

Brambles: the data advantage

Walk into any supermarket and you'll find fresh produce and packaged goods sourced from all corners of the world – a convenience so commonplace we rarely stop to appreciate. One company at the centre of this logistical triumph has been involved in transportation for 150 years, and it is now using data to improve the efficiency, cost, and freshness of the deliveries it coordinates.

Brambles is an Australian supply chain logistics company with operations in 60 countries managing the world's largest supply of reusable pallets, crates and containers, and has been a long-term holding in the U Ethical Australian Equities Trust. These physical assets, totalling more than 350 million units, are now being layered with data and smart asset technology to enter a new phase of intelligent distribution.

Brambles operates at significant scale, with annual revenues exceeding US\$5 billion¹ and a market capitalisation placing it among Australia's top 50 listed companies. The company's emerging focus on data-driven services represents an opportunity to reshape its value proposition. While traditional pallet pooling remains the core business, insights generated from smart assets are creating new potential revenue streams and improving asset utilisation rates.

The scale of Brambles' network means that it can optimise transport routes to offer the most sustainable solutions for customers - reducing the cost and time taken for deliveries. Combining data from its physical assets with digital technologies means that Brambles

can gather insights of supply chains unmatched by competitors.

Brambles has achieved this by serialising and tagging equipment, creating what it calls smart assets. These work with artificial intelligence to make more efficient routing and respond to long term trends to support more sustainable practices. Brambles demonstrated proof of this concept in Chile where it serialised its entire pool of 2.6 million pallets with unique tags and is now rolling out similar initiatives around the world. It has also begun trialling more extensive data collection, including temperature and vibration information which further increases the potential to reduce global food waste.

Data in the real world

A watermelon grower in Europe received persistent complaints about spoilage of its produce upon arrival at supermarkets. Brambles identified that the watermelons were being picked up en route to collect strawberries which require a different temperature for transportation. This resulted in the watermelons being overchilled and spoiling the produce. A simple change in the delivery route was then implemented. Benefits like this create customer stickiness as they experience real benefits from Brambles' insights.

In a separate case, smart assets helped identify where a delivery company was turning off temperature controls while driving, before restarting them shortly before delivery. Without Brambles' continuous monitoring it would have not been possible to identify and rectify this issue.

¹As at 30 June 2025. Brambles FY25 Annual Report.



In cases where uncontrollable factors affect deliveries, Brambles also works to minimise the negative impact. If a food shipment has experienced multiple breaches in transit, there is a high chance it will be rejected by the retailer. Brambles can predict this using its data insights and re-route compromised deliveries directly to a food bank, saving transport miles, cost, and food waste.

With better visibility of routes and payloads, Brambles improves the efficiency of its transport network, even when their transport is empty. One company sending bottled water from the UK to France had been returning empty supply trains back after completing their deliveries. After identifying these wasted miles, Brambles was able to generate a new revenue stream for the company by utilising this return route.

By using its data oversight to help this company - and many others like it - Brambles has saved 6.6 million kilometres of empty truck journeys – avoiding 6,500 tonnes of CO2 emissions and saving participants over 8 million euros.² Collaborative solutions like this highlight how Brambles improves outcomes for customers while making its own operations more efficient in the process.

A durable moat

Achieved through investments Brambles has made in proprietary infrastructure, the data it is accumulating is difficult for rivals to replicate, giving Brambles a sustainable advantage in supply chain logistics – the result is a valuable economic moat.

Unlike physical infrastructure that competitors can replicate with sufficient capital, operational data must be accumulated over time through actual use. While data itself can technically be purchased or shared, the specific insights Brambles generates - route optimisation patterns developed over decades, predictive models trained on years of logistics relationships - represent proprietary knowledge that cannot be easily replicated.

More importantly, Brambles benefits from what economists call network effects. Each additional customer generates more data, which improves the AI models, which attracts more customers seeking superior logistics solutions. A competitor starting today would need years to accumulate comparable data depth, by which time Brambles' models would be even more refined.

This means the durability of Brambles' economic moat may be long lasting as data propels a flywheel effect for its business. By collecting the right kind of data, Brambles offers clients solutions to improve their experience, supporting better outcomes, which attracts more clients, and yet better data.

²Brambles, 2025. Zero Waste World: Eradicating empty transport miles.

Challenges and limitations

While Brambles' data strategy creates genuine competitive advantages, investors should consider several risks. The technology landscape is evolving rapidly, and serialising hundreds of millions of assets requires substantial upfront investment with returns materialising over years, while major retail customers might negotiate away value or restructure their supply chains.

To mitigate against this risk, Brambles thus far has sought to test their data service capability through pilots in individual markets and in conjunction with existing customers. This modular approach has allowed the company to test demand, pricing and benefit before fully rolling out any value-add services. Brambles exemplifies how traditional industrial companies can leverage data to create durable competitive advantages in the digital age. The combination of physical scale, operational relationships built over decades, and strategic technology investments has positioned the company at an inflection point where data insights increasingly differentiate its value proposition.

Early evidence suggests Brambles is successfully transforming from a pallet rental business into a data-driven supply chain intelligence provider. As global supply chains grow more complex and sustainability pressures intensify, companies that can offer visibility, efficiency, and optimisation represent increasingly valuable competitive advantages that support long-term returns.

Summary



Physical scale + data = Durable advantage

Brambles is combining its global pallet network with smart data and AI, creating efficiencies and insights competitors can't easily replicate.



Network effects strengthen the moat

More customers → better data → smarter logistics → higher customer stickiness. This feedback loop compounds over time.



From physical assets to intelligence

Brambles is evolving from a pallet provider to a supply-chain intelligence partner, opening higher-margin revenue streams.



Real-world sustainability benefits

Data helps to reduce spoilage, optimise routes, cut emissions, and support circular-economy outcomes like share and reuse.



What to watch

Smart-asset rollout, data-service adoption, pricing power, customer retention, and execution discipline as technology scales.

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