

FY22 Full Year Financial Results

Outperformance against IPO forecast and FY21

Silk Logistics Holdings Limited (ASX:SLH) ("Silk") is pleased to announce its full year results for the 52-week period ended 26 June 2022 (FY22).

FY22 Highlights

- **Revenue of \$394.7 million**, an increase of 22.1% on FY21
- **Underlying EBIT¹ of \$31.0 million**, an increase of 27.6% on FY21
- **Underlying NPAT² of \$15.8 million**, an increase of 45.0% on FY21
- **Full year dividend of 8.49 cps** – fully franked (4.2% annual yield³)
- **Strong cash generation with 97.5% cash to EBITDA** after lease payments conversion
- **Total Recordable Injury Frequency Rate (TRIFR) of 7.26**, an improvement from 10.45 in FY21⁴

FY22 Results

Silk reported revenue of \$394.7 million, representing growth of 22.1% on previous corresponding period ('pcp'), and underlying NPAT of \$15.8 million, an increase of 45.0% on pcp. Underpinning this result was \$46.6 million of annualised new business revenue and increased cross-sell from existing customers.

Silk's key operational metrics all reported strong growth in the period against the pcp, with billed containers of 301,875 (up 6.5%), average leased warehouse storage occupancy levels at 85.0% (up from 77.9%), and billed consignments of 75,807 (up 46.1%).

Silk Managing Director & CEO Brendan Boyd said "This financial year has been one of outperformance, pleasingly exceeding our Prospectus forecasts, despite challenging operating conditions. During a period of rising costs and uncertainty, we maintained operating margins through diligent cost recovery mechanisms and collaborative customer relationships.

Our people remain our most important asset and I am pleased to report over the past 12 months our commitment to safety has improved our total recordable injury frequency rate ('TRIFR') to 7.26. Our average staff turnover of 2.5% was well below the national job mobility rate of 9.5%⁵.

We are committed to accelerating growth in FY23 and beyond through increased cross-selling initiatives and complementary acquisition opportunities. We completed the strategic acquisition of 101Warehousing Pty Ltd ('101Warehousing'), a Victorian-based e-commerce contract logistics provider, which extends our service capability and diversifies our customer base.

As we move into FY23, we recently announced entering into a binding agreement to acquire Fremantle Freight Services Pty Ltd ('FFS'). This acquisition expands our national capabilities and enables us to better service our blue-chip customer base."

Outlook

Given uncertainty in global and domestic markets, we are not providing earnings guidance for FY23. Subject to no material adverse change in the current market and economic conditions, Silk expects to report an increase in revenue and underlying earnings in FY23.

Results webinar

Silk Managing Director & CEO Brendan Boyd, and CFO Brendon Pentland will host a webinar to discuss the FY22 results at 9.30am (AEDT) today Thursday, 25 August 2022. Please note that the webinar will be recorded, and a copy will be made available on Silk's website shortly after it is completed.

Webinar link: https://us02web.zoom.us/webinar/register/WN_ZNRTtnjnQ9Cdh8m9oJSmdQ

Investors can submit questions prior to the webinar to melanie@nwrcommunications.com.au or via the Q&A function on Zoom, during the webinar.

This announcement is authorised for release by the Board of Directors of Silk Logistics Holdings Limited.

Contacts

Managing Director & CEO
Brendan Boyd
investor@silklogistics.com.au

Investor Relations
Melanie Singh
melanie@nwrcommunications.com.au

For more information, please visit <https://www.silklogisticsholdings.com.au/>

¹ Underlying EBIT = earnings before interest and tax (post AASB16 *Leases*) before significant items[^].

² Underlying NPAT = Statutory net profit after tax before significant items[^].

³ Based on IPO (9 July 2021) offer price of \$2.00 per share.

⁴ Includes backdated claim from FY21 that was not disclosed at time of publishing FY21 results.

⁵ For similar period. Data sourced from Australian Bureau of Statistics.

[^] Significant items are profit or loss items associated with mergers and acquisitions activity, capital restructures or certain one-off events included in reporting periods that are not reflective of underlying business activities. FY22 pre-tax significant items include – IPO-related costs \$3.1m (net of \$0.5m fair value gain on financial instrument), pre-IPO share-based payments \$1.8m, business acquisition costs \$0.8m and net income of \$3.4m on novation of NSW land purchase agreement. FY21 pre-tax significant items include – IPO-related costs of \$2.7m and remeasurement of deferred contingent consideration \$0.7m.