

Liquidity and Capital Resources

We finance our business primarily through cash flows provided by operating activities, borrowings from banks, and proceeds from issuances of debt and equity. We periodically review our capital structure and liquidity position in light of market conditions, expected future cash flows, potential funding requirements for debt refinancing, capital expenditures and acquisitions, the cost of capital, sensitivity analyses reflecting downside scenarios, the impact on our financial metrics and credit ratings, and our ease of access to funding sources.

The COVID-19 pandemic and geopolitical tensions have not materially impacted our liquidity position, current and expected cash flows from operating activities, or available cash. We believe that our cash flows provided by operating activities, together with borrowings available under our credit facilities and access to the commercial paper market, backstopped by our bank debt facilities, will continue to provide sufficient liquidity to fund our operations, capital expenditures, and other commitments, including dividends and purchases of our ordinary shares and CHES Depositary Instruments under authorized share repurchase programs, into the foreseeable future.

Overview

(\$ in millions)	Six Months Ended December 31,			
	2022		2021	
Net cash provided by operating activities	\$	145	\$	323
Net cash (used in)/provided by investing activities		24		(265)
Net cash used in financing activities		(90)		(235)

Cash Flow Overview

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased by \$178 million for the six months ended December 31, 2022, compared to the six months ended December 31, 2021. The decrease in cash flow is primarily driven by higher working capital outflows in the current period.

Net Cash (Used in)/Provided by Investing Activities

Net cash used in/provided by investing activities increased by \$289 million for the six months ended December 31, 2022, compared to the six months ended December 31, 2021. The increase is mainly driven by the disposal proceeds collected from the sale of the Russian business in the current period, partially offset by the acquisition of DGPack s.r.o. and additional investments in affiliated companies.

Net Cash Used in Financing Activities

Net cash used in financing activities decreased by \$145 million for the six months ended December 31, 2022, compared to the six months ended December 31, 2021. The change is primarily due to lower share buybacks compared to the prior period, partially offset by lower net debt drawdowns compared to the prior period.

Net Debt

We borrow from financial institutions and debt investors in the form of bank overdrafts, bank loans, corporate bonds, unsecured notes, and commercial paper. We have a mixture of fixed and floating interest rates and use interest rate swaps to provide further flexibility in managing the interest cost of borrowings. At the end of October 2022, we entered into interest rate swap contracts for a total notional amount of \$1.25 billion. Under the terms of the contracts, we will pay a weighted average fixed rate of interest of 4.53% and receive a variable rate of interest, based on compound overnight SOFR, for the period from November 1, 2022, through June 30, 2023, settled monthly. The interest rate swap contracts economically hedge the SOFR component of \$1.25 billion of ongoing USD commercial paper issuances at 4.53%.

Short-term debt consists of bank debt with a duration of less than 12 months and bank overdrafts which are classified as current due to the short-term nature of the borrowings, except where we have the ability and intent to refinance and as such extend the debt beyond 12 months. The current portion of long-term debt consists of debt amounts repayable within a year after the balance sheet date.