

# ASX Announcement

## Pact Group Holdings First Half FY24 Results

Date: 15 February 2024

First half performance in line with trading update on 6 February 2024

Pact Group Holdings Ltd (ASX: PGH) (**Pact** or the **Company**) provided a trading update for the first half of the 2024 financial year on 6 February 2024 in accordance with the information sharing protocols agreed by the Independent Board Committee (**IBC**) and the Chair of Pact (Mr Geminder) as set out in Section 4.1(b) of Pact's Target's Statement. The Company confirms that the 1H FY24 performance is in line with the trading update.

Group Sales Revenue - \$ millions	1H FY24	1H FY23	Change %
Revenue – Continuing Operations	897.7	938.0	(4.3%)
Revenue – Discontinued Operations	53.5	60.2	(11.2%)
<b>Revenue – Total Company</b>	<b>951.2</b>	<b>998.2</b>	<b>(4.7%)</b>

Group Financial Performance - \$ millions	1H FY24	1H FY23	Change %
<b>Underlying EBITDA – Total Company</b>	<b>137.0</b>	<b>141.0</b>	<b>(2.9%)</b>
<b>Segment Underlying EBIT – Continuing Operations</b>			
<i>Packaging &amp; Sustainability</i>	<b>48.4</b>	57.3	(15.5%)
<i>Materials Handling &amp; Pooling – Continuing Operations</i>	<b>10.1</b>	5.3	91.1%
<i>Contract Manufacturing</i>	<b>3.5</b>	(0.2)	n/m
<b>Underlying EBIT – Continuing Operations</b>	<b>62.1</b>	62.4	(0.5%)
<i>Materials Handling &amp; Pooling – Discontinued Operations</i>	<b>16.2</b>	13.0	24.7%
<b>Underlying EBIT – Total Company</b>	<b>78.3</b>	75.4	3.9%
<b>Underlying NPAT – Total Company</b>	<b>21.1</b>	26.3	(20.0%)
<b>Reported Net Profit After Tax – Total Company</b>	<b>59.3</b>	23.9	148.0%
<b>Interim Dividend – cents per share</b>	-	-	n/a

Note: Underlying EBITDA, Underlying EBIT and Underlying NPAT are non-IFRS financial measures and have not been subject to review by the Company's external auditor.

During the half-year Pact divested 50% of its Crate Pooling and Crate Manufacturing business (**Crates Business**) and retained the remaining 50%, forming a joint venture in partnership with global infrastructure investment manager, Morrison & Co. As a result, the Crates Business has been classified as Discontinued Operations in the 1H FY24 financial statements. The 1H FY24 Discontinued Operations result shown in the above table includes five months of trading for the Crates Business. The 1H FY24 Continuing Operations includes one month of 50% net profit after tax (**NPAT**) for the Crates Business.

Consistent with the trading update on 6 February 2024, 1H FY24 Total Company Revenue was down 4.7% on the prior corresponding period (**pcp**). This reduction is due to the inclusion of five months of the Crates Business revenue compared to six months in the pcp, reduced demand across the Australian industrial, health and personal care packaging businesses, a late start to the dairy season in New Zealand impacting on first half demand, and subdued economic activity in China. The impact of these trends was partly offset by solid sales performance in Materials Handling & Pooling and the Contract Manufacturing segments.

Consistent with the trading update on 6 February 2024, Total Company Underlying earnings before interest and tax (**EBIT**) was up 3.9% on the pcp. This improvement was achieved despite a challenging economic environment and reflects the impact of \$20.0 million per annum Transformation Plan cost savings implemented in the first quarter of FY24, combined with reduced cost volatility across the supply chain.

Total Company Reported NPAT increased significantly to \$59.3 million reflecting both the impact of costs savings and the profit on sale of the Crates Business.

Reflecting on the half-year results, Pact Managing Director and Group Chief Executive Officer, Mr Sanjay Dayal, said “market conditions were challenging in the first half of the year as destocking continued and cost of living pressures increased, particularly in Australia, New Zealand and China. Despite these trends we have grown earnings on the back of proactive cost reduction and efficiency improvement measures.”

### **Strategic update**

The Company continues to progress its strategy to lead the Circular Economy. The four components required for a successful Circular Economy are raw material availability, recycling infrastructure, finished goods manufacturing, and demand for packaging containing recycled content. The Company has advanced in each of these areas.

The new Crates Business joint venture has been rebranded as Viscount Reuse, operating as an independent entity focused on accelerating growth opportunities in Australia and New Zealand.

“I am pleased to report that the Crates Business joint venture with Morrison & Co is operating well having smoothly transitioned to independent management. This joint venture is a great outcome for our customers and enables Viscount Reuse to accelerate its Circular Economy solutions,” Mr Dayal said.

Pact continued momentum in building a national network of plastics recycling infrastructure with a new facility, which is capable of recycling the equivalent of up to one billion 600ml PET plastic beverage bottles a year, commencing operations in Melbourne in December coinciding with the start of Victoria’s Container Deposit Scheme. Another facility capable of recycling HDPE resin, also in Melbourne, is due for commissioning in the first quarter of the 2024 calendar year.

### **Dividend**

The Pact Board resolved to not pay an interim dividend in relation to the half-year ended 31 December 2023.

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**This document has been authorised for release by the Board of Directors.**