Financial Review

1. Financial Review

1.1 Group Overview

1.1.1 Summary of 2024 Financial Results

US$m			Change	
(Continuing operations)	FY24	FY23[1]	Actual FX	Constant FX
CHEP Americas	3,610.3	3,371.0	7%	6%
CHEP EMEA	2,391.8	2,191.1	9%	7%
CHEP Asia-Pacific	543.3	514.7	6%	9%
Sales revenue	**6,545.4**	**6,076.8**	**8%**	**7%**
Other income and other revenue	**262.9**	**318.9**	**(18)%**	**(17)%**
CHEP Americas	708.1	573.3	24%	23%
CHEP EMEA	594.9	506.5	17%	15%
CHEP Asia-Pacific	183.7	180.5	2%	5%
Corporate (including transformation)	(224.5)	(193.3)	(16)%	(15)%
Underlying Profit and Operating profit	**1,262.2**	**1,067.0**	**18%**	**17%**
Net finance costs	(127.5)	(114.1)	(12)%	(11)%
Net impact arising from hyperinflationary economies[2]	(8.4)	(8.8)	5%	5%
Tax expense	(346.4)	(287.1)	(21)%	(20)%
Profit after tax from continuing operations	**779.9**	**657.0**	**19%**	**17%**
Profit from discontinued operations	-	56.2		
Profit after tax	**779.9**	**713.2**	**9%**	**8%**
Average Capital Invested	6,133.9	5,763.6	6%	6%
Return on Capital Invested	**20.6%**	**18.5%**	**2.1pts**	**2.0pts**
Weighted average number of shares (millions)	1,391.4	1,388.0	-	-
Basic EPS (US cents)	**56.1**	**51.4**	**9%**	**8%**
Basic EPS from continuing operations (US cents)	**56.1**	**47.3**	**19%**	**17%**

Note: The variance between actual and constant FX performance reflects the changes in Brambles' operating currencies relative to its reporting currency, the US dollar.

Note: Commentary and comparisons against prior corresponding period at constant FX rates[3]. Cash flow and debt commentary and comparisons at actual FX rates. Other commentary and comparatives as stated.

FY24 Operating Environment

During FY24, Brambles demonstrated the resilience of its business, delivering strong results in an operating environment that was characterised by inventory optimisation across retailer and manufacturer supply chains, weak consumer demand in most regions and moderating inflationary pressures.

While the overall rate of input-cost inflation moderated from record levels in prior years, Brambles continued to experience labour rate increases in all regions and higher transport rates in Europe. These pressures were partly offset by lower transport rates in North America in addition to fuel and lumber deflation in all regions. The average capital cost of new pallets across the Group also decreased ~15% in FY24 but remains above historical levels.

Inventory optimisation, which saw retailers and manufacturers reduce their pallet balances to almost pre-COVID levels across North America and Europe, contributed to industry-wide increases in pallet availability and resulted in ~12 million pallet returns across Brambles' network in FY24, compared to ~5 million in FY23.

Combined with Brambles' ongoing efforts in asset efficiency, this supported significant improvements in loss rates and pallet cycle times within customer supply chains in FY24.

These more efficient pallet dynamics materially improved Brambles' capital efficiency with the business purchasing ~15 million fewer pallets during the Year.

These capital efficiency benefits are materially higher than the incremental operating costs due to higher pallet returns and recoveries including additional storage costs relating to pallet

1 In FY24, Brambles revised the application of its accounting policy relating to its operations in hyperinflationary economies. Brambles now presents all inflationary impacts on non-monetary assets within 'other comprehensive income' in equity, previously reported within 'net impact arising from hyperinflationary economies'. The FY23 comparatives have been restated accordingly. There has been no change to previously reported figures for sales revenue, Operating profit or Underlying Profit.

2 Relating to inflationary impacts on both monetary net assets and on the Profit & Loss of Brambles' operations in Türkiye, Argentina and Zimbabwe.

3 For the hyperinflationary economies of Türkiye, Argentina and Zimbabwe, financials are translated at period end FX rates.

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balances being above Brambles' optimum network requirements, predominantly in North America.

Importantly, increased pallet availability across Brambles' network significantly improved customer service levels and enabled the pursuit of new business. Notwithstanding new contract wins in Europe and North America, Group volumes were in line with the prior year as demand from new and existing customers was impacted by weak macroeconomic conditions and declining whitewood pallet prices, which delayed small to medium manufacturers deciding to switch to pooling. In addition, there were some volume impacts due to inventory optimisation and dual sourcing initiatives undertaken by some larger customers, primarily in 1H24.

Brambles believes inventory optimisation to be largely complete in North America and Europe and does not anticipate the associated volume headwinds experienced in FY24 to repeat in FY25. Plant stock levels have returned to near optimum levels in all markets excluding North America as at the end of FY24. The excess plant stock in North America is expected to progressively reduce over the next 12 months and return to broadly optimum levels by the end of FY25.

Sales revenue from continuing operations of US$6,545.4 million increased 7% due to price growth across the Group, comprising a 3-percentage point contribution from price realisation in the current year and a 4-percentage point rollover contribution from prior-year pricing actions.

Current year price realisation was driven by contractual repricing and indexation to recover the cost-to-serve. This offset lower contributions from pricing mechanisms linked to asset efficiency in line with improvements to loss rates and cycle times within customer supply chains.

Group volumes were in line with the prior year and included a 1-percentage point adverse impact from inventory optimisation recognised in like-for-like volumes. Excluding the impact of inventory optimisation, overall volumes increased 1% driven by like-for-like volumes with net new business in line with the prior year.

Other income and other revenue of US$262.9 million decreased US$54.5 million largely due to lower North American surcharge income.

North America surcharge income of US$179.5 million decreased US$37.6 million driven by lower market indices for lumber, fuel and transport in the region.

The balance of the year-on-year decrease of US$16.9 million included the cycling of one-off Australian flood proceeds recognised in FY23, with increased compensations for lost assets largely offsetting lower contributions from other income relating to pallet collection activities.

Underlying Profit and **Operating profit** of US$1,262.2 million increased 17% reflecting a 1.8-percentage point improvement on Group Underlying Profit margin.

Operating leverage reflected productivity improvements and operational efficiencies linked to transformation benefits. This included improved asset efficiency which contributed to a reduction in uncompensated pallet losses and an increase in compensations for lost assets that resulted in a lower Irrecoverable Pooling Equipment Provision (IPEP) expense. These improvements, combined with improved commercial terms to recover the cost-to-serve and benefits from supply chain initiatives, more than offset the impact of direct and indirect cost increases.

Direct cost increases included incremental plant and transport activity in response to higher pallet return rates, inflation primarily on labour, incremental investments to improve both pallet quality and customer experience and higher depreciation charges largely in the Americas segment. These increases were partly offset by benefits from supply chain initiatives including automation and network optimisation. Indirect cost increases reflected wage inflation and investments in additional headcount to support transformation initiatives across the Group.

Profit after tax from continuing operations of US$779.9 million increased 17% driven by the strong Operating profit performance.

Net finance costs increased US$12.1 million or 11% reflecting the full year impact of extending Brambles' financing with the 8-year €500m green bond issued in March 2023. Higher discount rates on lease renewals and extensions also contributed to finance cost increases in the Year.

The net hyperinflation charge of US$8.4 million relates to the inflationary impacts on both the monetary net assets and the P&L of Brambles' hyperinflationary operations in Türkiye, Argentina and Zimbabwe. This excludes amounts recognised within equity through other comprehensive income relating to inflation on non-monetary net assets and foreign exchange impacts on overall net assets.

Tax expense of US$346.4 million increased 20% in line with increased earnings. The Underlying effective tax rate of 30.5% increased 0.4-percentage points at actual FX rates from FY23 reflecting the increase in the UK tax rate from 19% to 25% with effect from 1 April 2023.

Profit from discontinued operations in the prior year relates to the gain on divestment of CHEP China.

Brambles Basic EPS of 56.1 US cents increased 8% in line with the Group Profit after tax growth.

Return on Capital Invested of 20.6% increased 2.0-percentage points reflecting the Underlying Profit performance, which exceeded a 6% increase in Average Capital Invested.

The increase in Average Capital Invested reflected the impact of higher capital cost of assets added to the pool compared to the value of assets written off, the full-year impact of Brambles' investment in Loscam China and higher lease costs. These increases were partly offset by improved capital efficiency driven by asset productivity benefits and the impact of inventory optimisation.

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Cash Flow Reconciliation

US$m	FY24	FY23	Change
Underlying Profit	1,262.2	1,067.0	195.2
Depreciation and amortisation	802.0	730.1	71.9
IPEP expense	185.5	285.1	(99.6)
Underlying EBITDA[4]	**2,249.7**	**2,082.2**	**167.5**
Capital expenditure (cash basis)	(1,136.0)	(1,659.2)	523.2
Proceeds from sale of PP&E	227.5	189.8	37.7
Working capital movement	(13.3)	57.6	(70.9)
Purchase of intangibles	(13.1)	(16.1)	3.0
Other	4.3	135.5	(131.2)
Cash Flow from Operations	**1,319.1**	**789.8**	**529.3**
Discontinued operations	(1.9)	34.7	(36.6)
Financing & tax costs	(434.4)	(326.4)	(108.0)
Free Cash Flow before dividends	**882.8**	**498.1**	**384.7**
Dividends paid	(406.0)	(318.6)	(87.4)
Free Cash Flow after dividends	**476.8**	**179.5**	**297.3**

Cash Flow from Operations of US$1,319.1 million increased US$529.3 million as lower capital expenditure including the benefit from inventory optimisation, higher earnings and improved compensations for lost assets were partly offset by working capital and other cash outflows including the ~US$90 million reversal of FY23 timing benefits.

Capital expenditure decreased US$523.2 million on a cash basis which included an increase of US$43.5 million associated with the timing of capital expenditure creditor payments.

On an accruals basis and at constant currency, capital expenditure decreased US$580.0 million, reflecting a US$586.0 million reduction in pooling capital expenditure comprising:

- ~US$436 million benefit from ~15 million fewer pallet purchases in the Year including ~7 million additional pallet returns due to inventory optimisation across retailer and manufacturer supply chains. The balance of ~8 million largely relating to additional pallet recoveries through asset productivity initiatives; and
- ~US$150 million benefit from the impact of lumber deflation on the unit cost of pallet purchases.

This reduction in pooling capital expenditure, combined with sales revenue growth, led to a material improvement in the Group's asset efficiency metric, the pooling capital expenditure to sales ratio, which decreased ~10-percentage points year-on-year to 13.0%. Approximately 2-percentage points of this year-on-year improvement relates to incremental inventory optimisation benefits in the period.

Other key movements in the period included:

- Proceeds from the sale of PP&E increased US$37.7 million driven by higher compensations for lost assets in FY24, despite cycling a US$8 million one-off cash benefit relating to Australian flood insurance proceeds received in FY23;
- Working capital movements decreased US$70.9 million primarily due to the reversal of FY23 timing benefits of ~US$50 million; and
- Other cash flow items decreased US$131.2 million and included ~US$40 million reversal of FY23 timing benefits. The balance of the decrease was primarily due to movements in deferred revenue linked to strong revenue growth in FY23 and non-cash adjustments mainly relating to asset disposals.

Free Cash Flow after dividends of US$476.8 million increased US$297.3 million as the improvement in Cash Flow from Operations was partly offset by a reduction in cash flow from discontinued operations, and higher financing, tax and dividend payments in the Year.

Cash flow from discontinued operations declined US$36.6 million on the prior year comparative which included both the US$41.5 million final settlement from First Reserve relating to the divestment of the Hoover Ferguson Group investment in 2018, and the cash outflow from CHEP China, which was divested in March 2023.

Financing and tax payments increased US$108.0 million, which included US$97.0 million of additional tax payments primarily relating to increased profits and higher Australian tax instalments. Net interest paid increased US$11.0 million in line with the movement in net interest expense.

Dividend payments increased US$87.4 million reflecting an increase in the FY23 final dividend and FY24 interim dividend per share, as well as the impact of FX movements.

[4] Earnings before interest, tax, IPEP, depreciation and amortisation: calculated as Underlying Profit after adding back depreciation, amortisation and IPEP.

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ESG Metrics

Metric	FY24	FY23	Change
Scope 1 and 2 GHG emissions	32.4ktCO_2-e	32.6ktCO_2-e	(1)%
Scope 3 GHG emissions	1,293.5ktCO_2-e	1,406.6ktCO_2-e	(8)%
BIFR	2.9	3.8	(24)%
Women in management roles	37.5%	36.3%	1.2pts
Sustainably sourced timber	100%	100%	-
Sites with product waste diverted from landfill	83.0%	79.8%[5]	3.2pts

Scope 1 and 2 GHG emissions

- Scope 1 represents emissions from Brambles' use of diesel, natural gas and liquid petroleum gas (LPG).
- Scope 2 represents emissions from Brambles' use of electricity.

In FY24, Scope 1 emissions decreased by 1% reflecting lower site fuel usage linked to forklift truck electrification. This reduction was partly offset by higher fuel use associated with increased pallet recovery activity in the US. The increased pallet recoveries and corresponding Scope 1 emissions were more than offset by an overall net saving of ~8ktCO_2-e in Scope 3 emissions as improved pallet collections, in part enabled by inventory optimisation by retailers and manufacturers, led to a reduction in new pallet purchases and related transport costs.

Scope 3 emissions

- Scope 3 represents indirect emissions (outside of Brambles' direct control). For Brambles, material Scope 3 categories include waste, logistics emissions, emissions relating to capital expenditure and emissions by third-party managed service centres.[6]

Scope 3 emissions decreased 8% due to lower capital expenditure and logistics optimisation which more than offset the impact of changes to emissions factors which are applied to activity data (e.g., issue volumes, distance travelled, mass transported, mass of timber purchased) and improved data estimations for emissions from waste.

Brambles Injury Frequency Rate

Brambles measures its safety performance through the BIFR, which consists of work-related incidents resulting in fatalities, lost time, modified duty or medical treatment per million hours worked.

In FY24, BIFR was 2.9 representing a 24% improvement on the prior year. This improvement was supported by Brambles' Safety First strategy. This strategy supports proactive learning and sharing of best practice for dealing with potential risks across our operations teams.

Women in management roles

- Women in management covers the following roles: Managers, Senior Managers, Directors, Senior Directors, Vice Presidents and above.

In June 2024, the percentage of women in management roles increased by 1.2-percentage points since FY23. This represents continued progress against our target although the metric is tracking below the target required to reach 40% by the end of FY25, largely due to a decrease in staff turnover.

Sustainably sourced timber

- Sustainably sourced timber is timber certified by either the Forest Stewardship Council (FSC®)(FSC®-N004324) or the Programme for the Endorsement of Forest Certification (PEFC) (PEFC/01-44-79).

In FY24, Brambles maintained its strict adherence to 100% sustainably sourced timber, a position it has maintained since FY20.

Sites with product waste diverted from landfill

- Landfill is defined as the disposal of waste material by burying it or burning it (with no energy or heat reclaim process).

In FY24, the percentage of sites (both Brambles and third-party managed) that diverted product waste from landfill improved by 3.2-percentage points since FY23. The improvement has been achieved through active engagement with operations teams coupled with executive support. Brambles remains on track to achieve its target of zero product waste to landfill by the end of FY25.

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5 The result for FY23 has been restated from 74.4% to 79.8%. The FY23 restatement reflects a revision to the list of sites under Brambles' operating control and enables a like-for-like comparison to the FY24 result.

6 Scope 3 emissions are calculated using activity data (including actual activity data, data collected from third parties such as surveys, estimated activity data based on cost data, and other estimates where actual data is not available). Emissions factors from publicly available sources such as DEFRA, US EPA and Ecoinvent are applied to activity data to calculate GHG emissions. Further information on the Basis of Preparation is available in the Notes to the Sustainability Report.

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Segment Analysis

1.1.2 CHEP Americas

US$m			Change	
	FY24	FY23	Actual FX	Constant FX
US	2,587.9	2,424.3	7%	7%
Canada	389.4	375.5	4%	5%
Latin America	591.8	535.6	10%	4%
Pallets	3,569.1	3,335.4	7%	6%
Containers	41.2	35.6	16%	16%
Sales revenue	**3,610.3**	**3,371.0**	**7%**	**6%**
Underlying Profit	**708.1**	**573.3**	**24%**	**23%**
Average Capital Invested	3,204.3	3,033.3	6%	5%
Return on Capital Invested	**22.1%**	**18.9%**	**3.2pts**	**3.1pts**

Sales Revenue

Pallets sales revenue of US$3,569.1 million increased 6% reflecting contributions from pricing initiatives taken in the current and prior year to recover cost-to-serve increases across the region. Volumes in the period were in line with FY23 as the impact of inventory optimisation was offset by net new business wins in Canada and growth with new and existing customers in Latin America.

US pallets sales revenue of US$2,587.9 million increased 7%, driven by price growth as volumes remained in line with prior year due to inventory optimisation. Excluding the impact of inventory optimisation, overall US volumes increased 1%. The components of US sales growth included:

- Price growth of 7% driven by pricing actions to recover the increase in cost-to-serve. Rollover contributions from FY23 pricing actions delivered 4-percentage points of growth, with a 3-percentage point contribution from pricing actions taken in the current year. FY24 price realisation includes lower contributions from pricing mechanisms linked to asset efficiency as cycle times within customer supply chains and loss rates improved in the region;
- Net new business volumes broadly in line with the prior year as customer wins, largely small and medium enterprises, were offset by some volume loss due to dual sourcing, whitewood price deflation delaying pooling conversions and rollover impacts of prior year losses; and
- Like-for-like volumes in line with FY23 as growth with existing customers in the produce, beverage and protein sectors offset a 1-percentage point adverse impact of inventory optimisation.

Canada pallets sales revenue of US$389.4 million increased 5% reflecting pricing to recover cost-to-serve increases and volume growth driven by net new business wins.

Latin America pallets sales revenue of US$591.8 million increased 4% due to price growth of 2% reflecting the recovery of cost-to-serve including the pass through of lower lumber costs. Volume growth of 2% was largely driven by existing customers in Mexico and new customers in Brazil and Mexico.

Containers sales revenue of US$41.2 million increased 16% due to strong rollover pricing and modest like-for-like volume growth in the North American Intermediate Bulk Container (IBC) business.

Profit

Underlying Profit of US$708.1 million increased 23% due to a combination of price initiatives and operational efficiencies, including a significant reduction in IPEP expense driven by improved asset efficiency. Collectively, these benefits more than offset the impact of cost-to-serve increases, lower surcharge income and incremental investments to deliver transformation benefits.

Underlying Profit reflected the sales revenue contribution to profit of US$215 million and the following movements in key cost and other income items:

- Plant cost increases of US$22 million primarily due to input-cost inflation (net of lumber deflation) of US$42 million mainly relating to labour, and additional repair and handling costs associated with higher pallet return rates, and investments in quality initiatives. These costs were partly offset by supply chain efficiencies including automation benefits and the cycling of one-off costs in the prior year;
- Transport cost increases of US$40 million included a net benefit of US$23 million relating to fuel and transport cost deflation. Excluding this benefit, the increase of US$63 million, reflected operational costs associated with higher pallet return rates, and continued investments to support asset productivity and improve the customer experience. These costs were partly offset by benefits from network optimisation;
- North American surcharge income decreases of US$38 million consistent with net lumber, fuel and transport deflation in the region of US$31 million;
- Depreciation expense increases of US$40 million due to the higher cost of pallets added to the pool over the preceding 12 months;
- IPEP expense decreases of US$84 million, reflecting lower pallet losses through better asset control in the region as well as improved pallet market dynamics; and
- Other cost increases of US$30 million reflecting growth-related overhead investments including transformation and asset recovery initiatives.

Return on Capital Invested

Return on Capital Invested of 22.1% increased 3.1-percentage points as the Underlying Profit performance more than offset a 5% increase in Average Capital Invested. The increase in Average Capital Invested reflected the impact of higher capital cost of assets added to the pool compared to the value of assets written off and the impact of higher lease costs. These increases were partly offset by improved capital efficiency driven by asset productivity benefits and the impact of inventory optimisation.

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1.1.3 CHEP EMEA

US$m			Change	
	FY24	FY23	Actual FX	Constant FX
Europe	1,905.5	1,710.9	11%	8%
IMETA	196.9	198.7	(1)%	4%
Pallets	2,102.4	1,909.6	10%	7%
RPC	28.9	27.2	6%	13%
Containers	260.5	254.3	2%	-
Sales revenue	**2,391.8**	**2,191.1**	**9%**	**7%**
Underlying Profit	**594.9**	**506.5**	**17%**	**15%**
Average Capital Invested	2,294.5	2,218.6	3%	1%
Return on Capital Invested	**25.9%**	**22.8%**	**3.1pts**	**3.1pts**

Sales Revenue

Pallets sales revenue of US$2,102.4 million increased 7% driven by pricing actions taken to recover cost-to-serve in the region. Volume declines in the period included the impact of inventory optimisation and softening consumer demand, partly offset by new customer contracts in Europe.

Europe pallets sales revenue of US$1,905.5 million increased 8%, comprising:

- Price growth of 9% reflecting contributions from pricing actions and contractual indexation to recover cost-to-serve in both the current and prior year. Current year price realisation accounted for 2-percentage points and included lower contributions from pricing mechanisms linked to asset efficiency. The balance of price growth related to rollover contributions from prior-year pricing actions;
- Net new business growth of 1% due to both current and prior year contract wins, mainly in Central and Eastern Europe; and
- Like-for-like volume declines of 2% including a 1-percentage point adverse impact from inventory optimisation across retailer and manufacturer supply chains. Excluding the impact of inventory optimisation, like-for-like volumes declined 1% as macroeconomic conditions continued to impact demand in the region.

India, Middle East, Türkiye and Africa (IMETA) pallets sales revenue of US$196.9 million up 4% as pricing to recover cost-to-serve was partly offset by lower volumes mainly due to the loss of high cost-to-serve customers in the Middle East.

RPCs and Containers revenue of US$289.4 million increased 2%, comprising:

- Automotive sales revenue of US$202.5 million up 2%, primarily driven by the rollover contribution of prior year customer wins in North America. This was partly offset by adverse price impacts due to product mix and a decline in 2H24 like-for-like volumes;
- IBCs sales revenue of US$58.0 million down 6% as the impact of lower container demand and some customer losses was partly offset by price realisation; and
- RPCs sales revenue of US$28.9 million up 13%, primarily driven by pricing initiatives to recover cost-to-serve increases.

Profit

Underlying Profit of US$594.9 million increased 15% primarily due to price growth to recover the cost-to-serve and improved asset efficiency resulting in a lower IPEP expense and increased compensations for lost assets.

Underlying Profit reflects the sales revenue contribution to profit of US$155 million and the following movements in key cost and other income items:

- Plant cost increases of US$46 million included input-cost inflation (net of lumber deflation) of US$21 million mainly relating to labour cost increases. The balance of the increase of US$25 million reflected incremental repair, handling and storage costs associated with higher pallet return rates, partly offset by plant automation benefits;
- Transport cost increases of US$28 million included transport inflation (net of fuel deflation) of US$12 million. The balance of the increase reflected increased pallet collections and relocations associated with higher pallet return rates, and asset productivity initiatives which supported the reduction in new pallet purchases in the Year. These increases were partly offset by network optimisation;
- Depreciation expense increases of US$2 million reflecting a moderation from 1H24 as asset productivity benefits and inventory optimisation led to fewer pallet purchases;
- IPEP expense decreases of US$21 million reflecting lower pallet losses through better asset control in the region as well as improved pallet market dynamics; and
- Other cost increases of US$25 million driven by overhead investments including additional headcount to support growth and transformation initiatives and the impact of wage inflation in the period. These increases were partly offset by higher compensations for lost assets in Europe.

Return on Capital Invested

Return on Capital Invested of 25.9% increased 3.1-percentage points reflecting the strong Underlying Profit growth compared to a 1% increase in Average Capital Invested. The improved capital efficiency reflects the benefit of inventory optimisation and asset productivity improvements resulting in fewer pallet purchases required to support demand and replace lost or scrapped pallets.

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1.1.4 CHEP Asia-Pacific

US$m			Change	
	FY24	FY23	Actual FX	Constant FX
Pallets	400.6	378.0	6%	9%
RPC	101.1	94.4	7%	10%
Containers	41.6	42.3	(2)%	1%
Sales revenue	**543.3**	**514.7**	**6%**	**9%**
Underlying Profit	**183.7**	**180.5**	**2%**	**5%**
Average Capital Invested	556.9	530.4	5%	8%
Return on Capital Invested	**33.0%**	**34.0%**	**(1.0)pts**	**(0.9)pts**

Sales Revenue

Pallets sales revenue of US$400.6 million, increased 9% reflecting price growth of 5% and volume growth of 4%. Price growth included a 3-percentage point impact from contractual price increases taken in FY24 and a 2-percentage point rollover contribution from pricing actions taken in FY23.

Volumes increased 4% and included:

- Like-for-like volume growth of 3% driven by higher transport and issue fee revenue as pallet circulation improved in Australia. Growth declined in 2H24 as daily hire revenue decreased from peak levels in FY23 and 1H24. This moderation reflects a lower number of pallets on hire driven by factors including the return of seasonal customer demand patterns; and
- Net new business growth of 1% primarily driven by new customer contracts in Australia and New Zealand.

RPCs and Containers sales revenue of US$142.7 million increased 7% driven by pricing initiatives to recover cost-to-serve increases as new contract wins in the RPC business were offset by a decline in like-for-like volumes in the IBC business due to manufacturers holding lower inventories.

Profit

Underlying Profit of US$183.7 million increased 5% on a strong prior year comparative which included US$8 million of one-off insurance proceeds. Excluding the impact of prior period one-offs, Underlying Profit increased 10% reflecting the sales contribution to profit, increased compensations for lost assets and benefits from supply chain initiatives and network optimisation. This was partially offset by the increased repair, handling and transport costs associated with higher pallet return rates, and the impact of inflation on plant, transport and labour costs.

Return on Capital Invested

Return on Capital Invested of 33.0% decreased 0.9-percentage points. Excluding the impact of prior period one-offs outlined above, Return on Capital Invested increased 0.6-percentage points as the growth in Underlying Profit more than offset an 8% increase in Average Capital Invested. The increase in Average Capital Invested reflects the impact of pallet purchases made in the current and prior financial periods in addition to the impact of higher lease costs which includes new property leases taken out in the period.

1.1.5 Corporate

US$m			Change	
	FY24	FY23	Actual FX	Constant FX
Short-term transformation costs	-	(22.5)	22.5	22.5
Ongoing transformation costs	(132.6)	(88.1)	(44.5)	(43.0)
Shaping our Future transformation costs	**(132.6)**	**(110.6)**	**(22.0)**	**(20.5)**
Corporate Costs	(91.9)	(82.7)	(9.2)	(8.3)
Total Corporate costs	**(224.5)**	**(193.3)**	**(31.2)**	**(28.8)**

Shaping our Future transformation costs of US$132.6 million increased US$20.5 million and included:

- Digital transformation costs of US$98.6 million which increased US$31.6 million largely due to labour related costs including additional personnel to support asset digitisation and data analytics activities; and
- Other transformation costs of US$34.0 million which increased US$11.4 million due to increased investments to improve the customer experience and support the delivery of the transformation.

Short-term transformation costs concluded in the prior year.

Corporate costs of US$91.9 million increased US$8.3 million, primarily reflecting labour-related cost increases including wage inflation and additional headcount, along with an increase in general overhead expenses.