Brambles Limited
ABN 22 000 129 868
Level 10 Angel Place
123 Pitt Street
Sydney NSW 2000 Australia
GPO Box 4173 Sydney NSW 2001
Tel +61 2 9256 5222 Fax +61 2 9256 5299
www.brambles.com

Brambles

19 August 2020

The Manager-Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir / Madam

COPIES OF SLIDES FOR INVESTOR PRESENTATION AND WEBCAST

At 5.00pm AEST / 8.00am BST today, Graham Chipchase, Chief Executive Officer and Nessa O'Sullivan, Chief Financial Officer, will host an investor briefing on Brambles' results for the full-year ended 30 June 2020.

Attached are the slides which will be presented at the briefing.

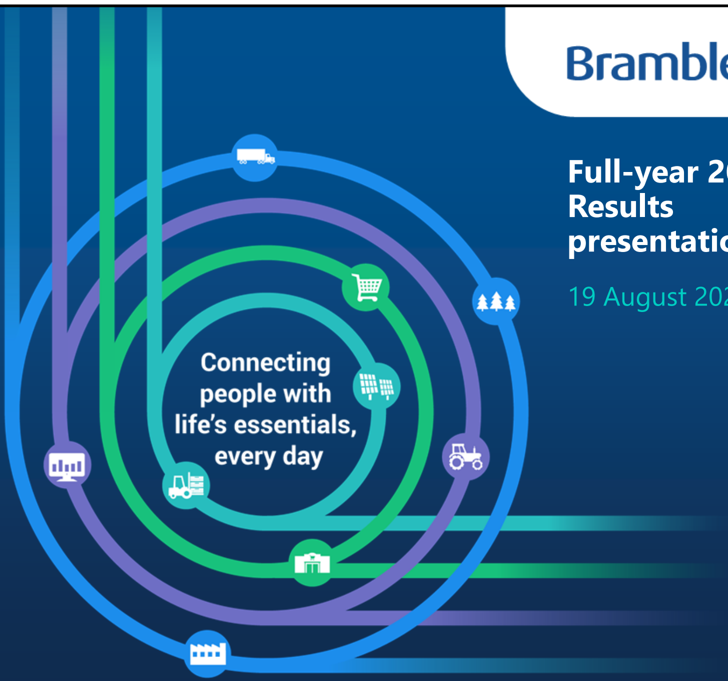
The slides and webcast will be available on the Brambles' website at brambles.com

The release of this announcement was authorised by a Special Committee of the Board of Brambles Limited.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

Brambles



Full-year 2020 Results presentation

19 August 2020

1

Results highlights

GRAHAM CHIPCHASE, CEO

FY20 highlights

Resilient revenue growth and strong cash flow generation

- FY20 results reflect the efforts of our people, the agility of our network and the resilience of our 'share and reuse' business model
- Sales revenue and Underlying Profit in line with guidance:
  - Sales revenue +6%[1] as resilient growth in global pallet businesses offset declines in Automotive container and Kegstar keg-pooling businesses; and
  - Underlying Profit +4%[1] (including AASB 16[2] impact) as strong pallets performance offset 3-percentage point impact of declines in the Automotive and Kegstar businesses
- Progress across CHEP Americas:
  - US margin up 1% and on track to meet target of 2-3pt uplift by FY22[3]; and
  - Latin America delivered strong revenue growth and a material improvement in asset efficiency
- Significant improvement in cash flow generation driven by increased earnings, disciplined capital expenditure and effective working capital management
- ROCI of 16.7% remains strong despite (1.5pt) impact of AASB 16
- Key 2020 sustainability goals achieved

[1] At constant currency.
[2] AASB 16 – New leasing standard effective from 1 July 2019.
[3] Margin improvement from 1H18 levels, excluding the impact of AASB 15 and 16 accounting changes.

Leading in sustainability

Recognised as a global leader in sustainability:

Barron's	MSCI	Dow Jones Sustainability Indices	CIRCULYTICS
Rated #1 most sustainable international company	Maximum AAA rating	96th percentile in industry category	Rated A in Circular Economy assessment by the Ellen MacArthur Foundation

Ambitious 2020 sustainability goals achieved:

Zero Deforestation	Emissions	Better Supply Chains	Gender Diversity	Customer Collaboration	Better Communities
100% Wood from certified sources	**33% CO_2** Reduction per unit delivered vs. FY15 **70%** Energy from certified renewable sources	**1.8m** Trees saved **2.0m** Tonnes CO_2 saved **1.3m** Tonnes of waste diverted from landfill	**>30%** Board and management positions held by women	**76m kms** Saved through transport collaboration	**0.8%** Pre-tax profits given to communities

Launching 2025 sustainability goals in September 2020

Dividends and capital management

- **Total dividends represents a payout ratio of 53% within our targeted payout ratio range of 45-60%[1]**
  - Final dividend of US9.0¢ declared, converted and paid as AU12.54¢ and franked at 30%
  - Total dividend declared for FY20 of US18.0¢
- **A$1.5 billion[2] of IFCO sale proceeds returned to shareholders**
  - A$2.4 billion on–market buy-back commenced in June 2019. To date we have purchased 91.7 million shares at a cost of A$1.05 billion, representing 44% of share buy-back programme
  - A$453.8 million returned to shareholders in October 2019 comprising a capital return of A12.0¢ per share and a special dividend of A17.0¢ per share
  - Total amount returned to shareholders represents 53% of the A$2.8 billion Capital Management Programme[3]

[1] Payout ratio based on Underlying Profit after finance costs and tax, subject to Brambles' cash requirements.
[2] As at 30 June 2020.
[3] Capital Management Programme announced in June 2019.

Covid-19 impact

"The invisible backbone of global supply chains"

Global pallet businesses

- Consumer staples account for ~80% of Brambles' revenues and underpin the resilience and defensive qualities of the business
- In March and April the business experienced strong levels of activity as a surge in purchasing of consumer staples prompted increased demand for pallets
- From May onwards the business has experienced high levels of volatility in customer demand
- While revenue increased with the elevated pallet volumes, higher costs including transport, handling, and repair were also incurred while managing the associated volatility and disruptions across the network

Automotive container and Kegstar businesses (~5% of group revenue)

- Significantly impacted by Covid-19 with a US$23 million decline in FY20 Underlying Profit

US accelerated automation programme

- Programme deferred in mid-March due to travel restrictions. Site upgrades recommenced in July

Covid-19 response

"Connecting people with life's essentials every day"

Our people and communities

- Throughout the pandemic the health and safety of our employees and the communities in which we operate has been our highest priority
- In our global service centre network we deployed additional hygiene and safety procedures
- For office-based employees we transitioned to working from home arrangements

Operationally we have:

- Delivered uninterrupted service to customers;
- Driven improved levels of cash generation; and
- Increased our focus on cost minimisation

Automotive containers and Kegstar

- Reopening of economies leading to early signs of increased activity in our Kegstar and Automotive businesses

Accelerated automation programme

- Programme recommenced in July 2020. We expect to meet our original FY21 site automation targets including the completion of FY20 site upgrades

Strategic priorities

Refined focus to ensure agility in times of uncertainty

Brambles' long-term strategic goal remains unchanged – *We seek to be the global leader in platform pooling and insight-based solutions to fast moving supply chains through our circular 'share and reuse' business model*

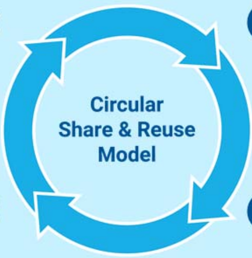
In response to increased economic uncertainty and operational volatility we have refined our focus across four strategic themes:

Customer value

Improve the customer experience through simpler processes, additional services and enhanced platform quality

Digital transformation

Invest to transform information and digital insights into new sources of value



Asset efficiency & network productivity

Improve asset and network productivity through automation and process standardisation to enhance our efficiency and resilience

Business excellence

Re-inventing our organisation, technology and processes to be simpler, more efficient and effective

FY21 outlook

Key assumptions and inputs for FY21 outlook include:

- No further widespread lockdowns due to Covid-19 in key markets of operation;
- A U-shaped economic recovery with economic headwinds to persist for the duration of FY21;
- A slow recovery in the Automotive and Kegstar businesses; and
- The broad continuation of current trends in input costs

Within this context, the FY21 outlook is:

- Sales revenue growth between flat to +4% at constant FX rates, with improved Underlying Profit margins;
- Underlying Profit growth between flat to +5% at constant FX rates;
- Free cash flow expected to fund dividends and core business capex with investments to support new business opportunities within the core business and to further develop digital and efficiency objectives.
- Dividend payout ratio to be consistent with our dividend payout policy of 45% to 60%; and
- Share buy-back programme to continue subject to the ongoing assessment of the Group's funding and liquidity requirements in the context of increased volatility and economic uncertainty

Brambles will update its internal FY21 forecast after the first three months of trading and review guidance in this context

July trading: While July may not be representative of the full-year, due to the phasing of government economic stimuli and the timing of known changes in customer contracts, Group revenues in July increased on a like-for-like basis 4% on the prior corresponding period, with high levels of volatility continuing across all regions

2

Financial overview

NESSA O'SULLIVAN, CFO

FY20 results

Summary

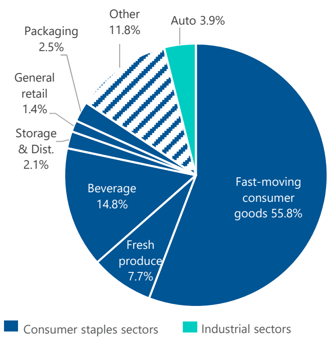
US$m	FY20	Change vs. FY19	
Continuing operations		Actual FX	Constant FX
Sales revenue	**4,733.6**	**3%**	**6%**
Underlying Profit	**795.0**	**(1)%**	**4%**
Significant Items	(28.0)		
Operating profit	**767.0**	**4%**	**9%**
Net finance costs	(80.8)	9%	5%
Tax expense	(209.0)	(5)%	(10)%
Profit after tax - Continuing	**477.2**	**5%**	**11%**
Loss from discontinued ops[1]	(29.2)		
Profit after tax	**448.0**	**(69)%**	**(68)%**
Effective tax rate - Underlying	29.4%	0.4pts	0.2pts
Statutory EPS (US cents)	**28.9**	**(69)%**	**(67)%**
Underlying EPS (US cents)	**32.5**	**2%**	**8%**

- **Sales growth +6%** reflecting +3% price and +3% volume growth, driven by global pallet businesses
- **Underlying Profit +4%** includes +3pt benefit from AASB 16. Excluding this benefit, pallets sales contribution to profit more than offset US$23m earnings decline in Automotive and Kegstar, COVID-19 inefficiencies and other cost increases
- **Significant Items of US$(28.0)m** related to non-cash impairment of Kegstar reflecting Covid-19 impact and uncertainties relating to 'on-premise' beer consumption and ongoing performance of the craft beer segment
- **Net finance costs decreased 5%** despite US$27.8m of lease interest recognised in FY20 due to AASB 16. Excluding impact of AASB 16, net finance costs decreased US$35.5m reflecting interest income from Australian dollar deposits and lower debt funded by IFCO sale proceeds received in June 2019
- **Loss from discontinued ops of US$(29.2)m** includes US$(26.8)m after tax impairment of receivable from First Reserve and reflects current market conditions in the oil and gas sector
- **Profit after tax (incl. discontinued ops) decreased 68%** as prior-year discontinued operations included the IFCO post-tax gain on sale of US$945.7m and IFCO earnings of US$70.9m. Excluding impact of IFCO in prior year, profit after tax increased 5% at constant currency
- **Underlying EPS of 32.5 US cents** up 8% reflecting higher earnings and 0.8 US cent benefit from the share buy-back programme

Covid-19

Operational and financial impact varied across portfolio of businesses

FY20 revenue by sector



Consumer staples-facing businesses, primarily pallets

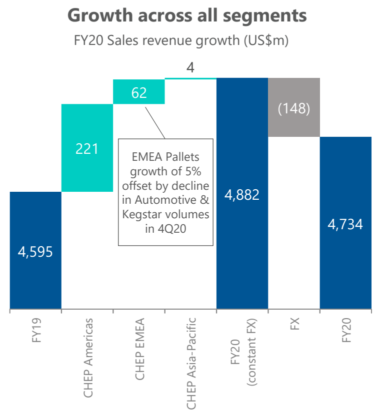
Revenue	• Peak pallet demand in grocery supply chains during March and April 2020 across major markets in North America and Europe, followed by demand volatility in May and June 2020
Costs/ Cash flow	• Additional transport miles and repair costs to process record level of pallet collections from retailers while optimising the use of the existing pool to support peaks in customer demand • Additional transport miles required to rebalance the pool more frequently due to changes in network dynamics and customer demand peaks • Disciplined management of capital investment and cash collection a key focus to ensure strong cash flow generation and manage business risks going into FY21

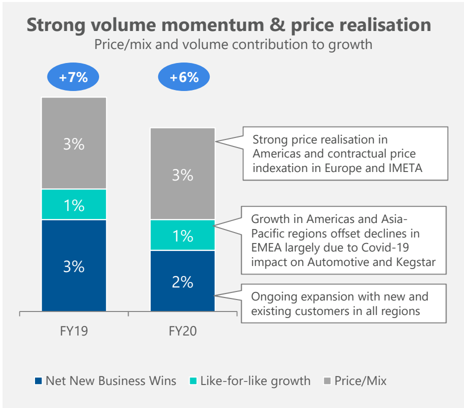
Automotive and Kegstar businesses

Revenue	• Material impact on Automotive and Kegstar businesses from April to June due to closure of global automotive industry and government lockdowns which restricted 'on-premise' consumption of beer	**US$(23)m impact on Group Underlying Profit**
Costs	• Cost reduction measures in response to revenue declines and expected sector challenges through FY21 • Underlying profit in FY21 expected to be below FY20 levels with progressive return to pre-Covid-19 levels expected by FY22	

FY20 Group sales growth

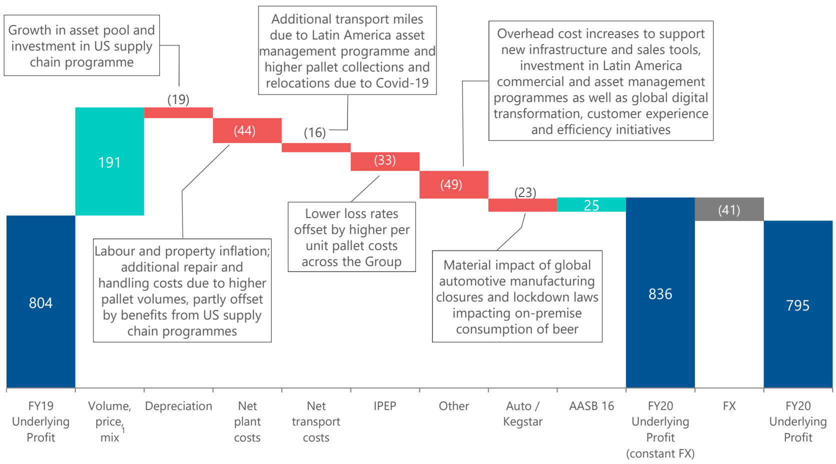
Growth in pallets offset Covid-19 headwinds in Automotive & Kegstar





Group profit analysis (US$m)

Sales contribution offset Covid-19 impacts & other cost increases



[1] Sales growth net of volume-related costs (excluding depreciation and IPEP).

CHEP Americas

Strong sales growth and profit leverage driven by US margin expansion

Including AASB 16	FY20	Change vs. FY19	
(US$m)		Actual FX	Constant FX
US	1,807.9	9%	9%
Canada	279.2	5%	7%
Latin America	325.4	4%	15%
Pallets	2,412.5	8%	10%
Containers	56.5	(4)%	(3)%
Sales revenue	**2,469.0**	**8%**	**10%**
Underlying Profit	**342.5**	**15%**	**17%**
Margin	***13.9%***	***0.9pts***	***0.9pts***
ROCI	***14.5%***	***(0.9)pts***	***(0.8)pts***

FY20 performance:

- Pallets revenue +10% reflecting price realisation in response to the higher cost-to-serve and strong volume growth including benefit of customer demand increases due to Covid-19

Excluding impact of AASB 16:

- Underlying Profit +13% and margin expansion +0.3pts was driven by **+1pt US margin improvement, in line with guidance** and despite Covid-19 cost pressures;
- Sales contribution to profit and supply chain efficiencies offset:
  - Covid-19 related pallet repair, handling and transport costs due to higher volumes and focus on disciplined capital management;
  - Higher plant costs due to stringer-to-block pallet transition in Canada and labour and property inflation;
  - Higher transport costs due to Latin America asset management programme;
  - Higher IPEP costs despite lower losses, driven by higher FIFO unit pallet costs;
  - Overhead cost increases reflecting investments in resources to support growth, asset and network efficiencies and improved commercial outcomes;
- Latin America delivered double-digit sales and earnings growth as well as strong cash flow generation and increased ROCI; and
- ROCI +0.9pts driven by profitability in the region and material asset efficiency improvements in Latin America

CHEP Americas margins

US margin increase partly offset by margin pressure in Canada

FY20 weighted contribution to CHEP Americas margin +0.9pt increase

Key drivers of FY20 margin performance

USA +0.8pts

+1pt margin improvement in line with objective
- Improved cost-recovery through contractual pricing and surcharges
- Moderation in lumber and transport inflation
- Efficiency benefits from lumber procurement initiative
- Improved efficiency in automated facilities offset by temporary network inefficiencies during automation implementation

Canada (0.5)pts

Higher costs associated with stringer-to-block transition
- Increased repair costs driven by inherently higher damage rates on block pallets and higher unit pallet costs impacting IPEP

Latin America Flat

Margin improvement in 2H20 driven by benefits from asset management and commercial initiatives and phasing of higher costs in 2H19
- Enhanced asset management and commercial programme benefits:
  - Increased pricing realisation to recover higher cost-to-serve; and
  - Increased asset collections driving pooling capex to sales ratio down ~8 pts
- Higher collection costs associated with asset management programme
- Increased overhead costs to support improved commercial and asset efficiency outcomes

AASB 16 impact +0.6pts

FY21 CHEP Americas margin expected to increase on FY20 levels driven by ~1pt margin improvement in the US

US automation programme

On track to meet automation objectives despite Covid-19 delays

Overview of project

- ~US$170m capital investment from FY19-FY21, ~5-year payback
- Capital investment to be fully funded by the proceeds from the sale of CHEP Recycled and the HFG JV (US$252m)
- 50+ plants to be automated

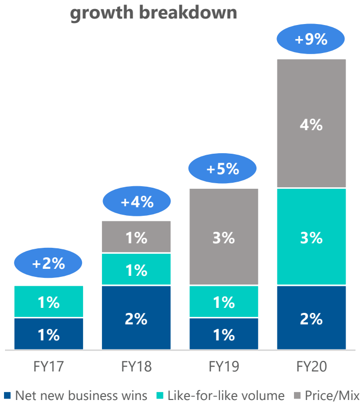
Progress to date

- Plant automation project launched in 2H18
- 28 sites automated to date, with sites delivering in line with investment case
- 9 site implementations delayed in 4Q20 due to Covid-19 travel restrictions
- 24 sites identified for automation in FY21 including sites delayed in 4Q20

US pallets revenue

Strong price realisation and volume growth including demand uplift in 4Q20

US pallets revenue growth breakdown



FY20 revenue growth components:

- **Price/mix growth of 4%** reflecting pricing initiatives to recover higher cost-to-serve;
- **Effective price[1] +3%** reflecting lower surcharge contributions in line with lower lumber and third-party freight rates in FY20;
- **Like-for-like volume growth of 3%** included the benefit of Covid-19 related surge in pallet volumes in March and April 2020; and
- **Net new business wins +2%** largely driven by rollover impact of a major contract win in FY19

FY21 expectations:

- Price growth expected to moderate with the business in the final stages of US 3-year repricing initiatives which commenced in FY18;
- Like-for-like growth expected to return to more normal levels assuming no further spikes in demand due to Covid-19 and subject to prevailing macroeconomic conditions and 'at home' vs. 'on-premise' consumption patterns in FY21; and
- Ongoing net new businesses growth expected to continue within a range of 1-2%

[1] Includes transport and lumber surcharges recognised as an offset to direct costs.

CHEP EMEA

Margins and returns remain strong despite Covid-19 headwinds

Including AASB 16	FY20	Change vs. FY19	
(US$m)		Actual FX	Constant FX
Europe	1,372.4	1%	5%
IMETA[1]	198.7	(3)%	9%
Pallets	1,571.1	1%	5%
RPCs + Containers	256.7	(12)%	(7)%
Sales revenue	**1,827.8**	**(1)%**	**3%**
Underlying Profit	**407.1**	**(8)%**	**(2)%**
Margin	***22.3%***	***(1.6)pts***	***(1.2)pts***
ROCI	***21.4%***	***(3.5)pts***	***(3.0)pts***

FY20 performance reflected:

- Pallets revenue +5% driven by strong net new wins and price realisation. Macroeconomic conditions continue to impact like-for-like volumes; and
- RPC + Containers (including Kegstar) revenue down 7% reflecting the impact of the global automotive manufacturing shutdown and lock-down restrictions limiting 'on-premise' consumption of beer

Excluding impact of AASB 16:

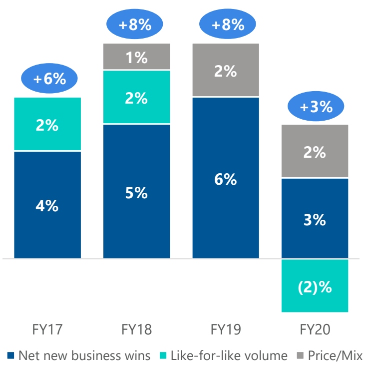
- Underlying Profit down 3% reflecting:
  - Covid-19 impacts including US$23m decline in Automotive and Kegstar and higher inspection, handling and transport costs to manage pallet demand;
  - Increase in IPEP due to higher pallet unit costs driven by younger pallets being expensed while loss rates remain stable;
  - Depreciation increases in line with pool growth and prior year investment in large automotive contract; and
  - Investments in resources to support business
- Margin of 22.0% and reported ROCI of 22.4% remain strong

[1] India, Middle East, Turkey and Africa.

EMEA sales growth

Growth in pallets offset Covid-19 impact on Automotive and Kegstar businesses

CHEP EMEA revenue growth breakdown



FY20 revenue growth components:

- **Price/mix growth of 2%** reflecting contract indexation in the pallets business in line with inflationary cost environment throughout the region;
- **Like-for-like volumes down 2%** reflecting the Covid-19 related declines in Automotive and Kegstar volumes. Pallets like-for-like volumes were flat to prior year reflecting challenging conditions flagged to the market going into FY20; and
- **Net new business growth of 3%** driven by strong current and prior-year pallet contract wins, primarily in Southern, Central and Eastern Europe

FY21 expectations:

- Automotive: revenue expected to remain subdued for the duration of FY21 and subject to production levels in the global automotive industry;
- Kegstar: growth dependant on Covid-19 developments in key markets impacting 'on-premise' consumption of beer; and
- Pallets: weak macroeconomic conditions in Europe and Brexit-related uncertainty to continue to impact FY21 volume demand and price realisation

CHEP Asia-Pacific

Growth and cost control in pallets offset by lower RPC earnings

Including AASB 16	FY20	Change vs. FY19	
(US$m)		Actual FX	Constant FX
Pallets	340.7	(1)%	5%
RPCs + Containers	96.1	(17)%	(12)%
Sales revenue	**436.8**	**(5)%**	**1%**
Underlying Profit	**118.0**	-	**6%**
Margin	***27.0%***	***1.2pts***	***1.3pts***
ROCI	***24.1%***	***(3.8)pts***	***(3.7)pts***

FY20 performance reflects:
- Pallets revenue +5% driven by like-for-like volume growth and price realisation in Australian pallets; and
- RPC + Containers revenue down 12% reflecting prior-year contract loss in the Australian RPC business

Excluding impact of AASB 16:
- Underlying Profit +1% and margins +0.1pt driven by strong sales contribution to profit and delivery of plant efficiencies in Australia; and
- ROCI remains strong with decline of 0.4pts partly due to investment in service centre upgrades

FY21 expectations:
- On-boarding of large Australian RPC contract will drive increased revenues, start-up costs and increased capital expenditure;
- Moderation in pallets sales revenue growth following strong growth in FY20; and
- Ongoing investments in plant infrastructure and supply chain initiatives to support growth and deliver efficiencies

Cash flow

Significant increase in Free Cash Flow before special dividend

(US$m, actual FX)	FY20	FY19	Change
EBITDA[1]	**1,562.9**	**1,415.1**	**147.8**
Capital expenditure (cash basis)[2]	(930.1)	(989.4)	59.3
US supply chain investments[3]	(72.7)	(73.0)	0.3
Proceeds from sale of PP&E	104.4	102.5	1.9
Working capital movement	108.7	(13.2)	121.9
Other	(29.3)	(10.2)	(19.1)
Cash Flow from Operations	**743.9**	**431.8**	**312.1**
Significant Items and discontinued operations	(8.0)	124.6	(132.6)
Financing costs and tax	(273.7)	(317.9)	44.2
Free Cash Flow	**462.2**	**238.5**	**223.7**
Dividends paid – ordinary	(290.7)	(328.1)	37.4
Free Cash Flow – after ordinary dividends	**171.5**	**(89.6)**	**261.1**
Dividends paid – special	(183.2)	-	(183.2)
Free Cash Flow after dividends	**(11.7)**	**(89.6)**	**77.9**

Ordinary dividends fully funded from Free Cash Flow before special dividends

Special dividend of US$183.2m funded by IFCO sale proceeds received in FY19

Free Cash Flow after ordinary dividends up US$261.1m, including AASB 16 benefit of U$114.1m

Excluding AASB 16 benefit, Free Cash Flow after ordinary dividends increased US$147m despite the prior-year comparative including IFCO cash contribution of US$138m

The increase reflects:
- Higher earnings, lower capital spend despite volume growth and improved working capital management;
- Lower net cash finance costs reflecting interest income on Australian-dollar deposits and reduced interest expense; and
- Lower cash tax reflecting lower tax instalment rate and tax payments in prior year relating to IFCO

[1] EBITDA has been redefined as Underlying Profit after adding back depreciation, amortisation and IPEP expense.
[2] Capital expenditure excluding US supply chain investments in accelerated automation and lumber procurement.
[3] US supply chain investments in accelerated automation and lumber procurement funded by FY18 asset actions.

Cash flow

Normalised positive Free Cash Flow for third consecutive year

Adjustment	(US$m, actual FX)	FY20	FY19	FY18
	Free Cash Flow after ordinary dividends (reported)	**171.5**	**(89.6)**	**202.4**
	Normalisation adjustments:			
	AASB 16 benefit to reported Free Cash Flow	(114.1)	-	-
1	Proceeds from HFG joint venture loan	-	-	(150.0)
1	US supply chain efficiency investments	72.7	73.0	17.0
2	Adjust for timing of working capital movements	-	30.0	(30.0)
	Positive normalised Free Cash Flow after ordinary dividends in FY18 - FY20	**130.1**	**13.4**	**39.4**

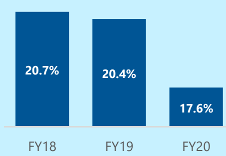
Adjustment details

1. Adjustment for timing difference between the receipt of US$150 million of HFG loan repayment proceeds and US$102m of proceeds from the FY18 sale of the Recycled business (total US$252m) and reinvestment. The funds are, as advised to the market, being progressively reinvested into in high-returning US supply chain efficiency programmes. These investments include service centre automation and lumber efficiency projects. The cumulative FY18 to FY20 cash reinvestment of these funds is US$163m with a balance remaining of US$89m
2. Adjustment for the US$30m working capital timing with benefits in FY18 that reversed in FY19 as highlighted to the market at the FY18 results

Improvements in asset efficiency

Group pooling capex to sales ratio improved by 2.8pts in FY20

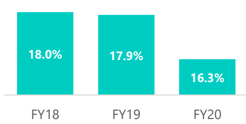
Group



FY20 pooling capex of US$831.7m is $82m[1] lower than FY19 due to:

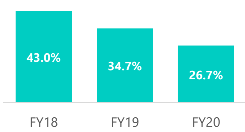
- Asset efficiency improvements across the Group, including in the Latin America pallets business;
- FY19 included additional capex to support Brexit-related retailer stocking and automotive spend in Europe. FY19 North America capex included higher investment in the stringer-to-block pallet pool transition in Canada; and
- US lumber efficiency investments delivering pallet cost benefits

North America



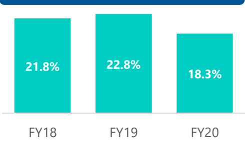
FY20 improvement driven by asset and lumber efficiencies. FY19 included higher capex spend due to Canada stringer-to-block transition and a large US contract win in 2H19 which resulted in increased 4Q pallet purchases in prior year

Latin America



Progressive improvement driven by Mexico asset efficiency and control programme and higher pricing/indexation

EMEA



FY20 improvement reflects retailer stocking and automotive spend in Europe and lower volumes in FY20 due to Covid-19 and economic uncertainty

[1] Improvement in constant currency.

Balance sheet

Balance sheet remains strong; Financial policy updated for AASB 16

	Jun 20	Jun 19[1]
Net debt	US$1,712m	US$98m
Average term of committed facilities	4.2 years	4.0 years
Undrawn committed facilities	US$1.3b	US$1.6b
Cash / deposits	US$806m	US$2,103m

	FY20[2]	FY19[1]
Net debt/EBITDA	1.10x	0.08x
EBITDA/net finance costs	19.3x	14.6x

Conservative net debt position

- Increase in net debt at 30 June 2020 reflects A$1,426m (US$958m) of capital management transactions in FY20[3] and US$704m of lease liabilities brought on Balance Sheet under AASB 16
- Cash, deposits and undrawn committed bank facilities total US$2.1b, sufficient to fund remaining balance of share buy-back (~A$1.3b (US$0.9b)). Completion is expected in FY22

Revised financial policy & EBITDA definition

- Financial policy revised for AASB 16 of net debt/EBITDA <2.0x (previously <1.75x)
- Investment-grade credit ratings maintained: Standard & Poor's BBB+ and Moody's Baa1
- On a pro-forma basis, post completion of buy-back net debt/EBITDA is ~1.7x and well within Brambles' financial policy of <2.0x
- No major re-financing of debt facilities over next 12 months – refer to Appendix 6

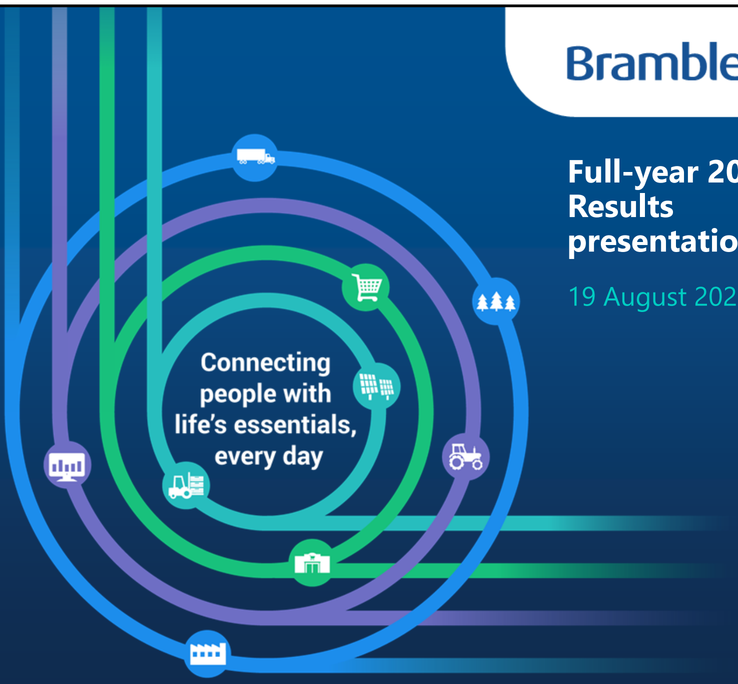
[1] As reported in August 2019. FY19 comparative metrics exclude the impact of AASB 16 and IPEP.
[2] EBITDA has been redefined as Underlying Profit after adding back depreciation, amortisation and IPEP expense. Net debt includes lease liabilities.
[3] FY20 capital management includes share buy-back of A$972.5m (US$645.4m), repayment of capital to shareholders of A$187.8m (US$129.3m) and special dividend payments of A$266.0m (US$183.2m).

Summary

FY20 result reflects defensive nature of business, delivery of operational initiatives and focus on cash flow generation

- FY20 sales revenue and Underlying Profit in line with guidance despite Covid-19 headwinds
- Significant increase in cash flow generation reflecting disciplined capital allocation, asset efficiency improvements and improved cash collection
- Strong balance sheet and high level of liquidity supporting the payment of dividends and continuation of the share buy-back programme
- FY21 guidance for sales and Underlying Profit growth, notwithstanding a range of uncertainties

Brambles



Full-year 2020 Results presentation

19 August 2020

3

Appendix

Appendix 1

1pt margin improvement delivered in FY20; Initiatives on track to deliver 2-3pt margin improvement[1] by FY22

Pressures

- Cost inflation
- Retailer driven cost increases
- Network capacity and supply chain efficiency

Mitigating actions	Progress	Phasing of margin improvement FY20	FY21	FY22
Supply chain cost out	• Annual transport and network optimisation exercise undertaken during the year	✓	●	●
Pricing/ surcharges	• Continue to renegotiate contract terms and pricing to insulate against inflation and recover higher cost-to-serve • FY20 pricing growth of 4%. Effective price growth of 3% was below pricing growth due to the impact of lower transport and lumber surcharges in year.	✓	○	●
Procurement initiatives	• Lumber strategy largely implemented and delivering cost benefits to lumber repair and capex in line with expectations	✓	●	●
Automation programme	• 28 sites completed to date • Commissioning of 24 sites in FY21 • Sites performing in line with expectations	✓	○	●

Ongoing commitment to deliver annual margin increase of ~1pt[2] in FY21 & FY22

[1] Margin improvement from 1H18 levels, excluding the impact of AASB 15 and AASB 16 accounting changes.
[2] Improvement from FY19 level.

Appendix 2a

AASB 16: Leases - FY20 pre-tax impact

Overview

- All qualifying leases recognised on balance sheet as lease liability and right-of-use leased assets, effective on 1 July 2019
- Modified retrospective approach adopted, comparative period not restated
- **AASB 16 has no overall impact on the statutory cash flow statement** as Free Cash Flow increase of US$114m is offset by US$(114)m in lease payments now classified as debt financing payments (payment of principal component of lease liabilities)

FY20 pre-tax impact of AASB 16 on the Income Statement, Balance Sheet, Cash Flow & ROCI

Income statement	Underlying Profit	+US$24m	Additional depreciation charge of US$116m Replaces operating lease charge US$(141)m
	Interest expense	US$(28)m	Additional interest expense on lease liabilities
Cashflow statement	Cash Flow from Operations	+US$141m	Operating lease payments of US$141m are removed from Cash Flow from Operations
	Free Cash Flow	+US$114m	US$141m of lease payments removed from Cash Flow from Operations and interest paid on leases of US$(27)m[1] included
	Cash flow from financing activities	US$(114)m	Remaining US$(114)m of lease payments treated as repayment of financing liability
Balance sheet	Net assets	US$(176)m	Lease liability of US$(704)m (not included in Average Capital Invested) and dilapidation provision of US$(71)m Leased asset of US$599m
	Average Capital Invested	US$541m	Average leased asset of US$607m and dilapidation provision of US$(67)m
Return on Capital Invested		(1.5)pts	Reduction due to capitalisation of leases

Note: Modified retrospective approach adopted, comparative period not restated.
[1] Excludes US$1million of accrued interest.

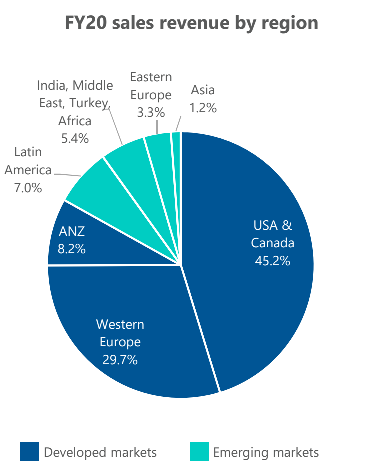
Appendix 2b

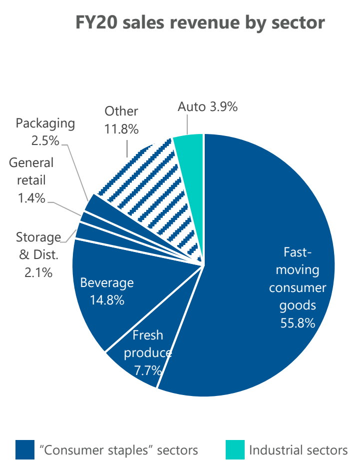
FY20 AASB 16 segment impacts

(US$m)	Underlying Profit	EBITDA	Cash Flow from Operations	Average Capital Invested
Americas	14.1	74.7	74.7	346.2
EMEA	4.8	45.3	45.3	110.5
Asia-Pacific	5.0	19.1	19.1	76.4
Corporate	0.3	1.5	1.5	7.4
Group	**24.2**	**140.6**	**140.6**	**540.5**

Appendix 3

Brambles: Sales revenue by region and sector





Appendix 4

Major currency exchange rates[1]

USD exchange rate:		USD	EUR	GBP	AUD	CAD	ZAR	MXN	BRL	PLN	NZD
Average	FY20	1.0000	1.1064	1.2582	0.6692	0.7445	0.0637	0.0489	0.2239	0.2530	0.6354
	FY19	1.0000	1.1404	1.2943	0.7145	0.7555	0.0706	0.0517	0.2589	0.2660	0.6712
As at	30 June 20	1.0000	1.1242	1.2305	0.6860	0.7317	0.0579	0.0434	0.1851	0.2525	0.6414
	30 June 19	1.0000	1.1372	1.2673	0.7005	0.7637	0.0706	0.0522	0.2618	0.2674	0.6702

[1] Includes all currencies that exceed 1% of FY20 Group sales revenue, at actual FX rates.

Appendix 5

FY20 currency mix

(US$m)	Total	USD	EUR	GBP	AUD	CAD	MXN	ZAR	PLN	BRL	NZD	Other[1]
Sales revenue	**4,734**	1,859	1,054	338	331	282	213	173	83	55	55	291
FY20 share	**100%**	39%	22%	7%	7%	6%	5%	4%	2%	1%	1%	6%
FY19 share	**100%**	37%	23%	8%	8%	6%	4%	4%	2%	1%	1%	6%
Net debt[2]	**1,712**	1,024	934	(37)	(522)	90	121	85	(4)	9	15	(3)

[1] No individual currency within 'other' exceeds 1% of FY20 Group sales revenue at actual FX rates.
[2] Net debt shown after adjustments for impact of financial derivatives. Net debt includes US$704 million of lease liabilities and US$69 million of term deposits in AUD with maturity greater than three months.

Appendix 6

Credit facilities and debt profile

Maturity	Type[1]	Committed facilities	Uncommitted facilities	Debt drawn	Headroom
			(US$bn at 30 June 2020)		
<12 months	Bank	0.1	0.3	-	0.4
1 to 2 years	Bank	0.4	-	-	0.4
2 to 3 years	Bank	0.4	-	-	0.4
3 to 4 years	Bank/EMTN[2]	0.7	-	0.6	0.1
4 to 5 years	Bank	0.4	-	0.1	0.3
>5 years	144A[3]/EMTN[2]	1.1	-	1.1	-
Total[4]		**3.1**	**0.3**	**1.8**	**1.6**

[1] Excludes leases.
[2] European Medium Term Notes.
[3] US$500m 144A bond.
[4] Individual amounts have been rounded.

Appendix 7

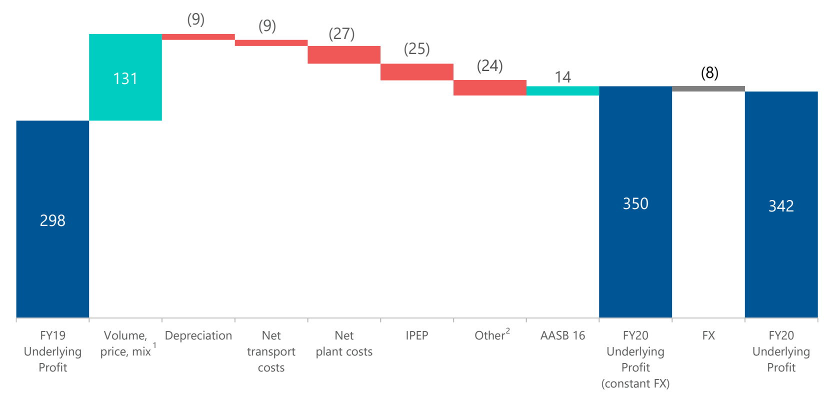
Net plant and transport costs/sales revenue

	Net plant cost/sales revenue			Net transport cost/sales revenue	
	FY20	***FY20 Ex. AASB 16[1]***	**FY19**	**FY20**	**FY19**
CHEP Americas	38.1%	*38.7%*	38.9%	23.7%	24.0%
CHEP EMEA	24.1%	*24.4%*	23.5%	20.9%	20.9%
CHEP Asia-Pacific	33.1%	*34.1%*	34.7%	12.6%	12.7%
Group	**32.3%**	***32.7%***	**32.3%**	**21.6%**	**21.6%**

[1] Excludes the net benefit of replacing operating lease costs with plant depreciation and interest costs under AASB 16.

Appendix 8a

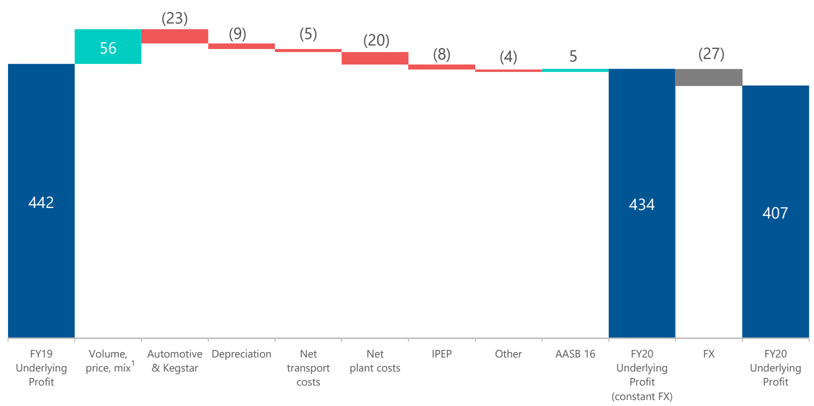
CHEP Americas: Underlying Profit analysis (US$m)



[1] Sales growth net of volume-related costs (excluding depreciation).
[2] Includes increased investment to support business model changes and improved cash generation in Latin America.

Appendix 8b

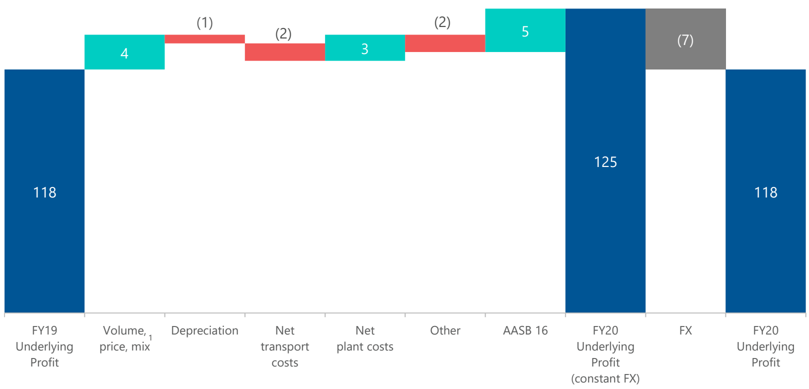
CHEP EMEA: Underlying Profit analysis (US$m)



[1] Sales growth net of volume-related costs (excluding depreciation).

Appendix 8c

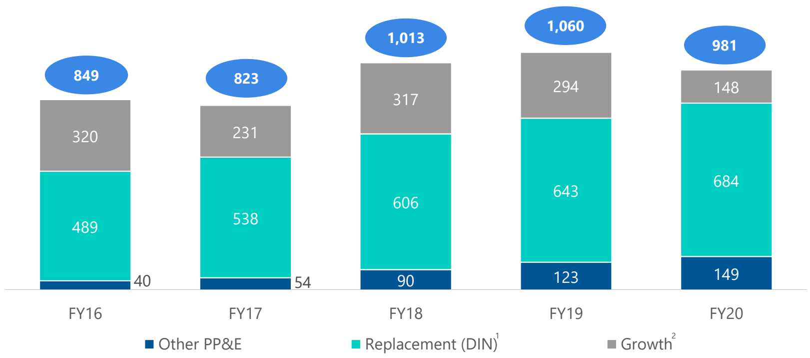
CHEP Asia-Pacific: Underlying Profit analysis (US$m)



[1] Sales growth net of volume-related costs (excluding depreciation).

Appendix 9

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



[1] Replacement capex in a period is the sum of Depreciation expense, IPEP and the Net book value of compensated assets and scraps (disposals).
[2] Growth capex includes investments for availability of pooling equipment for new and existing product lines, as well as the impact of changes in cycle times.

Appendix 10

Glossary of terms and measures

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

Actual currency/FX	Results translated into US dollars at the applicable actual monthly exchange rates ruling in each period
Average Capital Invested (ACI)	Average Capital Invested (ACI) is a 12 month average of capital invested. Capital invested is calculated as net assets before tax balances, cash, term deposits, borrowings and lease liabilities, but after adjustment for pension plan actuarial gains or losses and net equity adjustments for equity-settled share-based payments
Capital expenditure (capex)	Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes intangible assets and equity acquisitions. It is shown gross of any fixed asset disposals proceeds. Growth capex includes the impact of changes in cycle times as well as investments for availability of pooling equipment for existing and new product lines – Replacement capex = DIN – Growth Capex is total pooling capex less DIN
Cash Flow from Operations	Cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business
Compound Annual Growth Rate (CAGR)	The annualised percentage at which a measure (e.g. sales revenue) would have grown over a period if it grew at a steady state
Constant currency/constant FX	Current period results translated into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods
DIN	Comprises Depreciation, IPEP expense and Net book value of scrapped asset and compensated assets written-off. DIN is used as a proxy for replacement capital expenditure
EBITDA	Underlying Profit after adding back depreciation, amortisation and IPEP expense

Appendix 10

Glossary of terms and measures

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

FIFO	First In First Out
Net new business	The sales revenue impact in the reporting period from business won or lost in that period and over the previous financial year, included across reporting periods for 12 months from the date of the win or loss, at constant currency
Operating profit	Statutory definition of profit before finance costs and tax; sometimes called EBIT (Earnings before interest and tax)
Organic growth	The change in sales revenue in the reporting period resulting from like–for-like sales of the same products with the same customers
Return on Capital Invested (ROCI)	Underlying Profit divided by Average Capital Invested
RPC	Reusable plastic/produce crates or containers, used to transport fresh produce
Sales revenue	Excludes non-trading revenue
Significant Items	Items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and: - Outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or - Part of the ordinary activities of the business but unusual due to their size and nature
Underlying Profit	Profit from continuing operations before finance costs, tax and Significant Items

Disclaimer

The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about and observe such restrictions.
This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.
Persons needing advice should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor. Certain statements made in this presentation are forward-looking statements.
The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.
These forward-looking statements are not historical facts but rather are based on Brambles' current expectations, estimates and projections about the industry in which Brambles operates, and beliefs and assumptions. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "will", "should", and similar expressions are intended to identify forward-looking statements.
These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which 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 view of Brambles only as of the date of this presentation.
The forward-looking statements made in this presentation 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 unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.
Past performance cannot be relied on as a guide to future performance.
To the extent permitted by law, Brambles and its related bodies corporate, and each of its and their officers, employees and agents will not be liable in any way for any loss, damage, cost or expense (whether direct or indirect) incurred by you in connection with the contents of, or any errors, omissions or misrepresentations in, this presentation.

Investor Relations contacts

Sean O'Sullivan
Vice President, Investor Relations & Corporate Affairs
sean.osullivan@brambles.com
+61 2 9256 5262
+61 412 139 711

Raluca Chiriacescu
Director, Investor Relations
raluca.chiriacescu@brambles.com
+44 20 3880 9412
+44 7810 658044