

## Strong Performance and Sustainable Growth

Silk Logistics Holdings Limited (ASX: SLH) ('Silk' or the 'Company') is pleased to announce its half year results for the period ending 25 December 2022 ('1H FY23').

### First Half Highlights

- Revenue of \$253.6 million, an increase of 39.1% on the prior corresponding period ('pcp')<sup>1</sup>
- Underlying EBIT<sup>2</sup> of \$19.7 million, an increase of 34.8% on pcp
- Underlying NPAT of \$9.8 million, an increase of 32.4% on pcp
- Half year dividend of 5.27 cps – fully franked (5.0% annual yield)
- Total Recordable Injury Frequency Rate (TRIFR) of 8.9, an improvement from 12.9 in 1H FY22<sup>3</sup>

### 1H FY23 Results

Silk reported revenue of \$253.6 million for the first half of FY23, representing a 39.1% increase on pcp. This was underpinned by \$34.0 million (annualised) new business wins, growth in existing customer volumes and business acquisitions. Underlying EBIT increased 34.8% on pcp to \$19.7 million and underlying NPAT improved 32.4% on pcp to \$9.8 million. The Company was able to maintain Group underlying profit margins despite challenging industry and market conditions.

The Company witnessed growth across all key operational metrics, average leased warehouse occupancy<sup>4</sup> increased to 90.0% from 81.6% in 1H FY22, driven by demand for household goods and light industrial products. Billed consignments had a 15.7% uplift against pcp, total warehouse area increased 39.9% on pcp and container handstand area increased 64.3% on pcp.

**Silk Managing Director & CEO Brendan Boyd** said, "We continue to build on our strong foundations and the first half results are representative of our vision to be the market leader in innovative supply chain solutions. Significant growth was achieved across all key metrics, aided by our ability to leverage our existing infrastructure and Silk's client-centric approach, with 78% of contracted revenue from customers with greater than four years tenure, highlighting our ability to understand and meet the needs of our customers.

Our people remain integral to the growth of our business, and we have implemented an employee share plan ('ESP') to further support staff retention. Additionally, this half the Company increased female appointments to senior management and key roles by over 30%.

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Our investment in automation will deliver greater operational efficiencies over several years, while substantial technological investments are being made to deliver a higher-level of customer service. We are committed to investing in the business to deliver on our ambition of achieving \$1.0 billion of revenue by FY27, a component of which will be supported by our acquisitive strategy, with a range of potential targets well progressed.”

## Outlook

The Company provides full year FY23 revenue guidance of \$480 to \$500 million based on first half FY23 results and progress made in the first five weeks of the second half. The Company will continue to invest for growth in areas of corporate and business development, automation and solutions design to deliver on its 5-year strategic plan. An easing of warehousing occupancy and import container volumes, balanced with consistent export volumes and further new customer wins are forecast in 2HFY23. Silk expects to deliver FY23 underlying EBIT between \$35.0 million to \$37.0 million representing an uplift of 13% - 19% when compared to FY22.

## Results webinar

Silk Managing Director & CEO, Brendan Boyd, CFO, Brendon Pentland, and COO, Dani Aquilina will host a webinar at 9:30am (AEDT) today, Thursday, 23 February to discuss the results. Please note, 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\\_CMLdRBIIEyO4ug8re3CuA](https://us02web.zoom.us/webinar/register/WN_CMLdRBIIEyO4ug8re3CuA)

Investors can submit questions prior to the webinar to [melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au) or do so 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

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1. pcp = 1H FY22 (26 weeks ended 26 December 2021).
2. Underlying EBIT represents EBIT post-AASB16 Leases and before significant items^.

3. TRIFR is reported as rolling 12-month average to the end of the reporting period (1H FY23 TRIFR = 8.9). 1H FY22 TRIFR (12.9) has been recalculated to reflect a new calculation method to include all staff hours and incidents inclusive of casual and subcontractors not captured at the time of publishing 1H FY22 results. TRIFR excludes FFS for the period.
4. Silk Contract Logistics leased warehouses only.
- ^ 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. FY23 pre-tax significant items include – business acquisition costs of \$1.2m; FY22 pre-tax significant items include – IPO Costs \$3.1m, pre-IPO Share-based payments \$1.8m and business acquisition costs \$0.3m.

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