20 February 2025
ASX & Media Release

Brambles

1H25 result: Return to volume growth with operating leverage and free cash flow generation; FY25 sales and profit guidance reconfirmed, outlook for FY25 free cash flow upgraded by US$100 million.

- **Financial performance and customer experience improvements underpinned by Shaping Our Future** transformation demonstrated through material asset efficiencies, network productivity benefits and net promoter score increases.
- **Sales revenue up 4%[1]** including volume growth of 2% with positive contributions from net new business wins and like-for-like volumes. Price realisation of 2% was in line with cost-to-serve increases.
- **Underlying Profit[2] up 10%[1] benefiting from operating leverage** driven by productivity improvements linked to Shaping Our Future, including a significant reduction in uncompensated losses (IPEP) and ongoing commercial discipline to recover the cost-to-serve.
- **Profit after tax and Basic EPS (continuing ops.) up 11%[1]** driven by higher Underlying Profit and a reduction in net finance costs as strong cash flow generation led to a lower average debt balance.
- **Group pooling capital expenditure to sales ratio of 11.9%** improved 2.6pts on 1H24, primarily driven by ~1 million fewer pallet purchases and a ~9%[1] reduction in the weighted average capital cost of a pallet in 1H25.
- **Free Cash Flow before dividends of US$429.2 million, up US$118.1 million** mainly driven by lower capital expenditure on a cash basis of US$172 million (including a reduction in capex creditors) and the benefit from the timing of tax payments which were partly offset by lower compensations for lost assets, in line with asset efficiency improvements, and other cash outflows.
- **Return on Capital Invested[3] of 23.0%, up 1.3pts[1]**.
- **On-market share buy-back** of up to US$500 million (subject to market conditions) in FY25 commenced in September 2024 with US$164 million[4] of shares purchased during 1H25.
- **FY25 interim dividend** of 19.0 US cents per share, up 27% on the comparative period, with a payout ratio of 58% (1H24: 50%) enabled by sustained free cash generation.
- **FY25 outlook delivering on the investor value proposition:** as detailed on page 9 of the 1H25 results presentation, Brambles expects: Sales revenue growth at constant FX rates of 4-6%; Underlying Profit growth at constant FX rates of 8-11%; and Free Cash Flow before dividends of between US$850-950 million (previously US$750-850 million).

Result highlights	1H25 result (Actual FX)	Change vs. 1H24[5] (Actual FX)	Change vs. 1H24[5] (Constant FX)
Sales revenue (continuing ops.)	US$3,371.7m	3%	4%
Underlying Profit[2] & Operating profit (continuing ops.)	US$717.9m	8%	10%
Profit after tax (continuing ops.)[6]	US$445.7m	10%	11%
Basic earnings per share (continuing ops.)[6]	US 32.1¢	10%	11%
Profit after tax (incl. discontinued ops.)[6]	US$446.2m	9%	11%
Basic earnings per share[6]	US 32.1¢	10%	11%
Return on Capital Invested[3]	23.0%	1.2pts	1.3pts
Cash Flow from Operations	US$607.1m	US$95.6m	
Free Cash Flow before dividends (incl. discontinued ops.)	US$429.2m	US$118.1m	
Free Cash Flow after dividends (incl. discontinued ops.)	US$164.3m	US$48.2m	
Interim dividend declared per share	US 19.0¢		

CEO commentary

Commenting on the 1H25 result, Brambles' CEO, Graham Chipchase, said: "Our first half performance reflects the benefits of our transformation programme, including operational efficiencies, which are enhancing our customer value proposition and supporting strong financial outcomes.

"During the half, we transitioned to more normalised revenue growth with positive contributions across both net new business wins and like-for-like volumes as well as ongoing price realisation to recover modest increases in our cost-to-serve, primarily driven by inflation.

"While underlying demand still remains relatively subdued and varies across markets, the return to net new business growth is encouraging, particularly in our US business where enhanced sales capabilities, ongoing investments in the customer experience and changing whitewood market dynamics are supporting new customer wins.

"Our profit and cash flow performance in the half was underpinned by material improvements in asset efficiency. Powered by data analytics and digital insights, our asset efficiency programme combined with better pallet market dynamics drove a significant reduction in pallet losses across retailer and manufacturer supply chains. This improvement in asset control delivered benefits to our customers, through smaller price increases and lost asset charges, while also generating net cash flow benefits for our business by reducing the number of pallet purchases required to replenish the pool.

"It was also pleasing to see cost savings across our operations linked to network optimisation, operational excellence and procurement initiatives. These efficiencies minimised the impact of incremental repair and transport activity in all regions, as our businesses responded to the flow-on implications of inventory optimisation undertaken by retailers and manufacturers in the prior year.

"In addition to supporting better financial outcomes, our transformation activities are strengthening our competitive advantage and the value we bring to our customers' supply chains. Our investments in platform quality and delivery performance are improving the customer experience while our investments in innovation, including Digital Customer Solutions, are identifying unique opportunities to partner with customers to remove waste from their supply chains.

"We are encouraged by the value our enhanced digital capabilities have enabled across our organisation and continue to progress our digital transformation. This includes the Serialisation+ trials where our evaluation of different technologies is ongoing. We are taking a 'test and learn' approach to assessing the functionality of various solutions across different operating conditions as well as the costs and benefits each solution provides. Although our efforts to date have predominantly focused on operational and technological aspects of Serialisation+, we are encouraged by the interest shown by manufacturers and retailers in Chile to understand the benefits of a serialised pool with commercial pilots currently underway."

Commenting on FY25 outlook, Mr Chipchase said: "The US$100 million upgrade to Free Cash Flow before dividends announced today reflects lower capital expenditure and is the direct benefit of capital allocation discipline and the improved business fundamentals attributable to the transformation programme. Combined with our sales and profit guidance, which was reconfirmed today, achieving our FY25 outlook will see us deliver every component of our investor value proposition."

Brambles

Operating environment

During 1H25, Brambles experienced moderating rates of input-cost inflation and a return to more normalised pallet market dynamics, including sustained improvements in industry-wide pallet availability, following inventory optimisation across retailer and manufacturer supply chains in the prior year.

Input-cost inflation in 1H25 was primarily driven by increases in labour and transport, while other input costs such as fuel and lumber decreased in the period. In line with lower lumber prices, Brambles' weighted average capital cost of a new pallet in 1H25 was ~9%[1] below 1H24 levels.

Pallet demand from existing customers improved from subdued levels in the prior year although underlying consumer demand for their products varied by region in 1H25. Conditions improved in the US and Australia, while consumer demand in Europe continued to be impacted by weak macroeconomic conditions.

Brambles continued to operate in a competitive environment in 1H25, however, net new business momentum improved, particularly in the US, as manufacturers were encouraged to switch from single-use alternatives due to reduced availability of quality whitewood pallets and moderate increases in whitewood pallets prices.

Operationally, inventory optimisation initiatives in the prior year drove additional costs in 1H25. These reflected additional repair requirements due to damage rate increases in key markets, and incremental transport and storage costs in the US where Brambles' plant stocks remain above optimal levels. Brambles expects to use stored pallets to service higher US volumes and reduce plant stocks to optimal levels by the end of FY25.

1H25 result overview

Sales revenue from continuing operations of US$3,371.7 million increased 4%[1] with equal contributions from price realisation and volume growth. Volume growth of 2% was driven by net new business wins and like-for-like volumes which both increased 1%. Net new business wins were driven by growth in the North America and Asia-Pacific businesses while the increases in like-for-like volumes included the benefit of cycling the impact of retailer and manufacturer inventory optimisation in 1H24. Excluding the impact of inventory optimisation, like-for-like volumes declined 1% and were impacted by the timing of the US harvest season, weaker macroeconomic conditions in Europe and a normalisation of pallet hire balances in Australia. Price realisation of 2% reflects lower input-cost-inflation and reduced level of price increases in response to significant asset efficiency improvements.

Underlying Profit and Operating profit of US$717.9 million increased 10%[1] driven by price realisation to recover cost-to-serve increases, a US$68 million[1] decrease in uncompensated pallet losses (IPEP) and supply chain efficiencies linked to operational excellence and network optimisation initiatives. These improvements more than offset inflation, incremental pallet repair and transport costs driven by retailer and manufacturer inventory optimisation in the prior year, lower asset compensations in line with lower pallet losses and continued investments to improve the customer experience, deliver asset efficiency benefits and progress other transformation initiatives.

Profit after tax from continuing operations of US$445.7 million increased 11%[1] due to the growth in Underlying Profit and a 2%[1] decrease in net finance costs, reflecting a lower average debt balance in 1H25 from stronger free cash generation. This was partially offset by higher lease interest expense due to an increase in interest rates and lease liabilities, as outlined below. The hyperinflation charge of US$10.2 million increased US$1.3 million due to the impact of higher inflation in Argentina and Türkiye.

Return on Capital Invested of 23.0% was up 1.3 percentage points[1] as Underlying Profit growth more than offset a 4%[1] increase in Average Capital Invested. The increase in Average Capital Invested was primarily due to higher lease costs related to market rates for real estate on renewals, and the impact of site additions over the preceding 12-months.

Cash Flow from Operations of US$607.1 million increased US$95.6 million as lower capital expenditure was partially offset by a decrease in compensations for lost assets driven by asset efficiency improvements as well as increased working capital and other cash outflows, largely due to the movement in provisions for employee benefits.

Free Cash Flow before dividends of US$429.2 million increased US$118.1 million driven by higher Cash Flow from Operations and lower financing and tax payments primarily due to the timing of Australian tax instalments.

Interim dividend

The Board has declared a 2025 interim dividend of 19.0 US cents per share. The payout ratio of 58% is in line with Brambles' dividend policy to pay out between 50% and 70% of Underlying Profit after finance costs and tax.

The 2025 interim dividend declared is 30.27 Australian cents per share[7], with franking of 30%. The unfranked component of the interim dividend is conduit foreign income. Consequently, non-resident shareholders will not pay Australian dividend withholding tax on this dividend. The interim dividend is payable on 10 April 2025 to shareholders on Brambles' register at 5.00pm AEDT on 13 March 2025. The ex-dividend date is 12 March 2025.

Given the on-market share buy-back programme in progress, the Board has decided to continue to suspend the Dividend Reinvestment Plan.

Shaping Our Future transformation programme

Brambles continues to make good progress with its Shaping Our Future transformation, which has created a more resilient and agile business that is positioned for future value creation. As outlined in the Shaping Our Future scorecard on slide 7 of the 1H25 results presentation lodged with the ASX today, a majority of the transformation metrics and measures have been accomplished or are on-track for completion by end of FY25. However, some metrics are tracking below target and, as outlined below, plans are in place to continue to progress towards the FY25 scorecard goals and to address shortfalls with initiatives in other areas to contribute equivalent value to the business.

Key transformation achievements during 1H25 included:

- **Customer value:** Brambles continued to enhance the customer experience in all regions with faster and more efficient interactions, continued investments in pallet quality and durability and further improvements in delivery performance (delivery in full, on time) to ensure customers receive pooled equipment within the requested time window. This has led to improvements across key customer metrics including the net promoter score, which remains on-track with the FY25 scorecard target. Dynamic pallet delivery notifications were introduced in Australia and South Africa during 1H25, following prior rollouts across Latin America, North America and Europe where ~80% of customers receive tracking notifications. Customer portal upgrades also commenced to improve functionality including simplifying the order management process and implementing chatbot capabilities.

  In product quality, defects per million pallets has improved 12% against the FY20 baseline although remains 2% behind target due to similar factors relating to the damage ratio metric (explained below). Platform innovations to improve the quality of products and repair processes in line with evolving customer expectations have commenced with early positive indicators.

- **Digital transformation:** Brambles continued to progress its digital transformation by expanding its advanced data analytics solutions which are driving improvements in customer experience, commercial decision-making and asset productivity. Autonomous tracking devices continue to be deployed through continuous diagnostics or targeted smaller-scale deployments across 34 countries. Combined with enhanced data analytics capabilities, insights from these autonomous devices have resulted in further reductions in pallet losses, identification of new business opportunities, and improved cost-to-serve accuracy.

  The Serialisation+ programme is progressing with the business continuing to operationalise in Chile and test the requirements for deployment in North America and the UK. With the entire pool now tagged in Chile, the business is focused on using Serialisation+ insights to identify and rectify sources of asset inefficiency, validate a simplified service offer and work with customers to take waste out of their supply chains. Operational testing expanded into the UK and North America in 1H25, with read infrastructure installed across 15 sites. The business continues to evaluate different types and mix of technology for a Serialisation+ solution with testing to continue through 2H25.

  Finally, the Digital Customer Solutions programme continued to identify opportunities to address inefficiencies in customers' supply chains. Following the two commercial agreements signed in FY24, additional customers agreed to pilots in the US, UK, New Zealand and Chile during 1H25.

- **Asset efficiency & network productivity:** Further improvements in asset efficiency were achieved with an additional ~12 million pallets (1H24: ~7.5 million pallets) recovered and salvaged in 1H25 contributing to lower pooling capital expenditure, driven by enhanced data analytics, insights from smart assets, and expanded asset recovery capabilities, including specialised field resources and vehicles designed for low-volume recovery. Brambles also continued to strengthen its retailer collaboration initiatives to identify leakage points and improve pallet flow visibility across supply chains. These structural improvements have been a major contributor to the Group being on track to meet its key FY25 asset efficiency targets of reducing its pooling capital expenditure to sales ratio by at least 3 percentage points and reducing uncompensated losses by 30% compared to the FY21 baseline, the first time this metric has been on track.

In network productivity, the decision has been made to pause the rollout of automated end-to-end repair processes planned for FY25. This is in line with the Group's disciplined approach to capital allocation and focus on optimising the economics of current installations before rolling out further automated end-to-end repair processes in FY26 and beyond. In the meantime, the Group is implementing supply chain productivity initiatives, including other forms of automation and operational excellence, that are expected to compensate for the returns not generated from sites where an integrated repair process has been delayed or is no longer being pursued.

Finally, although benefits have been generated from pallet durability initiatives, the extended duration of pallets in the supply chain has resulted in damage rate increases. This has impacted Brambles' delivery of its target of reducing the pallet damage ratio by 75 basis points year-on-year from FY22 through to FY25 with the metric now broadly in line with FY21 levels. Ongoing investments in quality and platform innovations, including double walled blocks, optimised repair techniques and timber species optimisation, are expected to support further damage rate reductions.

- **Business excellence[8]:** The Brambles Injury Frequency Rate[9] reduced in 1H25 to 3.2 (1H24: 3.4) and remains ahead of the FY25 scorecard target despite an increase against FY24 performance of 2.9. Brambles is committed to continuous improvements in safety through its 'Safety First' strategy which includes a focus on physical handling activities at service centres to prevent incidents, proactive measures to improve processes and situational awareness programmes. The percentage of women in management roles at the end of December 2024 increased to 38.6% (1H24: 37.2%). This is tracking slightly below target, largely due to a recent decrease in staff turnover, and the business has strategies in place to hire, retain and engage female employees to continue to make progress against its target.
- **Sustainability and ESG[8]:** The business continued to sustainably source 100% of its timber[10], an achievement it has maintained since FY20. Brambles continued to use 100% renewable electricity for its own operations, while total Scope 1 and 2 emissions reduced 5% against 1H24 through the increased use of zero emission fuels and benefits from electrification of forklifts. Scope 3 indirect emissions increased 1% against 1H24 due to increased materials used to repair pallets and additional transport activity to support asset productivity and customer experience initiatives. Brambles' decarbonisation efforts remain on track to achieve its 2030 Science-based Targets to reduce Scope 1 & 2 emissions by 42% and Scope 3 emissions by 17% on FY20 levels. Brambles also increased the number of sites with product waste diverted from landfill to 95%, a 13 percentage point improvement on 1H24.

Audit tender

In line with the principles of good corporate governance, during the second half of FY25, Brambles will conduct a tender process for its external audit services commencing in the FY26 year. Brambles will provide a further update on the tender process in August 2025 as part of its annual reporting process.

FY25 Outlook

Brambles' FY25 guidance, for the year ended 30 June 2025:

- Sales revenue growth of between 4-6% at constant currency;
- Underlying Profit growth of between 8-11% at constant currency;
- Free Cash Flow before dividends of between US$850-950 million (previously US$750-850 million); and
- Dividend payout ratio to be consistent with the dividend policy to payout between 50-70% of Underlying Profit after finance costs and tax[11] in US dollar terms and fully funded through Free Cash Flow.

These financial outcomes are dependent on a number of factors. These factors include, prevailing macroeconomic conditions, customer demand, the price of lumber and other key inputs, the efficiency of global supply chains, including the extent of inventory optimisation, and movements in FX rates.

Further details on FY25 outlook considerations are outlined on slides 22 and 23 in the 1H25 result presentation lodged with the ASX today.

Brambles

For further information, please contact:

Investors:		**Media:**
Raluca Chiriacescu	Suk Hee Lee	Sandra Tang
Vice President, Investor Relations	Director, Investor Relations	Group External Communications Lead
+44 7810 658 044	+61 433 343 888	+61 404 066 107
raluca.chiriacescu@brambles.com	sukhee.lee@brambles.com	sandra.tang@brambles.com

Brambles Limited (ASX: BXB) Brambles is a global provider of logistics solutions, connecting the world's supply network through its operations, people and technology. Brambles operates across 60 countries primarily through its CHEP brand, harnessing its industry-leading expertise and the unmatched scale of its asset pool of 347 million pallets, crates and containers through a network of 750+ service centres. Through its regenerative ambition, built on decades of leadership in the circular economy, Brambles has become one of the world's most sustainable companies. Since its origin in 1875, Brambles has been at the forefront of innovation. Today, it continues to invest in the future, developing technologies, digital solutions and partnerships to unlock new value and make the world's supply network more resilient and regenerative. Brambles is listed on the Australian Securities Exchange and an ASX50 constituent. The Group employs approximately 13,000 people, with its largest operations in North America and Europe. For further information, please visit brambles.com

Forward-Looking Statements: Certain statements made in this release are "forward-looking statements" – that is, statements related to future, not past, events. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts, but rather are based on Brambles' current beliefs, assumptions, expectations, estimates and projections. Forward-looking statements are not guarantees of future performance, as they address matters that are uncertain and subject to known and unknown risks, uncertainties and other factors that are beyond the control of Brambles, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Brambles cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the views of Brambles only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made – Brambles will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or events occurring after the date of this release, except as may be required by law or by any appropriate regulatory authority.

---

[1] At constant FX, except for the results of hyperinflation economies, which are translated at period end FX rates.
[2] A non-statutory measure that represents profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items. Underlying Profit is equal to Operating profit in 1H25 and in the comparative period as there are no Significant Items from continuing operations.
[3] Underlying Profit multiplied by two, divided by the six-month average of capital invested; capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustments for pension plan actuarial gains or losses and net equity adjustments for equity-settled share-based payments.
[4] Based on Australian Dollar value of share buy-backs completed in 1H25 converted to US Dollars at the closing A$:US$ exchange rate on 21 August 2024 of 0.6745.
[5] CHEP India (formerly part of CHEP EMEA), has been classified as held for sale and recognised in discontinued operations in 1H25 following the transaction announced in November 2024. 1H24 comparatives have been restated.
[6] In 2H24, 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 1H24 comparatives have been restated accordingly. This change has no impact on previously reported 1H24 figures for Sales revenue, Underlying Profit or Operating profit.
[7] This reflects the US cents dividend converted at an A$:US$ exchange rate of 0.6277, the average exchange rate over the five business days ending 12 February 2025.
[8] Metrics reported within Business Excellence and Sustainability and ESG include the results of all Brambles controlled subsidiaries including CHEP India.
[9] BIFR has previously been reported on a last 12-month basis. To align with the Financial Review, this metric will now be reported on a year-to-date basis. For comparison, the BIFR in 1H25 on a last 12-month basis was 3.0 (1H24: 3.6).
[10] 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). For further information, see Basis of Preparation – ESG Metrics 2024.
[11] Subject to Brambles' cash requirements.

Brambles

Background information

US$m (at actual FX rates)	1H25	1H24	2H24	FY24
Sales revenue				
CHEP Americas	1,865.8	1,799.5	1,810.8	3,610.3
CHEP EMEA	1,226.2	1,196.7	1,170.3	2,367.0
CHEP Asia-Pacific	279.7	273.0	270.3	543.3
Continuing operations	3,371.7	3,269.2	3,251.4	6,520.6
EBITDA				
CHEP Americas	668.5	682.8	606.2	1,289.0
CHEP EMEA	498.5	475.0	447.9	922.9
CHEP Asia-Pacific	130.0	126.7	124.4	251.1
Corporate	(103.9)	(94.2)	(127.1)	(221.3)
Continuing operations	1,193.1	1,190.3	1,051.4	2,241.7
Depreciation of property, plant and equipment and Irrecoverable Pooling Equipment Provision (IPEP)				
CHEP Americas	283.3	318.3	250.7	569.0
CHEP EMEA	149.1	167.8	162.9	330.7
CHEP Asia-Pacific	34.9	32.9	34.5	67.4
Corporate	0.8	0.5	0.5	1.0
Continuing operations	468.1	519.5	448.6	968.1
Amortisation of intangibles				
CHEP Americas	6.0	6.4	5.5	11.9
CHEP EMEA	0.6	0.6	0.9	1.5
CHEP Asia-Pacific	-	-	-	-
Corporate	0.5	1.1	1.1	2.2
Continuing operations	7.1	8.1	7.5	15.6
Underlying Profit and Operating profit				
CHEP Americas	379.2	358.1	350.0	708.1
CHEP EMEA	348.8	306.6	284.1	590.7
CHEP Asia-Pacific	95.1	93.8	89.9	183.7
Corporate	(105.2)	(95.8)	(128.7)	(224.5)
Continuing operations	717.9	662.7	595.3	1,258.0
Capital expenditure on property, plant and equipment (accruals basis)				
CHEP Americas	257.6	338.9	326.4	665.3
CHEP EMEA	171.6	152.7	111.5	264.2
CHEP Asia-Pacific	25.9	35.5	34.8	70.3
Corporate	-	-	-	-
Continuing operations	455.1	527.1	472.7	999.8
Cash Flow from Operations				
CHEP Americas	355.7	215.7	362.2	577.9
CHEP EMEA	273.3	325.2	411.1	736.3
CHEP Asia-Pacific	85.8	76.7	111.9	188.6
Corporate	(107.7)	(106.1)	(89.0)	(195.1)
Continuing operations	607.1	511.5	796.2	1,307.7

Background information (continued)

US$m (at actual FX rates)	1H25	1H24	2H24	FY24
Average Capital Invested				
CHEP Americas	3,326.5	3,140.1	3,268.5	3,204.3
CHEP EMEA	2,286.3	2,300.9	2,246.1	2,273.5
CHEP Asia-Pacific	569.2	552.8	561.0	556.9
Corporate	72.2	80.2	76.2	78.2
Continuing operations	6,254.2	6,074.0	6,151.8	6,112.9
Return on Capital Invested				
CHEP Americas	22.8%	22.8%	21.4%	22.1%
CHEP EMEA	30.5%	26.7%	25.3%	26.0%
CHEP Asia-Pacific	33.4%	33.9%	32.0%	33.0%
Continuing operations	23.0%	21.8%	19.4%	20.6%
Pooling capital expenditure to sales ratio				
CHEP Americas	12.0%	16.9%	14.4%	15.6%
CHEP EMEA	12.7%	11.5%	7.6%	9.6%
CHEP Asia-Pacific	7.0%	11.6%	9.1%	10.4%
Continuing operations	11.9%	14.5%	11.5%	13.0%
Number of pallets, RPCs and containers – net, after IPEP (millions of units)				
CHEP Americas				
- Pallets	147	142		146
- Other	-	-		-
Total CHEP Americas	147	142		146
CHEP EMEA				
- Pallets	144	147		143
- Other	19	18		18
Total CHEP EMEA	163	165		161
CHEP Asia-Pacific				
- Pallets	24	24		24
- Other	12	12		12
Total CHEP Asia-Pacific	36	36		36
Total	346	343		343
Number of pooling equipment purchases (millions of units)				
CHEP Americas				
- Pallets	9	11	10	21
- Other	-	-	-	-
Total CHEP Americas	9	11	10	21
CHEP EMEA				
- Pallets	10	9	4	13
- Other	1	1	-	1
Total CHEP EMEA	11	10	4	14
CHEP Asia-Pacific				
- Pallets	1	1	1	2
- Other	-	-	-	-
Total CHEP Asia-Pacific	1	1	1	2
Total	21	22	15	37

Brambles

Summary of Key Metrics

US$m			Change	
Continuing operations[1]	**1H25**	**1H24[2]**	**Actual FX**	**Constant FX**
CHEP Americas	1,865.8	1,799.5	4%	6%
CHEP EMEA	1,226.2	1,196.7	2%	2%
CHEP Asia-Pacific	279.7	273.0	2%	2%
Sales revenue	**3,371.7**	**3,269.2**	**3%**	**4%**
Other income and other revenue	**106.3**	**142.2**	**(25)%**	**(25)%**
CHEP Americas	379.2	358.1	6%	8%
CHEP EMEA	348.8	306.6	14%	14%
CHEP Asia-Pacific	95.1	93.8	1%	2%
Corporate (including transformation)	(105.2)	(95.8)	(10)%	(7)%
Underlying Profit and Operating profit	**717.9**	**662.7**	**8%**	**10%**
Net finance costs	(62.0)	(64.6)	4%	2%
Net impact arising from hyperinflationary economies[3]	(10.2)	(8.9)	(15)%	(15)%
Tax expense	(200.0)	(183.2)	(9)%	(11)%
Profit after tax from continuing operations	**445.7**	**406.0**	**10%**	**11%**
Profit from discontinued operations	0.5	1.8		
Profit after tax	**446.2**	**407.8**	**9%**	**11%**
Average Capital Invested	6,254.2	6,074.0	3%	4%
Return on Capital Invested[4]	**23.0%**	**21.8%**	**1.2pts**	**1.3pts**
Weighted average number of shares (millions)	1,390.2	1,390.4	-	-
Basic EPS (US cents)	**32.1**	**29.3**	**10%**	**11%**
Basic EPS from continuing operations (US cents)	**32.1**	**29.2**	**10%**	**11%**

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 below are at constant FX rates[5]. Cash flow and debt commentary and comparisons below are at actual FX rates. Other commentary and comparatives are as stated.

Sales revenue from continuing operations of US$3,371.7 million increased 4%, with volume growth of 2% and price realisation of 2% to recover modest cost-to-serve increases in the period.

Volume growth comprised:

- Net new business growth of 1% driven by the North America and Asia-Pacific businesses where current and prior year contract wins delivered net new business growth of 2% in each of these regions. Net new wins in the EMEA region were modest as contributions from new customer wins were partly offset by the rollover impact of prior year losses in the European pallet business; and
- Like-for-like growth of 1% largely due to the benefit of cycling retailer and manufacturer inventory optimisation in 1H24. Excluding the impact of inventory optimisation in the prior year, like-for-like volumes declined 1% reflecting the timing impact of an early US harvest season, weak macroeconomic conditions in Europe, and a normalisation of the average pallet hire balance in Australia.

Price realisation of 2% was in line with lower rates of input-cost inflation and significant asset efficiency improvements across retailer and manufacturer supply chains, which reduced the level of price increases required to recover the cost-to-serve.

Other income and other revenue of US$106.3 million decreased US$35.0 million and included a US$15.1 million reduction in North American surcharge income in line with the movement in market prices for fuel, lumber and transport in the region.

The balance of the decrease reflected lower asset compensations, in line with asset efficiency improvements which reduced the number of lost assets, and lower contributions from other income relating to pallet collection activities.

Underlying Profit and **Operating profit** of US$717.9 million increased 10%, reflecting a one percentage point improvement in the Group Underlying Profit margin.

Underlying Profit growth and operating leverage reflected ongoing commercial discipline to recover the cost-to-serve and productivity improvements linked to the transformation programme. This included significant asset efficiency improvements, with materially lower loss rates across customer supply chains driving a US$68 million reduction in the Irrecoverable Pooling Equipment Provision (IPEP) expense, while also delivering benefits to customers through lower price increases and a reduction in lost asset compensations.

These benefits, combined with supply chain efficiencies linked to operational excellence and network optimisation initiatives, more than offset direct and indirect cost increases.

1 CHEP India (formerly part of CHEP EMEA), has been classified as held for sale and recognised in discontinued operations in 1H25 following the transaction announced in November 2024. 1H24 comparatives have been restated.

2 In 2H24, 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 1H24 comparatives have been restated accordingly. This change has no impact on previously reported 1H24 figures for sales revenue, Operating profit or Underlying Profit.

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

4 Underlying Profit multiplied by two to calculate an annualised amount, divided by the six-month average of capital invested; capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustments for pension plan actuarial gains or losses and net equity adjustments for equity-settled share-based payments.

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

Direct cost increases were largely driven by labour inflation, incremental repair and transport costs to support asset efficiency initiatives and increased investment in quality and service levels to improve the customer experience. In addition, inventory optimisation initiatives undertaken by manufacturers and retailers in the prior year drove additional costs in 1H25, including higher repairs due to damage rate increases in key markets, and incremental storage costs in the US where plant stock remains above optimal levels.

Indirect cost increases reflected ongoing investments in the transformation programme and lower asset compensations in line with lower asset losses due to better asset control and improved pallet market dynamics.

Profit after tax from continuing operations of US$445.7 million, increased 11% broadly in line with the growth in Underlying Profit. The hyperinflation charge of US$10.2 million increased US$1.3 million due to the impact of higher inflation in Argentina and Türkiye.

Net finance costs decreased 2% reflecting a lower average debt balance in 1H25 due to strong free cash generation, partially offset by the impact of higher lease interest expense due to an increase in interest rates and lease liabilities, as outlined below.

The effective tax rate on Underlying Profit in 1H25 of 30.5% was in line with the prior corresponding period.

Profit from discontinued operations of US$0.5 million included the operating profit of CHEP India which is recognised in discontinued operations following the transaction announcement in November 2024. Brambles completed the sale of its CHEP India business on 8 January 2025 for net cash proceeds of US$75 million, with an expected profit on sale after tax of ~US$23 million to be recognised in 2H25.

Return on Capital Invested was 23.0%, up 1.3 percentage points as Underlying Profit growth more than offset a 4% increase in Average Capital Invested.

The increase in Average Capital Invested was primarily due to higher lease costs relating to market rates for real estate on renewals and the impact of site additions over the preceding 12-months.

Cash Flow Reconciliation

US$m (at actual FX rates)	1H25	1H24	Change
Underlying Profit	717.9	662.7	55.2
Depreciation and amortisation	406.7	388.1	18.6
IPEP expense	68.5	139.5	(71.0)
Underlying EBITDA[6]	**1,193.1**	**1,190.3**	**2.8**
Capital expenditure (cash basis)	(482.1)	(654.5)	172.4
Proceeds from sale of PP&E	92.9	116.5	(23.6)
Working capital movement	(38.2)	(25.7)	(12.5)
Purchase of intangibles	(5.0)	(6.0)	1.0
Other	(153.6)	(109.1)	(44.5)
Cash Flow from Operations	**607.1**	**511.5**	**95.6**
Discontinued operations	0.9	5.1	(4.2)
Financing & tax costs	(178.8)	(205.5)	26.7
Free Cash Flow before dividends	**429.2**	**311.1**	**118.1**
Dividends paid	(264.9)	(195.0)	(69.9)
Free Cash Flow after dividends	**164.3**	**116.1**	**48.2**

Cash Flow from Operations of US$607.1 million increased US$95.6 million as a reduction in capital expenditure in the period was partially offset by lower proceeds from the sale of assets and increased working capital and other cash outflows.

Capital expenditure decreased US$172.4 million on a cash basis and included a US$100.4 million benefit from a reduction in capital expenditure creditor payments driven by fewer pallet purchases and a lower average capital cost of a pallet relative to the prior corresponding period.

On an accruals basis and at constant currency, capital expenditure decreased US$63.9 million, driven by a US$64.6 million reduction in pooling capital expenditure reflecting:

- ~US$25 million benefit from ~1 million fewer pallets purchased in the period as reduced losses, primarily driven by asset productivity initiatives, and efficient management of plant stock levels more than offset increased demand and the impact of cycling the 1H24 benefit of inventory optimisation; and
- ~US$40 million benefit from lumber deflation which resulted in a ~9% reduction in the Group weighted average capital cost of a pallet.

This reduction in pooling capital expenditure, combined with sales revenue growth, led to an improvement in the Group's asset efficiency metric, the pooling capital expenditure to sales ratio, which decreased to 11.9% in 1H25, from 14.5% in 1H24. This 2.6 percentage point reduction included a ~1 percentage point benefit from above optimal pallet plant stock levels in the US, driven by retailer and manufacturer inventory optimisation initiatives in FY24.

Other key movements in the period included a US$23.6 million decrease in proceeds from the sale of PP&E as improvements in asset control and pallet market dynamics led to lower losses and an associated reduction in asset compensations, primarily in the US. Modest working capital movements in the period reflected an increase of US$12.5 million, while other cash flow items increased US$44.5 million mainly due to the movement in provisions for employee benefits.

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

Brambles

Free Cash Flow after dividends of US$164.3 million increased US$48.2 million, driven by higher Cash Flow from Operations and lower financing and tax payments primarily due to the timing of Australian tax instalments. These improvements were partly offset by higher dividend payments reflecting the increase in the final dividend per share declared in FY24 and paid in 1H25. Cash flow from discontinued operations represents lower cash flow from CHEP India compared to 1H24.

Net Debt & Key Ratios

US$m (at actual FX rates)	Dec 2024[7]	Jun 2024	Change
Current debt	686.3	156.6	529.7
Non-current debt	2,018.0	2,484.4	(466.4)
Gross debt	**2,704.3**	**2,641.0**	**63.3**
Less cash & deposits	(98.4)	(112.9)	14.5
Net debt	**2,605.9**	**2,528.1**	**77.8**
Key ratios[8]	1H25	1H24	
Net debt to EBITDA	1.16x	1.23x	
EBITDA interest cover	17.7x	17.4x	

Net debt as at 31 December 2024 was US$2,605.9 million, including US$878.4 million of lease liabilities.

Net debt increased US$77.8 million from 30 June 2024 due to share buy-backs, lease capitalisations and US$40.4 million cash being classified as held for sale in relation to CHEP India partly offset by free cash generation in the period and the foreign exchange benefit on Euro denominated borrowings.

Liquidity remains strong with US$1.4 billion of undrawn committed credit facilities and US$98.4 million of cash at 31 December 2024.

Net debt to EBITDA of 1.16 times remains below the Group target range of 1.5 to 2.0 times.

ESG Metrics[9]

Metric	1H25	1H24	Change
Scope 1 & 2 GHG emissions	15.0ktCO_2-e	15.8ktCO_2-e	(5)%
Scope 3 GHG emissions	658.6ktCO_2-e	650.2ktCO_2-e	1%
BIFR	3.2	3.4[10]	(6)%
Women in management roles	38.6%	37.2%	1.4pts
Sustainably sourced timber	100%	100%	-
Sites with product waste diverted from landfill	95.0%	82.2%	12.8pts

Refer to brambles.com for KPMG's statements of Limited Assurance over the 1H25 and 1H24 ESG metrics.

Scope 1 and 2 GHG emissions

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

Scope 1 emissions decreased by 5% in 1H25 reflecting lower emissions from fleet fuel despite increased collection activity. These reductions were driven by the increased use of zero emission fuel (R99 in North America) and lower site fuel usage linked to forklift truck electrification.

Scope 3 GHG emissions

- Scope 3 represent indirect emissions (outside of Brambles' direct control). For Brambles, material Scope 3 categories include waste, logistics emissions, emissions relating to capital expenditure on pooling assets and emissions by third-party managed service centres.[11]

Scope 3 emissions increased 1% in 1H25 due to incremental repair and transport activity to improve asset efficiency and customer service. This led to a greater use of materials (timber, nails and paint) to repair pallets that meet customer quality specifications, and additional transport miles. This increase was partly offset by reduced emissions from outsourced service centres, due to improved data quality reducing estimates, and lower capital expenditure related emissions with the Group purchasing ~1 million fewer pallets compared to 1H24.

Brambles remains on track to achieve its 2030 Science-based Targets for Scope 1, 2 and 3 emissions (i.e. 42% reduction in Scope 1 & 2 and 17% reduction in Scope 3 on the FY20 baseline).

Brambles Injury Frequency Rate (BIFR)

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 1H25, BIFR was 3.2 representing a 6% improvement on 1H24, although this was an increase against the FY24 performance of 2.9. Brambles is committed to continuous improvements in safety through its 'Safety First' strategy which includes a focus on physical handling activities at service centres to prevent incidents, proactive measures to improve processes and situational awareness programmes.

7 December 2024 balances and 1H25 ratios exclude the results of CHEP India.
8 Key financial ratios using EBITDA and net interest expense are on a 12-month rolling basis.
9 The results of the ESG metrics for 1H24 and 1H25 include the results of all Brambles controlled subsidiaries and CHEP India.
10 This metric was not assured at 1H24.
11 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 is included in the Basis of Preparation – ESG Metrics 2024 document available on brambles.com/results-centre.

Brambles

Women in management roles

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

As at 31 December 2024, the percentage of women in management roles increased by 1.4 percentage points compared with 1H24. Although this represents consistent progress, the metric is tracking behind the target to reach 40% by the end of FY25, largely due to a decrease in staff turnover. The business has strategies in place to hire, retain and engage female employees to continue to make progress towards its target.

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 1H25, Brambles continued to maintain its strict adherence to 100% timber from certified sourcing, 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 1H25, the percentage of sites (both Brambles and third-party managed) that diverted product waste from landfill improved by 12.8 percentage points since 1H24. The improvement has been achieved through the ongoing and active engagement with regional operations teams and an increase in sites implementing solutions to divert waste. Brambles is on track to have 100% of in-scope plants with solutions in place to divert product waste from landfill by the end of FY25 after which point the network will be in a position to have zero waste diverted to landfill. However, sites that did not have solutions in place for the full year will still have some waste diverted to landfill in FY25.

Segment Analysis

CHEP Americas

US$m			Change	
	1H25	1H24	Actual FX	Constant FX
Pallets	1,844.6	1,779.2	4%	6%
Containers	21.2	20.3	4%	5%
Sales revenue	**1,865.8**	**1,799.5**	**4%**	**6%**
Underlying Profit	**379.2**	**358.1**	**6%**	**8%**
Average Capital Invested	3,326.5	3,140.1	6%	8%
Return on Capital Invested	**22.8%**	**22.8%**	**-**	**-**

Sales revenue

Pallets sales revenue of US$1,844.6 million increased 6% and included volume growth of 3%, driven by a 2% uplift from net new business wins and a 1% increase in like-for-like volumes. Price realisation of 3% was in line with moderate cost-to-serve increases, primarily driven by input-cost inflation.

US pallets sales revenue of US$1,373.7 million increased 6%, comprising:

- Price realisation of 4% as contractual price increases to recover inflation were partly offset by lower contributions from pricing mechanisms linked to asset efficiency in line with lower loss rates in the period;
- Net new business growth of 2% largely driven by current and prior year contract wins, primarily in the small-to-medium enterprise and produce sectors, which more than offset the rollover impact of contract losses in the prior year; and
- Like-for-like volumes were in line with 1H24 despite an early US harvest season which brought forward volumes in the produce sector from 1Q25 into 4Q24. Excluding this timing impact, like-for-like volumes increased 1% driven by growth in grocery and other sectors and included the benefit of cycling retailer and manufacturer inventory optimisation in 1H24.

Canada pallets sales revenue of US$202.3 million increased 6% reflecting growth with new and existing customers.

Latin America pallets sales revenue of US$268.6 million increased 5%, reflecting price realisation of 2% and volume growth of 3% driven by like-for-like volume growth in Mexico and to a lesser extent new customer wins in Brazil.

Containers sales revenue of US$21.2 million increased 5% driven by like-for-like volume growth.

Profit

Underlying Profit of US$379.2 million increased 8% driven by sales revenue growth, asset efficiency improvements and benefits from supply chain productivity initiatives. These benefits more than offset input-cost inflation and additional costs, including incremental plant and transport activity driven by inventory optimisation initiatives undertaken by retailers and manufacturers in FY24.

The increase in Underlying Profit reflected a sales contribution to profit growth of US$74 million, and the following movements in key cost and other income items:

- Plant cost increases of US$44 million included inflation of US$28 million as labour and other input-cost increases were partly offset by lumber deflation. The balance of the increase was primarily driven by inventory optimisation in the prior year which drove higher storage costs in the US and additional repairs linked to damage rate increases across the region. The business also increased pallet quality investments to improve the customer experience in the period. These increases were partly offset by efficiencies, including plant network optimisation, operational excellence and procurement initiatives;

- Transport cost increases of US$6 million largely driven by increased pallet relocations in the US due to inventory optimisation in the prior year and additional transport miles to support asset productivity and customer experience initiatives. These costs were partly offset by network optimisation and procurement benefits while fuel deflation offset transport inflation in the region;
- North American surcharge income decreases of US$15 million was in line with market price movements for fuel, lumber and transport;
- Depreciation expense increases of US$8 million primarily reflecting incremental charges relating to automation and other non-pooling investments;
- IPEP expense decreases of US$46 million reflecting lower pallet losses due to asset efficiency initiatives and improved pallet market dynamics; and
- Other cost increases of US$19 million primarily reflecting lower asset compensations in line with reduced losses due to improved asset control, and higher personnel related costs.

Return on Capital

Return on Capital Invested of 22.8% was in line with the prior year as Underlying Profit growth offset an 8% increase in Average Capital Invested.

The increase in Average Capital Invested was primarily driven by higher lease costs relating to renewals and additions over the preceding 12-months.

CHEP EMEA

US$m			Change	
	1H25	1H24	Actual FX	Constant FX
Pallets	1,087.3	1,058.7	3%	2%
RPC	14.5	12.9	12%	9%
Containers	124.4	125.1	(1)%	-
Sales revenue	**1,226.2**	**1,196.7**	**2%**	**2%**
Underlying Profit	**348.8**	**306.6**	**14%**	**14%**
Average Capital Invested	2,286.3	2,300.9	(1)%	(1)%
Return on Capital Invested	**30.5%**	**26.7%**	**3.8pts**	**4.0pts**

Corporate actions

CHEP India (formerly part of CHEP EMEA), has been classified as held for sale and recognised in discontinued operations in 1H25 following the transaction announced in November 2024. Prior period comparatives for CHEP EMEA have been restated. The sale of CHEP India was completed on 8 January 2025.

Sales revenue

Pallets sales revenue of US$1,087.3 million increased 2% as volume growth in Europe and pricing in Africa, Middle East and Türkiye more than offset lower pricing in Europe due to cost-to-serve decreases and volume declines in the rest of the region.

Europe pallets sales revenue of US$984.5 million increased 1%, comprising:

- Net new business growth of 1% reflecting current year and rollover contract wins, primarily in Central and Eastern Europe, which more than offset the rollover impact of contract losses in the prior year, largely in Southern Europe;
- Like-for-like volume growth of 1% largely due to the benefit of cycling retailer and manufacturer inventory optimisation in 1H24 as consumer demand remained weak in most markets; and
- Price decline of 1% as modest contractual price increases, primarily driven by indexation to recover labour inflation, were more than offset by lower contributions from pricing mechanisms linked to asset efficiency as pallet loss rates and cycle times improved in the period.

Africa, Middle East and Türkiye pallets sales revenue of US$102.8 million increased 8% primarily reflecting price realisation to recover cost-to-serve increases in the hyperinflationary markets of Türkiye and Zimbabwe in addition to pricing actions taken in the rest of the region. These increases were partly offset by a decline in volumes driven by lower demand from existing customers and some contractual losses in the region.

RPC sales revenue of US$14.5 million increased 9% driven by both price realisation to recover cost-to-serve and volume growth due to rollover contract wins.

Containers sales revenue of US$124.4 million was in line with 1H24, comprising:

- Automotive sales revenue of US$94.0 million which declined 1% as price realisation from favourable product mix and net new business wins were more than offset by lower like-for-like demand in Europe; and
- Intermediate Bulk Containers (IBC) sales revenue of US$30.4 million which increased 4% reflecting pricing to recover the cost-to-serve and favourable mix impacts.

Profit

Underlying Profit of US$348.8 million increased 14% reflecting sales revenue growth and asset efficiency and supply chain productivity improvements. These benefits more than offset input-cost inflation and other cost increases, including incremental repair, handling and transport costs to support asset efficiency, customer experience and other transformation initiatives.

The increase in Underlying Profit reflected a sales contribution to profit growth of US$16 million and the following movements in key cost and other income items:

- Plant cost increases of US$15 million which included input-cost inflation of US$10 million mainly relating to labour. The balance of the increase reflected strategic investments to support customer experience initiatives and increased repair and handling costs associated with higher pallet damage rates following inventory optimisation initiatives undertaken across the supply chain in FY24. These cost increases were partly offset by efficiencies including operational excellence;
- Transport cost increases of US$1 million driven by input-cost inflation of US$2 million, as higher third-party freight rates were partly offset by fuel deflation. Efficiencies linked to network optimisation and procurement benefits more than offset increased pallet collection costs to support asset efficiency;
- Depreciation expense decreases of US$1 million reflecting a reduction in the size of the pallet pool due to ongoing asset efficiency improvements;
- IPEP expense decreases of US$22 million reflecting lower pallet losses due to asset efficiency initiatives and improved pallet market dynamics; and
- Other cost decreases of US$19 million driven by lower overhead spend,. Asset compensations were broadly in line

with the prior corresponding period as the reduction in the number of compensated assets due to lower loss rates was offset by improved compensation rates.

Return on Capital

Return on Capital Invested of 30.5% increased 4.0 percentage points reflecting the strong Underlying Profit performance and a 1% decrease in Average Capital Invested.

The modest decrease in Average Capital Invested reflects capital efficiency gains driven by asset productivity improvements.

CHEP Asia-Pacific

US$m			Change	
	1H25	1H24	Actual FX	Constant FX
Pallets	207.7	202.2	3%	2%
RPC	52.4	49.6	6%	6%
Containers	19.6	21.2	(8)%	(8)%
Sales revenue	**279.7**	**273.0**	**2%**	**2%**
Underlying Profit	**95.1**	**93.8**	**1%**	**2%**
Average Capital Invested	569.2	552.8	3%	2%
Return on Capital Invested	**33.4%**	**33.9%**	**(0.5)pts**	**(0.2)pts**

Sales revenue

Pallets sales revenue of US$207.7 million increased 2%, comprising:

- Price realisation of 4% to recover cost-to-serve increases;
- Like-for-like volume declines of 3% reflecting lower daily hire revenue as the average number of pallets on hire normalised from peak levels in 1H24 due to the return to seasonal demand patterns in Australia. This impact more than offset improved macroeconomic conditions in Australia; and
- Net new business growth of 1% driven by both current year and rollover contributions in the region.

RPC sales revenue of US$52.4 million increased 6% driven by pricing actions to recover cost-to-serve and net new business wins.

Containers sales revenue of US$19.6 million decreased 8% primarily due to lower volumes.

Profit

Underlying Profit of US$95.1 million increased 2% driven by the sales contribution to profit, supply chain productivity improvements including automation benefits, and lower overhead expenses. These benefits more than offset labour and transport inflation, additional repair, handling and relocation costs due to higher pallet returns in the period, and lower levels of asset compensations.

Return on Capital

Return on Capital Invested of 33.4% was broadly in line with 1H24 as Underlying Profit growth offset a 2% increase in Average Capital Invested.

The increase in Average Capital Invested included incremental service centre automation investments and higher lease costs relating to renewals and additions over the preceding 12-months.

Corporate

US$m			Change	
	1H25	1H24	Actual FX	Constant FX
Shaping Our Future transformation costs	(65.3)	(60.6)	(4.7)	(3.7)
Corporate costs	(39.9)	(35.2)	(4.7)	(2.7)
Underlying Profit	**(105.2)**	**(95.8)**	**(9.4)**	**(6.4)**

Profit

Shaping Our Future transformation costs of US$65.3 million increased US$3.7 million and included:

- Digital transformation costs of US$50.2 million which increased US$3.9 million driven by continued investments in asset digitisation and data analytics capabilities; and
- Other transformation costs of US$15.1 million which decreased US$0.2 million.

Corporate costs of US$39.9 million increased US$2.7 million, primarily due to personnel related cost increases linked to wage inflation and additional headcount.