ASX Announcement

Trading Update

Date: 20 May 2024

Pact Group Holdings Ltd (ASX: PGH) (**Pact** or the **Company**) is providing a trading update for the first 10 months of the 2024 financial year (i.e. to 30 April 2024). This update is being provided to shareholders in accordance with the information sharing protocols agreed by the Independent Board Committee (**IBC**) and the Chair of Pact (Mr Geminder) as set out in Section 4.1(b) of Pact's Target's Statement.

Trading update

Pact's trading for the first 10 months of the 2024 financial year has been generally consistent with management's expectations, with unaudited revenue slightly below the prior corresponding period, but unaudited Underlying EBITDA[1] and unaudited Underlying EBIT[1] above the prior corresponding period, after adjusting for Discontinued Operations.

Continuing Operations (A$'million, unaudited)	1 Jul – 30 Apr FY23	1 Jul – 30 Apr FY24	Change $	Change %
Revenue	1,517.0	1,497.3	(19.7)	Down 1.3%
Underlying EBITDA	190.7	199.9	9.2	Up 4.8%
Underlying EBIT	97.1	105.5	8.4	Up 8.7%
Net Debt	699.0	507.0	(192.0)	Down 27.5%

As a reminder, during FY24 the Company divested 50% of its Crate Pooling and Crate Manufacturing business (**Crates Business**) and retained the remaining 50% under a joint venture arrangement.

As a result, the Crates Business will be classified as Discontinued Operations in the Company's FY24 financial statements. The Continuing Operations result includes five months of 50% of net profit after tax for the Crates Business, with both of the '1 Jul – 30 Apr FY23' financials and the '1 Jul – 30 Apr FY24' financials, shown above, having been restated to remove the consolidated revenue, Underlying EBITDA and Underlying EBIT from the Crates Business.

The Company previously advised that it had implemented a cost savings program to reduce costs by $20 million per annum, with the program commencing in the first quarter of FY24. Pact reports that this cost savings program remains on track, and the part year savings are reflected in its '1 Jul – 30 Apr FY24' financials.

The Company also notes that one of its polyethylene (resin) suppliers, Qenos, was placed into voluntary administration on 17 April 2024. The Company is working towards securing resin contingencies from overseas suppliers in the event that Qenos cannot meet its ongoing requirements. The Company is putting measures in place to mitigate the impact of increased lead times and cost.

[1] 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. 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. Underlying EBITDA and Underlying EBIT 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 and other non-IFRS measures for its internal management reporting as they better reflect what Pact considers to be its underlying performance. Non-IFRS information is not subject to review or audit by the Company's external auditor.

Taking into account the above items, the Company remains on track to deliver FY24 Reported Underlying EBIT[2] in line with consensus.

The Company has also previously stated its target is to achieve Gearing[3] of 2.5x by the end of 30 June 2024. This target was dependent on certain assumptions, including the timing of potential non-core asset sales. The Company now expects Gearing of approximately 2.8x at 30 June 2024.

For further information contact:

Carolyn Ireland
General Manager Investor Relations & Transformation
+61 403 045 905

This document has been authorised for release by the Board of Directors.

[2] FY24 Reported Underlying EBIT includes both Continuing Operations and Discontinued Operations and is before adjusting for Underlying items.

[3] Gearing is calculated as interest bearing liabilities (excluding lease liabilities recognised under AASB16 Leases) less cash and cash equivalents, divided by rolling 12 months underlying EBITDA (excluding the impact of lease accounting under AASB16).