ASX Announcement

Appendix 4D and 2025 Half-Year Report and Accounts

Date: 28 February 2025

In accordance with ASX Listing Rules, Pact Group Holdings Ltd (ASX: **PGH**, the **Company**) encloses for release its Appendix 4D and consolidated financial report for the half-year ended 31 December 2024.

The 2025 Half-Year Results Release will be provided separately.

It is recommended that these documents be read in conjunction with the annual financial report of Pact Group Holdings Ltd for the period ended 30 June 2024, together with any public announcements made by the Company in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001* (Cth).

This announcement and the enclosed documents are authorised for release by the Board of the Company.

For further information contact:

Carolyn Ireland
General Manager: Investor Relations & Transformation
T +61 403 045 905

APPENDIX 4D

Half-Year Report

Name of entity:	**Pact Group Holdings Ltd**
ABN:	**55 145 989 644**
Half-year ended ('current period')	Half-year ended ('previous corresponding period')
31 December 2024	**31 December 2023**

Results for Announcement to the Market		**Change %**		**Amount $'000**
Revenue and other income from continuing operations	Up	4.0%	to	940,507
Revenue and other income from discontinued operations	Down	100.0%	to	-
Profit after tax from continuing operations	Up	275.7%	to	14,070
Profit after tax from discontinued operations	Down	100.0%	to	-
Net profit for the period attributable to members	Down	76.3%	to	14,070

Dividends[1]	**Amount per security (cents)**	**Franked amount per security (cents)**	**Total dividend amount ($'000)**
Current year to 31 December 2024			
Interim Dividend (per ordinary share)	-	-	-
Prior year to 30 June 2024			
Final Dividend (per ordinary share)	-	-	-
Interim Dividend (per ordinary share)	-	-	-

(1) The Directors have determined that there will be no interim dividend in relation to the half-year ended 31 December 2024.

	Current period	**Previous corresponding period**
Net tangible asset backing per ordinary security[2]	$0.56	$0.43

(2) Net tangible assets exclude goodwill and other intangible assets (refer to the Consolidated Statement of Financial Position in the *Consolidated Half-Year Financial Report*).

For the profit commentary and any other significant information needed by an investor to make an informed assessment of the results for Pact Group Holdings Ltd and additional Appendix 4D disclosure requirements please refer to the accompanying Review of Operations and Financial Performance and *Consolidated Half-Year Financial Report*.

Kathryn de Bont
Company Secretary

Dated: 28 February 2025

Pact Group Holdings Ltd
ABN: 55 145 989 644

Consolidated Half-Year Financial Report

For the period ended 31 December 2024

HALF-YEAR FINANCIAL REPORT
Consolidated Half-Year Financial Report
For the period ended 31 December 2024

INTRODUCTION

This is the *Consolidated Half-Year Financial Report* of Pact Group Holdings Ltd (**Pact** or the **Company**) and its subsidiaries (together referred to as the **Group**) including the Group's joint ventures at the end of, or during the period ended 31 December 2024. This *Consolidated Half-Year Financial Report* (**Report**) was issued in accordance with a resolution of the Directors on 28 February 2025.

This *Report* does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Pact during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* (the **Act**).

CONTENTS

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

PACT GROUP HOLDINGS LTD

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

*Pact Group Holdings Ltd (ASX: **PGH**) (**Pact** or the **Company**) and its subsidiaries (collectively, the **Group**) have reported revenue of $929.5 million for the half-year ended 31 December 2024, down 2.3% compared to the prior corresponding period (**pcp**). The statutory net profit after tax for the half-year was $14.1 million, compared to a statutory net profit after tax of $59.3 million in the pcp.*

OVERVIEW

- Total Group Revenue down 2.3% to $929.5 million (pcp: $951.2 million).
- Revenue from Continuing Operations up 3.5% to $929.5 million (pcp: $897.7 million).
- Statutory reported profit after tax of $14.1 million (pcp: $59.3 million).
- Underlying EBITDA[1] from Continuing Operations up 4.6% to $124.0 million (pcp: $118.5 million).
- Underlying EBIT[2] from Continuing Operations up 11.8% to $69.4 million (pcp: $62.1 million).
- Underlying NPAT[4] from Continuing Operations up 74.1% to $14.8 million (pcp: $8.5 million).
- On 1 December 2023, the Group 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 (**Crates transaction**). The Crates Business was classified as Discontinued Operations[3] in the 1H FY24 *Consolidated Financial Report*.
- On 31 December 2024, the Group sold the shares of its wholly owned subsidiary Viscount Rotational Mouldings Pty Ltd (**VRM**) to CRH Infrastructure Products Australia Pty Ltd for net cash consideration of $21.2 million.
- Revenue decline of $21.7 million is due to Continuing Operations up $31.8 million, offset by the Discontinued Operations reduction of $53.5 million. The increase in revenue in the continuing business improved Underlying EBIT[2] by $7.3 million (11.8%), which was offset by the Discontinued Operations reduction of $16.2 million.
- Net debt[7] at $470.8 million is up $51.9 million on June 2024 impacted by an increase in trade working capital to offset resin supply chain disruption from the Qenos closure in September 2024 and the continuation of the long-term capital investment program.
- Gearing[5] at 2.8x (compared to 2.7x in the pcp).
- The Board has resolved not to pay an interim dividend in respect of 1H FY25.

KEY FINANCIAL HIGHLIGHTS

Group Sales Revenue – $ millions	Dec 2024	Dec 2023	Change %
Revenue – Continuing Operations	**929.5**	897.7	*3.5%*
Revenue – Discontinued Operations[3]	**-**	53.5	*n/a*
Revenue – Total Group	**929.5**	**951.2**	*(2.3%)*

Group Financial Performance – $ millions	Dec 2024	Dec 2023	Change %
Underlying EBITDA[1] – Continuing Operations	**124.0**	118.5	*4.6%*
Segment Underlying EBIT[2]			
Packaging & Sustainability	**44.3**	48.4	*(8.5%)*
Materials Handling & Pooling – Continuing Operations	**24.7**	10.1	*144.4%*
Contract Manufacturing	**0.5**	3.5	*(85.4%)*
Underlying EBIT[2] – Continuing Operations	**69.4**	62.1	*11.8%*
Materials Handling & Pooling – Discontinued Operations[3]	**-**	16.2	*n/a*
Underlying EBIT Total Group	**69.4**	78.3	*(11.3%)*
Underlying NPAT[4] – Continuing Operations	**14.8**	8.5	74.1 %
Reported Net Profit After Tax	**14.1**	59.3	(76.3%)
Interim Dividend – cents per share	**-**	-	*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. Refer to page vi for definitions.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Reconciliation of Statutory Income – $ millions	Dec 2024	Dec 2023
Statutory profit before income tax expense for Continuing Operations	24.5	(6.5)
Statutory profit before income tax expense for Discontinued Operations	-	119.1
Statutory profit before income tax expense	**24.5**	112.6
Net finance costs and loss on de-recognition of financial assets	44.8	48.4
Reported EBIT	**69.3**	161.0
Underlying adjustment expense / (income)	0.1	(82.7)
Underlying EBIT[2]	**69.4**	78.3
Depreciation and amortisation expense	54.6	58.7
Underlying EBITDA[1]	**124.0**	137.0
Underlying EBITDA[1] – Discontinued Operations	-	(18.5)
Underlying EBITDA[1] – Continuing Operations	**124.0**	118.5

Statutory net profit	14.1	59.3
Underlying adjustments before tax	0.1	(82.7)
Tax expense on underlying adjustments	0.6	44.5
Underlying NPAT[4]	**14.8**	**21.1**
Consisting of:		
Underlying NPAT[4] – Discontinued Operations	**-**	12.6
Underlying NPAT[4] – Continuing Operations	**14.8**	**8.5**

GROUP RESULTS

$'000	Dec 2024	Dec 2023	Change %
Revenue	**929,507**	951,246	*(2.3%)*
Other income (excluding interest revenue)	**10,089**	6,473	
Expenses	**(815,608)**	(820,750)	
Underlying EBITDA[1]	**123,988**	136,969	*(9.5%)*
EBITDA Margin	**13.3%**	14.4%	
Depreciation and amortisation	**(54,550)**	(58,649)	
Underlying EBIT[2]	**69,438**	78,320	*(11.3%)*
EBIT Margin	**7.5%**	8.2%	
Underlying adjustments (before tax)	**(104)**	82,687	
Reported EBIT	**69,334**	161,007	*(56.9%)*
Net finance costs expense	**(44,834)**	(48,431)	
Income tax expense	**(9,815)**	(8,803)	
Tax on underlying adjustments	**(615)**	(44,429)	
Net Profit After Tax	**14,070**	59,344	*(76.3%)*

Revenue and Underlying EBIT[2]

Further detail on revenue and earnings in each of the Group's operating segments is contained in the Review of Continuing Operations section.

Underlying Adjustments

Pre-tax underlying adjustments for the half-year were a cost of $0.1 million, which is net of the VRM divestment gain of $12.8 million. This gain was included in Continuing Operations as VRM was not a major line of business. The remaining costs include $8.8 million of business restructuring costs, $1.5 million in transaction costs and $2.6 million for lease exit costs.

Pre-tax underlying adjustments for the prior half-year were a gain of $82.7 million, which included the net gain from the Crates transaction of $103.2 million.

Net Finance Expense

Net financing costs for the half-year were $44.8 million, down $3.6 million compared to the pcp. The decrease primarily relates to lower net debt offset by higher average interest rates across the period.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Income Tax Expense

The income tax expense for the half-year (excluding tax on underlying adjustments) was $9.8 million, representing an average tax rate of 39.9% of underlying net profit before tax, up on the prior period at 29.5%. The recent changes to the Australian Thin Capitalisation regime, which came into effect on 1 July 2023, resulted in an increase in the effective tax rate in the Company's FY25 half-year accounts due to potential denial of deductibility of interest costs. In FY24 there was no denial of deductibility of interest costs. Tax on underlying adjustments was an expense of $0.6 million for the half-year in relation to the items noted above and compared to an expense of $44.4 million in the pcp.

Net Profit After Tax

The reported net profit after tax for the half-year was $14.1 million compared to $59.3 million for the prior half-year. Excluding underlying adjustments and Discontinued Operations, underlying NPAT[4] was $14.8 million compared to $8.5 million in the pcp.

BALANCE SHEET

$'000	Dec 2024	Jun 2024	Change %
Cash	**92,330**	68,229	*35.3%*
Other current assets	**466,453**	412,602	*13.1%*
Property, plant & equipment	**993,384**	969,405	*2.5%*
Intangible assets	**307,617**	314,597	*(2.2%)*
Other assets	**187,244**	187,343	*(0.1%)*
Total Assets	**2,047,028**	1,952,176	*4.9%*
Lease liabilities	**500,995**	509,297	*(1.6%)*
Bank borrowings[8]	**563,082**	487,133	*15.6%*
Other liabilities payables & provisions	**483,620**	481,562	*0.4%*
Total Liabilities	**1,547,697**	1,477,992	*4.7%*
Net Assets	**499,331**	474,184	*5.3%*
Net Debt including lease liabilities[7]	**971,747**	928,201	*4.7%*
Net Debt[7]	**470,752**	418,904	*12.4%*

Net debt at 31 December 2024 of $470.8 million was up versus 30 June 2024 as the Group continued with its long-term capital program and invested in working capital to support customers through resin supply chain disruption in Australia. Net debt including lease liabilities at 31 December 2024 increased by $43.5 million to $971.7 million. The Group has significant undrawn debt capacity, with $278.0 million in committed undrawn facilities.

Movement in assets is predominately due to increases in inventory and property, plant and equipment. Inventory is up $28.4 million on June 2024 largely due to seasonality, customer demand and higher raw material holdings due to the Qenos disruption. Qenos was Pact's core resin supplier in Australia until its shutdown in September 2024. Consequently, substitute resins were sourced in high volumes to mitigate risk. Inventory levels are expected to normalise across the second half of FY25.

Capital expenditure of $57.9 million is down $6.0 million on the pcp, which included $10.8 million of capital expenditure on Discontinued Operations. Capital expenditure in 1H FY25 includes investments in upgrading platforms, expanding capacity and the relocation of facilities.

The decrease in intangible assets of $7.0 million relates to the VRM divestment ($5.3 million) and foreign currency movements.

Financing Metrics	Dec 2024	Dec 2023	Change
Gearing[5]	**2.8x**	**2.7x**	*(0.1)*
Gearing (including leasing)[5]	**3.9x**	**3.8x**	*(0.1)*
Interest Cover[6]	**3.1x**	**3.1x**	-
Interest Cover (including leasing)[6]	**2.8x**	**2.9x**	*0.1*

At 31 December 2024, gearing was 2.8x, an increase of 0.1x compared to the pcp. Including the impact of lease accounting, gearing was 3.9x (compared to 3.8x in the pcp). Rolling twelve-month interest cover at 3.1x is in line with the pcp (excluding lease interest). Including the impact of lease accounting, interest cover was 2.8x (compared to 2.9x in the pcp).

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

CASHFLOW

Key Items – $'000	Dec 2024	Dec 2023	Change %
Net cash flows provided by operating activities	**17,270**	26,920	*(35.8%)*
Payments for property, plant and equipment	**(57,859)**	(63,846)	*9.4%*
Payments for investments in and loans to joint ventures	**(3,166)**	(6,263)	*49.4%*
Proceeds from sale of divestment group	**21,095**	225,740	*(90.7%)*
Proceeds from borrowings	**365,750**	217,235	*68.4%*
Repayment of borrowings	**(297,145)**	(372,979)	*20.3%*
Repayment of lease liability principal	**(24,197)**	(25,432)	*4.9%*
Payment of dividends	**-**	-	*n/a*

Statutory net cash flows provided by operating activities was $17.3 million for the half-year, $9.7 million lower than the prior half-year. Lower EBITDA (post Crates transaction) and the impact of the Qenos disruption to domestic resin supply chains in Australia contributed to this reduction but this is expected to reverse in the second half as supply chains stabilise.

Payments for property, plant and equipment were $57.9 million for the half-year, down $6.0 million on the pcp with capital expenditure of $10.8 million on Discontinued Operations in 1H FY24 in the Materials Handling & Pooling segment which was required as part of the terms of the Crate transaction.

Payments for investments in and loans to joint ventures of $3.2 million ($6.3 million in the pcp) primarily relate to further investments in Pact's joint ventures that are building a national network of recycling infrastructure to supply high-quality food grade recycled resins.

Proceeds from the sale of divestment group of $21.1 million relates to the divestment of VRM which was completed on 31 December 2024.

Repayments of lease liability principal (net of incentives received) represents the payment of liabilities recognised after the adoption of AASB16 in FY20.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

REVIEW OF CONTINUING OPERATIONS

The Group's operating segments are:

- Packaging & Sustainability
- Materials Handling & Pooling
- Contract Manufacturing

Inter-segment revenue eliminations of $24.8 million (pcp: $19.5 million) are not included in the segment financial information below.

Packaging & Sustainability

The Packaging & Sustainability segment is a leader in sustainable packaging and plastics recycling, differentiated through manufacturing, technical and innovation capability and access to recycled materials. It is a market leader in rigid-plastic packaging in Australia and New Zealand with a presence in Asia. The business is also a leader in select rigid-metals packaging sectors in Australia and New Zealand and a leading supplier of sustainability, environmental, reconditioning and recycling services in Australia and New Zealand. The segment contributed 66% of the Group's revenue in the period (excluding inter-segment eliminations).

$'000	Dec 2024	Dec 2023	Change %
Revenue	**632,578**	623,580	*1.4%*
Share of Profit in Joint Ventures	**(2,335)**	475	*(591.6%)*
Underlying EBITDA[1]	**84,131**	89,779	*(6.3%)*
EBITDA Margin %	**13.3%**	14.4%	*(1.1%)*
Underlying EBIT[2]	**44,264**	48,384	*(8.5%)*
EBIT Margin %	***7.0%***	*7.8%*	*(0.8%)*

Revenue for the Packaging & Sustainability segment was up 1.4% versus the pcp. Volumes have grown in New Zealand due to a good start to the dairy season and Asia volumes have improved with growth in the Philippines offsetting volume declines in India and Nepal which were impacted by severe weather conditions. Australia volumes have remained steady with the Agrichemical sector improving but Health and Personal Care volumes were soft as a result of low China import demand.

Underlying EBIT[2] for the half-year of $44.3 million was $4.1 million (8.5%) below the pcp. This result was largely driven by lower Health and Personal Care volumes in Australia (lower demand from China) and the operating performance of the recycling joint ventures which are in the initial phase of operations.

EBIT margins for the half-year were 0.8% lower at 7.0%.

Materials Handling & Pooling

The Materials Handling & Pooling segment is an Australian supplier of materials handling product and a supplier of custom moulded products for use in infrastructure and other projects. This segment includes 50% of the Viscount Reuse joint venture net profits after tax and includes a closed loop plastic garment hanger and accessories reuse business operating across several countries in Asia as well as in Australia, the USA and the UK. The underlying businesses are integral service providers to major supermarkets, retailers and governments and provide sustainable and efficient supply chain solutions through best-in-class reuse platforms and technology. The Materials Handling & Pooling segment for Continuing Operations contributed 15% of the Group's revenue in the period (excluding inter-segment eliminations).

$'000	Dec 2024	Dec 2023	Change %
Revenue	**141,908**	115,968	*22.4%*
Share of Profit in Joint Ventures	**1,673**	746	*124.3%*
Underlying EBITDA[1]	**33,257**	18,952	*75.5%*
EBITDA Margin %	***23.4%***	*16.3%*	*7.1%*
Underlying EBIT[2]	**24,664**	10,093	*144.4%*
EBIT Margin %	***17.4%***	*8.7%*	*8.7%*

Revenue for the Materials Handling & Pooling segment year was up 22.4% versus the pcp due to volume growth and increased capacity from investments in mobile garbage bin platforms over the past two years.

The Underlying EBIT[2] of this segment includes a 50% share of the Viscount Reuse joint venture NPAT. The share of Viscount Reuse NPAT in 1H FY25 was $1.7 million. This is up $0.9 million on the pcp as only one month of trading was included with the Crate transaction effective from 1 December 2023. Underlying EBIT[2] for the segment of $24.7 million was $14.6 million (144.4%) up on the pcp due to volume growth and operating efficiencies from recent platform investments.

EBIT margins were 8.7% higher at 17.4%.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Contract Manufacturing

The Contract Manufacturing segment is a leading supplier of innovative contract manufacturing services for the home, personal care and health and wellness categories in Australia. The business includes manufacturing capability for liquid, powder, aerosol and nutraceutical products. The Contract Manufacturing segment contributed 19% of the Group's revenue in the period (excluding inter-segment eliminations).

$'000	Dec 2024	Dec 2023	Change %
Revenue	**179,832**	177,725	*1.2%*
Underlying EBITDA[1]	**6,600**	9,667	*(31.7%)*
EBITDA Margin %	***3.7%***	*5.4%*	*(1.7%)*
Underlying EBIT[2]	**510**	3,503	*(85.4%)*
EBIT Margin %	***0.3%***	*2.0%*	*(1.7%)*

Revenue for the Contract Manufacturing segment was 1.2% above the pcp. Whilst inflationary pressures continue to drive a shift in consumer behaviour towards private label product, overall volumes were up on the pcp as volumes in the nutraceutical sector recovered.

Underlying EBIT[2] for the half-year was $0.5 million, down $3.0 million on the pcp as the liquid detergent business begins to transition to its new facility at Horsley Park in New South Wales, Australia.

EBIT margins for the half-year were down 1.7% on the pcp.

SUBSEQUENT EVENTS

There have been no material matters or circumstances which have arisen between 31 December 2024 and the date of this *Consolidated Half-Year Financial Report* that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

SECOND HALF TRADING UPDATE

The first two months of trading to date in 2025 were below last year and early signals of demand for the rest of FY25 are soft due to:

- Escalating tariff tensions delaying or changing customer buying decisions.
- Cost of living pressures persisting and continuing to impact consumer demand and buying patterns.

Regarding input costs, resin security of supply is complex and challenging, adding additional costs to the supply chain, as:

- All resins are now imported into Australia following the Qenos closure in September 2024.
- Imported resins supply is volatile as many offshore resin plants are operating below cash break-even levels resulting in extended maintenance shutdowns and, in some cases, complete closure.

NOTES

This Review of Operations and Financial Performance includes certain non-IFRS financial information which has not been subject to review by the Group's external auditor. This information is used by Pact, the investment community and Pact's Australian peers with similar business portfolios. Pact uses this information for its internal management reporting as it better reflects what Pact considers to be its underlying performance.

(1) Underlying EBITDA is a non-IFRS financial measure which is calculated as earnings before underlying adjustments, finance costs (net of interest revenue), tax, depreciation and amortisation.

(2) Underlying EBIT is a non-IFRS financial measure which is calculated as earnings before underlying adjustments, finance costs (net of interest revenue) and tax.

(3) Discontinued Operations in 1H FY24 relate to the divestment of the Crates Business effective 30 November 2023. The ongoing impact of the 50% NPAT in the Viscount Reuse joint venture is considered Continuing Operations.

(4) Underlying NPAT is a non-IFRS financial measure which is calculated as net profit after tax before underlying adjustments.

(5) Gearing is a non-IFRS financial measure which is calculated as net debt divided by rolling 12 months underlying EBITDA. Gearing has been presented both excluding and including the impact of lease accounting since the adoption of AASB16.

(6) Interest cover is a non-IFRS financial measure which is calculated as rolling 12 months underlying EBITDA divided by rolling 12 months net finance costs and losses on de-recognition of financial assets. Interest cover has been presented excluding and including the impact of lease accounting since the adoption of AASB16.

(7) Net debt is a non-IFRS financial measure and is calculated as interest bearing liabilities (presented including and excluding lease liabilities) less cash and cash equivalents.

(8) Bank borrowings exclude prepaid borrowing costs.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Pact Group Holdings Ltd (**Pact** or the **Company**) and its subsidiaries (together referred to as the **Group**) and including the Group's joint ventures at the end of, or during, the half-year ended 31 December 2024.

DIRECTORS

The following persons were Directors of the Company during the half-year and up to the date of this report, unless otherwise indicated:

Raphael Geminder	Executive Chair
Michael Wachtel	Deputy Chair and Independent Non-Executive Director
Sanjay Dayal	Managing Director and Group Chief Executive Officer
Carmen Chua	Independent Non-Executive Director
Nicholas Perkins	Non-Executive Director (appointed 25 September 2024)
Tristan Smith	Non-Executive Director (appointed 25 September 2024)

PRINCIPAL ACTIVITIES

Pact is a leading provider of specialty packaging solutions, servicing both consumer and industrial sectors. Pact specialises in the manufacture and supply of rigid plastic and metal packaging, materials handling solutions, contract manufacturing services and recycling and sustainability services.

There have been no significant changes in the nature of these activities during the half-year.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

A review of the operations of the Group during the half-year and of the results of those operations is available at pages i – vi.

DIVIDENDS

The Directors have determined that no interim dividend will be paid in relation to the half-year ended 31 December 2024 (31 December 2023: Nil).

For the year ended 30 June 2024, no final dividend was paid by the Company.

OTHER EVENTS OF SIGNIFICANCE AND SUBSEQUENT EVENTS

Please refer to the Review of Operations and Financial Performance on page vi.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration, as required under section 307C of the *Act*, is set out on page 3 and forms part of this *Directors' Report*.

ROUNDING

Figures in the *Directors' Report* and financial statements are presented in Australian dollars with all values rounded to the nearest $1,000 (where rounding is applicable), unless otherwise stated, in accordance with the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

This *Directors' Report* is signed in accordance with a resolution of Directors.

Raphael Geminder	Sanjay Dayal
Executive Chair	**Managing Director and Group Chief Executive Officer**

28 February 2025

Shape the future
with confidence

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of Pact Group Holdings Ltd

As lead auditor for the review of the half-year financial report of Pact Group Holdings Ltd for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pact Group Holdings Ltd and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Wilfred Liew
Partner
28 February 2025

HALF-YEAR FINANCIAL REPORT

Consolidated Statement of Comprehensive Income

For the period ended 31 December 2024

$'000	Notes	Dec 2024	Dec 2023
Continuing operations			
Revenue	1.1	**929,507**	897,768
Raw materials and consumables used		**(417,271)**	(412,746)
Employee benefits expense		**(237,161)**	(226,587)
Occupancy, repair and maintenance, administration and selling expenses		**(159,873)**	(146,596)
Interest and other income		**11,000**	6,861
Other losses	1.3	**(745)**	(17,708)
Depreciation and amortisation expense		**(54,550)**	(56,418)
Impairment expense	4.3	**-**	(3,858)
Finance costs and loss on de-recognition of financial assets	3.1	**(45,745)**	(48,461)
Share of (loss)/profit in joint ventures		**(662)**	1,221
Profit/(loss) from continuing operations before income tax		**24,500**	(6,524)
Income tax expense		**(10,430)**	(1,483)
Net profit/(loss) from continuing operations	1.2	**14,070**	(8,007)
Discontinued operations			
Profit for the period from discontinued operations, net of tax		-	67,351
Net profit for the period		**14,070**	59,344
Net profit for the period attributable to equity holders of the parent entity		**14,070**	59,344
Attributable to:			
Equity holders of the parent entity from continuing operations		**14,070**	(8,007)
Equity holders of the parent entity from discontinued operations		**-**	67,351
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability		**-**	98
Items that will be reclassified subsequently to profit or loss			
Cash flow hedge loss taken to equity		**(120)**	(4,740)
Foreign currency translation gain/(loss)		**11,091**	(1,395)
Income tax benefit on items in other comprehensive income		**42**	1,042
Other comprehensive income/(loss) for the period, net of tax		**11,013**	(4,995)
Total comprehensive income for the period attributable to equity holders of the parent entity		**25,083**	54,349
Earnings per share attributable to equity holders of the parent entity (in cents)			
Basic earnings per share		**4.1**	17.2
Diluted earnings per share		**4.1**	17.1
Earnings per share attributable to equity holders of the parent entity from continuing operations (in cents)			
Basic earnings per share		**4.1**	(2.3)
Diluted earnings per share		**4.1**	(2.3)

The above *Consolidated Statement of Comprehensive Income* should be read in conjunction with the accompanying notes.

HALF-YEAR FINANCIAL REPORT
Consolidated Statement of Financial Position
For the period ended 31 December 2024

$'000	Notes	Dec 2024	Jun 2024
CURRENT ASSETS			
Cash and cash equivalents	3.1	**92,330**	68,229
Trade and other receivables		**155,180**	137,985
Inventories		**273,309**	244,863
Contract assets		**15,865**	18,453
Other current financial assets		**8,955**	1,128
Prepayments		**13,144**	10,173
TOTAL CURRENT ASSETS		**558,783**	480,831
NON-CURRENT ASSETS			
Trade and other receivables		**1,099**	-
Prepayments		**461**	413
Property, plant and equipment		**993,384**	969,405
Investments in joint ventures		**142,469**	143,403
Intangible assets and goodwill		**307,617**	314,597
Deferred tax assets		**43,215**	43,527
TOTAL NON-CURRENT ASSETS		**1,488,245**	1,471,345
TOTAL ASSETS		**2,047,028**	1,952,176
CURRENT LIABILITIES			
Trade and other payables		**377,797**	376,086
Bank overdraft	3.1	**2,051**	3,052
Current tax liability		**35,955**	32,795
Employee benefits provisions		**43,993**	44,360
Other provisions		**12**	127
Interest-bearing loans and borrowings	3.1	**24,950**	-
Lease liabilities		**80,913**	78,256
Other current financial liabilities		**5**	2,876
TOTAL CURRENT LIABILITIES		**565,676**	537,552
NON-CURRENT LIABILITIES			
Employee benefits provisions		**5,993**	5,279
Other provisions		**12,719**	12,261
Interest-bearing loans and bank borrowings	3.1	**536,081**	484,081
Lease liabilities		**420,082**	431,041
Deferred tax liabilities		**7,146**	7,778
TOTAL NON-CURRENT LIABILITIES		**982,021**	940,440
TOTAL LIABILITIES		**1,547,697**	1,477,992
NET ASSETS		**499,331**	474,184
EQUITY			
Contributed equity	3.2	**1,751,706**	1,751,706
Reserves		**(892,973)**	(904,050)
Retained earnings		**(359,402)**	(373,472)
TOTAL EQUITY		**499,331**	474,184

The above *Consolidated Statement of Financial Position* should be read in conjunction with the accompanying notes.

HALF-YEAR FINANCIAL REPORT
Consolidated Statement of Changes in Equity
For the period ended 31 December 2024

	Attributable to equity holders of the Parent entity						
$'000	**Contributed equity**	**Common control reserve**	**Cash flow hedge reserve**	**Foreign currency translation reserve**	**Share based payments reserve**	**Retained Earnings**	**Total equity**
Half-year ended 31 December 2024							
As at 1 July 2024	**1,751,706**	**(928,385)**	**990**	**17,855**	**5,490**	**(373,472)**	**474,184**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**14,070**	**14,070**
Reserves reclassified to profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other comprehensive income/(loss)	**-**	**-**	**(78)**	**11,091**	**-**	**-**	**11,013**
Total comprehensive income/(loss)	**-**	**-**	**(78)**	**11,091**	**-**	**14,070**	**25,083**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Shares issued for employee share plan	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share based payments expense	**-**	**-**	**-**	**-**	**64**	**-**	**64**
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**64**	**-**	**64**
Balance as at 31 December 2024	**1,751,706**	**(928,385)**	**912**	**28,946**	**5,554**	**(359,402)**	**499,331**
Half-year ended 31 December 2023							
As at 1 July 2023	1,751,706	(928,385)	4,881	23,519	5,282	(448,312)	408,691
Profit for the period	-	-	-	-	-	59,344	59,344
Reserves reclassified to profit for the year	-	-	-	982	-	-	982
Other comprehensive (loss)/income	-	-	(3,698)	(2,377)	-	98	(5,977)
Total comprehensive (loss)/income	-	-	(3,698)	(1,395)	-	59,442	54,349
Dividends paid	-	-	-	-	-	-	-
Shares issued for employee share plan	-	-	-	-	-	-	-
Share based payments expense	-	-	-	-	97	-	97
Transactions with owners in their capacity as owners	-	-	-	-	97	-	97
Balance as at 31 December 2023	1,751,706	(928,385)	1,183	22,124	5,379	(388,870)	463,137

The above *Consolidated Statement of Changes in Equity* should be read in conjunction with the accompanying notes.

HALF-YEAR FINANCIAL REPORT
Consolidated Statement of Cash Flows
For the period ended 31 December 2024

$'000	Notes	Dec 2024	Dec 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**421,852**	431,929
Receipts from securitisation program		**615,533**	620,939
Payments to suppliers and employees		**(965,837)**	(973,104)
Income tax paid		**(8,765)**	(3,175)
Interest received		**467**	480
Proceeds from/(Payments to) securitisation of trade debtors		**359**	(423)
Borrowing, trade debtor securitisation and other finance costs paid		**(46,339)**	(49,726)
Net cash flows provided by operating activities		**17,270**	26,920
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(57,859)**	(63,846)
Payments for investments in joint ventures		**(122)**	(5,833)
Proceeds from sale of businesses, net of cash disposed and transaction costs	2.1	**21,095**	225,740
Proceeds from sale of property, plant and equipment		**18**	42
Loans to joint ventures		**(3,044)**	(430)
Dividend income from joint ventures		**363**	99
Net cash flows (used in)/provided by investing activities		**(39,549)**	155,772
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**365,750**	217,235
Repayment of borrowings		**(297,145)**	(372,979)
Repayment of lease liability principal		**(24,197)**	(25,432)
Net cash flows provided by/(used in) financing activities		**44,408**	(181,176)
Net increase in cash and cash equivalents		**22,129**	1,516
Cash and cash equivalents at the beginning of the period		**65,177**	78,040
Effect of exchange rate changes on cash and cash equivalents		**2,973**	(1,433)
Cash and cash equivalents at the end of the period	3.1	**90,279**	78,123

The above *Consolidated Statement of Cash Flows* should be read in conjunction with the accompanying notes.

SECTION 1 – OUR PERFORMANCE

1.1 SEGMENT RESULTS FROM CONTINUING OPERATIONS

$'000	Packaging & Sustainability	Materials Handling & Pooling	Contract Manufacturing	Eliminations	Consolidated continuing operations
Half-year ended 31 December 2024					
Revenue	**632,578**	**141,908**	**179,832**	**(24,811)**	**929,507**
Share of (losses)/profit in joint ventures	**(2,335)**	**1,673**	**-**	**-**	**(662)**
Depreciation and amortisation expense	**39,867**	**8,593**	**6,090**	**-**	**54,550**
Underlying EBIT[(1)]	**44,264**	**24,664**	**510**	**-**	**69,438**

$'000	Packaging & Sustainability	Materials Handling & Pooling	Contract Manufacturing	Eliminations	Consolidated continuing operations
Half-year ended 31 December 2023					
Revenue	623,580	115,968	177,725	(19,505)	897,768
Share of profit in joint ventures	475	746	-	-	1,221
Depreciation and amortisation expense	41,396	8,858	6,164	-	56,418
Underlying EBIT[(1)]	48,384	10,093	3,503	-	61,980

(1) Underlying EBIT - Earnings before underlying adjustments, finance costs and loss on de-recognition of financial assets, net of interest income, tax. This is a non-IFRS measure.

Pact's chief operating decision maker is the Managing Director and Group Chief Executive Officer (**CEO**), who is focused on the financial measures reported in the above table. As required by AASB 8: *Operating Segments*, the results above have been reported on a consistent basis to that provided to the CEO.

The CEO monitors the results by reviewing the reportable segments based on a product perspective as outlined in the table below. The resource allocation to each segment, and the aggregation of reportable segments is based on that product portfolio.

Reportable segments	Products / services	Countries of Operation	
• Packaging & Sustainability	• Manufacture and supply of rigid plastic and metal packaging and associated services • Recycling and sustainability services	• Australia • New Zealand • China • Indonesia • Philippines • Singapore	• Thailand • Hong Kong • South Korea • Nepal • India
• Materials Handling & Pooling	• Manufacture and supply of materials handling products and the provision of associated services • Pooling services[(1)]	• Australia • New Zealand • China • Hong Kong • United States of America	• India • Bangladesh • United Kingdom • Sri Lanka
• Contract Manufacturing	• Contract manufacturing and packing services	• Australia	

(1) Includes a 50% joint venture with Marquis Holdco Pty Ltd. Refer Note 2.2.

1.2 GROUP RESULTS

Net profit from continuing operations

The reconciliation of underlying EBIT shown above to the net profit from continuing operations disclosed in the *Consolidated Statement of Comprehensive Income* is as follows:

$'000	Note	Dec 2024	Dec 2023
Underlying EBIT		**69,438**	61,980
Underlying adjustments from continuing operations[1]			
Gain on business divestment	2.1	**12,788**	-
Transaction costs[2]		**(1,507)**	(1,926)
Costs arising from site fire[3]		**-**	(177)
Business restructuring programs[4]			
Restructuring costs		**(8,785)**	(14,338)
Asset write downs		**-**	(364)
Lease exit costs	4.4	**(2,600)**	-
Underlying adjustments in losses		**(104)**	(16,805)
Impairment expenses			
Tangible assets[5]		**-**	(3,858)
Total underlying adjustments from continuing operations		**(104)**	(20,663)
Reported EBIT from continuing operations		**69,334**	41,317
Net finance costs[6]		**(44,834)**	(47,841)
Net profit/(loss) before income tax		**24,500**	(6,524)
Income tax expense[7]		**(10,430)**	(1,483)
Net profit/(loss) from continuing operations		**14,070**	(8,007)

(1) Underlying adjustments from continuing operations includes items that are individually material or do not relate to the operating activities.
(2) Excludes costs associated with the Crates transaction in the prior year and VRM during the period.
(3) Related to prior period write off costs for stock held in the Materials Handling & Pooling segment.
(4) Business restructuring relates to the optimisation of business facilities and restructuring costs across the Group.
(5) Related to prior period impairment of the investment in a joint venture – Australian Recycled Plastic Pty Ltd.
(6) Net finance costs include interest income of $911,000 (Dec 2023: $620,000).
(7) Includes a tax expense on underlying adjustments of $0.6 million (prior period was a tax benefit on underlying adjustments of $4.3 million).

1.3 OTHER LOSSES

The amounts disclosed in the table below are the amounts recognised in the *Consolidated Statement of Comprehensive Income*:

$'000	Dec 2024	Dec 2023
Underlying adjustments in other losses	**(104)**	(16,805)
Other losses		
Unrealised losses on revaluation of foreign exchange forward contracts	**(189)**	(460)
(Losses)/gains on sale of property, plant and equipment	**(227)**	335
Realised net foreign exchange losses	**(225)**	(778)
Other losses	**(641)**	(903)
Total Other losses	**(745)**	(17,708)

1.4 DIVIDENDS

No dividends were paid during the financial period (Dec 2023: Nil).

Since the end of the period the Directors have determined there will be no interim dividend in relation to the half-year ended 31 December 2024 (Dec 2023: Nil).

1.5 REVENUE FROM CONTRACTS WITH CUSTOMERS FROM CONTINUING OPERATIONS

Disaggregation of revenue from contracts with customers

$'000	Packaging & Sustainability(1)	Materials Handling & Pooling	Contract Manufacturing(2)	Eliminations	Consolidated continuing operations
Half-year ended 31 December 2024					
Australia	**331,704**	**85,971**	**179,832**	-	**597,507**
New Zealand	**189,786**	**272**	-	-	**190,058**
Asia	**89,082**	**52,860**	-	-	**141,942**
Revenue from contracts with customers	**610,572**	**139,103**	**179,832**	-	**929,507**
Inter-segment revenue	**22,006**	**2,805**	-	**(24,811)**	-
Revenue	**632,578**	**141,908**	**179,832**	**(24,811)**	**929,507**

(1) 0.4% of total revenue for Packaging & Sustainability is recognised over time.

(2) 7.5% of total revenue for Contract Manufacturing is recognised over time.

$'000	Packaging & Sustainability(1)	Materials Handling & Pooling	Contract Manufacturing(2)	Eliminations	Consolidated continuing operations
Half-year ended 31 December 2023					
Australia	325,990	75,205	177,725	-	578,920
New Zealand	189,811	285	-	-	190,096
Asia	89,117	39,635	-	-	128,752
Revenue from contracts with customers	604,918	115,125	177,725	-	897,768
Inter-segment revenue	18,662	843	-	(19,505)	-
Revenue	623,580	115,968	177,725	(19,505)	897,768

(1) 0.4% of total revenue for Packaging & Sustainability is recognised over time.

(2) 7.3% of total revenue for Contract Manufacturing is recognised over time.

SECTION 2 – GROUP STRUCTURE

2.1 BUSINESS DIVESTMENT

On 6 September 2024, the Group signed a sale share agreement to sell all the shares in the capital of its wholly owned subsidiary Viscount Rotational Mouldings Pty Limited (**VRM**) to CRH Infrastructure Products Australia Pty Ltd. Net cash consideration received from the sale was $21.2 million with $7.9 million of net assets disposed (including $5.3 million of goodwill reallocated). Total transaction costs of $0.5 million was incurred as part of the sale, thereby resulting in gain on sale of business (before tax) of $12.8 million. This gain has been included within Other losses in the *Consolidated Statement of Comprehensive Income*. The VRM business was not a major line of business for the Group and, as such, it has not been disclosed as a discontinued operation. The disposed business was part of the Materials Handling & Pooling segment. The completion date of sale was 31 December 2024.

2.2 JOINT VENTURES

As at 31 December 2024 the Group held the following investments in joint ventures:

Name of joint ventures	Pact's ownership interest[1]	Pact's share of NPAT (in $'000)
Spraypac Products (NZ) Limited	**50.0%**	**30**
Weener Plastop Asia, Inc.	**50.0%**	**50**
Gempack Asia Limited	**50.0%**	**1,254**
PT Weener Plastop Indonesia	**50.0%**	**833**
Circular Plastics Australia (PET) Holdings Pty Ltd	**33.33%**	**(1,579)**
Circular Plastics Australia Pty Ltd	**50.0%**	**(2,923)**
Circular Plastics Australia (LDPE) Pty Ltd[2]	**-**	**-**
Marquis Holdco Pty Ltd	**50.0%**	**1,673**
Group's share of (loss)/profit for the period		**(662)**

(1) Ownership interest at 31 December 2024 and 30 June 2024, unless otherwise stated.

(2) Prior to deregistration on 3 November 2024, the Group's ownership interest in Circular Plastics Australia (LDPE) Pty Ltd was 33.33%.

SECTION 3 – CAPITAL STRUCTURE

3.1 NET DEBT

Debt profile

Pact has the following interest-bearing loans and borrowings as at 31 December 2024:

CURRENT

$'000	Dec 2024	June 2024
Bank overdraft	**2,051**	3,052
Subordinated debt facility[(3)(4)]	**24,950**	-
Lease liabilities	**80,913**	78,256
Total current interest-bearing loans and bank borrowings	**107,914**	81,308

NON-CURRENT

$'000	Dec 2024	June 2024
Syndicated facility agreements[(2)]	**479,517**	408,103
Subordinated debt facility[(3)(4)]	**58,732**	78,526
Capitalised borrowing costs	**(2,168)**	(2,548)
Total bank borrowings (including capitalised borrowing costs)	**536,081**	484,081
Lease liabilities	**420,082**	431,041
Total non-current interest-bearing loans and bank borrowings	**956,163**	915,122

NET DEBT

$'000	Dec 2024	June 2024
Total bank borrowings (including capitalised borrowing costs)	**561,031**	484,081
Bank overdraft	**2,051**	3,052
Cash and cash equivalents	**(92,330)**	(68,229)
Net debt before lease liabilities	**470,752**	418,904
Lease liabilities	**500,995**	509,297
Net debt[(1)]	**971,747**	928,201

(1) This is a non-IFRS measure.

(2) The Syndicated facility agreements include $259.5 million of sustainability linked loans (June 2024: $261.8 million).

The Group's committed syndicated facilities and the utilisation of all available facilities are as follows:

Facility	Maturity date	Total Facilities $'000
Working capital facility	Revolving with an annual review	**25,362**
Loan facility	January 2026	**73,358**
Subordinated debt facility[(3)(4)]	January 2026	**74,833**
Loan facility	January 2026	**186,093**
Loan facility	January 2027	**274,777**
Term facility	December 2027	**200,000**
Total facilities		**834,423**
Facilities utilised		**556,401**
Facilities unutilised		**278,022**

(3) The Subordinated debt facility is denominated in USD and was converted to AUD $74.8 million of subordinated financing which is fully hedged. The USD debt is translated to AUD using the AUD/USD spot rate as at 31 December 2024, and disclosed as a financial liability of AUD $83.7 million, while the foreign currency spot component of the fair value of the hedges of $8.9 million is held in other current financial assets and cash (June 2024: $3.7 million).

(4) On 14 November 2024, the Group signed a voluntary prepayment notice to prepay the USD equivalent of $24.95 million on 28 February 2025 subject to the sale of 100% of the issued share capital of VRM.

The Group uses interest rate swaps to manage interest rate risk.

3.1 NET DEBT (CONTINUED)

Finance costs and loss on de-recognition of financial assets

Pact incurred the following finance costs during the period ended 31 December:

$'000	Dec 2024	Dec 2023
Interest expense on bank loans and borrowings	**21,947**	25,184
Borrowing costs amortisation	**729**	1,384
Amortisation of securitisation program costs	**210**	70
Sundry items	**(11)**	18
Total interest expense on borrowings	**22,875**	26,656
Interest expense on unwinding of provisions	**302**	300
Interest expense on lease liabilities	**17,905**	17,856
Total finance costs	**41,082**	44,812
Loss on de-recognition of financial assets	**4,663**	4,238
Total finance costs and loss on de-recognition of financial assets	**45,745**	49,050
Less: net finance costs – discontinued operations	-	(589)
Total finance costs and loss on de-recognition of financial assets – continuing operations	**45,745**	48,461

Reconciliation to cash at the end of the period

The cash and cash equivalents balance in the *Consolidated Statement of Financial Position* is reconciled to cash as shown in the *Consolidated Statement of Cash Flows* at 31 December 2024 as follows:

$'000	Dec 2024	Dec 2023
Cash and cash equivalents	**92,330**	78,123
Bank overdraft	**(2,051)**	-
Balance per Consolidated Statement of Cash Flows	**90,279**	78,123

3.2 CONTRIBUTED EQUITY

Terms, conditions and movements in contributed equity

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

	Dec 2024		June 2024	
	Number of shares	$'000	Number of shares	$'000
Movements in contributed equity				
Ordinary shares:				
Beginning of the year	**344,290,053**	**1,751,706**	344,290,053	1,751,706
End of the period	**344,290,053**	**1,751,706**	344,290,053	1,751,706

3.3 CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments contracted but not provided for as at reporting date are:

$'000	Dec 2024	June 2024
Payable within one year	**49,414**	35,778
Payable after one year but not more than five years	**-**	374
Total	**49,414**	36,152

SECTION 4 – OTHER DISCLOSURES

4.1 BASIS OF PREPARATION

Basis of preparation and compliance

This *Report*:

- Comprises the financial statements of Pact Group Holdings Ltd, being the parent entity, and its controlled entities.
- Has been prepared in accordance and complies with the requirements of the *Act* and AASB 134: *Interim Financial Reporting*.
- Has revenues, expenses and assets recognised net of the amount of goods and services tax (**GST**) except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case GST is recognised as part of the acquisition of the asset or as part of the expense item to which it relates. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the *Consolidated Statement of Financial Position*.
- Is presented in Australian dollars with all values rounded to the nearest $1,000, unless otherwise stated, in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.
- Has the same accounting policies and methods of computation as were applied in the most recent annual financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.
- Has all intercompany balances, transactions, income and expenses and profit and losses resulting from intra-group transactions eliminated in full.

The Group is in a net current liability position at the balance date. Management extended the relevant expiry dates on senior and subordinated debt facilities during the reporting period to January 2026. The Group will commence renewing its debt facilities before January 2026 and believes a suitable outcome will be reached. The Directors have assessed that due to the Group's access to undrawn facilities (as per Note 3.1) and forecast positive cash flows into the future, the Group will be able to pay its debts as and when they fall due.

The standards applied in the half-year consolidated financial statements are those in issue as at 31 December 2024 and are effective for annual periods beginning on or after 1 July 2024. Standards and interpretations issued but not yet effective as at 1 July 2024 are not reflected in these half-year financial statements.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Comparatives

Comparative figures can be adjusted to conform to changes in presentation for the current financial period where required by accounting standards or as a result of changes in accounting policy.

Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosure. No material reclassifications have been made to prior period disclosures.

4.2 ULTIMATE PARENT ENTITY

Kin Group Pty Ltd and its associates have share ownership in the Company of 88.04% as at 31 December 2024 (June 2024: 88.04%). The Group's ultimate parent entity is Kin Group Pty Ltd.

4.3 IMPAIRMENT ASSESSMENT

The Group has assessed each cash generating unit to determine whether there are any indicators of impairment. This assessment involved a review of the assumptions supporting the impairment test undertaken during FY24, together with updated forecasts. The significant assumptions applied in that impairment are disclosed in the Annual Report for the year ended 30 June 2024.

The Group has determined that no impairment is required for the period ended 31 December 2024.

Identifiable intangibles

The Group reviewed the carrying value of identifiable intangibles relative to the current financial performance of the business and its outlook and did not identify any indicators of impairment.

4.4 RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions with related parties for the period ended 31 December 2024:

$'000		Sales	Purchases	Other expense	Net amounts payable
Related parties – Director's interests[(1)]					
	Dec 2024	**3,139**	**11,573**	**3,625**	**(4,248)**
	Dec 2023	6,310	10,491	3,433	(2,273)

(1) Related parties – Director's interests include the following entities: Kin Group Pty Ltd; Visy Industries Pty Ltd; Pro-Pac Packaging Limited; Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust); Centralbridge Two Pty Ltd; Centralbridge (NZ) Limited; Albury Property Holdings Pty Ltd; Green's General Foods Pty Ltd; Remedy Kombucha Pty Ltd; The Reject Shop Limited, Propax Pty Ltd; Gem-Care Products Pty Ltd; The Hive (Australia) Pty Ltd; BG Wellness Holdings Pty Ltd; and Brimful Beverages Pty Ltd.

Sales to related parties

The Group has sales of $3.1 million (Dec 2023: $6.3 million) to related parties including: Green's General Foods Pty Ltd; Visy Industries Pty Ltd; The Reject Shop Limited; Remedy Kombucha Pty Ltd; Propax Pty Ltd; Gem-Care Products Pty Ltd; The Hive (Australia) Pty Ltd; BG Wellness Holdings Pty Ltd; and Brimful Beverages Pty Ltd. Sales are for Packaging & Sustainability and Contract Manufacturing.

Pro-Pac Packaging Limited

Pro-Pac Packaging Limited (**Pro-Pac**), an entity in which Mr Raphael Geminder owns approximately 65.75% (June 2024: 65.75%), is an exclusive supplier of certain raw materials such as flexible film packaging, flexible plastic bags and tapes to Pact. The Group's supply agreement with Pro-Pac expired on 31 December 2021 and is now continuing on a month-on-month basis. The total value of this arrangement is approximately $1.9 million for the six months ended 31 December 2024 (Dec 2023: $1.4 million). The agreement is on commercial terms which the Board has determined are at arms' length in accordance with section 210 of the *Act*.

Property leases with related parties

The Group leased 10 properties (eight in Australia and two in New Zealand) from Centralbridge Pty Ltd (as trustee for the Centralbridge Unit Trust), Centralbridge Two Pty Ltd, Centralbridge (NZ) Limited and Albury Property Holdings Pty Ltd, which are each controlled by entities associated with Mr Raphael Geminder and are therefore related parties of the Group (**Centralbridge Leases**). The aggregate half-yearly rent payable by Pact under the Centralbridge Leases for the period ended 31 December 2024 was $3.6 million (Dec 2023: $3.4 million). The rent payable under the Centralbridge Leases was determined based on independent valuations and market conditions at the time the leases were commercially agreed. As at 31 December 2024, the total lease liabilities owing to Centralbridge Leases is $32.9 million (June 2024: $38.1 million). The leases are on commercial terms which the Board has determined are at arm's length in accordance with section 210 of the *Act*.

On 24 January 2025, Centralbridge Pty Limited (as landlord) issued a Notice to Remedy Default (**Default Notice**) to VIP Plastic Packaging Pty Ltd (as tenant) in respect of the lease for the property at Kingsway Moorabbin, Victoria (**Premises**). The Default Notice required the tenant to remedy specified breaches of lease relating to the condition of the Premises within 14 days of the Default Notice, in accordance with the terms of the lease. As at the date of receipt of the Default Notice, the tenant had already substantively vacated the Premises. As the tenant did not remedy the breaches within 14 days of the Default Notice, the landlord issued a notice of termination of lease on 10 February 2025. The Group has recognised an expense of $2.6 million for potential lease exit costs during the period.

Visy Industries Pty Ltd

Visy Industries Pty Ltd (**Visy**) is a supplier to, and customer of, the Group. The Group purchases products such as industrial packaging printing and carton packaging from Visy and sells recycled resins to Visy. During the year, the Group had purchases of $9.7 million (Dec 2023: $9.1 million) and sales of $0.2 million (Dec 2023: $2.4 million) with Visy.

4.5 SEGMENT ASSETS AND SEGMENT LIABILITIES

Segment assets

$'000	Dec 2024	June 2024
Packaging & Sustainability	**1,634,229**	1,558,243
Materials Handling & Pooling	**257,171**	252,973
Contract Manufacturing	**257,323**	237,474
Total Segment Assets	**2,148,723**	2,048,690
Reconciliation to total assets[1]:		
Receivables included in securitisation programs	**(141,594)**	(137,610)
Deferred tax assets	**43,215**	43,527
Inter-segment eliminations	**(3,316)**	(2,431)
TOTAL ASSETS	**2,047,028**	1,952,176

[1] These reconciling items are managed centrally and not allocated to reportable segments.

Segment liabilities

$'000	Dec 2024	June 2024
Packaging & Sustainability	**673,725**	687,342
Materials Handling & Pooling	**117,752**	124,435
Contract Manufacturing	**155,405**	143,992
Total Segment Liabilities	**946,882**	955,769
Reconciliation to total liabilities[1]:		
Interest-bearing liabilities	**561,030**	484,081
Income tax payable	**35,955**	32,795
Deferred tax liabilities	**7,146**	7,778
Inter-segment eliminations	**(3,316)**	(2,431)
TOTAL LIABILITIES	**1,547,697**	1,477,992

[1] These reconciling items are managed centrally and not allocated to reportable segments.

4.6 CONTINGENCIES

During the 2020 financial year the Group reversed a contingent consideration obligation of $30.0 million relating to the acquisition of TIC Retail Accessories, as specific financial hurdles required for payment were determined not to have been achieved.

In 2021 the Company received dispute notices in relation to this contingent consideration obligation. A number of the Company's related bodies corporate (**Pact Claim Group**) commenced legal proceedings against TIC Group Pty Ltd and various related parties (**TIC**) in the Commercial Court of the Supreme Court of Victoria challenging the validity of the dispute notice, and TIC has brought a counterclaim seeking payment of $30.0 million plus interests and costs. The Pact Claim Group is vigorously defending the counterclaim. The matter has been listed for trial in April 2025.

The Group is not party to any other legal proceedings that are expected, individually or in the aggregate, to have a material adverse effect on its business, financial position or operating results.

4.7 SUBSEQUENT EVENTS

There have been no material matters or circumstances which have arisen between 31 December 2024 and the date of this *Report* that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The half-year consolidated financial statements and notes are in accordance with the *Corporations Act 2001* (Cth) including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date;

   (b) complying with Australian Accounting Standards AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

2. There are reasonable grounds to believe that Pact Group Holdings Ltd will be able to pay its debts as and when they become due and payable.

This Declaration has been made after receiving the declarations required to be made to the Directors by the Group Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2024.

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

Raphael Geminder
Executive Chair

Sanjay Dayal
Managing Director and Group Chief Executive Officer

28 February 2025

Shape the future
with confidence

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's review report to the members of Pact Group Holdings Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Pact Group Holdings Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

Shape the future
with confidence

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Ernst & Young

Wilfred Liew
Partner
Melbourne
28 February 2025