

Financial Review

1. Financial Review

1.1 Group Overview

1.1.1 Summary of 2025 Financial Results

US\$m	Change			
Continuing operations ¹	FY25	FY24	Actual FX	Constant FX
CHEP Americas	3,671.3	3,610.3	2%	4%
CHEP EMEA	2,445.9	2,367.0	3%	2%
CHEP Asia-Pacific	552.5	543.3	2%	3%
Sales revenue	6,669.7	6,520.6	2%	3%
Other income and other revenue	240.1	262.3	(8)%	(8)%
CHEP Americas	737.3	708.1	4%	6%
CHEP EMEA	684.0	590.7	16%	14%
CHEP Asia-Pacific	188.9	183.7	3%	4%
Corporate (including transformation)	(238.4)	(224.5)	(6)%	(4)%
Underlying Profit and Operating profit	1,371.8	1,258.0	9%	10%
Net finance costs	(120.0)	(129.1)	7%	6%
Net impact arising from hyperinflationary economies ²	(17.7)	(8.4)	(111)%	(111)%
Tax expense	(369.9)	(346.4)	(7)%	(7)%
Profit after tax from continuing operations	864.2	774.1	12%	13%
Profit from discontinued operations	31.8	5.8		
Profit after tax	896.0	779.9	15%	16%
Average Capital Invested	6,250.8	6,112.9	2%	3%
Return on Capital Invested	21.9%	20.6%	1.3pts	1.4pts
Weighted average number of shares (millions)	1,383.1	1,391.4	(1)%	(1)%
Basic EPS (US cents)	64.8	56.1	16%	17%
Basic EPS from continuing operations (US cents)	62.5	55.6	12%	14%

Note: The variance between actual and constant FX performance reflects the changes in Brambles' operating currencies relative to its reporting currency, the US dollar.

Note: Commentary and comparisons against prior corresponding period at constant FX rates³. Cash flow and debt commentary and comparisons at actual FX rates. Other commentary and comparatives as stated.

FY25 Operating Environment

Brambles' FY25 financial performance demonstrates the continued benefits of its transformation programme, which has enhanced the customer experience and strengthened the resilience of the business, amid cyclical changes and challenging macroeconomic conditions.

During the Year, Brambles saw a return to more normalised pallet market dynamics, following inventory optimisation initiatives undertaken by retailers and manufacturers during FY24 which resulted in higher pallet returns in key markets during the prior year.

Cost-to-serve increases moderated across all regions, reflecting modest input-cost inflation and a reduction in pallet loss rates

due to asset control initiatives across manufacturer and retailer supply chains and improved pallet market conditions.

Input-cost inflation was primarily driven by labour and third-party freight cost increases, while fuel and lumber costs at a Group level declined year-on-year. The Group's weighted average capital cost for a new pallet in FY25 was ~6% lower than FY24 but remains above pre-COVID levels.

The global macroeconomic environment became increasingly challenging in 2H25, with rising uncertainty and tariff-related concerns impacting consumer demand and volume growth across the Group.

Growth with new customers more than offset these volume headwinds, as net new business wins accelerated through the

¹ CHEP India (formerly part of CHEP EMEA) is recognised within discontinued operations following the sale of the business in January 2025. FY24 comparatives have been restated accordingly.

² Relating to inflationary impacts on both monetary net assets and on the Profit & Loss of Brambles' operations in Türkiye, Argentina and Zimbabwe.

³ For the hyperinflationary economies of Türkiye, Argentina and Zimbabwe, financials are translated at period end FX rates.

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Year, with more manufacturers switching from single-use alternatives to Brambles' pooled solutions.

This shift reflected increasing demand for Brambles' quality platforms, driven by higher levels of automation across manufacturer and retailer supply chains, combined with the reduced availability and rising cost of quality whitewood pallets in Europe and the US.

Operationally, Brambles faced additional repair, transport and storage costs in FY25, driven by higher damage rates and excess plant stock in the US, linked to prior year inventory optimisation by retailers and manufacturers.

Given the headwinds to like-for-like volume growth in the US during 2H25, Brambles enters FY26 with ~4 million excess pallets across its US network and does not anticipate a return to optimal plant stock levels in this market until 1H27. This is expected to result in the continuation of storage, repair and transport costs associated with excess plant stock, while delivering a capital expenditure holiday in the US through to 1H27.

Sales revenue from continuing operations of

US\$6,669.7 million increased 3%, reflecting price realisation of 2% and volume growth of 1%.

Price realisation of 2% was in line with modest rates of input-cost inflation and significant asset efficiency improvements across retailer and manufacturer supply chains that reduced the level of price increases required to recover the cost-to-serve.

Volume growth of 1% comprised:

- Net new business growth of 2%, driven by the CHEP Americas and CHEP Asia-Pacific segments and to a lesser extent, the European pallets business. Momentum improved during the Year, with net new business growth of 3% in 4Q25, primarily reflecting new customer conversions in the US driven by enhanced sales capabilities and customer experience improvements, including those enabled by digital initiatives; and
- Like-for-like volume declines of 1%, reflecting the impacts of softening customer demand for pallets and automotive containers in key markets, timing of US harvest season and the normalisation of the average number of pallets-on-hire in Australia. Collectively, these impacts more than offset the benefit of cycling inventory optimisation in the prior year.

Other income and other revenue of US\$240.1 million decreased by US\$21.8 million, primarily due to a US\$22.5 million reduction in North America surcharge income, reflecting movements in market indices for lumber, fuel and transport in the region. The movement also includes profit on sale of assets and other income relating to pallet collection activities.

Underlying Profit and Operating profit of US\$1,371.8 million increased 10%, reflecting a 1.3 percentage point improvement at actual FX rates in the Group Underlying Profit margin.

Margin expansion was driven by asset efficiency and productivity improvements, which generated direct and indirect cost savings across the Group. These benefits more than offset additional costs linked to inventory optimisation and increased

strategic investments to enhance the customer experience and advance the Group's digital transformation.

Asset efficiency improvements contributed 1.4 percentage points to operating margin expansion through a reduction in the Irrecoverable Pooling Equipment Provision (IPEP) expense to sales ratio. This reflects lower pallet loss rates across the Group, supported by increased investment in asset recovery initiatives and enhanced visibility and collaboration across customer and retailer supply chains. These improvements were underpinned by advanced data analytics and pallet tracking technology.

Supply chain costs led to a 0.9 percentage point reduction in the Group Underlying Profit margin, as net plant cost increases of US\$118 million were partly offset by a US\$19 million decline in net transport costs.

Net plant cost increases were driven by inflation, investments to enhance the quality and efficiency of the pool, as well as additional costs due to higher damage rates in the CHEP Americas segment and excess plant stock in the US. These increases were partly offset by ~US\$129 million of plant cost savings driven by operational excellence and network optimisation initiatives.

Net transport cost decreases were driven by ~US\$78 million of network optimisation and procurement savings which more than offset inflation and additional transport activity linked to customer experience and asset efficiency initiatives as well as excess plant stock in the US.

Overheads and other cost savings contributed 0.8 percentage points to operating margin improvement, as benefits from overhead productivity and cost management initiatives outweighed investments in digital capabilities and the impact of wage inflation.

Profit after tax from continuing operations of

US\$864.2 million increased 13%, as operating profit growth and lower net finance costs more than offset increases in both the net hyperinflation charge and tax expense incurred in the period.

Net finance costs decreased by US\$7.4 million, or 6%, reflecting lower average borrowings primarily driven by improved cash flow generation and the receipt of proceeds from the sale of CHEP India, partly offset by an increase in lease interest expense.

The net hyperinflation charge of US\$17.7 million relates to the inflationary impacts on both the monetary net assets and the P&L of Brambles' operations in Türkiye and Argentina.

Tax expense of US\$369.9 million increased 7% primarily due to higher earnings. The Underlying effective tax rate of 29.5% decreased by 1.2 percentage points at actual FX rates compared to FY24, primarily due to the geographic mix of global earnings.

Profit from discontinued operations of US\$31.8 million largely relates to the gain on the divestment of CHEP India, which is recognised as a discontinued operation following the sale of the business in January 2025.

Brambles Basic EPS of 64.8 US cents increased 17%, reflecting growth in Group Profit after tax and a reduction in the number of shares on issue due to the share buy-back programme conducted during the Year.

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Return on Capital Invested of 21.9% increased 1.4 percentage points reflecting the Underlying Profit growth and a modest increase in Average Capital Invested, supported by improved asset efficiency.

Average Capital Invested increased 3% primarily driven by higher lease costs, in line with increased market rates for real estate and site additions in FY25.

Cash Flow Reconciliation⁴

US\$m	FY25	FY24	Change
Underlying Profit	1,371.8	1,258.0	113.8
Depreciation and amortisation	823.1	798.2	24.9
IPEP expense	93.5	185.5	(92.0)
Underlying EBITDA⁵	2,288.4	2,241.7	46.7
Capital expenditure (cash basis)	(931.6)	(1,135.5)	203.9
Proceeds from sale of PP&E	218.2	226.3	(8.1)
Working capital movement	(44.0)	(14.0)	(30.0)
Purchase of intangibles	(25.1)	(13.1)	(12.0)
Other	(46.0)	2.3	(48.3)
Cash Flow from Operations	1,459.9	1,307.7	152.2
Discontinued operations	(0.1)	9.5	(9.6)
Financing & tax costs	(364.9)	(434.4)	69.5
Free Cash Flow before dividends	1,094.9	882.8	212.1
Dividends paid	(531.5)	(406.0)	(125.5)
Free Cash Flow after dividends	563.4	476.8	86.6

Cash Flow from Operations of US\$1,459.9 million increased by US\$152.2 million, as lower capital expenditure and increased earnings were partly offset by higher working capital outflows and other operating cash flow items, primarily relating to employee provisions.

Capital expenditure decreased by US\$203.9 million on a cash basis which included a US\$172.7 million benefit from a reduction in capital expenditure creditor payments. This reflects the timing of pallet purchases, benefits from asset efficiency initiatives, and the lower capital cost of a new pallet.

On an accruals basis and at constant currency, capital expenditure decreased by US\$20.1 million. This was primarily due to a US\$18.2 million reduction in pooling capital expenditure, which included a ~US\$45 million benefit from the lower average capital cost of a new pallet, partly offset by the impact of ~1 million additional pallet purchases in FY25.

The increase in the number of pallets purchased in the current year includes the impact of volume growth in the Year and cycling the benefit of a higher capital expenditure holiday in FY24 due to inventory optimisation. This is largely offset by asset efficiency initiatives that resulted in ~9 million fewer pallet purchases during the Year.

The reduction in pooling capital expenditure, combined with revenue growth, led to a 0.7 percentage point improvement in the Group pooling capital expenditure to sales ratio, which decreased to 12.3% in FY25. This included a ~0.5 percentage point benefit from utilising excess plant stock in the US during the Year.

Other key movements in the period that decreased Cash Flow from Operations included:

- A US\$48.3 million movement in other cash flow items primarily due to higher outflows associated with provisions for employee benefits;
- A US\$30.0 million working capital movement largely attributable to normal variations in the timing of creditor payments;
- A US\$12.0 million increase in purchase of intangibles driven by technology investments to support customer experience, digital and supply chain initiatives; and
- A US\$8.1 million decrease in proceeds from the sale of PP&E, as lower asset losses led to a reduction in asset compensations.

Free Cash Flow after dividends of US\$563.4 million increased by US\$86.6 million, as higher Cash Flow from Operations and lower financing and tax payments more than offset increased cash dividend payments and lower cash flow from discontinued operations.

Tax payments reduced by US\$54.4 million, largely due to the timing of Australian tax instalments, while financing payments decreased US\$15.1 million, primarily reflecting the timing of interest payments following the maturity and issue of European Medium-Term Notes.

Cash flow from discontinued operations decreased by US\$9.6 million primarily driven by CHEP India's partial-year contribution following its divestment in January 2025.

Dividend payments increased US\$125.5 million driven by the higher FY24 final and FY25 interim dividends paid during the Year in line with the increased payout ratio.

⁴ CHEP India (formerly part of CHEP EMEA) is recognised within discontinued operations following the sale of the business in January 2025. FY24 comparatives have been restated accordingly.

⁵ Earnings before interest, tax, IPEP, depreciation and amortisation: calculated as Underlying Profit after adding back depreciation, amortisation and IPEP.

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ESG Metrics

Metric	FY25	FY24 ⁶	Change
Scope 1 and 2 GHG emissions	29.5ktCO ₂ -e	32.0ktCO ₂ -e	(7.8)%
Scope 3 GHG emissions ⁷	1,261.0ktCO ₂ -e	1,257.0ktCO ₂ -e	0.3%
BIFR	2.2	2.9	(24.1)%
Women in management roles	38.8%	38.0%	0.8pts
Sustainably sourced timber	100%	100%	-
Sites with product waste diverted from landfill	93.6%	82.7%	10.9pts

Scope 1 and 2 GHG emissions

- Scope 1 represents emissions from Brambles' use of diesel, natural gas and liquid petroleum gas (LPG).
- Scope 2 represents emissions from Brambles' use of electricity.

In FY25, Scope 1 and 2 emissions decreased 7.8% due to both lower site fuel consumption in North America and Europe linked to forklift truck and site electrification, and reduced fleet fuel emissions driven by increased use of lower-emission fuels in the US. The reduction in Scope 1 and 2 emissions since the FY20 baseline is 32.3%.

Scope 3 emissions

- Scope 3 represents indirect emissions (outside of Brambles' direct control). For Brambles, material Scope 3 categories include waste, logistics emissions, emissions relating to capital expenditure, and emissions by third-party managed service centres.⁸

Scope 3 emissions were broadly flat year-on-year and down 16.8% on the FY20 baseline. During the Year, lower emissions from subcontracted service centres driven by suppliers' efforts to electrify forklift trucks and adopt renewable electricity were offset by additional pooling equipment purchases as the business cycled a higher capital expenditure holiday benefit in FY24, linked to retailer and manufacturer inventory optimisation.

Brambles remains on track to achieve its 2030 Science-based Targets to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions by 17% compared to the FY20 baseline.

Brambles Injury Frequency Rate (BIFR)

- Brambles measures its safety performance through BIFR, which consists of work-related incidents resulting in fatalities, lost time, modified duty or medical treatment per million hours worked.

In FY25, BIFR was 2.2, representing a 24.1% improvement on the prior year and reflecting strong progress on Brambles' Safety First strategy. This strategy supports proactive learning and sharing of best practices for managing potential risks across Brambles' operations teams. Key initiatives included targeted actions at service centres, situational awareness programmes, safety walks⁹, and enhanced process controls.

Women in management roles

- Women in management covers the following roles: Managers, Senior Managers, Directors, Senior Directors, Vice Presidents and above.

In June 2025, the percentage of women in management roles was 38.8%, up 0.8 percentage points compared to FY24. Although this represents consistent progress, the target to reach 40% by the end of FY25 was not met, largely due to a decrease in staff turnover. The business has strategies in place to hire, retain and engage female employees across the organisation.

Sustainably sourced timber

- Sustainably sourced timber is timber certified by either the Forest Stewardship Council (FSC®) (FSC®-N004324) or the Programme for the Endorsement of Forest Certification (PEFC) (PEFC/01-44-79).

In FY25, Brambles maintained its strict adherence to 100% sustainably sourced timber, a position it has maintained since FY20.

Sites with product waste diverted from landfill

- Landfill is defined as the disposal of waste material by burying it or burning it (with no energy or heat reclaim process).

In FY25, the percentage of sites (both Brambles and third-party managed) that completely diverted product waste from landfill was 93.6%, up 10.9 percentage points compared to FY24. Despite this improvement, Brambles has not achieved its target to divert 100% of product waste from landfill by FY25. To support further progress towards this target, 99.3% of sites (97.1% in FY24) had identified solutions for product waste diversion by the end of FY25, which will be operational in FY26.

⁶ The FY24 results have been restated to exclude the results of CHEP India.

⁷ Total restatements to FY24 Scope 3 GHG emissions, with a net impact of (36.5)ktCO₂-e, reflect the exclusion of CHEP India and the impact of data quality enhancements relating to downstream transport and capital goods emissions.

⁸ Scope 3 emissions are calculated using activity data (including actual activity data, data collected from third parties such as surveys, estimated activity data based on cost data, and other estimates where actual data is not available). Emissions factors from publicly available sources such as DEFRA, US EPA and Ecoinvent are applied to activity data to calculate GHG emissions. Further information is available in the Basis of Preparation - ESG Metrics on brambles.com and in the Notes to the Sustainability Report.

⁹ A safety walk is a workplace observation practice where leaders directly observe work processes in their actual environment to understand challenges and identify opportunities for improvement.

Segment Analysis

1.1.2 CHEP Americas

US\$m	Change			
	FY25	FY24	Actual FX	Constant FX
US	2,672.8	2,587.9	3%	3%
Canada	399.4	389.4	3%	6%
Latin America	557.4	591.8	(6)%	6%
Pallets	3,629.6	3,569.1	2%	4%
Containers	41.7	41.2	1%	2%
Sales revenue	3,671.3	3,610.3	2%	4%
Underlying Profit	737.3	708.1	4%	6%
Average Capital Invested	3,319.2	3,204.3	4%	5%
Return on Capital Invested	22.2%	22.1%	0.1pts	0.2pts

Sales revenue

Pallets sales revenue of US\$3,629.6 million increased 4%, with equal contributions from price realisation and volume growth. Price realisation of 2% recovered cost-to-serve increases, primarily driven by input-cost inflation. Volume growth of 2% reflected net new customer wins across the region, while like-for-like volumes remained in line with the prior year, as declines in the US were offset by growth in the rest of the region.

US pallets sales revenue of US\$2,672.8 million increased 3%, comprising:

- Price realisation of 2% as contractual pricing to recover input-cost inflation was partly offset by lower contributions from pricing mechanisms linked to asset efficiency, in line with improved loss rates in the period;
- Net new business volume growth of 2% was largely driven by the conversion of small-to-medium enterprise, produce and beverage sector customers in both the current and prior year. This reflects higher levels of automation in customer supply chains and the rising cost and limited availability of quality whitewood pallets. Net new business growth accelerated to 4% in 4Q25, with momentum also benefitting from improved sales capabilities and digitally enabled initiatives to simplify and enhance the customer experience; and
- Like-for-like volumes declined 1%, driven by challenging macroeconomic conditions in 2H25 and the impact of an earlier US harvest season which brought forward produce volumes into 4Q24, impacting growth in 1Q25 and resulting in a stronger comparative period for 4Q25. These impacts more than offset the benefit of cycling inventory optimisation in the prior year.

Canada pallets sales revenue of US\$399.4 million increased 6%, reflecting volume growth with new and existing customers of 4% and price realisation of 2% to recover the cost-to-serve.

Latin America pallets sales revenue of US\$557.4 million increased 6%, including price realisation of 2% to recover the

cost-to-serve and volume increases of 4% driven by growth with new and existing customers.

Containers sales revenue of US\$41.7 million increased 2%, with price realisation partly offset by a modest volume decline due to some net customer losses.

Profit

Underlying Profit of US\$737.3 million increased 6% reflecting sales revenue growth, asset efficiency improvements and benefits from supply chain and overhead productivity initiatives. These benefits more than offset input-cost inflation, additional costs linked to higher damage rates across the region, excess plant stock in the US and incremental investments to continue to improve the customer experience.

The increase in Underlying Profit reflected the sales revenue contribution to profit growth of US\$99 million and the following movements in key cost and other income items:

- Net plant cost increases of US\$103 million included input-cost inflation of US\$52 million, primarily related to labour, and US\$156 million of additional costs associated with higher pallet damage rates, incremental storage due to excess plant stock in the US and continued investment in pool quality and digital initiatives. These costs were partly offset by ~US\$105 million in savings from plant network optimisation, operational excellence and procurement initiatives;
- Net transport cost decreases of US\$10 million which included network optimisation and procurement savings of ~US\$50 million. These savings were partly offset by increased pallet relocations due to excess plant stock in the US, additional asset recovery activity to support both asset efficiency and customer experience initiatives and transport inflation of US\$5 million (net of fuel deflation);
- North American surcharge income decreases of US\$23 million, consistent with movements in market indices for lumber, fuel and transport;
- Depreciation expense increases of US\$10 million, relating to pooling equipment purchases in the region, and non-pooling related investments, including automation;
- IPEP expense decreases of US\$55 million, reflecting lower pallet loss rates, primarily in the US and Latin America, driven by asset efficiency initiatives and improved pallet market dynamics; and
- Other cost decreases of US\$18 million, mainly reflecting overhead productivity and cost management initiatives, which more than offset the impact of wage inflation and higher pallet scraps.

Return on Capital Invested

Return on Capital Invested of 22.2% increased 0.2 percentage points, as the Underlying Profit growth more than offset a 5% increase in Average Capital Invested.

The increase in Average Capital Invested was largely driven by service centre lease additions and renewals, including the impact of real estate inflation, and higher pooling equipment balances driven by pallet purchases in Latin America.

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1.1.3 CHEP EMEA

US\$m	Change			
	FY25	FY24	Actual FX	Constant FX
Europe	1,968.7	1,905.5	3%	2%
Africa, Middle East and Türkiye	200.0	185.3	8%	5%
Pallets	2,168.7	2,090.8	4%	2%
RPC	32.8	28.9	13%	10%
Containers	244.4	247.3	(1)%	(2)%
Sales revenue	2,445.9	2,367.0	3%	2%
Underlying Profit	684.0	590.7	16%	14%
Average Capital Invested	2,305.8	2,273.5	1%	-
Return on Capital Invested	29.7%	26.0%	3.7pts	3.6pts

Corporate actions

CHEP India (formerly part of CHEP EMEA) is now recognised in discontinued operations following the sale of CHEP India on 8 January 2025. Prior period comparatives for CHEP EMEA have been restated accordingly.

Sales revenue

Pallets sales revenue of US\$2,168.7 million increased 2%, reflecting price realisation across the region to recover the cost-to-serve, and current year contract wins in Europe.

Europe pallets sales revenue of US\$1,968.7 million increased 2%, comprising:

- Price realisation of 1% as contractual indexation to recover modest inflation was partly offset by lower contributions from pricing mechanisms linked to asset efficiency as pallet loss rates continued to improve in the period;
- Net new business growth of 1% driven by current year contract wins primarily in Central and Eastern Europe. Net new business growth increased to 2% in 4Q25, reflecting the ramp up in volumes from customer wins in the Year;
- Like-for-like volumes were in line with the prior year as the impact of challenging macroeconomic conditions on consumer demand was offset by the benefit of cycling inventory optimisation in FY24.

Africa, Middle East and Türkiye pallets sales revenue of US\$200.0 million increased 5%, primarily reflecting price realisation to recover cost-to-serve increases across the region, including in the hyperinflationary markets of Türkiye and Zimbabwe. Volumes decreased 1%, as stronger demand from existing customers in Africa was more than offset by contract losses in Africa and the Middle East.

RPC sales revenue of US\$32.8 million increased 10%, with broadly equal contributions from price realisation to recover cost-to-serve increases and volume growth with new customers.

Containers revenue of US\$244.4 million decreased 2%, reflecting:

- Automotive sales revenue of US\$183.5 million, down 4%, as an 8% decline in like-for-like volumes due to weaker market conditions was partly offset by contributions from price realisation, including favourable product mix and modest new contract wins in Europe; and
- Intermediate Bulk Containers (IBC) sales revenue of US\$60.9 million, up 4%, primarily driven by price realisation to recover cost-to-serve increases and favourable mix impacts.

Profit

Underlying Profit of US\$684.0 million increased 14%, driven by sales revenue growth, asset efficiency improvements and productivity initiatives that delivered supply chain and overhead cost savings. These benefits were partly offset by plant and transport inflation, as well as investments to support the delivery of asset efficiency benefits and other strategic initiatives.

Underlying Profit reflects the sales revenue contribution to profit of US\$32 million and the following movements in key cost and other income items:

- Net plant cost increases of US\$9 million as inflation of US\$19 million, primarily due to labour, was partly offset by ~US\$10 million of savings from operational excellence and procurement initiatives across the region. Incremental investments in customer experience initiatives during the Year were broadly offset by lower activity in Europe due to reduced pallet return rates following inventory optimisation in FY24;
- Net transport cost decreases of US\$12 million, as network optimisation and procurement savings of ~US\$25 million more than offset higher asset recovery costs to support asset efficiency improvements and transport inflation of US\$3 million (net of fuel deflation);
- Depreciation expense decreases of US\$1 million, reflecting a lower average pooling equipment balance across the Year compared to FY24;
- IPEP expense decreases of US\$31 million, driven by lower pallet loss rates resulting from asset efficiency initiatives and improved pallet market dynamics; and
- Other cost decreases of US\$15 million driven by overhead productivity and cost management initiatives across the region and higher asset compensations in Europe.

Return on Capital Invested

Return on Capital Invested increased 3.6 percentage points to 29.7%, reflecting strong Underlying Profit growth.

Average Capital Invested was in line with FY24, as capital efficiency gains driven by asset productivity initiatives were offset by higher lease costs associated with service centre additions and renewals, and investments in plant and equipment.

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1.1.4 CHEP Asia-Pacific

US\$m	Change			
	FY25	FY24	Actual FX	Constant FX
Pallets	409.5	400.6	2%	3%
RPC	104.1	101.1	3%	5%
Containers	38.9	41.6	(6)%	(6)%
Sales revenue	552.5	543.3	2%	3%
Underlying Profit	188.9	183.7	3%	4%
Average Capital Invested	557.3	556.9	-	1%
Return on Capital Invested	33.9%	33.0%	0.9pts	1.1pts

Sales revenue

Pallets sales revenue of US\$409.5 million increased 3%, reflecting:

- Price realisation of 4% to recover cost-to-serve increases and some customer mix impacts;
- Net new business growth of 1%, driven by current year contract wins across Australia and New Zealand; and
- Like-for-like volume decline of 2%, reflecting lower daily hire revenue as the average number of pallets-on-hire normalised from peak levels in 1H24, driven by a number of factors, including the normalisation of pallet market dynamics.

RPC sales revenue of US\$104.1 million increased 5%, as pricing actions to recover the cost-to-serve and volume growth with new customers more than offset lower like-for-like volumes.

Containers sales revenue of US\$38.9 million decreased 6%, largely driven by lower like-for-like volumes in the IBC business due to select manufacturers holding lower inventories.

Profit

Underlying Profit of US\$188.9 million increased 4%, reflecting the sales contribution to profit and operational efficiencies, including lower supply chain and overhead costs driven by automation and productivity initiatives. These benefits were partly offset by increased repair, handling and relocation costs associated with higher pallet returns and the impact of inflation, largely driven by labour and transport.

Return on Capital Invested

Return on Capital Invested of 33.9% increased 1.1 percentage points, as the growth in Underlying Profit more than offset a modest 1% increase in Average Capital Invested, which included the benefit of asset productivity improvements across the region.

1.1.5 Corporate

US\$m	Change			
	FY25	FY24	Actual FX	Constant FX
Shaping Our Future transformation costs	(146.3)	(132.6)	(13.7)	(11.4)
Corporate costs	(92.1)	(91.9)	(0.2)	1.9
Total corporate costs	(238.4)	(224.5)	(13.9)	(9.5)

Shaping Our Future transformation costs of US\$146.3 million increased US\$11.4 million and included:

- Digital transformation costs of US\$111.7 million, which increased by US\$11.4 million, reflecting continued investment in asset digitisation and enhanced data analytics capabilities; and
- Other transformation costs of US\$34.6 million, which were in line with the prior year.

Corporate costs of US\$92.1 million decreased by US\$1.9 million, reflecting productivity and cost management initiatives.