

FY25 result: Transformation benefits supporting volume growth, operating leverage and Free Cash Flow outperformance; US\$400m buy-back announced for FY26

- **Shaping Our Future transformation enhancing the customer experience and competitive advantage** through structural improvements to financial, operational and sustainability performance.
- **Digital initiatives** enabling new business growth, asset efficiency improvements and productivity benefits. Serialisation+ progressing, with early insights into business model benefits and potential for shared value with customers.
- **Sales revenue up 3%¹** with price realisation recovering cost-to-serve and improved net new business momentum more than offsetting lower like-for-like volumes, which were impacted by challenging macroeconomic conditions.
- **Underlying Profit² & Operating profit up 10%¹** with margin expansion driven by benefits from improved asset efficiency and ongoing supply chain and overhead productivity initiatives. These improvements more than offset FY25 supply chain inefficiencies linked to higher pallet returns in FY24 due to retailer and manufacturer inventory optimisation, and strategic investments in customer experience, digital and other transformation initiatives.
- **Basic EPS (continuing ops.) up 14%¹** reflecting Group Profit after tax growth and a 1pt benefit from the FY25 on-market share buy-back, which reduced the number of shares on issue.
- **Pooling capital expenditure to sales ratio of 12.3%** improved by 0.7pts despite additional pallet purchases to support volume growth. The movement reflects asset efficiency initiatives and improved pallet market conditions, combined with a reduction in the capital cost of purchasing new pallets and sales revenue growth, partly offset by a lower capital expenditure holiday benefit in FY25 due to inventory optimisation (FY25: ~0.5pts, FY24: ~2pts).
- **Return on Capital Invested³ of 21.9%, up 1.4pts¹** driven by Underlying Profit growth and continued improvements to capital intensity driven by asset efficiency initiatives.
- **Free Cash Flow before dividends of US\$1,094.9 million, up US\$212.1 million** primarily driven by lower capital expenditure and higher earnings.
- **FY25 final dividend of 20.83 US cents per share** with total dividends for FY25 of 39.83 US cents per share, up 17% on FY24, reflecting strong financial position and Free Cash Flow generation. Payout ratio of 62% (FY24: 60%).
- **Capital management initiatives:** Announced FY26 on-market share buy-back of up to US\$400 million (subject to market conditions). This follows the completion of US\$403 million⁴ of share buy-backs in FY25.
- **FY26 outlook expected to deliver on investor value proposition of total value creation of 10%+⁵:** As detailed on page 6, Brambles expects: Sales revenue growth at constant FX rates of 3-5%; Underlying Profit growth at constant FX rates of 8-11%; and Free Cash Flow before dividends of between US\$850-950 million.

Result highlights⁶	FY25 result (Actual FX)	Change vs. FY24	
		(Actual FX)	(Constant FX)
Sales revenue (continuing ops.)	US\$6,669.7m	2%	3%
Underlying Profit ² & Operating profit (continuing ops.)	US\$1,371.8m	9%	10%
Operating profit after tax (continuing ops.)	US\$864.2m	12%	13%
Basic earnings per share (continuing ops.)	US 62.5¢	12%	14%
Profit after tax (incl. discontinued ops.)	US\$896.0m	15%	16%
Basic earnings per share (incl. discontinued ops.)	US 64.8¢	16%	17%
Return on Capital Invested	21.9%	1.3pts	1.4pts
Cash Flow from Operations	US\$1,459.9m	US\$152.2m	
Free Cash Flow before dividends (incl. discontinued ops.)	US\$1,094.9m	US\$212.1m	
Free Cash Flow after dividends (incl. discontinued ops.)	US\$563.4m	US\$86.6m	
Final dividend declared per share	US 20.83¢		

CEO commentary

Commenting on the FY25 result, Brambles' CEO, Graham Chipchase, said: "Our FY25 performance delivered another year of successful financial, operational and sustainability outcomes at the same time as strengthening our customer value proposition. Achieving these results amid heightened macroeconomic uncertainty underscores the increased resilience of our business, reinforced through our multi-year transformation programme that has strengthened all facets of our business.

"We delivered sales revenue growth of 3% at constant FX rates despite the headwinds that impacted underlying demand in the second half. This performance reflects continued discipline on recovering cost-to-serve increases and a notable acceleration in new customer contract wins across key markets as the year progressed.

"The renewed momentum with new customers highlights the value our pooled solutions bring to their increasingly automated supply chains, as well as the meaningful enhancements we've made to the customer experience – from improved service levels and continued investments in platform quality to streamlined customer interactions and growing digital capabilities. It also reflects the impact of our efforts to minimise cost-to-serve increases through closer collaboration with customers and retailers, and targeted investments that have delivered operating and capital efficiencies across our network.

"Our profit performance included material operating leverage, driven by structural reductions in the capital intensity of our business combined with the growing benefits from supply chain and overhead productivity initiatives, particularly in the second half of the year. These savings not only offset additional costs linked to inventory optimisation undertaken by retailers and manufacturers in the prior year, but also enabled reinvestments in transformation initiatives that further enhanced the customer experience and our competitive advantage. Moreover, they were instrumental in strengthening cash flow generation, with Free Cash Flow before dividends exceeding US\$1 billion this year.

"Our transformation has also set the foundation for the 'Brambles of the Future', embedding the digital, technological, and innovation capabilities that are now integral to how we operate, serve our customers and create value. These capabilities have supported our performance to date and continue to drive our smart asset tracking initiatives, that have the potential to deliver new levels of visibility and insight to our customers, enhancing the efficiency and sustainability of their supply networks and unlocking new sources of growth.

"Central to our smart asset tracking initiatives is our Serialisation+ programme, which has been rolled out in Chile and is undergoing operational testing in North America and the UK. In Chile, where our pool is already fully serialised, we are leveraging the benefits of Serialisation+ to introduce our Effortless Service Offer that eliminates major friction points such as pallet declarations and audits.

"Customer response to the Effortless Service Offer has been positive, with more than half of our customers in Chile already operating on the new model, with the remainder expected to convert by the end of the calendar year. This shift has the potential to transform the customer experience in the industry by fostering a more collaborative approach to identifying inefficiencies and delivering mutually beneficial performance improvements.

"We are encouraged by the valuable learnings from Chile, that have reinforced the benefits Serialisation+ can deliver for both our customers and our business. We are making good progress and will continue to advance Serialisation+ in North America by investing in read infrastructure while evaluating the optimal technology mix and associated investment required. We will continue to keep the market updated on our progress."

Commenting on FY26 outlook and capital management initiatives, Mr Chipchase said: "Our outlook for FY26 reflects continued momentum, with revenue growth to include contributions from both price and volume. While the macroeconomic environment remains uncertain, we expect like-for-like volumes to be slightly down year-on-year, with volume growth to be driven by ongoing net new business wins in key markets.

"We expect to deliver operating leverage by continuing to drive further efficiencies across our operations while delivering another strong year of Free Cash Flow as we continue to invest for our future.

"Given our strong financial position and the stability of our cash flow generation, and in line with our capital allocation framework, we are pleased to announce an on-market share buy-back of up to US\$400 million in FY26, subject to market and other conditions."

Operating environment

During the year, Brambles saw a return to more normalised pallet market dynamics, following inventory optimisation initiatives undertaken by retailers and manufacturers during FY24 which resulted in higher pallet returns in key markets during the prior year.

Cost-to-serve increases moderated across all regions, reflecting modest input-cost inflation and a reduction in pallet loss rates due to asset control initiatives across manufacturer and retailer supply chains and improved pallet market conditions.

Input-cost inflation was primarily driven by labour and third-party freight cost increases, while fuel and lumber costs at a Group level declined year-on-year. The Group's weighted average capital cost for a new pallet in FY25 was ~6% lower than FY24 but remains above pre-COVID levels.

The global macroeconomic environment became increasingly challenging in 2H25, with rising uncertainty and tariff-related concerns impacting consumer demand and volume growth across the Group.

Growth with new customers more than offset these volume headwinds, as net new business wins accelerated through the year, with more manufacturers switching from single-use alternatives to Brambles' pooled solutions.

This shift reflected increasing demand for Brambles' quality platforms, driven by higher levels of automation across manufacturer and retailer supply chains, combined with the reduced availability and rising cost of quality whitewood pallets in Europe and the US.

Operationally, Brambles faced additional repair, transport and storage costs in FY25, driven by higher damage rates and excess plant stock in the US, linked to prior year inventory optimisation by retailers and manufacturers.

Given the impact of headwinds on like-for-like volume growth in the US during 2H25, Brambles enters FY26 with ~4 million excess pallets across its US network and does not anticipate a return to optimal plant stock levels in this market until 1H27. This is expected to result in the continuation of storage, repair and transport costs associated with excess plant stock, while delivering a capital expenditure holiday in the US through to 1H27.

FY25 result overview

Sales revenue from continuing operations of US\$6,669.7 million increased 3%¹ through price realisation of 2% and volume growth of 1%. Price realisation of 2% was in line with modest rates of input-cost inflation while significant asset efficiency improvements across retailer and manufacturer supply chains reduced the level of price increases required to recover the cost-to-serve. Net new business growth of 2% was primarily driven by the CHEP Americas and CHEP Asia-Pacific segments and to a lesser extent the European pallets business. Net new business growth benefited from improving momentum in 4Q25, particularly in the US. Like-for-like volume declined 1%, reflecting the impact of softening consumer demand in key markets, timing of US harvest season and the normalisation of the average number of pallets-on-hire in Australia. Collectively, these impacts more than offset the benefit of cycling inventory optimisation in the prior year.

Underlying Profit and Operating profit of US\$1,371.8 million increased 10%¹ reflecting a 1.3 percentage point increase at actual FX rates in the Group Underlying Profit margin. Asset efficiency improvements resulted in a significant decrease in the Irrecoverable Pooling Equipment Provision (IPEP) expense while productivity improvements delivered supply chain and overhead cost savings. These savings were partly offset by additional costs in FY25 linked to inventory optimisation in FY24 and increased investments to enhance the customer experience and advance the transformation.

Operating profit after tax from continuing operations of US\$864.2 million increased 13%¹, driven by strong profit growth and a decrease in net finance costs as increased cash flow generation and proceeds from the sale of CHEP India contributed to a decrease in average borrowings in the period. This was partly offset by the net hyperinflation charge of US\$17.7 million relating to Brambles' operations in Türkiye and Argentina and an increase in tax expense, in line with higher earnings.

Return on Capital Invested of 21.9% increased 1.4 percentage points¹ reflecting Underlying Profit growth and a modest increase in Average Capital Invested due to higher lease costs partly offset by asset efficiency improvements.

Cash Flow from Operations of US\$1,459.9 million increased US\$152.2 million due to higher earnings and a reduction in capital expenditure largely due to the timing of pallet purchases, benefits from asset efficiency initiatives and the lower capital cost of a new pallet. These benefits were partly offset by an increase in other operating cash outflows primarily relating to employee benefits and working capital movements, in line with normal variations in timing of creditor payments.

Free Cash Flow before dividends of US\$1,094.9 million increased US\$212.1 million driven by higher Cash Flow from Operations, lower tax payments largely due to the timing of Australian tax instalments and a decrease in financing costs primarily reflecting the timing of interest payments related to European Medium-Term Notes.

Final dividend

The Board has declared a 2025 final dividend of 20.83 US cents per share, bringing total ordinary dividends for 2025 to 39.83 US cents per share representing an increase of 17% on the prior year. The payout ratio of 62% increased 2 percentage points from FY24.

The 2025 final dividend declared is 31.96 Australian cents per share⁷, with franking of 30%. The unfranked component of the final dividend is conduit foreign income. Consequently, non-resident shareholders will not pay Australian dividend withholding tax on this dividend. The final dividend is payable on 8 October 2025 to shareholders on Brambles' register at 5.00pm AEST on 11 September 2025. The ex-dividend date is 10 September 2025.

Given the on-market share buy-back programme to be undertaken in FY26, the Board has decided to continue to suspend the Dividend Reinvestment Plan.

Capital management

The fundamental improvements made to the business through transformation have enhanced the stability of Brambles' Free Cash Flow generation and its strong financial position.

Reflecting this strong financial position and Brambles' focus on shareholder value creation, the Group has announced an on-market share buy-back of up to US\$400 million to be undertaken during FY26. This initiative aligns with Brambles' capital allocation framework, which is embedded in its investor value proposition as outlined on pages 10 and 11 of the FY25 Annual Report. The timing and quantum of shares purchased will be conducted opportunistically, having regard for various factors including market conditions, prevailing share price and opportunities to maximise shareholder value through efficient capital management. Brambles reserves the right to vary, suspend or terminate the buy-back at any time.

Further capital management initiatives may be considered in the future, subject to the Group's operating performance, market conditions and its capital allocation framework which includes a commitment to target net debt/EBITDA of 1.5x-2.0x over the medium-term.

Shaping Our Future transformation programme

The transformation programme has structurally improved the business to make Brambles better for its customers, employees, shareholders and societies in which it operates. Encompassing every aspect of the organisation, it has optimised the performance of Brambles' existing business by strengthening its resilience and efficiency while delivering structural improvements to financial, operational and sustainability performance.

At the same time, the transformation has established the foundation for the 'Brambles of the Future' by embedding the digital, technological and innovation capabilities across the organisation, which have underpinned the step change in value creation and positions the business for continued success.

Key transformation achievements during FY25 included:

- **Customer value:** Brambles continued to enhance the customer experience, from improving service levels and ongoing investments in the quality of its platforms, to simplifying customer interactions.

During the year, the business improved delivery performance to ensure timely delivery of high-quality pooled equipment to customers. Significant customer portal upgrades were also implemented to increase the efficiency of electronic order placement and enhance customer support through the introduction of chatbot functionality in select markets. These improvements to the portal contributed to an increase in the volume of customer orders placed through electronic channels that exceeded the FY25 scorecard target.

In product quality, the ongoing investments in repair technology and platform durability have improved the defects per million pallets by 10% against the FY20 baseline. However, this performance is 5% below the FY25 scorecard target. The underlying drivers of this shortfall, and initiatives to improve the metric, are consistent with those outlined in the damage rate discussion in the 'asset efficiency & network productivity' section below.

The collective efforts to lift the customer experience have led to improvements across Brambles' customer performance metrics including a 16 point increase in the net promoter score against the FY21 baseline.

- **Digital transformation:** Digital continues to enable group-wide improvements in asset efficiency, the customer experience and commercial decision making, including enabling new business wins. By embedding data analytics as a core capability, the business is analysing and generating meaningful insights from the increasing amounts of data it is generating, including through autonomous tracking devices deployed across 34 countries.

During the year, the Serialisation+ rollout in Chile generated new findings. These include identifying and addressing causes of asset inefficiency, opportunities to collaborate with customers to reduce total cost of ownership and evaluating the performance of the Effortless Service Offer.

Operational testing of Serialisation+ in North America and the UK continued throughout FY25 with Brambles refining its approach to account for local differences including pallet designs, climate, service centre layouts and service models.

In Digital Customer Solutions, the programme continued to identify opportunities to use Brambles' unique data and insights to help customers address inefficiencies in their supply chains. Additional customers, including some major brands, are piloting a range of solutions in the US, UK, Spain, Portugal, Germany, New Zealand, Australia and Chile.

- **Asset efficiency & network productivity:** Brambles' sustained improvements in asset efficiency have continued to boost the resilience of the business by reducing capital intensity, lowering the cost-to-serve and enhancing the sustainability advantages of its circular model.

During the year, Brambles' asset efficiency initiatives enabled an additional ~25 million pallets to be recovered and salvaged (FY24: ~16 million pallets) compared to the FY21 baseline. This was supported by enhanced insights from data analytics and smart assets, increased retailer collaboration and optimised deployment of collection resources. These improvements were key to the Group exceeding its FY25 asset efficiency targets, reducing pooling capital expenditure to sales ratio by 8 percentage points and uncompensated losses by ~50% compared to the FY21 baseline.

In supply chain automation, Brambles has made progress in optimising the economics of its existing end-to-end repair process installations, with performance meeting or approaching business case expectations. While the performance has improved, the focus in FY26 will shift to implementing individual components that deliver the greatest benefits, with future implementations of the full end-to-end automation process expected to be incremental and evaluated on a site-by-site basis.

The extended duration of pallets in the supply chain combined with reduced new pallet purchases driven by asset efficiency improvements, led to a ~2.5 percentage point increase in damage rates in FY25. This impacted Brambles' ability to meet its target of reducing the pallet damage ratio by 75 basis points year-on-year and delayed the realisation of benefits from platform innovations. To address this, the business is implementing numerous initiatives to support damage rate improvements over the medium-term.

- **Business excellence⁸:** Pursuing business excellence initiatives has enabled Brambles to improve organisational efficiency and simplify processes so the business can operate more effectively and efficiently. Importantly, it has also supported the employee experience, improving the safety and diversity of the organisation.

During the year, safety performance continued to improve with Brambles' Injury Frequency Rate (BIFR) reducing to 2.2 (FY24: 2.9). This represents a 56% reduction versus the FY21 baseline – exceeding the target reduction of 25% by the end of FY25. Investment in service centre safety remains an ongoing focus, including pedestrian segregation and machine guarding upgrades, hazard identification improvements and safety awareness walks.

The percentage of women in management roles at the end of June 2025 increased to 38.8% (FY24: 38.0%). This remains slightly below the FY25 scorecard target of 40%, largely due to a decrease in staff turnover and a reduction in the number of new hires made during FY25. Brambles has strategies in place to hire, retain and engage female employees across the organisation.

- **Sustainability and ESG:** The inherent sustainability of Brambles' circular 'share and reuse' model has been strengthened through the transformation programme, delivering positive impacts for the planet, business and communities.

Brambles has consistently used 100% sustainably sourced timber since FY20 and increased the Chain-of-Custody certification to 85.7%, up 7.7 percentage points since FY24. The increase was driven by actively procuring from Chain-of-Custody certified suppliers as well as actions to expand Chain-of-Custody certification in the supplier base. Brambles also enabled the sustainable growth of three million additional trees in FY25 on top of those used and regrown under the sustainable sourcing policy and surpassed its target of 30% recycled or upcycled plastic in new platforms in FY25, including five additional platforms using these materials.

During the year, Brambles also maintained 100% renewable electricity for its own operations while the trajectory of total Scope 1, 2 and 3 emissions reduction is in line with its validated Science-based Target.

Brambles will be releasing its 2030 Sustainability Programme and targets in September 2025. This programme builds on the success of Brambles' 2025 targets to extend its global leadership in sustainability and to deliver net positive benefit for our customers, communities and the planet. Further information on the achievements during the transformation programme and the scorecard can be found in the FY25 Annual Report on pages 12 to 15, as well as the long-term vision for Brambles on pages 16 to 17.

Audit tender

In line with the principles of good corporate governance, during FY25, the Audit & Risk Committee conducted a tender process for Brambles' external auditor. Following the completion of that process, Brambles has selected KPMG as its external auditor from the 2027 financial year. Shareholder approval for KPMG's appointment as Brambles' external auditor will be sought. KPMG will replace PricewaterhouseCoopers, which has been Brambles' external auditor since 2002.

Quarterly sales trading updates to be discontinued in FY26

To encourage a complete view of the Company's financial performance and provide meaningful reporting, Brambles will no longer report quarterly sales revenue trading updates. Brambles will continue to report on a half-year and full-year basis in compliance with its legal and regulatory obligations, and otherwise as required in compliance with its continuous disclosure obligations.

FY26 Outlook

Brambles FY26 guidance, for the year ended 30 June 2026:

- Sales revenue growth of between 3-5% at constant currency;
- Underlying Profit growth of between 8-11% at constant currency;
- Free Cash Flow before dividends of between US\$850-950 million; and
- Dividend payout ratio to be consistent with the dividend payout policy of 50-70% of Underlying Profit after finance costs and tax⁹ in US dollar terms and fully funded through Free Cash Flow.

These financial outcomes are dependent on a number of factors. These factors include prevailing macroeconomic conditions, customer demand, the price of lumber and other key inputs, the efficiency of global supply chains, including the extent of retailer and manufacturer inventory optimisation, and movements in FX rates.

Further details on FY26 outlook considerations are outlined on slides 26 and 27 in the FY25 result presentation lodged with the ASX today.

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Brambles Limited (ASX: BXB) Brambles is a global provider of logistics solutions, connecting the world's supply network through its operations, people and technology. Brambles operates across ~60 countries primarily through its CHEP brand, harnessing its industry-leading expertise and the unmatched scale of its asset pool of 348 million pallets, crates and containers through a network of 750+ service centres. Through its regenerative ambition, built on decades of leadership in the circular economy, Brambles has become one of the world's most sustainable companies. Since its origin in 1875, Brambles has been at the forefront of innovation. Today, it continues to invest in the future, bringing enhanced connections, visibility and foresight, developing solutions to unlock new value for customers, and making the world's supply network more resilient and regenerative. Brambles is listed on the Australian Securities Exchange and an ASX20 constituent. The Group employs approximately 12,000 people, with its largest operations in North America and Europe.

For further information, please visit [brambles.com](https://www.brambles.com)

Forward-Looking Statements: Certain statements made in this release are "forward-looking statements" – that is, statements related to future, not past, events. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe Brambles' objectives, plans, goals, or expectations are forward-looking statements. Forward-looking statements are not historical facts, but rather are based on Brambles' current beliefs, assumptions, expectations, estimates and projections. Forward-looking statements are not guarantees of future performance, as they address matters that are uncertain and subject to known and unknown risks, uncertainties and other factors that are beyond the control of Brambles, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These factors include, prevailing macroeconomic conditions, customer demand, the price of lumber and other key inputs, the efficiency of global supply chains, including the extent of retailer and manufacturer inventory optimisation, and movements in FX rates. Brambles cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the views of Brambles only as of the date of this release. Brambles makes no representations as to the accuracy, completeness or reliability of the forward-looking statements contained in this report, as well as the assumptions on which the statements may be based. The forward-looking statements made in this release relate only to events as of the date on which the statements are made – Brambles will not undertake to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or events occurring after the date of this release, except as may be required by law or by any appropriate regulatory authority. Past performance cannot be relied on as a guide to future performance.

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- ¹ At constant FX, except for the results of hyperinflation economies, which are translated at period end FX rates.
- ² A non-statutory measure that represents profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items. Underlying Profit is equal to Operating profit in FY25 and in the comparative period as there are no Significant Items from continuing operations.
- ³ Underlying Profit divided by the twelve-month average of capital invested; capital invested is calculated as net assets before tax balance, cash, borrowings and lease liabilities, but after adjustments for pension plan actuarial gains or losses and net equity adjustments for equity-settled share-based payments.
- ⁴ Based on Australian Dollar value of share buy-backs completed in FY25 converted to US Dollars at the closing A\$:US\$ exchange rate on 21 August 2024 of 0.6745.
- ⁵ Total value creation represents the sum of annual growth in Basic EPS (from continuing operations) and dividend yield.
- ⁶ CHEP India (formerly part of CHEP EMEA) is recognised within discontinued operations following the sale of the business in January 2025. FY24 comparatives have been restated accordingly.
- ⁷ This reflects the US cents dividend converted at an A\$:US\$ exchange rate of 0.6518, the average exchange rate over the five business days ending 13 August 2025.
- ⁸ Metrics reported within Business Excellence and Sustainability and ESG exclude the results of CHEP India, FY24 results have been restated.
- ⁹ Subject to Brambles' cash requirements.