

**ASX Code: AMC    Price: \$14.54    12 Mth Target Price: \$14.00    Rating: Neutral**

## Business Summary

Amcor Plc (AMC, formerly Amcor Limited) develops and produces a broad range of packaging products including flexible packaging, rigid packaging containers, specialty cartons, and closures. It has 231 principal manufacturing facilities in more than 40 countries. The Company's majority of sales are made to the defensive food, beverage, pharmaceutical, medical device, home and personal care, and other consumer goods end markets.

**Flexibles Packaging:** Amcor's Flexibles business 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. It has 180 number of plants in 39 countries.

**Rigid Packaging:** This division consists of operations that manufacture rigid plastic containers for a range of 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. It has 50 number of plants in 11 countries

**Acquisition:** On June 11, 2019, the Company completed the acquisition of 100% of the outstanding shares of Bemis Company, Inc, a global manufacturer of flexible packaging products based in the United States

## Latest Research

With a 2021 Preference for Cyclical, Moving to the Sidelines

We're downgrading shares of Amcor from Buy to Neutral. While we like Amcor's

attractive dividend yield, balance sheet flexibility, and high-quality portfolio, following the positive move in the stock in 2H '20 (AMCR shares +28% since June 11) there is less upside to our target price. Our move to the sidelines further reflects a preference for Packagers with more cyclical exposure in 2021 (~96% of Amcor sales to food & bev and other consumer markets, with limited industrial exposure). Our estimates are

unchanged, as is our AMCR target price of \$13/share. Our AMC.AX target price

moves slightly lower (from A\$17.90 to A\$16.80), reflecting an updated FX rate (0.77).

For more information see research 5 Jan 2021.

## Snapshot

Date	16 January 2024
Market Cap.	\$9,320m
Shares on issue	641.0m
12 Month High	\$17.71
12 Month Low	\$13.35

## Rating

Rating	Neutral
12 Mth Target Price	\$14.00
Capital Gain	-1.9%
Gross Yield	5.0%
Implied Total Return	3.1%

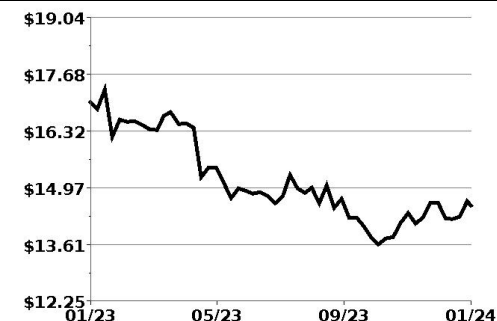
## Investment Fundamentals

FYE 30 Jun		2023A	2024F	2025F	2026F
Profit	\$m	1,620.0	1,514.0	1,589.0	1,707.0
Profit (norm)*	\$m	1,620.0	1,514.0	1,589.0	1,707.0
EPS*	¢	109.0	105.0	111.0	120.0
EPS Growth	%	-1.8	-3.7	5.7	8.1
P/E*	x	13.1	13.6	12.9	11.9
P/E Relative	%	0.0	0.0	0.0	0.0
DPS	¢	71.0	72.0	71.0	71.0
Yield	%	5.0	5.0	5.0	5.0
Franking	%	0.0	0.0	0.0	0.0

\* Adjusted for goodwill and unusual items

Source: Based on Citi estimates

## Share Price Chart



## Total Return on \$10,000 Investment



**Important Disclaimer** - This may affect your legal rights: Because this document has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives, a Bell Potter Securities Limited investment adviser (or the financial services licensee, or the proper authority of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be consulted before any investment decision is made. While this document is based on the information from sources which are considered reliable, Bell Potter Securities Limited, its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does Bell Potter Securities Limited accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect any of the information contained in this document. This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of Bell Potter Securities Limited. This is general investment advice only and does not constitute advice to any person.

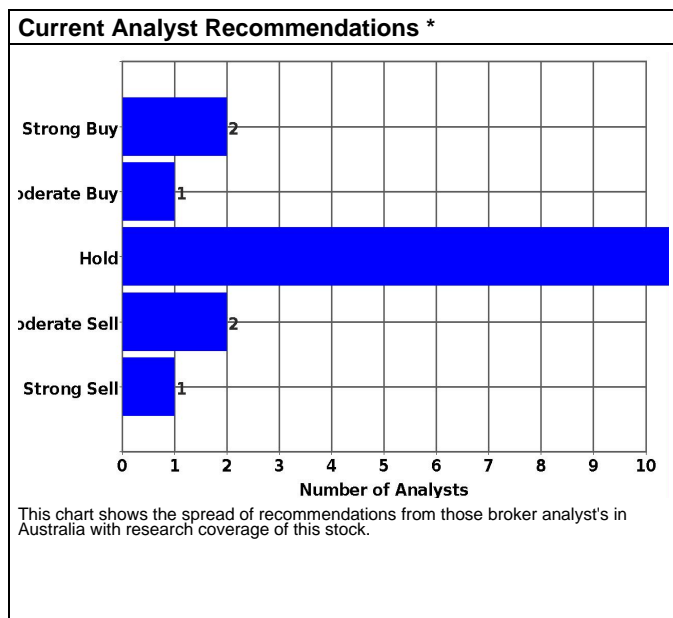
**Disclosure of Interest:** Bell Potter Securities Limited receives commission from dealing in securities and its authorised representatives, or introducers of business, may directly share in this commission. Bell Potter Securities and its associates may hold shares in the companies recommended.

Profit & Loss (\$M)					
	2019A	2020A	2021A	2022A	2023A
<b>Sales Revenue</b>	<b>13,487</b>	<b>18,166</b>	<b>17,107</b>	<b>21,112</b>	<b>22,163</b>
Total Revenue ex. Int.	13,757	18,271	17,221	21,176	22,205
<b>EBITDA</b>	<b>1,795</b>	<b>2,589</b>	<b>2,704</b>	<b>2,993</b>	<b>3,005</b>
Depreciation & Amort.	-499	-885	-760	-839	-884
Goodwill Amortisation	--	--	--	--	--
EBIT	1,296	1,705	1,945	2,154	2,121
Net Interest	-272	-269	-185	-196	-391
Profit Before Tax	1,024	1,435	1,760	1,958	1,730
Income Tax	-245	-272	-347	-435	-291
Outside Equity Int.	-10	-6	-16	-15	-15
<b>Profit after Tax</b>	<b>770</b>	<b>1,145</b>	<b>1,397</b>	<b>1,508</b>	<b>1,424</b>
Significant Items after Tax	-156	-253	-148	-340	157
<b>Reported Profit after Tax</b>	<b>613</b>	<b>892</b>	<b>1,249</b>	<b>1,169</b>	<b>1,581</b>
Preferred Dividends	--	--	--	--	--

Cash Flow (\$M)					
	2019A	2020A	2021A	2022A	2023A
Receipts from Customers	--	--	--	--	--
Funds from Operations	--	--	--	--	--
<b>Net Operating Cashflow</b>	<b>1,107</b>	<b>2,017</b>	<b>1,943</b>	<b>2,215</b>	<b>1,902</b>
Capex	-474	-582	-623	-765	-793
Acquisitions & Investments	--	--	-7	-17	-267
Sale of Invest. & Subsid.	308	619	285	-1	551
<b>Net Investing Cashflow</b>	<b>15</b>	<b>55</b>	<b>-310</b>	<b>-765</b>	<b>-466</b>
Proceeds from Issues	28	1	40	165	202
Dividends Paid	-969	-1,109	-987	-1,063	-1,090
<b>Net Financing Cashflow</b>	<b>-1,091</b>	<b>-1,802</b>	<b>-1,568</b>	<b>-1,293</b>	<b>-1,546</b>
Net Increase Cash	31	271	65	157	-110
Cash at Beginning	885	877	988	1,234	1,282
Exchange Rate Adjust.	1	-65	77	-157	-133
<b>Cash at End</b>	<b>858</b>	<b>1,082</b>	<b>1,131</b>	<b>1,125</b>	<b>1,039</b>

Ratios and Substantial Shareholders						
	2019A	2020A	2021A	2022A	2023A	
<b>Profitability Ratios</b>						
EBITDA Margin	%	13.31	14.25	15.81	14.18	13.56
EBIT Margin	%	9.61	9.38	11.37	10.20	9.57
Net Profit Margin	%	5.70	6.37	8.16	7.14	6.42
Return on Equity	%	9.61	17.16	22.04	25.45	23.45
Return on Assets	%	3.94	5.73	6.75	6.62	6.64
<b>Debt/Safety Ratios</b>						
Net Debt/Equity	%	96.95	127.11	122.40	149.92	159.41
Interest Cover	x	4.76	6.33	10.52	10.99	5.43
<b>No Substantial Shareholders</b>						

Balance Sheet (\$M)					
	2019A	2020A	2021A	2022A	2023A
Cash & Equivalent	858	1,082	1,131	1,125	1,039
Receivables	2,658	2,355	2,479	2,809	2,828
Inventories	2,786	2,669	2,648	3,540	3,338
Other Current Assets	1,127	502	746	743	801
<b>Current Assets</b>	<b>7,429</b>	<b>6,607</b>	<b>7,005</b>	<b>8,496</b>	<b>8,006</b>
Prop. Plant & Equipment	5,668	6,032	5,710	6,105	6,478
Intangibles	10,641	10,686	9,649	10,077	10,392
Other Non-Current Assets	1,127	502	746	743	801
<b>Non-Current Assets</b>	<b>17,047</b>	<b>17,350</b>	<b>15,858</b>	<b>16,799</b>	<b>17,640</b>
Total Assets	24,476	23,958	22,862	25,295	25,646
Interest Bearing Debt	8,703	9,763	8,980	10,136	10,873
Other Liabilities	7,682	7,365	7,470	9,148	8,603
<b>Total Liabilities</b>	<b>16,384</b>	<b>17,128</b>	<b>16,450</b>	<b>19,284</b>	<b>19,477</b>
Net Assets	8,092	6,830	6,413	6,011	6,169
Share Capital	8,567	7,910	6,754	6,454	6,068
Reserves	--	--	--	-1,304	--
Retained Earnings	-569	-1,170	-418	775	5
Outside Equity Int.	94	89	76	86	97
<b>Total Shareholders Equity</b>	<b>8,092</b>	<b>6,830</b>	<b>6,413</b>	<b>6,011</b>	<b>6,169</b>



Principals & Directors	
<b>Principals</b>	
Company Secretary	Mr Damien Clayton
<b>Directors</b>	
Mr Graeme Richard Liebelt(Non-Executive Chairman,Non-Executive Director)	
Mrs Karen Jane Guerra(Non-Executive Director)	
Mr Ronald Stephen Delia(Chief Executive Officer,Managing Director)	
Mr Nicholas Thompson (Tom) Long(Non-Executive Director)	
Mr David Szczupak(Non-Executive Director)	
Mr Arun Nayar(Non-Executive Director)	
Ms Andrea E Bertone(Non-Executive Director)	
Ms Susan Carter(Non-Executive Director)	
Mr Achal Agarwal(Non-Executive Director)	
Ms DE RIDDER LUCRECE(Non-Executive Director)	

To access further Research or for information regarding our recommendations and ratings please see [www.bellpotter.com.au](http://www.bellpotter.com.au)

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at [www.morningstar.com.au/sfsg.pdf](http://www.morningstar.com.au/sfsg.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.