

# Brambles

## Half-Year 2024 Results presentation

23 February 2024



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# Results highlights

GRAHAM CHIPCHASE,  
CEO

# 1H24 highlights

Delivering our investor value proposition with strong financial results and transformation progress

## Operational highlights

- **Material improvements in asset efficiency** driven by more efficient pallet dynamics across retailer and manufacturer supply chains, including inventory optimisation, and transformation initiatives
- **Improved customer service levels** supported by greater pallet availability and focus on the customer experience
- **Continued progress on Shaping Our Future initiatives** including digital transformation
- **Ongoing recognition for sustainability leadership** with continued progress towards 2025 sustainability targets

## Financial highlights

- **Sales revenue of +10%** and **Underlying Profit +19%** with operating leverage supported by flow-through of pricing and commercial terms to recover cost-to-serve and transformation-linked productivity gains
- **Uplift in cash flow generation** with an **increase in Free Cash Flow before dividends of US\$303.3 million**, driven by lower capital expenditure, higher earnings and improved compensation for lost assets
- **ROCI of 21.8% increased 2pts** as strong 1H24 profit more than offset increased capital investment
- **FY24 interim dividend of 15.0 US cents, up 22% on prior year**, converted and paid as 23.09 AU cents, franked at 35%

# Operating environment

Significant improvement in market pallet availability and a moderate increase in overall input costs

| FY24 KEY OPERATING DYNAMICS   |                                                                                                                                                                                                                                                                       | FY24 IMPACT ON BRAMBLES     |                                                                                                                                                                                                                                                                                                                  |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Inflation</b>              | <ul style="list-style-type: none"> <li>Ongoing labour inflation in all markets</li> <li>Deflation across lumber, fuel and US freight in 1H24 with benefits moderating in 2H24</li> <li>Lower capital cost of pallets, albeit remain above historic levels</li> </ul>  | <b>Pricing</b>              | <ul style="list-style-type: none"> <li>Pricing growth to moderate in line with cost-to-serve</li> <li>Ongoing commercial discipline to generate appropriate returns</li> </ul>                                                                                                                                   |
| <b>Competition</b>            | <ul style="list-style-type: none"> <li>Stable market share in an increased competitive environment</li> <li>Some customers dual sourcing small volumes</li> <li>Lower whitewood pricing increasing the average time for manufacturers to switch to pooling</li> </ul> | <b>Volumes</b>              | <ul style="list-style-type: none"> <li>Like-for-like volumes impacted by inventory optimisation in 1H24, minimal impact in 2H24</li> <li>Increased pallet availability to pursue new business with return to net new business growth for the Group in 2H24</li> </ul>                                            |
| <b>Pallet availability</b>    | <ul style="list-style-type: none"> <li>Industry wide improvements due to improved lumber availability and inventory optimisation across retailer and manufacturer supply chains</li> </ul>                                                                            | <b>Plant stock</b>          | <ul style="list-style-type: none"> <li>Pallet balances temporarily above Brambles' network requirements resulting in additional storage costs in FY24</li> <li>Stored pallets to be used to service new customer contract wins and replace lost or scrapped pallets in 2H24 and into 1H25</li> </ul>             |
| <b>Inventory optimisation</b> | <p><b>~8 million pallet returns in 1H24 (1H23: nil)</b><br/> <b>~5-6 million pallet returns in 2H24 (2H23: ~5 million)</b><br/>           Inventory optimisation largely expected to complete by FY24</p>                                                             | <b>Costs / efficiencies</b> | <ul style="list-style-type: none"> <li>Incremental repair, handling and transportation costs due to additional pallet returns in 1H24 with year-on-year costs expected to moderate in 2H24</li> <li>Higher damage rates in 1H24 moderating in 2H24</li> <li>Improved cycle times and lower loss rates</li> </ul> |
|                               |                                                                                                                                                                                                                                                                       | <b>Capex / cash</b>         | <ul style="list-style-type: none"> <li>Inventory optimisation in FY24 reducing new pallet purchases by ~13-14 million units, with further reductions driven by asset productivity initiatives</li> <li>Pooling capex to sales reduction of ~8-10pts in FY24</li> </ul>                                           |

Note: FY24 expectations on this slide are dependent on actual pace and extent of inventory optimisation and other factors including, but not limited to, prevailing macroeconomic conditions, customer demand and efficiency of global supply chains.

# FY24 outlook

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Underlying Profit and Free Cash Flow guidance upgraded, revenue guidance unchanged

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For the year ended 30 June 2024, Brambles expects:

- **Sales revenue growth** of between **6-8%** at constant currency (unchanged);
- **Underlying Profit growth** of between **13-15%** at constant currency (previously 9-12%);
- **Positive Free Cash Flow before dividends** of between **US\$700-US\$800m** (previously US\$450-US\$550m);
- **Dividend payout ratio** to be consistent with the **dividend payout policy of 45-60%** of Underlying Profit after finance costs and tax<sup>1</sup> in US dollar terms and fully funded through Free Cash Flow

These financial outcomes are dependent on a number of factors, including material unknowns. These factors include, but are not limited to, prevailing macroeconomic conditions, customer demand including the extent of destocking, the price of lumber and other key inputs and the efficiency of global supply chains, and FX rates.

**January 2024 trading:** Continuation of operating conditions and trends noted in 1H24, including:

- Slight decline in organic volumes partially reflecting an adverse impact from inventory optimisation;
- Modest net new business wins across the Group with confidence in the new business pipeline;
- Additional pallet returns in line with ongoing inventory optimisation; and
- Pricing consistent with recovery of cost-to-serve and generating appropriate returns on capital

<sup>1</sup> Subject to Brambles' cash requirements.

# Shaping Our Future transformation

Delivering  
improvements for  
customers, supporting  
financial performance  
and positioning  
business for future  
success

## **Improved customer service reflected across key metrics**

- NPS increased in all regions in the last 12 months driven by pallet availability improvements, increased investments in quality and improved speed of interactions
- Improvement in 'delivery in full, on time' to ensure customers receive pooled equipment within the requested time window

## **Digital transformation demonstrating value today and shaping the Brambles of the Future**

- Advanced analytics capabilities including artificial intelligence and machine learning on both existing and new data, delivering benefits across asset efficiency initiatives and removing inefficiencies from our business and customer supply chains
- 'Test and learn' approach to asset digitisation to work through various operational challenges to determine the viability of scaling asset tracking technologies

## **Commercial and asset efficiency initiatives supporting recovery of cost-to-serve and improved pallet availability**

- Enhanced commercial frameworks supporting better recovery of the cost-to-serve, including increased compensations for lost pallets
- ~7.5 million pallets recovered and salvaged in 1H24 (1H23: ~5 million pallets) through the continued expansion of asset recovery capabilities, including additional specialised field resources, low volume recovery vehicles and retailer collaboration initiatives

## **Network productivity initiatives positioning the business for growth**

- On track to deliver 12 automated repair processes during FY24, in line with revised rollout plan
- Additional operational excellence initiatives to improve productivity including reducing machine downtime at service centres

# Shaping Our Future scorecard

|                             | Digital Transformation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Customer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Asset Efficiency & Network Productivity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Business Excellence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Sustainability & ESG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcomes</b>             | Transform information and digital insights into new sources of value for Brambles and our customers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Deliver unrivalled value and exceptional service to customers to strengthen competitive advantage and drive revenue growth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Improve productivity and sustainability of our assets and operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Reinvent the organisation, technology and processes to be simpler, more effective and efficient                                                                                                                                                                                                                                                                                                                                                                                                          | Pioneer regenerative supply chains with reuse, resilience and regeneration at its core                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                             | <b>Enabler of Underlying Profit growth<sup>1</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>~55% of Underlying Profit growth<sup>1</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>~45% of Underlying Profit growth<sup>1</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Enabler of long-term value</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Metrics and Measures</b> | <p><b>Better for Brambles</b></p> <ul style="list-style-type: none"> <li>✓ Deploy asset productivity analytics solutions across 20 markets by end FY22 and 30 markets by end FY23</li> <li>✓ Deploy analytics solutions to identify stray assets and predictive analytics to recover assets across 5 markets by end FY23</li> </ul> <p><b>Better for customers</b></p> <ul style="list-style-type: none"> <li>✓ Launch 2 commercial optimisation and 2 proactive Customer Experience digital solutions by end FY23</li> </ul> <p><b>Data capability and culture</b></p> <ul style="list-style-type: none"> <li>✓ First 4 priority domains<sup>2</sup> managed through data hub by end FY22</li> <li>✓ Train 300 leaders in digital and analytics skills by end FY22; 5,000 roles across company by end FY23</li> </ul> <p><b>Smart assets</b></p> <ul style="list-style-type: none"> <li>✓ Deploy full smart asset solution in 2 markets by end FY24</li> </ul> | <p><b>Customer engagement</b></p> <ul style="list-style-type: none"> <li>* Increase customer NPS by 8-10 pts by end FY25<sup>3</sup></li> <li>✓ Increase % of customer orders placed through electronic channels by 1-2pts p.a.</li> </ul> <p><b>Revenue growth</b></p> <ul style="list-style-type: none"> <li>* 1-2% net volume growth p.a. with existing customers<sup>3</sup></li> <li>* 1-2% net new wins p.a.</li> <li>✓ 2-3% price/mix p.a. in line with value-based pricing</li> </ul> <p><b>Product quality</b></p> <ul style="list-style-type: none"> <li>✓ Reduce customer reported defects per million pallets (DPMO) by 15% by end FY25 compared with FY20 baseline<sup>3</sup></li> </ul> <p><b>Customer collaborations</b></p> <ul style="list-style-type: none"> <li>✓ Double number of customer collaborations on sustainability from 250 to 500 by end FY25</li> </ul> | <p><b>Asset efficiency</b></p> <ul style="list-style-type: none"> <li>* Reduce uncompensated pallet losses by ~30% by end FY25<sup>3</sup></li> <li>✓ Reduce pallets scrapped by ~15% by end FY25</li> <li>✓ Improve pallet pool utilisation: reduce pooling capex / sales ratio by at least 3pts through FY25</li> </ul> <p><b>Network productivity</b></p> <ul style="list-style-type: none"> <li>* Reduce the pallet damage ratio by 75bps YoY through FY25 from pallet durability initiatives</li> <li>* Rollout fully automated end-to-end repair process to 70 plants by end of FY24 to drive throughput efficiency<sup>3</sup></li> </ul> | <p><b>Organisation</b></p> <ul style="list-style-type: none"> <li>✓ 25% reduction in Brambles Injury Frequency Rate (BIFR) by end FY25 and developed wellbeing-at-work programme</li> <li>✓ At least 40% of management roles held by women by end FY25</li> </ul> <p><b>Technology</b></p> <ul style="list-style-type: none"> <li>✓ Migration of priority applications to the Cloud by end FY22</li> <li>✓ CRM transition to Salesforce completed in FY22 as part of ongoing CRM improvements</li> </ul> | <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>✓ Carbon neutral Brambles operations and 100% renewable electricity continued indefinitely (Scope 1 &amp; 2)</li> <li>✓ 100% sustainable sourcing of timber continued indefinitely</li> <li>✓ 30% recycled or upcycled plastic in new closed loop platforms by end FY25</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>✓ Advocate, educate and impact 1,000,000 people to become circular economy change makers by end FY25</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>✓ Create leading industry circularity indices with strategic partners by end FY25</li> <li>✓ Operationalise annual supplier certification across all markets by end FY22</li> </ul> |
| <b>Key</b>                  | <ul style="list-style-type: none"> <li>✓ Progressing and on-track</li> <li>✓ Completed and no further work required</li> <li>✓ Completed and on-going</li> <li>* Tracking below target</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

Note: Baseline for metrics and measures is FY21 unless otherwise stated.

<sup>1</sup> Contribution to FY25 Underlying Profit growth uplift from FY21.

<sup>2</sup> Asset movement, customer, pricing, and supply chain.

<sup>3</sup> Impacted by market conditions.

# Digital transformation driving new sources of value

Data points and learnings to inform how digital capabilities can help shape the future of pooling and customer offering

|                             | FY24 priorities                                                                                                                                                                                                                                                                                                                                   | 1H24 progress                                                                                                                                                                                                                                                                                                      | 1H24 examples of value created                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Data analytics and customer | <ul style="list-style-type: none"> <li>Expanded analytics solutions to drive further asset productivity and customer experience improvements</li> <li>Progress data analytics maturity towards being a data driven organisation</li> <li>Launch a portfolio of scalable, viable digital customer solutions</li> </ul>                             | <ul style="list-style-type: none"> <li>Further adoption across business units of advanced analytics solutions, supporting better commercial terms, asset productivity and customer experience</li> <li>♦ Piloted 3 digital customer solutions with 2 solutions moving to ongoing commercial engagements</li> </ul> | <ul style="list-style-type: none"> <li>EU: Improved stock management at retailers recovering ~600,000 pallets</li> <li>EU: Optimised collections across 100,000+ locations</li> <li>US: A customer diagnostics solution identified inefficiencies in distribution of promotional products, enabling a meaningful uplift in sales through improved promotional execution</li> </ul>                                                          |
| Targeted diagnostics        | <ul style="list-style-type: none"> <li>Progress to a steady state embedding targeted diagnostics capability into business as usual</li> <li>Rolling portfolio of ~50 diagnostics</li> </ul>                                                                                                                                                       | <ul style="list-style-type: none"> <li>♦ Deployed in 32 countries (80,000+ devices deployed)</li> <li>Rolling portfolio of ~50 diagnostics</li> <li>Further embedded capabilities and maximising returns</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>Germany: Data-driven collaboration enabled cycle time reduction of over 10 days with a retailer</li> <li>Spain: ~14,000 pallets loss avoidance in Spain, through identification of 1 pallet dealer</li> </ul>                                                                                                                                                                                        |
| Continuous diagnostics      | <ul style="list-style-type: none"> <li>Optimise device productivity by industrialising the operational processes</li> <li>Continue to scale in North America –up to ~300,000+ smart assets deployed by end of FY24</li> <li>Determine viability of scaling in Europe</li> </ul>                                                                   | <ul style="list-style-type: none"> <li>♦ Installed across 4 markets: UK, Canada, US and Chile with 400,000+ devices deployed, including ~145,000 smart assets in the US</li> <li>Value realisation in UK and Canada continues with early insights in US</li> </ul>                                                 | <ul style="list-style-type: none"> <li>UK: Accurate cost-to-serve insights that enabled 21 incremental new business wins</li> <li>Canada: Higher damage locations identified with subsequent operating solutions implemented</li> <li>US: Early insights into pallet flows including recycler activity (20+ recyclers) and undeclared flows, international flows and new business opportunities (35 manufacturers and retailers)</li> </ul> |
| Serialisation+              | <ul style="list-style-type: none"> <li>Establish a proof of concept in Chile to determine feasibility, viability and desirability by serialising all assets through the service centres (estimated ~3m pallets)</li> <li>Feasibility study and initial equipment installations to determine potential rollout viability in the US / UK</li> </ul> | <ul style="list-style-type: none"> <li>♦ ~2m pallets serialised (Jan 2024) and ~56,000 smart assets deployed</li> <li>Operational and value proof points being tested</li> <li>♦ In market scaling tests started in UK &amp; North America at 2 sites</li> </ul>                                                   | <ul style="list-style-type: none"> <li>New customer model (frictionless service offer) being validated</li> <li>Continued learnings on operational and technical challenges to inform feasibility of scaling to other markets</li> </ul>                                                                                                                                                                                                    |

♦ Denotes updated activities.



# 1H24 Sustainability and ESG highlights

Significant progress made towards becoming a regenerative business

Further progress towards 2025 Sustainability Targets including:

- Brambles Injury Frequency Rate of 3.6 (1H23: 3.8)
- 37% of management positions held by women (1H23: 35%)
- Reduction in total Scope 1, 2 and 3 emissions ahead of path to deliver science-based target commitments
- Maintained 100% sustainable sourced timber and 77% Chain-of-Custody certification representing a 5-point improvement (1H23: 72%)
- Materially exceeded target of 30% recycled or upcycled plastic going into new platforms



## ESG ASSESSMENTS



**#1** in DJSI  
Industry category



**Maximum AAA**  
rating, **top 9%**  
of companies assessed  
in industry category



**2nd most**  
**sustainable company**  
of ~7,000 analysed



**'A-' rating** in Forests  
and Climate submission



**'A' score** 'in FY23  
assessment



**Top Employer** status  
globally, and across  
four regions and  
26 countries

# 2

## Financial overview

JOAQUIN GIL

CFO

All references to growth rates, unless otherwise stated, are at constant FX rates.

# 1H24 results

Strong financial performance driven by recovery of cost-to-serve and transformation programme

| US\$m                                                            | 1H24           | Change vs. 1H23 |              |
|------------------------------------------------------------------|----------------|-----------------|--------------|
|                                                                  |                | Actual FX       | Constant FX  |
| Continuing operations                                            |                |                 |              |
| <b>Sales revenue</b>                                             | <b>3,281.8</b> | <b>12%</b>      | <b>10%</b>   |
| <b>Other income / revenue</b>                                    | <b>142.4</b>   | <b>(22)%</b>    | <b>(21)%</b> |
| <b>Underlying Profit and Operating profit</b>                    | <b>664.7</b>   | <b>21%</b>      | <b>19%</b>   |
| Net finance costs                                                | (64.0)         | (29)%           | (25)%        |
| Net impact arising from hyperinflationary economies <sup>1</sup> | (25.4)         | (105)%          | (182)%       |
| Tax expense                                                      | (183.2)        | (20)%           | (19)%        |
| <b>Profit after tax - continuing</b>                             | <b>392.1</b>   | <b>17%</b>      | <b>14%</b>   |
| Loss from discontinued operations                                | (0.8)          |                 |              |
| <b>Profit after tax</b>                                          | <b>391.3</b>   | <b>18%</b>      | <b>15%</b>   |
| Effective tax rate – Underlying                                  | (30.5)%        | -               | -            |
| <b>Basic EPS (US cents)</b>                                      | <b>28.1</b>    | <b>18%</b>      | <b>15%</b>   |
| <b>Basic EPS - continuing (US cents)</b>                         | <b>28.2</b>    | <b>17%</b>      | <b>14%</b>   |
| <b>Underlying EPS (US cents)</b>                                 | <b>30.0</b>    | <b>20%</b>      | <b>18%</b>   |

- **Sales revenue +10%** with price realisation of 11% and a (1)% decline in volumes across the Group
- **Other income decreased (21)%** mainly due to North American surcharge income partially offset by higher compensation for lost assets
- **Underlying Profit +19%** as flow through of pricing and commercial terms to recover cost-to-serve and transformation-linked productivity gains more than offset incremental costs associated with higher pallet returns and ongoing transformation investments
- **Net finance costs increase of (25)%** reflecting the six-month impact of the 8-year €500m green bond refinancing in March 2023 and the impact of higher interest rates on floating debt and lease renewals
- **Effective tax rate of 30.5%** in line with 1H23
- **Profit after tax (continuing) +14%** driven by growth in Underlying Profit offset by higher finance costs and a net non-cash charge of US\$25.4 million relating to Brambles' operations in hyperinflationary economies, primarily Argentina and Türkiye
- **Basic EPS of 28.1 US cents up 15%** reflecting increased earnings

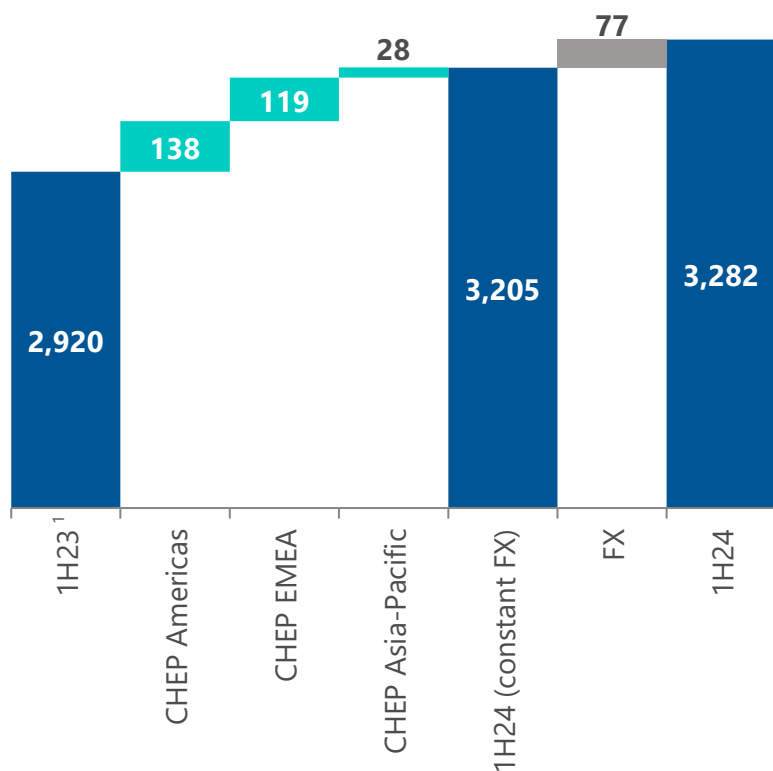
<sup>1</sup> Relating to operations in Argentina, Türkiye and Zimbabwe.

# 1H24 Group sales revenue growth

Pricing to recover the cost-to-serve; excluding inventory optimisation, volumes increased 1% driven by better like-for-like volumes in most regions partly offset by weak consumer demand in Europe

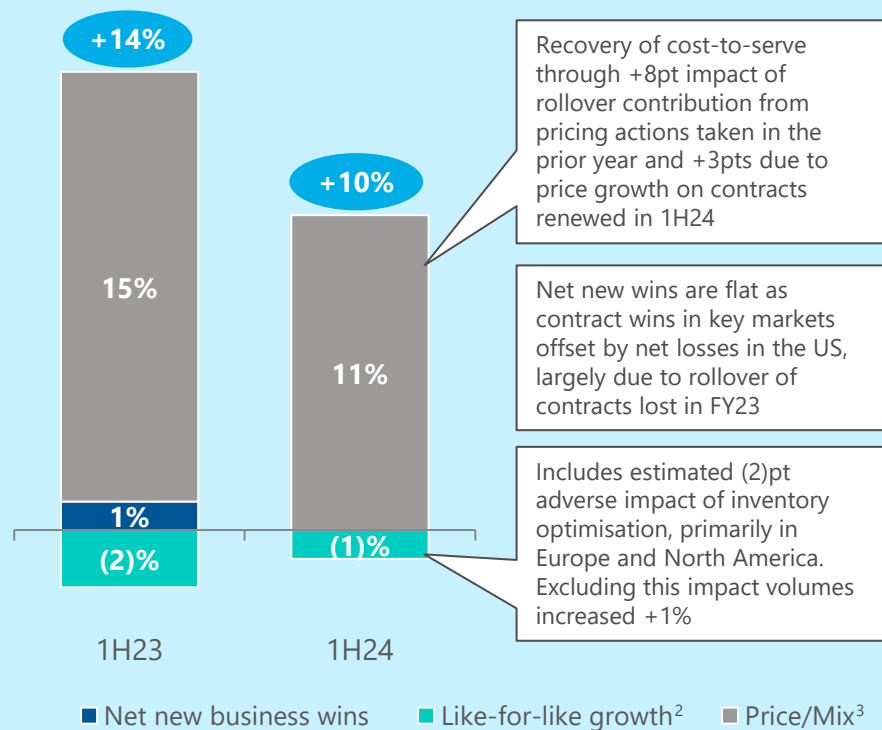
## Growth across all segments

1H24 Sales revenue growth (US\$m)



## Growth weighted to price realisation

Price/mix and volume contribution to growth



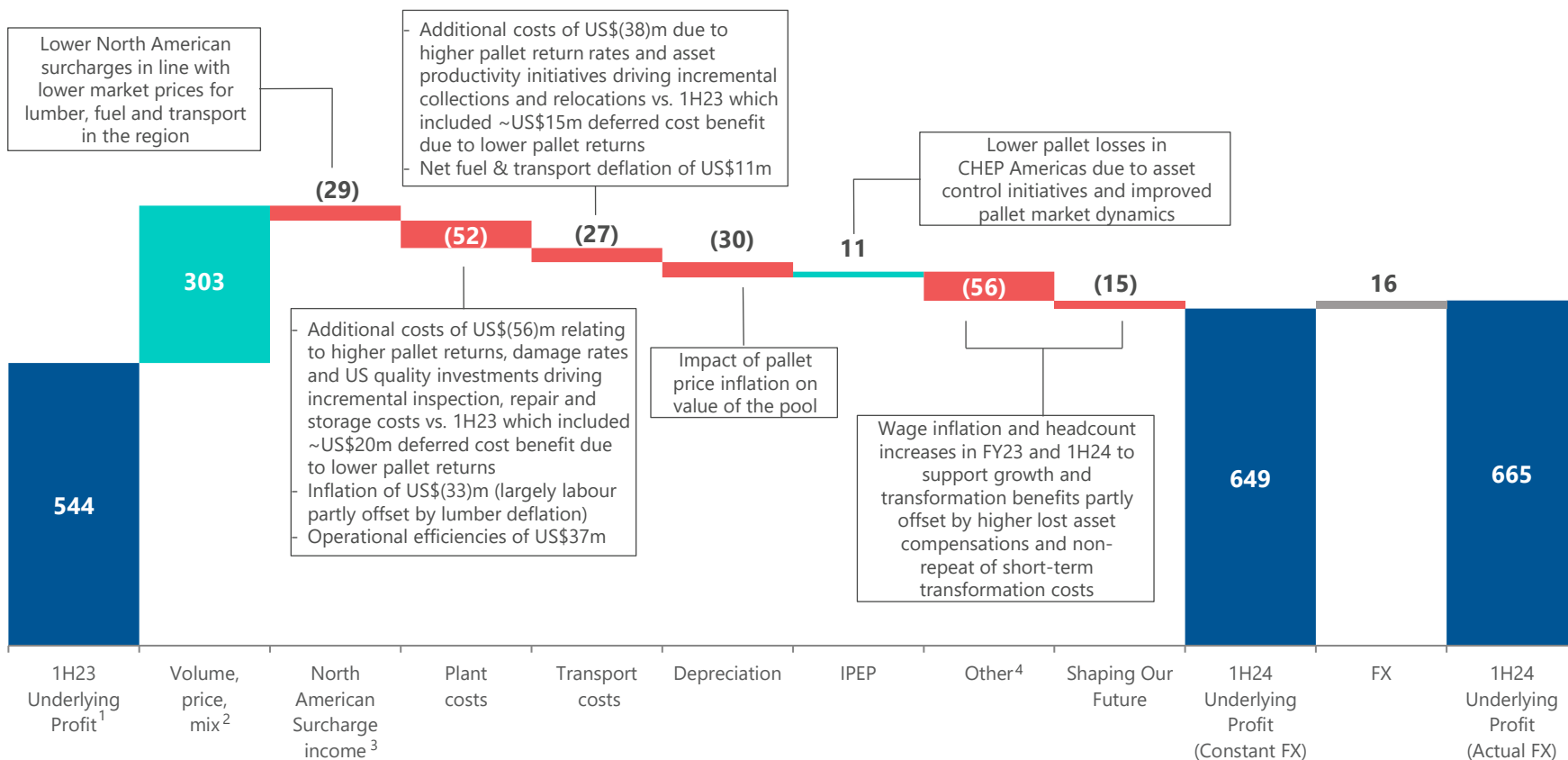
<sup>1</sup> 1H23 reported sales revenue of US\$2,931.5 million restated to reflect the results of Brambles' hyperinflationary economies of Argentina, Türkiye and Zimbabwe at the 30 June 2023 period-end spot rate.

<sup>2</sup> Like-for-like growth references volume performance of the same products with the same customers.

<sup>3</sup> Price/Mix includes indexation in Europe, and excludes North American surcharges included within 'other income and other revenue' in the financial statements.

# Group profit analysis (US\$m)

Improved pricing and commercial terms combined with operational efficiencies offset cost-to-serve increases and incremental investments to support transformation initiatives



<sup>1</sup> 1H23 reported Underlying Profit of US\$548.8 million restated to reflect the results of Brambles' hyperinflationary economies of Argentina, Türkiye and Zimbabwe at the 30 June 2023 period-end spot rate.

<sup>2</sup> Sales growth net of volume-related costs (excluding depreciation and IPEP).

<sup>3</sup> North American surcharge income to recover lumber, transport and fuel inflation included within plant and transport costs.

<sup>4</sup> 'Other' includes overhead investments to support growth and the delivery of transformation benefits, and any gain/loss on asset disposals and scrapped assets.

# CHEP Americas

Margin and ROCI improvements despite incremental costs associated with higher pallet return rates and increased investment in transformation initiatives

|                          | 1H24           | Change vs. 1H23 |               |
|--------------------------|----------------|-----------------|---------------|
|                          |                | Actual FX       | Constant FX   |
| (US\$m)                  |                |                 |               |
| US                       | 1,293.2        | 9%              | 9%            |
| Canada                   | 197.1          | 3%              | 5%            |
| Latin America            | 288.9          | 16%             | 6%            |
| Pallets                  | 1,779.2        | 10%             | 8%            |
| Containers               | 20.3           | 17%             | 17%           |
| <b>Sales revenue</b>     | <b>1,799.5</b> | <b>10%</b>      | <b>8%</b>     |
| <b>Underlying Profit</b> | <b>358.1</b>   | <b>25%</b>      | <b>24%</b>    |
| <b>Margin</b>            | <b>19.9%</b>   | <b>2.5pts</b>   | <b>2.5pts</b> |
| <b>ROCI</b>              | <b>22.8%</b>   | <b>3.6pts</b>   | <b>3.4pts</b> |

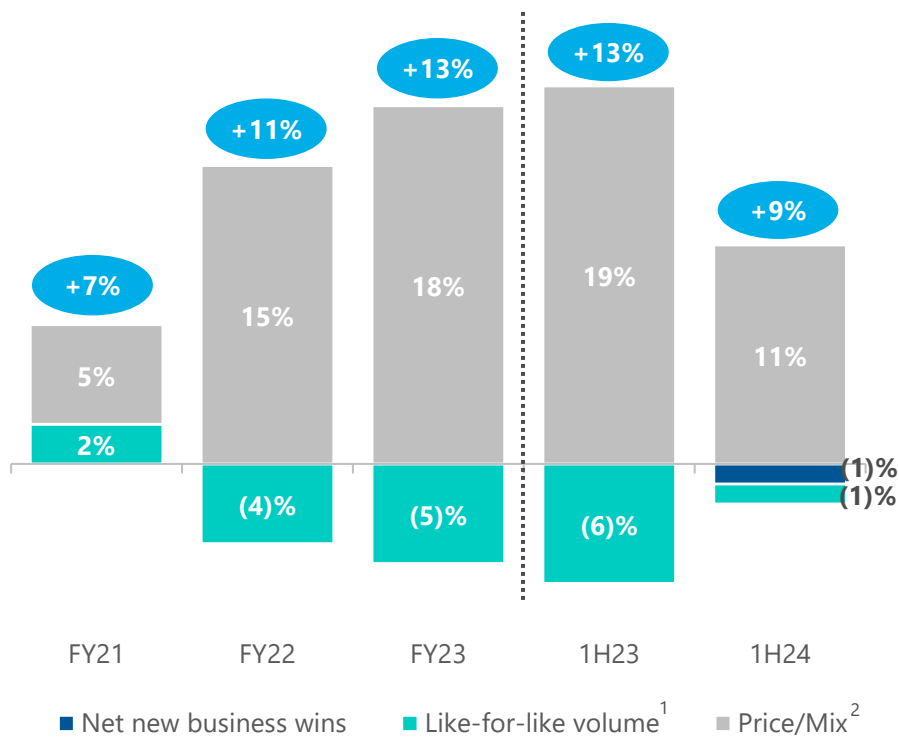
## 1H24 performance

- **Pallets revenue +8%** primarily driven by pricing actions taken in the prior year to recover cost-to-serve, with volume growth in Latin America and Canada more than offset by volume declines in the US
- **Containers revenue +17%** due to rollover contributions from prior-year pricing actions
- **North American surcharge income decreased US\$(29)m** in line with lower market prices for lumber, fuel and transport
- **Underlying Profit +24%** as pricing initiatives and asset efficiency benefits, including lower IPEP expense and increased compensations for lost assets, offset additional costs associated with higher pallet returns due to inventory optimisation and increased investment in asset productivity and other transformation initiatives
- **ROCI +3.4pts** as strong profit growth more than offset a 5% increase in ACI reflecting the addition of higher priced pallets to the pool compared to the value of assets written off

# US pallets revenue

Continued recovery of cost-to-serve with volume decline driven by inventory optimisation

US pallets revenue growth breakdown  
(constant FX)



## 1H24 revenue growth components:

- **Price/mix growth of +11%** driven by rollover contributions from pricing actions taken in FY23 to recover the cost-to-serve as contractual price increases in 1H24 were largely offset by adverse customer mix impact
- **Like-for-like volume reduction of (1)%** driven by the impact of inventory optimisation at manufacturers and retailers. Excluding this impact like-for-like volumes increased +1%
- **Net new business volume decline of (1)%** as modest customer wins were offset by losses in small to medium businesses, primarily driven by the rollover impact of prior-year customer losses

<sup>1</sup> Like-for-like volume references volume performance of the same products with the same customers.

<sup>2</sup> Price/Mix excludes North American surcharge income included within 'other income and other revenue' in the financial statements.

# CHEP EMEA

Price realisation to recover cost-to-serve and supply-chain efficiencies supporting margin & ROCI expansion

| (US\$m)                  | 1H24           | Change vs. 1H23 |               |
|--------------------------|----------------|-----------------|---------------|
|                          |                | Actual FX       | Constant FX   |
| Europe                   | 963.1          | 21%             | 13%           |
| IMETA <sup>1</sup>       | 101.4          | (4)%            | 8%            |
| Pallets                  | 1,064.5        | 18%             | 13%           |
| RPCs + Containers        | 144.8          | 6%              | 4%            |
| <b>Sales revenue</b>     | <b>1,209.3</b> | <b>16%</b>      | <b>11%</b>    |
| <b>Underlying Profit</b> | <b>308.6</b>   | <b>25%</b>      | <b>21%</b>    |
| <b>Margin</b>            | <b>25.5%</b>   | <b>1.8pts</b>   | <b>1.9pts</b> |
| <b>ROCI</b>              | <b>26.6%</b>   | <b>2.9pts</b>   | <b>3.0pts</b> |

## 1H24 performance

- **Pallets revenue +13%** driven by price realisation to recover cost-to-serve and net new business growth in Europe, partly offset by a decline in like-for-like volumes
- **RPCs & Containers revenue +4%** reflecting both like-for-like and net new business growth in the automotive business and pricing to recover cost-to-serve increases in the IBCs and RPCs businesses
- **Underlying Profit +21%** as profit contribution from pricing actions, transport and automation efficiencies and higher pallet compensations offset cost increases associated with labour inflation, higher pallet returns due to inventory optimisation and additional investments to support asset productivity and transformation initiatives
- **ROCI +3.0pts** as Underlying Profit growth more than offset a 7% increase in ACI, driven by the higher capital cost of assets added to the pool compared to the value of assets written off

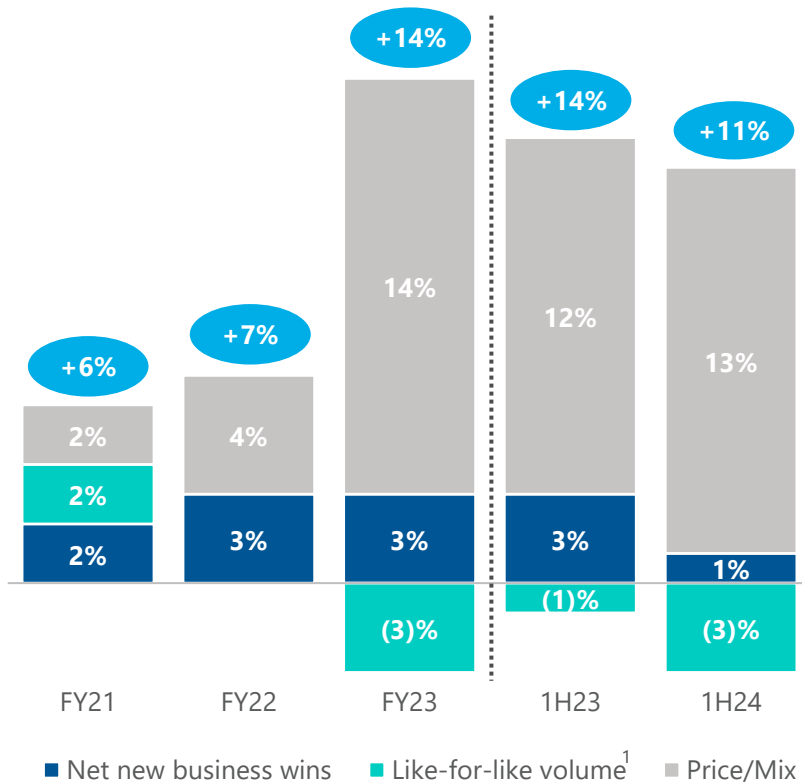
<sup>1</sup> India, Middle East, Türkiye and Africa.



## EMEA sales growth

Price realisation driven by recovery of cost-to-serve in the pallets business; Volumes impacted by weak underlying consumer demand and inventory optimisation in Europe

CHEP EMEA revenue growth breakdown  
(constant FX)



### 1H24 revenue growth components:

- **Price/mix growth of +13%** primarily reflecting rollover pricing in the pallets business to recover the cost-to-serve
- **Net new business wins up +1%** primarily driven by rollover contributions from prior-year contract wins in Central and Eastern Europe pallets and North America automotive businesses, in addition to current year wins across the European pallet business
- **Like-for-like volume decline of (3)%** reflecting softer consumer demand and, to a lesser extent, inventory optimisation in Europe pallets, partially offset by growth in automotive

<sup>1</sup> Like-for-like volume references volume performance of the same products with the same customers.

## CHEP Asia-Pacific

Margin and ROCI remain strong despite increased supply chains costs as pallet circulation improves in Australia and the business cycles one-off benefits in the prior corresponding period

|                          | 1H24         | Change vs. 1H23 |                 |
|--------------------------|--------------|-----------------|-----------------|
|                          |              | Actual FX       | Constant FX     |
| (US\$m)                  |              |                 |                 |
| Pallets                  | 202.2        | 9%              | 12%             |
| RPCs + Containers        | 70.8         | 5%              | 8%              |
| <b>Sales revenue</b>     | <b>273.0</b> | <b>8%</b>       | <b>11%</b>      |
| <b>Underlying Profit</b> | <b>93.8</b>  | <b>1%</b>       | <b>5%</b>       |
| <b>Margin</b>            | <b>34.4%</b> | <b>(2.4)pts</b> | <b>(2.2)pts</b> |
| <b>ROCI</b>              | <b>33.9%</b> | <b>(1.8)pts</b> | <b>(1.5)pts</b> |

### 1H24 performance

- **Pallets revenue +12%** included strong volume growth of 7%, mainly with existing customers in Australia, and price growth of 5% driven by current and prior year pricing actions to recover the cost-to-serve
- **RPCs + Containers revenue +8%** primarily driven by the RPC business delivering both pricing and volume growth
- **Underlying Profit +5%**, despite strong prior comparative period which included timing and one-off benefits that did not repeat in 1H24. Sales growth and higher pallet compensations in 1H24 partly offset by additional costs associated with improved pallet circulation in Australia
- **ROCI declined (1.5)pts** reflecting the 9% increase in ACI due to the impact of the higher capital cost of assets added to the pool to support customer demand and increased inventory holdings, and incremental service centre investments in the pallet and RPC businesses

# Corporate Segment

Higher employee-related costs to support delivery of transformation programme benefits

| (US\$m)                                       | 1H24          | Change vs. 1H23 |               |
|-----------------------------------------------|---------------|-----------------|---------------|
|                                               |               | Actual FX       | Constant FX   |
| <b>Shaping Our Future programme costs:</b>    |               |                 |               |
| <i>Short-term transformation</i>              | –             | 13.2            | 13.2          |
| <i>Ongoing corporate transformation costs</i> | (60.6)        | (29.7)          | (28.1)        |
| <b>Total Shaping Our Future costs</b>         | <b>(60.6)</b> | <b>(16.5)</b>   | <b>(14.9)</b> |
| <b>Corporate costs</b>                        | <b>(35.2)</b> | <b>(3.6)</b>    | <b>(3.6)</b>  |
| <b>Corporate Segment</b>                      | <b>(95.8)</b> | <b>(20.1)</b>   | <b>(18.5)</b> |

## 1H24 performance

- **Shaping Our Future costs** increased US\$14.9m and included:
  - Digital transformation costs of US\$45.7m increased US\$21.4m reflecting additional personnel to support asset digitisation and data analytics activities
  - Other transformation costs of US\$14.9m increased US\$6.7m reflecting investments to improve the customer experience and support the delivery of the transformation
  - Short-term transformation costs of US\$13.2m in 1H23 did not repeat in 1H24
- **Corporate costs** of US\$35.2m increased US\$3.6m, primarily reflecting labour-related cost increases including wage inflation and additional headcount

# Cash flow

Free Cash Flow before dividends increased US\$303 million driven by higher earnings, lower capex and improved compensations for lost assets

| (US\$m, actual FX)                            | 1H24           | 1H23           | Change       |
|-----------------------------------------------|----------------|----------------|--------------|
| <b>EBITDA<sup>1</sup></b>                     | <b>1,194.5</b> | <b>1,046.0</b> | <b>148.5</b> |
| Capital expenditure (cash basis)              | (654.8)        | (922.0)        | 267.2        |
| Proceeds from sale of PP&E                    | 117.0          | 88.2           | 28.8         |
| Working capital movement                      | (24.3)         | (27.2)         | 2.9          |
| Purchase of intangibles                       | (6.0)          | (5.7)          | (0.3)        |
| Other                                         | (108.8)        | (38.9)         | (69.9)       |
| <b>Cash Flow from Operations</b>              | <b>517.6</b>   | <b>140.4</b>   | <b>377.2</b> |
| Significant Items and discontinued operations | (1.0)          | 33.8           | (34.8)       |
| Financing and tax costs                       | (205.5)        | (166.4)        | (39.1)       |
| <b>Free Cash Flow before dividends</b>        | <b>311.1</b>   | <b>7.8</b>     | <b>303.3</b> |
| Dividends paid                                | (195.0)        | (154.4)        | (40.6)       |
| <b>Free Cash Flow after dividends</b>         | <b>116.1</b>   | <b>(146.6)</b> | <b>262.7</b> |

- **Operating cash flow increased by US\$377.2m** reflecting:
  - Capital expenditure (cash basis) decreases of US\$267.2m driven by lower pallet purchases and lumber deflation
  - Proceeds from sale of PP&E increases of US\$28.8m due to increased compensations for lost assets
  - Working capital increases of US\$2.9m reflecting the reversal of FY23 timing benefits of ~US\$50m offset by improvements in working capital management in the period
  - Other cash flow items decreases of US\$(69.9)m mainly due to the reversal of FY23 timing benefits of ~US\$40m, the cycling of higher deferred revenue in the prior corresponding period due to higher revenue growth in FY23, and non-cash adjustments relating to asset disposals
- **Significant Items and discontinued operations** largely reflects the prior-year comparative benefiting from the US\$41.5m final settlement of the First Reserve loan, partly offset by the net operating cash outflow from CHEP China
- **Financing and tax costs increases of US\$(39.1)m** reflecting higher tax payments due to increased profits and the timing of BEAT<sup>2</sup> payments in the US
- **Free Cash Flow after dividends** was an inflow of US\$116.1m and included an additional US\$40.6m in dividend payments

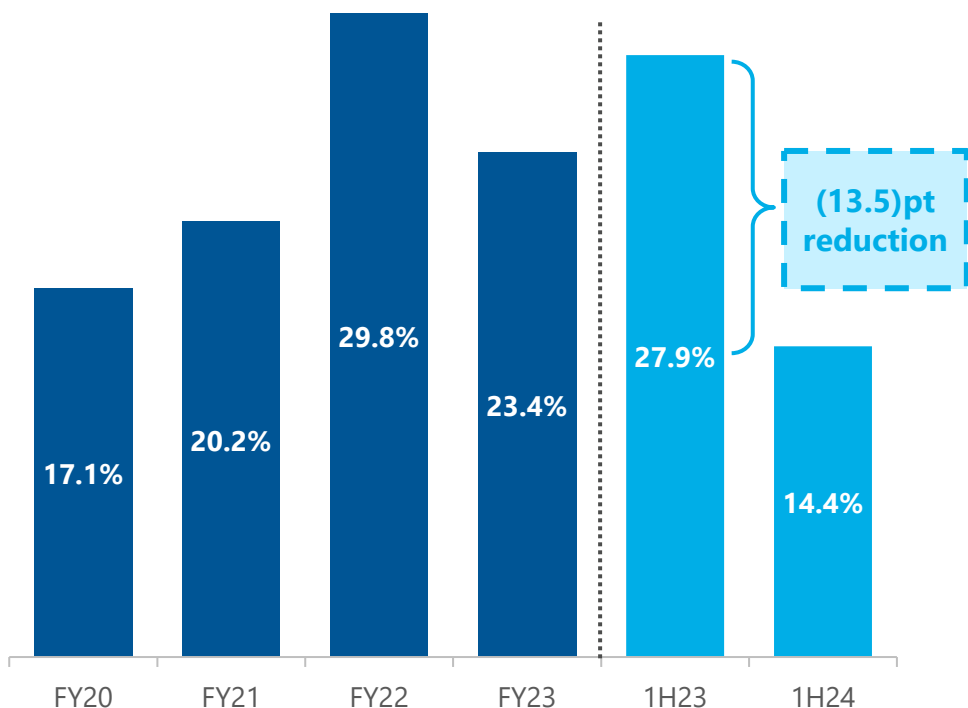
<sup>1</sup> EBITDA has been defined as Underlying Profit after adding back depreciation, amortisation and IPEP expense.

<sup>2</sup> Base Erosion and Anti-Abuse Tax ('BEAT').

# Asset efficiency

Pooling capex to sales ratio improved by ~14pts, driven by lower pallet purchases (inventory optimisation and asset productivity initiatives), some pallet price deflation and strong revenue growth

Pooling capex to sales ratio



**1H24 pooling capital expenditure of US\$473m (accruals basis) decreased US\$356m at constant currency, reflecting:**

- **~12pt improvement due to lower capital expenditure:**
  - ~8 million fewer pallets purchased due to inventory optimisation in North America and Europe ~US\$(200)m<sup>1</sup> ~7pts
  - ~2 million additional pallets delivered through asset productivity initiatives ~US\$(66)m<sup>1</sup> ~2pts
  - Pallet price deflation of ~US\$(90)m ~3pts, although the capital cost of pallets still well above historical levels
- **~2pt improvement due to higher sales revenue** denominator for capex to sales ratio driven by price realisation to recover the cost-to-serve

<sup>1</sup> Movement calculated at 1H23 Group weighted average cost per pallet.

# Balance sheet

Strong liquidity and interest cover despite higher global interest rates

|                                      | Dec 23     | Jun 23     |
|--------------------------------------|------------|------------|
| Net debt <sup>1</sup>                | US\$2,742m | US\$2,724m |
| Average term of committed facilities | 3.7 years  | 3.7 years  |
| Undrawn committed bank facilities    | US\$1.6b   | US\$1.8b   |
| Cash                                 | US\$196m   | US\$161m   |

|                              | 1H24  | 1H23  |
|------------------------------|-------|-------|
| Net debt/EBITDA <sup>2</sup> | 1.23x | 1.49x |
| EBITDA/net finance costs     | 17.4x | 20.6x |
| Fixed rate debt <sup>3</sup> | 91%   | 59%   |

- **Net debt** increase of US\$18m as positive Free Cash Flow after dividends of US\$116m was more than offset by lease capitalisations of US\$61m, unfavourable FX translation of US\$35m and other movements including higher interest accruals
- **Undrawn committed bank facilities** of US\$1.6b at 31 December and cash of US\$196m:
  - US\$0.2b of bank facilities were not renewed in 1H24 due to surplus liquidity
- **Financial ratios** remain well within financial policy of net debt/EBITDA <2.0:
  - 91% of debt at fixed interest rates mitigating the impact of higher global interest rates
- **Continued strong investment-grade credit ratings and material debt headroom within rating** – Standard & Poor's BBB+ and Moody's Baa1

<sup>1</sup> Net debt includes cash and lease liabilities.

<sup>2</sup> EBITDA is measured on a 12-month rolling basis and is defined as Underlying Profit after adding back depreciation, amortisation and IPEP expense.

<sup>3</sup> Fixed rate borrowings as a percentage of total interest-bearing debt excluding leases and overdrafts. On a forward basis, the effective ratio of the Group's fixed rate borrowings is 74% adjusting for the refinancing of the €500m EMTN maturing in June 2024.

# FY24 Outlook Considerations

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## Strong revenue growth, operating leverage and cash flow generation

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- **FY24 sales revenue growth of between 6-8% at constant currency** (*unchanged*)
  - FY24 sales revenue growth to be driven by price realisation with volumes now expected to be flat to FY23
    - Price growth expected to moderate in 2H24 as the business cycles higher prior year comparatives and improving customer supply chain dynamics reduce pricing linked to asset efficiency; and
    - Modest volume growth expected in 2H24 driven by net new business wins in US and European pallets businesses
- **FY24 Underlying Profit growth of between 13-15% at constant currency** (*previously 9-12%*)
  - Expansion of FY24 Group margin driven by Americas and EMEA regions, partly offset by moderation in APAC margin as the business cycles the one-off FY23 insurance proceeds of US\$8m
    - Year-on-year 2H24 margin expansion in Group, Americas and EMEA, with margins in APAC broadly in line with 2H23
  - Additional repair, handling and transport costs across the Group in FY24 in line with higher return rates, inflation (primarily labour), and additional quality and remanufacturing activities. Deflation in lumber, fuel and US freight costs experienced in 1H24 to moderate in 2H24
    - 2H24 plant and transport costs as a percentage of revenue to increase relative to 2H23 levels
  - Reduction in North American surcharge income in FY24 in line with moderating market rates for lumber, fuel and transport
    - Year-on-year reduction in surcharge income moderates in 2H24
  - Asset productivity initiatives driving a reduction in IPEP expense and increased asset compensations across the Group with a step up in benefits in 2H24
  - FY24 overhead costs (excluding Shaping Our Future) to increase driven by inflation and additional labour costs
    - Overhead growth in 2H24 expected to moderate to be broadly in line with inflation
  - Full-year Shaping Our Future Corporate transformation operating costs ~US\$130m (FY23: ~US\$88m) including Digital Transformation costs of ~US\$100m (FY23: ~US\$65m) to support data analytics capabilities and the smart asset strategy. No short-term transformation costs in FY24 (FY23: ~US\$23m)

These financial outcomes are dependent on a number of factors, including material unknowns. These factors include, but are not limited to, prevailing macroeconomic conditions, customer demand, the price of lumber and other key inputs, efficiency of global supply chains, including the extent of destocking, and movements in inflation and FX rates.

# FY24 Outlook Considerations

Strong revenue growth, operating leverage and cash flow generation

- **FY24 net finance costs expected to increase by ~US\$15m to US\$20m**
- **FY24 hyperinflation charge (non-cash) expected to be ~US\$50m**
- **FY24 effective tax rate expected to be 30.5% (FY23: 30.1%)**
- **FY24 ROCI improvement on FY23** reflecting asset productivity improvements and benefit of incremental inventory optimisation on capital expenditure requirements in the period
  - 2H24 ROCI to be broadly in line with 2H23
- **Positive Free Cash Flow before dividends of between US\$700m to US\$800m** (*previously US\$450m to US\$550m*)
  - Full-year pooling capex to sales expected to improve by ~8-10 ppts on prior year driven by asset productivity initiatives, retailer and manufacturer inventory reduction (~13-14m pallets) and moderating lumber / pallet prices
  - Full-year non-pooling capex expected to be ~US\$190m (FY23: ~US\$150m). This is a reduction on the previous FY24 expectation of ~US\$300m reflecting revised timing of supply chain and digital investments. Digital FY24 capex expected to be ~US\$40m (FY23: ~US\$10m)
  - Reversal of FY23 working capital and other timing benefits of ~US\$90m in 1H24 and non-repeat of First Reserve one-off proceeds of US\$41.5m
- **Dividend payout ratio to be consistent with the dividend payout policy of 45-60% of Underlying Profit after finance costs and tax<sup>1</sup> in US dollar terms and expected to be fully funded through Free Cash Flow**

These financial outcomes are dependent on a number of factors, including material unknowns. These factors include, but are not limited to, prevailing macroeconomic conditions, customer demand, the price of lumber and other key inputs, efficiency of global supply chains, including the extent of destocking, and movements in inflation and FX rates.

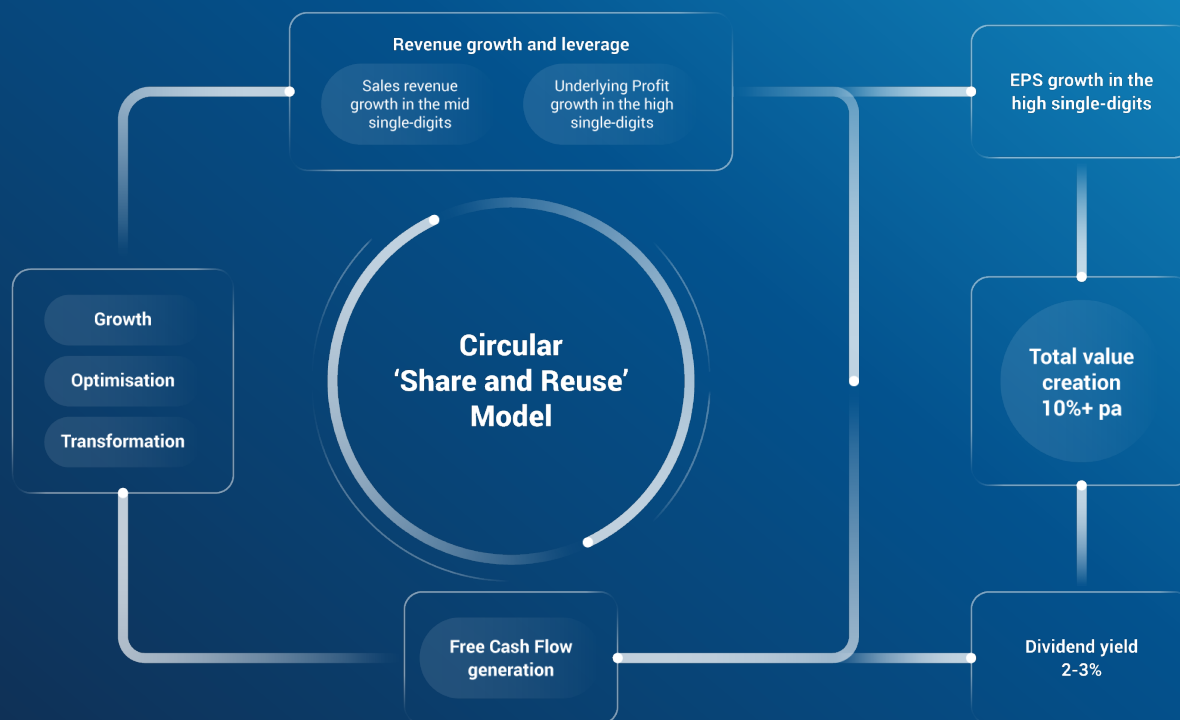
<sup>1</sup> Subject to Brambles' cash requirements.



# Investor value proposition

Committed to delivering on our investor value proposition, supported by benefits from the transformation programme

- ✓ Sales revenue growth in the mid single-digits based on a combination of pricing and volume growth with new and existing customers
- ✓ Underlying Profit growth in the high single-digits through operating efficiencies and supported by further investment in the business
- ✓ Dividend yield expected to be between 2-3% and supported by Free Cash Flow generated through the cycle after fully funding growth and transformation investments



# Brambles

## Half-Year 2024 Results presentation

23 February 2024



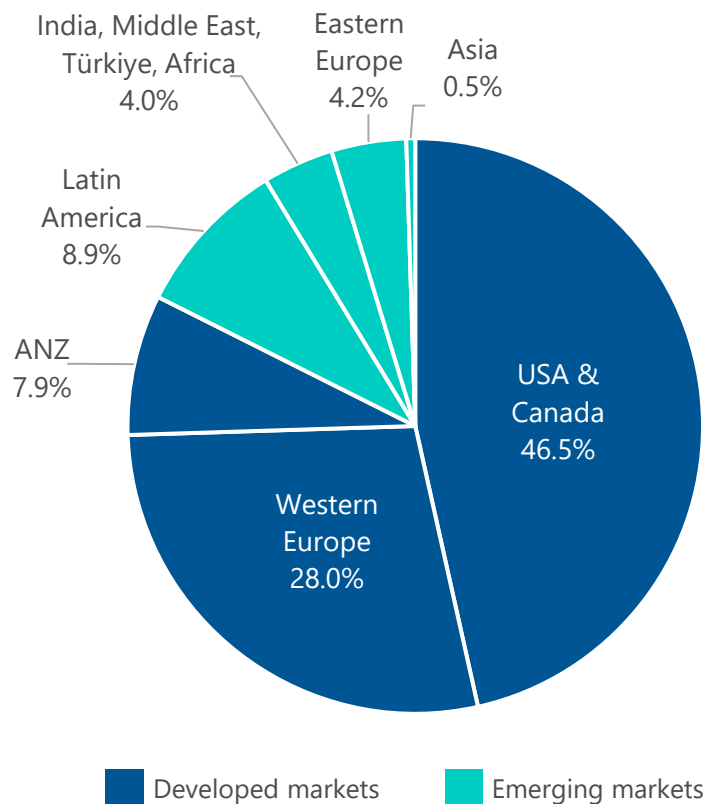
# 3

# Appendix

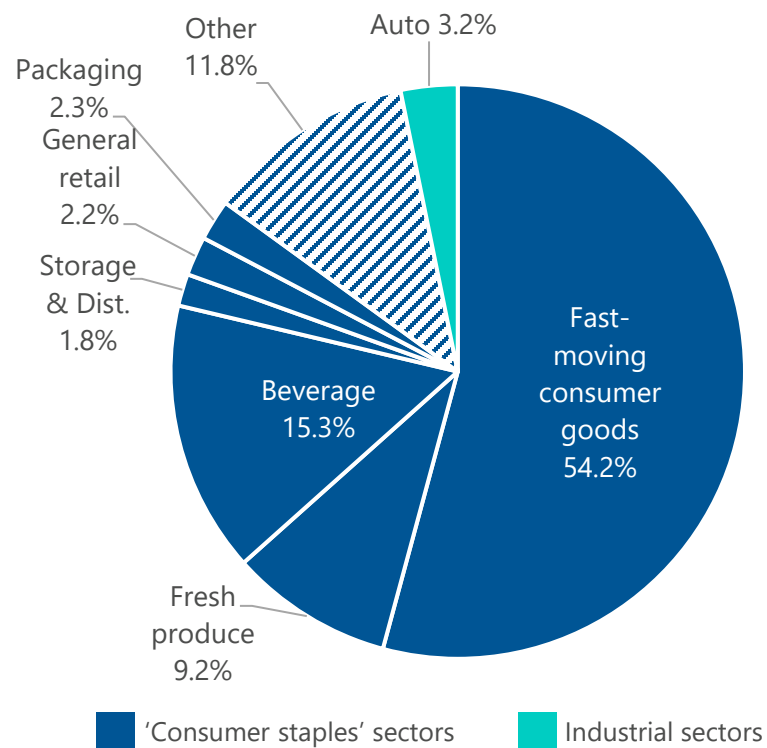
# Appendix 1

Brambles: Sales revenue by region and sector

## 1H24 sales revenue by region



## 1H24 sales revenue by sector<sup>1</sup>



<sup>1</sup> Other includes exposures to non-consumer staple categories including agriculture, home improvement, durable goods, horticulture and other industrials sectors.

## Appendix 2

### Major currency exchange rates<sup>1</sup>

|         |           | <b>USD</b> | <b>EUR</b> | <b>AUD</b> | <b>GBP</b> | <b>CAD</b> | <b>MXN</b> | <b>ZAR</b> | <b>PLN</b> | <b>BRL</b> |
|---------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Average | 1H24      | 1.0000     | 1.0822     | 0.6554     | 1.2524     | 0.7418     | 0.0578     | 0.0534     | 0.2435     | 0.2024     |
|         | 1H23      | 1.0000     | 1.0177     | 0.6768     | 1.1838     | 0.7534     | 0.0505     | 0.0585     | 0.2155     | 0.1915     |
| As at   | 31 Dec 23 | 1.0000     | 1.1069     | 0.6835     | 1.2731     | 0.7560     | 0.0590     | 0.0539     | 0.2557     | 0.2058     |
|         | 30 Jun 23 | 1.0000     | 1.0867     | 0.6615     | 1.2614     | 0.7547     | 0.0584     | 0.0534     | 0.2443     | 0.2059     |

<sup>1</sup> Includes all currencies that exceed 1% of 1H24 Group sales revenue, at actual FX rates.

## Appendix 3

### 1H24 currency mix

| (US\$m)               | Total          | USD     | EUR   | AUD   | GBP   | CAD   | MXN   | ZAR  | PLN  | BRL  | Other <sup>1</sup> |
|-----------------------|----------------|---------|-------|-------|-------|-------|-------|------|------|------|--------------------|
| Sales revenue         | <b>3,281.8</b> | 1,325.8 | 698.1 | 227.3 | 216.2 | 199.1 | 205.1 | 90.0 | 71.0 | 45.8 | 203.4              |
| 1H24 share            | <b>100%</b>    | 40%     | 21%   | 7%    | 7%    | 6%    | 6%    | 3%   | 2%   | 1%   | 7%                 |
| 1H23 share            | <b>100%</b>    | 41%     | 20%   | 7%    | 6%    | 6%    | 6%    | 3%   | 2%   | 1%   | 8%                 |
| Net debt <sup>2</sup> | <b>2,742</b>   | 1,183   | 1,467 | (127) | (56)  | 67    | 123   | 133  | (33) | 13   | (28)               |

<sup>1</sup> No individual currency within 'other' exceeds 1% of 1H24 Group sales revenue at actual FX rates.

<sup>2</sup> Net debt shown after adjustments for impact of financial derivatives. Net debt includes US\$738m of lease liabilities.

# Appendix 4

## Credit facilities and debt profile

| <b>Maturity</b>          | <b>Type<sup>1</sup></b> | <b>Committed facilities</b> | <b>Uncommitted facilities</b> | <b>Debt drawn</b> | <b>Headroom</b> |
|--------------------------|-------------------------|-----------------------------|-------------------------------|-------------------|-----------------|
| (US\$b at 31 Dec 2023)   |                         |                             |                               |                   |                 |
| <12 months               | Bank/EMTN <sup>2</sup>  | 0.6                         | 0.3                           | 0.6               | 0.3             |
| 1 to 2 years             | Bank/144A <sup>3</sup>  | 0.7                         | -                             | 0.5               | 0.2             |
| 2 to 3 years             | Bank                    | -                           | -                             | -                 | -               |
| 3 to 4 years             | Bank/EMTN <sup>2</sup>  | 0.6                         | -                             | 0.6               | -               |
| 4 to 5 years             | Bank                    | 1.4                         | -                             | -                 | 1.4             |
| >5 years                 | EMTN <sup>2</sup>       | 0.5                         | -                             | 0.5               | -               |
| <b>Total<sup>4</sup></b> |                         | <b>3.8</b>                  | <b>0.3</b>                    | <b>2.2</b>        | <b>1.9</b>      |

<sup>1</sup> Excludes leases and the €750m Euro Commercial Paper programme.

<sup>2</sup> European Medium-Term Notes.

<sup>3</sup> US\$500m 144A bond.

<sup>4</sup> Individual amounts have been rounded.

## Appendix 5

### Net plant and transport costs/sales revenue

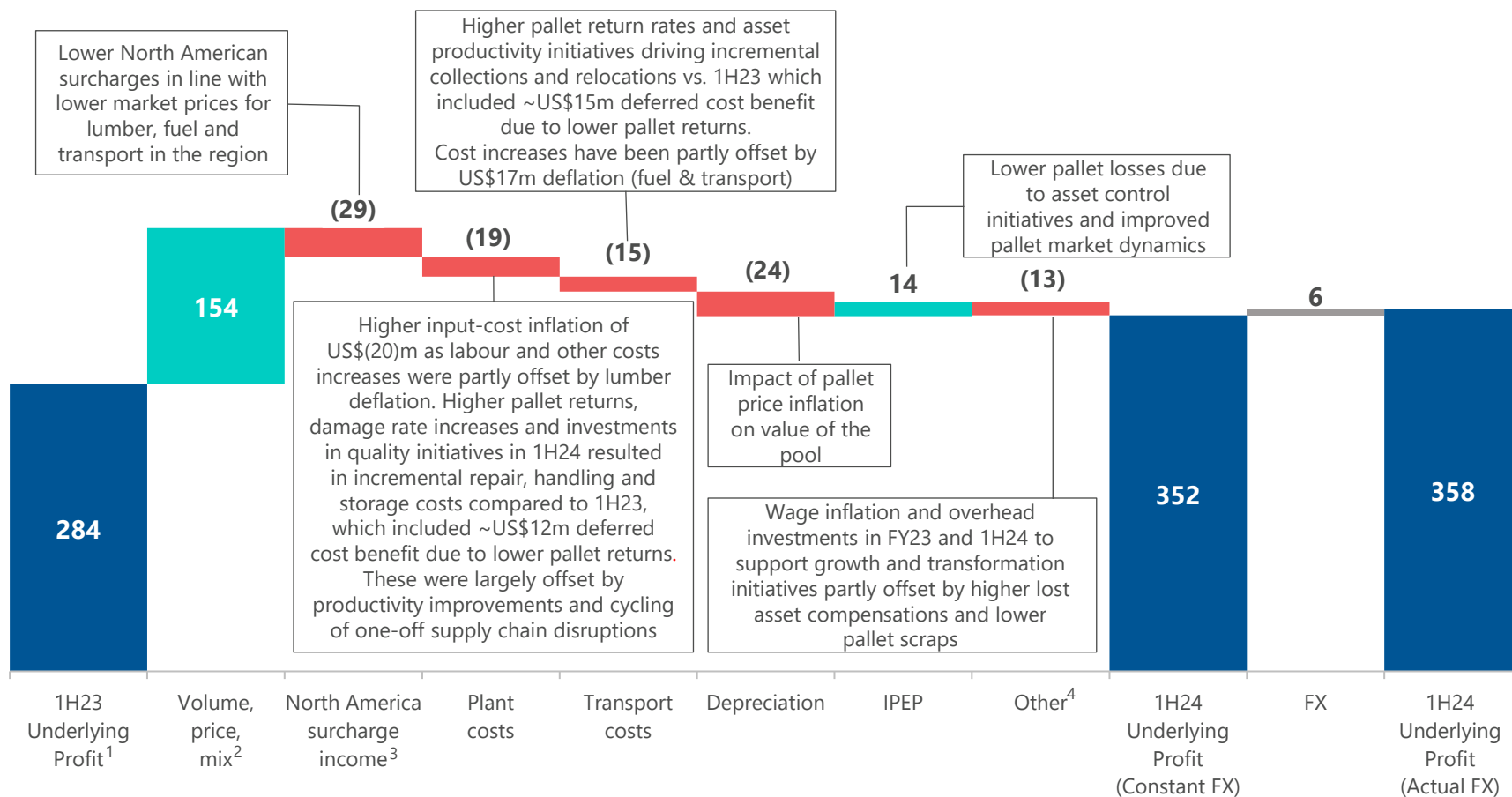
|                   | Net plant cost/sales revenue<br><i>(before NA lumber surcharge<sup>1</sup>)</i> |              | Net transport cost/sales revenue<br><i>(Net of transport &amp; fuel surcharges)</i> |              |
|-------------------|---------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------|--------------|
|                   | 1H24                                                                            | 1H23         | 1H24                                                                                | 1H23         |
| CHEP Americas     | 35.6%                                                                           | 37.9%        | 19.8%                                                                               | 19.5%        |
| CHEP EMEA         | 22.7%                                                                           | 23.8%        | 20.4%                                                                               | 22.2%        |
| CHEP Asia-Pacific | 31.7%                                                                           | 29.5%        | 12.5%                                                                               | 10.3%        |
| <b>Group</b>      | <b>30.5%</b>                                                                    | <b>32.2%</b> | <b>19.4%</b>                                                                        | <b>19.7%</b> |

<sup>1</sup> Reflects recovery of opex and capex costs hence not included.



# Appendix 6a

## CHEP Americas: Underlying Profit analysis (US\$m)



<sup>1</sup> 1H23 reported Underlying Profit of US\$285.6 million has been restated to reflect the results of Brambles' hyperinflationary economy of Argentina at the 30 June 2023 period-end spot rate.

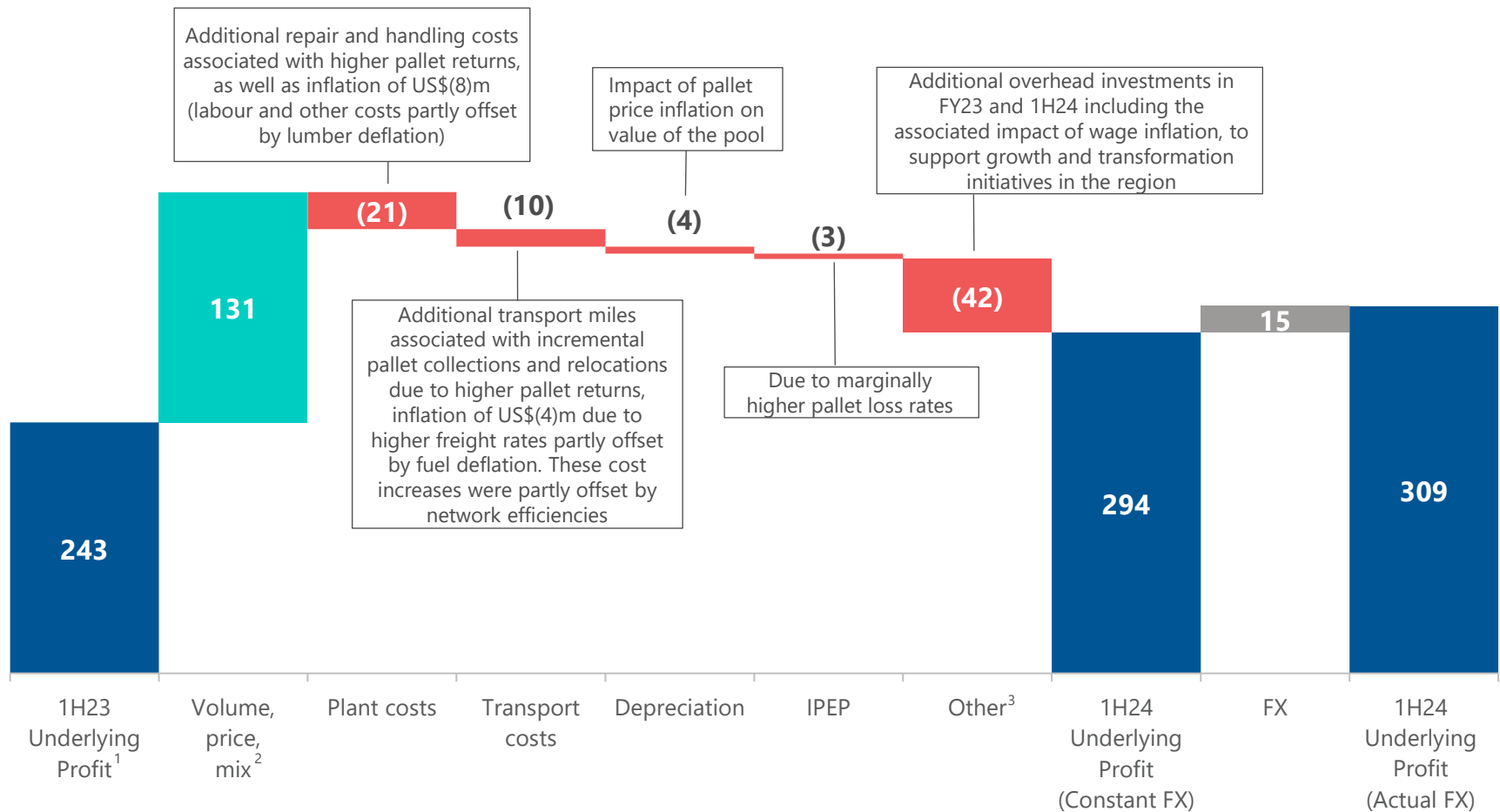
<sup>2</sup> Sales growth net of volume-related costs (excluding depreciation and IPEP).

<sup>3</sup> North American surcharge income includes lumber, transport and fuel surcharges.

<sup>4</sup> 'Other' includes overhead investments to support growth and the delivery of transformation benefits, and any gain/loss on asset disposals and scrapped assets.

# Appendix 6b

## CHEP EMEA: Underlying Profit analysis (US\$m)



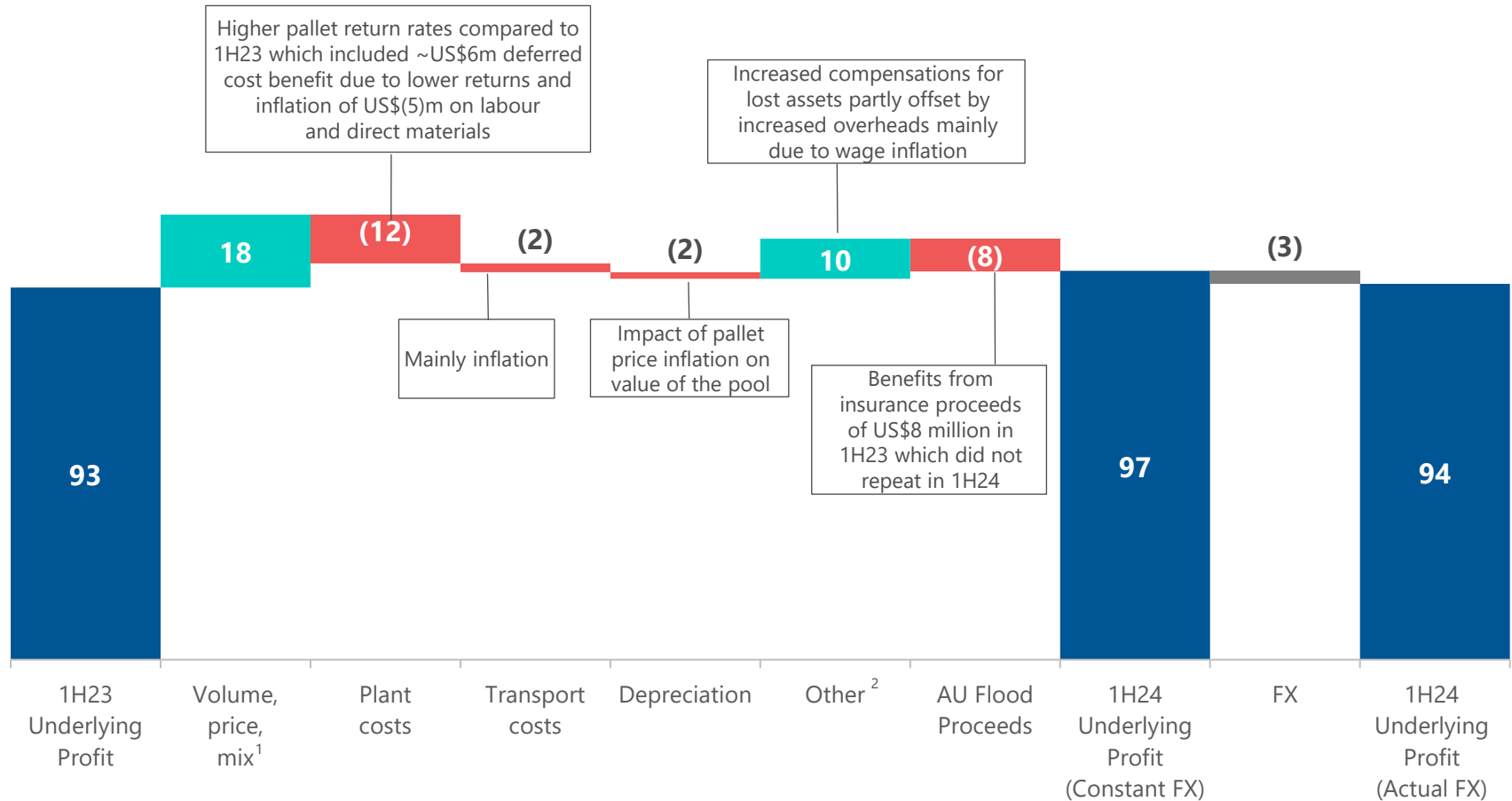
<sup>1</sup> 1H23 reported Underlying Profit of US\$246.0 million has been restated to reflect the results of Brambles' hyperinflationary economies of Türkiye and Zimbabwe at the 30 June 2023 period-end spot rate.

<sup>2</sup> Sales growth net of volume-related costs (excluding depreciation).

<sup>3</sup> 'Other' includes overhead investments to support growth and the delivery of transformation benefits, and any gain/loss on asset disposals and scrapped assets.

# Appendix 6c

## CHEP Asia-Pacific: Underlying Profit analysis (US\$m)

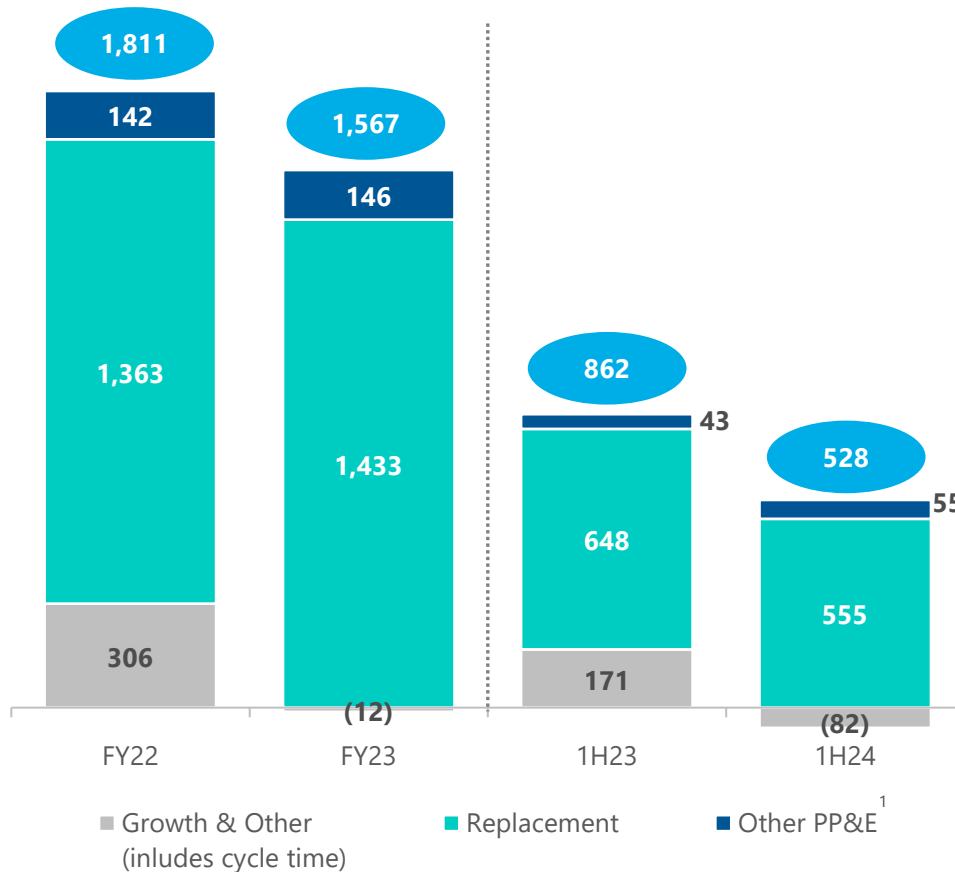


<sup>1</sup> Sales growth net of volume-related costs (excluding depreciation).

<sup>2</sup> 'Other' includes overhead investments to support growth and the delivery of transformation benefits, and any gain/loss on asset disposals and scrapped assets.

## Appendix 7a

Capital expenditure on Property, Plant and Equipment  
(Accruals basis, US\$m)



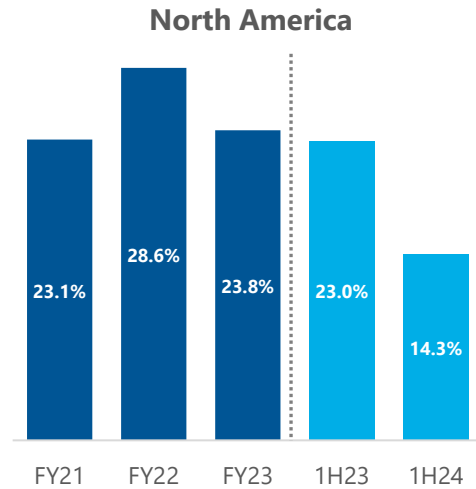
- Reduction in 'Replacement' capex due to impact of pallet price deflation on 1H24 purchases
- 'Growth and other' mainly reflects benefits from inventory optimisation and asset efficiency initiatives delivering a combined ~10m incremental pallet returns in the period
- Other PP&E increase due to incremental supply chain investments

Note FY22 has not been adjusted to exclude CHEP China, now recognised within Discontinued Operations.

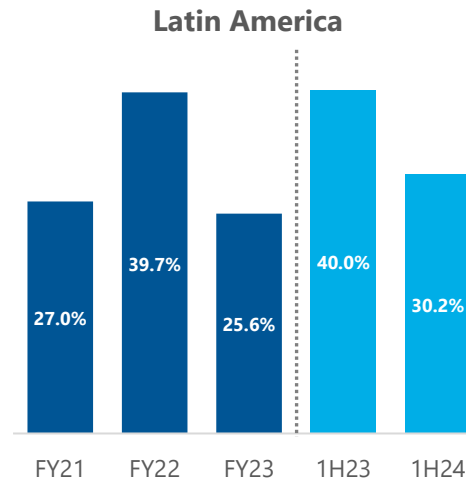
<sup>1</sup> FY23 'Growth & Other (incl. cycle time)' US\$(12)m, reflects benefits associated with pallet destocking and asset efficiency initiatives, partly offset by impact of higher cycle times and replenishment of plant stock balances.

# Appendix 7b

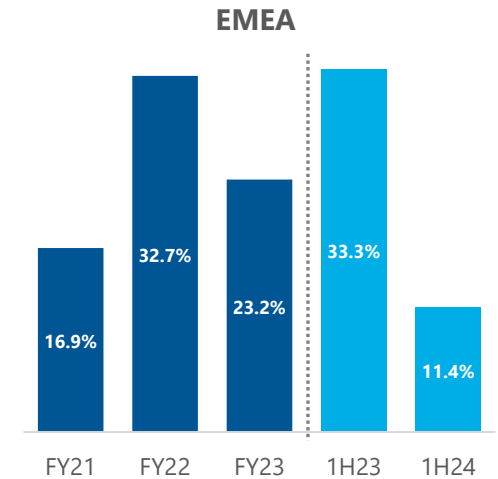
## Regional asset efficiency (pooling capex to sales ratio)



- FY22 increase due to lumber inflation impacts of ~6pts in addition to purchases to support further cycle time increases and loss replacement
- FY23 decrease due to improved commercial terms, asset efficiency initiatives and pallet destocking, partly offset by impact of lumber inflation on pallet purchases, increased pallet losses and cycle times
- 1H24 reduction driven by improved commercial terms, benefits from additional pallet returns due to inventory optimisation across retailer and manufacturer supply chains and asset productivity initiatives



- FY22 increase reflects inflation impacts of ~15pts in addition to additional pallet purchases to support volume growth and pallet losses
- FY23 reduction driven by asset productivity initiatives and improved commercial terms offset by lumber inflation on pallet purchases
- 1H24 decrease mainly reflects lumber deflation impacts of ~8pts and improved commercial terms



- FY22 step up driven by lumber inflation impacts of ~14pts plus additional purchases to support cycle time increases in Europe
- FY23 ratio reduction due to improved commercial terms, asset efficiency initiatives and manufacturer destocking in Europe partly offset by higher loss rate and cycle time
- 1H24 reduction reflects the impact of lumber deflation of ~5pts, improved commercial terms, benefits from additional pallet returns due to inventory optimisation across retailer and manufacturer supply chains and asset productivity initiatives

# Appendix 8

## Glossary of terms and measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actual currency/Actual FX      | Current period results (excluding hyperinflationary economies) translated into US dollars at the actual exchange rates in each period. For hyperinflationary economies, results translated into US dollars at period end exchange rates                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Average Capital Invested (ACI) | Average Capital Invested (ACI) is a six-month average of capital invested. Capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustment for pension plan actuarial gains or losses and net equity adjustments for equity-settled share-based payments                                                                                                                                                                                                                                                                                                                                                         |
| Capital expenditure (capex)    | <p>Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes intangible assets and equity acquisitions. It is shown gross of any fixed asset disposals proceeds. Growth capex includes the impact of changes in cycle times as well as investments for availability of pooling equipment for existing and new product lines;</p> <ul style="list-style-type: none"> <li>– Replacement capex = the sum of equipment purchases resulting from asset losses and asset scraps in the period; and</li> <li>– Growth and other capex = purchases relating to volume growth in addition to changes in cycle time and plant stock balances</li> </ul> |
| Cash Flow from Operations      | A non-statutory measure that represents cash flow generated from operations after net capital expenditure but excluding Significant Items that are outside the ordinary course of business and discontinued operations                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Constant currency/Constant FX  | Current period results (excluding hyperinflationary economies) translated into US dollars at the actual exchange rates applicable to the prior comparative period to show the relative performance between the two periods excluding the impact of foreign exchange movements. For constant currency reporting of hyperinflationary economies, the first half 2024 results remain at the reported period end exchange rates                                                                                                                                                                                                                                                     |
| EBITDA                         | Underlying Profit after adding back depreciation, amortisation and IPEP expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

# Appendix 8

## Glossary of terms and measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IBCs                              | Intermediate Bulk Containers are palletised containers used for the transport and storage of bulk products in a variety of industries, including the food, chemical, pharmaceutical and transportation industries                                                                                                                                                                                                                                                      |
| Like-for-like revenue             | Sales revenue in the reporting period relating to volume performance of the same products with the same customers as the prior corresponding period                                                                                                                                                                                                                                                                                                                    |
| Net new business                  | The sales revenue impact in the reporting period from business won or lost in that period and over the previous financial year, included across reporting periods for 12 months from the date of the win or loss, at constant currency                                                                                                                                                                                                                                 |
| Operating profit                  | Statutory definition of profit before finance costs and tax; sometimes called EBIT (Earnings before interest and tax)                                                                                                                                                                                                                                                                                                                                                  |
| Return on Capital Invested (ROCI) | Underlying Profit multiplied by two, divided by Average Capital Invested                                                                                                                                                                                                                                                                                                                                                                                               |
| RPCs                              | Reusable/returnable plastic/produce containers/crates, generally used for shipment and display of fresh produce items                                                                                                                                                                                                                                                                                                                                                  |
| Sales revenue                     | Excludes non-trading revenue                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Significant Items                 | Items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and: <ul style="list-style-type: none"> <li>- Outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or</li> <li>- Part of the ordinary activities of the business but unusual due to their size and nature</li> </ul> |
| Underlying Profit                 | Profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items                                                                                                                                                                                                                                                                                                                                                          |

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