023. TERP includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Orora shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP

¹³ Based on last close of Orora shares of A\$3.52 as at Friday, 25 August 2023. Orora’s shares traded on an ex-dividend basis from 4 September 2023

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Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer. The Institutional Entitlement Offer will open today, Tuesday, 5 September 2023.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to certain new and existing institutional investors concurrently with the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer ("Retail Entitlement Offer"). The Retail Entitlement Offer will open at 9.00 am (Sydney Time) on Tuesday, 12 September 2023 and close at 5.00pm (Sydney Time) on Monday, 25 September 2023.

Eligible retail shareholders with a registered address in Australia or New Zealand as at Thursday, 7 September 2023 at 7.00 pm Sydney Time ("Eligible Retail Shareholders") will be entitled to participate in the Retail Entitlement Offer on the terms and subject to conditions set out in the retail offer booklet ("Retail Offer Booklet"). The Retail Offer Booklet is expected to be made available on Tuesday, 12 September 2023.

The Entitlement Offer is non-renounceable and Entitlements will not be made tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full Entitlement will not receive any payment or value in respect of Entitlements they do not take up and their percentage equity interest in Orora will be diluted.

Eligible Retail Shareholders who take up their full Entitlement will be offered the opportunity to apply for additional New Shares (up to 50% of their Entitlement) ("Top-Up Facility"). The allocation of additional New Shares under the Top-Up Facility will be subject to the availability of New Shares under the Retail Entitlement Offer. Orora retains the flexibility to scale-back applications for additional New Shares at its discretion. Further details will be included in the Retail Offer Booklet.

Details of Acquisition debt financing

Orora has entered into a bilateral bridge facility which, subject to satisfying customary conditions precedent, is available for the purposes of funding the debt component of the Acquisition (and related costs and expenses). The term of the bridge facility is 12 months, subject to Orora's right to extend by a further six-months.

Additional details

Further details of the Acquisition, Entitlement Offer and Placement are set out in the Investor Presentation released to the ASX today. The presentation contains important information that shareholders and investors should consider, including information about risk factors and the foreign selling restrictions with respect to the Equity Raising.

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Key Dates

Event	Date
Announcement of the Acquisition, Placement and Entitlement Offer	Tuesday, 5 September 2023
Institutional Entitlement Offer and Placement Opens	
Institutional Entitlement Offer and Placement closes	Wednesday, 6 September 2023
Announcement of results of Institutional Entitlement Offer and Placement	Wednesday, 6 September 2023
Suspension is lifted and trading resumes on an “ex-entitlement” basis	Wednesday, 6 September 2023
Record Date for the Entitlement Offer	Thursday, 7 September 2023 (7.00 pm Sydney time)
Retail Entitlement Offer opens	Tuesday, 12 September 2023
Retail Entitlement Offer Booklet and Acceptance Forms made available	Tuesday, 12 September 2023
Settlement of New Shares issued under the Institutional Entitlement Offer and the Placement	Wednesday, 13 September 2023
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and the Placement	Thursday, 14 September 2023
Retail Entitlement Offer closes	Monday, 25 September 2023 (5.00 pm Sydney Time)
Announcement of results of Retail Entitlement Offer	Thursday, 28 September 2023
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 29 September 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 2 October 2023
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 3 October 2023
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Thursday, 5 October 2023

All dates and times above are indicative and subject to change.

Orora’s shares will not recommence trading on the ASX until Orora announces the results of the Institutional Entitlement Offer and Placement.

Analyst and Investor Briefing

Orora is hosting a conference call at 10.30 am (Sydney time), to access the webcast use the following link, <https://edge.media-server.com/mmc/p/jnt27sd2>.

About Orora

Orora is a leading manufacturer and distributor of sustainable, innovative packaging and visual solutions for customers across the world. Listed on the ASX and headquartered in Melbourne, Australia, the company is focused on designing and delivering products and services that enables its customers’ brands to thrive. Every day, millions of consumers buy and use goods in packaging proudly designed, developed, manufactured or distributed by Orora. The company operates businesses across two key geographic segments – Orora Beverage Australasia and Orora Packaging Solutions (OPS) North America. More than 4,600 people are employed across 23 manufacturing plants and 80 distribution sites in seven countries. Learn more at www.ororagroup.com.

Further Information

Further details of the Acquisition and the Equity Raising are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and international offer restrictions with respect to the Equity Raising.

This announcement is authorised for release to the ASX by the Board of Directors of Orora.

Advisers

Citigroup Global Markets Australia Pty Ltd and AFRY Capital are acting as financial advisers to Orora on the Acquisition.

Baker McKenzie is acting as legal adviser to Orora in relation to the Acquisition and Equity Raising.

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Important Notices

Future performance

This announcement contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions. Forward looking statements in this announcement include statements about the timing and outcome of the Acquisition, the financial impacts and benefits of the Acquisition, including estimated synergies, the future performance and opportunities for growth of the Combined Group, the plans, strategies and objectives of Orora management, as well as statements about, the outcome and effects of the Equity Raising and the use of proceeds. Indications of, and guidance on, future earnings and financial position and performance, projections, expected margin improvements and Orora's outlook for the future are also forward looking statements. Such statements represent Orora's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by Orora, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Orora, its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward looking statements. Actual results, performance or achievements may vary materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of Orora's business strategies and the proposed Acquisition including following completion of the Equity Raising, the success of which may not be realised within the period for which the forward looking statements may have been prepared, or at all.

A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this announcement. Refer to the 'Key Risks' section as appears on pages 39 to 47 of the Investor Presentation lodged on ASX on 5 September 2023 for a summary of certain general and Orora specific risk factors that may affect Orora. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward looking statements are based on information available to Orora as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), Orora undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Financial data

All financial information in this announcement is in Australian Dollars (\$) or AUD unless otherwise stated. This announcement includes certain historical financial information extracted from Orora's audited consolidated financial statements for the full year ended 30 June 2023. Investors should note that this announcement also contains pro forma historical financial information. The pro forma historical financial information and the historical financial information, provided in this announcement is for illustrative purposes only and is not represented as being indicative of Orora's views on its future financial condition and/or performance. The historical financial information is presented in an abbreviated form insofar as it does not include all the announcement and disclosures, statements or comparative information as required by the Australian Accounting Standards (AAS) and other mandatory professional reporting requirement applicable to general purpose financial reports prepared in accordance with the Corporations Act. The pro forma historical financial and other information relating to the impact of the Equity Raising and the Acquisition has been prepared by Orora in reliance on information that was provided to Orora in connection with the Acquisition. The pro forma financial information has not been subject to audit or review in accordance with AAS.

Investors should note that the pro forma financial information included in this announcement does not purport to be in compliance with Article 11 of Regulation S-X under the U.S. Securities Act and the rules and regulations of the U.S. Securities and Exchange Commission and such information does not purport to comply with Article 3-05 of Regulation S-X. Investors should be aware that certain financial measures included in this announcement are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and International Financial Reporting Standards (IFRS). The non-IFRS financial information/non-GAAP financial measures include EBITDA, Adjusted EBITDA, EBITDA margin, EBIT, net debt, all measures identified as "underlying" and others. Orora believes the non-IFRS financial information/non-GAAP financial measures provide useful information to investors in measuring the financial performance and conditions of Orora. The non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS and IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this announcement.

Not for distribution or release in the United States

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which Orora has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

General

In addition, this announcement is subject to the same "Important Notice and Disclaimer" as appears on pages 2 to 5 of the Investor Presentation lodged on ASX on 5 September 2023 with any necessary contextual changes.

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