

16 February 2021

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

*Via electronic lodgement*

Dear Sir / Madam

**Brambles 2021 Half-Year Result presentation**

At 6.00pm AEDT today, Graham Chipchase, CEO and Nessa O'Sullivan, CFO, will webcast a presentation of Brambles' results for the half-year ended 31 December 2020. The slides for that webcast presentation are enclosed.

The slides and webcast will be available on the Brambles' website at [brambles.com](http://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 Vice President, Legal & Secretariat



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# 1H21 highlights

## Key messages

- Strong revenue and earnings growth across all segments:
  - Sales revenue growth of +6%<sup>1</sup> reflecting strong volumes and price realisation in the global pallet business and the commencement of a large Australian RPC contract which offset declines in Automotive and Kegstar volumes impacted by COVID-19; and
  - Underlying Profit growth of +5%<sup>1</sup> driven by elevated sales levels, supply chain efficiencies, tight management of controllable costs as well as a two percentage points gain related to a compensation payment for a service centre relocation
- Free Cash Flow after dividends was US\$163.8 million due to:
  - Increased earnings;
  - Disciplined approach to capital expenditure; and
  - Effective working capital management
- ROCI of 19.0% up 0.8pts due to a strong Underlying Profit performance and asset efficiency improvements across the Group
- Launched 2025 sustainability targets focused on creating regenerative supply chains
- Kegstar combined with MicroStar to create the global leader in beer keg management

<sup>1</sup> At constant currency.

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# A global leader in Sustainability

## Brambles' ambition: 'Pioneering a regenerative supply chain'

- New 2025 targets launched in September 2020 focused on achieving a net positive contribution
- Solid progress in the first six months:
  - Afforestation projects started;
  - First closed-loop upcycled plastic platform in the market;
  - Committed to a 1.5° climate future and Science Based Targets; and
  - Top employer in 13 countries
- Sustainability credentials proving a key sales differentiator through our contribution to our customers' own sustainability programmes

### Global recognition of sustainability credentials

**Corporate  
Knights**

Ranked #18  
most sustainable  
corporation in  
the world

**MSCI**

Maximum  
AAA rating.  
Top 4% of  
companies assessed

**DOW JONES  
Sustainability Indices**  
in Collaboration with RobecoSAM

#2 in our  
industry category

**CDP**  
DISCLOSURE LEADER ACTION

Rated Level A-  
in CDP Forests

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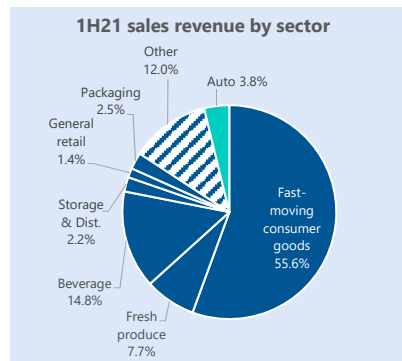
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## Operating environment: COVID-19

**Consumer staples account for ~80% of Brambles' revenues and underpin the resilience and defensive qualities of the business**



### Global pallet business

- In 1H21, the business experienced elevated pallet volumes as retailers raised inventories due to increased levels of at-home consumption and to provide greater contingency against changes in customer demand
- Brambles' network advantage, superior scale and infrastructure, along with the determination of our people, have been critical in ensuring we continued to meet our commitments to our customers
- While revenue increased, higher costs including transport, handling and repair costs were incurred while managing changes in demand patterns across the network
- Lumber, transport and wage inflation have risen sharply in key markets particularly in North America

### Automotive container business

- While the recovery of automotive production has been stronger than anticipated, customer demand remains below prior-year levels and we maintain a cautious outlook for the business in 2H21

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## Operating environment: Brexit

- As of 1 January 2021, the UK is no longer part of the EU
- Although a UK-EU trade agreement is in place, supply chain uncertainties remain around the implementation of border checks and transport availability
- These uncertainties have been accentuated by disruptions related to COVID-19
- UK manufacturers and retailers have responded by lifting their levels of inventories, increasing the demand for pallets
- This demand pattern is expected to normalise in 2H21
- We have increased our capacity to heat treat pallets both in the UK and Europe to meet ISPM15<sup>1</sup> and customers' requirements



<sup>1</sup> ISPM15 is the international standard for regulating the movement of timber packaging through international trade and aims to prevent the global spread of timber pests.

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## Plastic pallet trials

- Trials have been delayed due to COVID-19
- Three active smaller scale pilot trials ongoing
- Expecting to start a pilot of significant scale with a large key customer later in 2021
- The purpose of these pilots is to test various product and business model parameters within Costco's end-to-end supply chain, such as:
  - Pallet durability in different operating environments;
  - Dwell times and efficacy of asset control mechanisms;
  - Technology enabled business model (combination of RFID and smart assets); and
  - Customer value, pricing and operational complexity from multiple platforms
- Decision to move beyond trials to implementation expected in FY22
- Any decision on implementation will be subject to strict financial and return criteria

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## Dividends and capital management

- Interim dividend of US10.0 cents declared, converted and paid as A13.08 cents and franked at 30%
- Dividend payout ratio of 50% is within our targeted payout ratio range of 45-60%<sup>1</sup>
- ~A\$1.9 billion from the proceeds of the IFCO sale returned to shareholders<sup>2</sup> representing 67% of the A\$2.8 billion Capital Management Programme announced in June 2019:
  - A\$453.8 million returned to shareholders in October 2019 comprising a capital return of A12.0 cents per share and a special dividend of A17.0 cents per share; and
  - A\$1.4 billion, representing 128 million shares purchased or 61% of A\$2.4 billion on-market buy-back that commenced in June 2019
- Buy-back programme expected to complete in FY22 subject to the ongoing assessment of the Group's funding and liquidity requirements

<sup>1</sup> US dollar payout ratio based on Underlying Profit after finance costs and tax, subject to Brambles' cash requirements.

<sup>2</sup> As at 31 December 2020.

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## FY21 outlook

Guidance upgraded to reflect elevated volumes and disciplined cost management

### Key assumptions and inputs for FY21 outlook include<sup>1</sup>:

- The broad continuation of current trends in input costs and network dynamics; and
- A progressive recovery in the Automotive business

### Within this context, the FY21 outlook is:

- Sales revenue growth between 4-6% at constant FX rates, with improved Underlying Profit margins including an increase in US margins of ~1 percentage point;
- Underlying Profit growth between 5-7% at constant FX rates;
- Free Cash Flow expected to fund dividends and core business capex to support growth, the impact of lumber inflation on pallet prices and investments to further develop digital and efficiency objectives;
- Dividend payout ratio between 45% to 60%, in line with Brambles' dividend payout policy; 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 economic uncertainty

<sup>1</sup> For full list of assumptions, see page 3 of the 2021 Half-Year Result ASX & Media Release.

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# Financial overview

NESSA O'SULLIVAN, CFO

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# 1H21 results

## Summary

US\$m	1H21	Change vs. 1H20	
		Actual FX	Constant FX
Continuing operations			
<b>Sales revenue</b>	<b>2,565.5</b>	<b>7%</b>	<b>6%</b>
<b>Underlying Profit</b>	<b>465.0</b>	<b>7%</b>	<b>5%</b>
Significant Items	-		
<b>Operating profit</b>	<b>465.0</b>	<b>7%</b>	<b>5%</b>
Net finance costs	(42.6)	(14)%	(14)%
Tax expense	(127.2)	(7)%	(4)%
<b>Profit after tax - continuing</b>	<b>295.2</b>	<b>6%</b>	<b>4%</b>
Discontinued operations	(1.6)		
<b>Profit after tax</b>	<b>293.6</b>	<b>6%</b>	<b>4%</b>
Effective tax rate - Underlying	30.1%	0.2pts	-
<b>Basic EPS (US cents)</b>	<b>19.7</b>	<b>11%</b>	<b>10%</b>
<b>Basic EPS from continuing operations (US cents)</b>	<b>19.8</b>	<b>11%</b>	<b>10%</b>

- **Sales growth +6%** reflecting +2% price and +4% volume growth driven by elevated pallet demand, solid pricing and revenue from commencement of a new RPC contract in Australia
- **Underlying Profit +5%** including 2pts of growth from a net gain on relocation of a service centre. Excluding net gain, Underlying Profit +3% driven by sales contribution to profit, supply chain efficiencies and indirect cost control which offset COVID-19 related costs, inflationary cost pressures and higher repair and asset relocation costs to support asset efficiency and cash generation
- **Profit after tax (continuing ops) increased +4%** with operating profit growth partly offset by higher net finance costs due to the progression of the capital management programme
- **Effective tax rate of 30.1%** broadly in line with the prior year
- **Basic EPS from continuing operations of US19.8 cents** up 10% reflecting higher earnings and US1.0 cent benefit from the share buy-back programme

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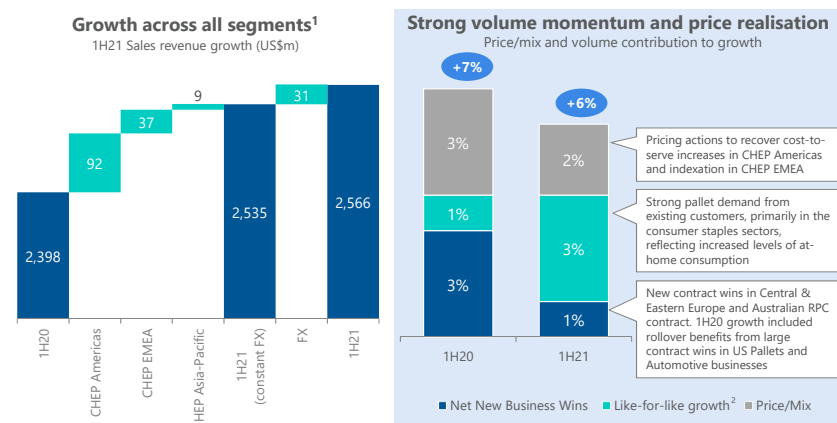
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# 1H21 Group sales growth

Strong growth in Pallets and Australian RPCs offset declines in Automotive and Kegstar



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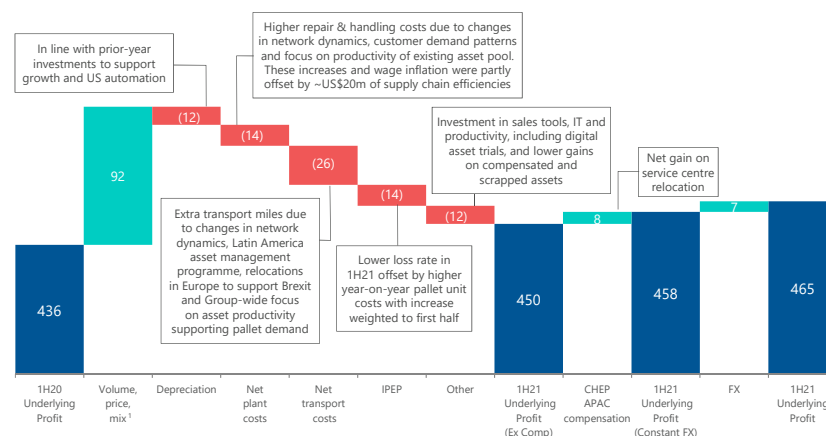
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## Group profit analysis (US\$m)

Revenue growth, supply chain efficiencies and cost recovery more than offset cost pressures



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## CHEP Americas

Elevated pallet demand with price realisation and supply-chain efficiencies offsetting cost headwinds

	1H21	Change vs. 1H20	
(US\$m)		Actual FX	Constant FX
US	964.6	7%	7%
Canada	151.3	5%	5%
Latin America	165.1	(1)%	13%
Pallets	1,281.0	6%	8%
Containers	18.2	(7)%	(6)%
<b>Sales revenue</b>	<b>1,299.2</b>	<b>6%</b>	<b>7%</b>
<b>Underlying Profit</b>	<b>191.9</b>	<b>2%</b>	<b>3%</b>
<b>Margin</b>	<b>14.8%</b>	<b>(0.6)pt</b>	<b>(0.6)pt</b>
<b>ROCI</b>	<b>15.9%</b>	<b>(0.1)pt</b>	-

### 1H21 performance

- Pallets revenue +8%** largely driven by COVID-19 related demand from existing customers in North America and ongoing price realisation in the US and Latin America
- Containers revenue (6)%** due to lower volumes in North American IBCs business
- Underlying Profit +3%** as strong sales contribution to profit and supply chain efficiencies offset costs increases, including:
  - Higher plant and transport costs due to COVID-19 related changes in network dynamics and demand patterns;
  - Increased pallet repair, handling and collection costs to improve asset productivity and limit incremental capex to support temporary spikes in demand;
  - Inflationary cost pressures including labour cost increases across the region and higher freight rates and lumber inflation in the US offset by lumber surcharges and supply chain and procurement benefits; and
  - IPEP increase due to year-on-year increase in pallet unit costs
- Margins (0.6)pts** as businesses cycle pre-pandemic cost environment in 1H20 and increased costs in Latin America supporting asset productivity

### FY21 expectations:

- ~1 point US margin improvement
- COVID-19 related demand expected to moderate in 2H21 as business cycles record volumes in 2H20 following COVID-19 outbreak

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## CHEP Americas margins

Businesses cycling pre-pandemic trading with COVID-19 related cost increases and higher costs supporting asset productivity improvements

1H21 weighted contribution to CHEP Americas margin decline of (0.6)pts		Key drivers of 1H21 margin performance	FY21 expectation
USA	flat	<p>Sales growth of 7% with margins in line with 1H20 as pricing, indirect cost control and supply chain efficiencies offset adverse year-on-year impact of pre-pandemic cost-to-serve &amp; higher pallet unit costs</p> <ul style="list-style-type: none"> <li>1H21 included higher transport &amp; plant costs due to COVID-19 related volume spikes, changes in network dynamics &amp; customer demand patterns cycling pre-pandemic trading in 1H20</li> </ul>	Full year margin increase of ~1pt with expected benefits from supply chain efficiencies, automation projects and cost recovery through pricing and surcharges
Canada	flat	<p>Sales growth of 5% with margins in line with 1H20 despite COVID-19 related network disruptions driving higher costs</p>	Improvement in FY21 margins as business cycles higher cost-to-serve in 2H20
Latin America	(0.6) pts	<p>Sales growth of 13% with margins below 1H20 due to ongoing investment in asset management driving higher cash flow</p> <ul style="list-style-type: none"> <li>Higher costs to increase productivity of existing pool resulted in a 7pt improvement in pooling capex to sales ratio and ~US\$25m increase in cash flow generation</li> <li>Higher pallet unit costs in the region with increased weighting to 1H21</li> </ul>	Margin improvement in 2H21 as the business cycles higher costs in 2H20

**CHEP Americas full-year margin expected to increase from FY20 levels including ~1pt margin improvement in the US**

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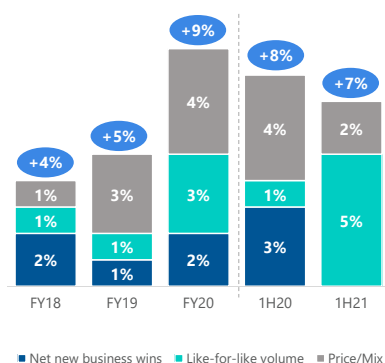
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## US pallets revenue

Strong COVID-19 related demand and ongoing price realisation

US pallets revenue growth breakdown



### 1H21 revenue growth components:

- **Price/mix growth of 2%** driven by initiatives to recover higher cost-to-serve;
- **Like-for-like volume growth of 5%** reflecting COVID-19 related demand from customers in the consumer staples sector and retailer inventory stocking in response to higher levels of at-home consumption; and
- **Net new business wins flat** reflecting the roll-off of contracts lost in the prior year and lower levels of new customer conversions as the business focused on responding to strong demand from existing customers. 1H20 growth of 3% included rollover benefit of a large contract win

### FY21 revenue expectations:

- Price growth expected to moderate with the US business in the final stages of 3-year repricing initiative which commenced in 2H18; and
- Volume growth expected to moderate as the business cycles record demand in 2H20 following outbreak of COVID-19. Like-for-like growth expected to reflect prevailing macroeconomic conditions

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## US automation programme

Programme on track to deliver full run rate of efficiency benefits in FY22

### 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
- 39 sites automated to date
- Sites delivering in line with investment case including 30% increase in sort and 20% in repair capacity across existing sites
- 24 sites identified for automation, including sites delayed in 4Q20



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## CHEP EMEA

Strong sales growth and margin expansion despite cost headwinds

	1H21	Change vs. 1H20	
(US\$m)		Actual FX	Constant FX
Europe	774.0	12%	6%
IMETA <sup>1</sup>	100.6	(3)%	7%
Pallets	874.6	10%	6%
RPCs + Containers	135.4	(5)%	(7)%
<b>Sales revenue</b>	<b>1,010.0</b>	<b>8%</b>	<b>4%</b>
<b>Underlying Profit</b>	<b>242.0</b>	<b>11%</b>	<b>7%</b>
<b>Margin</b>	<b>24.0%</b>	<b>0.6pts</b>	<b>0.8pts</b>
<b>ROCI</b>	<b>25.1%</b>	<b>1.3pts</b>	<b>1.6pts</b>

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

### 1H21 performance

- **Pallets revenue +6%:** Net new wins in Central & Eastern Europe, price realisation and increased demand due to COVID-19 & Brexit-related stockpiling in UK and Europe
- **RPCs & Containers revenue (7)%:** lower Automotive revenues as business cycles pre-pandemic levels of customer demand in 1H20
- **Underlying Profit +7%:** Profit contribution from sales growth in pallets and effective cost control in Automotive more than offset additional transport and handling fees to support strong pallet demand in Europe, including Brexit stockpiling, and to drive asset productivity
- **Margin expansion +0.8pts** reflecting disciplined cost control, higher compensations and lower scrapped assets
- **ROCI +1.6pts** reflecting margin expansion and focus on asset efficiency to minimise new pallet investments to support strong volume growth

### FY21 expectations:

- Sales and Underlying Profit growth expected to moderate in 2H21 due to strong comparative period which benefitted from initial COVID-19 panic buying and expected reversal of Brexit-related demand; and
- Full-year margins expected to be broadly in line with FY20

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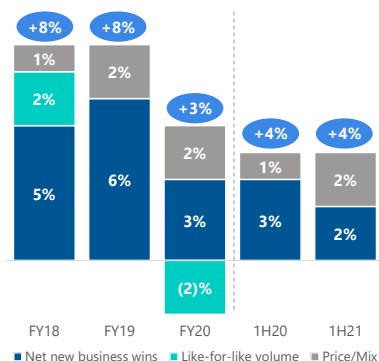
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## EMEA sales growth

Pallet demand driven by at-home consumption and Brexit stockpiling

CHEP EMEA revenue growth breakdown



### 1H21 revenue growth components:

- **Price/mix growth +2%** largely reflecting contractual price indexation with some mix benefits in Q2
- **Net new business wins +2%** driven by strong growth in new customers in Central & Eastern Europe
- **Like-for-like volumes in line with 1H20** as higher pallet demand in response to COVID-19 lockdown restrictions and Brexit-related stockpiling offset lower levels of underlying pallet demand and volume declines in Automotive business, which cycled pre-pandemic levels of customer demand in 1H20

### FY21 expectations:

- **Pallets:** Revenue growth expected to moderate in 2H21 as the business cycles record levels of pallet demand in 2H20 following initial outbreak of COVID-19. 1H21 Brexit-related demand is expected to reverse in 2H21 while underlying demand is expected to remain weak, in line with economic conditions
- **Automotive** (~9% of EMEA revenues): Revenue growth expected to improve in 2H21 as business cycles decline in 2H20 following COVID-19 outbreak. FY21 growth to remain subdued subject to production levels and component availability in the global automotive industry

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## CHEP Asia-Pacific

Strong pallet performance and one-off compensation more than offset Australian RPC contract start-up costs and lower Kegstar earnings

	1H21	Change vs. 1H20	
		Actual FX	Constant FX
(US\$m)			
Pallets	192.4	12%	6%
RPCs + Containers	63.9	3%	(3)%
<b>Sales revenue</b>	<b>256.3</b>	<b>10%</b>	<b>4%</b>
<b>Underlying Profit</b>	<b>64.4</b>	<b>11%</b>	<b>4%</b>
<b>Margin</b>	<b>25.1%</b>	<b>0.2pts</b>	<b>(0.1)pts</b>
<b>ROCI</b>	<b>21.4%</b>	<b>1.2pts</b>	<b>0.9pts</b>

### 1H21 performance

- **Pallets revenue +6%:** Price realisation in Australia and strong like-for-like volume growth in both Australian Pallets and the China timber pallet businesses
- **RPCs + Containers (including Kegstar) (3)%:** Lower Kegstar revenues as business cycled pre-pandemic levels of demand in 1H20, partly offset by contribution from the start of a large Australian RPC contract and strong growth in New Zealand RPCs
- **Underlying Profit +4%:** US\$8m net benefit from service center relocation in Australia more than offset declines in Kegstar earnings due to lockdowns and other costs related to COVID-19 and the onboarding of a new Australian RPC contract
- **ROCI +0.9pt** driven by profit growth. ACI broadly in line with prior year as lower capex in Kegstar and asset efficiencies in Pallets were offset by increased investment to support Australian RPC contract win
- **Australian RPC contract** performing in line with investment case

### FY21 expectations:

- Progressive ramp of Australian RPC contract revenues with moderation in pallet revenues in 2H21
- Cost control and supply chain efficiencies expected to support Underlying Profit growth notwithstanding RPC contract start up costs in 2H21

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## Cash flow

Dividends and capex fully funded by Free Cash Flow

(US\$m, actual FX)	1H21	1H20	Change	
<b>EBITDA<sup>1</sup></b>	<b>880.8</b>	<b>812.9</b>	<b>67.9</b>	Free Cash Flow after dividends increased +US\$332.2m including benefit of cycling US\$183.2m special dividend payment in 1H20
Capital expenditure (cash basis) <sup>2</sup>	(460.6)	(504.1)	43.5	<b>Free Cash Flow after ordinary dividends increased US\$149.0m including US\$80m of 1H timing benefits largely related to the timing of capex payments</b> <ul style="list-style-type: none"> <li>Operating cash flow up +US\$101.8m driven by increased earnings and a US\$41.5m reduction in cash capex despite strong volume growth. On an accruals basis, capex increased US\$20.8m at constant FX and included a 1.0 point improvement in pooling capex to sales ratio</li> <li>Working capital movement reflects the impact of higher VAT-refunds in the prior year, which offset ongoing improvements in cash collections in the half</li> <li>Financing costs and tax payments reduced +US\$20.8m primarily due to prior year financing costs relating to the early termination of the US\$500m 144A bond</li> </ul>
US supply chain investments	(18.7)	(16.7)	(2.0)	
Proceeds from sale of PP&E	63.8	50.0	13.8	
Working capital movement	(6.7)	6.5	(13.2)	
Other	(35.0)	(26.8)	(8.2)	
<b>Cash Flow from Operations</b>	<b>423.6</b>	<b>321.8</b>	<b>101.8</b>	<b>FY21 expectations:</b> <ul style="list-style-type: none"> <li>US\$80 million of timing benefits, largely relating to capital payments expected to reverse in 2H21</li> <li>Free Cash Flow expected to fully fund capex and dividends despite higher pallet costs in the second half due to lumber inflation, especially evident in the US</li> </ul>
Significant Items and discontinued operations	(1.6)	(3.2)	1.6	
Financing costs and tax	(125.7)	(146.5)	20.8	
<b>Free Cash Flow</b>	<b>296.3</b>	<b>172.1</b>	<b>124.2</b>	
Dividends paid – ordinary	(132.5)	(157.3)	24.8	
<b>Free Cash Flow after ordinary dividends</b>	<b>163.8</b>	<b>14.8</b>	<b>149.0</b>	
Dividends paid – special	-	(183.2)	183.2	
<b>Free Cash Flow after dividends</b>	<b>163.8</b>	<b>(168.4)</b>	<b>332.2</b>	

<sup>1</sup> EBITDA has been defined as Underlying Profit after adding back depreciation, amortisation and IPEP expense.  
<sup>2</sup> Capital expenditure excluding US supply chain investments in accelerated automation and lumber procurement.

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## Capital expenditure

Disciplined management of capital spend and asset efficiency improvements despite increased pallet volumes and customer demand variability

Accruals basis	1H21	Change vs. 1H20 (constant FX)	
<b>Pooling Capex</b>	<b>US\$477m</b>	<b>+US\$5m</b>	<b>Pooling capex to sales ratio (accruals basis) of 18.6% in 1H21 + 1pt improvement over prior year (1H20: 19.6%)</b>
Pallet volume growth & price / mix		+US\$36m	<b>Pooling capex increase limited to +US\$5m despite strong volume growth:</b> <ul style="list-style-type: none"> <li>Increased pallet purchases to support volume growth and higher pallet unit costs reflecting lumber inflation, primarily in the Americas region;</li> <li>Investment in Australian RPC pool to support contract win;</li> <li>Automotive business cycling material investment in prior year to support contract wins; and</li> <li>Asset productivity improvements in across the Group despite spikes in demand and changes in network dynamics</li> </ul>
APAC RPC		+US\$18m	
Automotive / Kegstar		US\$(28)m	
Asset productivity improvements		US\$(21)m	
<b>Non-Pooling Capex</b>	<b>US\$58m</b>	<b>+US\$15m</b>	
<b>Total Capex</b>	<b>US\$535m</b>	<b>+US\$20m</b>	<b>Non-pooling capex up US\$15m in 1H21 reflecting:</b> <ul style="list-style-type: none"> <li>Continued investment in US automation and supply chain productivity and capacity initiatives across the Group; and</li> <li>Facility investment to support large Australian RPC contract</li> </ul>
<b>FY21 expectation</b> <ul style="list-style-type: none"> <li>FY21 pooling capex to sales ratio expected to increase ~0.5 points from FY20 levels largely due to lumber inflation</li> <li>Non-pooling capex weighted to 2H21 in line with US automation implementation plans</li> <li>FY21 Free Cash Flow to fully fund dividends and capex</li> </ul>			

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## Balance sheet

Balance sheet remains strong and well placed to fund share buy-back

	Dec 20	Jun 20	
Net debt	US\$1,986m	US\$1,712m	• Increase in net debt reflects A\$393m (US\$286m) of share buy-backs completed in 1H21
Average term of committed facilities	4.1 years	4.2 years	• Undrawn committed bank facilities US\$1.3b and cash & deposits of US\$0.7b as at 31 Dec 2020 support funding of remaining share buy-back programme (~A\$0.9b or US\$0.7b)
Undrawn committed facilities	US\$1.3b	US\$1.3b	• No major refinancing of debt facilities over the next 12 months – refer Appendix 6
Cash / deposits	US\$676m	US\$806m	• Financial ratios remain well within <2.0x Financial policy. On a pro-forma basis post completion of the buy-back, net debt / EBITDA is ~1.7x
	1H21 <sup>2</sup>	FY20	• Committed to maintaining current investment-grade credit ratings – Standard & Poor's BBB+ and Moody's Baa1 – taking into account completion of share buy-back programme in FY22
Net debt/EBITDA <sup>1</sup>	1.22x	1.10x	
EBITDA/net finance costs	19.0x	19.3x	

<sup>1</sup> EBITDA is defined as Underlying Profit after adding back depreciation, amortisation and IPEP expense. Net debt includes lease liabilities.

<sup>2</sup> From 1H21, key financial ratios using EBITDA and net finance costs are on a twelve month rolling basis. EBITDA and net interest expense for 1H21 are therefore based on the 12 months to 31 December 2020.

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## Summary

- Strong first-half performance despite COVID-19 and Brexit related impacts
- Disciplined cost control and benefits from supply chain initiatives
- Focus on asset productivity delivered asset efficiency improvements across the Group and limited capex despite strong volume growth and changes in demand patterns and network dynamics
- Free Cash Flow generation to fully fund capex and dividends
- Well positioned to continue with the share buy-back programme
- Upgraded FY21 sales and earnings guidance, including an increase in US margins of ~1 percentage point



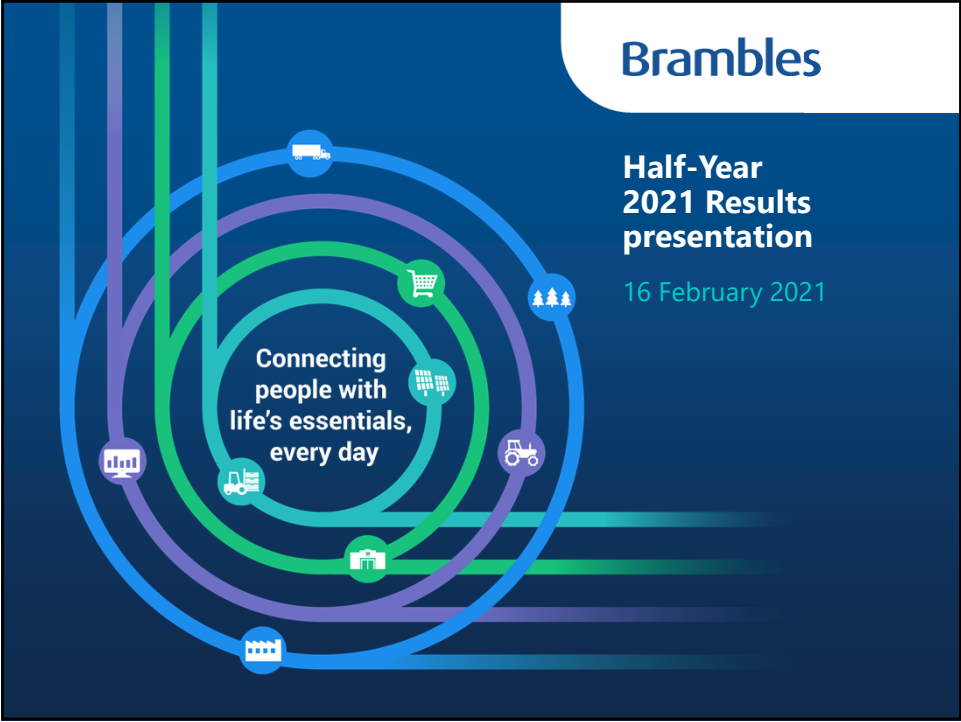
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## Appendix 1

### Treatment of Kegstar and MicroStar merger in financial statements

- Kegstar & MicroStar merger announced on 10 February 2021, creating the global leader in keg-rental market servicing craft customers and global brewers
- Brambles will own ~15% of the combined entity with the remaining 85% owned by MicroStar's current shareholders

Treatment in financial statements	
1H21 Financial statements	FY21 financial statements
Kegstar 1H21 financial performance recognised in continuing operations in CHEP Asia-Pacific segment	<ul style="list-style-type: none"> <li>• Kegstar FY20 &amp; FY21 financial performance recognised in discontinued operations</li> </ul>
Merger disclosed in subsequent events note in financial statements	<ul style="list-style-type: none"> <li>• Kegstar net assets replaced with an equity investment in MicroStar at fair value of US\$52m, no material gain/loss on divestment; and</li> <li>• ~15% share in MicroStar recognised within 'Investments' on the balance sheet with share of MicroStar's profit/loss after tax recognised on a single line in the income statement within continuing operations</li> </ul>

## Appendix 2

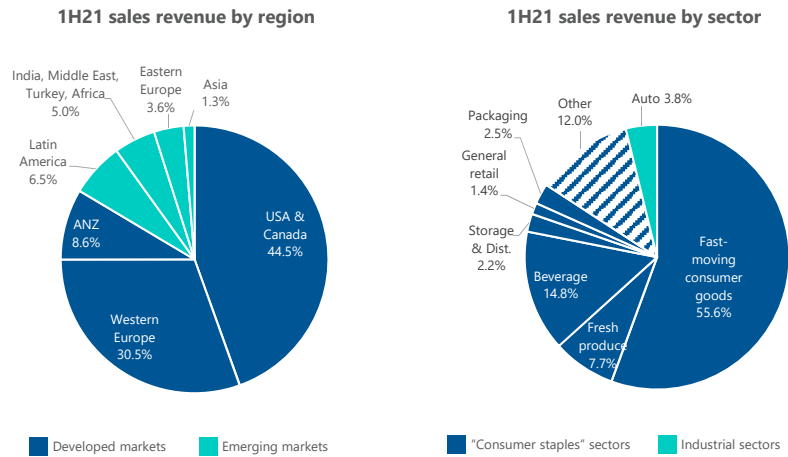
### US initiatives on track to deliver ~2-3pt margin improvement<sup>1</sup> by FY22

Pressures	Mitigating actions		Phasing of margin improvement		
		Progress	1H21	FY21	FY22
Cost inflation	Supply chain cost out	<ul style="list-style-type: none"> <li>• Annual transport and network optimisation exercise undertaken during the year</li> </ul>	✓	●	●
	Pricing/ surcharges	<ul style="list-style-type: none"> <li>• Continue to renegotiate contract terms and pricing to insulate against inflation and recover higher cost-to-serve</li> </ul>	✓	●	●
Retailer driven cost increases	Procurement initiatives	<ul style="list-style-type: none"> <li>• Lumber strategy largely implemented and delivering cost benefits to lumber repair and capex in line with expectations</li> </ul>	✓	●	●
Network capacity and supply chain efficiency	Automation programme	<ul style="list-style-type: none"> <li>• 39 sites completed to date</li> <li>• Commissioning of 13 sites in 2H21</li> <li>• Sites performing in line with expectations</li> </ul>	✓	●	●

<sup>1</sup> Margin improvement from 1H18 levels, excluding the impact of AASB 15 and AASB 16 accounting changes.

## Appendix 3

### Brambles: Sales revenue by region and sector



## Appendix 4

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

	USD	EUR	AUD	GBP	CAD	MXN	ZAR	PLN	NZD	BRL
1H21	1.0000	1.1870	0.7260	1.3161	0.7596	0.0471	0.0621	0.2636	0.6787	0.1848
Average										
1H20	1.0000	1.1070	0.6823	1.2598	0.7569	0.0514	0.0675	0.2563	0.6455	0.2460
31 Dec 20	1.0000	1.2293	0.7676	1.3624	0.7834	0.0502	0.0684	0.2690	0.7201	0.1927
As at										
31 Dec 19	1.0000	1.1201	0.6996	1.3111	0.7660	0.0528	0.0709	0.2633	0.6728	0.2493

<sup>1</sup> Includes all currencies that exceed 1% of 1H21 Group sales revenue, at actual FX rates.



## Appendix 5

### 1H21 currency mix

(US\$m)	Total	USD	EUR	AUD	GBP	CAD	MXN	ZAR	PLN	NZD	BRL	Other <sup>1</sup>
Sales revenue	2,566	989	588	191	185	153	110	88	47	29	26	160
1H21 share	100%	39%	23%	7%	7%	6%	4%	3%	2%	1%	1%	7%
1H20 share	100%	39%	22%	7%	7%	6%	5%	4%	2%	1%	1%	6%
Net debt <sup>2</sup>	1,986	1,035	1,342	(676)	(60)	77	152	117	(21)	17	8	(5)

<sup>1</sup> No individual currency within 'other' exceeds 1% of 1H21 Group sales revenue at actual FX rates.

<sup>2</sup> Net debt shown after adjustments for impact of financial derivatives. Net debt includes US\$731 million of lease liabilities and US\$115 million of term deposits in AUD with maturity greater than three months.

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## Appendix 6

### Credit facilities and debt profile

Maturity	Type <sup>1</sup>	Committed facilities	Uncommitted facilities	Debt drawn	Headroom
(US\$bn at 31 December 2020)					
< 12 months	Bank	0.1	0.3	0.1	0.3
1 to 2 years	Bank	0.2	-	-	0.2
2 to 3 years	Bank	0.7	-	-	0.7
3 to 4 years	Bank/EMTN <sup>2</sup>	0.8	-	0.7	0.1
4 to 5 years	Bank/144A <sup>3</sup>	0.8	-	0.5	0.3
> 5 years	EMTN <sup>2</sup>	0.6	-	0.6	-
<b>Total<sup>4</sup></b>		<b>3.2</b>	<b>0.3</b>	<b>1.9</b>	<b>1.6</b>

<sup>1</sup> Excludes leases.

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

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

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

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## Appendix 7

### Net plant and transport costs/sales revenue

	Net plant cost/sales revenue		Net transport cost/sales revenue	
	1H21	1H20	1H21	1H20
CHEP Americas	37.2%	37.4%	22.6%	23.3%
CHEP EMEA	23.4%	23.6%	21.0%	20.7%
CHEP Asia-Pacific	35.7%	31.9%	13.1%	13.0%
<b>Group</b>	<b>31.8%</b>	<b>31.5%</b>	<b>21.0%</b>	<b>21.3%</b>

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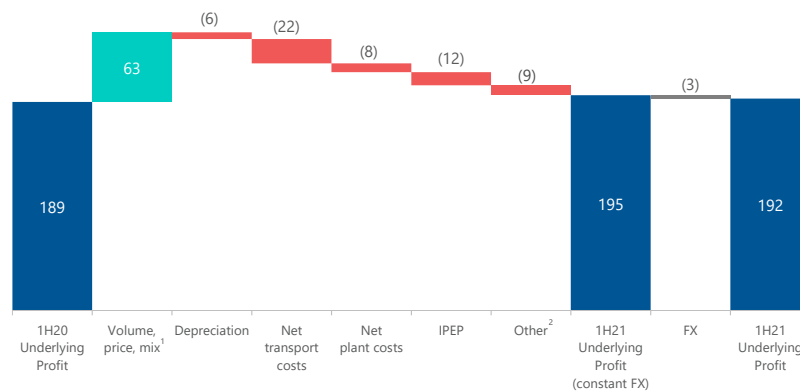
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## Appendix 8a

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



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

<sup>2</sup> Includes increased investment to support business model changes and improved cash generation in Latin America.

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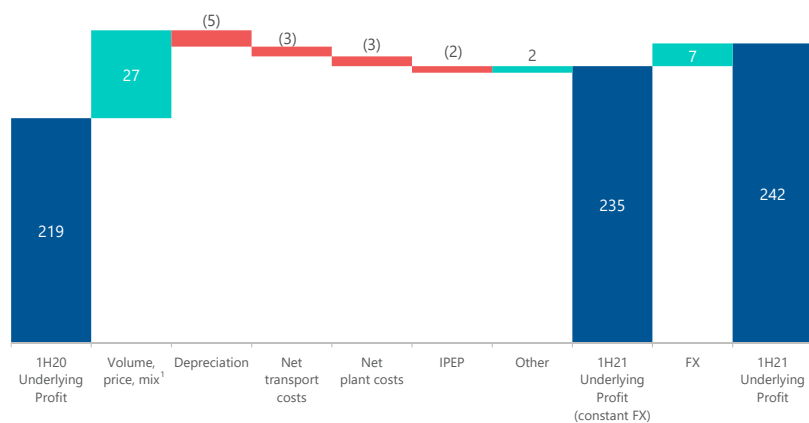
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## Appendix 8b

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



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

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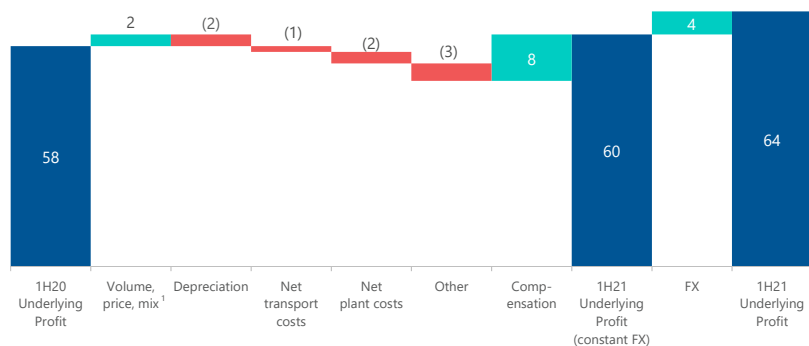
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## Appendix 8c

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



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

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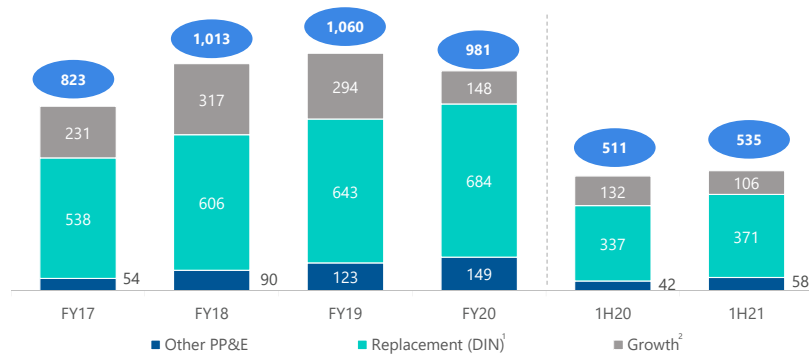
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## Appendix 9

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



<sup>1</sup> Replacement capex in a period is the sum of Depreciation expense, IPEP and the Net book value of compensated assets and scraps (disposals).

<sup>2</sup> 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.

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## 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 six-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
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

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# 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
Like-for-like revenue	Sales revenue in the reporting period relating to volume performance of the same products with the same customers as the prior corresponding period
Net new business	The sales revenue impact in the reporting period from business won or lost in that period and over the previous financial year, included across reporting periods for 12 months from the date of the win or loss, at constant currency
Operating profit	Statutory definition of profit before finance costs and tax; sometimes called EBIT (Earnings before interest and tax)
Return on Capital Invested (ROCI)	Underlying Profit multiplied by two to calculate an annualized amount, 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: <ul style="list-style-type: none"><li>- Outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or</li><li>- Part of the ordinary activities of the business but unusual due to their size and nature</li></ul>
Underlying Profit	Profit from continuing operations before finance costs, tax and Significant Items

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