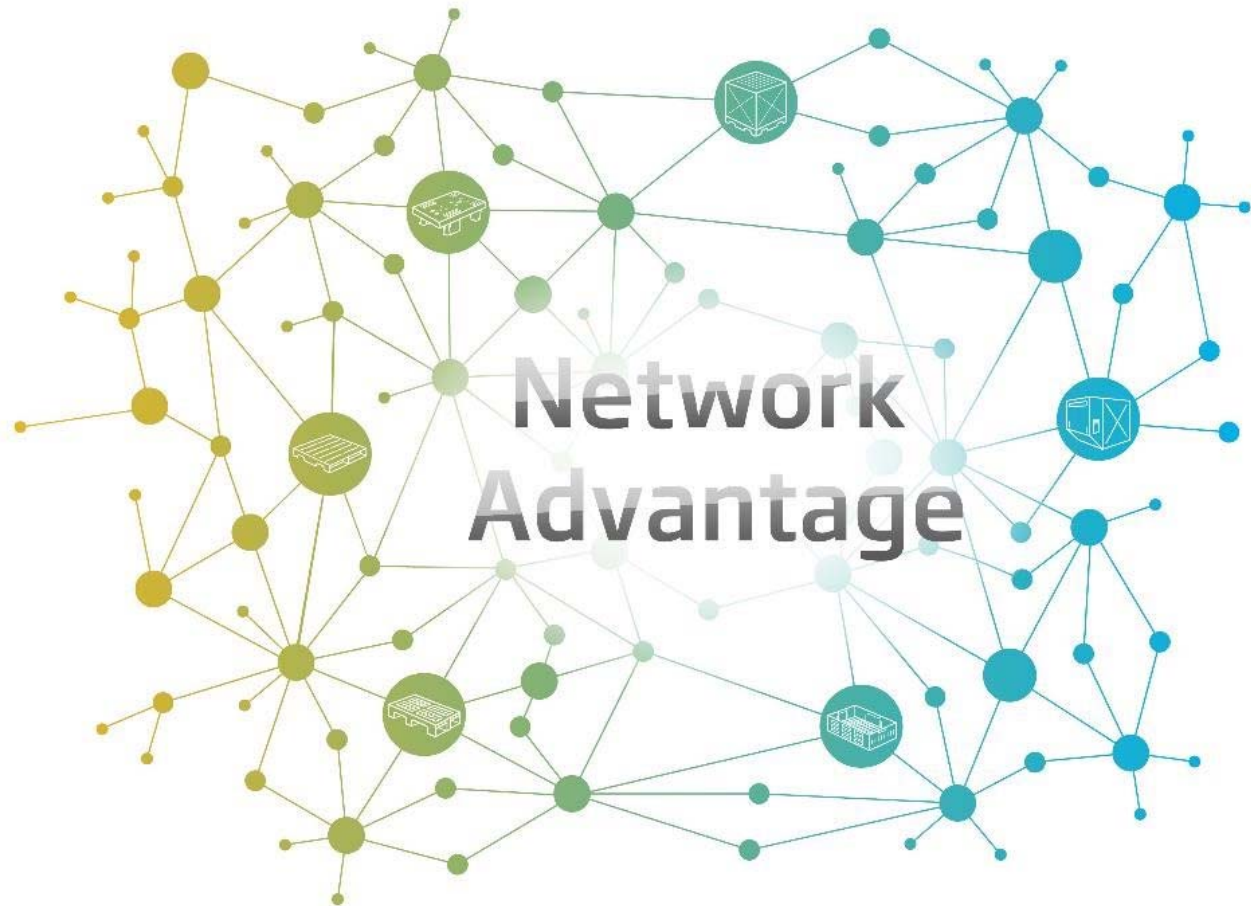


# Brambles

## Formation of Oil & Gas Containers Joint Venture

5 August 2016



# Transaction rationale

- Ferguson Group and CHEP Catalyst & Chemical Containers (CCC) combined with Hoover Container Solutions to form HFG
- HFG to be independent 50:50 joint venture between Brambles and Hoover shareholders (mainly First Reserve and Hoover management)
- Creates the second-largest global provider of container logistics solutions to the Oil & Gas and Chemical sectors
- Substantial synergy opportunities from operating cost, asset utilisation, cross-selling and global scale benefits
- Shareholder agreement governs key aspects of joint venture, including governance and exit provisions

# Key benefits to Brambles

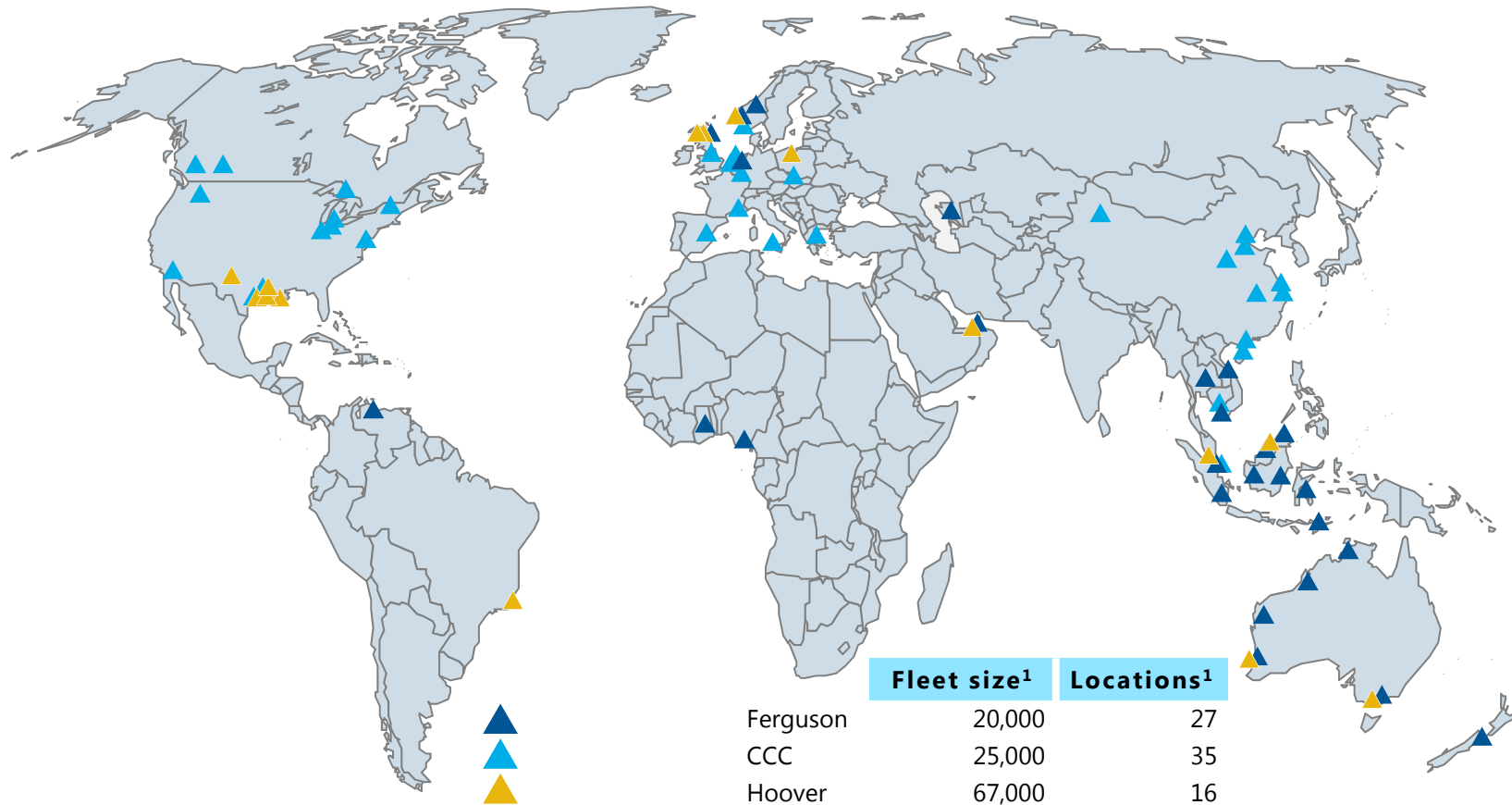
1	Creates the #2 global player without additional capital outlay
2	Substantial synergy opportunities – Accretive to underlying EPS as synergies realised
3	Optionality over scale/capital allocation/future ownership
4	Creates independent self-funding platform for growth

## Overview of HFG

- Strong footprint in key global regions: North America, North Sea, Latin America, Middle East, Australia, South-East Asia
- 78 dedicated facilities, more than 110,000 high-quality rental units and approximately 500 employees
- Pro forma sales revenue US\$217M and EBITDA US\$86M (CY15)
- Eight-strong board of directors, with equal representation from Brambles and Hoover's existing shareholders
- To be led by Hoover CEO Donald Young

# Creation of a global business with scale

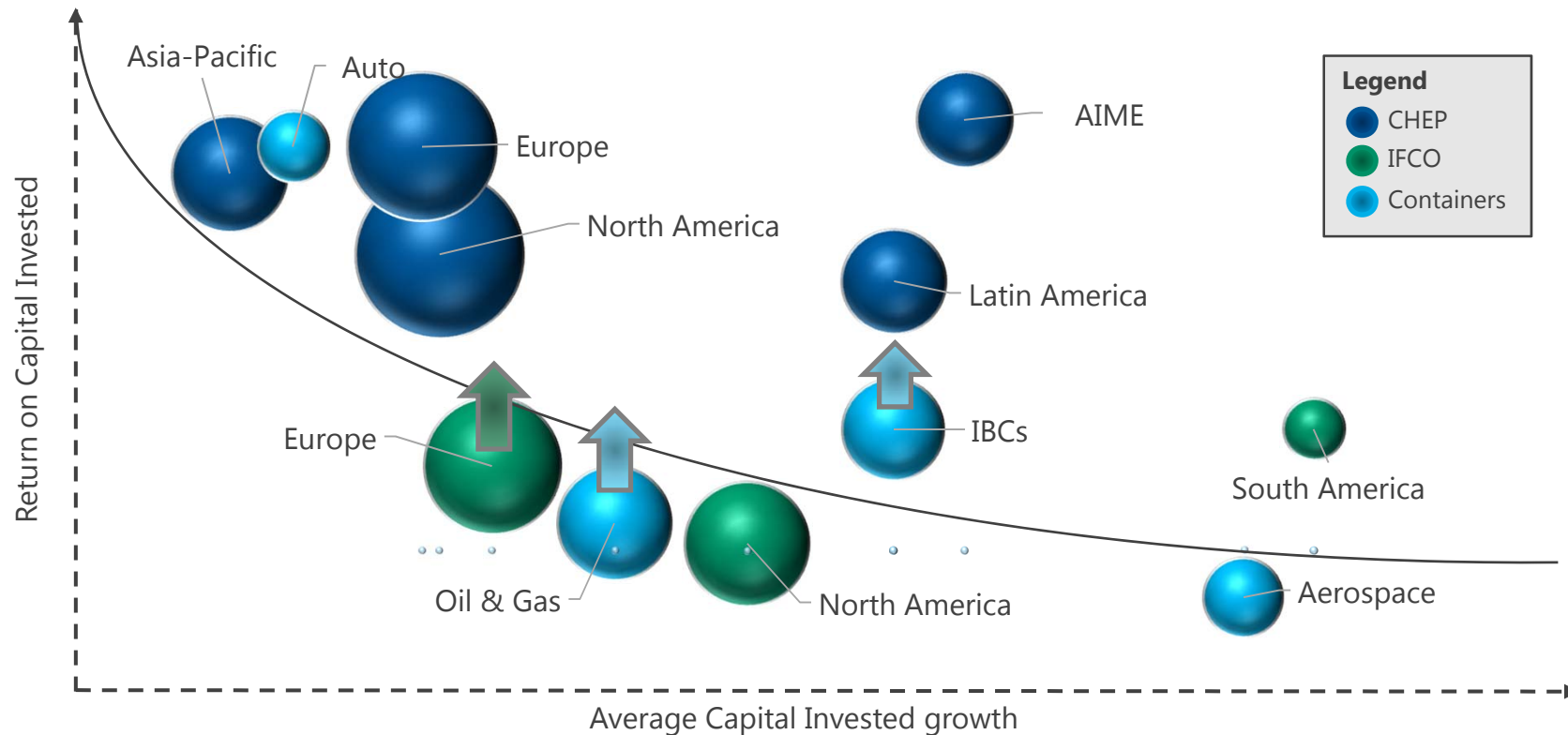
## HFG combined, complementary footprint



<sup>1</sup> Estimated as of Dec-15.

# Disciplined capital allocation focus

## Managing the portfolio for maximisation of value



Notes: Return on Capital Invested and Average Capital invested growth based on FY15 organic trends but not shown to scale; bubble sizes reflect FY15 Average Capital Invested; operating business unit structures used (i.e. ANZ and South Africa RPCs and Auto shown within CHEP); arrows represent incremental Return on Capital Invested excluding acquired intangibles.

# Financing overview

- Brambles to own 50% equity in HFG, with 50% owned by Hoover shareholders
- Relative ownership of HFG calculated at broadly equal EBITDA multiples for Hoover and Brambles' Oil & Gas businesses
- Brambles to receive additional consideration of ~US\$75M<sup>1</sup> (US\$40M cash upfront and the balance deferred<sup>2</sup>) to equalise HFG ownership
- Brambles to contribute Ferguson Group and CCC with debt, including US\$150M shareholder loan with a cash interest rate of 10% p.a. payable quarterly
- HFG to target independent funding facility as soon as capital market conditions are conducive – enabling full repayment of Brambles' shareholder loan
- HFG to maintain a borrowing cost ratio consistent with the long-term asset lives in the sector

<sup>1</sup> Subject to completion adjustments.

<sup>2</sup> The deferred component is guaranteed by First Reserve Fund XIII and will accrue interest at 6.25% per annum, payable at maturity.

# Brambles accounting impacts

- FY16 results from Oil & Gas (i.e. Ferguson and CCC) accounted for in Continuing Operations
- Transaction costs of ~US\$7M recognised as Significant Items over the FY16 and FY17 periods
- Post completion, Brambles will equity account 50% share in HFG going forward:
  - Income statement impacts:
    - Revenue and profit of Oil & Gas no longer fully-consolidated;
    - 50% of HFG's profit accounted as single line item (post-tax basis) within "share of results of joint ventures and associates"; and
    - Interest income from US\$150M shareholder loan and deferred component of equity equalisation payment recognised in "finance revenue"
  - Balance sheet impacts:
    - Equity stake in HFG recognised within "investments"; and
    - US\$150M shareholder loan and deferred component of equity equalisation payment recognised within "non-current operating assets"



# Oil & Gas asset impairment

- US\$38M impairment charge to be recognised against the value of Brambles' Oil & Gas assets as at 30 June 2016
- Impairment reflects current market conditions in the Oil & Gas sector
- Non-cash in nature, to be accounted for as a Significant Item in FY16
- FY16 guidance remains unchanged – continue to expect constant-currency<sup>1</sup> growth in sales revenue and Underlying Profit<sup>2</sup> of 8-10%

<sup>1</sup> Current period results translated into US dollars at the actual monthly exchange rates applicable in the prior comparable period.

<sup>2</sup> A non-statutory measure that Brambles uses as a key internal performance indicator. It represents profit from continuing operations before finance costs and tax and omits Significant Items, thereby providing a clearer indication of profit trends over time.

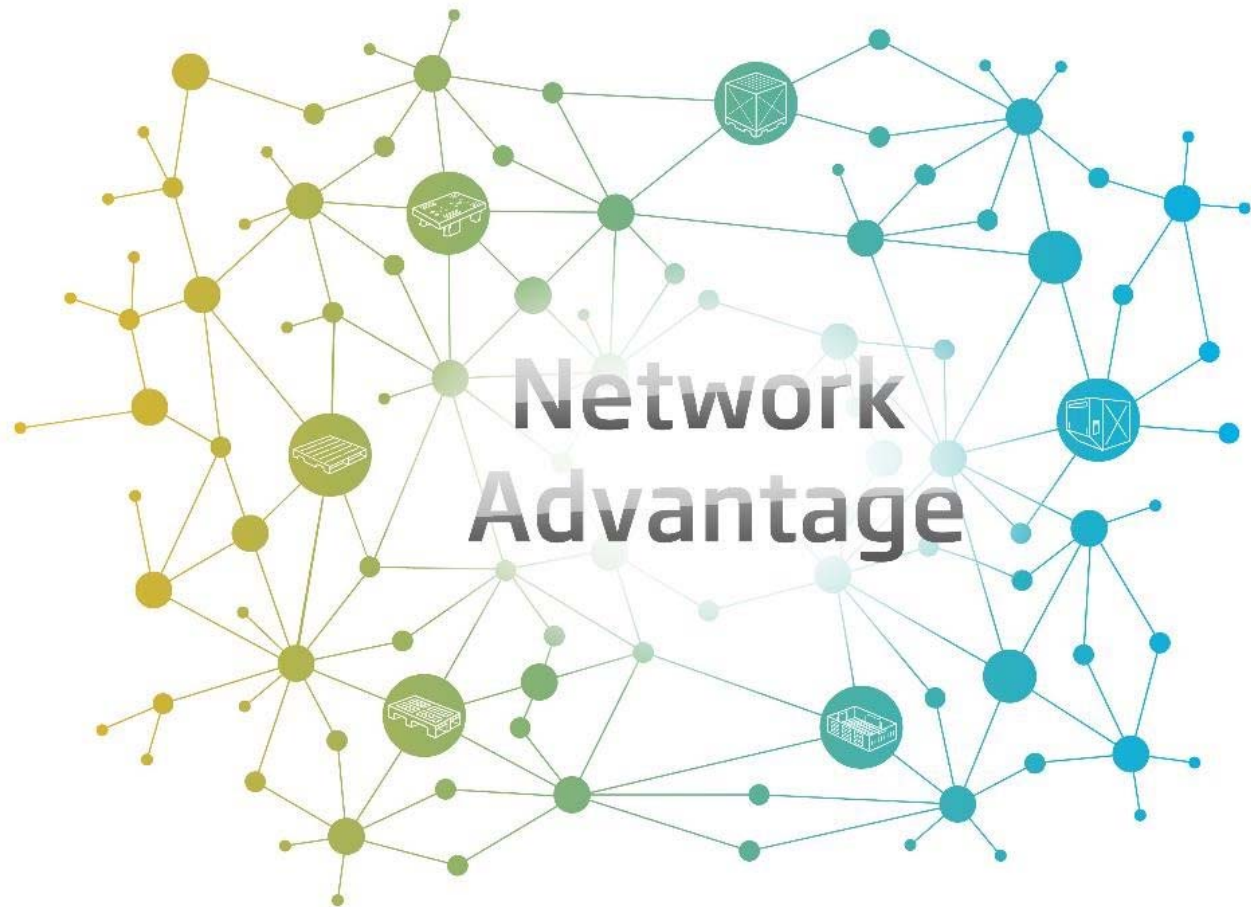
## Key points recap

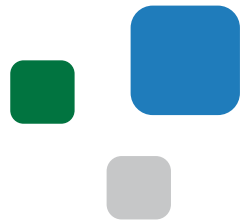
1	Creates the #2 global player without additional capital outlay
2	Substantial synergy opportunities – Accretive to underlying EPS as synergies realised
3	Disciplined capital allocation
4	Optionality over future ownership

# Brambles

## Formation of Oil & Gas Joint Venture

5 August 2016

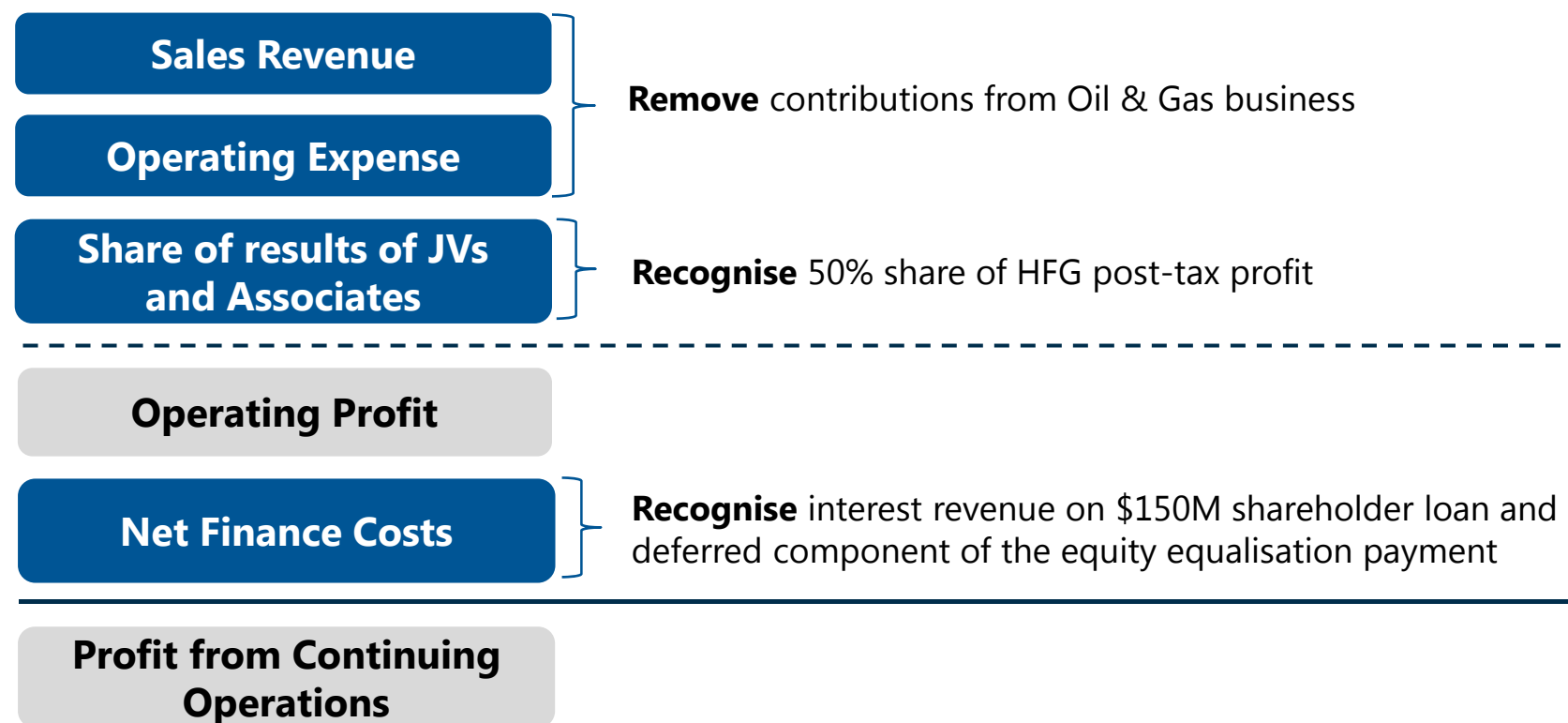




# Appendices

# Appendix i

## Statutory income statement impact



# Appendix ii

## Brambles unaudited pro forma December 2015 balance sheet

(US\$M, actual FX rates)	Brambles actual	Deconsolidate Ferguson and CCC	Equity accounting of HFG / financing impacts	Brambles pro forma <sup>1</sup>
Cash and cash equivalents	238	(7)	-	231
Other current assets	1,203	(28)	-	1,175
Non-current receivables	2	-	185	187
Investments	-	-	238	238
Property, plant and equipment	4,484	(155)	-	4,329
Goodwill	1,523	(305)	-	1,218
Other non-current assets	259	(39)	-	220
Borrowings – current	(243)	5	40	(198)
Other current liabilities	(1,441)	20	-	(1,421)
Borrowings – non-current	(2,653)	11	-	(2,642)
Other non-current liabilities	(645)	35	-	(610)
<b>Net assets</b>	<b>2,727</b>	<b>(463)</b>	<b>463</b>	<b>2,727</b>

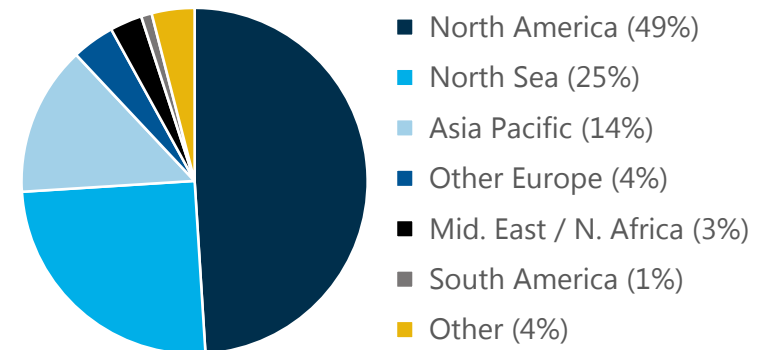
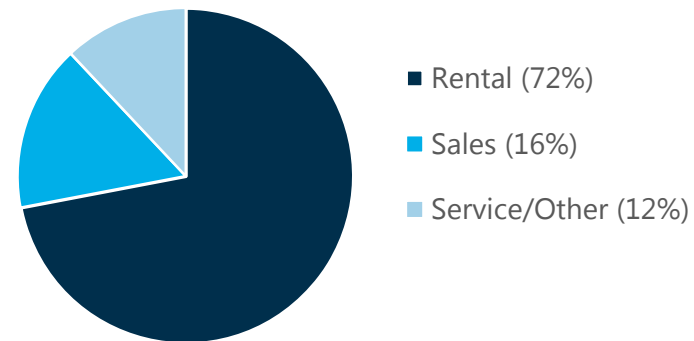
<sup>1</sup> Brambles unaudited pro forma December 2015 balance sheet does not reflect the impact of the US\$38M impairment to be recognized as at 30 June 2016.

# Appendix ii

## HFG unaudited pro-forma CY15 financials

US\$M	CY15
<b>Revenue</b>	<b>217</b>
Brambles Oil & Gas	112
Hoover	105
<b>EBITDA</b>	<b>86</b>

Indicative revenue contribution



# Disclaimer

*The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about and observe such restrictions.*

*This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.*

*Persons needing advice should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor. Certain statements made in this presentation are forward-looking statements.*

*These forward-looking statements are not historical facts but rather are based on Brambles' current expectations, estimates and projections about the industry in which Brambles operates, and beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements.*

*These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which 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. Brambles cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Brambles only as of the date of this presentation.*

*The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Brambles will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.*



# Investor Relations contacts

## **Raluca Chiriacescu**

Manager, Investor Relations

[raluca.chiriacescu@brambles.com](mailto:raluca.chiriacescu@brambles.com)

+61 2 9256 5211

+61 427 791 189