

Brambles

**Half-Year
2022 Results
presentation**

25 February 2022



**Pioneering
Regenerative
Supply Chains**

1

Results highlights

GRAHAM CHIPCHASE, CEO

1H22 highlights

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Earnings and profit
growth ahead of FY22
guidance despite
extraordinary inflationary
environment and global
supply chain disruptions
.....

Sales revenue +8% and Underlying Profit +4% at constant FX

- Price growth in all regions to recover cost-to-serve, including inflation
- Volume growth impacted by strong COVID-19 related demand in 1H21 and pallet availability constraints in 1H22
- Underlying Profit included US\$24.4 million of short-term transformation costs

Excluding short-term transformation costs, Underlying Profit +9% resulting in 1pp of leverage

- Effective recovery of operating cost inflation, increased asset charges and Shaping Our Future investments through price realisation and supply chain efficiencies

Cash flow impacted by lumber inflation and partial reversal of FY21 timing benefits

- Free Cash Flow after dividends decreased US\$311.7 million including outflows of US\$115 million relating to the reversal of FY21 cash flow timing benefits from delayed pallet purchases and tax payments
- Capital expenditure included US\$270 million increase in new pallet costs due to lumber inflation

Strong EPS growth +8% reflecting earnings growth and benefit from share buy-back programme

ROCI remains strong at 18.8%

Shaping Our Future transformation programme making progress and will be instrumental in supporting Brambles to navigate challenging market dynamics and delivering value for its stakeholders

1H22 operating environment

Extraordinary input cost inflation and disruption across global supply chains

- Shipping delays and severe trucking capacity issues
- Increasing labour availability challenges with higher absenteeism across supply chains due to the emergence of the Delta and Omicron variants of COVID-19
- Shortage of raw materials and other critical inputs across general manufacturing and other industries driving scarcity and increased costs
- Ongoing lumber supply and demand pressures resulting in availability challenges and record levels of inflation
- New pallet manufacturing constraints in all markets impacted new pallet supply
- Increased levels of inventory and pallet stock holdings at retailers and manufacturers

Brambles' response

- Working with retailers, manufacturers and other supply chain participants to improve pallet availability
- Demand management initiatives in place to optimise service across customer base
- Increasing pallet purchases in all regions to increase pallet availability and service customer demand
- Ongoing investment in automation to deliver efficiencies

Expectations for FY22

- Ongoing disruptions across global supply chains leading to increased inventory levels
- Continued inflationary pressures on key inputs of lumber, labour and transport

Outlook

FY22 Sales and Underlying Profit guidance upgraded, Free Cash Flow impacted by extraordinary lumber inflation

<p>Upgraded FY22 Sales and Underlying Profit guidance¹</p>	<ul style="list-style-type: none"> • Sales revenue growth of 6-8% at constant currency (previous guidance of 5-7%) • Underlying Profit growth 3-5% at constant currency (previous guidance of 1-2%) including approximately US\$50 million of short-term transformation costs. Excluding short-term transformation costs, Underlying Profit growth is expected to be between 8-10% (previous guidance of 6-7%)
<p>Updated FY22 cash flow guidance and implications for FY23¹</p>	<p>Brambles' updated guidance is based on the assumption that the extraordinary lumber inflation and supply-chain dynamics which are currently impacting pallet availability and the capital cost of pallets, whilst not structural, are unlikely to moderate until the second half of FY23. In this context:</p> <ul style="list-style-type: none"> • Brambles now expects FY22 Free Cash Flow after dividends to be a net outflow of US\$350 million (previous guidance for an outflow of US\$200 million). The increased outflow expectation reflects additional lumber inflation and pallet purchases due to extended cycle times and lower pallet returns in all regions. This increase will be partially offset by higher-than-expected earnings growth and timing of non-pooling capital expenditure • If the lumber prices and supply-chain dynamics that are currently impacting pallet availability and the capital cost of pallets persist, Brambles expects FY23 Free Cash Flow after dividends to also be a net outflow. The amount of any such outflow would depend on a number of material unknowns (and subject to change) including actual lumber prices, capital cost of pallets and pallet purchase levels as well as the cash contribution from ongoing actions to recover cost-to-serve increases and other transformation initiatives <p>These Free Cash Flow after dividends expectations do not include the impact of any decision on investment in Costco plastic pallets. A decision is expected by the end of FY22</p>
<p>FY22 dividend guidance unchanged</p>	<ul style="list-style-type: none"> • FY22 dividends expected to be in line with Brambles' policy to pay out between 45-60% of Underlying Profit after finance costs and tax² in US cent terms

¹ Brambles has updated its outlook in the context of its performance in the first half of FY22 and the current operating landscape, including ongoing disruptions across global supply chains, inflationary pressures, and COVID-19 developments since September 2021.

² Subject to Brambles' cash requirements.

Dividends and capital management

Increased dividend and share buy-back to recommence

Dividends

- Declared an increased interim dividend of US10.75 cents (1H21: US10.0 cents), converted and paid as A15.06 cents, franked at 30%
- FY22 interim dividend payout ratio of 50% is within our targeted payout ratio range of 45-60%¹

Capital management

- To date ~A\$2.6 billion from the proceeds of the IFCO sale have been returned to shareholders² representing 92% of the A\$2.8 billion Capital Management Programme commenced 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\$2.1 billion, representing 194 million shares purchased or ~90% of A\$2.4 billion on-market buy-back that commenced in June 2019
- On-market share buy-back will recommence on 28 February 2022 and is expected to complete in FY22 subject to the ongoing assessment of the Group's funding and liquidity requirements

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

² As at 31 December 2021.

②

Financial overview

NESSA O'SULLIVAN, CFO

1H22 results

Summary

(US\$m)	1H22	Change vs. 1H21	
		Actual FX	Constant FX
Continuing operations			
Sales revenue	2,766.4	8%	8%
Underlying Profit	481.2	3%	4%
Significant Items	-	-	-
Operating profit	481.2	3%	4%
Net finance costs	(42.6)	-	2%
Tax expense	(133.8)	(5)%	(6)%
Profit after tax - continuing	304.8	3%	4%
Discontinued operations	(0.3)		
Profit after tax	304.5	4%	5%
Effective tax rate - Underlying	30.5%	0.3pts	0.4pts
Brambles Basic EPS (US cents)	21.3	9%	9%
Underlying EPS (US cents)	21.3	8%	8%

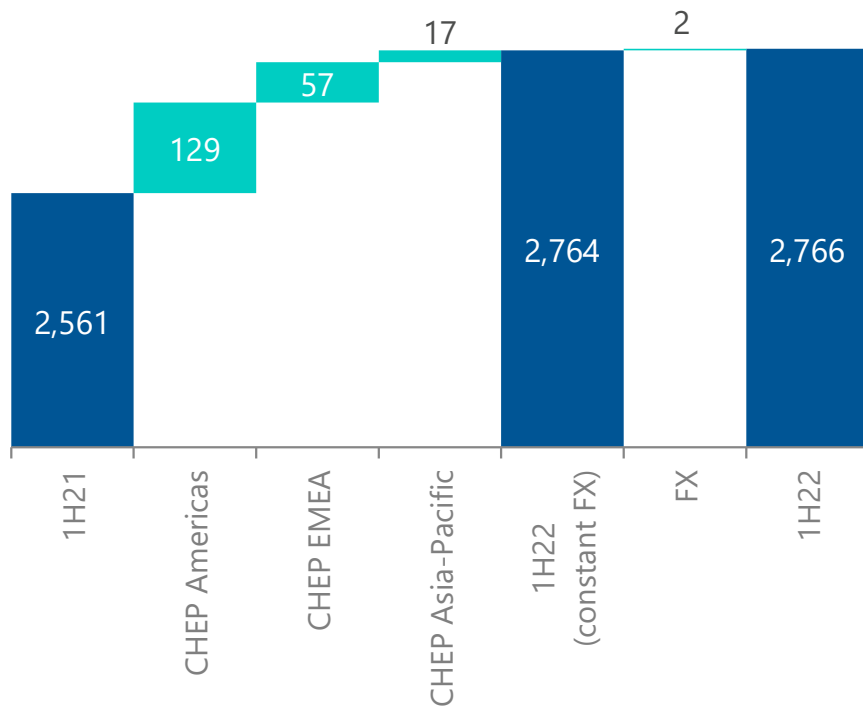
- **Sales revenue +8%** reflecting pricing actions to recover higher cost-to-serve. Volumes in line with prior year as net new business growth offset by like-for-like volume declines
- **Underlying Profit +4%** including 1H22 short-term transformation costs of US\$24.4m
- **Excluding short-term transformation costs, Underlying Profit +9%** as the sales contribution to profit, surcharges in North America, supply chain efficiencies and repair cost timing benefits more than offset input cost inflation across the Group, higher asset charges and incremental costs to support the acceleration of Shaping Our Future transformation
- **Profit after tax (continuing ops) increased +4%** in line with operating profit
- **Effective tax rate of 30.5%** compared to 30.2% in 1H21
- **Underlying EPS of 21.3 US cents up 8%** reflecting higher earnings and 0.9 US cent (or 4pts at constant FX) benefit from the share buy-back programme

1H22 Group sales revenue

Growth in all regions primarily reflecting pricing actions to recover inflation and other cost-to-serve increases

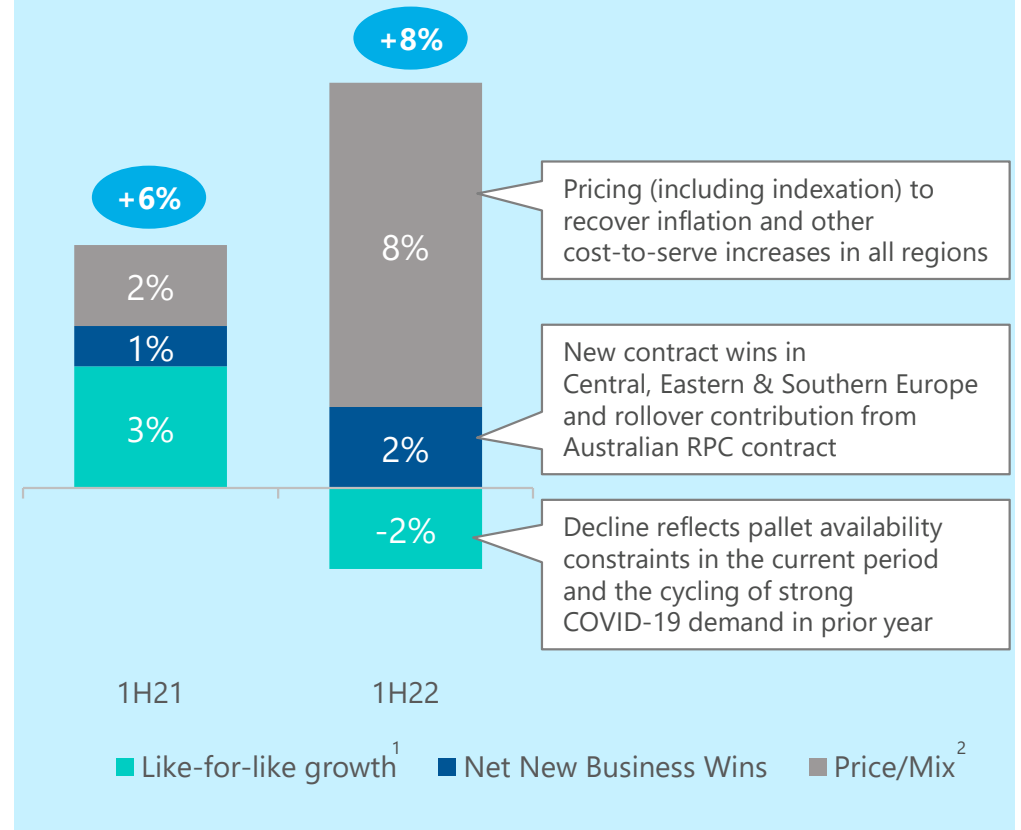
Growth across all segments

1H22 Sales revenue growth (US\$m)



Price realisation, volumes in line with prior year

Price/mix and volume contribution to growth

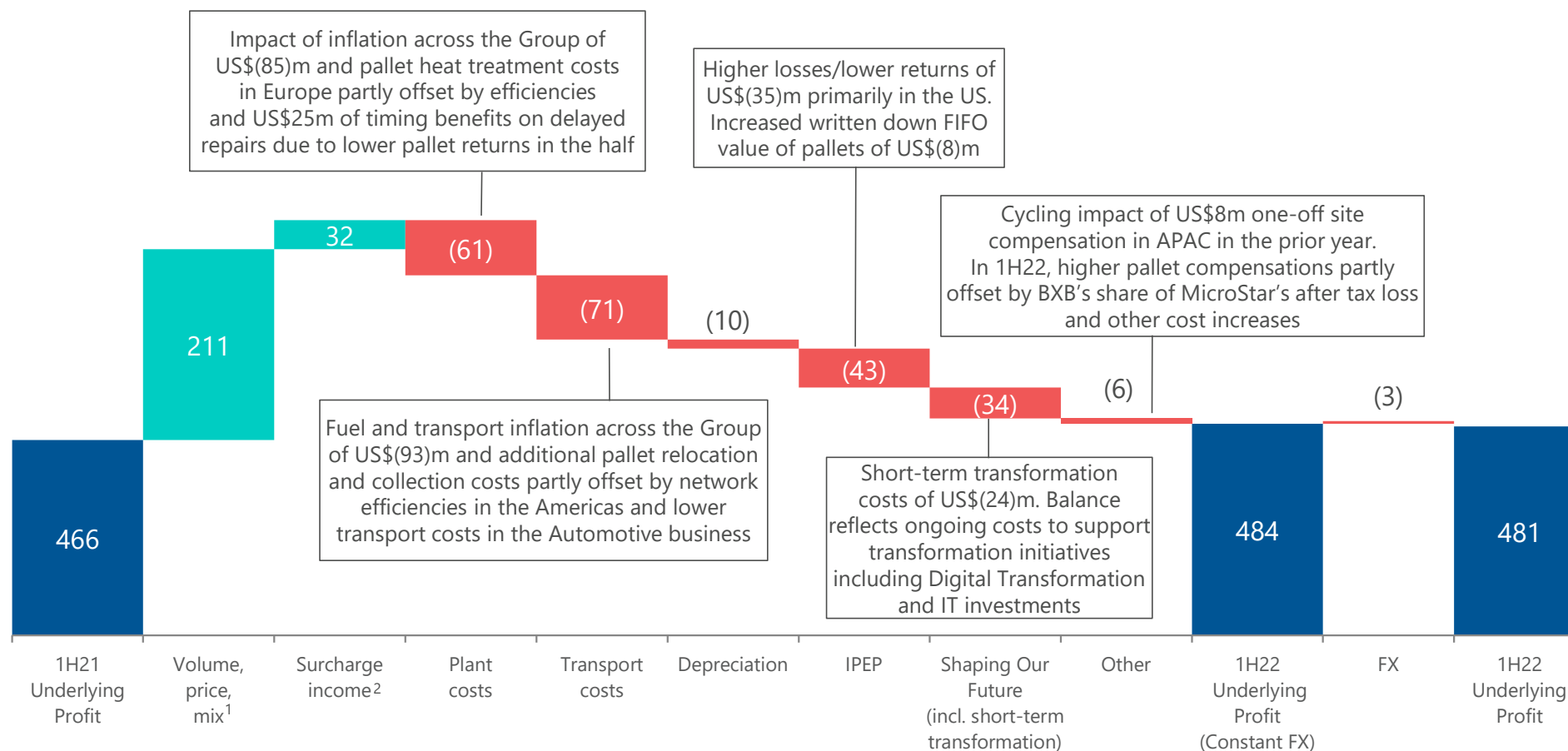


¹ Like-for-like growth references volume performance of the same products with the same customers.

² Price/Mix includes indexation in Europe and excludes North American surcharges included within 'other income' in the financial statements.

Group profit analysis (US\$m)

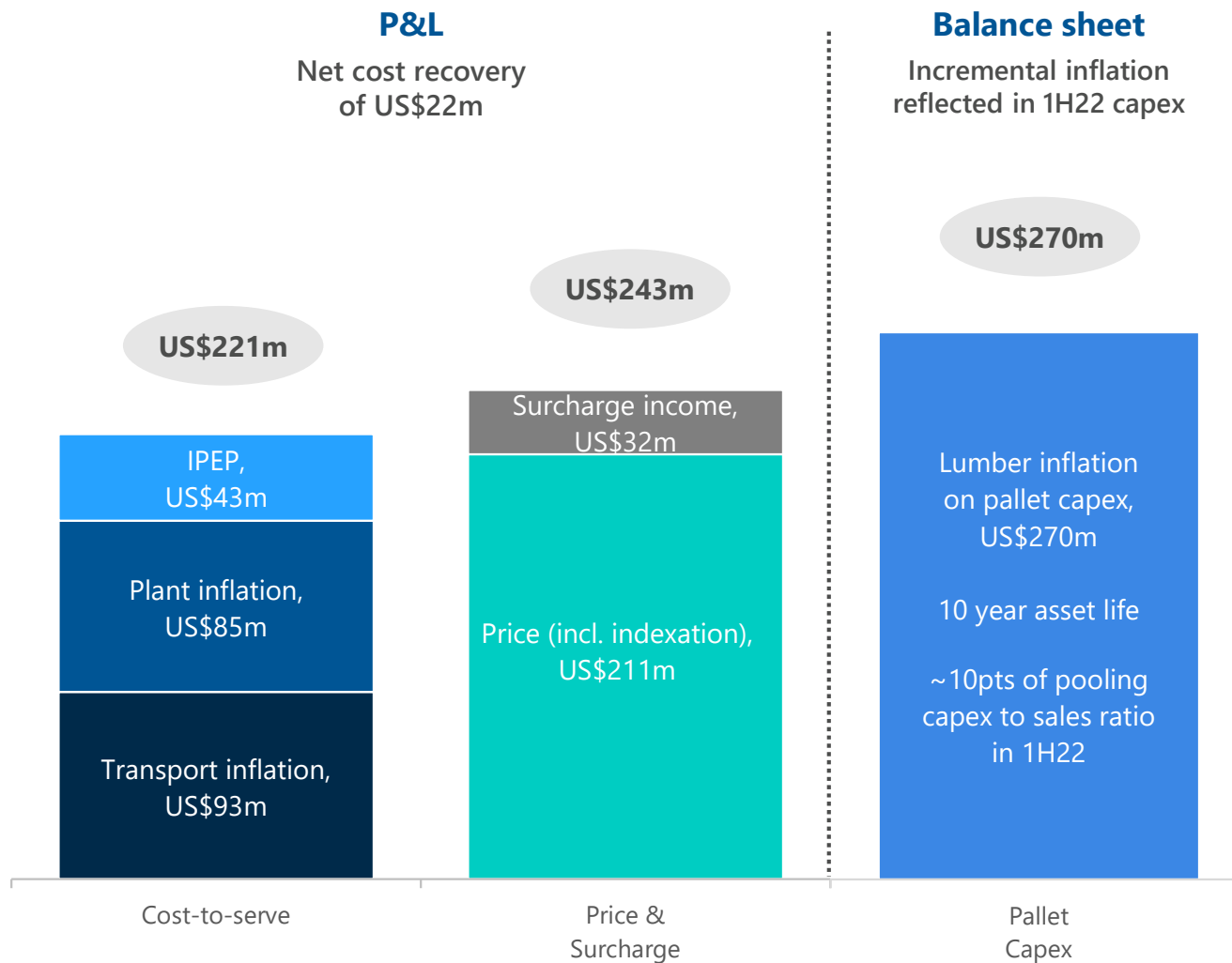
Pricing, surcharge income and supply chain efficiencies offset higher operating costs and investment in transformation initiatives to support future growth



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

² Lumber, transport and fuel surcharge income in North America (previously included within net plant and net transport costs, respectively).

Inflation and supply chain disruptions driving material increase in operating costs and capex. Effective recovery of P&L costs through pricing and surcharge mechanisms



2H22 considerations

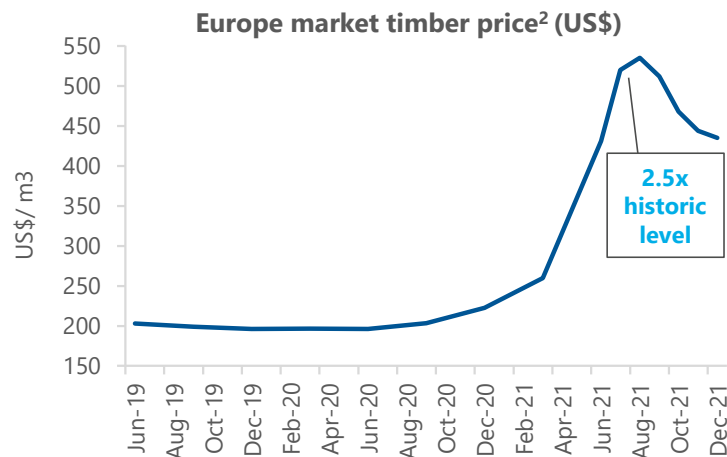
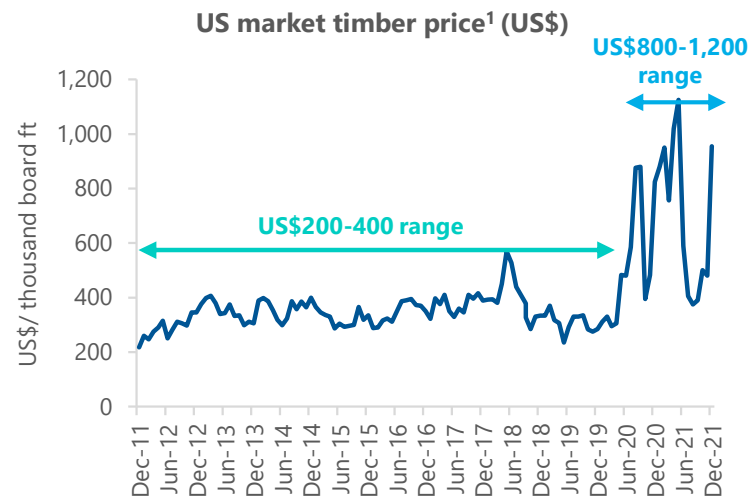
- Pricing and surcharge mechanisms expected to continue to operate effectively
- Lumber inflation expected to continue to impact capex and capex to sales ratio
- Elevated levels of transport and labour inflation expected to continue with ongoing scarcity

Lumber inflation

Unprecedented levels of lumber inflation driven by both supply and demand challenges, impacting P&L repair costs, the capital cost of pallets and the availability of lumber to produce new pallets

Extraordinary lumber market dynamics and inflation

- Lumber cost impacted by both supply and demand challenges – historically spikes in lumber inflation driven by either supply or demand factors
- Lumber commodity pricing subject to cycles of inflation
 - Historic market lumber cyclical price increases (pre COVID-19) between ~30%-50%
 - Current levels of price inflation of over 200% with spot market movements of up to 500%



¹ Source: Random Lengths.

² Source: HPE Europe Market index.

Brambles impact weighted to capex

Capital expenditure: *Lumber represents >80% of new pallet costs*

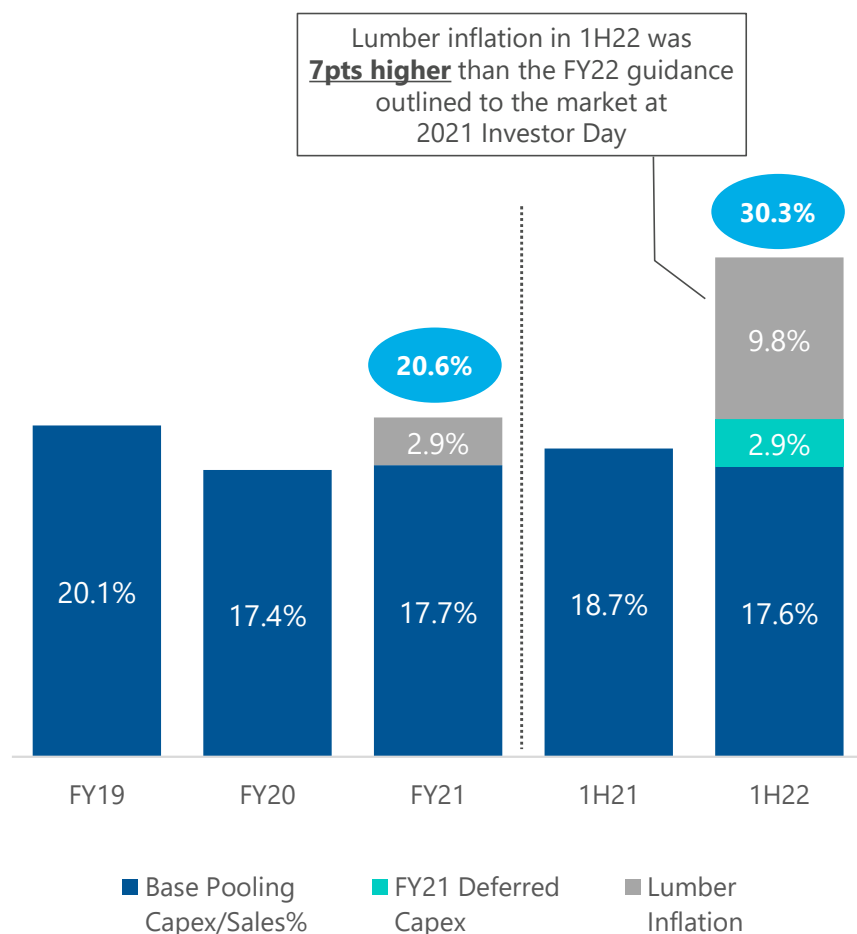
- US\$270 million of the 1H22 increase in Group capital expenditure due to higher pallet prices
- US pallet prices showed some signs of moderation in Q1-FY22, however pricing has now reverted to FY21 highs

Operating expenses: *Lumber represents ~15% of plant costs*

- Higher costs of repair lumber
- Pallet availability challenges resulting in repair and transportation inefficiencies
- Higher operating costs partly offset by efficiency benefits from supply chain investments, including damage rate improvements in US & Europe and lower pallet repairs

Asset efficiency

Lumber inflation added 10pts to pooling capex to sales ratio; excluding lumber inflation and FY21 pallet deferrals, pooling capex to sales was 17.6%



1H22 pooling capex of US\$838m increased US\$367m at constant currency compared to 1H21:

- ~US\$270m increase reflecting continuation of record-levels of lumber inflation, first flagged in the last quarter of FY21
- ~US\$80m spend relating to FY21 deferred pallet purchases. The remaining US\$100 million of pallet deferrals from FY21 is expected to be spent in 2H22 and into FY23
- Increased pallet purchases despite flat issues volumes, cycling high levels of opening US plant stock in the prior year and responding to lower returns and higher levels of inventory across global supply chains

FY22 expectations

- FY22 pooling capex to sales ratio expected to be broadly in line with the 1H22 level. This expectation assumes the continuation of extraordinary lumber inflation, challenging supply chain dynamics and extended cycle times in all regions
- Brambles continues to implement a range of asset productivity initiatives with a view to improving pallet return rates and asset efficiency from 2H22 onwards

CHEP Americas

Double-digit sales and earnings growth despite supply-chain challenges and inflationary pressures

(US\$m)	1H22	Change vs. 1H21	
		Actual FX	Constant FX
US	1,047.6	9%	9%
Canada	175.2	16%	11%
Latin America	195.4	18%	18%
Pallets	1,418.2	11%	10%
Containers	18.5	2%	2%
Sales revenue	1,436.7	11%	10%
Underlying Profit	231.0	20%	19%
Margin	16.1%	1.3pts	1.3pts
ROCI	18.0%	2.1pts	2.1pts

1H22 performance

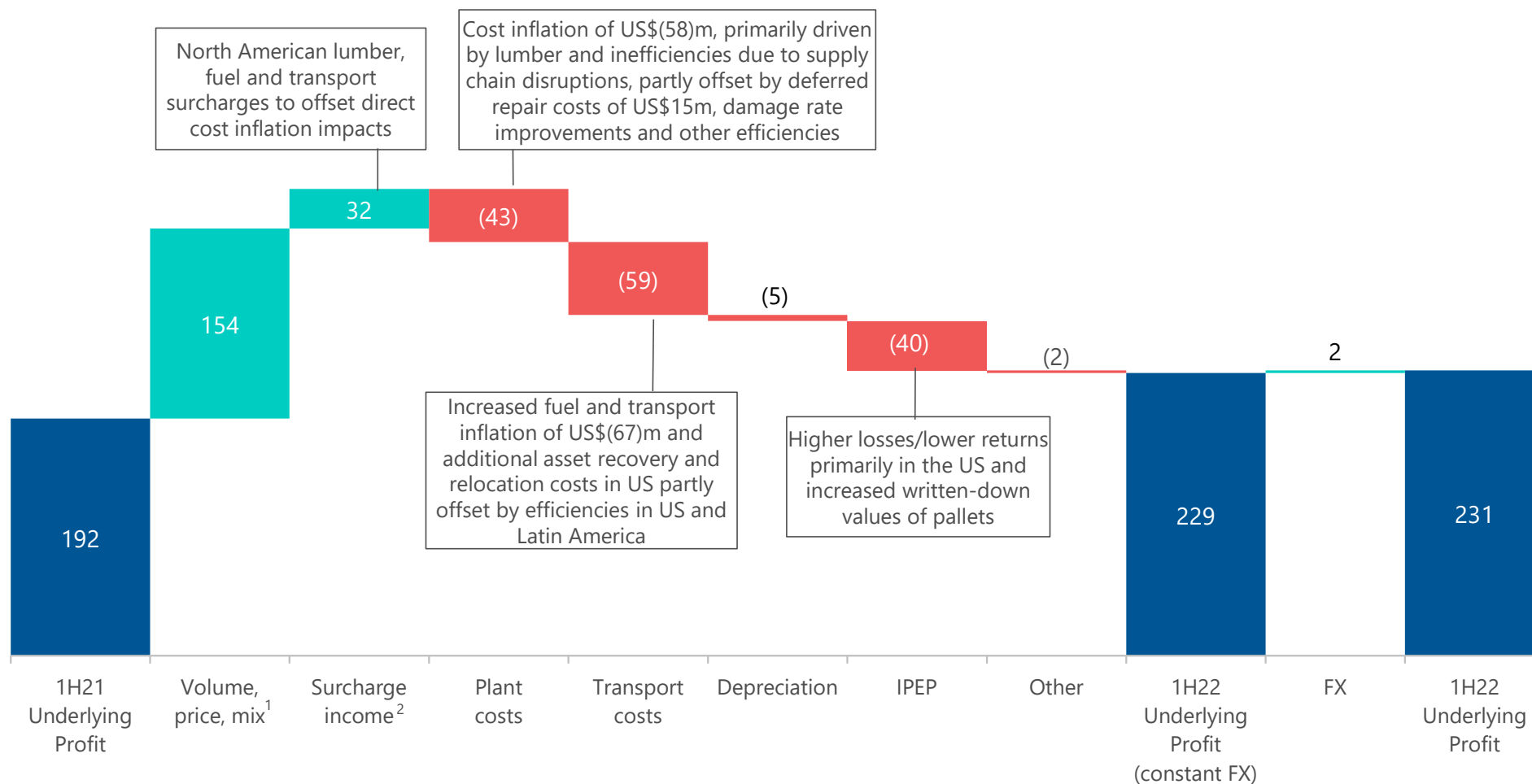
- **Pallets revenue +10%** largely driven by pricing actions in the US and Latin America to recover increased cost-to-serve. Segment volumes down 3%, reflecting pallet availability challenges in 1H22 and the cycling of strong COVID-19 related demand in the prior period. Increased pallet purchases in 1H22 to improve pallet availability
- **Containers revenue +2%** due to favourable price mix and like-for-like volume growth in the North American IBCs business
- **Underlying Profit +19%** as strong sales contribution, incremental income from North American surcharges and supply chain efficiencies more than offset operating cost inflation and higher asset charges due to lower returns, primarily in the US business
- **Underlying Profit margin +1.3pts** driven by margin expansion in Canada and Latin America with US margins in line with prior year

FY22 expectations

- Sales revenue weighted to pricing
- Range of initiatives underway with a view to improve pallet availability from Q4 of FY22
- Ongoing inflationary challenges across the region, pricing initiatives and surcharges expected to offset increased operating cost-to-serve
- Full-year margin expansion ~1pt with US margin expansion expected reflecting ongoing cost recovery

CHEP Americas profit analysis (US\$m)

Pricing and surcharge mechanism offset supply-chain cost inflation and other cost-to-serve increases



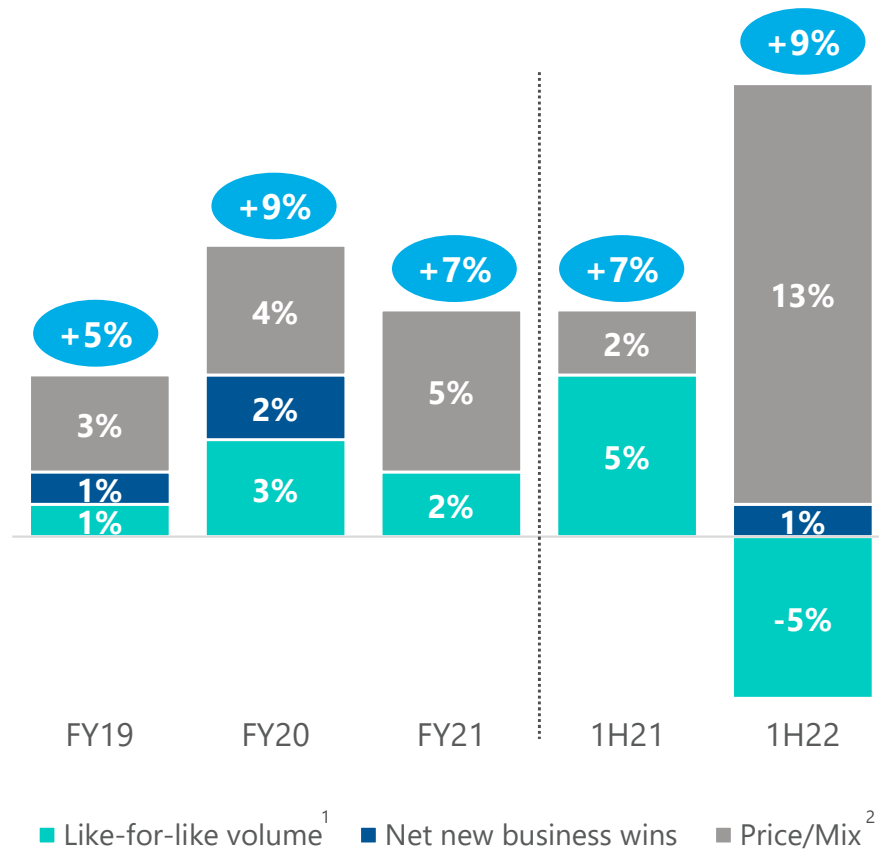
¹ Sales growth net of volume-related costs (excluding depreciation and IPEP).

² Lumber, transport and fuel surcharge income in North America (previously included within net plant and net transport costs, respectively).

US pallets revenue

Rollover pricing and additional actions to recover extraordinary levels of inflation; volumes impacted by strong growth in prior year and pallet availability constraints

US pallets revenue growth breakdown



1H22 revenue growth components

- **Price/mix growth of 13%** reflecting rollover pricing from the prior year and pricing actions in the current period to recover cost-to-serve increases
- **Like-for-like volume down (5)%**, as the business cycled 5% volume growth in the prior year and reflects softening underlying demand in the current period
- **Net new business wins 1%** driven by contract wins in the second-half of FY21
- **Pallet availability restricted volume growth with existing and new customers in the current period.** Service of existing customers was prioritised in the half with increased pallet purchases to improve availability

FY22 expectations

- Pricing momentum to continue with rollover benefits from first half and additional pricing actions in 2H22
- Volumes including new business wins to remain constrained in 2H22

¹ Like-for-like growth references volume performance of the same products with the same customers.

² Price/Mix excludes surcharges included within 'other income' in the financial statements.

CHEP EMEA

Volume growth, increased pricing and operating efficiencies in a challenging and high inflationary environment supporting earnings growth

(US\$m)	1H22	Change vs. 1H21	
		Actual FX	Constant FX
Europe	812.0	5%	6%
IMETA	105.9	5%	4%
Pallets	917.9	5%	6%
RPCs + Containers	141.1	4%	5%
Sales revenue	1,059.0	5%	6%
Underlying Profit	248.4	3%	4%
Margin	23.5%	(0.5)pts	(0.5)pts
ROCI	25.4%	0.3pts	0.2pts

1H22 performance

- **Pallets revenue +6%:** pricing growth of +4pts and net new wins of +3pts in Central, Eastern and Southern Europe, partly offset by a decline in organic volumes of (1)pt as the business cycled strong COVID-19 and Brexit-related demand in 1H21
- **RPCs & Containers revenue +5%:** reflecting the recovery in the Automotive and IBC businesses
- **Underlying Profit +4% with margin decline of (0.5)pts reflecting higher cost-to-serve:** sales contributions to profit, supply chain efficiencies including pallet damage rate improvements in Europe and cost savings in the Automotive business from lower return rates were offset by direct cost inflation across the region and additional costs relating to heat treatment of pallets in Europe
- **ROCI broadly in line with prior year**

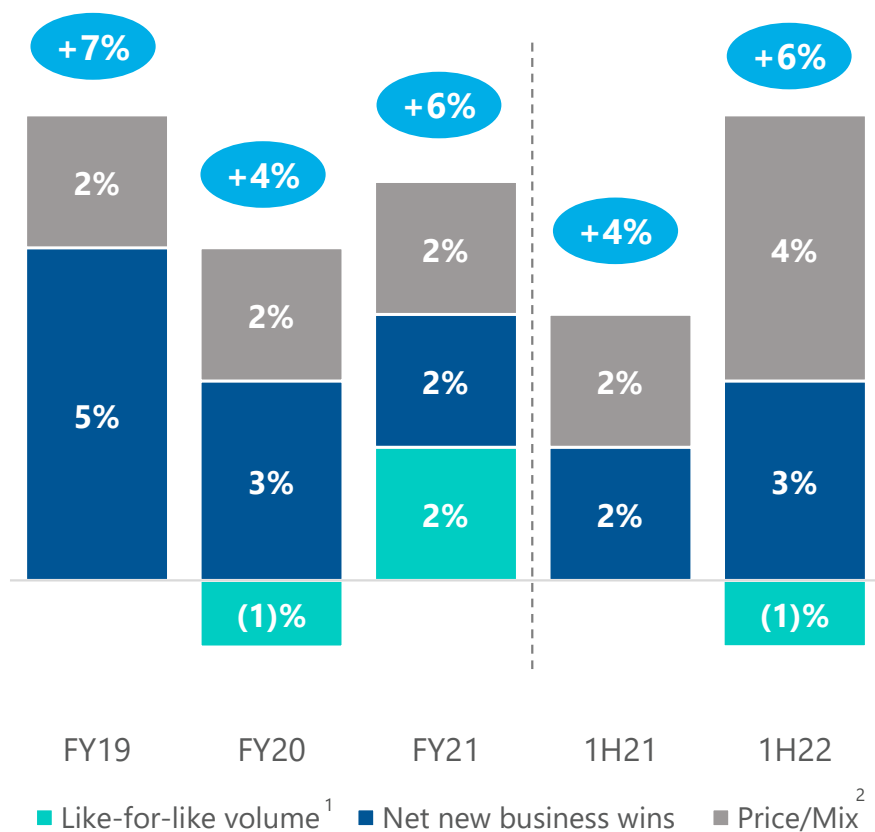
FY22 expectations

- Ongoing supply chain challenges including lumber, transport and labour availability and inflationary pressures
- Additional price realisation in 2H22 to recover increased cost-to-serve

EMEA sales growth

Continued volume momentum with customer wins in Europe and pricing to recover increased cost-to-serve across the region

CHEP EMEA revenue growth breakdown



1H22 revenue growth components

- **Price/mix growth +4%** largely reflecting contractual price indexation across the region and additional pricing to recover inflation, Brexit-related heat treatment costs and other cost-to-serve increases in the European pallet business
- **Net new business wins +3%** despite some pallet availability constraints, with growth driven by new customer wins in Central, Eastern and Southern Europe
- **Like-for-like volumes (1)%** as the business cycled strong COVID-19 and Brexit-related pallet demand in Europe in the prior year

FY22 expectations

- Revenue growth expected to be driven by both pricing and volume, with volume growth weighted to new business wins
- Price realisation driven by combination of rollover pricing from 1H22, pricing on contract renewals and other cost recovery initiatives in 2H22

¹ Like-for-like growth references volume performance of the same products with the same customers.

² Price/Mix includes indexation in Europe

CHEP Asia-Pacific

Revenue growth driven by RPCs, pallets revenue partly constrained by pallet availability. Earnings growth reflects longer pallet cycle times and cost timing benefits due to lower pallet returns

(US\$m)	1H22	Change vs. 1H21	
		Actual FX	Constant FX
Pallets	200.2	4%	3%
RPCs + Containers	70.5	20%	18%
Sales revenue	270.7	8%	7%
Underlying Profit	77.9	15%	15%
Margin	28.8%	1.8pts	2.0pts
ROCI	25.8%	1.1pts	1.5pts

1H22 performance

- **Pallets revenue +3%:** Price realisation and volume growth partly offset by lower transport revenue in line with lower pallet issues and returns in Australia
- **RPCs + Containers +18%:** led by rollover contributions from a large RPC contract in Australia
- **Underlying Profit +15% with margins +2.0pts:** sales contribution to profit and lower operating costs due to lower pallet returns offsetting supply chain inflation and impact of cycling a one-off compensation in the prior year
- **ROCI +1.5pts** driven by the profit performance and Average Capital Invested growth of 8% reflecting increased investment to support the RPC and pallet businesses in Australia

FY22 expectations

- Ongoing pallet availability disruptions likely in FY22 in response to customer demand and higher inventory holdings by supply chain participants, supported by increased pallet purchases in 2H22 and 1H23

Corporate Segment

Increase in corporate segment largely driven by short-term transformation costs and ongoing investments in Shaping Our Future initiatives

(US\$m)	1H22	Change vs. 1H21	
		Actual FX	Constant FX
Shaping Our Future programme costs:			
<i>Short-term transformation</i>	(24.4)	(24.4)	(24.4)
<i>Ongoing programme costs</i>	(26.6)	(10.1)	(10.0)
Shaping Our Future including short term transformation costs	(51.0)	(34.5)	(34.4)
Corporate costs	(25.1)	(5.8)	(3.6)
Corporate Segment	(76.1)	(40.3)	(38.0)

1H22 performance

- **Shaping Our Future** investments increased US\$(34.4)m in constant currency reflecting:
 - Short-term transformation costs incurred in the half of US\$(24.4)m relating to consulting fees and internal costs of resources to support the implementation phase of transformation
 - Ongoing programme investment increase of US\$(10.0)m reflecting a US\$(5.1)m increase investment in data and analytics capabilities and IT platforms to support transformation initiatives
- **Corporate costs** increased US\$(3.6)m, including Brambles' share of MicroStar's post-tax loss of US\$(2)m

FY22 expectations

- 2H22 short-term costs expected to be in line with 1H22. Full year costs expected to be ~US\$50m as outlined at the 2021 Investor Day
- 2H22 Corporate Segment costs expected to increase relative to 1H22, largely reflecting increase in ongoing Shaping Our Future programme costs to support the delivery of transformation benefits and reflects normal weighting of corporate costs to the second half

Cash flow

Free Cash Outflow includes higher capex due to lumber inflation and partial reversal of FY21 timing benefits

(US\$m, actual FX)	1H22	1H21	Change	
EBITDA¹	951.6	878.9	72.7	<p>Free Cash Outflow after dividends of US\$(147.9)m includes pallet price inflation of ~US\$270m and increased pallet purchases, partly offset by higher earnings</p> <ul style="list-style-type: none"> Cash outflows include US\$115m reversal of FY21 timing benefits - US\$80 million of deferred pallet purchases and US\$35m relating to tax payments <p>Cash Flow from Operations down US\$(260.5)m on 1H21 as higher earnings and pallet compensations were more than offset by higher cash capex</p> <ul style="list-style-type: none"> Capital expenditure increase reflects lumber inflation and additional pallet purchases which includes the partial reversal of FY21 deferred pallet purchases Working capital movements reflects the impact of higher lumber costs on inventory purchases <p>Financing costs and tax payments includes US\$(35)m reversal of FY21 timing benefits relating to tax payments</p> <p>Dividend payments increased US\$(22.3)m reflecting a 1.5 US cent per share increase in the FY21 final dividend payment compared to the FY20 final dividend</p>
Capital expenditure (cash basis)	(785.1)	(477.9)	(307.2)	
Proceeds from sale of PP&E	76.3	63.8	12.5	
Working capital movement	(25.6)	(5.6)	(20.0)	
Other	(50.4)	(31.9)	(18.5)	
Cash Flow from Operations	166.8	427.3	(260.5)	
Significant Items and discontinued operations	(1.8)	(5.3)	3.5	
Financing costs and tax	(158.1)	(125.7)	(32.4)	
Free Cash Flow	6.9	296.3	(289.4)	
Dividends paid	(154.8)	(132.5)	(22.3)	
Free Cash Flow after dividends	(147.9)	163.8	(311.7)	

FY22 expectations

- Free Cash Flow expected to be a net outflow of US\$350m based on continuation of extraordinary lumber inflation and supply chain dynamics, and increased pallet purchases due to extended cycle times and lower pallet returns
- FY22 Free Cash Flow forecast includes reversal of timing benefits outlined in the FY21 Financial results – noting the strong positive Free Cash Flow of US\$341m in FY21

¹ EBITDA has been defined as Underlying Profit after adding back depreciation, amortisation and IPEP expense.

Balance sheet

Continued strong balance sheet and liquidity position

	Dec 21	Jun 21
Net debt ¹	US\$2,480m	US\$2,055m
Average term of committed facilities	3.2 years	3.7 years
Undrawn committed facilities	US\$1.1b	US\$1.4b
Cash	US\$194m	US\$409m

Key Ratios ²	1H22	FY21
Net debt/EBITDA ³	1.37x	1.18x
EBITDA/net finance costs	21.1x	20.4x

1H22 performance

- Increase in net debt of US\$425m reflects A\$374m (US\$273m) of 1H22 share buy-backs and increased pooling capital expenditure
- Undrawn committed bank facilities of US\$1.1b and cash of US\$0.2b as at 31 December 2021 available to fund remainder of share buy-back programme (~A\$0.2b)
- Next bond maturity not until FY24 – refer Appendix 4
- Net debt / EBITDA ratio remains well within financial policy of <2.0x

FY22 expectations

- Liquidity position to remain strong
- On a proforma basis, taking into account expected FY22 Free Cash Flow outflow of US\$350m and the continuation of the share buy-back programme net debt / EBITDA is expected to remain well within the financial policy of <2.0x
- Committed to maintaining current investment grade credit ratings – Standard & Poor's BBB+ and Moody's Baa1

¹ Net debt includes cash and lease liabilities.

² Key financial ratios using EBITDA and net interest expense are on a twelve-month rolling basis.

³ EBITDA is defined as Underlying Profit after adding back depreciation, amortisation and IPEP expense.

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Shaping Our Future transformation

GRAHAM CHIPCHASE,
CEO

Investing to accelerate transformation

.....
Optimising the existing
businesses and building the
Brambles of the future to
unlock value for customers
and shareholders
.....

- **Transform the customer experience**
to deliver unrivalled value and exceptional service, drive growth and strengthen competitive advantage
- **Harness the power of data & digital insights**
to unlock new sources of value for Brambles and its customers
- **Accelerate asset efficiency & network productivity**
to drive a step-change in cash flow generation and shareholder returns
- **Reinvent the organisation, technology and processes**
to be simpler, more effective and efficient
- **Pioneer regenerative supply chains** with reuse, resilience and regeneration at its core

Good progress on Shaping Our Future

	Digital Transformation	Customer	Asset Efficiency & Network Productivity	Business Excellence	Sustainability & ESG
Outcomes	Transform information and digital insights into new sources of value for Brambles and our customers	Deliver unrivalled value and exceptional service to customers to strengthen competitive advantage and drive revenue growth	Improve productivity and sustainability of our assets and operations	Reinvent the organisation, technology and processes to be simpler, more effective and efficient	Pioneer regenerative supply chains with reuse, resilience and regeneration at its core
	Enabler of Underlying Profit growth¹	~55% of Underlying Profit growth²	~45% of Underlying Profit growth¹		Enabler of long-term value
Metrics and Measures	<p>Better for Brambles</p> <ul style="list-style-type: none"> ✓ Deploy asset productivity analytics solutions across 20 markets by end FY22 and 30 markets by end FY23 ✓ Deploy analytics solutions to identify stray assets and predictive analytics to recover assets across 5 markets by end FY23 <p>Better for customers</p> <ul style="list-style-type: none"> ✓ Launch 2 commercial optimisation and 2 proactive Customer Experience digital solutions by end FY23 <p>Data capability and culture</p> <ul style="list-style-type: none"> ✓ First 4 priority domains² managed through data hub by end FY22 ✓ Train 300 leaders in digital and analytics skills by end FY22; 5,000 roles across company by end FY23 <p>Smart assets</p> <ul style="list-style-type: none"> ● Deploy full smart asset solution in 2 markets by end FY24 	<p>Customer engagement</p> <ul style="list-style-type: none"> ✱ Increase customer NPS by 8-10 pts by end FY25³ ✓ Increase % of customer orders placed through electronic channels by 1-2pts p.a. <p>Revenue growth</p> <ul style="list-style-type: none"> ✱ 1-2% net volume growth p.a. with existing customers³ ✓ 1-2% net new wins p.a. ✓ 2-3% price/mix p.a. in line with value-based pricing <p>Product quality</p> <ul style="list-style-type: none"> ✓ Reduce customer reported defects per million pallets (DPMO) by 15% by end FY25 compared with FY20 baseline³ <p>Customer collaborations</p> <ul style="list-style-type: none"> ✓ Double number of customer collaborations on sustainability from 250 to 500 by end FY25 	<p>Asset efficiency</p> <ul style="list-style-type: none"> ✱ Reduce uncompensated pallet losses by ~30% by end FY25 ✓ Reduce pallets scrapped by ~15% by end FY25 ✱ Improve pallet pool utilisation: reduce pooling capex / sales ratio by at least 3pts through FY25 <p>Network productivity</p> <ul style="list-style-type: none"> ✓ Reduce the pallet damage ratio by 75 bps YoY through FY25 from pallet durability initiatives³ ✱ Rollout fully automated end-to-end repair process to 70 plants by end of FY24 to drive throughput efficiency 	<p>Organisation</p> <ul style="list-style-type: none"> ✓ 25% reduction in Brambles Injury Frequency Rate (BIFR) by end FY25 and developed wellbeing-at-work programme ✱ At least 40% of management roles held by women by end FY25 <p>Technology</p> <ul style="list-style-type: none"> ✓ Migration of priority applications to the Cloud by end FY22 ✓ CRM transition to Salesforce completed in FY22 as part of ongoing CRM improvements 	<p>Environment</p> <ul style="list-style-type: none"> ✓ Carbon neutral Brambles operations and 100% renewable electricity continued indefinitely (Scope 1 & 2) ✓ 100% sustainable sourcing of timber continued indefinitely ✓ Validated science-based targets in line with the Paris Agreement based on comprehensive Scope 1-3 baseline by end FY22 ✓ 30% recycled or upcycled plastic in new closed loop platforms by end FY25 <p>Social</p> <ul style="list-style-type: none"> ✓ Advocate, educate and impact 1,000,000 people to become circular economy change makers by end FY25 <p>Governance</p> <ul style="list-style-type: none"> ✓ Create leading industry circularity indices with strategic partners by end FY25 ✓ Operationalise annual supplier certification across all markets by end FY22
Key	<ul style="list-style-type: none"> ✓ Progressing and on-track 	<ul style="list-style-type: none"> ✓ Completed and no further work required 	<ul style="list-style-type: none"> ✓ Completed and on-going 	<ul style="list-style-type: none"> ✱ Tracking below target 	<ul style="list-style-type: none"> ● Too early for update on progress

Note: Baseline for metrics and measures is FY21 unless otherwise stated. Source: last updated 31 January 2022

¹ Contribution to FY25 Underlying Profit growth uplift from FY21.

² Asset movement, customer, pricing, and supply chain.

³ Impacted by market conditions.

Our customer experience ambition



Customer North Star

- Our customers benefit from the visibility, insights and solutions they need to lead and grow
- Our teams are enabled to deliver an effortless customer experience
- Together, we power smarter and more sustainable supply chains across the world



Effortless customer experience

Easy to choose.

Easy to do business with.

Easy to stay with.



Partner of choice ... today and tomorrow

Setting product and service quality standards for the whole industry.

Working with customers to respond to needs of automation and e-commerce.



Collaborating to create regenerative and digitally-enabled supply chains

Innovating with customers and partners to re-invent the ways goods move.

Creating new sources of value for customers and Brambles.

Underpinned by ...



Enhanced customer systems and channels

Simplifying customer journeys and supporting future digital solutions.



Enhanced customer data and insights

Putting customer perspectives at the heart of decision-making.

Re-thinking entire service model through the lens of customer experience

Progress on customer experience transformation

Actively collaborating with customers to improve interactions and deliver more value

	Objectives	1H22 progress
Effortless customer experience	Improve the day-to-day customer experience by systematically identifying and addressing complexity and pain points	<ul style="list-style-type: none"> Completed multiple customer pilots, including: <ul style="list-style-type: none"> Predictive ordering (Europe) Enhanced ETA notification (Europe, US) Simpler models for small customers (Canada) On track for broader implementation of solutions in 2H22 and FY23
Partner of choice ... today and tomorrow	Support our customers' businesses by delivering them products and services at the quality and specification they need to be successful	<ul style="list-style-type: none"> Collaborated with customers in UK and US to develop a common understanding of quality needs by segment/application Developing solutions to pilot in 2H22 and FY23
Enhanced customer systems and channels	Improve customer interactions today and be ready to support future digital solutions	<ul style="list-style-type: none"> Migrated key customer systems to the Cloud Enhanced myCHEP platform capabilities, with structured global roadmap through FY23
Enhanced customer data and insights	Ensure fact-based decisions on how best to create value for customers and Brambles	<ul style="list-style-type: none"> Increased customer survey participation 4x vs 1H21 and introduced transactional surveys Implemented new customer experience management (CXM) partnership and toolset On track to deploy real-time customer insights to our front-line people in FY23
Collaborating to create regenerative and digitally-enabled supply chains	Innovate with customers to create new sources of value for the whole supply chain	<ul style="list-style-type: none"> See digital and sustainability slides below

Our digital transformation value and enablers

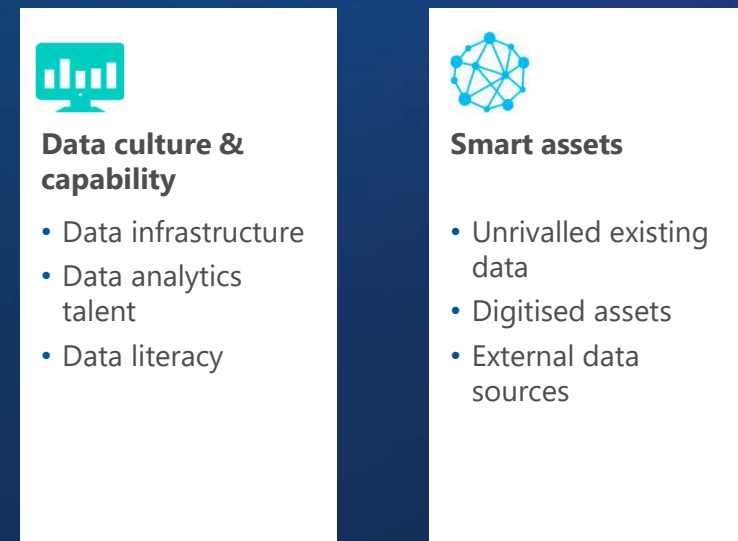
Value

Harness the power of data to optimise supply chains



Enablers

Put data at the heart of the business

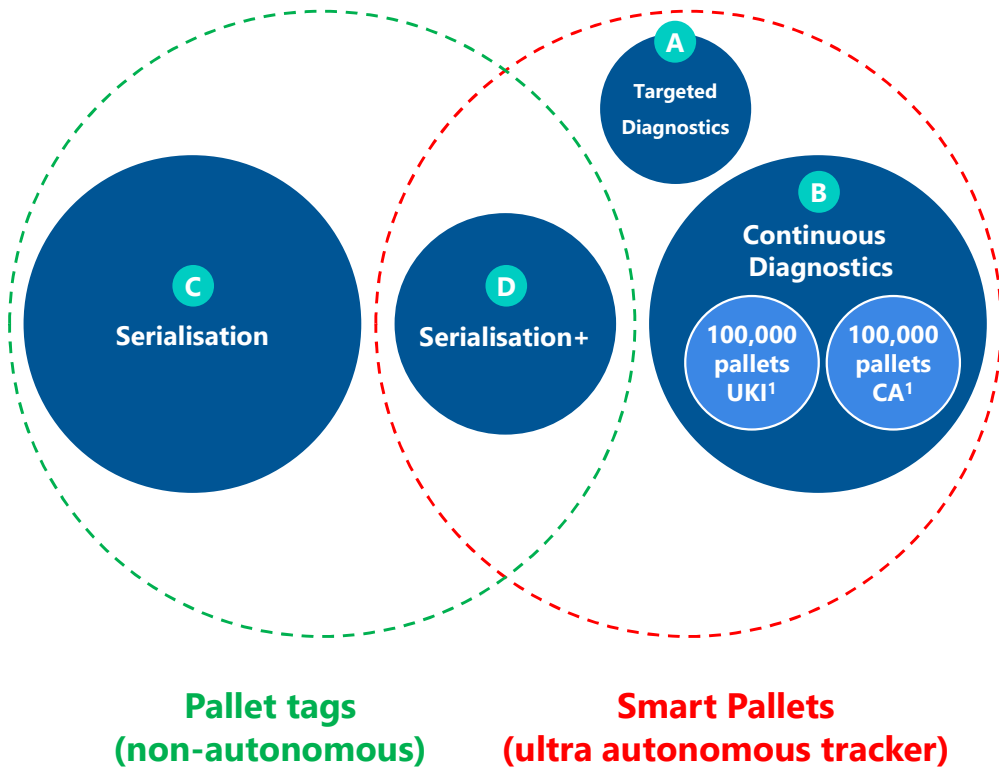


Progress on digital transformation

Early stages of programme showing promising results

	Scorecard metric	1H22 progress
Better for Brambles	<ul style="list-style-type: none"> ✓ Deploy asset productivity analytics solutions across 20 markets by end FY22 and 30 markets by end FY23 ✓ Deploy analytics solutions to identify stray assets and predictive analytics to recover assets across 5 markets by end FY23 	<ul style="list-style-type: none"> • Targeted diagnostics deployed in 12 markets and on track to deploy in 20 market by FY22 • Deployed Detect and Predict analytics solutions to identify stray assets in Europe • Proof of concept for Health and Spot analytics solutions in Europe • Rollout in US has been scoped
Better for customers	<ul style="list-style-type: none"> ✓ Launch 2 commercial optimisation and 2 proactive Customer Experience digital solutions by end FY23 	<ul style="list-style-type: none"> • 3 commercial optimisation solutions (pricing and supply chain initiatives) and 1 Customer Experience digital solution identified with full scoping to be delivered by FY22
Data capability & culture	<ul style="list-style-type: none"> ✓ First 4 priority domains managed through data hub by end FY22 ✓ Train 300 leaders in digital and analytics skills by end FY22; 5,000 roles across company by end FY23 	<ul style="list-style-type: none"> • Data hub foundations and operating model established • 2 domains have been loaded onto data hub to support analytics, commercial and Customer Experience digital solutions • 100 leaders trained in 1H22, on track to train 300 leaders by FY22
Smart assets	<ul style="list-style-type: none"> ○ Deploy full smart asset solution in 2 markets by end FY24 	<ul style="list-style-type: none"> • Continuous diagnostics proof of concept underway in UK and Canada: 65,000+ smart pallets deployed in UKI and 35,000+ in Canada. Total of 200,000 smart pallets planned by end of FY22

Smart assets



○ Technology ● Programs under Asset Digitisation

¹ Currently there are 65,000+ smart pallets deployed in UKI and 35,000+ in Canada; 200,000 planned by end of FY22.

Status of initiatives

	Technology	Execution	Value	Scale
A Targeted Diagnostics: targeted injection and monitoring of batches of Smart Pallets to test a specific hypothesis	●	●	●	●
B Continuous Diagnostics: monitoring of a large volume of smart pallets in general circulation (0.1-1% of pool), randomly spread out in the network	●	●	●	●
C Serialisation: tagging 100% of the pallet pool with unique identifiers to track flows at individual asset level at key points in the supply chain	●	●	●	●
D Serialisation+: combination of pallet tags and Smart Pallets in a market	●	●	●	●

● Proven ● Probable

Continuous diagnostics

UK case study



65,000+ smart pallets deployed in 1H22

On track to deploy 100,000 by FY22



Data analytics



Customer partnerships

Progress

Established the key building blocks required to capture data, turn it into insights and take actions that deliver value:

- **Operations:** standard operating procedures for key operational tasks, including smart pallet instrumentation, deployment, handling and repair to ensure reliable capture of data from the extended supply chain
- **Data & analytics:** market mapping/geocoding, improved analytics and BRIX system development to generate meaningful insights at scale
- **Resourcing, Culture & Skills:** critical capabilities to build in the organisation to effectively use the insights to drive business actions to deliver value

We think > We know > We act

Early insights and actions to capture value

12,000+

retailer to retailer flows identified and commercialised

4,000+

international export flows identified and commercialised

240+

new locations identified, reducing leakage

150+

non-paying users converted to being CHEP customers

13

new pallet dealers identified, reducing leakage

Trial results to determine rollout in other markets

Asset efficiency

Accelerating initiatives to overcome headwinds and meet FY25 targets

Asset Control & Productivity

- **Small trucks deployed** across North America and Europe enabling efficient low volume collections: 230,000+ pallets/month
- **5 recycler processing centres created** in the US improving collections and expanding network: 85,000 pallets recovered in 1H22 with operations continuing to ramp up
- **Engaged with 2,000+ non-participating distributors** in the US to improve collections from these higher risk channels: 150,000 pallets recovered YTD with activity continue to ramp up in 2H22
- **Recruitment of highly trained asset protection managers** and increased asset protection initiatives including legal actions

Asset Quality & Life

- **Installed pallet remanufacturing capability at 12 US service centres** with new processes, technology and standards. Sites have already **remanufactured 300,000 pallets** with a target of reaching ~1m pallets by year end

ASSET
PRODUCTIVITY
ECOSYSTEM
ENABLED
BY DATA
ANALYTICS

Digitising Assets

- **Targeted smart asset deployments** by channel/customer
- **4 advanced analytics products developed** (Health, Spot, Detect, Predict) (e.g. loss prediction, collection frequency, or anomaly detection algorithms)
- **130+ process roadmaps developed** to integrate new digital capabilities (**Machine Learning, Robotic Process Automation or Chatbots**)

Changing Market Behaviours

- **Increased Pricing for high-risk lanes** capturing 60% of flows in Europe and on track to capture 40% of flows in the US by FY22
- 75+ new **retailer collaboration plans** developed to improve collections and reduce loss

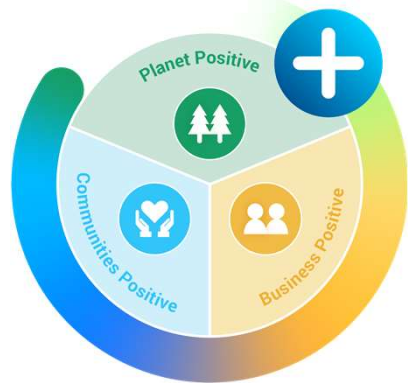
Early progress encouraging on key asset efficiency initiatives

Sustainability & ESG

Progressing towards our ambitious 2025 regenerative Targets

Strong focus on further business integration:

- **Customer Centric:** 'Step into the positive' campaign elevates our brand with our accounts
- **Supply Chain:** new Head of Decarbonisation developing regional pathways to achieve carbon targets
- **Shaping Our Future:** Sustainability integrated throughout transformation initiatives



Transformation/
Sustainability
integration is
delivering impact
towards our
2025 Targets

Brambles continues top ratings in key indices



Ranked #10
in 2022



4 regions
21 countries



Ranked #2
in industry category



Awarded inaugural
Terra Carta Seal from
HRH Prince of Wales

Brambles

**Half-Year
2022 Results
presentation**

25 February 2022



**Pioneering
Regenerative
Supply Chains**



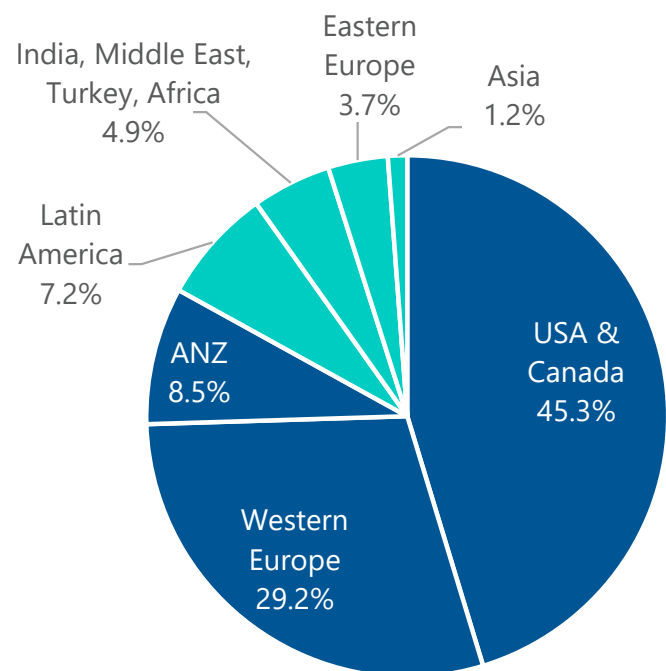
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Appendix

Appendix 1

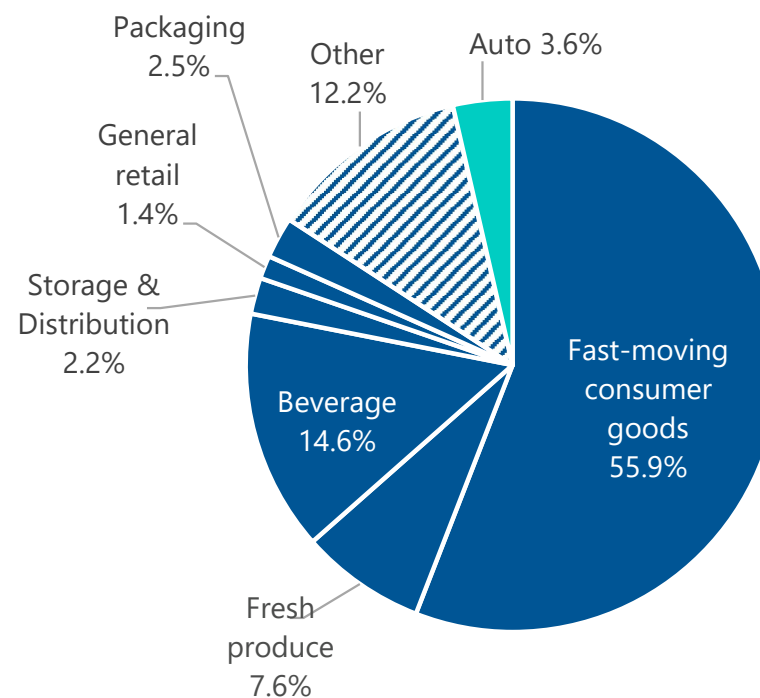
Brambles: Sales revenue by region and sector

1H22 sales revenue by region



■ Developed markets
 ■ Emerging markets

1H22 sales revenue by sector



■ 'Consumer staples' sectors
 ■ Industrial sectors

Appendix 2

Major currency exchange rates¹

	USD	EUR	AUD	GBP	CAD	MXN	ZAR	PLN	NZD	BRL
Average										
1H22	1.0000	1.1602	0.7318	1.3669	0.7948	0.0490	0.0659	0.2519	0.6989	0.1853
1H21	1.0000	1.1870	0.7260	1.3161	0.7596	0.0471	0.0621	0.2636	0.6787	0.1848
As at										
31 Dec 21	1.0000	1.1328	0.7258	1.3506	0.7852	0.0488	0.0629	0.2467	0.6837	0.1796
30 Jun 21	1.0000	1.1901	0.7511	1.3845	0.8066	0.0505	0.0698	0.2636	0.6992	0.2018

¹ Includes all currencies that exceed 1% of 1H22 Group sales revenue, at actual FX rates.

Appendix 3

1H22 currency mix

(US\$m)	Total	USD	EUR	AUD	GBP	CAD	MXN	ZAR	PLN	NZD	BRL	Other ¹
Sales revenue	2,766.4	1,075.5	600.6	205.7	200.1	177.0	129.0	97.5	51.6	29.5	32.9	167.0
1H22 share	100%	39%	22%	7%	7%	6%	5%	4%	2%	1%	1%	6%
1H21 share	100%	39%	23%	7%	7%	6%	4%	3%	2%	1%	1%	7%
Net debt ²	2,480	1,106	1,349	(269)	(34)	120	86	111	(10)	13	24	(16)

¹ No individual currency within 'Other' exceeds 1% of 1H22 Group sales revenue at actual FX rates.

² Net debt shown after adjustments for impact of financial derivatives. Net debt includes US\$690m of lease liabilities.

Appendix 4

Credit facilities and debt profile

Maturity	Type ¹	Committed facilities	Uncommitted facilities	Debt drawn	Headroom
(US\$bn at 31 December 2021)					
<12 months	Bank	0.2	0.3	-	0.5
1 to 2 years	Bank	0.6	-	0.1	0.5
2 to 3 years	Bank/EMTN ²	0.8	-	0.6	0.2
3 to 4 years	Bank/144A ³	0.7	-	0.6	0.1
4 to 5 years	Bank	0.1	-	0.1	-
>5 years	EMTN ²	0.6	-	0.6	-
Total⁴		3.0	0.3	2.0	1.3

¹ Excludes leases.

² European Medium Term Notes.

³ US\$500m 144A bond.

⁴ Individual amounts have been rounded.

Appendix 5

Net plant and transport costs/sales revenue

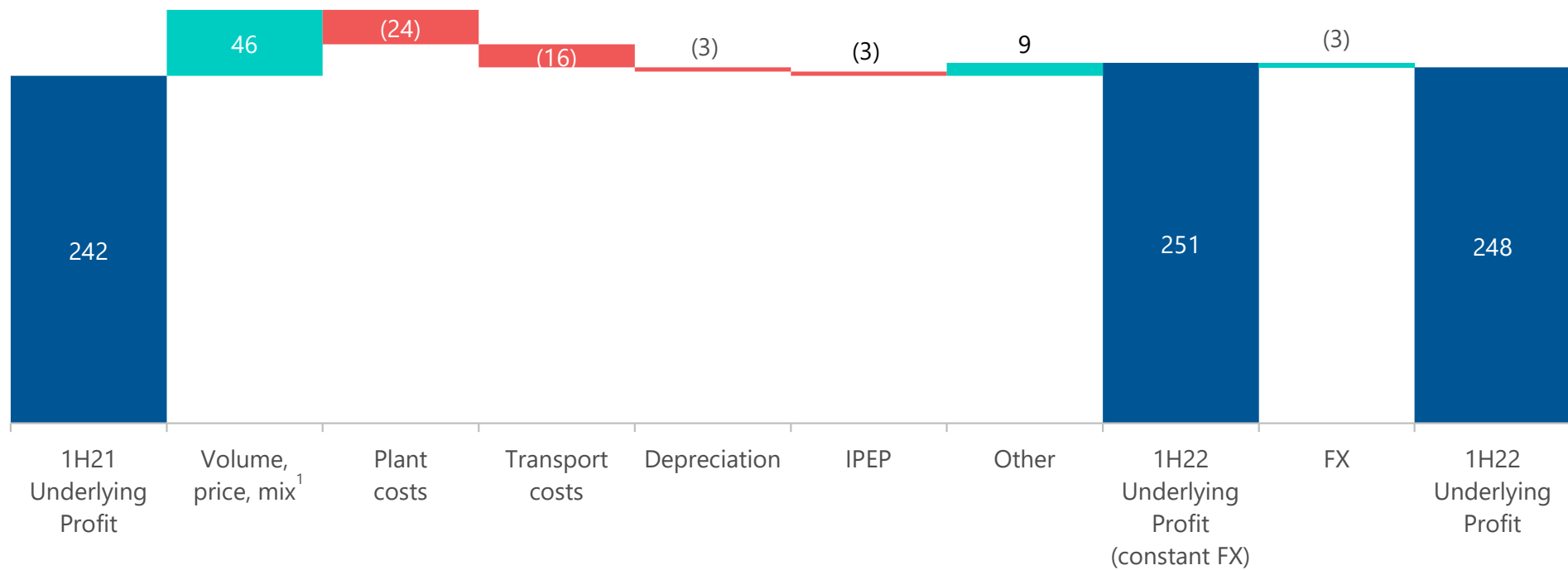
	Net plant cost/sales revenue <i>(before NA lumber surcharge¹)</i>		Net transport cost/sales revenue <i>(Net of transport & fuel surcharges)</i>	
	1H22	1H21 ²	1H22	1H21 ³
CHEP Americas	37.3%	38.5%	23.6%	22.6%
CHEP EMEA	25.0%	23.4%	21.8%	21.0%
CHEP Asia-Pacific	34.0%	35.7%	11.5%	13.1%
Group	32.3%	32.5%	21.7%	21.0%

¹ Reflects recovery of opex and capex costs, hence not included.

² 1H21 plant cost ratio for CHEP Americas and Group adjusted to exclude NA Lumber surcharge impacts.

Appendix 6a

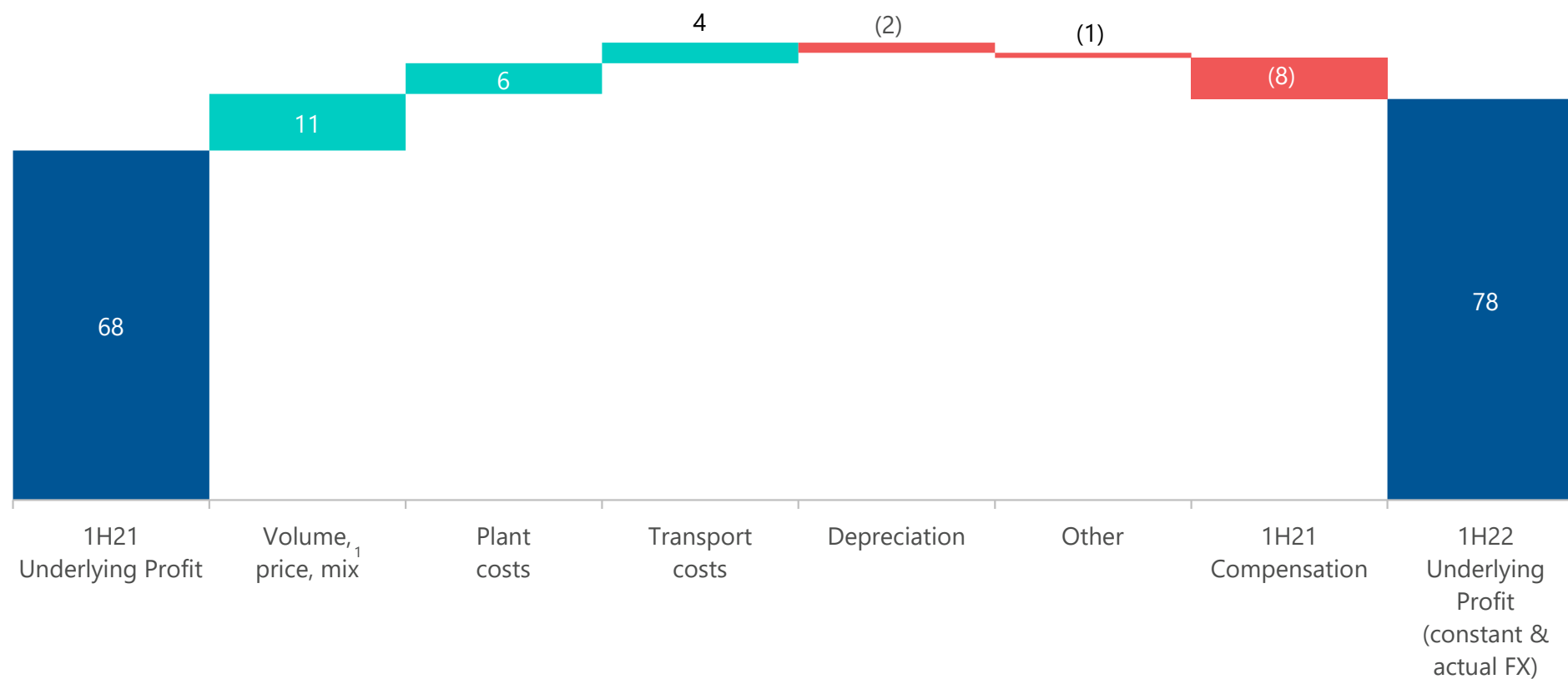
CHEP EMEA: Underlying Profit analysis (US\$m)



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

Appendix 6b

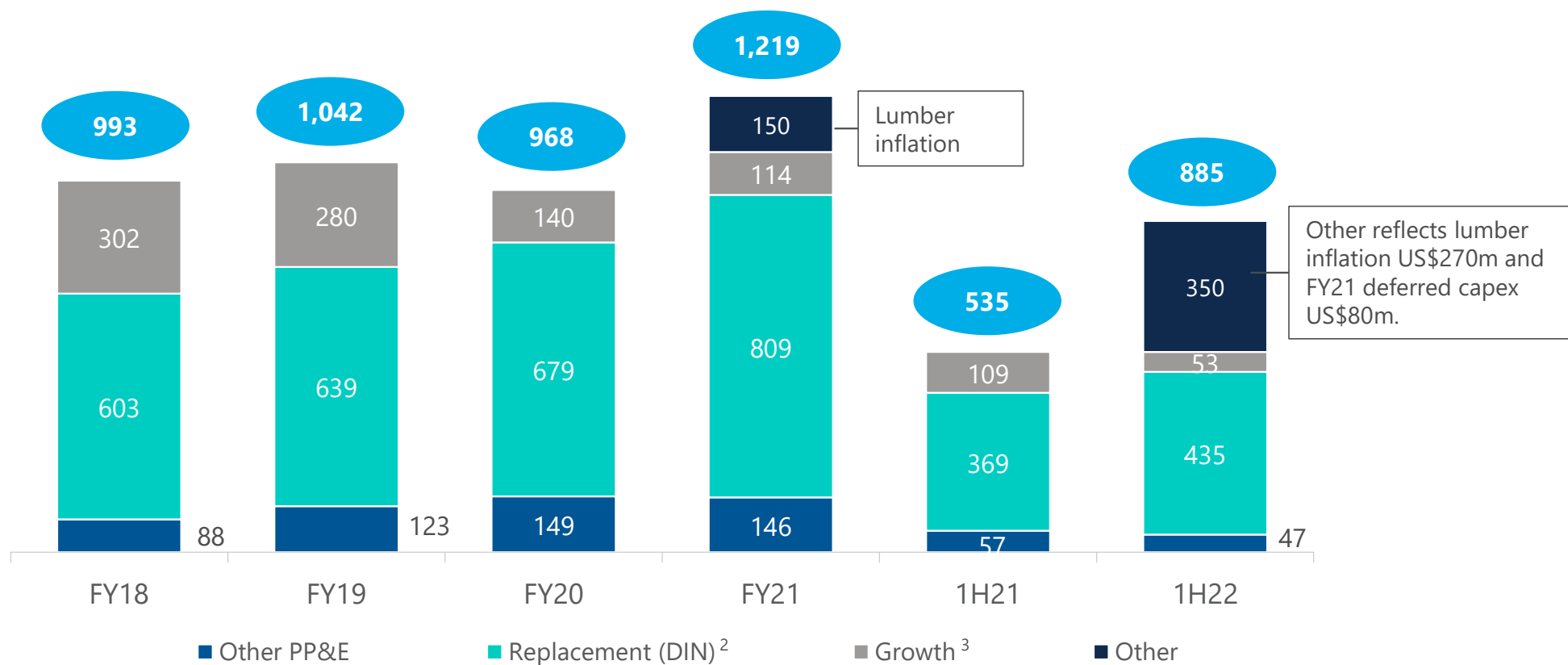
CHEP Asia-Pacific: Underlying Profit analysis (US\$m)



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

Appendix 7a

Capital expenditure on Property, Plant and Equipment¹ (Accruals basis, US\$m)



¹ Financials reflect continuing operations - Kegstar has been excluded from all years.

² Replacement capex in a period is the sum of Depreciation expense, IPEP and the Net book value of compensated assets and scraps (disposals).

³ 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 7b

Capital expenditure bridge 1H21-1H22

Accruals basis	1H22	Change vs. 1H21 (constant FX)	
Pooling Capex	US\$838m	US\$367m	Pooling capex: sales ratio of 30.3% in 1H22 <i>~12pt increase over prior year (1H21: 18.7%)</i>
Lumber inflation		+US\$270m	<ul style="list-style-type: none"> Higher per unit pallet costs reflecting lumber inflation
FY21 deferred capex		+US\$80m	<ul style="list-style-type: none"> Pallet capital expenditure relating to FY21 deferred capex as outlined in the FY21 Results announcement. This reflects capex requirements to rebuild plant stock balances to optimal levels. The balance of the US\$180 million deferral is expected to be incurred over the balance of FY22 and into FY23 subject to pallet availability
Other		+US\$17m	<ul style="list-style-type: none"> Other increases including additional capex to support the business in response to increased cycle times and reduced pallet returns
Non-Pooling Capex	US\$47m	US\$(11)m	Non-pooling capex down US\$(11)m in 1H22 reflecting: <ul style="list-style-type: none"> Delays due to deferred automation initiatives and Lower spend on equipment to support the large RPC contract in Australia
Total Capex	US\$885m	US\$356m	

Appendix 8

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, 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 <ul style="list-style-type: none"> – Replacement capex = DIN – Growth capex is total pooling capex less DIN
Cash Flow from Operations	Cash Flow from Operations is a non-statutory measure and represents 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 assets 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 8

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, 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"> - 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

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