

Pact Group Holdings Ltd
ACN: 145 989 644

Consolidated Half-Year Financial Report

For the period ended 31 December 2025

PACT
GROUP

HALF-YEAR FINANCIAL REPORT

Consolidated Half-Year Financial Report

For the period ended 31 December 2025

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 2025. This *Consolidated Half-Year Financial Report (Report)* was issued in accordance with a resolution of the Directors on 19 February 2026.

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 2025 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

Directors' Report	1
Auditor's Independence Declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Section 1: Our Performance	10
1.1 Group results	10
1.2 Other losses	10
1.3 Dividends	11
1.4 Revenue from contracts with customers	11
Section 2: Group Structure	12
2.1 Business acquisition	12
2.2 Joint ventures	13
Section 3: Capital Structure	14
3.1 Net debt	14
3.2 Contributed equity	15
3.3 Capital expenditure commitments	15
Section 4: Other Disclosures	16
4.1 Basis of preparation	16
4.2 Ultimate parent entity	16
4.3 Impairment assessment	16
4.4 Related party disclosures	17
4.5 Contingencies	17
4.6 Subsequent events	17
Directors' Declaration	18
Independent Auditor's Review Report	19

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 2025.

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
Tristan Smith	Non-Executive Director

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 FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Pact and the Group report revenue of \$866.7 million for the half-year ended 31 December 2025, down 6.8% compared to the prior corresponding period (pcp). The statutory net loss after tax for the half-year was \$33.7 million, compared to a statutory net profit after tax of \$14.1 million in the pcp.

OVERVIEW

- Total Group Revenue down 6.8% to \$866.7 million (pcp: \$929.5 million).
- Statutory reported loss after tax of \$33.7 million (pcp: profit \$14.1 million).
- Underlying EBITDA¹ down 8.4% to \$113.6 million (pcp: \$124.0 million).
- Underlying EBIT² down 20.8% to \$55.0 million (pcp: \$69.4 million).
- Underlying NPAT³ down 78.7% to \$3.1 million (pcp: \$14.8 million).
- On 24 October 2025, the Group acquired 100% of the issued capital and voting rights of Linpac Packaging Australia Pty Ltd (**Linpac**). Net cash consideration paid on acquisition was \$8.0 million, with a further payment of \$2.0 million payable on 24 October 2026, subject to satisfaction of certain conditions. At the acquisition date, a provisional purchase price discount of \$1.9 million arose, resulting from the provisional fair value of Linpac's identifiable net assets exceeding the total purchase consideration. This gain is included in underlying adjustments for the period.
- During the period the Group progressed the closure of five sites across Australia and New Zealand (two in NSW and one each in QLD, WA and New Zealand). Each closure involves the transfer of assets to other operating sites. Closure costs, including redundancies, make good and stranded operational costs, have been included in underlying adjustments for the period.
- The Company announced on 11 December 2025 that the legal proceedings relating to the acquisition of TIC Retail Accessories had settled under a deed of settlement dated 10 December 2025. Under the deed, the Company agreed to pay \$9,990,000 to the former owners of the TIC Retail Accessories Group.
- The Group has recognised \$19.9 million in losses relating to the Circular Plastics Australia (PE) Pty Ltd (**Laverton**) joint venture. Laverton is still establishing scale, continues to generate operating losses, and is reliant on future regulatory reform to support long-term commercial returns. Shareholder loans of \$13.5 million are unlikely to be repaid in the foreseeable future and have been recognised as an impairment expense in the period. Following an independent assessment of the fair value less cost of disposal of the Laverton assets the joint venture has recognised an impairment expense and Pact has accounted for its share in joint venture losses by writing off its equity investment of \$6.4 million and reported both items in underlying adjustments.
- Net debt⁶ at \$530.9 million is up \$35.6 million on June 2025 impacted by the continuation of the Group's long-term capital investment program.
- Gearing⁴ at 3.5x (compared to 2.8x in the pcp).
- The Board has resolved not to pay an interim dividend in respect of 1H FY26.

DIRECTORS' REPORT

GROUP RESULTS

\$'000	Dec 2025	Dec 2024	Change %
Revenue	866,723	929,507	(6.8%)
Other income (excluding interest revenue)	8,413	10,089	
Expenses	(761,526)	(815,608)	
Underlying EBITDA¹	113,610	123,988	(8.4%)
<i>EBITDA Margin</i>	13.1%	13.3%	
Depreciation and amortisation	(58,627)	(54,550)	
Underlying EBIT²	54,983	69,438	(20.8%)
<i>EBIT Margin</i>	6.3%	7.5%	
Underlying adjustments (before tax)	(41,290)	(104)	
Reported EBIT	13,693	69,334	(80.3%)
Net finance costs expense	(45,124)	(44,834)	
Income tax expense	(6,714)	(9,815)	
Tax on underlying adjustments	4,441	(615)	
Net (Loss)/Profit After Tax	(33,704)	14,070	(339.6%)

Reconciliation of Statutory Income – \$'000	Dec 2025	Dec 2024
Statutory (loss)/profit before income tax expense	(31,431)	24,500
Net finance costs and loss on de-recognition of financial assets	45,124	44,834
Reported EBIT	13,693	69,334
Underlying adjustment expense	41,290	104
Underlying EBIT²	54,983	69,438
Depreciation and amortisation expense	58,627	54,550
Underlying EBITDA¹	113,610	123,988
Statutory net (loss)/profit	(33,704)	14,070
Underlying adjustments before tax	41,290	104
Tax expense/(benefit) on underlying adjustments	(4,441)	615
Underlying NPAT³	3,145	14,789

Underlying Adjustments

Pre-tax underlying adjustments for the half-year were a cost of \$41.3 million. This includes the provisional purchase price discount of \$1.9 million on acquisition of Linpac, \$19.9 million in losses relating to the Laverton joint venture, and the write-off of intangible assets in the Marquis joint venture of \$1.0 million. The remaining costs include \$17.5 million of business restructuring costs and \$4.8 million in transaction costs.

Pre-tax underlying adjustments for the prior half-year were an expense of \$0.1 million, which was net of the Viscount Rotational Mouldings Pty Ltd (**VRM**) divestment gain of \$12.8 million (divested on 31 December 2024). 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.

Net Finance Expense

Net financing costs for the half-year were \$45.1 million, up \$0.3 million compared to the pcp.

Income Tax Expense

The income tax expense for the half-year (excluding tax on underlying adjustments) was \$6.7 million, representing an average tax rate of 68.1% of underlying net profit before tax, up on the prior period at 39.9%. The increase in the effective tax rate was primarily driven by higher interest denial to the Australian tax group due to lower Australian tax EBIT in the period. Tax on underlying adjustments was a benefit of \$4.4 million for the half-year in relation to the items noted above and compared to an expense of \$0.6 million in the pcp.

Underlying Net Profit After Tax

The underlying net profit after tax for the half-year was \$3.1 million compared to \$14.8 million for the prior half-year.

DIRECTORS' REPORT

BALANCE SHEET

\$'000	Dec 2025	Jun 2025	Change %
Cash (net of bank overdraft)	62,415	64,944	(3.9%)
Other current assets	398,331	438,189	(9.1%)
Property, plant and equipment	1,084,680	1,048,863	3.4%
Intangible assets	300,691	311,514	(3.5%)
Other assets	192,622	175,933	9.5%
Total Assets	2,038,739	2,039,443	0.0%
Lease liabilities	566,017	540,855	4.7%
Bank borrowings ⁷	593,336	560,281	5.9%
Other liabilities, payables and provisions	424,801	431,507	(1.6%)
Total Liabilities	1,584,154	1,532,643	3.4%
Net Assets	454,585	506,800	(10.3%)
Net Debt including lease liabilities⁶	1,096,938	1,036,192	5.9%
Net Debt⁶	530,921	495,337	7.2%

Net debt at 31 December 2025 of \$530.9 million was up versus 30 June 2025 as the Group continued its capital asset program. Net debt including lease liabilities at 31 December 2025 increased by \$60.7 million to \$1,096.9 million. The Group has significant undrawn debt capacity, with \$180.2 million in committed undrawn facilities.

Movement in other current assets is predominately due to decreases in trade and other receivables and inventory. Receivables reduced due to the proceeds received from the contingent consideration from the Marquis joint venture transaction and inventory reduced in response to lower demand volumes.

Property, plant and equipment is up \$35.8 million on the pcp largely driven by capital additions and the impact of the Linpac acquisition which added \$24.1 million, including \$17.0 million of right-of-use assets and \$7.1 million of plant and equipment.

The decrease in intangible assets of \$10.8 million is fully attributable to foreign currency movements.

Financing Metrics	Dec 2025	Dec 2024	Change
Gearing ⁴	3.5x	2.8x	(0.7x)
Gearing (including leasing) ⁴	4.7x	3.9x	(0.8x)
Interest Cover ⁵	3.3x	3.1x	0.2x
Interest Cover (including leasing) ⁵	2.8x	2.8x	-

At 31 December 2025, gearing was 3.5x, an increase of 0.7x compared to the pcp. Including the impact of lease accounting, gearing was 4.7x (compared to 3.9x in the pcp). Interest cover at 3.3x is up 0.2x on the pcp (excluding lease interest). Including the impact of lease accounting, interest cover was 2.8x (compared to 2.8x in the pcp).

CASHFLOW

Key Items – \$'000	Dec 2025	Dec 2024	Change %
Net cash flows provided by operating activities	28,023	17,270	62.3%
Payments for property, plant and equipment	(41,171)	(57,859)	(28.8%)
Payments for investments in and loans to joint ventures	(4,327)	(3,166)	36.7%
Purchase of business and subsidiaries	(8,000)	-	-
Proceeds from sale of divestment group	7,500	21,095	(64.4%)
Proceeds from borrowings	424,723	365,750	16.1%
Repayment of borrowings	(385,270)	(297,145)	29.7%
Repayment of lease liability principal	(24,650)	(24,197)	1.9%

Statutory net cash flows provided by operating activities was \$28.0 million for the half-year up \$10.8 million versus the prior half-year.

Payments for property, plant and equipment were \$41.2 million for the half-year, down \$16.7 million. In line with Group strategy, investment has focused on upgrading packaging capability to enable the inclusion of increased recycled content, strengthening capacity and optimising the network.

DIRECTORS' REPORT

CASHFLOW (CONTINUED)

Payments for investments in and loans to joint ventures of \$4.3 million (\$3.2 million in the pcg) 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.

The payment of \$8.0 million relates to the acquisition of Linpac in October 2025.

Cash proceeds of \$7.5 million relate to the Marquis joint venture contingent consideration receipt. The proceeds in the pcg of \$21.1 million relate 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 in accordance with AASB16.

NOTES

This Review of Operations and Financial Performance for the half-year ended 31 December 2025 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) Underlying NPAT is a non-IFRS financial measure which is calculated as net profit after tax before underlying adjustments.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Bank borrowings exclude prepaid borrowing costs.

DIVIDENDS

The Directors have determined that no interim dividend will be paid in relation to the half-year ended 31 December 2025 (31 December 2024: Nil).

For the year ended 30 June 2025, no final dividend was paid by the Company.

OTHER EVENTS OF SIGNIFICANCE AND SUBSEQUENT EVENTS

There have been no material matters or circumstances which have arisen between 31 December 2025 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.

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 5 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
Executive Chair



Sanjay Dayal
Managing Director and Group Chief
Executive Officer

19 February 2026



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with confidence**

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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 2025, 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

Ashley Butler
Partner
19 February 2026

HALF-YEAR FINANCIAL REPORT

Consolidated Statement of Comprehensive Income

For the period ended 31 December 2025

\$'000	Notes	Dec 2025	Dec 2024
Revenue	1.4	866,723	929,507
Raw materials and consumables used		(389,392)	(417,271)
Employee benefits expense		(224,784)	(237,161)
Occupancy, repair and maintenance, administration and selling expenses		(152,832)	(159,873)
Interest and other income		9,539	11,000
Other losses	1.2	(18,196)	(745)
Depreciation and amortisation expense		(58,627)	(54,550)
Impairment expense	4.3	(13,489)	-
Finance costs and loss on de-recognition of financial assets	3.1	(46,250)	(45,745)
Share of loss in joint ventures	2.2	(4,123)	(662)
(Loss)/profit before income tax		(31,431)	24,500
Income tax expense		(2,273)	(10,430)
Net (loss)/profit for the period	1.1	(33,704)	14,070
Net (loss)/profit for the period attributable to equity holders of the parent entity		(33,704)	14,070
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Cash flow hedge loss taken to equity		(583)	(120)
Foreign currency translation (loss)/gain		(18,592)	11,091
Income tax benefit on items in other comprehensive income		664	42
Other comprehensive (loss)/income for the period, net of tax		(18,511)	11,013
Total comprehensive (loss)/income for the period attributable to equity holders of the parent entity		(52,215)	25,083
cents			
Basic earnings per share		(9.8)	4.1
Diluted earnings per share		(9.8)	4.1

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 2025

\$'000	Notes	Dec 2025	Jun 2025
CURRENT ASSETS			
Cash and cash equivalents	3.1	77,699	65,737
Trade and other receivables		129,552	159,049
Inventories		238,342	247,664
Contract assets		16,312	18,083
Other current financial assets		980	570
Prepayments		13,145	12,030
TOTAL CURRENT ASSETS		476,030	503,133
NON-CURRENT ASSETS			
Trade and other receivables		1,234	888
Prepayments		1,160	1,257
Property, plant and equipment		1,084,680	1,048,863
Investments in joint ventures		123,570	122,640
Intangible assets and goodwill		300,691	311,514
Deferred tax assets		51,374	51,148
TOTAL NON-CURRENT ASSETS		1,562,709	1,536,310
TOTAL ASSETS		2,038,739	2,039,443
CURRENT LIABILITIES			
Trade and other payables		322,085	339,451
Bank overdraft	3.1	15,284	793
Current tax liability		16,384	13,416
Employee benefits provisions		44,358	45,049
Other provisions		1,227	1,127
Lease liabilities		84,792	83,052
Other current financial liabilities		1,110	1,106
TOTAL CURRENT LIABILITIES		485,240	483,994
NON-CURRENT LIABILITIES			
Trade and other payables		1,521	3,043
Employee benefits provisions		5,959	6,278
Other provisions		12,922	12,339
Interest-bearing loans and bank borrowings	3.1	593,336	560,281
Lease liabilities		481,224	457,803
Deferred tax liabilities		3,952	8,905
TOTAL NON-CURRENT LIABILITIES		1,098,914	1,048,649
TOTAL LIABILITIES		1,584,154	1,532,643
NET ASSETS		454,585	506,800
EQUITY			
Contributed equity	3.2	1,751,706	1,751,706
Reserves		(913,490)	(894,979)
Accumulated losses		(383,631)	(349,927)
TOTAL EQUITY		454,585	506,800

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 2025

\$'000	Attributable to equity holders of the Parent entity						Accumulated losses	Total equity
	Contributed equity	Common control reserve	Cash flow hedge reserve	Foreign currency translation reserve	Share based payments reserve			
Half-year ended 31 December 2025								
As at 1 July 2025	1,751,706	(928,385)	119	27,669	5,618	(349,927)	506,800	
Loss for the period	-	-	-	-	-	(33,704)	(33,704)	
Other comprehensive (loss)/income	-	-	81	(18,592)	-	-	(18,511)	
Total comprehensive (loss)/income	-	-	81	(18,592)	-	(33,704)	(52,215)	
Share based payments expense	-	-	-	-	-	-	-	
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	
Balance as at 31 December 2025	1,751,706	(928,385)	200	9,077	5,618	(383,631)	454,585	
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	
Other comprehensive income/(loss)	-	-	(78)	11,091	-	-	11,013	
Total comprehensive income/(loss)	-	-	(78)	11,091	-	14,070	25,083	
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	

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 2025

\$'000	Notes	Dec 2025	Dec 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		371,905	421,852
Receipts from securitisation program		612,961	615,892
Payments to suppliers and employees		(908,754)	(965,837)
Income tax paid		(2,986)	(8,765)
Interest received		375	467
Borrowing, trade debtor securitisation and other finance costs paid		(45,478)	(46,339)
Net cash flows provided by operating activities		28,023	17,270
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(41,171)	(57,859)
Payments for investments in joint ventures		(171)	(122)
Purchase of businesses and subsidiaries, net of cash acquired and transaction costs	2.1	(8,000)	-
Proceeds from sale of businesses, net of cash disposed and transaction costs		7,500	21,095
Proceeds from sale of property, plant and equipment		25	18
Loans to joint ventures		(4,156)	(3,044)
Dividend income from joint ventures		1,307	363
Net cash flows used in investing activities		(44,666)	(39,549)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		424,723	365,750
Repayment of borrowings		(385,270)	(297,145)
Repayment of lease liability principal		(24,650)	(24,197)
Net cash flows provided by financing activities		14,803	44,408
Net (decrease)/increase in cash and cash equivalents		(1,840)	22,129
Cash and cash equivalents at the beginning of the period		64,944	65,177
Effect of exchange rate changes on cash and cash equivalents		(689)	2,973
Net Cash and cash equivalents at the end of the period	3.1	62,415	90,279

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

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

SECTION 1 – OUR PERFORMANCE

1.1 GROUP RESULTS

Net (loss)/profit

The reconciliation of underlying EBIT shown above to the net (loss)/profit disclosed in the *Consolidated Statement of Comprehensive Income* is as follows:

\$'000	Note	Dec 2025	Dec 2024
Underlying EBIT		54,983	69,438
Underlying adjustments⁽¹⁾			
Provisional Purchase Price Discount arising on acquisition	2.1	1,916	-
Gain on business divestment ⁽²⁾		-	12,788
Transaction costs ⁽³⁾		(4,831)	(1,507)
Recognition of fair value adjustments in Joint Ventures			
Share of intangible asset amortisation in Marquis Holdco Pty Ltd (Marquis) ⁽⁴⁾		(999)	-
Share of NPAT losses in Circular Plastics Australia Pty Ltd (CPA) ⁽⁵⁾		(6,435)	-
Business restructuring programs			
Restructuring costs ⁽⁶⁾		(17,452)	(8,785)
Lease exit costs ⁽⁷⁾		-	(2,600)
Underlying adjustments before impairments		(27,801)	(104)
Impairment expense			
Financial assets ⁽⁸⁾	4.3	(13,489)	-
Total underlying adjustments		(41,290)	(104)
Reported EBIT		13,693	69,334
Net finance costs ⁽⁹⁾		(45,124)	(44,834)
Net (loss)/profit before income tax		(31,431)	24,500
Income tax expense ⁽¹⁰⁾		(2,273)	(10,430)
Net (loss)/profit for the period		(33,704)	14,070

⁽¹⁾ Underlying adjustments include items that are individually material or do not relate to the operating activities.

⁽²⁾ Relates to the VRM divestment in the prior period, net of transaction costs.

⁽³⁾ Legal costs associated with business acquisitions and divestments.

⁽⁴⁾ Relates to the Group's share of amortisation arising from the fair value adjustment of certain brands, supplier agreements and licenses in Marquis.

⁽⁵⁾ Relates to the Group's share of operational losses and impairment expense in CPA.

⁽⁶⁾ Business restructuring relates to the optimisation of business facilities and restructuring costs across the Group.

⁽⁷⁾ Relates to the exit of Kingsway lease in the prior period.

⁽⁸⁾ Impairment costs related to the Laverton joint venture. Refer to Note 4.3 for details.

⁽⁹⁾ Net finance costs include interest income of \$1,126,000 (Dec 2024: \$911,000).

⁽¹⁰⁾ Includes a tax benefit on underlying adjustments of \$4.4 million (prior period was a tax expense on underlying adjustments of \$0.6 million).

1.2 OTHER LOSSES

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

\$'000	Note	Dec 2025	Dec 2024
Underlying adjustments before impairments	1.1	(27,801)	(104)
Other gains/(losses)			
Unrealised gain/(losses) on revaluation of foreign exchange forward contracts		302	(766)
Unrealised gain on loan revaluations		2,558	577
Loss on sale of property, plant and equipment		(298)	(227)
Realised net foreign exchange losses		(391)	(225)
Other gains/(losses)		(25,630)	(641)
Recognition of fair value adjustments in Joint Ventures ⁽¹⁾		7,434	-
Total Other losses		(18,196)	(745)

⁽¹⁾ Underlying adjustments included in share of NPAT losses in CPA and Marquis. Refer to Note 2.2 for details.

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

1.3 DIVIDENDS

No dividends were paid during the financial period (Dec 2024: 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 2025 (Dec 2024: Nil).

1.4 REVENUE FROM CONTRACTS WITH CUSTOMERS BY GEOGRAPHICAL MARKET

Disaggregation of revenue from contracts with customers

\$'000	Dec 2025⁽¹⁾	Dec 2024⁽²⁾
Geographical Markets:		
Australia	567,485	597,507
New Zealand	176,286	190,058
Asia	122,952	141,942
Revenue	866,723	929,507

⁽¹⁾ 1.9% of total revenue is recognised over time.

⁽²⁾ 1.7% of total revenue is recognised over time.

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

SECTION 2 – GROUP STRUCTURE

2.1 BUSINESS ACQUISITION

Acquisition of Linpac Packaging Australia Pty Ltd

\$'000	Linpac Packaging Australia Pty Ltd ⁽¹⁾
Consideration paid or payable	10,000
Comprising of:	
• Consideration payable	8,000
• Contingent consideration ⁽²⁾	2,000
• Assets	
▫ Trade and other receivables	5,535
▫ Inventory	2,841
▫ Property, plant and equipment	7,371
▫ Right of use assets	101
• Liabilities	
▫ Trade payables and accruals	(3,224)
▫ Lease liabilities	(108)
▫ Employee benefits provisions	(600)
Fair value of identifiable net assets	11,916
Provisional Purchase Price Discount arising on acquisition⁽³⁾	1,916

⁽¹⁾ On 24 October 2025, the Group acquired 100% of the issued capital and voting rights of Linpac Packaging Australia Pty Ltd (**Linpac**). Linpac is a Victoria-based manufacturer of rigid and flexible packaging products supplying retail, catering, food manufacturing and packing sector customers. The acquisition aligns with the Group's strategic objective to expand its thermoformed PET packaging capability and support its leadership in the circular economy.

⁽²⁾ Net cash consideration paid on acquisition was \$8.0 million, with a further payment of \$2.0 million payable on 24 October 2026 subject to satisfaction of certain conditions. The further amount has been fully provided for in the 31 December 2025 accounts in current liabilities.

⁽³⁾ Included in the Consolidated Statement of Comprehensive Income in other losses.

At the acquisition date, a provisional purchase price discount of \$1.9 million arose, resulting from the provisional fair value of Linpac's identifiable net assets exceeding the total purchase consideration. Due to the timing of the acquisition, the Group is still determining the fair value of identifiable net assets including trade receivables, inventory and plant and equipment.

The Group has assessed the appropriateness of recognising this provisional gain in accordance with AASB 3: *Business Combinations* and believes the difference primarily reflects:

- Synergistic operational value expected to be realised through integration with the Group's existing PET thermoforming operations.
- Market-driven pricing conditions, including Linpac's historical financial performance and the seller's strategic decision to divest.

From the acquisition date to 31 December 2025, Linpac contributed revenue and other income of \$3.4 million and a net loss before tax of \$0.3 million to the Group. Had the acquisition occurred on 1 July 2025, management estimates that the Group's revenue for the half-year ended 31 December 2025 would have been \$5.5 million higher and profit before tax \$0.9 million lower.

Acquisition related costs of \$0.4 million have been expensed in the *Consolidated Statement of Comprehensive Income* in other losses.

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

2.2 JOINT VENTURES

As at 31 December 2025 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%	50
Weener Plastop Asia, Inc.	50.0%	-
Gempack Asia Limited	50.0%	872
PT Weener Plastop Indonesia	50.0%	659
Circular Plastics Australia (PET) Holdings Pty Ltd (CPAP)	33.33%	(414)
Circular Plastics Australia Pty Ltd (CPA) ⁽²⁾	50.0%	(6,435)
Marquis Holdco Pty Ltd ⁽³⁾	50.0%	1,145
Group's share of loss for the period		(4,123)

⁽¹⁾ Ownership interest at 31 December 2025 and 30 June 2025.

⁽²⁾ Share of operational losses and impairment expense in CPA (PE) included in underlying adjustments.

⁽³⁾ Includes a share of the intangible asset amortisation included in underlying adjustments.

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

SECTION 3 – CAPITAL STRUCTURE

3.1 NET DEBT

Debt profile

Pact has the following interest-bearing loans and borrowings as at 31 December 2025:

CURRENT

\$'000	Dec 2025	June 2025
Bank overdraft	15,284	793
Lease liabilities	84,792	83,052
Total current interest-bearing loans and bank borrowings	100,076	83,845

NON-CURRENT

\$'000	Dec 2025	June 2025
Syndicated facility agreements	522,685	490,262
Subordinated debt facility	75,000	75,000
Capitalised borrowing costs	(4,349)	(4,981)
Total bank borrowings (including capitalised borrowing costs)	593,336	560,281
Lease liabilities	481,224	457,803
Total non-current interest-bearing loans and bank borrowings	1,074,560	1,018,084

NET DEBT

\$'000	Dec 2025	June 2025
Total bank borrowings (including capitalised borrowing costs)	593,336	560,281
Bank overdraft	15,284	793
Cash and cash equivalents	(77,699)	(65,737)
Net debt before lease liabilities	530,921	495,337
Lease liabilities	566,017	540,855
Net debt⁽¹⁾	1,096,938	1,036,192

⁽¹⁾ This is a non-IFRS measure.

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	21,661
Loan facility	June 2028	360,000
Loan facility	June 2028	86,512
Loan facility	June 2030	250,000
Subordinated Debt facility	December 2030	75,000
Total facilities		793,173
Facilities utilised		612,969
Facilities unutilised		180,204

During the period, the Group used interest rate swaps to manage interest rate risk.

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

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 2025	Dec 2024
Interest expense on bank loans and borrowings	20,748	21,947
Borrowing costs amortisation	994	729
Amortisation of securitisation program costs	345	210
Sundry items	(5)	(11)
Total interest expense on borrowings	22,082	22,875
Interest expense on unwinding of provisions	333	302
Interest expense on lease liabilities	20,042	17,905
Total finance costs	42,457	41,082
Loss on de-recognition of financial assets	3,793	4,663
Total finance costs and loss on de-recognition of financial assets	46,250	45,745

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 2025 as follows:

\$'000	Dec 2025	Dec 2024
Cash and cash equivalents	77,699	92,330
Bank overdraft	(15,284)	(2,051)
Balance per Consolidated Statement of Cash Flows	62,415	90,279

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 2025		June 2025	
	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 the reporting date are:

\$'000	Dec 2025	June 2025
Payable within one year	36,139	25,830
Payable after one year but not more than five years	660	-
Total	36,799	25,830

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

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 balance date. The Directors have assessed that due to the Group's access to undrawn facilities 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 2025 and are effective for annual periods beginning on or after 1 July 2025. Standards and interpretations issued but not yet effective as at 1 July 2025 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 95.2% as at 31 December 2025 (June 2025: 88.13%). The Group's ultimate parent entity is Kin Group Pty Ltd.

4.3 IMPAIRMENT ASSESSMENT

Goodwill and Fixed Assets

The Group performs its annual impairment tests for goodwill and indefinite-life intangible assets in June and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 30 June 2025.

The Group has determined that no impairment is required for goodwill and indefinite-life intangible assets for the period ended 31 December 2025.

The Group also performs an assessment at each reporting date to identify any triggers (e.g. physical damage, obsolescence, market declines) indicating that the carrying amount of its long-lived assets (e.g. property, plant, and equipment) may be impaired. In doing so, the Group considered both internal and external factors, including prevailing inflationary pressures, the impact of high interest rates on discount rates, and shifts in market demand within the retail and industrial sectors.

Following this assessment, the Group concluded that no indicators of impairment were identified for its cash generating units. While the macro-economic environment remains dynamic, the Group's businesses continued to demonstrate operational resilience and robust cash flow generation, supporting the carrying value of fixed assets.

HALF-YEAR FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

4.3 IMPAIRMENT ASSESSMENT (CONTINUED)

Investment in Circular Plastics Australia

The Laverton facility is still establishing scale, continues to generate operating losses, and is reliant on future regulatory reform to support long-term commercial returns. Consequently, management performed an impairment assessment of the shareholder loan in accordance with AASB 9: *Financial Instruments* and concluded that the shareholder loan no longer has an expectation of repayment in accordance with its contractual terms. The loan therefore meets the definition of a credit-impaired financial asset. The shareholder loan of \$13.5 million has been recognised as an impairment expense in the income statement, consistent with AASB 9, and is presented as an Underlying Adjustment.

4.4 RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions with related parties for the period ended 31 December 2025:

\$'000	Year	Sales	Purchases	Other expenses	Net amounts payable
Related parties – Director's interests⁽¹⁾	Dec 2025	3,583	11,288	3,659	(8,413)
	Dec 2024	3,139	11,573	3,625	(4,248)

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

Sales to related parties

The Group had sales of \$3.6 million (Dec 2024: \$3.1 million) to related parties including: Green's General Foods Pty Limited; Visy Group; The Reject Shop Limited; Remedy Kombucha Pty Ltd; Propax Pty Ltd; Gem-Care Products Pty Limited; The Hive (Australia) Pty Ltd and BG Wellness Holdings Pty Ltd.

Pro-Pac Packaging Limited

Pro-Pac Packaging Limited (Administrators Appointed) (**Pro-Pac**), an entity in which Raphael Geminder owns 50.1% (June 2025: 50.1%) is an exclusive supplier of certain raw materials such as flexible film packaging, flexible 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 \$0.9 million for the six months ended 31 December 2025 (Dec 2024: \$1.9 million). The agreement is on commercial terms which the Board has determined are at arm's length in accordance with section 210 of the *Act*.

Property leases with related parties

The Group leased nine properties (seven in Australia and two in New Zealand) from Centralbridge Proprietary Limited (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 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 2025 was \$3.7 million (Dec 2024: \$3.6 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 2025, the total lease liabilities owing to Centralbridge Leases is \$26.5 million (June 2025: \$31.8 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*.

Visy Group

Visy Group is a supplier to, and customer of, the Group. A close family member of Raphael Geminder is in a key management personnel role at Visy Group and is therefore regarded as a related party of Pact. The Group purchases products such as industrial packaging, printing and carton packaging from Visy Group and sells recycled resins to Visy Group. During the period, the Group had purchases of \$10.3 million (Dec 2024: \$9.7 million) and sales of \$0.2 million (Dec 2024: \$0.2 million) with Visy.

4.5 CONTINGENCIES

The Company announced on 11 December 2025 that the legal proceedings relating to the acquisition of TIC Retail Accessories had settled under a deed of settlement dated 10 December 2025. Under the deed, the Company agreed to pay \$9,990,000 to the former owners of the TIC Retail Accessories Group. Management considers the matter fully resolved, and no further provisions or contingent liabilities remain in respect of this dispute.

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

4.6 SUBSEQUENT EVENTS

There have been no material matters or circumstances which have arisen between 31 December 2025 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 2025 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 is made in accordance with a resolution of the Directors.



Raphael Geminder
Executive Chair



Sanjay Dayal
**Managing Director and Group Chief
Executive Officer**

19 February 2026



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

Conclusion

We have reviewed the accompanying condensed 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 2025, the statement of comprehensive income, statement of changes in equity and condensed 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 2025 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 reviews of the half-year financial report of public interest entities 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.



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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 2025 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.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Ashley Butler' in a cursive style.

Ashley Butler
Partner
Melbourne
19 February 2026