



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; Australasia, North America, Latin America, Europe and Asia. As a packaging manufacturer, they offer a broad range of plastic, fiber, 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 down 18.2% to \$211.7m for the year ended 30 June 2009. Revenue from ordinary activities were \$9.54bn, up 3.3% from last year. Diluted EPS was 25.1 cents compared to 29.8 cents last year. Net operating cash flow was \$673.7m compared to \$661.4m last year. The final dividend declared was 17 cents, taking the full year dividend to 34 cents in line with last year.

08 September 2010

Recommendation

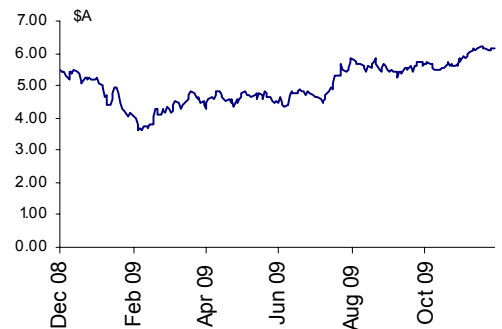
Recommendation: Outperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: AMC
Stock price: \$6.81
Market cap: \$8,321m

Y/E	30/06/2010	2011e	2012e	2013e	2014e
Reported e	\$m	468.6	667.6	866.6	910.9
Adjusted e	\$m	594.6	730.6	866.6	910.9
EPS adjusted	¢	48.7	59.8	70.9	74.6
EPS growth	%	39.0	22.9	18.6	5.1
PE	x	14.0	11.4	9.6	9.1
PE relative	x	1.1	1.0	1.0	1.0
DPS	¢	36.0	40.0	40.0	40.0
Yield	%	5.3	5.9	5.9	5.9
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	29.0%
Amcor PET	33.9	8.7	7.5	3 year	5.0%
Amcor Flexibles	30.4	9.3	8.3	5 year	6.0%
Amcor Australasia	22.7	5.1	5.2	10 year	8.0%
Amcor Sunclipse	11.8	9.4	3.5	Dividend Reinvestment Plan	No
Amcor Asia & Other	1.3	33.4	39.5	Shareholder Discounts	No
Total	100.1	65.9	64.0		
Results by Geography					
North America	37.0	0.0	0.0		
Europe	27.0	0.0	0.0		
Australia & NZ	23.1	0.0	0.0		
Latin America	12.3	0.0	0.0		
Asia	0.7	0.0	0.0		
Total	100.1				

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