

Company: Brambles Limited
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Graham Chipchase: Good morning, everyone, and welcome to Brambles' full year results presentation for FY25.

I'll begin our presentation today with an overview of our results for the financial year, including key highlights and achievements. I'll then give an overview of the operating environment before sharing an update on our transformation program, including progress with Serialisation Plus. Finally, I'll cover our FY26 outlook before passing to Joaquin to take us through a detailed review of our financial performance.

Starting with our FY25 highlights, we have again delivered a strong set of results with our financial performance highlighting operating leverage and a step change in cash flow generation.

For the full year, we achieved sales revenue growth of 3% with a 10% increase in underlying profit and exceeded US\$1 billion in free cash flow before dividends for the first time.

Our sales revenue comprised a mix of cost-to-serve recovery and a return to volume growth, where momentum in net new business wins helped offset lower like-for-like volumes as consumer demand remains subdued.

Meanwhile, our underlying profit continues to benefit from asset efficiency, and supply chain initiatives, and ongoing discipline around overhead costs. These higher earnings, as well as lower capital expenditure from the benefits of our asset productivity initiatives, contributed to the significant improvement in free cash flow before dividends.

The strength of our performance has allowed us to declare a total dividend of US\$0.3983 per share, representing an increase of 17% from FY24, and a payout ratio of 62% in line with our dividend policy.

We're proud of what we've achieved in FY25 and attribute much of our success to our transformation program, which has made us a more resilient business and delivered structural improvements across the organisation.

I will cover our transformation progress in greater detail shortly, but among the most notable improvements was a stronger customer value proposition to retain and grow our customer base.

This was further enhanced through our expanding digital capabilities and ongoing asset efficiency improvements, which led to reductions in the capital intensity of our business, with these benefits also being shared with our customers.

This reduction in capital intensity and the strength of our financial position supported additional capital returns to shareholders in FY25, with US\$403 million of share buy-backs completed during the year.

In line with our investor value proposition, we are pleased to announce additional buy-backs of up to US\$400 million in FY26.

Finally, we are proud of the many positive impacts achieved through the course of our 2025 sustainability program. Building on this success, we're stepping up our regenerative ambition for our 2030 sustainability program to be released in September.

Turning to the operating environment. During the year, we saw a return to more normalised pallet market dynamics following inventory optimisation initiatives undertaken by retailers and manufacturers during FY24.

Overall, inflationary pressures moderated this year, with modest increases in labour and transport costs, partially offset by deflation in fuel and lumber. The capital cost of a pallet was down approximately 6% year-on-year, although it remains above pre-COVID levels.

Importantly, we maintained commercial discipline with our pricing, recovering modest cost-to-serve increases that benefited from lower pallet loss rates. This was driven by the normalisation and pallet market dynamics, and progress we have made through our asset efficiency initiatives.

Whilst our business is reasonably defensive in nature, increasing macroeconomic uncertainty and the ongoing tariff concerns have a noticeable effect on consumer demand, leading to lower like-for-like volume growth, particularly in the second half of the year.

This demand impact was more than offset by an acceleration in new business wins, particularly in the US and Europe, with more manufacturers recognising the value of our high-quality pooled solutions.

This momentum benefited from broader market developments, including the reduced availability and rising cost of quality whitewood pallets, as well as increasing levels of automation across manufacturing and retail supply chains.

Operationally, inventory optimisation by manufacturing and retail customers in FY24 led to higher pallet returns in key markets, and contributed to additional costs across our network in FY25. This included additional repair requirements due to higher pallet damage rates, and incremental transport and storage costs in the US due to excess plant stocks.

We have approximately four million excess pallets at the end of FY25 in the US, and anticipate a return to optimal levels by the first half of the 2027 financial year.

From a CapEx perspective, utilising excess plant stock in the US contributed to a half a point benefit to the pooling CapEx to sales ratio this year, and should also result in a similar benefit in FY26.

Let's now look at the Shaping Our Future transformation program in greater detail.

Starting with our customers, we have continued to enhance all facets of the customer experience, from improvements to service levels and investing in platform quality, to simplifying the way we interact with our customers and retail partners.

Many of these initiatives are also being enabled by our growing digital capabilities. This includes the significant upgrades to our customer portal that have increased the efficiency and capabilities for customers to self-serve, including electronic order placement and introducing AI-driven messaging in some of our markets to provide swifter customer support.

These improvements have helped lift key customer performance metrics, such as net promoter score, delivery in full and on time, and customer satisfaction scores, which have all continued on an upward trend for the past two years.

Our focus on asset efficiency has boosted the resilience of our business by reducing capital intensity, lowering the cost-to-serve, and enhancing the circularity of our assets to deliver even greater sustainability advantages.

Technology investments, including pallet tracking, together with our growing data analytics capabilities and expansion of our asset recovery capabilities, have fundamentally changed how we are able to track and recover our assets.

This enabled us to reduce two key asset efficiency metrics, being the pooling CapEx to sales ratio by eight points, and uncompensated pallet losses by approximately 50% both measured against the FY21 baseline and well ahead of our transformation target.

In network productivity, our focus has been on continuous improvement to enable our business to operate more effectively and with greater agility. The initiatives are wide-ranging and include automating inspection and repair processes, optimising service centre locations to reduce transport distances, investing in platform innovation to improve durability and optimising procurement across our operations.

The efficiencies from these initiatives have been critical in offsetting cost headwinds while also enabling reinvestments to enhance the customer experience through platform quality and improving the cost-to-serve.

Finally, in our digital transformation, we have continued to extract and analyse valuable insights from the increasing amounts of data generated through our autonomous tracking devices across 34 countries and our maturing data analytics capabilities.

Our advancements in digital have enabled new business opportunities, for example, turning unauthorised reuse into new customers, better commercial decision-making, and asset efficiency improvements.

The work to date in digital has also laid the foundation for the Brambles of the future and our vision to connect and illuminate global supply networks.

One of our strategic priorities that underpins this vision is bringing greater visibility and insights to our customers that drive efficiency, resilience, and regeneration.

Progress towards this vision is being made through our efforts in digital, including Serialisation Plus, which I'll provide an update on shortly, and also developing our innovative digital customer solutions.

To date, we have developed three distinct solutions, which we are currently piloting with several global customers in key markets, including the US, UK, Spain, Portugal, Germany, Australia, and New Zealand.

Turning to our ESG achievements. I'm incredibly proud of the work we've accomplished under our 2025 sustainability Program.

Over the past five years, we have strengthened our inherently circular share and reuse model through transformation to deliver greater positive impact for the planet, business, and communities.

Starting with safety, we have achieved our best year on record with a Brambles' injury frequency rate of 2.2 in FY25. The strong safety culture we have built has allowed us to bring our BIFR down in every year of our program, and it is now 56% below where we started in 2021.

Another key achievement has been the progress of our waste targets under our Planet Positive pillar, with almost 94% of sites now diverting product waste from landfill, up more than 10 percentage points from FY24, although under the 100% we were aiming to achieve by the end of FY25.

We've also surpassed our target of 30% recycled or upcycled plastic in new platforms, again in FY25 by 11 percentage points.

For communities, we continue to leverage our central role in supply chain and logistics expertise to support those in need through food bank partnerships globally, a program that addresses the dual challenge of food waste and food insecurity. In FY25 we again supported 20 million people receiving meals through our support for food rescue organisations, including food banks.

It is always a source of great pride when Brambles and our employees are recognised for our sustainability efforts. In FY25, we have continued to reaffirm our global leadership across major ESG indices and rankings, including the Dow Jones Best-in-Class Indices, Corporate Knights' Global 100, and *TIME Magazine*.

Turning to our transformation scorecard, I won't go into the details, but as you can see, a majority of the targets we set in September 2021 have been achieved, and have played a key role in driving our performance over the past few years.

For the few areas where we did not quite meet our goals, action plans are in place to continue making progress with further details available in our Annual Report.

I will now spend some time covering our Serialisation Plus program, including the progress of our rollout in Chile and the operational testing underway in North America and the UK, as well as our deployment of smart assets globally.

In Chile, we have fully serialised our pool and refined our operational approach, driving efficiencies through automated inline tagging. We have also introduced an effortless service model that eliminates major friction points such as pallet declarations and audits.

We've been very encouraged by the positive customer response, with more than half our customers in Chile having transitioned to this new model, with the remaining customers expected to convert by the end of this calendar year.

Importantly, learnings from this market have evolved our understanding of the full value potential of Serialisation Plus, which we have captured in a value scorecard that I will outline shortly.

In North America and the UK, we have added service centre infrastructure, explored the best tagging approach, and developed auto-tagging technology specific to each market's requirement.

We have developed and are currently testing a lower-cost tracking device that has the potential of supplementing visibility and depth of insight from our current autonomous trackers in a more capital-efficient way.

Throughout this operational testing, we have been taking learnings from Chile and continuing to evaluate the optimal technology mix, investment requirements and potential benefits of operating a serialised pool in North America and the UK.

Lastly, we have continued to scale smart assets globally, expanding their scope and deepening our use of insights from this technology. These smart assets have enabled increased visibility and control over our platforms, improved our understanding of the cost-to-serve, and we're exploring the potential to use these insights to create a simplified offer for smaller customers, opening new opportunities for collaboration and growth.

Turning now to insights from Serialisation Plus in Chile. This slide shows the value scorecard for Chile, which is guiding our efforts as we prove the full value potential of Serialisation Plus.

As you can see, we have identified five key potential value pools, each with specific sources of value that we have either already identified or will test and prove out during FY26.

Starting with customer experience, we have made significant inroads with the launch of our effortless service offer. We have clear examples of reduced administrative burden for the customer as serialised data and insights eliminate the need for pallet declarations and audits.

We have also proven a significantly simplified billing model, with one example seeing a customer shrink their invoice from 12 pages to four. Examples like this are supporting our overall customer experience, with further potential to improve NPS and long-term relationships by shifting our relationship with the customer to one that is focused on growing shared value.

In Chile, the effortless service offer has also delivered growth benefits, with three customers having returned to us or converted to CHEP based on the effortless service offer promise.

As we look ahead, the increased visibility of Serialisation Plus could increase our addressable market by illuminating new lanes. In addition, we expect to develop a more accurate understanding and visibility of pallet dynamics across different segments, grounded in specifics rather than averages, generating valuable insights for existing customers while also expanding the universe of commercially viable lanes.

Serialisation Plus also delivers benefits across pricing and asset productivity. Smart asset insights allow us to identify and monetise reuse as well as non-compliant flows and unauthorised exchanges of our pallets.

In asset efficiency, we've been able to identify and mitigate sources of loss. However, the real value potential lies in using Serialisation Plus insights to focus on identifying sources of inefficiency and collaborating with customers to solve cycle time and damage rate challenges and to optimise their cost-to-serve. We see immense potential for our customers and us from this collaboration.

Furthermore, we see significant opportunities from equipping our supply chain teams with granular insights to reduce the cost of our operations, which we are yet to test. With this framework in place, we will systematically test these initiatives, and our focus in FY26 will be to move from insight to action across the value scorecard, explore opportunities for more dynamic pricing, and determine how to deliver the effortless service offer on a global scale.

Looking now at the learnings from FY25, which are also informing our areas of focus in FY26.

As we progress, we are continually building on valuable areas of learning across both operations and technology. Our biggest learning to date is that we can start generating valuable customer insights from our tagged pallettes only after the read infrastructure is in place.

This has prompted us to take a different path in the US. Rather than running investment in read infrastructure and tagging in parallel, we have rephased our plan to prioritise investment in read infrastructure, which will materially reduce our time to value, avoid operational costs of replacing damaged tags while we're still putting read infrastructure in place, and create opportunities to improve the performance of the tag while bringing the cost down as this is the predominant driver of CapEx.

Our second set of learnings has come as we continue to refine our approach to tagging. We now have automated taggers for each market that will allow us to scale at pace. Similarly, we have developed the technology to tag for each market, adapted for performance in local conditions.

Finally, we have uncovered specific challenges in our current approach in the UK, whereby the movement of our pallets back and forth between customers without returning to a service centre reduces the insight available from our data. We have identified an alternative approach involving a higher device density created by supplementing insights from our current autonomous trackers with a lower-cost option.

Given these learnings, we have identified separate paths for North America and the UK.

In North America, we will implement read infrastructure to cover two-thirds of asset flows in FY26, while improving operational performance, and will continue to evaluate the optimal technology mix and investment required to serialise the pool in this market.

In line with our disciplined approach to capital allocation, we continue to target a ROIC hurdle for Serialisation Plus investments of at least 15% once the market pool is fully serialised.

The UK plan is different. During FY26, we will test a lower-cost tracking device to both test the viability of capturing the data required to build complete Serialisation Plus insights, and to explore the broader benefits of a mixed approach, with lower-cost devices complementing our current autonomous tracking devices.

Consequently, we'll be selective with further infrastructure investments and tagging until this trial is complete.

Looking ahead to FY26, we expect sales revenue growth of between 3% and 5% through a balanced contribution from net new business wins and price.

The lower end of our sales revenue growth is below our investor value proposition of a mid-single-digit increase in revenue. This reflects uncertainty about the macroeconomic environment, which could continue impacting consumer demand and, in turn, our like-for-like volumes in FY26.

As you can see, this potential challenge to revenue has not impacted our expectations for strong profit growth and continued margin expansion. With underlying profit growth expectations of 8% to 11%.

We also expect to deliver strong free cash flow before dividends in the range of US\$850 million to US\$950 million.

Finally, we are pleased to announce an on-market share buy-back in FY26 of US\$400 million. The Board has determined this to be the appropriate amount for FY26, given the expected levels of surplus capital available, and will be subject to market and other conditions customary for a buy-back.

With that, I'll hand over to Joaquin to go through the financials and more details on our expectations for FY26.

Joaquin Gil: Thanks, Graham, and good morning, everyone.

Before diving into the details of our FY25 financial performance, I wanted to touch on the key drivers of the result, as these will be recurring themes as we move through the slides that follow.

In line with Graham's comments, the key drivers of our FY25 financial performance were volume growth of 1%, which reflects the strong momentum with new customers in key markets that helped to offset the impact of macroeconomic headwinds on demand from existing customers, particularly in the second half of the year.

Our ongoing focus on productivity improvements across asset efficiency, supply chain and overheads, which delivered strong operating leverage with underlying profit growth of 10%, and margin expansion of 1.3 percentage points.

Our initiatives to improve asset efficiency, combined with improved overall pallet market conditions, continued to reduce the capital intensity of our business.

In FY25, we saw a 45% reduction in uncompensated losses, resulting in a US\$86 million reduction in the IPEP expense, and further improvements in our pooling CapEx to sales ratio, which reduced to 12.3%. This improvement in capital efficiency was also the key driver of the strong free cash flow generation of over US\$1 billion.

Collectively, these outcomes saw us deliver on our investor value proposition, generating total value creation for shareholders of 17%, with EPS growth of 14%, and a dividend yield of 3%.

The strong FY25 performance is testament to the progress of our transformation program and the business' ability to deliver on the items within its control.

Turning to Slide 15, and an overview of our full year results. On this slide, I wanted to call out the key drivers of our profit after tax and EPS performance, as I will cover revenue and underlying profit in more detail in the slides that follow.

Profit after tax from continuing operations increased 13%. This was ahead of the 10% growth in underlying profit due to the reduction in net finance costs, which more than offset the higher hyperinflation charge and tax expense during the year.

The 6% decrease in net finance costs reflected lower average borrowing, supported by strong cash flow generation and the proceeds received from the sale of CHEP India in January 2025.

While tax expense increased 7%, our effective tax rate fell by 1.2 percentage points at an actual FX rates to 29.5%, reflecting the geographical mix of earnings.

Profit from discontinued operations totalled US\$31.8 million for the year, primarily relating to the gain from the divestment of CHEP India.

EPS from continuing operations of 14% included a one percentage point benefit from the FY25 share buy-back program, which reduced the number of shares on issue.

Importantly, our continued capital allocation discipline and our focus on driving productivity resulted in ROCI increasing 1.4 percentage points to 21.9%.

Moving to Slide 16. Group sales revenue increased 3%, coming in slightly below our FY25 guidance of 4% to 5% growth. This was due to the impact of the challenging macroeconomic environment on like-for-like volumes, with net new business and pricing in line with our expectations.

Price realisation was 2%, both for the full year and the second half, reflecting the recovery of cost-to-serve increases driven by inflation. This increase was partially mitigated by improvements in asset efficiency, which reduced the level of price increases required to recover the cost-to-serve.

Net new business growth was 2% for the year, led by strong contributions from the CHEP Americas and the CHEP Asia-Pacific segments, with additional support from the European pallets business.

We saw increased momentum towards the end of the year in key markets, with fourth quarter net new wins in the US and European pallet businesses growing by 4% and 2% respectively.

This highlights our strong value proposition relative to the whitewood alternative and the tangible improvements we have made to the customer experience.

Like-for-like volumes decreased 1%, impacted by challenging macroeconomic conditions in key markets, the timing of US harvest season, and the normalisation of the average pallets-on-hire in Australia. These factors were partially offset by the benefits of cycling inventory optimisation in FY24.

Turning to Slide 17, looking at the key drivers of our underlying profit performance. Sales revenue contributed US\$148 million to profit growth, while North American surcharge income decreased US\$23 million, in line with movements in market indices for lumber, transport, and fuel during the year.

Plant and transport costs collectively rose by US\$99 million despite savings of US\$207 million delivered through supply chain productivity initiatives focused on reducing transport miles through network optimisation, driving continuous improvement through operational excellence, and optimising procurement across our operations.

These savings were more than offset by input cost inflation of US\$87 million, additional repair, transport, and storage costs due to higher damage rates and excess plant stock in the US, and incremental investments to support quality, asset efficiency, and digital initiatives.

These investments in asset efficiency and digital initiatives, combined with improved pallet marking conditions, were key contributors to lower loss rates across the group, which drove the US\$86 million IPEP expense reduction in FY25.

Lastly, other costs decreased US\$24 million, with overhead cost management and early benefits from productivity initiatives, more than offsetting wage inflation and a US\$11 million in incremental shaping our future investments, primarily relating to the digital transformation.

For more details on the corporate segment, please refer to Appendix 5E.

Turning to Slide 18, and the key drivers of our underlying profit margin performance. At our Investor Day in September 2024, we outlined our target to deliver at least two percentage points of margin expansion compared to FY24 by the end of FY28. As you can see on this slide, we had a strong start to delivering against this target, achieving 1.3 percentage points of margin improvement this year.

There were several key drivers contributing to our performance, which I'll cover now. Starting with asset efficiency and the IPEP to sales ratio, which halved from 2.8% in FY24 to 1.4% in FY25 and contributed 1.4 percentage points of margin improvement in the year.

This improvement is well ahead of the 0.5 plus percentage points target we had set for FY28, reflecting a faster than-expected realisation of benefits from enhanced commercial frameworks, deeper collaboration with retailers, and expanded asset recovery capabilities we have built through transformation and enabled by digital initiatives.

These have structurally improved asset control across the Group, and in the absence of further advancements in digital initiatives, such as Serialisation Plus, we believe them to be fully mature as indicated on the slide.

Moving to overhead productivity, which delivered 0.8 percentage points of margin improvement in FY25. While this is also ahead of the 0.5 plus percentage point target we set for FY28, we see further opportunities to deliver efficiencies by streamlining our operations to better utilise existing resources and using technology to improve processes and support broader cost control initiatives.

Finally, supply chain productivity, as measured by our plant and transport cost-to-sales ratio, was a 0.9 percentage point headwind to margins despite significant savings delivered this year.

That said, the table on the left shows a clear improvement in supply chain performance in the second half as increasing benefits from supply chain initiatives minimised the margin impact as the year progressed.

With an early maturity stage, supply chain productivity has the most runway left, and we expect it to become a positive contributor to margin expansion from FY26 onwards.

Turning to Slide 19. Considering the asset efficiency improvements already achieved, and opportunities across supply chain and overheads, we now expect to deliver at least three percentage points of margin expansion by FY28 compared to the FY24 baseline, an increase of one percentage point compared to the previous target.

We expect supply chain productivity to be margin accretive from FY26, supported by ongoing benefits from network optimisation, operational excellence, procurement, and automation initiatives.

As we progress towards FY28, we expect further margin improvements as the cost headwinds linked to US excess plant stock are no longer in place, and digital insights become a key enabler of further efficiencies across our operations.

In asset efficiency, we expect to maintain the structural reduction in uncompensated pallet loss rates; however, we do expect IPEP to sales to increase to approximately 1.6% in FY26, and remain around these levels through to FY28, driven by an increase in the FIFO cost of pallets written off.

In overhead productivity, we have identified restructuring opportunities in FY26 that are expected to deliver a net benefit of US\$15 million in the year, with the full benefit of US\$55 million expected to be realised in FY27.

Turning to Slide 20, which shows the impact asset efficiency improvements have had in reducing the capital intensity of our business, as shown through both the IPEP to sales ratio reduction I mentioned earlier, and the Group's pooling capital expenditure to sales ratio, which improved by 0.7 percentage points to 12.3% in FY25.

0.4 percentage points of this improvement was related to sales revenue growth, with the balance driven by lower capital expenditure despite a 1% growth in volumes.

On an accruals basis, capital expenditure decreased US\$20 million year-on-year as a US\$45 million benefit from the lower capital cost of new pallets was partially offset by the impact of one million additional new pallets purchased this year.

This increase in pallet purchases was driven by volume growth and the impact of cycling a higher capital expenditure holiday benefit in the prior year, driven by inventory optimisation. These impacts were largely offset by asset efficiency initiatives, which recovered an additional 9 million pallets in FY25 that would have otherwise needed to be replaced.

In the current year, the capital expenditure holiday was limited to the US, where the business continues to carry excess plant stock levels, while the prior year also included a CapEx holiday in Europe.

FY25 pooling capital expenditure to sales ratio includes an approximate 0.5 percentage point benefit from utilising excess plant stocks in the US, with a similar percentage point benefit also expected in FY26 in line with continuing to utilise excess plant stock.

Moving to Slide 21. These asset efficiency improvements, combined with higher earnings and lower financing and tax costs supported strong cash flow generation with free cash flow before dividends increasing by US\$212 million to US\$1.095 billion in FY25.

Capital expenditure on a cash basis decreased US\$204 million year-on-year, supported by asset efficiency gains, lower capital cost of new pallets in the current year, and the timing of pallet purchases in the prior year.

Financing and tax cash payments were lower year-on-year, primarily driven by the timing of Australian tax instalments and timing of interest payments following the maturity and issue of European medium-term notes.

These benefits offset US\$30 million in adverse working capital movements, which were driven by natural variations in creditor payments, and a US\$61 million increase in other cash movements largely related to provisions for employee benefits and increased spend on intangible assets, particularly technology initiatives aimed at enhancing customer experience, digital capabilities, and supply chain activities.

Importantly, excluding the CapEx benefit from utilising excess plant stocks in the US, free cash flow after dividends would still be over \$US1 billion, reinforcing the strength of our underlying cash flow performance.

Turning to Slide 22, and looking at our regional performance, starting with CHEP Americas.

The Americas segment delivered sales revenue growth of 4%, with a balanced contribution from both volume and price, reflecting new customer wins in the pallet business and recovery of cost-to-serve increases across the segment.

Margins improved by 0.5 percentage points, supported by significant gains in asset efficiency and productivity across supply chain and overheads. These benefits more than offset incremental costs related to repair, transport, and storage, largely stemming from higher damage rates in the region, and excess plant stock in the US due to the prior year's inventory optimisation.

These benefits also enabled investments to enhance customer experience, including quality improvements and digital investments such as Serialisation Plus.

ROCI increased 0.2 percentage points as profit growth more than offset a 5% increase in average capital invested, driven by pallet purchases to support volume growth in Latin America, and increased service centre lease costs in the region.

Looking now at US pallet revenue on the next slide, the US pallets business delivered increased revenue growth of 3%, supported by price realisation of 2%.

Price realisation was aligned with cost-to-serve, as contractual pricing to recover input cost inflation was partly offset by lower contributions from asset efficiency-linked pricing, reflecting improved loss rates during the period.

Net new business volume growth of 2% was largely driven by small to medium enterprises, and produce and beverage sector transitioning from whitewood to our share and reuse solutions.

This momentum accelerated in the fourth quarter of FY25 with net new business growth reaching 4%, supported by enhanced sales capability and digitally enabled initiatives that simplified and improved the customer experience.

The strength in net new business wins helped offset a 1% decline in like-for-like volumes due to macroeconomic headwinds in the second half of FY25, and the impact of an earlier US harvest season, which shifted produce volumes into the fourth quarter of FY24, impacting growth in the first quarter of FY25, and creating a stronger comparative base for the fourth quarter of FY25.

These headwinds more than offset the benefit of cycling inventory optimisation from the prior year.

Turning to the CHEP EMEA region. Revenue increased 2% with both price realisation and net new business wins each contributing 1%.

Net new business wins were primarily driven by the European pallets business, with additional contributions from the RPC and containers business.

Like-for-like volumes remained flat as the impact of challenging macroeconomic conditions on European pallets and the automotive business, offset growth with existing customers in Africa and the benefit of cycling inventory optimisation in FY24.

Underlying profit increased 14%, with significant margin expansion of three percentage points driven by asset efficiency, supply chain, and overhead cost savings. These gains were partly offset by inflation and investments in customer experience and asset efficiency initiatives.

This strong profit performance, combined with asset efficiency benefits, drove a 3.6 percentage point increase in ROCI this year.

Moving on to CHEP APAC, where we delivered revenue growth of 3%, primarily driven by a price realisation of 4%, to recover cost-to-serve increases and the impact of customer mix.

Volumes declined 1% as new business growth of 2%, reflecting contract wins across Australia and New Zealand pallets and RPC businesses, helped offset a 3% decline in like-for-like volumes. This included the

impact of lower daily hire revenue in the pallets business as the average number of pallets on hire normalised from peak levels in the first half of FY24.

Underlying profit margin improved 0.4 percentage points at actual FX rates, as supply chain and overhead cost savings were partially offset by inflation and increased repair, handling, and relocation costs associated with higher pallet returns.

ROCI increased 1.1 percentage points as profit growth more than offset a 1% increase in average invested capital.

Turning to our outlook considerations for FY26. We expect sales revenue growth of between 3% to 5%, with a balanced contribution from volume and price.

Price realisation is expected to be in line with both cost-to-serve increases and the level of growth realised in FY25, while volume growth will be driven by net new business wins across key markets.

Given the current macroeconomic uncertainty, we anticipate a slight decline in like-for-like volumes, though, as Graham mentioned, this may vary depending on how the macroeconomic environment develops throughout FY26.

We expect underlying profit growth to be between 8% and 11%, supported by continued momentum in supply chain and overhead productivity initiatives. Margin expansion is anticipated across the Group and all regions.

As outlined earlier, IPEP to sales is expected to increase to approximately 1.6%, primarily due to the higher FIFO unit cost per pallet. While we expect to see improvement in the overhead to sales ratio, FY26 includes overhead restructuring costs of approximately US\$30 million, primarily incurred in the first half of FY26, and expected to deliver a net benefit of approximately US\$15 million in FY26, with the benefits weighted to the second half of the year.

These changes are expected to deliver an annualised benefit of approximately US\$55 million in FY27.

Moving to Slide 27. In FY26, we expect to deliver free cash flow before dividends of between US\$850 and US\$950 million, with a pooling CapEx to sales ratio of approximately 14% to 16%, which includes a 0.5 percentage point benefit from utilising excess pallets in the US.

Non-pooling capital expenditure is expected to be between US\$250 million and US\$300 million, including digital investments of US\$90 million, primarily relating to Serialisation Plus, as well as supply chain investments relating to automation and quality enhancements.

Dividends are expected to be franked at 20%, which is a 10 percentage point down from the current 30%. In FY26, quarterly sales trading updates will be discontinued.

Lastly, in summary, I would like to reiterate our commitment to our investor value proposition, which you will see on the left-hand side of the chart. Reflecting on FY25, we are pleased with our performance, which reflects meaningful progress across key areas of our business, underpinned by the Shaping Our Future transformation program.

While the macroeconomic environment remains challenging, we're continuing to deliver and focus on the items we control, which is delivering net new business wins, enhancing productivity, and realising efficiency gains. These actions are supporting the operating leverage across the group and underpinning strong, sustainable free cash flow generation.

Combined with our strong financial position, this has enabled us to announce further capital management initiatives in FY26, consistent with our investor value proposition and focus on shareholder value creation.

We exit FY25 with positive momentum across the business, reinforcing our confidence in the outlook for FY26.

I will now hand over to the operator for Q&A.

Operator: Thank you. If you do wish to ask a question, please press the star key, then one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press the star key, then two. If you are on a speakerphone, please pick up the handset to ask your question.

Your first question is from Andre Fromyhr from UBS. Go ahead, thank you.

Andre Fromyhr: (UBS, Analyst) Thank you. Good morning. My first question is for Joaquin, and making reference to the free cash flow bridge on Slide 21, can you just expand a bit on the impact of the US\$173 million reduction in CapEx creditors?

Are you suggesting that that amount was sort of extra paid versus CapEx during the period, in which case, if you normalise for timing, it would look - the free cash flow would look better?

Is that relative - is the timing impact of that something that we would compare with last year, or is it something that sort of pushes into FY26?

Joaquin Gil: Hi, Andre. Thanks for that. Yes, just to answer your second part first, it's something that relates to the prior year, so you don't need to push that into FY26.

Essentially, what it relates to is just the timing of fourth-quarter pallet purchases. So, in FY23 or the fourth quarter of '23, we purchased pallets when the capital cost of a pallet was increasing significantly, and we also had much higher loss rates. Then you obviously pay for those in FY24. Then, in FY24 fourth quarter, you had the reverse, where pallet prices had come down and we'd improved our loss rates.

So, it's essentially just a timing issue between those two years. Then, as we move into FY26, things go back to normal.

Andre Fromyhr: (UBS, Analyst) Okay. Great. Then my next question was just about Serialisation Plus. I appreciate the sort of extra detail shared on that opportunity today. I'm just curious, have you narrowed down into what the scale of these investments would be if you were to roll out, say, a US model at scale, and how soon are we to hearing some decisions around that?

Graham Chipchase: All right. So, I'll take that one as I'm totally unqualified to talk about CapEx creditors. So I'm glad Joaquin took that one.

So, I think we are increasingly confident based on what we see in Chile that Serialisation Plus is going to work for us. That's why we've made the sort of - I call it no regret decision, to invest in the read infrastructure in the US.

I think the bit that's trickier for us to finalise at the moment is the mix of technology that we're going to use when we fully serialise a pool. So, that's - what I mean by that is the - we're continually refining and improving the performance of things like the auto taggers, the tanks themselves.

The technology is changing quite quickly at the moment. So, what we've realised is that actually the fastest way to get value is to do the infrastructure. Because whatever the form of the tag, you still need to be able to read it.

So, by getting two-thirds of the flows covered in '26 in terms of read infrastructure, when we then proceed with whatever the tag form is, we'll get that value much quicker. So let's, for the sake of argument, assume then that's '27/'28 type of time frame.

That's why we're doing what we're doing. So, I think the direction of travel is clear. We definitely want to do this. We think there's value.

Being able to put a number on it is hard at the moment, because, as I said, the technology is changing. We haven't finalised the technology mix or the type of technology, for sure, that we're going to use. So, I think it's premature to do that. I think what we then say is two things, perhaps, to set boundaries there.

One is, any investment we make, we still are expecting to get 15% plus in terms of return. Secondly, we'll keep the market informed as we progress through the year.

So, yes, we will keep updating people.

I would then go back to what we said about Chile. Yes, what we've seen from Chile is very encouraging, and that's why we're very happy to make those investments in FY26 in the road infrastructure in the US.

Andre Fromyhr: (UBS, Analyst) Great. If I can just sneak one more in, and maybe this is back to Joaquin, specifically on the new margin target with the three percentage points expansion.

Is it fair to assume that 1.6% IPEP to sales that you've guided to for next year is - that's the stable view as part of that three percentage point expansion?

Joaquin Gil: Yes, that's right, Andre. That's - we expect it to broadly be that same percentage out to FY28.

Andre Fromyhr: (UBS, Analyst) Great. Thank you.

Operator: Thank you. Your next question is from Justin Barrett from CLSA. Go ahead, thank you.

Justin Barrett: (CLSA, Analyst) Hi, guys. Thanks very much for your time today. I was interested if you would be willing to share a bit more about the new winds that you've got in the US and Europe.

I'm keen to understand has that come from one or two key customers, or has it come from quite a few more than that? Are the new wins with, I guess, existing customers in new lanes or new products, or are they completely new customers? Thanks.

Graham Chipchase: Thanks, Justin. So, let me give a broad answer to that.

So, I think the key things to say are the majority of them have come from converting current whitewood users onto blue. So, it's not about big market share movements between us and our competitors, our pooling competitors.

Then, when we look within those whitewood conversions, a lot of them are coming from SMEs, food, beverage, other sort of fast-moving consumer good type categories, converting on to blue for all the reasons that we've always said were the benefits of using a pooled solution.

So, if you look at the lifetime cost analysis, if you look at the sustainability benefits, all the sort of reasons you would expect.

There is also an element where we are [unclear] for a couple of reasons. One, that we've got much better visibility of what's happening in these, what were defined as higher risk lanes. Also, again, our customers wanting to have one type of pallet rather than using whitewood and pooled within their own operations.

We are seeing some lanes convert from whitewood to blue within some of our bigger customers. So, those are ones which in the past we would have classified as MPD channels, and we would have charged a premium for.

We can now - because of the better understanding and lowering of the cost-to-serve, those become more attractive to our customers to switch to blue. So it's a mixture, but I would say the majority are whitewood users in those SME categories who are switching. There are some bigger customers switching as well, but the majority is the whitewood SMEs.

Justin Barrett: (CLSA, Analyst) Fantastic. Thanks for that. Then the other one I just wanted to ask is, you're planning or think you can get an annualised benefit from an overhead restructuring of US\$55 million, which is quite a significant number, I think.

So, I just want to understand or ask if you're willing to share a little bit more about what that planned overhead restructure includes?

Graham Chipchase: Yes, so if you look at the quantum of dollars, it sounds like a lot, but it's about 4% of our overhead base.

So, I just want to put that into context, that this is not some massive restructuring. It is about headcount reduction, and it's in response to a couple of things. I think one is, if you look at our headcount over the last three or four years, it's gone up a lot because we've invested in things around the transformation. So, digital capability, project management capability.

We always said when we started Shaping Our Future that at some point, we would scale back on that, as we started delivering on the transformation.

So, it's partly that, and the other part is I think it's incumbent on us to recognise that if volumes are going to level off and be a bit more difficult to predict, it's much better for the organisation to make some tougher decisions now and be fit and lean for the future than doing it - waiting six months and having to do much tougher things in six months' time than doing them now. I think our customers will expect us to do that.

We all know that the brand owners, the retailers are facing a tough time at the moment, and so, it's much more sensible for us to be able to say to them, look, we are taking self-help here, and that's why you don't need to be coming after us aggressively because we are trying to do our best to help you keep your costs down by lowering our own costs. I think that's the other element to it.

Justin Barrett: (CLSA, Analyst) Thank you.

Operator: Thank you. Your next question is from Jakob Cakarnis from Jarden Australia. Go ahead, thank you.

Jakob Cakarnis: (Jarden Australia, Analyst) Thank you. Hi, Graham. Hi, Joaquin. I'll just direct the first one at Joaquin, if I could, please. Specifically focused on Slide 23 for the US pallets business.

At the third quarter trading update, you told us that the US pallets business was doing constant currency revenue growth around 4%. At the full year, you've told us that's 3%. That gives me an implied flat fourth quarter.

If I work through the individual items that you've disclosed on Slide 16, you tell us net new wins contributed 4% in the fourth quarter. That gives me declines of around 3% for like-for-like volumes versus where you were run rating for the nine months. Also, interestingly, price looks like it's down 1% in the fourth quarter on the information that you've disclosed on Slide 23.

Can you just flesh that out for me, please? I appreciate you're going to say some of this is rounding, but I'm just interested in how you've exited, particularly on like-for-like volumes and that pricing item, please?

Joaquin Gil: Thanks very much. Yes, I was a bit worried when you said you were going to target me, but that's a fair question.

So, look, I guess what I'd say is a little bit of what you said about rounding, and it's a little unfortunate, but I think when you look at like-for-like volumes in the fourth quarter, they were down a little less than the number you quoted.

Then, I think when you look at pricing again, I think it's important to understand the cost-to-serve here. So, we've talked a lot about sharing the benefits of asset productivity and incentivising customers on asset productivity to help us there.

So, although that is a headwind to price realisation and has offset inflation, the benefits come through operating leverage.

Jakob Cakarnis: (Jarden Australia, Analyst) Okay. So, then the sources of operating leverage for FY26. Your guidance narrows the spread of that operating leverage. So, in FY25, you delivered a spread of 7%. The guidance gives us a range of kind of 5% to 6%.

You've told us that IPEPs lessening as an incremental contribution. You've told us that price is probably lessening as an incremental contribution. You've just told me then that you've exited fourth quarter with some softer like-for-like volumes.

So, outside of cost reductions, how do we think about the natural leverage in the business, please?

Joaquin Gil: Yes, so I think a couple of things I'd think about it are at a Group level we've, again, guided to a price realisation broadly the same as FY25. So again, we're committed to that recovery of cost-to-serve, and we continue to be in an inflationary environment.

Then, I think that was the importance of Slide 18 that we put in about underlying profit margin, and it's in line with what you said, that obviously asset efficiency, and we put in those maturity levels to say, look, we think

until there's a step change in digital or we roll out [S-Plus], then the benefits from asset efficiency are probably maximised.

Then you can really see the opportunity both in overhead productivity and supply chain productivity, and we broke it down by half, so you can see the acceleration in those benefits. So, overhead went from half a point to a point in improvement in the second half, and supply chain productivity, while a headwind, that headwind reduced from 1.6 to 0.2.

So, the sources of operating leverage as you move into FY26 are really going to come from productivity improvements.

Jakob Cakarnis: (Jarden Australia, Analyst) Okay, thank you. Then one for Graham, if I could, please.

Slide 28, you reiterate the investor value proposition. At the top there you say that sales revenue is going to be mid-single-digit growth.

If I go to the Annual Report on page 67, there's been what looks like a change to the lower bound of your sales revenue CAGR LTI. The ROCI, obviously, has increased. It seems like it's where you are, but the sales CAGR that you're vesting on, the low end is now 3%. I think previously, that was sitting around 5%.

Can you just explain to me how the comp structure is congruent with what you've reiterated as the investor value proposition on Slide 28, please?

Graham Chipchase: Not straightforward. I mean, I think that's - and that is something we - because also if you look in that [rem] report, there is a paragraph which suggests that we're going to re-look at it over the next 12 months because it's diverging from what we're trying to do with the investor value prop.

I think the one area where I think if you look at the revenue grid, that is actually now much more aligned with the investor value prop than it was in the previous versions, where in fact, I think the revenue was going from [2%] to sort of up to [7%] at one point.

I think what we've tried to do is say, okay, let's recognise that we need to get the revenue more aligned with what we think is happening and the investor value prop. On the ROCI side, it's not really where we want it to be, but we can't go to the market with lower targets on ROCI.

So, we think it's time now to really think about the whole structure of the LTI and have it much more aligned with both revenue growth, operating profit - well, profit leverage and cash generation, rather than just looking at ROCI.

Because if you can imagine, trying to continue to increase ROCI is actually not the right message when you're trying to invest in the future and things like Serialisation Plus. So, that's something we'll look to change over the next 12 months and go back, obviously, to investors with that.

Jakob Cakarnis: (Jarden Australia, Analyst) Yes, sorry, just to be clear, though, the FY25 to '27 sales CAGR used to be 5% to 9%. You've instructed the market, and from what I can tell, consensus has kind of taken your investor value summary as kind of gospel for its forward forecast.

Then in this year's recap for '26 to '28, the low end is 3% sales CAGR up to 6%. It seems quite a large shift is all I'm highlighting there.

Graham Chipchase: I don't think it is, because if you look at the midpoint, 3% to 6%, that's kind of where the investor value proposition is saying we want to be. So if anything, we've tried to get the revenue grid more aligned with the investor value proposition this time round, and you could argue that last year it wasn't.

I think you've got to understand a little bit where these LTI grids - what drives them, and it's driven largely by a feeling that you can never go backwards when you change it from year to year. So, at some point, if you're having good years, they keep on getting stretchier and stretchier and stretchier. Actually, that starts becoming unaligned with reality.

I think that's what we're trying to address now and say, our investor value proposition is really, really clear. It's mid-single-digits, and we want everyone to understand that, and realise, actually, that's quite stretching in the

very short term, given what's happening with the macroeconomic environment. We think that that is the right place to set it, not going up to the 5%, 6%, 7% because that clearly is not in line with what we're saying in terms of the longer-term view on revenue growth.

Jakob Cakarnis: (Jarden Australia, Analyst) Thanks, guys.

Operator: Thank you. Your next question is from Anthony Moulder from Jefferies. Go ahead, thank you.

Anthony Moulder: (Jefferies, Analyst) Good morning, all. If I can start with IPEP, a famous topic. IPEP is a proportion of sales going higher in FY26. I understand that that drove a lot of that benefit through FY25 was higher compensated losses. Why isn't that structural that you get a benefit continuing through FY26, please?

Joaquin Gil: Hi, Anthony. I'll take that one. It's Joaquin here. It's really just a function of pallet write-off costs or FIFO values. So, obviously, we - as lumber inflation has increased in the past, as we write off pallets, they're more expensive. So, it's not a sign that we're going to lose more pallets. It's a sign of the FIFO value.

Anthony Moulder: (Jefferies, Analyst) That FIFO value has increased into the future as well, though, right?

Joaquin Gil: That's right. So in effect, you - as you move out to FY27 and '28, we expect to lose less pallets to compensate for the increase that we're going to see in FIFO. Don't forget also that revenue grows, so that's why I think a percentage of revenue is a fair way to look at it.

Anthony Moulder: (Jefferies, Analyst) Sure, but it's also high - you're still expecting a similar level of compensated loss as you achieve in FY25?

Joaquin Gil: Yes, so I think what we're - that metric is uncompensated losses, Anthony. So, exactly right, if we were to get less pallets compensated, then they would fall into that uncompensated metric.

Anthony Moulder: (Jefferies, Analyst) Yes. Okay. Can I follow on from [Jak's] comment about revenue growth, and obviously stronger growth in net new wins exiting FY25? It seems cautious on the outlook at that lower end of sales revenue growth at 3%. Are you seeing something more difficult through the operating environment through FY26 that gives a bit more caution on that lower end of the revenue growth rate that you're forecasting for FY26, please?

Graham Gil: Anthony, it's Graham. So, I think that's - I mean, you've - that's a very fair, I think, analysis of our mindset. Let me just try and put it into context a little bit.

As you know, we don't have 12 months' forward visibility of what our customers are thinking, number 1. Secondly, I think there's an element of people's mindsets are always conditioned a little bit by what's happening to them in the moment.

At the moment, the conditions in most of our markets are - from a consumer demand perspective are pretty challenging. Now, I think the performance we've delivered in the last quarter is actually pretty good when you look at some other companies in sort of adjacent types of industries. I think everyone is thinking it's quite tough out there.

Now, my view is that, yes, it is, and therefore we should plan for the worst, but expect or hope for the best. I think that is - that's sort of a justified view because - or position to take, because we went - got into difficulty or tougher conditions quite quickly, and I think it could actually change quite quickly as well.

So, our comments around it depends a little bit on what the macroeconomics do over the course of FY26, are to try and reflect that and say, based on what you can see today, you would be relatively cautious, but it could change quite quickly.

Therefore, I would agree with you that we're guiding towards the bottom end of what we think is likely. I mean, if anyone can predict what's going to happen with macroeconomics globally at the moment, then they're a better person than me.

So, I think it's a tough one to call at the moment.

Anthony Moulder: (Jefferies, Analyst) Fair enough. If I take from that, then it's more likely to see stronger growth in this business relative to - in the second half, relative to the first half?

Graham Chipchase: Well, I think if you just look at the comps, that you would probably say that anyway. So, that's - yes, so that's a fair statement.

Anthony Moulder: (Jefferies, Analyst) Lastly, if I could, asset efficiency has been a focus for a long time, of course. If I look at pre-COVID levels of number of pallets in the pools around the world, and maybe an unfair comparison for EMEA, given it's had volume of growth, but if I look into the US, there's a lot more pallets still in the business through the Americas than what there was in FY19. Adjusting for the fact you're still carrying four million extra pallets in the US market.

Obviously, volume growth hasn't been strong through that part of the world. How should we think about number of pallets needed in an optimised pallet environment, optimised asset efficiency environment, given that high level of pallets relative to fiscal '19, please?

Joaquin Gil: Yes. So, I think Anthony, we are making good progress on asset productivity as you mentioned. I think the thing here is different sectors that we might play in may have different cycle times, and obviously, we price accordingly for that.

So, at times you're going to see variations or the number of pallets as you just mentioned, because some customers may have longer cycle time, and a good example of that is what we've been seeing in the Australian market where customers and retailers held higher inventory levels for a period of time, and then we saw that unwind. That was different to what we saw in Europe and the US, which unwound earlier.

So I think for me that's where the benefits of our business of the digital initiatives that we've got underway, the autonomous tracking devices, Serialisation Plus, et cetera, really help us be able to improve cycle time as we look out.

Anthony Moulder: (Jefferies, Analyst) So, new customers effectively have a longer cycle time, and that's why we're not seeing that reduction in the key market like the Americans?

Joaquin Gil: I would say it's just customers. I wouldn't say that was just necessarily new. It depends, you might have an existing customer that moves into something different.

I think, also, you one of the real benefits of the investment in asset productivity in digital is that what we may have considered high-risk lanes before are now not high-risk lanes and open up new opportunities to us.

Anthony Moulder: (Jefferies, Analyst): Yes, okay. Lastly, justification or the reasoning behind not giving a quarterly trading update? Since I would have thought it was useful to continue to release the quarterly trading update first and third quarter.

Joaquin Gil: Yes, look, I think, Anthony, it's really what we said in the ASX release, that when we release reporting, we really want to make sure it's meaningful and helps the user. I think the challenge when you look at revenue is it's not a good view of our financial performance in general.

Particularly in a situation where - we were just touching on the US, where you're sharing asset productivity benefits with customers, and that moderates revenue. So, what we found is that it's, in a way, people were getting the wrong idea from our quarterlies, and so we think it's much better to be able to give fulsome information, which is the full P&L and cash flow, and hence we've decided to go for the halves.

Anthony Moulder: (Jefferies, Analyst) All right, thank you.

Operator: Thank you. Your next question is from Matt Ryan from Barrenjoey. Go ahead, thank you.

Matt Ryan: (Barrenjoey, Analyst) Oh, thank you. I saw that the pallet salvage went up again to US\$25 million. So, just trying to get some thoughts on, I guess, whether there's any form of natural cap, or - it just seems like a number that keeps exceeding, I guess, in a positive way for you guys.

Joaquin Gil: Yes, I think, look, Matt, we have a range of initiatives in asset productivity, and I think what we've been - had an upside surprise on is the benefits that we're getting from those initiatives.

So, I think one thing in particular that's really helped us is we've been using machine learning to be able to better target collections, and also leveraging that autonomous tracking data for locations where pallets might be.

Obviously, the more data we're putting through that model, the better the accuracy of that model is. That's really - those algorithms have really improved our collections.

We continue to target improvements, but what that improvement might be is hard to predict.

Matt Ryan: (Barrenjoey, Analyst) I guess if we're linking that benefit to, I guess, data analytics, et cetera, and you seem to be, I guess, reaching an inflexion point with Shaping Our Future in regards to more investment in the Northern Hemisphere. Presumably, we could sort of be at the earlier stages of where that could get to, is that a fair comment?

Graham Chipchase: I mean, I think, yes, is the short answer to that. If I just go back to Joaquin's slide with the maturities. I think what we're saying is until we see a significant step up in our insights from data when we do a Serialisation Plus on, for example, the North American market, we shouldn't really expect to see a big step change.

In the future, that is something that, without wanting to commit to it, we are hopeful that that will give us - be able to move on to another level. There's no reason to believe that's not going to be the case.

Matt Ryan: (Barrenjoey, Analyst) Thank you. Then just the last one, just hoping if you could give us some thoughts on, I guess, the longer-term like-for-like environment. We've got negative numbers coming through at the moment, but we know that your business model sort of caters to products that are a little bit less discretionary in nature or more stable, so I think it's what you've talked about in the past.

So, I guess we look back through history, can you give us any guide on, I guess, what's a reasonable length of time that these types of numbers can be incurred negative for?

Graham Chipchase: Well, I mean, I think the obvious times to look back are things like '08, '09. It - I mean, I think it's very - I mean, I am not a leading world expert on macroeconomics, so I definitely don't want to make too many stupid statements here.

I mean, in the past, it could be 24 months, it could be up to 36 months, it's been that sort of time period. I do think what we're facing at the moment is somewhat unusual when you think about how it's being driven by one person and their tweets and other statements.

So, I think it's quite difficult to predict, but fundamentally you are correct in that what goes on our pallets tends to be food, beverage, and fast-moving consumer goods. One would assume that after a period of time, unless there is a prolonged global recession, which I don't think anyone is calling at this stage, then we should be seeing very low single-digit, like-for-like growth.

We're, I think, in a very, very good position to continue converting whitewood users into our own pooled solution. Then a little bit of pricing to recover cost-to-serve. So, that gets you back in that quite - it's comfortably back into that mid-single-digit revenue growth proposition.

Matt Ryan: (Barrenjoey, Analyst) Thanks, Graham.

Operator: Thank you. Your next question is from Owen Birrell from RBC. Go ahead, thank you.

Owen Birrell: (RBC, Analyst) Morning guys. Just a couple of questions from me. Just the first one first. Just wanting to step back to the fourth quarter of '25. Based on the guidance that you provided in the third quarter trading update, it was suggesting a much stronger fourth quarter. Based on what you've revealed today, you effectively sort of had a small miss to that outcome.

I just want to get a sense as to what happened versus your expectations in those last couple of months in the period, particularly across the areas where you have a bit more control, i.e. price and net new business wins.

Joaquin Gil: Hi, Owen, it's Joaquin here. How are you? Look, I think in terms of the comments I made earlier, so from price and a net new wins perspective, fourth quarter performance was in line with what we had expected.

Really, where it was below our expectations was like-for-like growth, and in particular in the US.

Owen Birrell: (RBC, Analyst) Are you able to clarify what you were assuming for like-for-like for that fourth quarter, just to help us sort of [backfill] our models?

Joaquin Gil: You know, we give a range, so it's a little bit hard to quantify, but I guess what I would say is, we touched on this earlier in the call, the like-for-like volumes were negative, and we probably would have expected them to be broadly flat.

Owen Birrell: (RBC, Analyst) Right. Okay. Just a second question for me, and it's a bit of a follow on from Justin's question earlier on. I just wanted to get a bit of colour and a bit of guidance, I guess, around the corporate costs line.

You've called out corporate costs - corporate costs were US\$92 million in FY25, you're calling out a reduction of US\$15 million. So purely corporate costs, Shaping Our Future, should that be around, call it US\$77 million? That's essentially the math there.

Then can you give us a bit of guidance around, I guess, what you expect Shaping Our Future costs to be for '26?

Joaquin Gil: Look Owen, I think just one thing for everyone to note is we sort of would like to move to more guiding overheads in general because, obviously, where we might choose to invest or we've talked about some restructuring where that might happen, may be different to where we expect or forecast at a point in time.

I think to answer your questions, we broadly expect overheads to be flat. Then, in line with what we said at our investor day, we expect Shaping Our Future costs to grow essentially in line with revenue.

Owen Birrell: (RBC, Analyst) Right. So the cost reduction of US\$15 million effectively is going to get absorbed by additional costs coming through Shaping Our Future - well, it's going to be reinvested essentially, as you...

Joaquin Gil: Yes, that's right.

Owen Birrell: (RBC, Analyst) Okay. No, that's fine by me. Thank you.

Operator: Thank you. Your next question is from Sam Seow from Citi. Go ahead, thank you.

Sam Seow: (Citi, Analyst) Morning all. Just one from me. I just want to understand some of your answers on the call a bit better, and perhaps ask the question a different way.

Your operating leverage is obviously increased in the business, 8% to 11% guide from 3% to 4% sales. A couple of guys have mentioned your sales LTI has taken a bit of a step down. Is it fair to say, as technology or S-Plus rolls out, you lower your cost-to-serve, and this should see lower sales growth going forward, but actually, better operating leverage? Or is that just totally the wrong read?

Joaquin Gil: Can I rephrase that slightly, Sam, if that's all right? How I think about it is the amount of price that you take changes. I think, while we're talking about the grid having changed, I think the grid was adjusted because we went into a high inflation period, and the expectation was to take pricing.

So, if you go back to pre-COVID, the grid was actually, I think, 2% to 5% or 2% to 6%. We thought going back there wasn't the right place to go, given our investor value proposition. So, we removed the 2%.

So, I think for me, it's not about that we shouldn't expect the volume growth, et cetera. It's about that price realisation. Exactly what you said, Sam, as we lower the cost-to-serve, then that helps offset inflation and obviously, the price increases that then happen, or price realisation is lower than it has been in the past.

Sam Seow: (Citi, Analyst) Got it. So, structurally, you know, embedded in your kind of three-year LTI view, pricing will probably be a bit softer, but your operating leverage or natural operating leverage in the business should actually take a step up if you're successful with S-Plus?

Joaquin Gil: Yes, I think that's a fair assumption.

Sam Seow: (Citi, Analyst) Got it. Thank you. Appreciate it.

Operator: Thank you. Your next question is from Scott Ryall from Rimor Equity Research. Go ahead, thank you.

Scott Ryall: (Rimor Equity Research, Analyst) Hi there. Thank you. Firstly, this is really for Graham, I think. I guess in the last six months, we've seen certainly the most mental trade environment I can remember with all sorts of risks emerging.

So, I guess what I'm wondering out of that is you've got the retailers, there's some concern over shifts in inventory, whether that's up or down due to the tariffs and trying to time various inventory movements. You've mentioned already a couple of times on your own end customers seeing some softness in demand.

You've weathered the storm really, really well over the last six months; the financial results are clear on that. I guess what I'm wondering, Graham, is what do you worry about? What keeps you awake at night? Is it the fact that customers are getting more price sensitive, and you have to make sure that you are delivering value to make sure – or either your perception of value-add to a customer has to go up. Is it inventory holding from retailers again, where that causes a lot of inefficiency in your system?

I'm just trying to get a sense of what keeps you awake at night at the moment.

Graham Chipchase: Yes. At the moment, it's a bad cough that's keeping me awake at night, but I think generally I would say, the things like the inventory optimisation, de-optimisation, it's a temporary dislocation. So, over a period of time, that sorts itself out.

I think a prolonged period where consumers are feeling like they need to hold on to their money rather than spending it, that's an issue. Really, it doesn't keep me awake at night because eventually, people need to eat and drink. That's kind of what affects our volume.

So, I start thinking more about ensuring that we are delivering value for our customers. I think we've had this conversation in the past when everything was very conducive to us being able to get price increases and the industry getting price increases.

I always said at some point, we're going to have to show that we are delivering superior value for our customers compared to their other options. We were working on that, and what I'm pleased about is we are beginning to deliver on that.

So, if you look at all our customer-related metrics, they are moving in the right direction. I think it's things like being able to say, if we have better behaviour, for want of a better word, in terms of people returning their pallets back quicker, we will be able to give them a lower price and create value for them.

If we can get the insights from data, we can work together with customers, retailers, and manufacturers to eliminate waste from the supply chain and share that value.

I think the one area where I think we still got a bit of work to do is quality. So, we are reinvesting some of the benefits we're getting from productivity into quality, because I think that is something not only from just the - we all know the Brambles and CHEP story of the past. We do have to keep an eye on quality.

I think also there's a systemic move, which is, as more and more of the customers and the retailers have automated processes within their DCs, I don't think you need a higher quality standard palette than we've got, but you need to make sure that consistently you are delivering the quality that we're meant to be delivering to our customers, and that's something we're making investments in now to ensure that we do that.

So, that's the thing that sort of keeps me awake a little bit at night, is if we don't do that, then we have got a bigger problem with our customers and with the business model. We are on top of that and are working on it.

Beyond that, I think it's clearly I want to make sure that we deliver on and really change the business through digital. That's - I'm not - again, doesn't keep me awake at night, but it's something that's top of mind.

Scott Ryall: (Rimor Equity Research, Analyst) All right. Great, thank you. Joaquin, for what it's worth, good on you for ditching the quarterly revenue numbers. That's all I have, thank you.

Joaquin Gil: Thanks, Scott.

Operator: Thank you. Your next question is from Peter Stein from Macquarie. Go ahead, thank you.

Peter Stein: (Macquarie, Analyst) Hi, Graham and Joaquin. Thanks very much for your time. I was keen to just explore the x-axis of your table on page 67 of the Annual Report. Move up in your ROCI intentions, or at least the targets.

Could you sort of step us through, given all the conversation about balancing price and value with customers, how you see the key drivers of that improvement over the next few years? It's obviously still a fairly meaningful step up from where we are just under 22% today.

Graham Chipchase: Yes, so when you're looking at rem targets, there's another sort of factor which comes in, which you don't really want to set a threshold below where you actually are.

So, one of the drivers for that grid now is we're at 22% now, pretty much, and therefore our RemCo decided, and I think it's very acceptable practice, that the threshold then starts at 22%. You can then argue, and we've said - we've guided to the fact we think ROCI will go up a bit this year, so target 23%, and to give us a bit of stretch, max at 24%.

Now that's fine. That's a - if you like, a pretty mechanical way of setting the grid. What we are very conscious of is that ROCI doesn't just keep on exponentially increasing because then you start driving the business, and running the business into the ground. We do need to reinvest in things like digital, but quality as well and other things.

So, you go below that grid and you see the paragraph which says that we're going to look at it again over the course of the next 12 months, because I think it makes much more sense to tweak that part of the LTI, and have it much more closely aligned to the investor value proposition.

Which I think we only sort of really launched it in '24, so it's taking a bit of time for people to get comfortable with it. I think, having something that's related to mid-single-digit revenue growth, which is not that far away from obviously where the revenue part of that grid is at the moment, with ULP leverage, and with delivering in cash flow, that for me strikes me as a better place to go than just to focus on ROCI.

As we've said, we expect to invest in things like S-Plus and quality over the next few years. Therefore, without wanting to give any numbers, you would expect the ROCI not to be increasing by leaps and bounds over the next few years.

Peter Stein: (Macquarie, Analyst) Got you. Thanks, Graham. That was useful. Just a very quick one, small detail, but your interest guide certainly looks like it's headed up, driven by leases. Perhaps if you could just step us through very quickly your expectations for '26 on interest?

Joaquin Gil: Hi Peter. So, in terms of our interest costs, under the FY26 considerations on Slide 27, we outline that we expect net finance costs to increase by US\$30 million. So, that's the number, and it's essentially exactly what you said, largely lease renewals as well as some new leases, obviously at higher rates. Particularly, we're seeing that in real estate in the US.

Peter Stein: (Macquarie, Analyst) Okay. So it's real estate. That's useful. Thank you.

Operator: Thank you. Your next question is from Jakob Cakarnis from Jarden. Go ahead, thank you.

Jakob Cakarnis: (Jarden Australia, Analyst) Fumbling the phone there. Sorry, guys. Just a follow-up for Joaquin. Slide 26. Just on the overhead cost reduction, the restructuring, can I confirm that that US\$30 million in the first half is going to be taken below the line?

I just wanted to check the wording. You're saying a net benefit of US\$15 million in '26. Am I right in thinking the total above the line benefit from restructuring is US\$45 million? So, the US\$30 million cost plus a US\$15 million benefit? Can you just clarify for me, the restructuring costs are taken below the line, but the benefits are taken above?

Joaquin Gil: Hi, Jakob. No, look, just to be clear, we don't take anything below the line. You saw that also when we did our Shaping Our Future. So, what we were just trying to guide there is to help people understand that

there would be a US\$30 million of costs incurred in the first half, then that - the net benefit over the full year is US\$15 million.

Then, when you get into the following year, obviously, you not only don't have to spend that US\$30 million, but obviously, the timing means that you generate extra savings. So, we were just helping people be able to guide first half, full year, and then what are the benefits in the following year. Does that help?

Jakob Cakarnis: (Jarden Australia, Analyst) Yes. Yes. That's very helpful. Thank you.

Operator: Thank you. Once again, if you do wish to ask a question, please press the star key, then one on your telephone and wait for your name to be announced. Thank you. There are no further questions at this time. I'll now hand back to Mr Chipchase for closing remarks.

Graham Chipchase: Great. Thanks very much for all of you for dialling in and for the questions. Look forward to seeing you over the coming days and weeks, but I hope you'll agree that another really strong set of results for us for 2025 and looking forward with lots of confidence and optimism for the next 12 months. Thanks a lot.

[END OF TRANSCRIPT]