



2 November 2023

## For announcement to the ASX

Amcor (NYSE: AMCR; ASX: AMC) filed the attached Form 10-Q for the three-month period ending 30 September 2023 with the US Securities and Exchange Commission ("SEC") on Wednesday 1 November 2023. A copy of the filing is attached.

Authorised for release by:

Damien Clayton  
Company Secretary

ENDS

For further information please contact:

**Investors:**

Tracey Whitehead  
Global Head of Investor Relations  
Amcor  
+61 3 9226 9028  
tracey.whitehead@amcor.com

Damien Bird  
Vice President Investor Relations  
Amcor  
+61 3 9226 9070  
damien.bird@amcor.com

Damon Wright  
Vice President Investor Relations  
Amcor  
+1 224 313 7141  
damon.wright@amcor.com

**Media – Europe**

Ernesto Duran  
Head of Global Communications  
Amcor  
+41 78 698 69 40  
ernesto.duran@amcor.com

**Media – Australia**

James Strong  
Citadel-MAGNUS  
+61 448 881 174  
jstrong@citadelmagnus.com

**Media – North America**

Julie Liedtke  
Director – Media Relations  
Amcor  
+1 847 204 2319  
julie.liedtke@amcor.com

**About Amcor**

Amcor is a global leader in developing and producing responsible packaging solutions for food, beverage, pharmaceutical, medical, home and personal-care, and other products. Amcor works with leading companies around the world to protect their products and the people who rely on them, differentiate brands, and improve supply chains through a range of flexible and rigid packaging, specialty cartons, closures, and services. The company is focused on making packaging that is increasingly lighter weight, recyclable and reusable, and made using an increasing amount of recycled content across a variety of materials. In fiscal year 2023, 41,000 Amcor people generated \$14.7 billion in annual sales from operations that span 218 locations in 41 countries. NYSE: AMCR; ASX: AMC

[www.amcor.com](http://www.amcor.com) | [LinkedIn](#) | [Facebook](#) | [Twitter](#) | [YouTube](#)

Amcor plc

Head Office / UK Establishment Address: 83 Tower Road North, Warmley, Bristol, England, BS30 8XP, United Kingdom

UK Overseas Company Number: BR020803

Registered Office: 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey

Jersey Registered Company Number: 126984 | Australian Registered Body Number (ARBN): 630 385 278

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549



**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Quarterly Period Ended September 30, 2023**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number 001-38932**

**AMCOR PLC**

(Exact name of Registrant as specified in its charter)

**Jersey**

**98-1455367**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**83 Tower Road North  
Warmley, Bristol BS30 8XP  
United Kingdom**

(Address of principal executive offices)

Registrant's telephone number, including area code: **+44 117 9753200**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Ordinary Shares, Par Value \$0.01 Per Share	AMCR	New York Stock Exchange
1.125% Guaranteed Senior Notes Due 2027	AUKF/27	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	<input checked="" type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Accelerated Filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 30, 2023, the registrant had 1,445,343,212 ordinary shares, \$0.01 par value, outstanding.

**Amcor plc**  
**Quarterly Report on Form 10-Q**  
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## **Cautionary Statement Regarding Forward-Looking Statements**

Unless otherwise indicated, references to "Amcor," the "Company," "we," "our," and "us" in this Quarterly Report on Form 10-Q refer to Amcor plc and its consolidated subsidiaries.

This Quarterly Report on Form 10-Q 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 in numerous industries;
- the loss of key customers, a reduction in their production requirements, or consolidation among key customers;
- significant competition in the industries and regions in which we operate;
- an inability to expand our current business effectively through either organic growth, including product innovation, investments, or acquisitions;
- challenging current and future global economic conditions, including the Russia-Ukraine conflict and inflation;
- impacts of operating internationally;
- price fluctuations or shortages in the availability of raw materials, energy and other inputs, which could adversely affect our business;
- production, supply, and other commercial risks, including counterparty credit risks, which may be exacerbated in times of economic volatility;
- pandemics, epidemics, or other disease outbreaks;
- an inability to attract and retain our global executive management team and our skilled workforce;
- costs and liabilities related to environment, health, and safety ("EHS") laws and regulations, as well as changes in the global climate;
- labor disputes and an inability to renew collective bargaining agreements at acceptable terms;
- risks related to climate change;
- cybersecurity risks, which could disrupt our operations or risk of loss of our sensitive business information;
- failures or disruptions in our information technology systems which could disrupt our operations, compromise customer, employee, supplier, and other data;
- rising interest rates that increase our borrowing costs on our variable rate indebtedness and could have other negative impacts;
- a significant increase in our indebtedness or a downgrade in our credit rating could reduce our operating flexibility and increase our borrowing costs and negatively affect our financial condition and results of operations;
- foreign exchange rate risk;
- a significant write-down of goodwill and/or other intangible assets;
- a failure to maintain an effective system of internal control over financial reporting;
- an inability of our insurance policies, including our use of a captive insurance company, to provide adequate protection against all of the risks we face;
- an inability to defend our intellectual property rights or intellectual property infringement claims against us;
- litigation, including product liability claims, or regulatory developments;
- increasing scrutiny and changing expectations from investors, customers, and governments with respect to our Environmental, Social, and Governance ("ESG") practices and commitments resulting in additional costs or exposure to additional risks;
- changing government regulations in environmental, health, and safety matters, including climate change; and
- changes in tax laws or changes in our geographic mix of earnings.

These risks and uncertainties are supplemented by those identified from time to time in our filings with the Securities and Exchange Commission (the "SEC"), including without limitation, those described under Part I, "Item 1A - Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, and as updated by our 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](http://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.

**Part I - Financial Information****Item 1. Financial Statements (unaudited)**

**Amcor plc and Subsidiaries**  
**Condensed Consolidated Statements of Income**  
**(Unaudited)**

(\$ in millions, except per share data)	Three Months Ended September 30,	
	2023	2022
Net sales	\$ 3,443	\$ 3,712
Cost of sales	(2,798)	(3,044)
Gross profit	645	668
Selling, general, and administrative expenses	(302)	(302)
Research and development expenses	(27)	(25)
Restructuring and related expenses, net	(28)	(1)
Other income/(expenses), net	(18)	2
Operating income	270	342
Interest income	10	9
Interest expense	(85)	(59)
Other non-operating expenses, net	(1)	—
Income before income taxes and equity in loss of affiliated companies	194	292
Income tax expense	(39)	(58)
Equity in loss of affiliated companies, net of tax	(1)	—
<b>Net income</b>	<b>\$ 154</b>	<b>\$ 234</b>
Net income attributable to non-controlling interests	(2)	(2)
<b>Net income attributable to Amcor plc</b>	<b>\$ 152</b>	<b>\$ 232</b>
Basic earnings per share:	\$ 0.105	\$ 0.156
Diluted earnings per share:	\$ 0.105	\$ 0.155

See accompanying notes to condensed consolidated financial statements.

**Amcor plc and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income**  
**(Unaudited)**

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Net income	\$ 154	\$ 234
Other comprehensive loss:		
Net gains/(losses) on cash flow hedges, net of tax (a)	1	(7)
Foreign currency translation adjustments, net of tax (b)	(68)	(161)
Pension, net of tax (c)	1	—
<b>Other comprehensive loss</b>	<b>(66)</b>	<b>(168)</b>
<b>Total comprehensive income</b>	<b>88</b>	<b>66</b>
Comprehensive income attributable to non-controlling interests	(2)	(2)
<b>Comprehensive income attributable to Amcor plc</b>	<b>\$ 86</b>	<b>\$ 64</b>
(a) Tax benefit related to cash flow hedges	\$ —	\$ 1
(b) Tax expense related to foreign currency translation adjustments	\$ (1)	\$ (3)
(c) Tax benefit related to pension adjustments	\$ —	\$ —

*See accompanying notes to condensed consolidated financial statements.*

**Amcor plc and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
*(Unaudited)*

(\$ in millions, except share and per share data)	September 30, 2023	June 30, 2023
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 524	\$ 689
Trade receivables, net of allowance for credit losses of \$22 and \$21, respectively	1,870	1,875
Inventories, net:		
Raw materials and supplies	977	992
Work in process and finished goods	1,157	1,221
Prepaid expenses and other current assets	557	531
<b>Total current assets</b>	<b>5,085</b>	<b>5,308</b>
<b>Non-current assets:</b>		
Property, plant, and equipment, net	3,718	3,762
Operating lease assets	529	533
Deferred tax assets	134	134
Other intangible assets, net	1,482	1,524
Goodwill	5,350	5,366
Employee benefit assets	67	67
Other non-current assets	318	309
<b>Total non-current assets</b>	<b>11,598</b>	<b>11,695</b>
<b>Total assets</b>	<b>\$ 16,683</b>	<b>\$ 17,003</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 11	\$ 13
Short-term debt	107	80
Trade payables	2,218	2,690
Accrued employee costs	325	396
Other current liabilities	1,344	1,297
<b>Total current liabilities</b>	<b>4,005</b>	<b>4,476</b>
<b>Non-current liabilities:</b>		
Long-term debt, less current portion	6,979	6,653
Operating lease liabilities	461	463
Deferred tax liabilities	614	616
Employee benefit obligations	209	224
Other non-current liabilities	451	481
<b>Total non-current liabilities</b>	<b>8,714</b>	<b>8,437</b>
<b>Total liabilities</b>	<b>12,719</b>	<b>12,913</b>
Commitments and contingencies (See Note 13)		
<b>Shareholders' Equity</b>		
<b>Amcor plc shareholders' equity:</b>		
Ordinary shares (\$0.01 par value)		
Authorized (9,000 million shares)		
Issued (1,445 and 1,448 million shares, respectively)	\$ 14	\$ 14
Additional paid-in capital	3,983	4,021
Retained earnings	841	865
Accumulated other comprehensive loss	(928)	(862)
Treasury shares (1 and 1 million shares, respectively)	(12)	(12)
<b>Total Amcor plc shareholders' equity</b>	<b>3,898</b>	<b>4,026</b>
Non-controlling interests	66	64
<b>Total shareholders' equity</b>	<b>3,964</b>	<b>4,090</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 16,683</b>	<b>\$ 17,003</b>

See accompanying notes to condensed consolidated financial statements.



**Amcor plc and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 154	\$ 234
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation, amortization, and impairment	149	151
Net periodic benefit cost	4	2
Amortization of debt discount and deferred financing costs	3	1
Equity in loss of affiliated companies	1	—
Net foreign exchange (gain)/loss	7	(17)
Share-based compensation	(5)	16
Other, net	15	56
Loss from hyperinflationary accounting for Argentine subsidiaries	33	13
Deferred income taxes, net	(6)	(16)
Changes in operating assets and liabilities, excluding effect of acquisitions, divestitures, and currency	(490)	(700)
<b>Net cash used in operating activities</b>	<b>(135)</b>	<b>(260)</b>
Cash flows from investing activities:		
Investments in affiliated companies and other	(3)	(42)
Business acquisitions	(19)	(54)
Purchase of property, plant, and equipment, and other intangible assets	(124)	(152)
Proceeds from divestitures	—	4
Proceeds from sales of property, plant, and equipment, and other intangible assets	4	4
<b>Net cash used in investing activities</b>	<b>(142)</b>	<b>(240)</b>
Cash flows from financing activities:		
Proceeds from issuance of shares	—	96
Purchase of treasury shares and tax withholdings for share-based incentive plans	(46)	(202)
Proceeds from issuance of long-term debt	—	1
Repayment of long-term debt	(17)	(24)
Net borrowing of commercial paper	388	703
Net borrowing/(repayment) of short-term debt	25	(66)
Repayment of lease liabilities	(3)	(1)
Share buybacks/cancellations	(30)	—
Dividends paid	(176)	(181)
<b>Net cash provided by financing activities</b>	<b>141</b>	<b>326</b>
Effect of exchange rates on cash and cash equivalents	(29)	(60)
Change in cash and cash equivalents classified as held for sale	—	21
<b>Net decrease in cash and cash equivalents</b>	<b>(165)</b>	<b>(213)</b>
Cash and cash equivalents balance at beginning of year	689	775
<b>Cash and cash equivalents balance at end of period</b>	<b>\$ 524</b>	<b>\$ 562</b>
<b>Supplemental cash flow information:</b>		
Interest paid, net of amounts capitalized	\$ 57	\$ 40
Income taxes paid	\$ 53	\$ 35
<b>Supplemental non-cash disclosures relating to investing and financing activities:</b>		
Purchase of property, plant, and equipment, accrued but unpaid	\$ 58	\$ 77
Contingent liabilities related to acquired businesses, accrued but not paid	\$ 35	\$ 11

See accompanying notes to condensed consolidated financial statements.

**Amcor plc and Subsidiaries**  
**Condensed Consolidated Statements of Equity**  
*(Unaudited)*

(\$ in millions, except per share data)	Ordinary Shares	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Shares	Non- controlling Interests	Total
<b>Balance as of June 30, 2022</b>	<b>\$ 15</b>	<b>\$ 4,431</b>	<b>\$ 534</b>	<b>\$ (880)</b>	<b>\$ (18)</b>	<b>\$ 59</b>	<b>\$ 4,141</b>
Net income			232			2	234
Other comprehensive loss				(168)		—	(168)
Dividends declared (\$0.12 per share)			(178)			(3)	(181)
Options exercised and shares vested		(75)			171		96
Net settlement of forward contracts to purchase own equity for share-based incentive plans, net of tax		40					40
Purchase of treasury shares					(202)		(202)
Share-based compensation		16					16
<b>Balance as of September 30, 2022</b>	<b>\$ 15</b>	<b>\$ 4,412</b>	<b>\$ 588</b>	<b>\$ (1,048)</b>	<b>\$ (49)</b>	<b>\$ 58</b>	<b>\$ 3,976</b>
<b>Balance as of June 30, 2023</b>	<b>\$ 14</b>	<b>\$ 4,021</b>	<b>\$ 865</b>	<b>\$ (862)</b>	<b>\$ (12)</b>	<b>\$ 64</b>	<b>\$ 4,090</b>
Net income			152			2	154
Other comprehensive loss				(66)		—	(66)
Share buyback/cancellations	—	(30)					(30)
Dividends declared (\$0.1225 per share)			(176)			—	(176)
Shares vested and related tax withholdings		(48)			45		(3)
Net settlement of forward contracts to purchase own equity for share-based incentive plans, net of tax		45					45
Purchase of treasury shares					(45)		(45)
Share-based compensation		(5)					(5)
<b>Balance as of September 30, 2023</b>	<b>\$ 14</b>	<b>\$ 3,983</b>	<b>\$ 841</b>	<b>\$ (928)</b>	<b>\$ (12)</b>	<b>\$ 66</b>	<b>\$ 3,964</b>

See accompanying notes to condensed consolidated financial statements.

**Amcor plc and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**

**Note 1 - Nature of Operations and Basis of Presentation**

Amcor plc ("Amcor" or the "Company") is a public limited company incorporated under the Laws of the Bailiwick of Jersey. The Company's history dates back more than 150 years, with origins in both Australia and the United States of America. Today, Amcor is a global leader in developing and producing responsible packaging for food, beverage, pharmaceutical, medical, home and personal-care, and other consumer goods end markets. The Company's innovation excellence and global packaging expertise enable the Company to solve packaging challenges around the world every day, producing packaging that is more functional, appealing, and cost effective for its customers and their consumers and importantly, more sustainable for the environment.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information. Consistent with these requirements, this Form 10-Q does not include all the information required by U.S. GAAP for complete financial statements. Further, the year-end condensed consolidated balance sheet data as of June 30, 2023 was derived from audited financial statements but does not include all disclosures required by U.S. GAAP. It is management's opinion, however, that all material and recurring adjustments have been made that are necessary for a fair statement of the Company's interim financial position, results of operations, and cash flows. For further information, this Form 10-Q should be read in conjunction with the audited consolidated financial statements and accompanying notes in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

There have been no material changes to the accounting policies followed by the Company during the current fiscal year. Certain amounts in the Company's notes to unaudited condensed consolidated financial statements may not add or recalculate due to rounding.

## **Note 2 - New Accounting Guidance**

### **Recently Adopted Accounting Standards**

In September 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-04 that adds certain disclosure requirements for entities that use supplier finance programs in connection with the purchase of goods and services. The Company adopted the disclosure requirements in ASU 2022-04 on July 1, 2023, except for the amendment on roll forward information, which is effective in fiscal year 2025.

The Company facilitates several regional voluntary supply chain financing ("SCF") programs with financial institutions, all of which have similar characteristics. The Company establishes these SCF programs to provide its suppliers with a potential source of liquidity and to enable a more efficient payment process. Under these SCF programs, qualifying suppliers may elect, but are not obligated, to sell their receivables due from Amcor to these financial institutions in advance of the agreed payment due date. The Company is not involved in negotiations between the suppliers and the financial institutions, and its rights and obligations to its suppliers are not impacted by its suppliers' decisions to sell amounts to the financial institutions. Under these SCF programs, the Company agrees to pay the financial institution the stated invoice amounts from its participating suppliers on the original maturity dates of the invoices. The range of payment terms negotiated with suppliers under these arrangements are consistent with industry norms and short-term in nature, regardless of whether a supplier participates in the program. The Company's SCF programs do not include any guarantees to the financial institutions, or any assets pledged as securities.

All outstanding amounts related to suppliers participating in the SCF programs are reflected in trade payables in the Company's unaudited condensed consolidated balance sheets, and associated payments are included in operating activities within the Company's unaudited condensed consolidated statements of cash flows. As of September 30, 2023 and June 30, 2023, the amounts due to suppliers participating in the Company's SCF programs amounted to \$0.9 billion and \$1.1 billion, respectively.

### **Accounting Standards Not Yet Adopted**

The Company considers the applicability and impact of all ASUs issued by the FASB. The Company determined at this time that all other ASUs not yet adopted are either not applicable or are not expected to have a material impact on its results of operation, financial position, and disclosures.

### **Note 3 - Acquisitions**

#### ***Fiscal Year 2024***

On September 27, 2023, the Company completed the acquisition of a small manufacturer of flexible packaging for food, home care, and personal care applications in India for a purchase consideration of \$14 million plus the assumption of debt of \$10 million. The acquisition is part of the Company's Flexibles reportable segment and the Company aims to complete the purchase price allocation as soon as practicable but no later than one year from the date of the acquisition.

#### ***Fiscal Year 2023***

On May 31, 2023, the Company completed the acquisition of a New Zealand based leading manufacturer of state-of-the-art, automated protein packaging machines. The purchase consideration of \$45 million is subject to customary post-closing adjustments. The consideration includes contingent consideration of \$13 million, to be earned and paid in cash over the two years following the acquisition date, subject to meeting certain performance targets. The acquisition is part of the Company's Flexibles reportable segment and resulted in the recognition of acquired identifiable net assets of \$9 million and goodwill of \$36 million. Goodwill is deductible for tax purposes. The fair values of the contingent consideration, identifiable net assets acquired, and goodwill are based on the Company's best estimate as of September 30, 2023, and are considered preliminary. The Company aims to complete the purchase price allocation as soon as practicable but no later than one year from the date of the acquisition.

On March 17, 2023, the Company completed the acquisition of 100% equity interest in a medical device packaging manufacturing site in Shanghai, China. The purchase consideration of \$60 million is subject to customary post-closing adjustments. The consideration includes contingent consideration of \$20 million, to be earned and paid in cash over the three years following the acquisition date, subject to meeting certain performance targets. The acquisition is part of the Company's Flexibles reportable segment and resulted in the recognition of acquired identifiable net assets of \$21 million and goodwill of \$39 million. Goodwill is not deductible for tax purposes. The fair values of the contingent consideration, identifiable net assets acquired, and goodwill are based on the Company's best estimate as of September 30, 2023, and are considered preliminary. The Company aims to complete the purchase price allocation as soon as practicable but no later than one year from the date of the acquisition.

The fair value estimates for all three acquisitions were based on income, market, and cost valuation methods. Pro forma information related to these acquisitions has not been presented, as the effect of the acquisitions on the Company's consolidated financial statements was not material.

#### Note 4 - Restructuring

Restructuring and related expenses, net, were \$28 million and \$1 million during the three months ended September 30, 2023 and 2022, respectively. The Company's restructuring activities for the three months ended September 30, 2023 are primarily comprised of restructuring activities related to the 2023 Restructuring Plan (as defined below). The Company's restructuring activities in the three months ended September 30, 2022 included expenses relating to Other Restructuring Plans (as defined below).

Restructuring related expenses are directly attributable to restructuring activities; however, they do not qualify for special accounting treatment as exit or disposal activities. The Company believes the disclosure of restructuring related costs provides more information on its restructuring activities.

##### **2023 Restructuring Plan**

On February 7, 2023, the Company announced that it will allocate approximately \$110 million to \$130 million of the sale proceeds from the Company's three manufacturing sites in Russia ("Russian business") to various cost saving initiatives to partly help offset divested earnings from these sites (the "2023 Restructuring Plan" or the "Plan"). The Company expects the total Plan cash and non-cash net expenses to total \$200 million to \$220 million. As of September 30, 2023, the Company has initiated projects with an expected net cost of approximately \$170 million, of which \$89 million relates to employee related expenses, \$14 million to fixed asset related expenses (net of expected gains on asset disposals), \$52 million to other restructuring expenses, and \$15 million to restructuring related expenses. The projects initiated as of September 30, 2023 are expected to result in approximately \$100 million of net cash expenditures. The Plan includes both the Flexibles and Rigid Packaging reportable segments and is expected to be largely completed by the end of fiscal year 2024.

From the initiation of the Plan through September 30, 2023, the Company has incurred \$81 million in employee related expenses, \$19 million in fixed asset related expenses, \$11 million in other restructuring, and \$9 million in restructuring related expenses, with \$109 million incurred in the Flexibles reportable segment and \$11 million incurred in the Rigid Packaging reportable segment. The Plan has resulted in cumulative net cash outflows of \$37 million. Additional cash payments of approximately \$65 million to \$75 million, net of estimated proceeds from disposals, are expected for the remainder of the fiscal year 2024, the majority of which relates to the Flexibles reportable segment.

The restructuring related costs relate primarily to the closure of facilities and include startup and training costs after relocation of equipment, and other costs incidental to the Plan.

##### **Other Restructuring Plans**

The Company has entered into other individually immaterial restructuring plans ("Other Restructuring Plans"). Expenses incurred on such programs are primarily costs to move equipment and other costs.

##### **Consolidated Restructuring Plans**

The total costs incurred from the beginning of the Company's 2023 Restructuring Plan and other restructuring plans are as follows:

(\$ in millions)	2023 Restructuring Plan (1)	Other Restructuring Plans (2)	Total Restructuring and Related Expenses
Fiscal year 2023	\$ 94	\$ 17	\$ 111
Fiscal year 2024, first quarter	26	2	28
<b>Net expenses incurred</b>	<b>\$ 120</b>	<b>\$ 19</b>	<b>\$ 139</b>

- (1) Includes restructuring related expenses from the 2023 Restructuring Plan of \$6 million and \$3 million for fiscal year 2023 and first quarter of fiscal year 2024, respectively. In the three months ended September 30, 2023, \$23 million of the restructuring and related expenses, net, were incurred in the Flexibles reportable segment and \$3 million in the Rigid Packaging reportable segment.
- (2) Includes restructuring related costs of \$4 million and nil for fiscal year 2023 and first quarter of fiscal year 2024, respectively.

An analysis of the restructuring charges by type incurred follows:

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Employee related expenses	\$ 16	\$ 1
Fixed asset related expenses	6	—
Other expenses	3	—
<b>Total restructuring expenses, net</b>	<b>\$ 25</b>	<b>\$ 1</b>

An analysis of the Company's restructuring plan liability is as follows:

(\$ in millions)	Employee Costs	Fixed Asset Related Costs	Other Costs	Total Restructuring Costs
<b>Liability balance as of June 30, 2023</b>	<b>\$ 126</b>	<b>\$ 3</b>	<b>\$ 21</b>	<b>\$ 150</b>
Net charges to earnings	16	6	3	25
Cash paid	(22)	—	(8)	(30)
Non-cash and other	—	(6)	—	(6)
Foreign currency translation	(4)	—	(1)	(5)
<b>Liability balance as of September 30, 2023</b>	<b>\$ 116</b>	<b>\$ 3</b>	<b>\$ 15</b>	<b>\$ 134</b>

The table above includes liabilities arising from the 2023 Restructuring Plan and Other Restructuring Plans. The accruals related to restructuring activities have been recorded on the unaudited condensed consolidated balance sheets under other current liabilities.

## Note 5 - Goodwill and Other Intangible Assets, Net

### Goodwill

Changes in the carrying amount of goodwill attributable to each reportable segment were as follows:

(\$ in millions)	Flexibles Segment	Rigid Packaging Segment	Total
<b>Balance as of June 30, 2023</b>	<b>\$ 4,391</b>	<b>\$ 975</b>	<b>\$ 5,366</b>
Acquisitions (1)	12	—	12
Foreign currency translation	(27)	(1)	(28)
<b>Balance as of September 30, 2023</b>	<b>\$ 4,376</b>	<b>\$ 974</b>	<b>\$ 5,350</b>

(1) Acquisitions are attributed to goodwill recognized in connection with the business combination detailed in Note 3, "Acquisitions".

Goodwill is not amortized but is tested for impairment annually in the fourth quarter of the fiscal year, or during interim periods if events or circumstances arise which indicate that goodwill may be impaired.

### Other Intangible Assets, Net

Other intangible assets, net were comprised of the following:

(\$ in millions)	September 30, 2023		
	Gross Carrying Amount	Accumulated Amortization and Impairment (1)	Net Carrying Amount
Customer relationships	\$ 1,983	\$ (691)	\$ 1,292
Computer software	262	(184)	78
Other (2)	325	(213)	112
<b>Total other intangible assets</b>	<b>\$ 2,570</b>	<b>\$ (1,088)</b>	<b>\$ 1,482</b>

  

(\$ in millions)	June 30, 2023		
	Gross Carrying Amount	Accumulated Amortization and Impairment (1)	Net Carrying Amount
Customer relationships	\$ 1,987	\$ (660)	\$ 1,327
Computer software	261	(185)	76
Other (2)	327	(206)	121
<b>Total other intangible assets</b>	<b>\$ 2,575</b>	<b>\$ (1,051)</b>	<b>\$ 1,524</b>

(1) Accumulated amortization and impairment as of September 30, 2023 and June 30, 2023 included \$34 million of accumulated impairment in the Other category.

(2) As of September 30, 2023 and June 30, 2023, Other included \$17 million of acquired intellectual property assets not yet being amortized as the related R&D projects have not yet been completed.

Amortization expenses for intangible assets were \$44 million and \$43 million during the three months ended September 30, 2023 and 2022, respectively.



## Note 6 - Fair Value Measurements

The fair values of the Company's financial assets and financial liabilities listed below reflect the amounts that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price).

The Company's non-derivative financial instruments primarily include cash and cash equivalents, trade receivables, trade payables, short-term debt, and long-term debt. As of September 30, 2023 and June 30, 2023, the carrying value of these financial instruments, excluding long-term debt, approximated fair value because of the short-term nature of these instruments.

The carrying value of long-term debt with variable interest rates approximates its fair value. The fair value of the Company's long-term debt with fixed interest rates is based on market prices, if available, or expected future cash flows discounted at the current interest rate for financial liabilities with similar risk profiles.

The carrying values and estimated fair values of long-term debt with fixed interest rates (excluding the fair value of designated receive-fixed/pay-variable interest rate swaps) were as follows:

(\$ in millions)	September 30, 2023		June 30, 2023	
	Carrying Value	Fair Value (Level 2)	Carrying Value	Fair Value (Level 2)
Total long-term debt with fixed interest rates (excluding commercial paper <sup>(1)</sup> and finance leases)	\$ 4,098	\$ 3,780	\$ 4,123	\$ 3,844

(1) As of September 30, 2023, and June 30, 2023, the Company has entered into interest rate swap contracts for a total notional amount of commercial paper equal to \$1.2 billion. These contracts are considered to be economic hedges and the related \$1.2 billion notional amount of commercial paper is also excluded from the total long-term debt with fixed interest rates.

### Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis

Additionally, the Company measures and records certain assets and liabilities, including derivative instruments and contingent purchase consideration liabilities, at fair value. The following table summarizes the fair value of these instruments, which are measured at fair value on a recurring basis, by level, within the fair value hierarchy:

(\$ in millions)	September 30, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Commodity contracts	\$ —	\$ 1	\$ —	\$ 1
Forward exchange contracts	—	2	—	2
Interest rate swaps	—	13	—	13
<b>Total assets measured at fair value</b>	<b>\$ —</b>	<b>\$ 16</b>	<b>\$ —</b>	<b>\$ 16</b>
<b>Liabilities</b>				
Contingent purchase consideration liabilities	\$ —	\$ —	\$ 45	\$ 45
Commodity contracts	—	1	—	1
Forward exchange contracts	—	5	—	5
Interest rate swaps	—	107	—	107
<b>Total liabilities measured at fair value</b>	<b>\$ —</b>	<b>\$ 113</b>	<b>\$ 45</b>	<b>\$ 158</b>

(\$ in millions)	June 30, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Forward exchange contracts	—	3	—	3
Interest rate swaps	—	16	—	16
<b>Total assets measured at fair value</b>	<b>\$ —</b>	<b>\$ 19</b>	<b>\$ —</b>	<b>\$ 19</b>
<b>Liabilities</b>				
Contingent purchase consideration liabilities	\$ —	\$ —	\$ 46	\$ 46
Commodity contracts	—	2	—	2
Forward exchange contracts	—	5	—	5
Interest rate swaps	—	96	—	96
<b>Total liabilities measured at fair value</b>	<b>\$ —</b>	<b>\$ 103</b>	<b>\$ 46</b>	<b>\$ 149</b>

The fair value of the commodity contracts was determined using a discounted cash flow analysis based on the terms of the contracts and observed market forward prices discounted at a currency specific rate. Forward exchange contract fair values were determined based on quoted prices for similar assets and liabilities in active markets using inputs such as currency rates and forward points. The fair value of the interest rate swaps was determined using a discounted cash flow method based on market based swap yield curves, taking into account current interest rates.

Contingent purchase consideration liabilities arise from business acquisitions and other investments. As of September 30, 2023, the Company has contingent purchase consideration liabilities of \$45 million, consisting of \$35 million of contingent consideration predominantly relating to fiscal year 2023 acquisitions (refer to Note 3, "Acquisitions") and a \$10 million liability that is contingent on future royalty income generated by Discma AG, a subsidiary acquired in March 2017. The fair value of the contingent purchase consideration liabilities was determined for each arrangement individually. The fair value was determined using an income approach with significant inputs that are not observable in the market. Key assumptions include the selection of discount rates consistent with the level of risk of achievement and probability adjusted financial projections. The expected outcomes are recorded at net present value, which require adjustment over the life for changes in risks and probabilities. Changes arising from modifications in forecasts related to contingent consideration are expected to be immaterial.

The fair value of contingent purchase consideration liabilities is included in other current liabilities and other non-current liabilities in the unaudited condensed consolidated balance sheets.

#### **Assets and Liabilities Measured and Recorded at Fair Value on a Nonrecurring Basis**

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records certain assets at fair value on a nonrecurring basis, generally when events or changes in circumstances indicate the carrying value may not be recoverable, or when they are deemed to be other than temporarily impaired. These assets include goodwill and other intangible assets, equity method and other investments, long-lived assets and disposal groups held for sale, and other long-lived assets. The fair values of these assets are determined, when applicable, based on valuation techniques using the best information available, and may include quoted market prices, market comparables, and discounted cash flow projections. These nonrecurring fair value measurements are considered to be Level 3 in the fair value hierarchy.

During the three months ended September 30, 2023 and 2022, there were no impairment charges recorded on indefinite-lived intangibles, including goodwill. For information on long-lived asset impairments, refer to Note 4, "Restructuring".

## **Note 7 - Derivative Instruments**

The Company periodically uses derivatives and other financial instruments to hedge exposures to interest rates, commodity prices, and currency risks. The Company does not hold or issue derivative instruments for speculative or trading purposes. For hedges that meet hedge accounting criteria, the Company, at inception, formally designates and documents the instruments as a fair value hedge or a cash flow hedge of a specific underlying exposure. On an ongoing basis, the Company assesses and documents that its designated hedges have been and are expected to continue to be highly effective.

### **Interest Rate Risk**

The Company's policy is to manage exposure to interest rate risk by maintaining a mixture of fixed-rate and variable-rate debt, monitoring global interest rates, and, where appropriate, hedging floating interest rate exposure or debt at fixed interest rates through various interest rate derivative instruments including, but not limited to, interest rate swaps, cross-currency interest rate swaps, and interest rate locks. For interest rate swaps that are accounted for as fair value hedges, the gains and losses related to the changes in the fair value of the interest rate swaps are included in interest expense and offset changes in the fair value of the hedged portion of the underlying debt that are attributable to the changes in market interest rates. Changes in the fair value of interest rate swaps that have not been designated as hedging instruments are reported in the accompanying unaudited condensed consolidated statements of income in other income/(expenses), net.

In March 2023, the Company entered into interest rate swap contracts for a total notional amount of \$1.2 billion. Under the terms of the contracts, the Company pays a weighted-average fixed interest rate of 3.88% and receives a variable rate of interest, based on 1-month Term SOFR, from July 2023 through June 2024, settled monthly. As of September 30, 2023 and June 30, 2023, the Company had no other receive-variable/pay-fixed interest rate swaps. Although the Company is not applying hedge accounting, the Company believes that these economic hedging instruments are effective in protecting the Company against the risks of changes in the variable interest rate on a portion of its forecasted commercial paper issuances.

As of September 30, 2023, and June 30, 2023, the total notional amount of the Company's receive-fixed/pay-variable interest rate swaps was \$650 million.

### **Foreign Currency Risk**

The Company manufactures and sells its products and finances operations in a number of countries throughout the world and, as a result, is exposed to movements in foreign currency exchange rates. The purpose of the Company's foreign currency hedging program is to manage the volatility associated with the changes in exchange rates.

To manage this exchange rate risk, the Company utilizes forward contracts. Contracts that qualify for hedge accounting are designated as cash flow hedges of certain forecasted transactions denominated in foreign currencies. The effective portion of the changes in fair value of these instruments is reported in accumulated other comprehensive loss ("AOCI") and reclassified into earnings in the same financial statement line item and in the same period or periods during which the related hedged transactions affect earnings. The ineffective portion is recognized in earnings over the life of the hedging relationship in the same consolidated statements of income line item as the underlying hedged item. Changes in the fair value of forward contracts that have not been designated as hedging instruments are reported in the accompanying unaudited condensed consolidated statements of income.

As of September 30, 2023, and June 30, 2023, the notional amount of the outstanding forward contracts was \$441 million and \$462 million, respectively.

### **Commodity Risk**

Certain raw materials used in the Company's production processes are subject to price volatility caused by weather, supply conditions, political and economic variables, and other unpredictable factors. The Company's policy is to minimize exposure to price volatility by passing through the commodity price risk to customers, including through the use of fixed price swaps.

In some cases, the Company purchases, on behalf of customers, fixed price commodity swaps to offset the exposure of price volatility on the underlying sales contracts. These instruments are cash closed out on maturity and the related cost or benefit is passed through to customers. Information about commodity price exposure is derived from supply forecasts submitted by customers and these exposures are hedged by central treasury units. Changes in the fair value of commodity hedges are recognized in AOCI. The cumulative amount of the hedge is recognized in the unaudited condensed consolidated statements of income when the forecasted transaction is realized.

The Company had the following outstanding commodity contracts to hedge forecasted purchases:

Commodity	September 30, 2023	June 30, 2023
	Volume	Volume
Aluminum	15,735 tons	14,325 tons

The following table provides the location of derivative instruments in the unaudited condensed consolidated balance sheets:

(\$ in millions)	Balance Sheet Location	September 30, 2023	June 30, 2023
<b>Assets</b>			
<b>Derivatives in cash flow hedging relationships:</b>			
Commodity contracts	Other current assets	\$ 1	\$ —
Forward exchange contracts	Other current assets	1	2
<b>Derivatives not designated as hedging instruments:</b>			
Forward exchange contracts	Other current assets	1	1
Interest rate swaps	Other current assets	13	16
<b>Total current derivative contracts</b>		<b>16</b>	<b>19</b>
<b>Total non-current derivative contracts</b>		<b>—</b>	<b>—</b>
<b>Total derivative asset contracts</b>		<b>\$ 16</b>	<b>\$ 19</b>
<b>Liabilities</b>			
<b>Derivatives in cash flow hedging relationships:</b>			
Commodity contracts	Other current liabilities	\$ 1	\$ 2
Forward exchange contracts	Other current liabilities	3	3
<b>Derivatives not designated as hedging instruments:</b>			
Forward exchange contracts	Other current liabilities	2	1
<b>Total current derivative contracts</b>		<b>6</b>	<b>6</b>
<b>Derivatives in cash flow hedging relationships:</b>			
Forward exchange contracts	Other non-current liabilities	—	1
<b>Derivatives in fair value hedging relationships:</b>			
Interest rate swaps	Other non-current liabilities	107	96
<b>Total non-current derivative contracts</b>		<b>107</b>	<b>97</b>
<b>Total derivative liability contracts</b>		<b>\$ 113</b>	<b>\$ 103</b>

Certain derivative financial instruments are subject to master netting arrangements and are eligible for offset. The Company has made an accounting policy election not to offset the fair values of these instruments within the unaudited condensed consolidated balance sheets.

The following tables provide the effects of derivative instruments on AOCI and in the unaudited condensed consolidated statements of income:

(\$ in millions)	Location of Gain / (Loss) Reclassified from AOCI into Income	Gain / (Loss) Reclassified from AOCI into Income (Effective Portion)	
		Three Months Ended September 30,	
		2023	2022
Derivatives in cash flow hedging relationships			
Commodity contracts	Cost of sales	\$ (1)	\$ 2
Forward exchange contracts	Net sales	1	—
Treasury locks	Interest expense	(1)	(1)
Total		\$ (1)	\$ 1

(\$ in millions)	Location of Gain / (Loss) Recognized in the Unaudited Condensed Consolidated Statements of Income	Gain / (Loss) Recognized in Income for Derivatives Not Designated as Hedging Instruments	
		Three Months Ended September 30,	
		2023	2022
<b>Derivatives not designated as hedging instruments</b>			
Forward exchange contracts	Other income/(expenses), net	\$ 2	\$ (15)
Interest rate swaps	Other income/(expenses), net	(3)	—
<b>Total</b>		<b>\$ (1)</b>	<b>\$ (15)</b>

(\$ in millions)	Location of Loss Recognized in the Unaudited Condensed Consolidated Statements of Income	Loss Recognized in Income for Derivatives in Fair Value Hedging Relationships	
		Three Months Ended September 30,	
		2023	2022
Derivatives in fair value hedging relationships			
Interest rate swaps	Interest expense	\$ (11)	\$ (33)
Total		\$ (11)	\$ (33)

## Note 8 - Components of Net Periodic Benefit Cost

Net periodic benefit cost for benefit plans included the following components:

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Service cost	\$ 4	\$ 4
Interest cost	13	12
Expected return on plan assets	(14)	(14)
Amortization of actuarial loss	1	1
Amortization of prior service credit	(1)	(1)
Settlement costs	1	—
<b>Net periodic benefit cost</b>	<b>\$ 4</b>	<b>\$ 2</b>

Service cost is included in operating income. All other components of net periodic benefit cost other than service cost are recorded within other non-operating expenses, net.

## Note 9 - Income Taxes

The provision for income taxes for the three months ended September 30, 2023 and 2022 is based on the Company's estimated annual effective tax rate for the respective fiscal years, and is applied on income before income taxes and equity in loss of affiliated companies, and adjusted for specific items that are required to be recognized in the period in which they are incurred.

The effective tax rate for the three months ended September 30, 2023 increased by 0.2 percentage points compared to the three months ended September 30, 2022 from 19.9% to 20.1%.

## Note 10 - Shareholders' Equity

The changes in ordinary and treasury shares during the three months ended September 30, 2023 and 2022 were as follows:

(shares and \$ in millions)	Ordinary Shares		Treasury Shares	
	Number of Shares	Amount	Number of Shares	Amount
<b>Balance as of June 30, 2022</b>	<b>1,489</b>	<b>\$ 15</b>	<b>2</b>	<b>\$ (18)</b>
Options exercised and shares vested	—	—	(14)	171
Purchase of treasury shares	—	—	16	(202)
<b>Balance as of September 30, 2022</b>	<b>1,489</b>	<b>\$ 15</b>	<b>4</b>	<b>\$ (49)</b>
<b>Balance as of June 30, 2023</b>	<b>1,448</b>	<b>\$ 14</b>	<b>1</b>	<b>\$ (12)</b>
Share buyback / cancellations	(3)	—	—	—
Shares vested	—	—	(4)	45
Purchase of treasury shares	—	—	4	(45)
<b>Balance as of September 30, 2023</b>	<b>1,445</b>	<b>\$ 14</b>	<b>1</b>	<b>\$ (12)</b>

The changes in the components of accumulated other comprehensive loss during the three months ended September 30, 2023 and 2022 were as follows:

( \$ in millions)	Foreign Currency Translation (Net of Tax)	Net Investment Hedge (Net of Tax)	Pension (Net of Tax)	Effective Derivatives (Net of Tax)	Total Accumulated Other Comprehensive Loss
<b>Balance as of June 30, 2022</b>	<b>\$ (892)</b>	<b>\$ (13)</b>	<b>\$ 40</b>	<b>\$ (15)</b>	<b>\$ (880)</b>
Other comprehensive loss before reclassifications	(161)	—	—	(6)	(167)
Amounts reclassified from accumulated other comprehensive loss	—	—	—	(1)	(1)
Net current period other comprehensive loss	(161)	—	—	(7)	(168)
<b>Balance as of September 30, 2022</b>	<b>\$ (1,053)</b>	<b>\$ (13)</b>	<b>\$ 40</b>	<b>\$ (22)</b>	<b>\$ (1,048)</b>
<b>Balance as of June 30, 2023</b>	<b>\$ (823)</b>	<b>\$ (13)</b>	<b>\$ (10)</b>	<b>\$ (16)</b>	<b>\$ (862)</b>
Other comprehensive loss before reclassifications	(68)	—	—	—	(68)
Amounts reclassified from accumulated other comprehensive loss	—	—	1	1	2
Net current period other comprehensive income / (loss)	(68)	—	1	1	(66)
<b>Balance as of September 30, 2023</b>	<b>\$ (891)</b>	<b>\$ (13)</b>	<b>\$ (9)</b>	<b>\$ (15)</b>	<b>\$ (928)</b>



The following tables provide details of amounts reclassified from accumulated other comprehensive loss:

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
<b>Amortization of pension:</b>		
Amortization of prior service credit	\$ (1)	\$ (1)
Amortization of actuarial loss	1	1
Effect of pension settlement	1	—
Total before tax effect	1	—
Tax effect on amounts reclassified into earnings	—	—
<b>Total net of tax</b>	<b>\$ 1</b>	<b>\$ —</b>
<b>(Gains) / losses on cash flow hedges:</b>		
Commodity contracts	\$ 1	\$ (2)
Forward exchange contracts	(1)	—
Treasury locks	1	1
Total before tax effect	1	(1)
Tax effect on amounts reclassified into earnings	—	—
<b>Total net of tax</b>	<b>\$ 1</b>	<b>\$ (1)</b>

#### Forward contracts to purchase own shares

The Company's employee share plans require the delivery of shares to employees in the future when rights vest or vested options are exercised. The Company currently acquires shares on the open market to deliver shares to employees to satisfy vesting or exercising commitments which exposes the Company to market price risk.

To protect the Company from share price volatility, the Company entered into forward contracts for the purchase of its ordinary shares. As of September 30, 2023, the Company had forward contracts outstanding that were entered into in September 2022 and mature in March 2024 to purchase 6 million shares at a weighted average price of \$12.11. As of June 30, 2023, the Company had forward contracts outstanding that were entered into in May 2022 and September 2022 that mature between September 2023 and November 2023 to purchase 9 million shares at a weighted average price of \$12.39. During the three months ended September 30, 2023, forward contracts related to 3 million shares were settled, which were outstanding as of June 30, 2023.

The forward contracts to purchase the Company's own shares are classified as a current liability. Equity is reduced by an amount equal to the fair value of the shares at inception. The carrying value of the forward contracts at each reporting period was determined based on the present value of the cost required to settle the contracts.

## Note 11 - Segments

The Company's business is organized and presented in the two reportable segments outlined below:

**Flexibles:** Consists of operations that manufacture flexible and film packaging in the food and beverage, medical and pharmaceutical, fresh produce, snack food, personal care, and other industries. The results of the Russian business sold on December 23, 2022 are included in the comparative period results.

**Rigid Packaging:** Consists of operations that manufacture rigid containers for a broad range of predominantly beverage and food products, including carbonated soft drinks, water, juices, sports drinks, milk-based beverages, spirits and beer, sauces, dressings, spreads and personal care items, and plastic caps for a wide variety of applications.

Other consists of the Company's undistributed corporate expenses including executive and functional compensation costs, equity method and other investments, intercompany eliminations, and other business activities.

The accounting policies of the reportable segments are the same as those in the unaudited condensed consolidated financial statements. Intersegment sales and transfers are not significant.

The following table presents information about reportable segments:

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Flexibles	\$ 2,568	\$ 2,779
Rigid Packaging	875	933
Other	—	—
<b>Net sales</b>	<b>\$ 3,443</b>	<b>\$ 3,712</b>
<b>Adjusted earnings before interest and taxes ("Adjusted EBIT")</b>		
Flexibles	\$ 322	\$ 353
Rigid Packaging	62	66
Other	(26)	(27)
Adjusted EBIT	358	392
Less: Amortization of acquired intangible assets from business combinations (1)	(41)	(40)
Less: Impact of hyperinflation (2)	(17)	(8)
Less: Russia-Ukraine conflict impacts (3)	(28)	(3)
Add/(Less): Other (4)	(4)	1
Interest income	10	9
Interest expense	(85)	(59)
Equity in loss of affiliated companies, net of tax	1	—
<b>Income before income taxes and equity in loss of affiliated companies</b>	<b>\$ 194</b>	<b>\$ 292</b>

- (1) Amortization of acquired intangible assets from business combinations includes amortization expenses related to all acquired intangible assets from past acquisitions.
- (2) Impact of hyperinflation includes the adverse impact of highly inflationary accounting for subsidiaries in Argentina where the functional currency was the Argentine Peso.
- (3) Russia-Ukraine conflict impacts include incremental costs and restructuring and related expenses incurred in connection with the conflict and the related sale of the Russian business.
- (4) Other includes various expense and income items relating to acquisitions, certain litigation reserve settlements, and fair value movements on economic hedges.

The following table disaggregates net sales by geography in which the Company operates based on manufacturing or selling operations:

(\$ in millions)	Three Months Ended September 30,					
	2023			2022		
	Flexibles	Rigid Packaging	Total	Flexibles	Rigid Packaging	Total
North America	\$ 1,024	\$ 676	\$ 1,700	\$ 1,106	\$ 726	\$ 1,832
Latin America	285	199	484	285	207	492
Europe	858	—	858	955	—	955
Asia Pacific	401	—	401	433	—	433
<b>Net sales</b>	<b>\$ 2,568</b>	<b>\$ 875</b>	<b>\$ 3,443</b>	<b>\$ 2,779</b>	<b>\$ 933</b>	<b>\$ 3,712</b>

## Note 12 - Earnings Per Share Computations

The Company applies the two-class method when computing its earnings per share ("EPS"), which requires that net income per share for each class of share be calculated assuming all of the Company's net income is distributed as dividends to each class of share based on their contractual rights.

Basic EPS is computed by dividing net income available to ordinary shareholders by the weighted-average number of ordinary shares outstanding after excluding the ordinary shares to be repurchased using forward contracts. Diluted EPS includes the effects of share options, restricted share units, performance rights, performance shares, and share rights, if dilutive.

(in millions, except per share amounts)	Three Months Ended September 30,	
	2023	2022
<b>Numerator</b>		
Net income attributable to Amcor plc	\$ 152	\$ 232
Distributed and undistributed earnings attributable to shares to be repurchased	(1)	(2)
Net income available to ordinary shareholders of Amcor plc—basic and diluted	\$ 151	\$ 230
<b>Denominator</b>		
Weighted-average ordinary shares outstanding	1,447	1,485
Weighted-average ordinary shares to be repurchased by Amcor plc	(8)	(11)
Weighted-average ordinary shares outstanding for EPS—basic	1,439	1,474
Effect of dilutive shares	—	12
Weighted-average ordinary shares outstanding for EPS—diluted	1,439	1,486
<b>Per ordinary share income</b>		
Basic earnings per ordinary share	\$ 0.105	\$ 0.156
Diluted earnings per ordinary share	\$ 0.105	\$ 0.155

Certain stock awards outstanding were not included in the computation of diluted earnings per share above because they would not have had a dilutive effect. The excluded stock awards for the three months ended September 30, 2023 and 2022 represented an aggregate of 27 million and 9 million shares, respectively.

## **Note 13 - Contingencies and Legal Proceedings**

### **Contingencies - Brazil**

The Company's operations in Brazil are involved in various governmental assessments and litigation, principally related to claims for excise and income taxes. The Company vigorously defends its positions and believes it will prevail on most, if not all, of these matters. The Company does not believe that the ultimate resolution of these matters will materially impact the Company's consolidated results of operations, financial position, or cash flows. Under customary local regulations, the Company's Brazilian subsidiaries may need to post cash or other collateral if a challenge to any administrative assessment proceeds to the Brazilian court system; however, the level of cash or collateral already pledged or potentially required to be pledged would not significantly impact the Company's liquidity. At September 30, 2023, the Company has recorded accruals of \$13 million, included in other non-current liabilities in the unaudited consolidated balance sheets. The Company has estimated a reasonably possible loss exposure in excess of the accrual of \$25 million as of September 30, 2023. The litigation process is subject to many uncertainties and the outcome of individual matters cannot be accurately predicted. The Company routinely assesses these matters as to the probability of ultimately incurring a liability and records the best estimate of the ultimate loss in situations where the likelihood of an ultimate loss is probable. The Company's assessments are based on its knowledge and experience, but the ultimate outcome of any of these matters may differ from the Company's estimates.

As of September 30, 2023, the Company provided letters of credit of \$16 million, judicial insurance of \$2 million, and deposited cash of \$13 million with the courts to continue to defend the cases referenced above.

### **Contingencies - Environmental Matters**

The Company, along with others, has been identified as a potentially responsible party ("PRP") at several waste disposal sites under U.S. federal and related state environmental statutes and regulations and may face potentially material environmental remediation obligations. While the Company benefits from various forms of insurance policies, actual coverage may not, or may only partially, cover the total potential exposures. As of September 30, 2023, the Company has recorded aggregate accruals of \$9 million for its share of estimated future remediation costs at these sites.

In addition to the matters described above, as of September 30, 2023, the Company has also recorded aggregate accruals of \$53 million for potential liabilities for remediation obligations at various worldwide locations that are owned or operated by the Company, or were formerly owned or operated.

The SEC requires the Company to disclose certain information about proceedings arising under federal, state, or local environmental provisions if the Company reasonably believes that such proceeding may result in monetary sanctions above a stated threshold. Pursuant to SEC regulations, the Company uses a threshold of \$1 million or more for purposes of determining whether disclosure of any such proceedings is required. Applying this threshold, there are no environmental matters required to be disclosed for the three months ended September 30, 2023.

While the Company believes that its accruals are adequate to cover its future obligations, there can be no assurance that the ultimate payments will not exceed the accrued amounts. Nevertheless, based on the available information, the Company does not believe that its potential environmental obligations will have a material adverse effect upon its liquidity, results of operations, or financial condition.

### **Other Matters**

In the normal course of business, the Company is subject to legal proceedings, lawsuits, and other claims. While the potential financial impact with respect to these ordinary course matters is subject to many factors and uncertainties, management believes that any financial impact to the Company from these matters, individually and in the aggregate, would not have a material adverse effect on the Company's financial position or results of operation.

#### **Note 14 - Subsequent Events**

On October 31, 2023, the Company's Board of Directors declared a quarterly cash dividend of \$0.1250 per share to be paid on December 12, 2023 to shareholders of record as of November 22, 2023. Amcor has received a waiver from the Australian Securities Exchange ("ASX") settlement operating rules, which will allow Amcor to defer processing conversions between ordinary share and CHESS Depositary Instrument ("CDI") registers from November 21, 2023 to November 22, 2023, inclusive.

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## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Management's Discussion and Analysis ("MD&A") should be read in conjunction with our Form 10-K for fiscal year 2023 filed with the U.S. Securities and Exchange Commission (the "SEC") on August 17, 2023, together with the unaudited condensed consolidated financial statements and accompanying notes included in Part 1, Item 1 of this Form 10-Q. Throughout the MD&A, amounts and percentages may not recalculate due to rounding.

### **Summary of Financial Results**

(\$ in millions)	Three Months Ended September 30,			
	2023		2022	
Net sales	\$ 3,443	100.0%	\$ 3,712	100.0%
Cost of sales	(2,798)	(81.3%)	(3,044)	(82.0%)
Gross profit	645	18.7%	668	18.0%
Operating expenses:				
Selling, general, and administrative expenses	(302)	(8.8%)	(302)	(8.1%)
Research and development expenses	(27)	(0.8%)	(25)	(0.7%)
Restructuring and related expenses, net	(28)	(0.8%)	(1)	—%
Other income/(expenses), net	(18)	(0.5%)	2	0.1%
Operating income	270	7.8%	342	9.2%
Interest income	10	0.3%	9	0.2%
Interest expense	(85)	(2.5%)	(59)	(1.6%)
Other non-operating expenses, net	(1)	—%	—	—%
Income before income taxes and equity in loss of affiliated companies	194	5.6%	292	7.9%
Income tax expense	(39)	(1.1%)	(58)	(1.6%)
Equity in loss of affiliated companies, net of tax	(1)	—%	—	—%
<b>Net income</b>	<b>\$ 154</b>	<b>4.5%</b>	<b>\$ 234</b>	<b>6.3%</b>
Net income attributable to non-controlling interests	(2)	(0.1%)	(2)	(0.1%)
<b>Net income attributable to Amcor plc</b>	<b>\$ 152</b>	<b>4.4%</b>	<b>\$ 232</b>	<b>6.3%</b>

## Overview

Amcor is a global leader in developing and producing responsible packaging for food, beverage, pharmaceutical, medical, home and personal care, and other products. We work with leading companies around the world to protect their products and the people who rely on them, differentiate brands, and improve supply chains through a range of flexible and rigid packaging, specialty cartons, closures, and services. We are focused on making packaging that is increasingly light-weighted, recyclable and reusable, and made using an increasing amount of recycled content. During fiscal year 2023, Amcor generated \$14.7 billion in net sales.

## Significant Developments Affecting the Periods Presented

### *Economic and Market Conditions*

As anticipated, market conditions have continued to remain challenging in the first quarter of fiscal year 2024, with continued customer destocking and soft consumer demand, which we expect will continue in the near term. We also continue to be impacted by higher inflation and geopolitical tensions impacting energy and labor costs. In addition, higher inflation, especially in Europe and the United States, has led central banks to rapidly raise interest rates in fiscal year 2023 to dampen inflation which results in higher interest expense on our variable rate debt, particularly on U.S. dollar and Euro denominated debt in the first quarter of fiscal year 2024 compared to the same period in fiscal year 2023.

The underlying causes for the continued market volatility can be attributed to a variety of factors, such as the Russia-Ukraine conflict and higher inflation in many economies, which has resulted in increased volatility in energy and food markets and impacted global economies. In this context, we remain focused on taking price and cost actions to offset inflation, aligning our cost base with market dynamics, and managing working capital. While we expect these efforts to improve performance, especially in the second half of fiscal year 2024, there is no assurance that we will be able to meet our performance expectations or that ongoing geopolitical tensions and other factors will not negatively impact our financial results.

### *Russia-Ukraine Conflict / 2023 Restructuring Plan*

Russia's invasion of Ukraine that began in February 2022 continues as of the date of the filing of this quarterly report. In advance of the invasion, we proactively suspended operations at our small manufacturing site in Ukraine. We also operated three manufacturing facilities in Russia ("Russian business") until their sale on December 23, 2022, for net cash proceeds of \$365 million. In addition, we repatriated approximately \$65 million in cash held in Russia as part of the transaction. We recorded a pre-tax net gain on sale of \$215 million. The carrying value of the Russian business had previously been impaired by \$90 million in the quarter ended June 30, 2022.

On February 7, 2023, we announced that we expect to invest \$110 million to \$130 million of the sale proceeds from the Russian business in various cost savings initiatives to partly offset divested earnings from the Russian business (the "2023 Restructuring Plan" or the "Plan"). We expect total Plan cash and non-cash net expenses of \$200 million to \$220 million. Of the remaining cash received from the sale of the Russian business, we allocated \$100 million to the repurchase of additional shares and the remainder was used to reduce debt.

As of September 30, 2023, we have initiated restructuring and related projects with an expected net cost of approximately \$170 million, of which approximately \$100 million is expected to result in net cash expenditures. From the initiation of the Plan until September 30, 2023, we have incurred \$81 million in employee-related expenses, \$19 million in fixed asset related expenses, \$11 million in other restructuring, and \$9 million in restructuring related expenses. The Plan has resulted in approximately \$37 million of cash outflows to date.

Management initiated other restructuring actions in the fourth quarter of fiscal year 2022 to help mitigate the impact of the Russian sale. Management expects to realize an annualized pre-tax benefit of approximately \$50 million from structural cost reduction actions taken as a result of all Russia related restructuring by the end of fiscal year 2025.

For further information, refer to Note 4, "Restructuring," of "Part I, Item 1, Notes to Consolidated Financial Statements".



### ***Highly Inflationary Accounting***

We have subsidiaries in Argentina that historically had a functional currency of the Argentine Peso. As of June 30, 2018, the Argentine economy was designated as highly inflationary for accounting purposes. Accordingly, beginning July 1, 2018, we began reporting the financial results of our Argentine subsidiaries with a functional currency of the Argentine Peso at the functional currency of the parent, which is the U.S. dollar. Highly inflationary accounting in the three months ended September 30, 2023 and 2022 resulted in a negative impact on monetary assets of \$17 million and \$8 million, respectively, in foreign currency transaction losses that were reflected in the unaudited condensed consolidated statements of income.

## Results of Operations - Three Months Ended September 30, 2023

### Consolidated Results of Operations

(\$ in millions, except per share data)	Three Months Ended September 30,	
	2023	2022
Net sales	\$ 3,443	\$ 3,712
Operating income	270	342
Operating income as a percentage of net sales	7.8 %	9.2 %
Net income attributable to Amcor plc	\$ 152	\$ 232
Diluted Earnings Per Share	\$ 0.105	\$ 0.155

Net sales decreased by \$269 million, or 7%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. Excluding the positive currency impacts of \$81 million, the negative impacts from the pass-through of lower raw material costs of \$55 million, and the negative impact from the disposed Russia business of \$71 million, the remaining variation in net sales for the three months ended September 30, 2023 was a decrease of \$224 million, or 6%, reflecting price/mix benefits of 2% and unfavorable volumes of 8%.

Net income attributable to Amcor plc decreased by \$80 million, or 34%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, mainly from a decrease in gross profit of \$23 million, an increase in restructuring and related expenses of \$27 million, and higher net interest expense of \$25 million.

Diluted earnings per share ("Diluted EPS") decreased by \$0.050, or 32%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, with the net income available to ordinary shareholders of Amcor plc decreasing by 34% and the diluted weighted average number of shares outstanding decreasing by 3%. The decrease in the diluted weighted-average number of shares outstanding was largely due to the repurchase of shares under previously announced share buyback programs.

### Segment Results of Operations

#### Flexibles Segment

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Net sales	\$ 2,568	\$ 2,779
Adjusted EBIT	322	353
Adjusted EBIT as a percentage of net sales	12.5 %	12.7 %

Net sales decreased by \$211 million, or 8%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. Excluding the positive currency impacts of \$73 million, the negative impacts from the pass-through of lower raw material costs of \$45 million, and the negative impact from the disposed Russian business of \$71 million, the remaining variation in net sales for the three months ended September 30, 2023 was a decrease of \$168 million, or 6%, reflecting price/mix benefits of 2% and unfavorable volumes of 8%.

Adjusted earnings before interest and tax ("Adjusted EBIT") decreased by \$31 million or 9% for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. Excluding positive currency impacts of \$7 million and the negative net impact from the disposed Russian business of \$21 million, the remaining decrease in Adjusted EBIT for the three months ended September 30, 2023, was \$17 million, or 5%, reflecting unfavorable volume of 23%, partly offset by favorable price/mix of 16%, and favorable operating cost performance of 2%.

## Rigid Packaging Segment

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Net sales	\$ 875	\$ 933
Adjusted EBIT	62	66
Adjusted EBIT as a percentage of net sales	7.1 %	7.1 %

Net sales decreased by \$58 million, or 6%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. Excluding the positive currency impacts of \$8 million, the negative impact from the pass-through of lower raw material costs of \$10 million, the remaining variation in net sales for the three months ended September 30, 2023 was a decrease of \$56 million, or 6%, reflecting price/mix benefits of 1% and unfavorable volumes of 7%.

Adjusted EBIT decreased by \$4 million, or 5%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, reflecting unfavorable volume of 32%, partly offset by favorable price/mix of 13%, and favorable operating cost performance of 13%.

### Consolidated Gross Profit

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Gross profit	\$ 645	\$ 668
Gross profit as a percentage of net sales	18.7 %	18.0 %

Gross profit decreased by \$23 million, or 3%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. The decrease was primarily driven by the impact of the disposed Russia business and lower volumes. Gross profit as a percentage of sales increased to 18.7% for the three months ended September 30, 2023, driven by favorable price/mix and an improvement in operating cost performance.

### Consolidated Restructuring and Related Expenses, Net

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Restructuring and related expenses, net	\$ (28)	\$ (1)
Restructuring and related expenses, net, as a percentage of net sales	(0.8%)	—%

Restructuring and related expenses, net, increased by \$27 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, primarily as a result of \$28 million of restructuring and related costs recognized relating to the 2023 Restructuring Plan.

### Consolidated Other Income/(Expenses), Net

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Other income/(expenses), net	\$ (18)	\$ 2
Other income/(expenses), net as a percentage of net sales	(0.5%)	0.1 %

Other income/(expenses), net declined by \$20 million, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, primarily from the adverse impact of highly inflationary accounting for subsidiaries in Argentina and other net foreign exchange losses.

**Consolidated Interest Expense**

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Interest expense	\$ (85)	\$ (59)
Interest expense as a percentage of net sales	(2.5%)	(1.6)%

Interest expense increased by \$26 million, or 44%, for the three months ended September 30, 2023, compared to the three months ended September 30, 2022, driven by increased interest rates.

**Consolidated Income Tax Expense**

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Income tax expense	\$ (39)	\$ (58)
Effective income tax rate	20.1 %	19.9 %

The provision for income taxes for the three months ended September 30, 2023 and 2022 is based on our estimated annual effective tax rate for the respective fiscal years, and is applied on income before income taxes and equity in loss of affiliated companies, and adjusted for specific items that are required to be recognized in the period in which they are incurred.

The effective tax rate for the three months ended September 30, 2023 increased by 0.2 percentage points compared to the three months ended September 30, 2022.

## Presentation of Non-GAAP Information

This Quarterly Report on Form 10-Q refers to non-GAAP financial measures: adjusted earnings before interest and taxes ("Adjusted EBIT"), earnings before interest and tax ("EBIT"), adjusted net income, and net debt. Such measures have not been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These non-GAAP financial measures adjust for factors that are unusual or unpredictable. These measures exclude the impact of certain amounts related to the effect of changes in currency exchange rates, acquisitions, and restructuring, including employee-related costs, equipment relocation costs, accelerated depreciation, and the write-down of equipment. These measures also exclude gains or losses on sales of significant property and divestitures, significant property and other impairments, net of insurance recovery, certain regulatory and litigation matters, significant pension settlements, impairments in goodwill and equity method investments, and certain acquisition-related expenses, including transaction and integration expenses, due diligence expenses, professional and legal fees, purchase accounting adjustments for inventory, order backlog, intangible amortization, changes in the fair value of deferred acquisition payments and economic hedging instruments on commercial paper, and impacts related to the Russia-Ukraine conflict. Note that while amortization of acquired intangible assets is excluded from non-GAAP adjusted financial measures, the revenue of the acquired entities and all other expenses unless otherwise stated, are reflected in Adjusted EBIT and adjusted net income and the acquired assets contribute to revenue generation.

This adjusted information should not be construed as an alternative to results determined in accordance with U.S. GAAP. We use the non-GAAP measures to evaluate operating performance and believe that these non-GAAP measures are useful to enable investors and other external parties to perform comparisons of our current and historical performance.

A reconciliation of reported net income attributable to Amcor plc to Adjusted EBIT, and adjusted net income for the three months ended September 30, 2023 and 2022 is as follows:

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Net income attributable to Amcor plc, as reported	\$ 152	\$ 232
Add: Net income attributable to non-controlling interests	2	2
Net income	154	234
Add: Income tax expense	39	58
Add: Interest expense	85	59
Less: Interest income	(10)	(9)
EBIT	268	342
Add: Amortization of acquired intangible assets from business combinations (1)	41	40
Add: Impact of hyperinflation (2)	17	8
Add: Russia-Ukraine conflict impacts (3)	28	3
Add/(Less): Other (4)	4	(1)
Adjusted EBIT	\$ 358	\$ 392
Less: Income tax expense	(39)	(58)
Less: Adjustments to income tax expense (5)	(16)	(11)
Less: Interest expense	(85)	(59)
Add: Interest income	10	9
Less: Net income attributable to non-controlling interests	(2)	(2)
Adjusted net income	\$ 226	\$ 271

- (1) Amortization of acquired intangible assets from business combinations includes amortization expenses related to all acquired intangible assets from past acquisitions.
- (2) Impact of hyperinflation includes the adverse impact of highly inflationary accounting for subsidiaries in Argentina where the functional currency was the Argentine Peso.
- (3) Russia-Ukraine conflict impacts include incremental costs and restructuring and related expenses incurred in connection with the conflict and the related sale of the Russian business.
- (4) Other includes various expense and income items relating to acquisitions, certain litigation reserve settlements, and fair value movements on economic hedges.
- (5) Net tax impact on items (1) through (4) above.

### ***Reconciliation of Net Debt***

A reconciliation of total debt to net debt as of September 30, 2023 and June 30, 2023 is as follows:

<b>(\$ in millions)</b>	<b>September 30, 2023</b>	<b>June 30, 2023</b>
Current portion of long-term debt	\$ 11	\$ 13
Short-term debt	107	80
Long-term debt, less current portion	6,979	6,653
Total debt	7,097	6,746
Less cash and cash equivalents	524	689
<b>Net debt</b>	<b>\$ 6,573</b>	<b>\$ 6,057</b>

## Supplemental Guarantor Information

Amcor plc, along with certain wholly owned subsidiary guarantors, guarantee the following senior notes issued by the wholly owned subsidiaries, Amcor Flexibles North America, Inc. and Amcor UK Finance plc.

- \$500 million, 4.000%, Guaranteed Senior Notes due 2025 of Amcor Flexibles North America, Inc.
- \$300 million, 3.100%, Guaranteed Senior Notes due 2026 of Amcor Flexibles North America, Inc.
- \$600 million, 3.625%, Guaranteed Senior Notes due 2026 of Amcor Flexibles North America, Inc.
- \$500 million, 4.500%, Guaranteed Senior Notes due 2028 of Amcor Flexibles North America, Inc.
- \$500 million, 2.630%, Guaranteed Senior Notes due 2030 of Amcor Flexibles North America, Inc.
- \$800 million, 2.690%, Guaranteed Senior Notes due 2031 of Amcor Flexibles North America, Inc.
- €500 million, 1.125%, Guaranteed Senior Notes due 2027 of Amcor UK Finance plc
- \$500 million, 5.625% Guaranteed Senior Notes due 2033 of Amcor Finance (USA), Inc.

The six notes issued by Amcor Flexibles North America, Inc. are guaranteed by its parent entity, Amcor plc, and the subsidiary guarantors Amcor Pty Ltd, Amcor Finance (USA), Inc., and Amcor UK Finance plc. The note issued by Amcor UK Finance plc is guaranteed by its parent entity, Amcor plc, and the subsidiary guarantors Amcor Pty Ltd, Amcor Flexibles North America, Inc., and Amcor Finance (USA), Inc. The note issued by Amcor Finance (USA), Inc. is guaranteed by its ultimate parent entity, Amcor plc, and the subsidiary guarantors Amcor Pty Ltd, Amcor Flexibles North America, Inc., and Amcor UK Finance plc.

All guarantors fully, unconditionally, and irrevocably guarantee, on a joint and several basis, to each holder of the notes, the due and punctual payment of the principal of, and any premium and interest on, such note and all other amounts payable, when and as the same shall become due and payable, whether at stated maturity, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of the notes and related indenture. The obligations of the applicable guarantors under their guarantees will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, or similar laws) under applicable law. The guarantees will be unsecured and unsubordinated obligations of the guarantors and will rank equally with all existing and future unsecured and unsubordinated debt of each guarantor. None of our other subsidiaries guarantee such notes. The issuers and guarantors conduct large parts of their operations through other subsidiaries of Amcor plc.

Amcor Flexibles North America, Inc. is incorporated in Missouri in the United States, Amcor UK Finance plc is incorporated in England and Wales, United Kingdom, Amcor Finance (USA), Inc. is incorporated in Delaware in the United States, and the guarantors are incorporated under the laws of Jersey, Australia, the United States, and England and Wales and, therefore, insolvency proceedings with respect to the issuers and guarantors could proceed under, and be governed by, among others, Jersey, Australian, United States, or English insolvency law, as the case may be, if either issuer or any guarantor defaults on its obligations under the applicable Notes or Guarantees, respectively.

Below is the summarized financial information of the combined Obligor Group made up of Amcor plc (as parent guarantor), Amcor Flexibles North America, Inc., Amcor UK Finance plc, and Amcor Finance (USA), Inc. (as subsidiary issuers of the notes and guarantors of each other's notes), and Amcor Pty Ltd (as the remaining subsidiary guarantor).

### ***Basis of Preparation***

The following summarized financial information is presented for the parent, issuer, and guarantor subsidiaries ("Obligor Group") on a combined basis after elimination of intercompany transactions between entities in the combined group and amounts related to investments in any subsidiary that is a non-guarantor.

This information is not intended to present the financial position or results of operations of the combined group of companies in accordance with U.S. GAAP.

#### **Statement of Income for Obligor Group**

<b>(\$ in millions)</b>	<b>Three Months Ended September 30, 2023</b>
Net sales - external	\$ 248
Net sales - to subsidiaries outside the Obligor Group	1
Total net sales	249
Gross profit	49
Net income	\$ 17
Net income attributable to non-controlling interests	—
Net income attributable to Obligor Group	\$ 17

#### **Balance Sheets for Obligor Group**

<b>(\$ in millions)</b>	<b>September 30, 2023</b>	<b>June 30, 2023</b>
<b><u>Assets</u></b>		
Current assets - external	\$ 1,560	\$ 1,184
Current assets - due from subsidiaries outside the Obligor Group	139	190
Total current assets	1,699	1,374
Non-current assets - external	1,458	1,415
Non-current assets - due from subsidiaries outside the Obligor Group	11,692	10,992
Total non-current assets	13,150	12,407
Total assets	\$ 14,849	\$ 13,781
<b><u>Liabilities</u></b>		
Current liabilities - external	\$ 2,163	\$ 1,912
Current liabilities - due to subsidiaries outside the Obligor Group	22	37
Total current liabilities	2,185	1,949
Non-current liabilities - external	7,172	6,801
Non-current liabilities - due to subsidiaries outside the Obligor Group	10,524	9,917
Total non-current liabilities	17,696	16,718
Total liabilities	\$ 19,881	\$ 18,667



## **New Accounting Pronouncements**

Refer to Note 2, "New Accounting Guidance," in "Item 1. Financial Statements - Notes to Condensed Consolidated Financial Statements".

## **Critical Accounting Estimates and Judgments**

Our discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Our estimates and judgments are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. These critical accounting estimates are discussed in detail in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates and Judgments" in our Annual Report on Form 10-K for the year ended June 30, 2023. There have been no material changes in critical accounting estimates and judgments as of September 30, 2023 from those described in our Annual Report on Form 10-K for the year ended June 30, 2023.

## Liquidity and Capital Resources

We finance our business primarily through cash flows provided by operating activities, borrowings from banks, and proceeds from issuances of debt and equity. We periodically review our capital structure and liquidity position in light of market conditions, expected future cash flows, potential funding requirements for debt refinancing, capital expenditures and acquisitions, the cost of capital, sensitivity analyses reflecting downside scenarios, the impact on our financial metrics and credit ratings, and our ease of access to funding sources.

We believe that our cash flows provided by operating activities, together with borrowings available under our credit facilities and access to the commercial paper market, backstopped by our bank debt facilities, will continue to provide sufficient liquidity to fund our operations, capital expenditures, and other commitments, including dividends and purchases of our ordinary shares and CHES Depositary Instruments under authorized share repurchase programs, into the foreseeable future.

### Overview

(\$ in millions)	Three Months Ended September 30,	
	2023	2022
Net cash used in operating activities	\$ (135)	\$ (260)
Net cash used in investing activities	(142)	(240)
Net cash provided by financing activities	141	326

### Cash Flow Overview

#### *Net Cash Used in Operating Activities*

Net cash used in operating activities decreased by \$125 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. The change is primarily driven by lower working capital outflows in the current period, partially offset by lower net income in the current period.

#### *Net Cash Used in Investing Activities*

Net cash used in investing activities decreased by \$98 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. The change is mainly driven by the non-recurrence of investments in affiliated companies compared to the prior period and lower outflows from business acquisitions as compared to the prior period.

#### *Net Cash Provided by Financing Activities*

Net cash provided by financing activities decreased by \$185 million for the three months ended September 30, 2023, compared to the three months ended September 30, 2022. The change is primarily driven by lower net debt drawdowns in the current period as compared to the prior period.

### Net Debt

We borrow from financial institutions and debt investors in the form of bank overdrafts, bank loans, corporate bonds, unsecured notes, and commercial paper. We have a mixture of fixed and floating interest rates and use interest rate swaps to provide further flexibility in managing the interest cost of borrowings.

In March 2023, we entered into two interest rate swap contracts for a total notional amount of \$1.2 billion. Under the terms of the contracts, we pay a weighted average fixed rate of interest of 3.88% and receive a variable rate of interest based on 1-month Term SOFR. The swaps have been effective as of July 1, 2023, and mature on June 30, 2024. The interest rate swap contracts economically hedge the SOFR component of our forecasted commercial paper issuances.

Short-term debt consists of bank debt with a duration of less than 12 months and bank overdrafts which are classified as current due to the short-term nature of the borrowings, except where we have the ability and intent to refinance and as such extend the debt beyond 12 months. The current portion of long-term debt consists of debt amounts repayable within a year after the balance sheet date.

Our primary bank debt facilities and notes are unsecured and subject to negative pledge arrangements limiting the amount of secured indebtedness we can incur to 10.0% of our total tangible assets, subject to some exceptions and variations by facility. In addition, the covenants of the bank debt facilities require us to maintain a leverage ratio not higher than 3.9 times. The negative pledge arrangements and the financial covenants are defined in the related debt agreements. As of September 30, 2023, we were in compliance with all applicable covenants under our bank debt facilities.

Our net debt as of September 30, 2023 and June 30, 2023 was \$6.6 billion and \$6.1 billion, respectively.

### ***Debt Facilities***

As of September 30, 2023, we had undrawn credit facilities available in the amount of \$1.0 billion. Our senior facilities are available to fund working capital, capital expenditures, and refinancing obligations and are provided to us by two bank syndicates. These facilities mature in April 2025 and April 2027, respectively, and the revolving tranches have two 12-month options available to management to extend the maturity date.

As of September 30, 2023, the revolving senior bank debt facilities had an aggregate limit of \$3.8 billion, of which \$2.8 billion had been drawn (inclusive of amounts drawn under commercial paper programs reducing the overall balance of available senior facilities). Subject to certain conditions, we can request the total commitment level under each agreement to be increased by up to \$500 million.

### ***Dividend Payments***

We declared and paid a \$0.1225 cash dividend per ordinary share during the first fiscal quarter that ended September 30, 2023.

### ***Credit Rating***

Our capital structure and financial practices have earned us investment grade credit ratings from two internationally recognized credit rating agencies. These investment grade credit ratings are important to our ability to issue debt at favorable rates of interest, for various terms, and from a diverse range of markets that are highly liquid, including European and U.S. debt capital markets, and from global financial institutions.

### ***Share Repurchases***

On February 7, 2023, our Board of Directors approved a \$100 million buyback of ordinary shares and/or CHES Depositary Instruments ("CDIs") in the following twelve months. During the three months ended September 30, 2023, we repurchased approximately \$30 million of ordinary shares and CDIs in the aggregate, including transaction costs, or 3 million shares. The shares repurchased as part of the program were canceled upon repurchase.

We had cash outflows of \$45 million and \$202 million for the purchase of our shares in the open market and using forward contracts to purchase our own equity during the three months ended September 30, 2023 and 2022, respectively, as treasury shares to satisfy the vesting and exercises of share-based compensation awards. As of September 30, 2023 and June 30, 2023, we held treasury shares at a cost of \$12 million, representing 1 million shares.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no material changes in our market risk during the three months ended September 30, 2023. For additional information, refer to Note 6, "Fair Value Measurements," and Note 7, "Derivative Instruments," in the notes to our unaudited condensed consolidated financial statements, and to "Item 7A. - Quantitative and Qualitative Disclosures About Market Risk" of our Annual Report on Form 10-K for the year ended June 30, 2023.

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#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2023.

##### ***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the first quarter of fiscal year 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **Part II - Other Information**

### **Item 1. Legal Proceedings**

The material set forth in Note 13, "Contingencies and Legal Proceedings," in "Item 1. Financial Statements - Notes to Condensed Consolidated Financial Statements" is incorporated herein by reference.

### **Item 1A. Risk Factors**

There have been no material changes from the risk factors contained in "Item 1A. - Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

### **Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities**

#### **Share Repurchases**

Share repurchase activity during the three months ended September 30, 2023 was as follows (in millions, except number of shares, which are reflected in thousands, and per share amounts, which are expressed in U.S. dollars):

<b>Period</b>	<b>Total Number of Shares Purchased (1)</b>	<b>Average Price Paid Per Share (1)(2)</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (3)</b>
July 1 - 31, 2023	—	\$ —	—	\$ 69
August 1 - 31, 2023	3,842	12.57	342	66
September 1 - 30, 2023	2,809	9.49	2,809	39
<b>Total</b>	<b>6,651</b>	<b>\$ 11.27</b>	<b>3,151</b>	

(1) Includes shares purchased on the open market to satisfy the vesting and exercises of share-based compensation awards.

(2) Average price paid per share excludes costs associated with the repurchases.

(3) On February 7, 2023, our Board of Directors approved an on market share buyback of up to \$100 million of ordinary shares and CDIs during the following twelve months. The timing, volume, and nature of share repurchases may be amended, suspended, or discontinued at any time.

### **Item 3. Defaults Upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

During the three months ended September 30, 2023, no director or Section 16 officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## Item 6. Exhibits

The documents in the accompanying Exhibits Index are filed, furnished, or incorporated by reference as part of this Quarterly Report on Form 10-Q, and such Exhibits Index is incorporated herein by reference.

Exhibit	Description
22	<a href="#">Subsidiary Guarantors and Issuers of Guaranteed Securities.</a>
31 .1	<a href="#">Chief Executive Officer Certification required by Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.</a>
31 .2	<a href="#">Chief Financial Officer Certification required by Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.</a>
32	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes Oxley Act of 2002.</a>
101 .INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document.
101 .SCH	Inline XBRL Taxonomy Extension Schema Document.
101 .CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101 .DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101 .LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101 .PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### **AMCOR PLC**

Date November 1, 2023

By /s/ Michael Casamento

Michael Casamento, Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Date November 1, 2023

By /s/ Julie Sorrells

Julie Sorrells, Vice President and Corporate Controller  
(Principal Accounting Officer)