

Results for Announcement to the Market

Brambles Limited

ABN 89 118 896 021

Appendix 4D

Consolidated Financial Report for the half-year ended 31 December 2023

	First half 2024 US\$m	First half 2023 US\$m	% change (actual FX rates)	% change (constant FX rates)
Statutory Results				
Continuing operations				
Sales revenue	3,281.8	2,931.5	12 %	10 %
Operating profit	664.7	548.8	21 %	19 %
Profit before tax	575.3	486.7	18 %	16 %
Tax expense	(183.2)	(152.2)	20 %	19 %
Profit after tax	392.1	334.5	17 %	14 %
Discontinued operations – loss after tax (refer Note 9)	(0.8)	(3.4)		
Profit for the period attributable to members of the parent entity	391.3	331.1	18 %	15 %
Basic EPS (US cents) from continuing operations	28.2	24.1	17 %	14 %
Basic EPS (US cents) – includes discontinued operations	28.1	23.9	18 %	15 %
Interim dividend¹ (US cents)	15.0	12.25		

¹ The 2024 interim dividend is 35% franked and its record date is 14 March 2024. It represents a payout ratio of 50% which is broadly in line with the 2023 interim dividend payout ratio of 49%. The 2023 interim dividend was 12.25 US cents per share (refer Note 7).

Commentary on these results is set out in the Operating & Financial Review on pages 2 to 7. This report is based on the consolidated financial statements which have been reviewed by PwC.

The results in the consolidated financial statements are presented in US dollars, translated at the actual exchange rates in each period as disclosed in Note 3, except for the results of hyperinflationary economies which are translated at period end exchange rates. The results in the Operating & Financial Review are also shown in constant currency which translates the first half 2024 results (excluding hyperinflationary economies) 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.

Summary of Key Metrics

US\$m	Change			
Continuing operations	1H24	1H23	Actual FX	Constant FX
CHEP Americas	1,799.5	1,639.6	10%	8%
CHEP EMEA	1,209.3	1,039.2	16%	11%
CHEP Asia-Pacific	273.0	252.7	8%	11%
Sales revenue	3,281.8	2,931.5	12%	10%
Other income and other revenue	142.4	181.5	(22)%	(21)%
CHEP Americas	358.1	285.6	25%	24%
CHEP EMEA	308.6	246.0	25%	21%
CHEP Asia-Pacific	93.8	92.9	1%	5%
Corporate (incl. transformation)	(95.8)	(75.7)	(27)%	(24)%
Underlying Profit and Operating profit	664.7	548.8	21%	19%
Net finance costs	(64.0)	(49.7)	(29)%	(25)%
Net impact arising from hyperinflationary economies ¹	(25.4)	(12.4)	(105)%	(182)%
Tax expense	(183.2)	(152.2)	(20)%	(19)%
Profit after tax from continuing operations	392.1	334.5	17%	14%
Loss from discontinued operations	(0.8)	(3.4)		
Profit after tax	391.3	331.1	18%	15%
Average Capital Invested	6,096.7	5,547.2	10%	8%
Return on Capital Invested	21.8%	19.8%	2.0pts	2.0pts
Weighted average number of shares (m)	1,390.4	1,387.1	-	-
Basic EPS (US cents)	28.1	23.9	18%	15%
Basic EPS from continuing operations (US cents)	28.2	24.1	17%	14%

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 rates². Cash flow and debt commentary and comparisons at actual FX rates. Other commentary and comparatives as stated.

Sales revenue from continuing operations of US\$3,281.8 million increased 10% as price growth offset a (1)% decline in volumes across the Group. Price growth of 11% included an 8-percentage point rollover contribution from pricing actions taken in the prior year to recover cost-to-serve increases in all regions. The balance of price growth related to price increases on contracts renewed in 1H24.

Like-for-like volumes declined (1)% and included an estimated 2-percentage point adverse impact from inventory optimisation across retailer and manufacturer supply chains, primarily in North America and Europe. Excluding the impact of inventory optimisation, like-for-like volumes increased 1% as growth with existing customers in Australia pallets, US pallets and Europe automotive businesses offset lower pallet volumes in Europe due to soft underlying consumer demand.

Net new business volumes were flat as modest new contract wins in Europe pallets, Canada pallets and North America automotive businesses were offset by net losses of (1)% in US pallets primarily driven by the rollover impact of contracts lost in the prior year.

Other income and other revenue of US\$142.4 million included US\$93.3 million of income relating to North American surcharges which are pricing mechanisms that seek to recover the impact of lumber, fuel and transport inflation on the operating and capital cost-to-serve in that region.

During the period, North American surcharge income decreased US\$29.0 million, in line with deflation in market prices for lumber, fuel and transport in that region.

The balance of 'other income and other revenue' decreased US\$8.7 million on the prior year as higher compensations for lost assets across the Group were more than offset by decreases in various other income items.

Underlying Profit and Operating profit of US\$664.7 million increased 19% notwithstanding ongoing investments in various transformation initiatives, including those to support improvements in customer service levels, product quality and asset efficiency. This growth performance was also relative to a strong prior corresponding period which included ~US\$43 million of timing and one-off benefits relating to lower pallet return rates and Australian flood insurance proceeds which did not repeat in 1H24.

¹ Relating to operations in Argentina, Türkiye and Zimbabwe.

² For the hyperinflationary economies of Argentina, Türkiye and Zimbabwe, financials are translated at period end FX rates.

Operating leverage in 1H24 was supported by better pricing and commercial terms to recover the cost-to-serve and productivity improvements linked to the transformation programme. These included operational efficiencies and better asset control, with lower pallet losses in the CHEP Americas segment and higher compensations for lost assets across the Group.

Collectively, these benefits more than offset direct and indirect cost increases across the Group.

Direct cost increases included incremental plant and transport costs associated with higher pallet returns across our major markets, higher depreciation charges as well as inflation, primarily in labour, as fuel and lumber costs experienced deflation in most markets. Transport inflation in most markets was largely offset by transport deflation in the US.

Indirect cost increases reflected higher overhead costs linked to wage inflation and additional resources to support transformation initiatives at both a Group and regional level.

Profit after tax from continuing operations of US\$392.1 million, increased 14% as the growth in Underlying Profit was partly offset by higher net finance costs and a net non-cash charge of US\$25.4 million relating to Brambles' operations in hyperinflationary economies, primarily Argentina and Türkiye.

Net finance costs increased 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.

The effective tax rate on Underlying Profit in 1H24 of 30.5% was in line with the prior corresponding period.

Return on Capital Invested³ was 21.8%, up 2.0 percentage points as Underlying Profit growth more than offset an 8% increase in Average Capital Invested.

The increase in Average Capital Invested reflected capital investments to support the business and the net impact of the higher capital cost of assets added to the pool compared to the value of assets written off.

Cash Flow Reconciliation

US\$m (at actual FX rates)	1H24	1H23	Change
Underlying Profit	664.7	548.8	115.9
Depreciation and amortisation	390.2	350.9	39.3
IPEP expense	139.6	146.3	(6.7)
Underlying EBITDA⁴	1,194.5	1,046.0	148.5
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)
Cash Flow from Operations	517.6	140.4	377.2
Significant Items	-	(0.5)	0.5
Discontinued operations	(1.0)	34.3	(35.3)
Financing & tax costs	(205.5)	(166.4)	(39.1)
Free Cash Flow before dividends	311.1	7.8	303.3
Dividends paid	(195.0)	(154.4)	(40.6)
Free Cash Flow after dividends	116.1	(146.6)	262.7

Cash Flow from Operations of US\$517.6 million increased US\$377.2 million as higher earnings, lower capital expenditure, improved compensations for lost assets and favourable working capital movements were partly offset by the reversal of ~US\$90 million FY23 timing benefits.

Capital expenditure decreased US\$267.2 million on a cash basis which included an increase of US\$67.5 million associated with the timing of capex creditor payments.

On an accruals basis and at constant currency, capital expenditure decreased US\$345.3 million, driven by a US\$356.2 million reduction in pooling capital expenditure reflecting:

- ~US\$266 million benefit from ~10 million fewer pallets purchased in the period driven by ~8 million additional pallet returns due to inventory optimisation across retailer and manufacturer supply chains with the balance relating to benefits from asset productivity initiatives; and
- ~US\$90 million benefit from the impact of lumber deflation on the unit cost of pallets 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 to 14.4% in 1H24, from 27.9% in 1H23.

³ 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.

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

Other key movements in the period included:

- Proceeds from the sale of PP&E which increased US\$28.8 million, notwithstanding a US\$8 million one-off cash benefit relating to Australian flood insurance proceeds in 1H23. The increase in the period was driven by improved collection of compensations for lost assets across the major markets;
- Working capital movements which remained broadly in line with 1H23 as the reversal of FY23 timing benefits of ~US\$50 million was offset by improvements in working capital in the period; and
- Other cash flow items decreased US\$69.9 million mainly due to the reversal of FY23 timing benefits of ~US\$40 million, the cycling of higher deferred revenue in the prior corresponding period and non-cash adjustments relating to asset disposals.

Free Cash Flow after dividends of US\$116.1 million increased US\$262.7 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 period.

Cash flow from discontinued operations declined US\$35.3 million on the prior-year comparative which benefited from the US\$41.5 million final settlement from First Reserve relating to the divestment of the Hoover Ferguson Group investment in 2018. This benefit was partly offset by the cash outflow from CHEP China, which was divested in March 2023.

Financing and tax payments increased US\$39.1 million reflecting a US\$40.7 million increase in tax payments due to increased profits and the timing of US Base Erosion and Anti-Abuse Tax ('BEAT') payments. This was offset by a US\$1.6 million reduction in net interest paid as a result of the timing of interest payments.

Dividend payments increased US\$40.6 million reflecting an increase in the final dividend per share declared in FY23 and paid in 1H24, as well as the impact of FX movements.

Net Debt & Key Ratios

US\$m (at actual FX rates)	Dec 2023	Jun 2023	Change
Current debt	712.1	672.3	39.8
Non-current debt	2,225.3	2,212.0	13.3
Gross debt	2,937.4	2,884.3	53.1
Less cash & deposits	(195.9)	(160.7)	(35.2)
Net debt	2,741.5	2,723.6	17.9
Key ratios ⁵	1H24	1H23	
Net debt to EBITDA	1.23x	1.49x	
EBITDA interest cover	17.4x	20.6x	

Net debt as at 31 December 2023, was US\$2,741.5 million, including US\$737.7 million of lease liabilities.

Net debt increased US\$17.9 million as the free cash generation in the period was offset by lease capitalisations and FX impacts on Euro denominated borrowings.

Liquidity remains strong with US\$1.6 billion of undrawn committed credit facilities and US\$195.9 million of cash at 31 December 2023.

ESG Metrics

Metric	1H24	FY23
Scope 1 & 2 GHG emissions	15.8ktCO ₂ -e	32.6ktCO ₂ -e
Scope 3 GHG emissions ⁶	650.2ktCO ₂ -e	1,406.5ktCO ₂ -e
Women in management roles	37%	36%
Sustainably sourced timber	100%	100%
Sites with product waste diverted from landfill	82%	80% ⁷

Refer to the Brambles website for KPMG's statements of Limited Assurance over the 1H24 and FY23 ESG metrics.

Scope 1 & 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.

Scope 3 GHG emissions

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

1H24 represents the first time Brambles has assured its half-year emissions data. This information is presented alongside the FY23 data to set an assured comparative benchmark for future half and full-year emissions disclosures.

Given seasonality and other factors during a fiscal year period, half and full-year emissions trends cannot be compared and therefore no commentary has been provided in this update. Brambles will provide commentary and analysis on assured emissions data on a half-year basis at the 1H25 result.

Women in management roles

- Management covers the following roles: Manager, Senior Manager, Director, Senior Director, Vice President and above.

The percentage of women in management roles reached 37% as at 1H24, an increase of 1-percentage point from the end of FY23. The increase has been driven by a proactive approach to talent acquisition and succession planning processes across all regions and functions. This represents continued progress and Brambles remains on track to reach its 40% target by the end of FY25.

⁵ Key financial ratios using EBITDA and net interest expense are on a twelve-month rolling basis. 1H23 ratios exclude the results of CHEP China.

⁶ Scope 3 GHG emissions have been prepared in accordance with the GHG Protocol. Scope 3 GHG emissions are indirect emissions from the generation of fuel from sources outside the organisational boundary as a consequence of activities of the Group. As Scope 3 emissions are outside of Brambles' direct control, we apply assumptions based on historical experience and available information to estimate Scope 3 emissions.

⁷ The result for FY23 has been restated from 74% to 80%. The FY23 restatement reflects a revision to the list of sites under Brambles' operating control and enables a like-for-like comparison to the 1H24 result.

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 1H24, Brambles maintained its strict adherence to 100% sustainably sourced timber, an achievement it has held 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 1H24, the percentage of sites (both Brambles and third-party managed) that diverted product waste from landfill improved by 2-percentage points since the end of FY23. This was achieved through active engagement with operations teams to improve waste diversion practices and implement sustainable waste solutions to achieve zero-waste declaration at additional sites. Brambles remains on track with its target to divert all product waste from landfill by the end of FY25.

Segment Analysis

CHEP Americas

US\$m	Change			
	1H24	1H23	Actual FX	Constant FX
Pallets	1,779.2	1,622.3	10%	8%
Containers	20.3	17.3	17%	17%
Sales revenue	1,799.5	1,639.6	10%	8%
Underlying Profit	358.1	285.6	25%	24%
Average Capital Invested	3,140.1	2,970.7	6%	5%
Return on Capital Invested	22.8%	19.2%	3.6pts	3.4pts

Sales revenue

Pallets sales revenue of US\$1,779.2 million increased 8% driven by rollover contributions from pricing actions taken in FY23, and to a lesser extent, in the current period, to align contractual pricing with the cost-to-serve across respective regions. Volumes decreased (1)% as modest growth in Canada and Latin America was more than offset by lower US volumes.

US pallets sales revenue of US\$1,293.2 million increased 9% and comprised:

- Price 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 was largely offset by adverse customer mix impact;
- Net new business 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; and
- Like-for-like volume decline of (1)% driven by the impact of inventory optimisation at manufacturers and retailers. Excluding the impact of inventory optimisation, like-for-like volumes increased 1% as growth with existing customers in

the beverage and protein sectors offset lower consumer demand in other categories.

Canada pallets sales revenue of US\$197.1 million increased 5%, primarily reflecting pricing to recover cost-to-serve increases. Volume growth was modest as net new wins were partly offset by lower like-for-like volumes driven by inventory optimisation.

Latin America pallets sales revenue of US\$288.9 million increased 6%, driven by price realisation to recover cost-to-serve as well as 2% volume growth with new and existing customers mainly in Mexico and Brazil.

Containers sales revenue of US\$20.3 million increased 17% reflecting rollover contributions from prior-year pricing actions to recover cost-to-serve. Volumes were broadly in line with the prior year as growth in like-for-like volumes was offset by the rollover impact of customer losses in FY23.

Profit

Underlying Profit of US\$358.1 million increased 24% as price realisation, improved asset control and increased asset compensations for lost assets more than offset additional costs associated with higher pallet return rates due to inventory optimisation and increased investment in asset productivity and other transformation initiatives.

Underlying Profit growth reflected the sales contribution to profit of US\$154 million and the following movements in key cost and other income items:

- Plant cost increases of US\$19 million included input-cost inflation of US\$20 million as labour and other input-cost increases were partly offset by lumber deflation. Higher pallet returns, damage rate increases and investments in quality initiatives in 1H24 resulted in incremental repair, handling and storage costs compared to 1H23, which included ~US\$12 million of deferred cost benefits due to lower pallet returns in that period. These increases were largely offset by productivity improvements in the period and cycling one-off supply chain disruptions;
- Transport cost increases of US\$15 million as higher pallet return rates and asset productivity initiatives in 1H24 resulted in longer travel distances and incremental pallet collections and relocations compared to 1H23, which included deferred cost benefits of ~US\$15 million from lower pallet returns in that period. These increases were partly offset by fuel and transport deflation;
- North American surcharge income decreases of US\$29 million in line with lumber, fuel and transport deflation of US\$26 million in the period;
- Depreciation expense increases of US\$24 million driven by the higher unit cost of pallets added to the pool over the preceding 12 months;
- IPEP expense decrease of US\$14 million, reflecting lower pallet losses due to continued focus on asset control initiatives and improved pallet market dynamics. This improvement was partly offset by the higher per unit write-off costs in the US; and
- Other cost increases of US\$13 million, primarily reflecting rollover impacts of additional employees in FY23 and, to a lesser extent, additional hires in 1H24, including the associated impact of wage inflation, to support business growth and transformation. These increases were partly offset by increased compensations for lost pallets and lower pallet scraps.

Return on Capital

Return on Capital Invested of 22.8% increased 3.4 percentage points reflecting the strong performance in Underlying Profit, which more than offset a 5% increase in Average Capital Invested. The increase in Average Capital Invested reflected the net impact of the higher capital cost of assets added to the pool compared to the value of assets written off.

CHEP EMEA

US\$m			Change	
	1H24	1H23	Actual FX	Constant FX
Pallets	1,064.5	902.6	18%	13%
RPC	12.9	13.2	(2)%	8%
Containers	131.9	123.4	7%	3%
Sales revenue	1,209.3	1,039.2	16%	11%
Underlying Profit	308.6	246.0	25%	21%
Average Capital Invested	2,323.6	2,074.2	12%	7%
Return on Capital Invested	26.6%	23.7%	2.9pts	3.0pts

Sales revenue

Pallets sales revenue of US\$1,064.5 million increased 13%, reflecting strong price realisation in all markets and modest net new business growth in Europe, partly offset by a decline in like-for-like volumes in the European pallet business.

Europe pallets sales revenue of US\$963.1 million increased 13%, reflecting:

- Price growth of 16% (including indexation) to recover ongoing cost-to-serve increases through contractual pricing including a 12-percentage point contribution from rollover benefits from pricing actions taken in FY23 and a 4-percentage point contribution from contractual price increases in 1H24;
- Net new business growth of 1% relating to 1H24 contract wins across the region and, to a lesser extent, rollover contributions from prior-year contract wins primarily in Central and Eastern Europe; and
- Like-for-like volume decline of (4)% reflecting the softening consumer demand in the region and inventory optimisation across retailer and manufacturer supply chains. Excluding the impact of inventory optimisation, like-for-like volumes declined (3)%.

India, Middle East, Türkiye and Africa pallets sales revenue of US\$101.4 million, up 8% primarily reflecting price realisation to recover cost-to-serve in the hyperinflationary markets of Türkiye and Zimbabwe in addition to pricing actions taken in the rest of the region.

RPCs and Containers sales revenue of US\$144.8 million, up 4%, comprising:

- Automotive sales revenue of US\$102.7 million up 7%, driven by strong like-for-like growth in Europe and rollover impact of prior-year customer wins in North America;
- IBCs sales revenue of US\$29.2 million down (7)% due to lower container demand partly offset by price growth; and

- RPCs sales revenue of US\$12.9 million up 8%, reflecting pricing to recover cost-to-serve increases.

Profit

Underlying Profit of US\$308.6 million increased 21% primarily driven by rollover pricing contributions, transport efficiencies and increased asset compensations. These collectively offset additional costs associated with labour inflation, higher pallet return rates due to inventory optimisation and increased investments in asset productivity and other transformation initiatives.

Overall, the sales revenue contribution to profit of US\$131 million was partly offset by:

- Plant cost increases of US\$21 million which included input-cost inflation of US\$9 million as labour and other cost inflation was partly offset by lumber deflation. The balance of the increase related to additional repair and handling costs associated with higher pallet returns in the period, partly offset by automation benefits;
- Transport cost increases of US\$10 million, included input-cost inflation of US\$4 million as higher third-party freight rates were partly offset by fuel deflation. The balance of the increase reflected additional transport miles associated with incremental pallet collections and relocations driven by higher pallet returns and asset productivity initiatives. These cost increases were partly offset by network efficiencies in the period;
- Depreciation expense increases of US\$4 million driven by the higher unit cost of pallets added to the pool over the preceding 12 months;
- IPEP expense increase of US\$3 million due to marginally higher pallet loss rates in the period; and
- Other cost increases of US\$42 million largely driven by additional overhead investments in FY23 and 1H24 including the associated impact of wage inflation, to support growth and transformation initiatives in the region. These increases were partly offset by higher compensations for lost pallets.

Return on Capital

Return on Capital Invested of 26.6% increased 3.0 percentage points as the strong Underlying Profit performance more than offset a 7% increase in Average Capital Invested. The increase in Average Capital Invested reflected the net impact of the higher capital cost of assets added to the pool compared to the value of assets written off.

CHEP Asia-Pacific

US\$m			Change	
	1H24	1H23	Actual FX	Constant FX
Pallets	202.2	185.0	9%	12%
RPC	49.6	46.6	6%	10%
Containers	21.2	21.1	-	3%
Sales revenue	273.0	252.7	8%	11%
Underlying Profit	93.8	92.9	1%	5%
Average Capital Invested	552.8	520.3	6%	9%
Return on Capital Invested	33.9%	35.7%	(1.8)pts	(1.5)pts

Sales revenue

Pallets sales revenue of US\$202.2 million increased 12% with volume growth of 7% and price growth of 5%. Volume growth was predominantly weighted to existing customers in Australia, reflecting an increase in daily hire revenue driven by strong pallet demand and higher transport revenue as improved pallet circulation resulted in higher issue volumes and pallet return volumes. Price growth included a 3-percentage point rollover contribution from pricing actions taken in FY23 with the balance reflecting contractual price increases in 1H24.

RPC and Containers sales revenue of US\$70.8 million increased 8%, primarily driven by the RPC business delivering both pricing and volume growth.

Profit

Underlying Profit of US\$93.8 million increased 5% on a strong prior comparative period which included benefits that did not repeat in 1H24. These benefits included one-off insurance proceeds of US\$8 million and deferred cost benefits in 1H23 of ~US\$6 million due to lower pallet return rates.

During 1H24, the sales contribution to profit and increased compensations for lost assets more than offset plant and transport cost inflation and additional costs associated with increased pallet circulation and higher pallet return volumes. These additional costs included the repair, handling and relocation of pallets across the network, as well as transport that the business facilitates on behalf of customers which is associated with the transport revenue noted above.

Return on Capital

Return on Capital Invested of 33.9%, decreased 1.5 percentage points as the 9% increase in Average Capital Invested exceeded profit growth in the period.

The increase in Average Capital Invested included the net impact of the higher capital cost of assets added to the pool compared to the value of assets written off, growth in the pallet pool to support both customer demand and increased inventory holdings across their supply chains, and incremental service centre investments, including automation, to support the pallet and RPC businesses.

Corporate

US\$m			Change	
	1H24	1H23	Actual FX	Constant FX
Short-term transformation costs	-	(13.2)	13.2	13.2
Ongoing corporate transformation costs	(60.6)	(30.9)	(29.7)	(28.1)
Shaping Our Future transformation costs	(60.6)	(44.1)	(16.5)	(14.9)
Corporate costs	(35.2)	(31.6)	(3.6)	(3.6)
Underlying Profit	(95.8)	(75.7)	(20.1)	(18.5)

Profit

Ongoing Shaping our Future transformation costs of US\$60.6 million increased US\$28.1 million and included:

- Digital transformation costs of US\$45.7 million which increased US\$21.4 million reflecting additional personnel to support asset digitisation and data analytics activities; and
- Other transformation costs of US\$14.9 million which increased US\$6.7 million reflecting increased investments to improve the customer experience and support the delivery of the transformation.

The increase in ongoing transformation spend was partly offset by the conclusion of short-term transformation costs, which were US\$13.2 million in the prior corresponding period.

Corporate costs of US\$35.2 million increased US\$3.6 million, primarily reflecting labour-related cost increases including wage inflation and additional headcount.

Directors' Report

The Directors present the interim results of the consolidated entity consisting of Brambles Limited and the entities it controlled (Brambles or the Group) at the end of, or during, the half-year ended 31 December 2023 (1H24).

Names of Directors

The Directors of Brambles Limited in office during 1H24 and up to the date of this report are as follows:

J Mullen (Independent Non-executive Chairman)
 K F Banks (Independent Non-executive Director)
 G A Chipchase (Executive Director, Chief Executive Officer)
 G El-Zoghbi (Independent Non-executive Director) – retired 31 December 2023
 E Fagan (Independent Non-executive Director)
 K S McCall (Independent Non-executive Director)
 J R Miller (Independent Non-executive Director)
 N O'Sullivan (Executive Director, Chief Financial Officer) – retired 12 October 2023
 S R Perkins (Independent Non-executive Director)
 P Rajagopalan (Independent Non-executive Director)
 N L Scheinkestel (Independent Non-executive Director)

Principal Activities

The principal activities of Brambles during 1H24 were the provision of supply-chain logistics solutions, focused on the provision of reusable pallets, crates and containers, of which Brambles is a leading global provider.

Brambles operates primarily through the CHEP brand and operates its business within the following operating segments:

- CHEP Americas: The pallet and container pooling business in the Americas.
- CHEP Europe, Middle East, Africa and India (EMEA): The pallet and container pooling business in EMEA (including the global CHEP Automotive container business) and the CHEP branded reusable plastic crates (RPC) business in South Africa.
- CHEP Asia-Pacific: The pallet and container pooling business in Asia-Pacific and the CHEP branded RPC business in Australia and New Zealand.

There were no significant changes in the nature of Brambles' principal activities during 1H24.

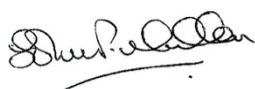
Review of Operations and Results

A review of Brambles' operations for 1H24 and the results of those operations are covered in the Operating & Financial Review on pages 2 to 7 accompanying this report.

Auditor's Independence Declaration

The auditor's independence declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 28 and forms part of this report.

This report is made in accordance with a resolution of the Directors.



J P Mullen
Chairman



G A Chipchase
Chief Executive Officer

23 February 2024

Consolidated Financial Report

for the half-year ended 31 December 2023

INDEX	PAGE
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Consolidated Cash Flow Statement	12
Consolidated Statement of Changes in Equity	13
Notes to and Forming Part of the Consolidated Financial Statements	
1. Basis of Preparation	14
2. Changes to Accounting and Other Standards	14
3. Other Information	15
4. Segment Information – Continuing Operations	16
5. Operating Expenses – Continuing Operations	20
6. Earnings Per Share	21
7. Dividends	22
8. Issued and Quoted Securities	22
9. Discontinued Operations	23
10. Net Assets Per Share	23
11. Contingencies	24
12. Events After Balance Sheet Date	24
Directors' Declaration	25
Independent Auditor's Review Report	26
Auditor's Independence Declaration	28

Consolidated Statement of Comprehensive Income

for the half-year ended 31 December 2023

	Note	First half 2024 US\$m	First half 2023 US\$m
Continuing operations			
Sales revenue	4	3,281.8	2,931.5
Other income and other revenue		142.4	181.5
Operating expenses	5	(2,757.3)	(2,561.8)
Share of results of associates		(2.2)	(2.4)
Operating profit		664.7	548.8
Finance revenue		7.1	7.9
Finance costs		(71.1)	(57.6)
Net finance costs		(64.0)	(49.7)
Net impact arising from hyperinflationary economies	3C	(25.4)	(12.4)
Profit before tax		575.3	486.7
Tax expense		(183.2)	(152.2)
Profit from continuing operations		392.1	334.5
Loss from discontinued operations	9	(0.8)	(3.4)
Profit for the period attributable to members of the parent entity		391.3	331.1
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit pension plans		(10.2)	(24.0)
Income tax benefit on items that will not be reclassified to profit or loss		2.5	6.0
		(7.7)	(18.0)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries		13.4	(9.4)
Other comprehensive profit/(loss) for the period		5.7	(27.4)
Total comprehensive income for the period attributable to members of the parent entity		397.0	303.7
Earnings Per Share (EPS) - US cents			
Continuing operations			
- basic	6	28.2	24.1
- diluted		28.1	24.0
Total			
- basic		28.1	23.9
- diluted		28.0	23.8

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

as at 31 December 2023

	Note	December 2023 US\$m	June 2023 US\$m
Assets			
Current assets			
Cash and cash equivalents		195.9	160.7
Trade and other receivables		1,074.4	1,126.4
Inventories		64.2	83.9
Other assets		101.8	73.9
Total current assets		1,436.3	1,444.9
Non-current assets			
Other receivables		35.0	21.2
Property, plant and equipment		6,104.4	6,062.0
Right-of-use leased assets		643.8	637.7
Goodwill and intangible assets		241.8	241.3
Investments in associates		158.3	156.9
Deferred tax assets		152.9	154.5
Total non-current assets		7,336.2	7,273.6
Total assets		8,772.5	8,718.5
Liabilities			
Current liabilities			
Trade and other payables		1,809.8	2,074.9
Lease liabilities		109.6	110.2
Borrowings		602.5	562.1
Tax payable		83.6	66.5
Provisions		123.4	174.7
Total current liabilities		2,728.9	2,988.4
Non-current liabilities			
Lease liabilities		628.1	619.2
Borrowings		1,597.2	1,592.8
Provisions		79.1	75.3
Retirement benefit obligations		23.8	16.3
Deferred tax liabilities		589.8	556.5
Total non-current liabilities		2,918.0	2,860.1
Total liabilities		5,646.9	5,848.5
Net assets		3,125.6	2,870.0
Equity			
Contributed equity	8	4,552.8	4,531.6
Reserves		(7,294.4)	(7,341.8)
Retained earnings		5,867.2	5,680.2
Total equity		3,125.6	2,870.0

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

for the half-year ended 31 December 2023

	Note	First half 2024 US\$m	First half 2023 US\$m
Cash flows from operating activities			
Receipts from customers		3,744.7	3,406.1
Payments to suppliers and employees		(2,684.3)	(2,386.8)
Cash generated from operations		1,060.4	1,019.3
Interest received		2.9	3.9
Interest paid ¹		(51.1)	(53.7)
Income taxes paid		(157.3)	(116.6)
Net cash inflow from operating activities		854.9	852.9
Cash flows from investing activities			
Payments for property, plant and equipment		(654.8)	(928.5)
Proceeds from sale of property, plant and equipment ²		117.0	89.2
Payments for intangible assets		(6.0)	(5.8)
Payments relating to divested businesses	9	(19.1)	(0.1)
Net cash outflow from investing activities		(562.9)	(845.2)
Cash flows from financing activities			
Proceeds from borrowings ³		226.4	1,507.0
Repayments of borrowings ³		(227.4)	(1,267.3)
Payment of principal component of lease liabilities		(58.8)	(61.2)
Net inflow from derivative financial instruments		-	8.9
Dividends paid	7	(195.0)	(154.4)
Net cash (outflow)/inflow from financing activities		(254.8)	33.0
Net increase in cash and cash equivalents		37.2	40.7
Cash and cash equivalents, net of overdrafts, at beginning of the period		156.6	155.9
Effect of exchange rate changes		1.3	(0.3)
Cash and cash equivalents, net of overdrafts, at end of the period⁴		195.1	196.3

¹ Includes interest paid on leases of US\$16.5 million in first half 2024 (first half 2023: US\$13.5 million).

² Includes compensation for lost pooling equipment of US\$115.9 million for first half 2024 (first half 2023: US\$82.8 million).

³ Includes cash flows from the Euro Commercial Paper (ECP) programme which are recorded on a net basis. Comparative cash flows have been reclassified to enhance comparability.

⁴ Cash of US\$195.1 million as at 31 December 2023 includes cash and cash equivalents of US\$195.9 million, net of overdrafts of US\$0.8 million.

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2023

	Note	Contributed equity US\$m	Reserves US\$m	Retained earnings US\$m	Total US\$m
Half-year ended 31 December 2022					
Opening balance as at 1 July 2022		4,505.8	(7,376.6)	5,321.9	2,451.1
Profit for the period		-	-	331.1	331.1
Other comprehensive loss		-	(9.4)	(18.0)	(27.4)
Total comprehensive (loss)/income		-	(9.4)	313.1	303.7
Revaluation of reserves relating to hyperinflation		-	18.5	-	18.5
Share-based payments:					
- expense recognised		-	11.1	-	11.1
- shares issued		-	(15.0)	-	(15.0)
- equity component of related tax		-	1.2	-	1.2
Transactions with owners in their capacity as owners:					
- dividends declared	7	-	-	(166.9)	(166.9)
- issues of ordinary shares, net of transaction costs		15.0	-	-	15.0
Closing balance as at 31 December 2022		4,520.8	(7,370.2)	5,468.1	2,618.7
Half-year ended 31 December 2023					
Opening balance as at 1 July 2023		4,531.6	(7,341.8)	5,680.2	2,870.0
Profit for the period		-	-	391.3	391.3
Other comprehensive income/(loss)		-	13.4	(7.7)	5.7
Total comprehensive income		-	13.4	383.6	397.0
Revaluation of reserves relating to hyperinflation		-	40.3	-	40.3
Share-based payments:					
- expense recognised		-	15.1	-	15.1
- shares issued		-	(21.2)	-	(21.2)
- equity component of related tax		-	(0.2)	-	(0.2)
Transactions with owners in their capacity as owners:					
- dividends declared	7	-	-	(196.6)	(196.6)
- issues of ordinary shares, net of transaction costs	8	21.2	-	-	21.2
Closing balance as at 31 December 2023		4,552.8	(7,294.4)	5,867.2	3,125.6

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023

Note 1. Basis of Preparation

These interim financial statements present the consolidated results of Brambles Limited (ACN 118 896 021) and its subsidiaries (Brambles or the Group) for first half 2024.

References to 2024 and 2023 are to the financial years ending on 30 June 2024 and 30 June 2023, respectively.

These consolidated financial statements are a general purpose financial report and have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* which ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These consolidated financial statements do not include all the notes that would normally be included in an annual financial report. The consolidated financial statements should be read in conjunction with Brambles' 2023 Annual Report.

The consolidated financial statements and all comparatives have been prepared using consistent accounting policies, as set out in Brambles' 2023 Annual Report.

As Brambles is a company of a kind referred to in ASIC Corporations Instrument 2016/191, relevant amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest hundred thousand US dollars or, in certain cases, to the nearest thousand US dollars. Amounts in cents have been rounded to the nearest tenth of a cent.

As at 31 December 2023, Brambles has net current liabilities of US\$1,292.6 million (30 June 2023: net current liabilities of US\$1,543.5 million). Liquidity remains strong with US\$195.9 million of total cash and cash equivalents and US\$1,920.5 million of available facilities, of which US\$1,635.4 million has a maturity of greater than 12 months. Brambles continues to maintain solid investment-grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service.

Note 2. Changes to Accounting and Other Standards

At 31 December 2023, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods and have not yet been adopted by Brambles. The International Accounting Standards Board (IASB) has amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*, to introduce new disclosure requirements about supplier financing arrangements (SFAs). The new disclosures include information about the terms and conditions of SFAs; the carrying amount of liabilities that are part of SFAs; and liquidity risk information. Brambles will evaluate these disclosure requirements which become mandatory from 1 July 2024.

The International Sustainability Standards Board (ISSB) issued sustainability disclosure standards IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, which will become effective for Brambles from 1 July 2024. Brambles will continue to evaluate the requirements in this area and enhance its sustainability disclosures accordingly.

Other new or amended accounting standards and interpretations are either not material or not applicable to Brambles.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023

Note 3. Other Information

A) Presentation Currency

Brambles uses the US dollar as its presentation currency. All amounts disclosed in these financial statements are at actual foreign exchange rates.

B) Foreign Currency

The results and cash flows of Brambles and its subsidiaries and associates are translated into US dollars using the average exchange rates for the period, calculated as the average end-of-month rates across the financial year except for subsidiaries in hyperinflationary economies. The results of subsidiaries in hyperinflationary economies are translated at the foreign exchange rate at balance sheet date instead of an average exchange rate for the period. Assets and liabilities of Brambles and its subsidiaries are translated into US dollars at the exchange rate ruling at the balance sheet date.

The principal exchange rates affecting Brambles were:

		A\$:US\$	€:US\$	£:US\$
Average	First half 2024	0.6554	1.0822	1.2524
	First half 2023	0.6768	1.0177	1.1838
Period end	31 December 2023	0.6835	1.1069	1.2731
	30 June 2023	0.6615	1.0867	1.2614

C) Hyperinflationary Economies

AASB 129 *Financial Reporting in Hyperinflationary Economies* relates to Brambles' operations in Türkiye, Argentina and Zimbabwe, which have been designated as hyperinflationary economies. The trigger for hyperinflation accounting is when the cumulative inflation rate in an economy approaches or exceeds 100% over three successive years.

The impact arising from AASB 129 *Financial Reporting in Hyperinflationary Economies* is a net charge of US\$25.4 million recognised in profit or loss in first half 2024 (first half 2023: US\$12.4 million net charge). The net charge is primarily against equity reserves and property, plant and equipment held by entities in hyperinflationary economies. The US\$25.4 million net charge relates to the hyperinflation impacts of US\$12.9 million loss in Argentina, US\$12.2 million loss in Türkiye and US\$0.3 million loss in Zimbabwe.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations

Brambles' segment information is provided on the same basis as internal management reporting to the CEO.

Brambles has four reportable segments:

- CHEP North America and Latin America (CHEP Americas);
- CHEP Europe, Middle East, Africa and India, including the North American automotive business (CHEP EMEA);
- CHEP Australia, New Zealand and Asia, excluding India (CHEP Asia-Pacific); and
- Corporate centre, including Shaping Our Future and share of results of associates (Corporate).

Segment performance is measured on sales revenue, Underlying Profit, Cash Flow from Operations and Return on Capital Invested (ROCI). Underlying Profit is the main measure of segment profit.

Segment sales revenue is measured on the same basis as the consolidated statement of comprehensive income. Brambles has one revenue stream, which is the provision of pooling equipment to customers for a period of time. Several fees are charged to customers including issue, transfer, transport and daily hire. The predominant billing structure for these fees is either a bundled upfront fee upon issue of pooling equipment to customers, or a daily hire fee based on the number of days the pooling equipment is used in the field by a customer. Other fees, such as transport and transfer fees, are billed when the activity occurs.

The services provided by Brambles are deemed a single performance obligation relating to the provision of an end-to-end pooling solution and the performance obligation is satisfied over time. The issue and daily hire activities are not considered distinct services. Revenue from issue activities is deferred and recognised over the estimated period that the pooling equipment is utilised by customers, referred to as the cycle time, which is an output method. Revenue based on the daily hire model is also recognised over time. Consideration that is fixed or highly probable is included in the transaction price allocated to the performance obligation. This includes issue fees, daily hire fees and bundled upfront fees. Consideration that is variable or uncertain is recognised when the activity occurs.

Segment sales revenue is allocated to segments based on product categories and physical location of the business unit that invoices the customer. Intersegment revenue during the period was immaterial. There is no single external customer who contributed more than 10% of Group sales revenue.

Assets and liabilities are measured consistently in segment reporting and in the consolidated balance sheet. Assets and liabilities are allocated to segments based on segment use and physical location. Cash, borrowings and tax balances are managed centrally and are not allocated to segments.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations – continued

	Sales revenue		Cash Flow from Operations ¹	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	1,799.5	1,639.6	215.7	119.3
CHEP EMEA	1,209.3	1,039.2	331.3	27.1
CHEP Asia-Pacific	273.0	252.7	76.7	72.9
Corporate	-	-	(106.1)	(78.9)
Continuing operations	3,281.8	2,931.5	517.6	140.4
By geographic origin				
Americas	1,817.8	1,656.5		
Europe	1,074.5	900.8		
Australia	227.3	209.3		
Other	162.2	164.9		
Total	3,281.8	2,931.5		

¹ Cash Flow from Operations is a non-statutory measure and 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.

	Operating profit ²		Underlying Profit ³	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	358.1	285.6	358.1	285.6
CHEP EMEA	308.6	246.0	308.6	246.0
CHEP Asia-Pacific	93.8	92.9	93.8	92.9
Corporate ⁴	(95.8)	(75.7)	(95.8)	(75.7)
Continuing operations	664.7	548.8	664.7	548.8

Underlying Profit is equal to Operating profit in first half 2024 and first half 2023 as there are no Significant Items.

² Operating profit is segment revenue less segment expense and excludes finance costs and tax.

³ Underlying Profit is a non-statutory profit measure and represents profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items. It is presented to assist users of the consolidated financial statements to better understand Brambles' business results.

⁴ The Corporate segment includes costs of US\$60.6 million in first half 2024 relating to the Shaping Our Future project (first half 2023: US\$44.1 million), of which US\$45.7 million relates to digital transformation (first half 2023: US\$23.1 million) and US\$14.9 million relates to remaining transformation initiatives, including improving the customer experience and resources to support the delivery of the transformation programme (first half 2023: US\$7.8 million). There were no short-term transformation costs in first half 2024 (first half 2023: US\$13.2 million). The Corporate segment also includes the share of results of associates of US\$2.2 million loss in first half 2024 (first half 2023: US\$2.4 million loss).

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations – continued

	Return on Capital Invested ⁵		Average Capital Invested ⁶	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	22.8%	19.2%	3,140.1	2,970.7
CHEP EMEA	26.6%	23.7%	2,323.6	2,074.2
CHEP Asia-Pacific	33.9%	35.7%	552.8	520.3
Corporate ⁷			80.2	(18.0)
Continuing operations	21.8%	19.8%	6,096.7	5,547.2

⁵ Return on Capital Invested (ROCI) is Underlying Profit multiplied by two to calculate an annualised amount, divided by Average Capital Invested. ROCI is not calculated for the Corporate segment since it is not an operating business unit. Corporate costs are included in the overall ROCI from continuing operations. ROCI for continuing operations is impacted by the Shaping Our Future costs, which are included in the Corporate Segment (refer Note 4, footnote 4).

⁶ Average Capital Invested (ACI) is the six-month average of capital invested in the period. Capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustments for pension plan actuarial gains and losses and net equity-settled shared-based payments.

⁷ ACI for the Corporate segment in first half 2024 includes the investment in Loscam China which was booked in second half 2023.

	Capital expenditure ⁸		Depreciation and amortisation	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	338.9	443.2	220.6	192.2
CHEP EMEA	153.1	359.1	135.1	124.6
CHEP Asia-Pacific	35.5	59.9	32.9	31.9
Corporate	-	-	1.6	2.2
Continuing operations	527.5	862.2	390.2	350.9

⁸ Capital expenditure on property, plant and equipment is on an accruals basis.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations – continued

	Segment assets		Segment liabilities	
	December 2023 US\$m	June 2023 US\$m	December 2023 US\$m	June 2023 US\$m
By operating segment				
CHEP Americas	4,416.8	4,540.6	1,664.6	1,918.1
CHEP EMEA	3,032.5	3,054.9	787.6	808.6
CHEP Asia-Pacific	717.3	674.0	273.0	269.9
Corporate	217.0	112.3	48.6	74.0
Total segment assets and liabilities	8,383.6	8,381.8	2,773.8	3,070.6
Cash and borrowings ⁹	195.9	160.7	2,199.7	2,154.9
Current tax balances	40.1	21.5	83.6	66.5
Deferred tax balances	152.9	154.5	589.8	556.5
Total assets and liabilities	8,772.5	8,718.5	5,646.9	5,848.5
Non-current assets by geographic origin¹⁰				
Americas	3,849.6	3,855.5		
Europe	2,268.8	2,288.2		
Australia	603.9	593.8		
Other	461.0	381.6		
Total	7,183.3	7,119.1		

⁹ €150.0 million of loan notes have been hedged with interest rate swaps to manage fair value risk. The carrying value of the notes has decreased by US\$1.5 million (June 2023: US\$3.6 million decrease) in relation to changes in fair value attributable to the hedged risk.

The fair value of all financial instruments held on the balance sheet as at 31 December 2023 equals the carrying amount, with the exception of loan notes, which have a carrying amount of US\$2,180.8 million and an estimated fair value of US\$2,146.5 million. Financial assets and liabilities held at fair value (other than loan notes) are estimated using Level 2 estimation techniques, which use inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The fair value of loan notes has been calculated using Level 1 valuation techniques, which use directly observable unadjusted quoted prices in active markets for identical assets or liabilities.

¹⁰ Non-current assets excludes deferred tax assets of US\$152.9 million (June 2023: US\$154.5 million).

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 5. Operating Expenses - Continuing Operations

	First half 2024 US\$m	First half 2023 US\$m
Employment costs	528.5	456.8
Transport	722.0	722.5
Repairs and maintenance ¹	658.1	619.0
Subcontractors and other service suppliers ²	238.2	207.6
Occupancy	30.9	24.7
Depreciation of property, plant and equipment	382.1	342.5
Irrecoverable pooling equipment provision expense	139.6	146.3
Amortisation of intangible assets	8.1	8.4
Net foreign exchange (gain)/loss	(1.8)	1.3
Other	51.6	32.7
	2,757.3	2,561.8

¹ Includes the cost of raw materials used for repairs.

² Includes consulting costs and professional fees.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 6. Earnings Per Share

	First half 2024 US cents	First half 2023 US cents
From continuing operations		
- basic	28.2	24.1
- diluted	28.1	24.0
- basic, on Underlying Profit after finance costs and tax	30.0	25.0
From discontinued operations		
- basic	(0.1)	(0.2)
- diluted	(0.1)	(0.2)
Total Earnings Per Share (EPS)		
- basic	28.1	23.9
- diluted	28.0	23.8

Performance share rights and MyShare matching conditional rights granted under Brambles' share plans are considered to be potential ordinary shares and have been included in the determination of diluted EPS to the extent they are considered to be dilutive.

	First half 2024 Million	First half 2023 Million
A) Weighted Average Number of Shares During the Period		
Used in the calculation of basic EPS	1,390.4	1,387.1
Adjustment for share rights	5.8	4.8
Used in the calculation of diluted EPS	1,396.2	1,391.9

	Note	First half 2024 US\$m	First half 2023 US\$m
B) Reconciliations of Profit used in EPS Calculations			
Statutory profit			
Profit from continuing operations		392.1	334.5
Loss from discontinued operations		(0.8)	(3.4)
Profit used in calculating basic and diluted EPS		391.3	331.1
Underlying Profit after finance costs and tax			
Underlying Profit	4	664.7	548.8
Net finance costs		(64.0)	(49.7)
Underlying Profit after finance costs before tax		600.7	499.1
Tax expense on Underlying Profit		(183.2)	(152.2)
Underlying Profit after finance costs and tax		417.5	346.9
Which reconciles to statutory profit:			
Underlying Profit after finance costs and tax		417.5	346.9
Net impact arising from hyperinflationary economies		(25.4)	(12.4)
Profit from continuing operations		392.1	334.5

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 7. Dividends

A) Dividends Paid During the Period

	Final 2023
Dividend per share (US cents)	14.0
Dividends paid (US\$ million)	195.0
Payment date	12 October 2023

Brambles' dividend policy targets a payout ratio of 45%–60% of Underlying Profit after finance costs and tax, subject to Brambles' cash requirements, with the dividend per share declared in US cents and converted and paid in Australian cents based on an average exchange rate five days prior to the dividend declaration.

Dividends paid during the period of US\$195.0 million (first half 2023: US\$154.4 million) per the consolidated cash flow statement differs from the amount recognised in the consolidated statement of changes in equity of US\$196.6 million (first half 2023: US\$166.9 million) due to the fluctuation in the Australian dollar between the dividend record and payment dates.

The impact of the Dividend Reinvestment Plan (DRP) for the dividend payment made in first half 2024 was neutralised by way of on-market share buy-backs.

B) Dividend Declared after 31 December 2023

	Interim 2024
Dividend per share (US cents)	15.0
Estimated cost (US\$ million)	208.7
Payment date	11 April 2024
Dividend record date	14 March 2024

As this dividend had not been declared at 31 December 2023, it is not reflected in these consolidated financial statements.

The 2024 interim dividend declared of 15.0 US cents per share represents a payout ratio of 50% which is broadly in line with the 2023 interim dividend payout ratio of 49%. The 2023 interim dividend was 12.25 US cents per share.

Note 8. Issued and Quoted Securities

	Share rights	Ordinary securities	
	Number	Number	US\$m
At 1 July 2023	9,369,965	1,389,304,056	4,531.6
Issued during the period	4,597,512	2,256,882 ¹	21.2
Exercised during the period	(2,143,124)	-	-
Forfeited during the period	(747,685)	-	-
At 31 December 2023	11,076,668	1,391,560,938	4,552.8

¹ Includes shares issued on exercise of share rights granted under employee share plans and dividend shares issued under those plans.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 9. Discontinued Operations

On 28 November 2022, Brambles entered into an agreement to combine CHEP China with Loscam China, with completion of the transaction taking place on 31 March 2023. The first half 2023 results of CHEP China have been included within discontinued operations in the consolidated statement of comprehensive income and all related note disclosures.

Financial information for discontinued operations is summarised below:

	First half 2024 US\$m	First half 2023 US\$m
Operating loss^{1,2}	(0.8)	(2.3)
Net finance costs	-	(1.1)
Loss for the period from discontinued operations	(0.8)	(3.4)
Net cash (outflow)/inflow from operating activities ³	(1.0)	38.8
Net cash outflow from investing activities ⁴	(19.1)	(5.7)
Net cash inflow from financing activities	-	3.8
Net (decrease)/increase in cash and cash equivalents	(20.1)	36.9

¹ First half 2023 includes sales revenue of US\$18.5 million and depreciation of US\$5.5 million relating to CHEP China.

² First half 2024 includes US\$0.4 million of final professional fees relating to the divestment of CHEP China which have been recognised as a Significant Item outside the ordinary course of business (first half 2023: US\$0.4 million of transaction costs relating to the divestment of CHEP China were recognised as a Significant Item outside the ordinary course of business).

³ Net cash inflow from operating activities in first half 2023 includes US\$41.5 million received from First Reserve as final settlement of the receivable relating to the divestment of the Hoover Ferguson Group (HFG) investment in 2018.

⁴ Net cash outflow from investing activities in first half 2024 includes US\$13.3 million shareholder loan provided to Loscam China, US\$5.1 million true-up payment for the 20% equity investment in Loscam China and US\$0.7 million of costs paid in relation to the divestment of CHEP China (first half 2023: includes US\$0.1 million of costs paid in relation to the divestment of CHEP China, with the balance relating to CHEP China's net capital expenditure).

Note 10. Net Assets Per Share

	December 2023 US cents	December 2022 US cents
Based on 1,391.6 million shares (first half 2023: 1,388.2 million shares):		
- Net tangible assets per share	207.2	171.3
- Net assets per share	224.6	188.6

Net tangible assets per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at period end.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at period end.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 11. Contingencies

As disclosed in the 2023 Annual Report, Brambles defended a consolidated class action raised on behalf of certain shareholders who acquired shares during the period between 18 August 2016 and 20 February 2017. The trial took place from 8 August 2022 to 8 September 2022 and on 26 and 27 October 2022, and a decision from the trial judge is pending.

There have been no material changes to contingencies as set out in the Brambles' 2023 Annual Report. As the outcomes of these matters remain uncertain, contingent liabilities exist for any potential amounts payable.

Note 12. Events After Balance Sheet Date

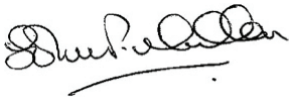
Except as outlined in the Directors' Report or elsewhere in these consolidated financial statements, there have been no other events that have occurred subsequent to 31 December 2023 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Directors' Declaration

In the opinion of the Directors of Brambles Limited:

- (a) the financial statements and notes set out on pages 10 to 24 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated financial position of Brambles Limited as at 31 December 2023 and of its performance for the half-year ended on that date;
- (b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



J P Mullen
Chairman



G A Chipchase
Chief Executive Officer

Sydney
23 February 2024

Independent auditor's review report to the members of Brambles Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Brambles Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Brambles Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The PricewaterhouseCoopers logo, written in a cursive, handwritten style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'D.G. Smith'.

Debbie Smith
Partner

Sydney
23 February 2024

A handwritten signature in black ink, appearing to read 'S. Walsh'.

Scott Walsh
Partner

Sydney
23 February 2024



Auditor's Independence Declaration

As lead auditor for the review of Brambles Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brambles Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'D. G. Smith', with a stylized flourish at the end.

Debbie Smith
Partner
PricewaterhouseCoopers

Sydney
23 February 2024

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.