

# ASX Announcement

## FY23 Guidance and Trading Update

Date: 15 May 2023

Pact Group Holdings Ltd (ASX: PGH) (**Pact** or the **Company**) is updating its earnings guidance for the 2023 financial year. The Company now expects underlying Earnings before Interest and Tax ('EBIT') to be in the range of \$142 million to \$147 million for the 2023 financial year.

Pact had previously given guidance in its 2023 Half-Year Results release on 15 February 2023 that underlying EBIT was expected to be slightly ahead of FY22 underlying EBIT of \$156.2 million, noting that the demand outlook was uncertain.

Pact demonstrated solid resilience to supply chain challenges and weather events to the end of Q3 FY23, growing revenue by 7% on the prior year. **However, tightening economic conditions, softer demand in Asia and recent weather events in New Zealand have softened the demand outlook in the last quarter.**

Pact has a track record of resilience through tough economic cycles and is undertaking a comprehensive cost out programme focusing on flattening operating costs in FY24.

### Segment update

The Company's Packaging & Sustainability segment has experienced the following impacts on demand:

- the New Zealand packaging business has been negatively impacted by weather events;
- the Australian packaging business has recently experienced reduced volumes across dairy & beverage and steel packaging; and
- the Asia closures business has experienced softening in demand for beverages out of China.

As a result, this segment is expected to report underlying EBIT approximately \$10 million lower than last year.

The Materials Handling & Pooling segment is performing at expected levels with the second half underlying EBIT in line with FY22 second half performance.

The Contract Manufacturing segment continues its turnaround and will deliver positive underlying EBIT in line with the update provided in the Company's 2023 Half-Year Results release.

### Balance sheet

The Company's capital program remains on track with an accelerated FY23 capital spend of approximately \$125 million, and is expected to return down to normal levels in FY24.

Pact's full year results will be announced on 16 August 2023.

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