

Results for Announcement to the Market

Brambles Limited

ABN 89 118 896 021

Appendix 4D

Consolidated Financial Report for the half-year ended 31 December 2023

	First half 2024 US\$m	First half 2023 US\$m	% change (actual FX rates)	% change (constant FX rates)
Statutory Results				
Continuing operations				
Sales revenue	3,281.8	2,931.5	12 %	10 %
Operating profit	664.7	548.8	21 %	19 %
Profit before tax	575.3	486.7	18 %	16 %
Tax expense	(183.2)	(152.2)	20 %	19 %
Profit after tax	392.1	334.5	17 %	14 %
Discontinued operations – loss after tax (refer Note 9)	(0.8)	(3.4)		
Profit for the period attributable to members of the parent entity	391.3	331.1	18 %	15 %
Basic EPS (US cents) from continuing operations	28.2	24.1	17 %	14 %
Basic EPS (US cents) – includes discontinued operations	28.1	23.9	18 %	15 %
Interim dividend¹ (US cents)	15.0	12.25		

¹ The 2024 interim dividend is 35% franked and its record date is 14 March 2024. It represents a payout ratio of 50% which is broadly in line with the 2023 interim dividend payout ratio of 49%. The 2023 interim dividend was 12.25 US cents per share (refer Note 7).

Commentary on these results is set out in the Operating & Financial Review on pages 2 to 7. This report is based on the consolidated financial statements which have been reviewed by PwC.

The results in the consolidated financial statements are presented in US dollars, translated at the actual exchange rates in each period as disclosed in Note 3, except for the results of hyperinflationary economies which are translated at period end exchange rates. The results in the Operating & Financial Review are also shown in constant currency which translates the first half 2024 results (excluding hyperinflationary economies) into US dollars at the actual exchange rates applicable to the prior comparative period to show the relative performance between the two periods excluding the impact of foreign exchange movements. For constant currency reporting of hyperinflationary economies, the first half 2024 results remain at the reported period end exchange rates.

Directors' Report

The Directors present the interim results of the consolidated entity consisting of Brambles Limited and the entities it controlled (Brambles or the Group) at the end of, or during, the half-year ended 31 December 2023 (1H24).

Names of Directors

The Directors of Brambles Limited in office during 1H24 and up to the date of this report are as follows:

J Mullen (Independent Non-executive Chairman)

K F Banks (Independent Non-executive Director)

G A Chipchase (Executive Director, Chief Executive Officer)

G El-Zoghbi (Independent Non-executive Director) – retired 31 December 2023

E Fagan (Independent Non-executive Director)

K S McCall (Independent Non-executive Director)

J R Miller (Independent Non-executive Director)

N O'Sullivan (Executive Director, Chief Financial Officer) – retired 12 October 2023

S R Perkins (Independent Non-executive Director)

P Rajagopalan (Independent Non-executive Director)

N L Scheinkestel (Independent Non-executive Director)

Principal Activities

The principal activities of Brambles during 1H24 were the provision of supply-chain logistics solutions, focused on the provision of reusable pallets, crates and containers, of which Brambles is a leading global provider.

Brambles operates primarily through the CHEP brand and operates its business within the following operating segments:

- CHEP Americas: The pallet and container pooling business in the Americas.
- CHEP Europe, Middle East, Africa and India (EMEA): The pallet and container pooling business in EMEA (including the global CHEP Automotive container business) and the CHEP branded reusable plastic crates (RPC) business in South Africa.
- CHEP Asia-Pacific: The pallet and container pooling business in Asia-Pacific and the CHEP branded RPC business in Australia and New Zealand.

There were no significant changes in the nature of Brambles' principal activities during 1H24.

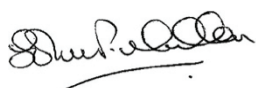
Review of Operations and Results

A review of Brambles' operations for 1H24 and the results of those operations are covered in the Operating & Financial Review on pages 2 to 7 accompanying this report.

Auditor's Independence Declaration

The auditor's independence declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 28 and forms part of this report.

This report is made in accordance with a resolution of the Directors.



J P Mullen

Chairman



G A Chipchase

Chief Executive Officer

23 February 2024

Consolidated Financial Report

for the half-year ended 31 December 2023

INDEX	PAGE
<hr/>	
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Consolidated Cash Flow Statement	12
Consolidated Statement of Changes in Equity	13
Notes to and Forming Part of the Consolidated Financial Statements	
1. Basis of Preparation	14
2. Changes to Accounting and Other Standards	14
3. Other Information	15
4. Segment Information – Continuing Operations	16
5. Operating Expenses – Continuing Operations	20
6. Earnings Per Share	21
7. Dividends	22
8. Issued and Quoted Securities	22
9. Discontinued Operations	23
10. Net Assets Per Share	23
11. Contingencies	24
12. Events After Balance Sheet Date	24
Directors' Declaration	25
Independent Auditor's Review Report	26
Auditor's Independence Declaration	28

Consolidated Statement of Comprehensive Income

for the half-year ended 31 December 2023

	Note	First half 2024 US\$m	First half 2023 US\$m
Continuing operations			
Sales revenue	4	3,281.8	2,931.5
Other income and other revenue		142.4	181.5
Operating expenses	5	(2,757.3)	(2,561.8)
Share of results of associates		(2.2)	(2.4)
Operating profit		664.7	548.8
Finance revenue		7.1	7.9
Finance costs		(71.1)	(57.6)
Net finance costs		(64.0)	(49.7)
Net impact arising from hyperinflationary economies	3C	(25.4)	(12.4)
Profit before tax		575.3	486.7
Tax expense		(183.2)	(152.2)
Profit from continuing operations		392.1	334.5
Loss from discontinued operations	9	(0.8)	(3.4)
Profit for the period attributable to members of the parent entity		391.3	331.1
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit pension plans		(10.2)	(24.0)
Income tax benefit on items that will not be reclassified to profit or loss		2.5	6.0
		(7.7)	(18.0)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries		13.4	(9.4)
Other comprehensive profit/(loss) for the period		5.7	(27.4)
Total comprehensive income for the period attributable to members of the parent entity		397.0	303.7
Earnings Per Share (EPS) - US cents			
Continuing operations			
- basic	6	28.2	24.1
- diluted		28.1	24.0
Total			
- basic		28.1	23.9
- diluted		28.0	23.8

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

as at 31 December 2023

	Note	December 2023 US\$m	June 2023 US\$m
Assets			
Current assets			
Cash and cash equivalents		195.9	160.7
Trade and other receivables		1,074.4	1,126.4
Inventories		64.2	83.9
Other assets		101.8	73.9
Total current assets		1,436.3	1,444.9
Non-current assets			
Other receivables		35.0	21.2
Property, plant and equipment		6,104.4	6,062.0
Right-of-use leased assets		643.8	637.7
Goodwill and intangible assets		241.8	241.3
Investments in associates		158.3	156.9
Deferred tax assets		152.9	154.5
Total non-current assets		7,336.2	7,273.6
Total assets		8,772.5	8,718.5
Liabilities			
Current liabilities			
Trade and other payables		1,809.8	2,074.9
Lease liabilities		109.6	110.2
Borrowings		602.5	562.1
Tax payable		83.6	66.5
Provisions		123.4	174.7
Total current liabilities		2,728.9	2,988.4
Non-current liabilities			
Lease liabilities		628.1	619.2
Borrowings		1,597.2	1,592.8
Provisions		79.1	75.3
Retirement benefit obligations		23.8	16.3
Deferred tax liabilities		589.8	556.5
Total non-current liabilities		2,918.0	2,860.1
Total liabilities		5,646.9	5,848.5
Net assets		3,125.6	2,870.0
Equity			
Contributed equity	8	4,552.8	4,531.6
Reserves		(7,294.4)	(7,341.8)
Retained earnings		5,867.2	5,680.2
Total equity		3,125.6	2,870.0

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

for the half-year ended 31 December 2023

	Note	First half 2024 US\$m	First half 2023 US\$m
Cash flows from operating activities			
Receipts from customers		3,744.7	3,406.1
Payments to suppliers and employees		(2,684.3)	(2,386.8)
Cash generated from operations		1,060.4	1,019.3
Interest received		2.9	3.9
Interest paid ¹		(51.1)	(53.7)
Income taxes paid		(157.3)	(116.6)
Net cash inflow from operating activities		854.9	852.9
Cash flows from investing activities			
Payments for property, plant and equipment		(654.8)	(928.5)
Proceeds from sale of property, plant and equipment ²		117.0	89.2
Payments for intangible assets		(6.0)	(5.8)
Payments relating to divested businesses	9	(19.1)	(0.1)
Net cash outflow from investing activities		(562.9)	(845.2)
Cash flows from financing activities			
Proceeds from borrowings ³		226.4	1,507.0
Repayments of borrowings ³		(227.4)	(1,267.3)
Payment of principal component of lease liabilities		(58.8)	(61.2)
Net inflow from derivative financial instruments		-	8.9
Dividends paid	7	(195.0)	(154.4)
Net cash (outflow)/inflow from financing activities		(254.8)	33.0
Net increase in cash and cash equivalents		37.2	40.7
Cash and cash equivalents, net of overdrafts, at beginning of the period		156.6	155.9
Effect of exchange rate changes		1.3	(0.3)
Cash and cash equivalents, net of overdrafts, at end of the period⁴		195.1	196.3

¹ Includes interest paid on leases of US\$16.5 million in first half 2024 (first half 2023: US\$13.5 million).

² Includes compensation for lost pooling equipment of US\$115.9 million for first half 2024 (first half 2023: US\$82.8 million).

³ Includes cash flows from the Euro Commercial Paper (ECP) programme which are recorded on a net basis. Comparative cash flows have been reclassified to enhance comparability.

⁴ Cash of US\$195.1 million as at 31 December 2023 includes cash and cash equivalents of US\$195.9 million, net of overdrafts of US\$0.8 million.

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2023

	Note	Contributed equity US\$m	Reserves US\$m	Retained earnings US\$m	Total US\$m
Half-year ended 31 December 2022					
Opening balance as at 1 July 2022		4,505.8	(7,376.6)	5,321.9	2,451.1
Profit for the period		-	-	331.1	331.1
Other comprehensive loss		-	(9.4)	(18.0)	(27.4)
Total comprehensive (loss)/income		-	(9.4)	313.1	303.7
Revaluation of reserves relating to hyperinflation		-	18.5	-	18.5
Share-based payments:					
- expense recognised		-	11.1	-	11.1
- shares issued		-	(15.0)	-	(15.0)
- equity component of related tax		-	1.2	-	1.2
Transactions with owners in their capacity as owners:					
- dividends declared	7	-	-	(166.9)	(166.9)
- issues of ordinary shares, net of transaction costs		15.0	-	-	15.0
Closing balance as at 31 December 2022		4,520.8	(7,370.2)	5,468.1	2,618.7
Half-year ended 31 December 2023					
Opening balance as at 1 July 2023		4,531.6	(7,341.8)	5,680.2	2,870.0
Profit for the period		-	-	391.3	391.3
Other comprehensive income/(loss)		-	13.4	(7.7)	5.7
Total comprehensive income		-	13.4	383.6	397.0
Revaluation of reserves relating to hyperinflation		-	40.3	-	40.3
Share-based payments:					
- expense recognised		-	15.1	-	15.1
- shares issued		-	(21.2)	-	(21.2)
- equity component of related tax		-	(0.2)	-	(0.2)
Transactions with owners in their capacity as owners:					
- dividends declared	7	-	-	(196.6)	(196.6)
- issues of ordinary shares, net of transaction costs	8	21.2	-	-	21.2
Closing balance as at 31 December 2023		4,552.8	(7,294.4)	5,867.2	3,125.6

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023

Note 1. Basis of Preparation

These interim financial statements present the consolidated results of Brambles Limited (ACN 118 896 021) and its subsidiaries (Brambles or the Group) for first half 2024.

References to 2024 and 2023 are to the financial years ending on 30 June 2024 and 30 June 2023, respectively.

These consolidated financial statements are a general purpose financial report and have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* which ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These consolidated financial statements do not include all the notes that would normally be included in an annual financial report. The consolidated financial statements should be read in conjunction with Brambles' 2023 Annual Report.

The consolidated financial statements and all comparatives have been prepared using consistent accounting policies, as set out in Brambles' 2023 Annual Report.

As Brambles is a company of a kind referred to in ASIC Corporations Instrument 2016/191, relevant amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest hundred thousand US dollars or, in certain cases, to the nearest thousand US dollars. Amounts in cents have been rounded to the nearest tenth of a cent.

As at 31 December 2023, Brambles has net current liabilities of US\$1,292.6 million (30 June 2023: net current liabilities of US\$1,543.5 million). Liquidity remains strong with US\$195.9 million of total cash and cash equivalents and US\$1,920.5 million of available facilities, of which US\$1,635.4 million has a maturity of greater than 12 months. Brambles continues to maintain solid investment-grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service.

Note 2. Changes to Accounting and Other Standards

At 31 December 2023, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods and have not yet been adopted by Brambles. The International Accounting Standards Board (IASB) has amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*, to introduce new disclosure requirements about supplier financing arrangements (SFAs). The new disclosures include information about the terms and conditions of SFAs; the carrying amount of liabilities that are part of SFAs; and liquidity risk information. Brambles will evaluate these disclosure requirements which become mandatory from 1 July 2024.

The International Sustainability Standards Board (ISSB) issued sustainability disclosure standards IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, which will become effective for Brambles from 1 July 2024. Brambles will continue to evaluate the requirements in this area and enhance its sustainability disclosures accordingly.

Other new or amended accounting standards and interpretations are either not material or not applicable to Brambles.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023

Note 3. Other Information

A) Presentation Currency

Brambles uses the US dollar as its presentation currency. All amounts disclosed in these financial statements are at actual foreign exchange rates.

B) Foreign Currency

The results and cash flows of Brambles and its subsidiaries and associates are translated into US dollars using the average exchange rates for the period, calculated as the average end-of-month rates across the financial year except for subsidiaries in hyperinflationary economies. The results of subsidiaries in hyperinflationary economies are translated at the foreign exchange rate at balance sheet date instead of an average exchange rate for the period. Assets and liabilities of Brambles and its subsidiaries are translated into US dollars at the exchange rate ruling at the balance sheet date.

The principal exchange rates affecting Brambles were:

		A\$:US\$	€:US\$	£:US\$
Average	First half 2024	0.6554	1.0822	1.2524
	First half 2023	0.6768	1.0177	1.1838
Period end	31 December 2023	0.6835	1.1069	1.2731
	30 June 2023	0.6615	1.0867	1.2614

C) Hyperinflationary Economies

AASB 129 *Financial Reporting in Hyperinflationary Economies* relates to Brambles' operations in Türkiye, Argentina and Zimbabwe, which have been designated as hyperinflationary economies. The trigger for hyperinflation accounting is when the cumulative inflation rate in an economy approaches or exceeds 100% over three successive years.

The impact arising from AASB 129 *Financial Reporting in Hyperinflationary Economies* is a net charge of US\$25.4 million recognised in profit or loss in first half 2024 (first half 2023: US\$12.4 million net charge). The net charge is primarily against equity reserves and property, plant and equipment held by entities in hyperinflationary economies. The US\$25.4 million net charge relates to the hyperinflation impacts of US\$12.9 million loss in Argentina, US\$12.2 million loss in Türkiye and US\$0.3 million loss in Zimbabwe.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations

Brambles' segment information is provided on the same basis as internal management reporting to the CEO.

Brambles has four reportable segments:

- CHEP North America and Latin America (CHEP Americas);
- CHEP Europe, Middle East, Africa and India, including the North American automotive business (CHEP EMEA);
- CHEP Australia, New Zealand and Asia, excluding India (CHEP Asia-Pacific); and
- Corporate centre, including Shaping Our Future and share of results of associates (Corporate).

Segment performance is measured on sales revenue, Underlying Profit, Cash Flow from Operations and Return on Capital Invested (ROCI). Underlying Profit is the main measure of segment profit.

Segment sales revenue is measured on the same basis as the consolidated statement of comprehensive income. Brambles has one revenue stream, which is the provision of pooling equipment to customers for a period of time. Several fees are charged to customers including issue, transfer, transport and daily hire. The predominant billing structure for these fees is either a bundled upfront fee upon issue of pooling equipment to customers, or a daily hire fee based on the number of days the pooling equipment is used in the field by a customer. Other fees, such as transport and transfer fees, are billed when the activity occurs.

The services provided by Brambles are deemed a single performance obligation relating to the provision of an end-to-end pooling solution and the performance obligation is satisfied over time. The issue and daily hire activities are not considered distinct services. Revenue from issue activities is deferred and recognised over the estimated period that the pooling equipment is utilised by customers, referred to as the cycle time, which is an output method. Revenue based on the daily hire model is also recognised over time. Consideration that is fixed or highly probable is included in the transaction price allocated to the performance obligation. This includes issue fees, daily hire fees and bundled upfront fees. Consideration that is variable or uncertain is recognised when the activity occurs.

Segment sales revenue is allocated to segments based on product categories and physical location of the business unit that invoices the customer. Intersegment revenue during the period was immaterial. There is no single external customer who contributed more than 10% of Group sales revenue.

Assets and liabilities are measured consistently in segment reporting and in the consolidated balance sheet. Assets and liabilities are allocated to segments based on segment use and physical location. Cash, borrowings and tax balances are managed centrally and are not allocated to segments.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations – continued

	Sales revenue		Cash Flow from Operations ¹	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	1,799.5	1,639.6	215.7	119.3
CHEP EMEA	1,209.3	1,039.2	331.3	27.1
CHEP Asia-Pacific	273.0	252.7	76.7	72.9
Corporate	-	-	(106.1)	(78.9)
Continuing operations	3,281.8	2,931.5	517.6	140.4
By geographic origin				
Americas	1,817.8	1,656.5		
Europe	1,074.5	900.8		
Australia	227.3	209.3		
Other	162.2	164.9		
Total	3,281.8	2,931.5		

¹ Cash Flow from Operations is a non-statutory measure and represents cash flow generated from operations after net capital expenditure, but excluding Significant Items that are outside the ordinary course of business and discontinued operations.

	Operating profit ²		Underlying Profit ³	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	358.1	285.6	358.1	285.6
CHEP EMEA	308.6	246.0	308.6	246.0
CHEP Asia-Pacific	93.8	92.9	93.8	92.9
Corporate ⁴	(95.8)	(75.7)	(95.8)	(75.7)
Continuing operations	664.7	548.8	664.7	548.8

Underlying Profit is equal to Operating profit in first half 2024 and first half 2023 as there are no Significant Items.

² Operating profit is segment revenue less segment expense and excludes finance costs and tax.

³ Underlying Profit is a non-statutory profit measure and represents profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items. It is presented to assist users of the consolidated financial statements to better understand Brambles' business results.

⁴ The Corporate segment includes costs of US\$60.6 million in first half 2024 relating to the Shaping Our Future project (first half 2023: US\$44.1 million), of which US\$45.7 million relates to digital transformation (first half 2023: US\$23.1 million) and US\$14.9 million relates to remaining transformation initiatives, including improving the customer experience and resources to support the delivery of the transformation programme (first half 2023: US\$7.8 million). There were no short-term transformation costs in first half 2024 (first half 2023: US\$13.2 million). The Corporate segment also includes the share of results of associates of US\$2.2 million loss in first half 2024 (first half 2023: US\$2.4 million loss).

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations – continued

	Return on Capital Invested ⁵		Average Capital Invested ⁶	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	22.8%	19.2%	3,140.1	2,970.7
CHEP EMEA	26.6%	23.7%	2,323.6	2,074.2
CHEP Asia-Pacific	33.9%	35.7%	552.8	520.3
Corporate ⁷			80.2	(18.0)
Continuing operations	21.8%	19.8%	6,096.7	5,547.2

⁵ Return on Capital Invested (ROCI) is Underlying Profit multiplied by two to calculate an annualised amount, divided by Average Capital Invested. ROCI is not calculated for the Corporate segment since it is not an operating business unit. Corporate costs are included in the overall ROCI from continuing operations. ROCI for continuing operations is impacted by the Shaping Our Future costs, which are included in the Corporate Segment (refer Note 4, footnote 4).

⁶ Average Capital Invested (ACI) is the six-month average of capital invested in the period. Capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustments for pension plan actuarial gains and losses and net equity-settled shared-based payments.

⁷ ACI for the Corporate segment in first half 2024 includes the investment in Loscam China which was booked in second half 2023.

	Capital expenditure ⁸		Depreciation and amortisation	
	First half 2024 US\$m	First half 2023 US\$m	First half 2024 US\$m	First half 2023 US\$m
By operating segment				
CHEP Americas	338.9	443.2	220.6	192.2
CHEP EMEA	153.1	359.1	135.1	124.6
CHEP Asia-Pacific	35.5	59.9	32.9	31.9
Corporate	-	-	1.6	2.2
Continuing operations	527.5	862.2	390.2	350.9

⁸ Capital expenditure on property, plant and equipment is on an accruals basis.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 4. Segment Information - Continuing Operations – continued

	Segment assets		Segment liabilities	
	December 2023 US\$m	June 2023 US\$m	December 2023 US\$m	June 2023 US\$m
By operating segment				
CHEP Americas	4,416.8	4,540.6	1,664.6	1,918.1
CHEP EMEA	3,032.5	3,054.9	787.6	808.6
CHEP Asia-Pacific	717.3	674.0	273.0	269.9
Corporate	217.0	112.3	48.6	74.0
Total segment assets and liabilities	8,383.6	8,381.8	2,773.8	3,070.6
Cash and borrowings ⁹	195.9	160.7	2,199.7	2,154.9
Current tax balances	40.1	21.5	83.6	66.5
Deferred tax balances	152.9	154.5	589.8	556.5
Total assets and liabilities	8,772.5	8,718.5	5,646.9	5,848.5
Non-current assets by geographic origin¹⁰				
Americas	3,849.6	3,855.5		
Europe	2,268.8	2,288.2		
Australia	603.9	593.8		
Other	461.0	381.6		
Total	7,183.3	7,119.1		

⁹ €150.0 million of loan notes have been hedged with interest rate swaps to manage fair value risk. The carrying value of the notes has decreased by US\$1.5 million (June 2023: US\$3.6 million decrease) in relation to changes in fair value attributable to the hedged risk.

The fair value of all financial instruments held on the balance sheet as at 31 December 2023 equals the carrying amount, with the exception of loan notes, which have a carrying amount of US\$2,180.8 million and an estimated fair value of US\$2,146.5 million. Financial assets and liabilities held at fair value (other than loan notes) are estimated using Level 2 estimation techniques, which use inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The fair value of loan notes has been calculated using Level 1 valuation techniques, which use directly observable unadjusted quoted prices in active markets for identical assets or liabilities.

¹⁰ Non-current assets excludes deferred tax assets of US\$152.9 million (June 2023: US\$154.5 million).

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 5. Operating Expenses - Continuing Operations

	First half 2024 US\$m	First half 2023 US\$m
Employment costs	528.5	456.8
Transport	722.0	722.5
Repairs and maintenance ¹	658.1	619.0
Subcontractors and other service suppliers ²	238.2	207.6
Occupancy	30.9	24.7
Depreciation of property, plant and equipment	382.1	342.5
Irrecoverable pooling equipment provision expense	139.6	146.3
Amortisation of intangible assets	8.1	8.4
Net foreign exchange (gain)/loss	(1.8)	1.3
Other	51.6	32.7
	2,757.3	2,561.8

¹ Includes the cost of raw materials used for repairs.

² Includes consulting costs and professional fees.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 6. Earnings Per Share

	First half 2024 US cents	First half 2023 US cents
From continuing operations		
- basic	28.2	24.1
- diluted	28.1	24.0
- basic, on Underlying Profit after finance costs and tax	30.0	25.0
From discontinued operations		
- basic	(0.1)	(0.2)
- diluted	(0.1)	(0.2)
Total Earnings Per Share (EPS)		
- basic	28.1	23.9
- diluted	28.0	23.8

Performance share rights and MyShare matching conditional rights granted under Brambles' share plans are considered to be potential ordinary shares and have been included in the determination of diluted EPS to the extent they are considered to be dilutive.

	First half 2024 Million	First half 2023 Million
A) Weighted Average Number of Shares During the Period		
Used in the calculation of basic EPS	1,390.4	1,387.1
Adjustment for share rights	5.8	4.8
Used in the calculation of diluted EPS	1,396.2	1,391.9

	Note	First half 2024 US\$m	First half 2023 US\$m
B) Reconciliations of Profit used in EPS Calculations			
Statutory profit			
Profit from continuing operations		392.1	334.5
Loss from discontinued operations		(0.8)	(3.4)
Profit used in calculating basic and diluted EPS		391.3	331.1
Underlying Profit after finance costs and tax			
Underlying Profit	4	664.7	548.8
Net finance costs		(64.0)	(49.7)
Underlying Profit after finance costs before tax		600.7	499.1
Tax expense on Underlying Profit		(183.2)	(152.2)
Underlying Profit after finance costs and tax		417.5	346.9
Which reconciles to statutory profit:			
Underlying Profit after finance costs and tax		417.5	346.9
Net impact arising from hyperinflationary economies		(25.4)	(12.4)
Profit from continuing operations		392.1	334.5

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 7. Dividends

A) Dividends Paid During the Period

	Final 2023
Dividend per share (US cents)	14.0
Dividends paid (US\$ million)	195.0
Payment date	12 October 2023

Brambles' dividend policy targets a payout ratio of 45%–60% of Underlying Profit after finance costs and tax, subject to Brambles' cash requirements, with the dividend per share declared in US cents and converted and paid in Australian cents based on an average exchange rate five days prior to the dividend declaration.

Dividends paid during the period of US\$195.0 million (first half 2023: US\$154.4 million) per the consolidated cash flow statement differs from the amount recognised in the consolidated statement of changes in equity of US\$196.6 million (first half 2023: US\$166.9 million) due to the fluctuation in the Australian dollar between the dividend record and payment dates.

The impact of the Dividend Reinvestment Plan (DRP) for the dividend payment made in first half 2024 was neutralised by way of on-market share buy-backs.

B) Dividend Declared after 31 December 2023

	Interim 2024
Dividend per share (US cents)	15.0
Estimated cost (US\$ million)	208.7
Payment date	11 April 2024
Dividend record date	14 March 2024

As this dividend had not been declared at 31 December 2023, it is not reflected in these consolidated financial statements.

The 2024 interim dividend declared of 15.0 US cents per share represents a payout ratio of 50% which is broadly in line with the 2023 interim dividend payout ratio of 49%. The 2023 interim dividend was 12.25 US cents per share.

Note 8. Issued and Quoted Securities

	Share rights	Ordinary securities	
	Number	Number	US\$m
At 1 July 2023	9,369,965	1,389,304,056	4,531.6
Issued during the period	4,597,512	2,256,882 ¹	21.2
Exercised during the period	(2,143,124)	-	-
Forfeited during the period	(747,685)	-	-
At 31 December 2023	11,076,668	1,391,560,938	4,552.8

¹ Includes shares issued on exercise of share rights granted under employee share plans and dividend shares issued under those plans.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 9. Discontinued Operations

On 28 November 2022, Brambles entered into an agreement to combine CHEP China with Loscam China, with completion of the transaction taking place on 31 March 2023. The first half 2023 results of CHEP China have been included within discontinued operations in the consolidated statement of comprehensive income and all related note disclosures.

Financial information for discontinued operations is summarised below:

	First half 2024 US\$m	First half 2023 US\$m
Operating loss^{1,2}	(0.8)	(2.3)
Net finance costs	-	(1.1)
Loss for the period from discontinued operations	(0.8)	(3.4)
Net cash (outflow)/inflow from operating activities ³	(1.0)	38.8
Net cash outflow from investing activities ⁴	(19.1)	(5.7)
Net cash inflow from financing activities	-	3.8
Net (decrease)/increase in cash and cash equivalents	(20.1)	36.9

¹ First half 2023 includes sales revenue of US\$18.5 million and depreciation of US\$5.5 million relating to CHEP China.

² First half 2024 includes US\$0.4 million of final professional fees relating to the divestment of CHEP China which have been recognised as a Significant Item outside the ordinary course of business (first half 2023: US\$0.4 million of transaction costs relating to the divestment of CHEP China were recognised as a Significant Item outside the ordinary course of business).

³ Net cash inflow from operating activities in first half 2023 includes US\$41.5 million received from First Reserve as final settlement of the receivable relating to the divestment of the Hoover Ferguson Group (HFG) investment in 2018.

⁴ Net cash outflow from investing activities in first half 2024 includes US\$13.3 million shareholder loan provided to Loscam China, US\$5.1 million true-up payment for the 20% equity investment in Loscam China and US\$0.7 million of costs paid in relation to the divestment of CHEP China (first half 2023: includes US\$0.1 million of costs paid in relation to the divestment of CHEP China, with the balance relating to CHEP China's net capital expenditure).

Note 10. Net Assets Per Share

	December 2023 US cents	December 2022 US cents
Based on 1,391.6 million shares (first half 2023: 1,388.2 million shares):		
- Net tangible assets per share	207.2	171.3
- Net assets per share	224.6	188.6

Net tangible assets per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at period end.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at period end.

Notes to and Forming Part of the Consolidated Financial Statements

for the half-year ended 31 December 2023 - continued

Note 11. Contingencies

As disclosed in the 2023 Annual Report, Brambles defended a consolidated class action raised on behalf of certain shareholders who acquired shares during the period between 18 August 2016 and 20 February 2017. The trial took place from 8 August 2022 to 8 September 2022 and on 26 and 27 October 2022, and a decision from the trial judge is pending.

There have been no material changes to contingencies as set out in the Brambles' 2023 Annual Report. As the outcomes of these matters remain uncertain, contingent liabilities exist for any potential amounts payable.

Note 12. Events After Balance Sheet Date

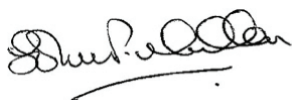
Except as outlined in the Directors' Report or elsewhere in these consolidated financial statements, there have been no other events that have occurred subsequent to 31 December 2023 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Directors' Declaration

In the opinion of the Directors of Brambles Limited:

- (a) the financial statements and notes set out on pages 10 to 24 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated financial position of Brambles Limited as at 31 December 2023 and of its performance for the half-year ended on that date;
- (b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



J P Mullen
Chairman



G A Chipchase
Chief Executive Officer

Sydney
23 February 2024



Independent auditor's review report to the members of Brambles Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Brambles Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Brambles Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

D.G. Smith

Debbie Smith
Partner

Sydney
23 February 2024

Scott Walsh

Scott Walsh
Partner

Sydney
23 February 2024



Auditor's Independence Declaration

As lead auditor for the review of Brambles Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brambles Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'D.G. Smith', is written over a light blue horizontal line.

Debbie Smith
Partner
PricewaterhouseCoopers

Sydney
23 February 2024

*PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au*

*Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au*

Liability limited by a scheme approved under Professional Standards Legislation.