15 February, 2023

2023 Half Year Results

Sanjay Dayal: Managing Director and Group Chief Executive Officer
Paul Washer: Chief Financial Officer

PACT GROUP

Pact Group Holdings Ltd
ABN: 55 145 989 644

Important Information

This Presentation contains the summary information about the current activities of Pact Group Holdings Ltd (Pact) and its subsidiaries (Pact Group). It should be read in conjunction with Pact's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), including the Half Year Consolidated Financial Report and associated Results Release released today, which are available at www.asx.com.au.

No member of the Pact Group gives any warranties in relation to the statements or information contained in this Presentation. The information contained in this Presentation is of a general nature and has been prepared by Pact in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information.

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian or any other law. This Presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this Presentation nor anything contained in it shall form the basis of any contract or commitment.

This Presentation is not a recommendation to acquire Pact shares. The information provided in this Presentation is not financial product advice and has been prepared without taking into account any recipient's investment objectives, financial circumstances or particular needs, and should not be considered to be comprehensive or to comprise all the information which a recipient may require in order to make an investment decision regarding Pact shares.

Neither Pact nor any other person warrants or guarantees the future performance of Pact shares nor any return on any investment made in Pact shares. This Presentation may contain certain 'forward-looking statements'. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, financial position and performance are also forward-looking statements.

Any forecasts or other forward-looking statements contained in this Presentation are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Pact and they may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules), Pact undertakes no obligation to update these forward-looking statements.

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

All dollar values are in Australian dollars (A$) unless otherwise stated.

Non-IFRS Financial Information
This presentation uses Non-IFRS financial information including EBITDA, EBIT, NPAT, operating cash flow, capex, free cash flow, gearing, and net debt. These measures are Non-IFRS key financial performance measures used by Pact, the investment community and Pact's Australian peers with similar business portfolios. Pact uses these measures for its internal management reporting as it better reflects what Pact considers to be its underlying performance.

Underlying EBITDA and underlying EBIT are used to measure segment performance and have been extracted from the Segment Information disclosed in the Half Year Consolidated Financial Report.

All Non-IFRS information has not been subject to review by the Company's external auditor. Refer to Appendices for the reconciliation of underlying EBITDA and underlying EBIT items. Refer to Appendix 3 for definitions of non-IFRS financial measures.

PACT GROUP

Contents

Results above guidance for the half year.
FY23 underlying EBIT to be slightly above FY22

PACT GROUP

Group results for first half of FY23

Revenue
$998m
$927m in pcp

EBIT (Underlying)
$75m
$83m in pcp

NPAT (Underlying)
$26m
$39m in pcp

NPAT (Reported)
$24m
Loss of $21m in pcp

Gearing
3.2x
2.7x in pcp

Interim dividend
–
3.5c in pcp

Strong Q2 earnings momentum

- Revenue growth of 8% from increased volume, cost recovery and onshoring of contracts in Packaging & Sustainability and Contract Manufacturing segments
- Underlying EBIT 3% above top of guidance range provided at the AGM due to strong sales in last six weeks of the half, providing momentum for 2H23
- Executing strategy via capital program throughout 2023
- Gearing temporarily elevated due to timing of capital expenditure to enable revenue growth, and elevated Trade Debtors from very strong sales late in 1H23
- The Pact Group Holdings board has resolved not to pay an interim dividend whilst the capital program is funded. The intention remains to pay a full year dividend

Environmental factors

Overall trending favourably for second half

1. Labour efficiency and availability

- Staff efficiency and productivity has improved post removal of COVID lockdowns
- Supply side challenges remain, with unemployment at historical lows in Australia and New Zealand

2. Supply chain

- Shipping reliability improved from 40% to 57% by end of 1H23
- Pallet supply in Australia remains challenging
- Shipping costs reducing

3. Raw material pricing

- Resin pricing variable over the half and impacted by currency movements. Outlook is favourable noting we have a long supply chain and lag in pricing changes
- Other key raw materials continue to see price increases

4. Consumer demand

- Westpac Consumer Confidence Index shows that consumer confidence stabilised at 80.3 in December, reflecting inflation concerns
- Retail demand in US and Europe very challenged
- Opening of China post COVID may generate demand

5. Energy & Sustainability

- Sustainability agenda gaining momentum with the ban on exporting waste in Australia taking effect
- Supply constraints remain, energy pricing in Australia and New Zealand elevated

Pact Overview & Strategy

Our vision is to lead the Circular Economy

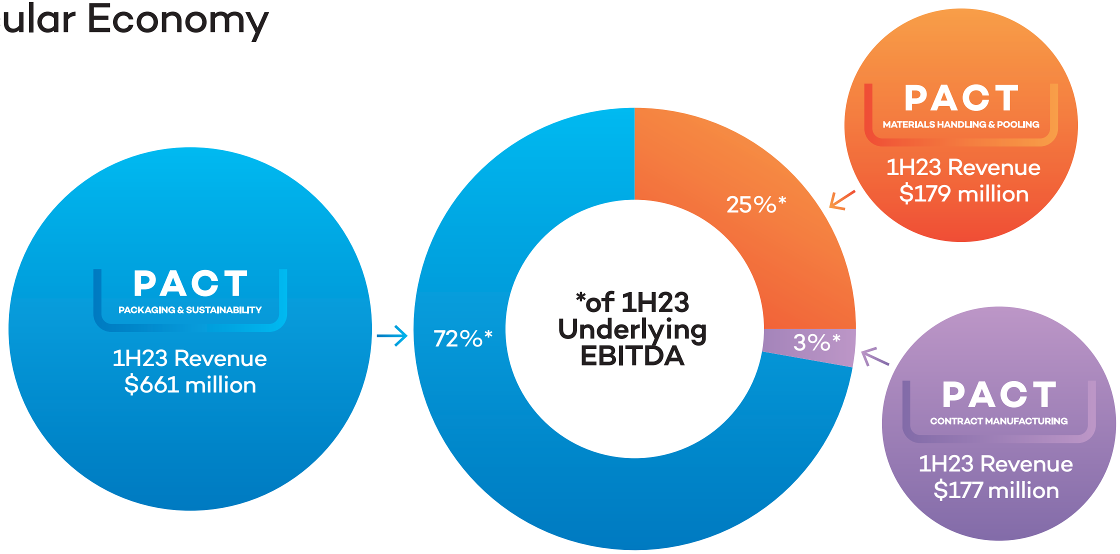
PACT GROUP

Our segments

Three segments working together across the Circular Economy

Packaging & Sustainability

A leader in sustainable packaging and plastics recycling, differentiated through manufacturing, technical and innovation capability and access to recycled materials. Building a network of recycling infrastructure, well positioned for growth.



Materials Handling & Pooling

An integral service provider to major supermarkets, retailers and governments. Provides sustainable and efficient supply chain solutions through best-in-class reuse platforms and technology.

Contract Manufacturing

Leading supplier of innovative Contract Manufacturing products for the home, personal care, health and wellness categories.

Pact's role in the Circular Economy

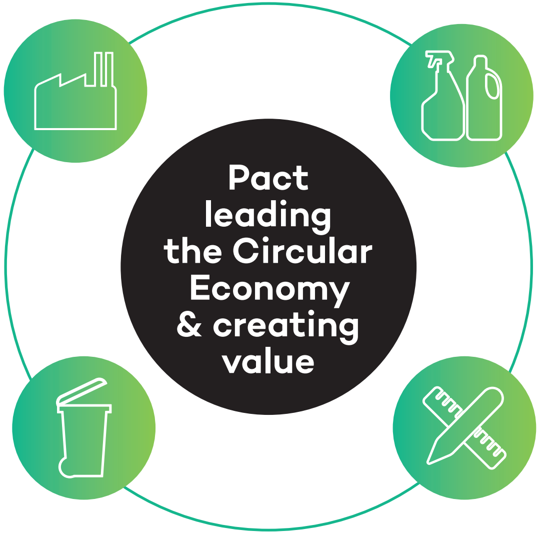
The progress on strategy has been significant over the half year

Recycling infrastructure and capabilities

- Circular Plastics Australia (PET) joint venture in Albury is operational. Recycling facilities at Laverton and Altona currently under construction and will be open this calendar year. Additional sites have been planned
- **Invested in Laverton and Altona joint ventures to increase production of recycled resin and flake**

Raw material availability

- Waste and export bans in place since 1 July have increased supply and decreased price
- Improved recovery of recyclables through the 4 bin system
- Joint Ventures (JVs) provide unique access to plastic waste
- **Significant investment in mobile garbage bins manufacturing capability**



Finished goods manufacture

- Largest rigid plastic packaging manufacturer in the region with a full-service offering
- Sites include JVs capable of producing recycled content
- More than 10% of market share in recycled content across plastics and increasing
- **Invested in platform upgrades at Processed Foods and Dairy & Beverage sectors to activate recycled content inclusion**
- **Invested in Horsley Park high speed filling line to rapidly increase capacity**

Demand creation for recycled products

- Education, media, and labelling are changing consumer preferences, retailers such as Woolworths are driving change
- APCO 2025 targets adopted by our customers will require at least 20% average recycled content across all plastic packaging
- Government commitment to prioritise usage of recycled materials
- **Demand for recycled content increasing with retailers**

Progress over 1H23

Capital program to be delivered in 2023

Altona – recycling joint venture

Est. start date: June 2023

Horsley Park – high speed fill line

Est. start date: July 2023

Minto – folding mega bins

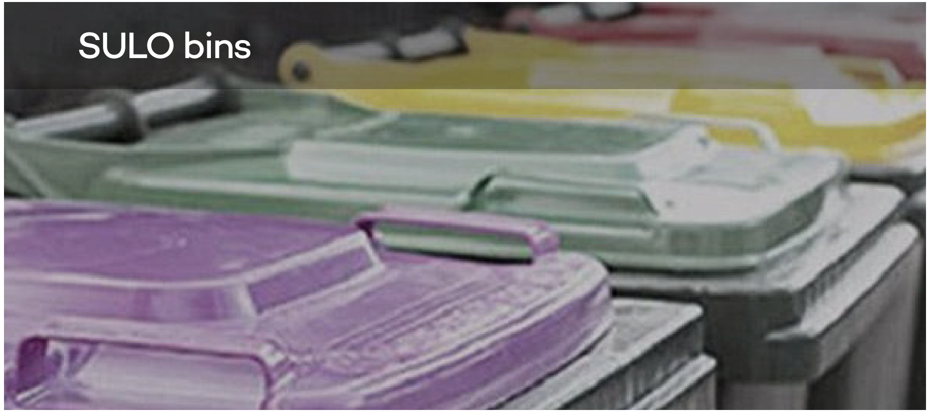
Est. start date: March 2023

Laverton – packaging new site

Est. start date: May 2023

Strategy in action - recycled examples

SULO bins



Princes Freeway Werribee noise wall

Swisse Ultivite range

Brownes Chill range

Strategic growth targets

Our Vision

Pact will lead the Circular Economy through reuse, recycling and packaging solutions

Targets

1. **Deliver value** from the Circular Economy of at least an additional $25 million EBIT, with run rate achieved by end FY25
2. **Increase average recycled content** across plastics to 30% by the end of FY25
3. **Margin growth in Packaging Australia** to 10% by FY26
4. **Refine the portfolio** and reset gearing levels to below 2.5 times by FY24
5. **Safety target** of TRIFR below 8.0 by FY24
6. **Emissions target** to reduce our Scope 1 and 2 Greenhouse Gas emissions by 50% by 2030 in Australia & New Zealand from a FY21 baseline

Focus on our people

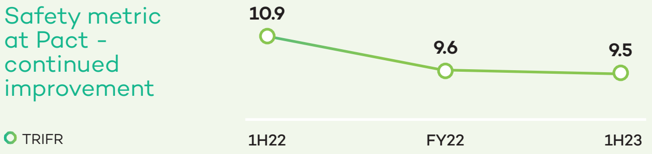
Safety as a Value comes first

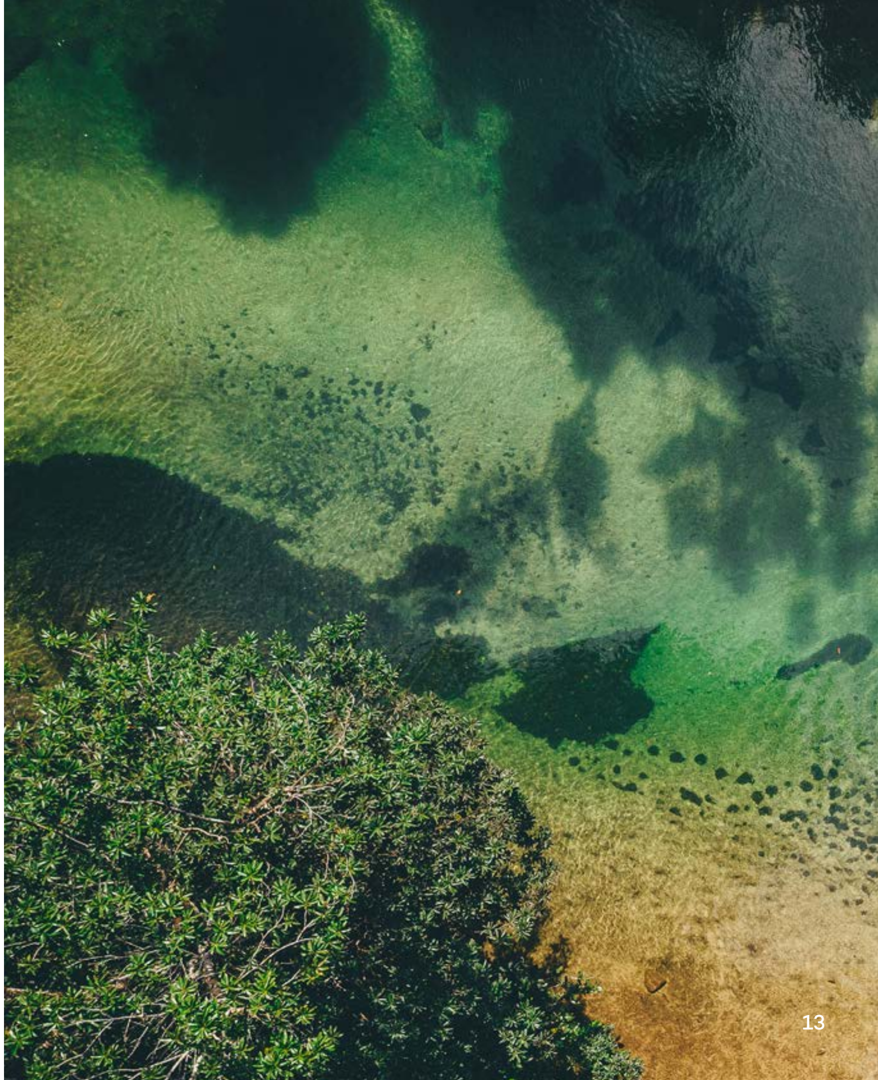
- The safety of our people is really important to us, we are committed to keeping our people safe, with strict health and safety protocols at our sites
- TRIFR is now at 9.5 and majority of the injuries were low consequence
- The key focus is on identification and elimination of hazards and assessment of major risks

Diverse and engaged workforce with high performing culture

- Over 200 leaders identified and nurtured through the Pact Lead program
- Continued focus on aligning our employees with our Values
- Identification and active management of key talent remains a focus
- Continuing to improve recognition in Pact with a focus on recognition aligning our employees with our values

Safety metric at Pact – continued improvement





Segment update

Packaging & Sustainability

EBIT growth in a challenging environment

$A millions	1H22	1H23	Variance
Revenue	607,300	660,569	9%
Underlying EBITDA	99,919	101,279	1%
Underlying EBITDA Margin	16.5%	15.3%	(1.2pp)
Underlying EBIT	55,620	57,301	3%
Underlying EBIT Margin	9.2%	8.7%	(0.5pp)

Focussed effort on price recovery and controlling costs

- Focus is on cost recovery and margin growth
- Packaging Australia revenue up 11% on pcp and EBIT increased as supply chain conditions stabilised and demand for sustainable packaging escalated
- Packaging New Zealand performance was solid with revenue up 10% on pcp, growth in meat tray volume over the half, record dairy sales in December and momentum expected to continue into 2H23
- Closures and Asia revenue up 6% on pcp. The result was achieved despite the Philippines business losing soft drink volume due to one-off sugar shortage (partly recovered in the last six weeks of 1H23) and China COVID disruptions

Materials Handling & Pooling

Revenue decline in Retail Accessories due to fall in US and Europe retail trade

$A millions	1H22	1H23	Variance
Revenue	185,173	178,631	(4%)
Underlying EBITDA	44,430	35,116	(21%)
Underlying EBITDA Margin	24.0%	19.7%	(4.3pp)
Underlying EBIT	28,341	18,325	(35%)
Underlying EBIT Margin	15.3%	10.3%	(5.0pp)

Stable retail performance in Australia. US & Europe retail conditions had a negative $10 million EBIT impact in Retail Accessories

- Retail Accessories revenue declined 15% as a result of sharp and deep slow down in US & Europe garment retail sector towards the end of FY22 and significant disruption from supply chain and China COVID challenges
- Mobile garbage bin volumes offset weakness in crate pooling, which was impacted by unseasonal weather conditions that had a negative affect on growing conditions
- Sulo bins secured significant new mobile garbage bin council contracts. Infrastructure business grew revenue on the back of new contracts

*of 1H23 underlying EBITDA

Contract Manufacturing

Turnaround to positive EBIT underway

$A millions	1H22	1H23	Variance
Revenue	150,330	176,644	18%
Underlying EBITDA	6,632	4,611	(30%)
Underlying EBITDA Margin	4.4%	2.6%	(1.8pp)
Underlying EBIT	(812)	(228)	72%
Underlying EBIT Margin	(0.5%)	(0.1%)	0.4pp

Repricing and contract wins supporting future growth

- Revenue up $26 million on pcp, with half of the increase due to price recovery and the balance from increased volume and favourable sales mix
- Horsley Park high speed fill line progressing well and due to open 1Q FY24, pre sold all new volume at this site
- EBIT monthly run rate at the end of the half positive, ambition to achieve $8 million EBIT turnaround from FY22 to FY23 on the back of new contracts won and retained

*of 1H23 underlying EBITDA

Financial Results

PACT
GROUP

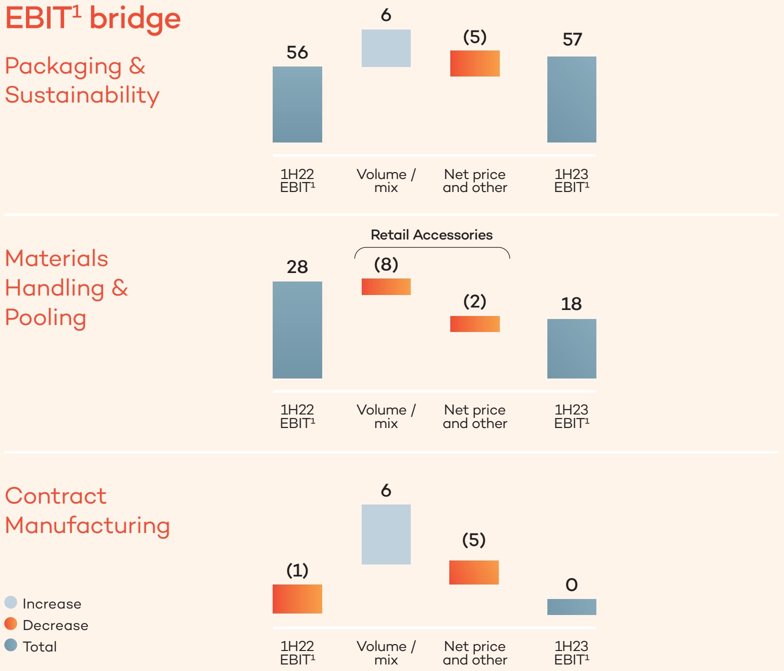
Group Results

FY23 first half results

$A millions	1H22	1H23	Variance
Revenue	927	998	7.7%
Underlying EBITDA	151	141	(6.6%)
Underlying EBIT	83	75	(9.3%)
Underlying EBIT Margin	9.0%	7.6%	(1.4pp)
Underlying NPAT	39	26	(33.1%)
Underlying adjustments after tax	(60)	(2)	
Reported NPAT	(21)	24	
ROIC	10.5%	9.4%	(1.1pp)
Free cash flow	13	(42)	
Gearing	2.7	3.2	0.5
Gearing (including leasing)	3.6	4.1	0.5
Reported EPS (cps)	(6.0)	7.0	

- Revenue up 7.7% driven by volume growth and cost recovery in Packaging & Sustainability segment and price recovery in Packaging Australia
- Underlying EBIT 3% above previously guided range reflecting increased demand and a more predictable supply chain in the last six weeks of the half

EBIT[1] bridge



1. Underlying EBIT

Balance Sheet

Gearing

Gearing

3.2x

1H22 2.7x
+ 50bps

Net Debt

$633m

1H22 $601 million
+ $32 million

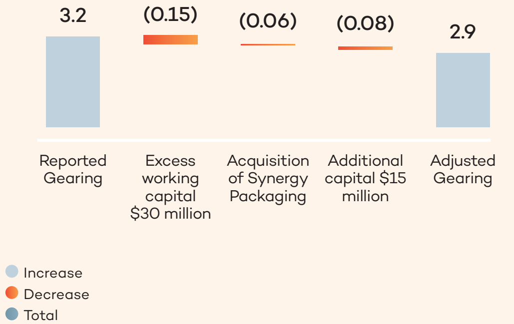
Trade & Other Receivables

$176m

1H22 $132 million
+ $44 million

- Temporarily higher than normal Gearing due to:
  - Increased sales in December, resulting in a $44 million debtor increase over the prior year
  - $20 million investment in Synergy Packaging
  - Acceleration of capital spend to invest in our packaging platform
- Working capital elevated due to increase in Trade Debtors and Inventory levels reflecting supply chain challenges
- We continue our focus on our optimal portfolio construction in the current rising interest rate environment

Gearing reflects excess working capital



- Actions underway to reduce Gearing below management target of 3.0 times

Capital expenditure accelerated in 1H23

Interim Dividend

–

3.5c in pcp

ROIC

9.4%

10.5% in pcp

Continued investment in strategic growth initiatives

$A millions	1H22	1H23
Capital expenditure	39	65
Recycling JVs	6	1
M&A	-	20

- Capital investment brought forward into the first half to generate returns in 2H23
- Focus of spend has been on upgrading packaging capability to ensure we have increased recycled content in packaging, and in increasing capacity
- ROIC of 9.4% reflects lingering supply chain impact in the first quarter of the year
- Medium term focus remains on:
  - Return on Invested Capital of >15%; and
  - Dividend of at least 40% of Underlying NPAT
- Total capital expenditure to be approximately $120 million for FY23

1H23 capital spend

Packaging & Sustainability

Upgrade of processed foods, a new packaging site in Laverton, and recycled content upgrade at the Brownes Dairy site in WA

$33m

Materials Handling & Pooling

Expanded capacity by investing in capability to make mega bins, significantly increased the crate pool in New Zealand and upgraded a crate wash site

$17m

Contract Manufacturing

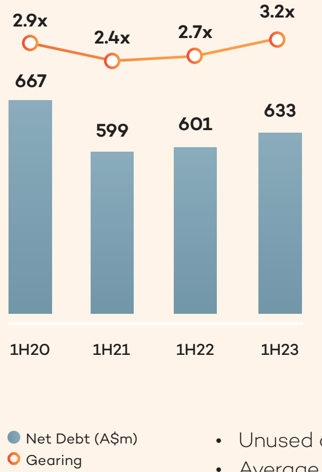
Relocated a site to a new facility in Horsley Park with a high speed liquid laundry fill line

$15m

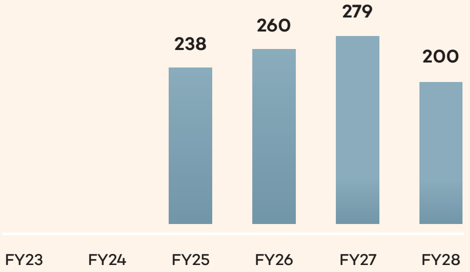
Balance Sheet

Debt & Cash management

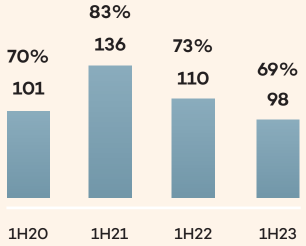
Net Debt and Gearing



Debt Maturity Profile



Operating cash flow



- Unused debt facilities total $280 million
- Average interest rate cover 30% in FY23

Outlook

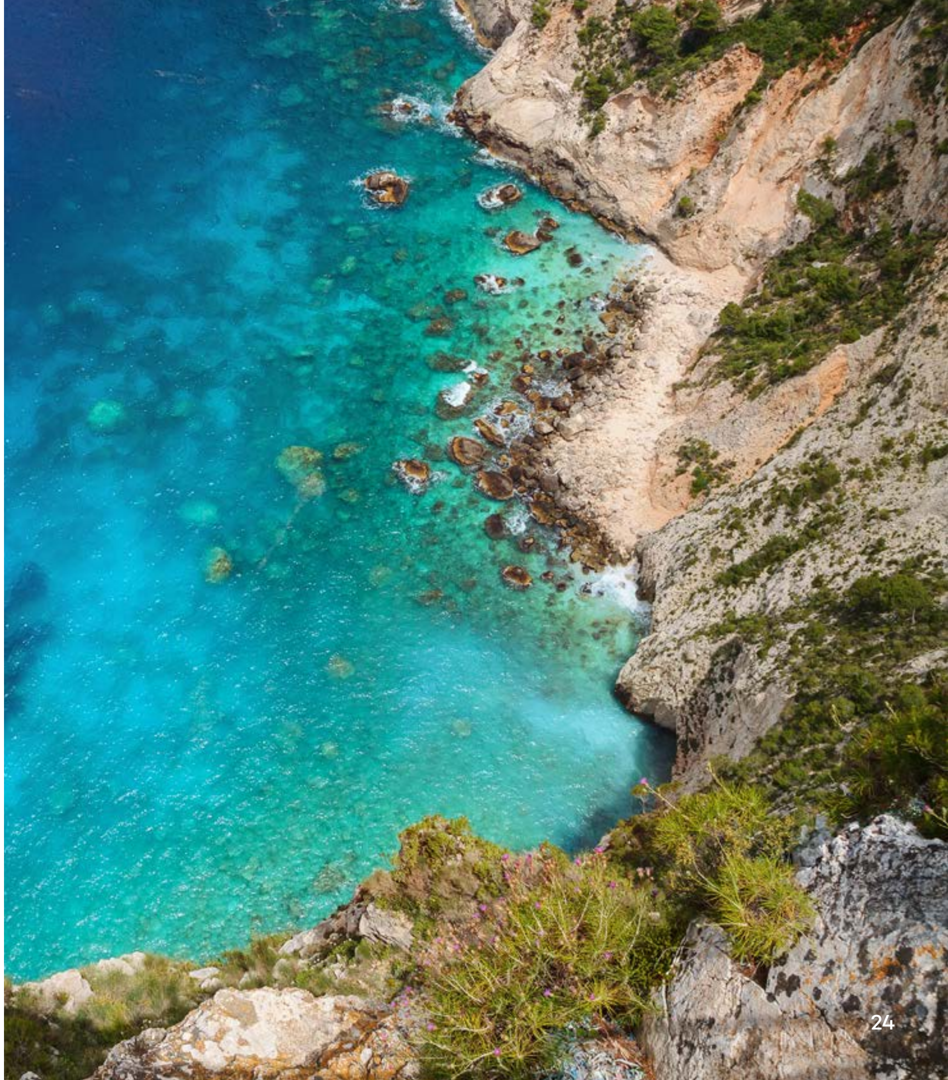
PACT GROUP

FY23 Outlook

Pact reiterates guidance of FY23 underlying EBIT to be slightly ahead of FY22, noting that the demand outlook is uncertain

Segment outlook:

- Packaging & Sustainability - FY23 result to be above FY22 as trading conditions normalise and demand improves with impact particularly on Australian packaging, New Zealand and Asia
- Materials Handling & Pooling - 2H23 EBIT expected to be in line with 2H22 EBIT
- Contract Manufacturing – expected to deliver positive EBIT for FY23



Appendices

1. Reconciliation of Statutory Income

$A millions	1H 2022	1H 2023
Statutory (loss)/profit before income tax expense	**(22.5)**	**34.1**
Net finance costs and loss on de-recognition of financial assets	27.5	38.0
Reported EBIT	**5.0**	**72.1**
Underlying adjustments expense	78.2	3.3
Underlying EBIT	**83.1**	**75.4**
Depreciation and amortisation expense	67.8	65.6
Underlying EBITDA	**151.0**	**141.0**

$A millions	1H 2022	1H 2023
Statutory net (loss) / profit	**(20.8)**	**23.9**
Underlying adjustments before tax	78.2	3.3
Tax benefit on underlying adjustments	(18.1)	(0.9)
Underlying NPAT	**39.3**	**26.3**

2. Underlying Adjustments

$A millions	1H 2022	1H 2023
Transaction costs	(0.7)	(2.9)
Costs arising from factory fire	(1.3)	-
Inventory write downs and related disposal costs	(16.9)	-
Insurance settlements for events in prior periods	1.9	0.1
Profit on sale of properties	8.9	1.3
Net gains on lease modification	1.0	-
Business Restructuring Programs:		
Restructuring costs	(3.6)	0.3
Asset write downs	-	(2.1)
Impairment and write off expenses:		
Tangible asset write off	(37.6)	-
Intangible assets impairment	(29.9)	-
Total underlying adjustments	**(78.2)**	**(3.3)**
Tax benefit on underlying adjustments	18.1	0.9
Underlying adjustments after tax	**(60.1)**	**(2.4)**

3. Cash flow reconciliation

$A millions	1H 2022	1H 2023
Statutory net cash flows provided by operating activities	**66.6**	**50.0**
Payments for property, plant and equipment	(39.4)	(64.6)
Proceeds from sale of property, plant and equipment	10.1	0.0
Repayment of lease liability principal (net of incentives received)	(26.0)	(26.9)
Sundry items	2.0	(0.9)
Free cash flow	**13.4**	**(42.3)**
Statutory net cash flows provided by operating activities	**66.6**	**50.0**
Borrowing, trade debtor securitisation and other finance costs paid	28.2	32.3
Income tax paid	22.6	12.0
Business restructuring spend	1.8	3.2
Other items	(5.5)	3.5
Proceeds from securitisation of trade debtors	(3.3)	(3.0)
Operating cash flow	**110.4**	**98.0**

4. Definitions of Non-IFRS Financial Measures

APCO Australian Packaging Covenant Organisation

Capex represents capital expenditure payments for property, plant and equipment

Underlying EBITDA refers to EBITDA before underlying adjustments. EBITDA is defined as earnings before net finance costs and losses on de-recognition of financial assets, income tax, depreciation and amortisation – refer to Appendix 1 for a reconciliation to statutory profit for the period

Underlying EBIT refers to EBIT before underlying adjustments. EBIT is defined as earnings before net finance costs and losses on de-recognition of financial assets and income tax – refer to Appendix 1 for a reconciliation to statutory profit for the period

EBIT margin is calculated as underlying EBIT before significant items as a percentage of revenue

Free cash flow is defined as statutory net cash flows provided by operating activities less capex, less repayments of lease liability principals and after proceeds from asset sales and other sundry items

Gearing is calculated as net debt divided by rolling 12 months underlying EBITDA excluding the impact of lease accounting following the adoption of AASB16 Leases

Net finance costs and losses on de-recognition of financial assets is net of interest income

Net debt is calculated as interest bearing liabilities (excluding lease liabilities recognised under AASB16) less cash and cash equivalents

Underlying NPAT refers to NPAT before underlying adjustments. NPAT is defined as net profit after tax – refer to Appendix 1 for a reconciliation to statutory profit for the period

Operating cash flow is defined as underlying EBITDA, adjusted for interest, tax and one-off items

Operating cash flow conversion is defined as operating cash flow divided by underlying EBITDA

ROIC represents return on invested capital and is defined as rolling 12 months underlying EBIT divided by rolling 12 months average total assets (excluding cash, cash equivalents and deferred tax) less current liabilities (excluding interest bearing liabilities and tax liabilities)

Shipping reliability sourced from Sea Intelligence and is measured as a percentage of average shipping days over 5 days late

TRIFR is total recordable injury frequency rate

Underlying adjustments includes items that are individually material or do not relate to the operating business


Our promise is to create a better and more prosperous world all round. That's our future Pact.
Let's Lead the Way Together.
pactgroup.com
PACT GROUP
Pact Group Holdings Ltd
ABN: 55 145 989 644