



MACQUARIE  
ACN 002 574 923

# Macquarie Private Wealth



## Amcor

### Business Description

Amcor Limited (AMC) is a global packaging company with five operating divisions spread over five major geographic areas (over 42 countries); Australasia, North America, Latin America, Europe and Asia. As a packaging manufacturer, they offer a broad range of rigid plastics, flexibles, fibre, metal and glass products along with packaging-related services.

### Strategy Analysis

AMC is focused on potential acquisitions and increased segment participation on order to grow the business. There will be a divestment of non-strategic businesses as well as investment into new equipment in order to lower operating costs and increase plant focus. Geographic expansion through Central and Eastern Europe via organic and acquisitive growth is being developed. The company hopes to leverage strong regional positions and an extensive product portfolio in order to further enhance their market position and capture high performance product growth. Amcor reported NPAT up 94.9% to \$356.7m for the year ended 30 June 2011. Revenues from ordinary activities were \$12.41bn, up 26% from last year. Recent acquisitions have been significant contributors to earnings growth and higher returns. Diluted EPS was 28.7 cents compared to 15.6 cents last year. Net operating cash flow was \$785.8m compared to \$784.1m last year. The final dividend declared was 18 cents, taking the full year dividend to 35 cents compared with 29.5 cents last year. Over the past six years, the Company has undergone a substantial transformation that has included the acquisition of Alcan Packaging and Ball Plastics Packaging. The improved earnings and strong cash flow, positions the Company to accelerate growth in attractive market segments.

27 January 2012

### Recommendation

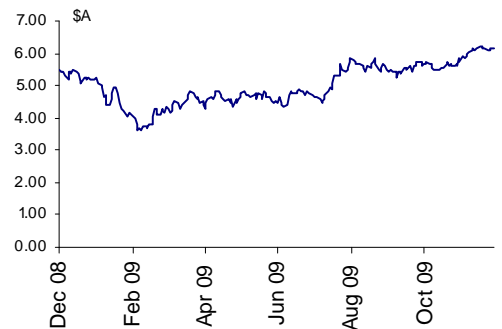
Recommendation: Outperform  
Relative to: All Ind (ex Fins)

### Investment Fundamentals

ASX code: AMC  
Stock price: \$7.01  
Market cap: \$8,459m

Y/E	30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	588.0	779.3	829.9	788.8
Adjusted e	\$m	651.0	779.3	829.9	788.8
EPS adjusted	¢	53.8	64.7	68.9	65.5
EPS growth	%	15.6	20.2	6.5	-5.0
PE	x	13.0	10.8	10.2	10.7
PE relative	x	1.1	1.1	1.1	1.1
DPS	¢	38.0	40.0	40.0	40.0
Yield	%	5.4	5.7	5.7	5.7
Franking	%	0.0	0.0	0.0	

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Amcor Flexibles	50.7	0.0	9.9	7.0%	17.0%
Amcor Rigid Plastics	25.3	0.0	7.7	5.0%	5.0%
Amcor Australasia and Packaging Distribution	22.8	0.0	5.6		
Other/Investments	1.2	0.0	-13.7		
<b>Total</b>	<b>100.0</b>	<b>0.0</b>	<b>9.5</b>		
<b>Results by Geography</b>					
Other	54.3	0.0	0.0		
USA	30.2	0.0	0.0		
Australia	15.6	0.0	0.0		
Singapore	0.0	0.0	0.0		
<b>Total</b>	<b>100.1</b>				

### Company contact details:

Amcor Limited  
109 Burwood Rd  
Hawthorn VIC 3122  
Tel: +61 3 9226 9000  
[www.amcor.com](http://www.amcor.com)

**If you have any queries regarding this Research information or with any aspect of your legalsuper account please call legalsuper on 1800 060 312 (freecall) or email [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)**

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