



ASX Announcement

1H FY24 Trading Update

Date: 6 February 2024

Pact Group Holdings (ASX: PGH) (**Pact** or the **Company**) is providing a trading update for the first half of the 2024 financial year. This update is being provided to shareholders 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.

1H FY24 trading update

Pact's trading in the first half of FY24 has been generally consistent with management's expectations, with unaudited revenue and Underlying EBITDA slightly lower than 1H FY23, and Underlying EBIT¹ slightly above 1H FY23.

A\$'million	1H FY23	1H FY24*	Change \$*	Change %*
Revenue	998.1	951.2	(46.9)	down 4.7%
Underlying EBITDA	141.0	137.0	(4.0)	down 2.9%
Underlying EBIT	75.4	78.3	2.9	up 3.9%
Net Debt	633.0	428.0	(205.0)	reduced 32.5%

*Effective 30 November 2023, the Company divested 50% of its Crate Pooling and Crate Manufacturing business (**Crates Business**) and retained the remaining 50% in a joint venture. In the table above, five months of the Crates Business and one month of 50% of its net profit after tax is included in the results. 1H FY23 includes six months performance from the Crates Business, as outlined below.

Pact implemented \$20 million in cost savings in the first quarter of FY24 and forecasts that these cost savings (amongst other things) will offset the loss of the earnings from the sale of the Crates Business in the second half of FY24. Pact remains on track to deliver Underlying EBIT for FY24 in line with consensus, as guided at its Annual General Meeting on 16 November 2023.

Financial impacts from the sale of 50% of Crate Pooling and Crate Manufacturing

In addition, as announced on 1 December 2023, Pact successfully completed the sale of 50% of its Crates Business. The financial impacts of this transaction are as follows:

- Pact received gross cash proceeds of approximately \$225 million which have been used to reduce the Company's net debt from \$633 million as at 31 December 2022 to \$428 million as at 31 December 2023. However, a portion of the gross cash proceeds will be applied to taxes and other costs associated with the sale later in the calendar year and Pact continues to estimate that its net cash proceeds from the sale after accounting for tax, transaction costs and duties, will be approximately \$160 million. Pact maintains its target of resetting gearing levels to below 2.5 times Underlying EBITDA by the end of FY24.

¹ Underlying EBITDA refers to EBITDA before underlying adjustments. EBITDA is defined as earnings before net finance costs and losses on de-recognition of financial assets, income tax, depreciation and amortisation. Underlying EBIT refers to EBIT before underlying adjustments. EBIT is defined as earnings before net finance costs and losses on de-recognition of financial assets and income tax. Underlying EBITDA and Underlying EBIT are non-IFRS key financial performance measures used by Pact, the investment community, and Pact's Australian peers with similar business portfolios. Pact uses these and other non-IFRS measures for its internal management reporting as they better reflect what Pact considers to be its underlying performance. Non-IFRS information is not subject to review or audit by the Company's external auditor.



- To reflect the change in ownership and consequential change in accounting treatment, Pact now includes 50% of the net profit after tax of the Crates Business within its Underlying EBITDA and Underlying EBIT. Pact's 1H FY24 Underlying EBITDA and Underlying EBIT will therefore include five months of the Underlying EBITDA and Underlying EBIT from the Crates Business through the period in which Pact owned 100%, and one month of 50% of its net profit after tax for the period following completion of the sale.
- Pact will record a gain on sale before tax of approximately \$103 million in 1H FY24. This gain is one-off in nature and is not included in Pact's Underlying EBIT. The gain is still subject to review by Pact's auditors.

Pact is currently scheduled to release its half-year results on 15 February 2024.

For further information contact:

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

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