

Ryder Capital announces total comprehensive income after-tax of \$3.2m, increased interim dividend of 4 cents fully franked (up 33% pc), DRP and strategic review update

The Board of Ryder Capital Ltd (Ryder or Company) is pleased to announce a material increase to the interim dividend payment by declaring a 4.00 cents per share fully franked dividend (a 33% increase from the 3.00 cents per share fully franked interim dividend paid in 1H FY23) with an ex-date of 4 March 2024 and a payable date of 28 March 2024 with an additional commitment to at least match the FY23 final dividend of 4.25 cents per share fully franked for the FY24 final dividend. The Board has also, for the first time, resolved to implement a dividend reinvestment plan (DRP), applicable for the 1H FY24 interim dividend. Shareholders are encouraged to review the documentation that is emailed or posted to them for more information on how to participate.

Ryder generated a statutory profit after tax of \$818k (1H FY23: \$578k) and a total comprehensive after-tax income of \$3.2m (1H FY23: \$4.4m) for the six months to 31 December 2023 (1H FY24). Statutory profit as reported and referred to above ignores unrealised gains or losses within the Company's Portfolio. Total comprehensive income is therefore a better measure of overall performance as it also includes the unrealised movement in Ryder's investment Portfolio for the period.

Gross portfolio performance for the six-month period ending 31 December 2023 was 4.95%, underperforming other Australian equity market indices such as the ASX Small Ordinaries Accumulation Index (being the most comparable) which returned 6.42%. Ryder's performance since inception is illustrated in the table below.

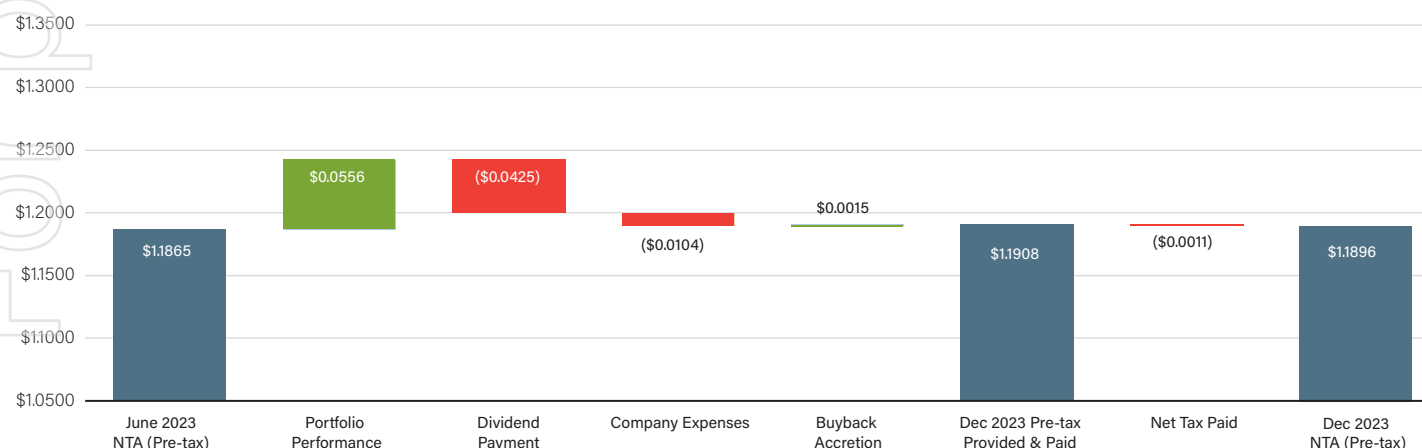
Ryder Performance	6 months %	1 Year %	3 Years p.a. %	5 Years p.a. %	ITD p.a. %
Ryder Capital - Gross Portfolio Performance	4.95	(8.29)	(5.56)	7.77	11.75
Ryder Capital - Pre-tax Undiluted NTA Return⁽¹⁾	4.06	(9.75)	(7.21)	4.64	8.04
Ryder Capital - Pre-tax NTA Return⁽²⁾	3.94	(10.03)	(10.19)	1.49	4.98
S&P / ASX All Ordinaries Accumulation Index	7.95	12.98	8.88	10.66	9.47
S&P / ASX Small Ordinaries Accumulation Index	6.42	7.82	0.95	6.40	8.00
Ryder Capital Hurdle Rate - (RBA Cash Rate + 4.25%)	4.16	8.12	5.99	5.59	5.69
Excess Return - (Pre-tax Undiluted NTA Return - RBA Cash Rate + 4.25%)	(0.10)	(17.87)	(13.20)	(0.95)	2.35

Source: Bloomberg + Apex

1. Adjusted for the dilution of the exercised 26.7m RYDO options and 26.5m RYDOA options. Calculation of pre-tax NTA is prior to the provision and payment (refund) of tax.
2. Fully diluted for all options exercised since inception.
3. Inception date is 22 September 2015.

Ryder Pre-tax NTA

Ryder's pre-tax net tangible assets (NTA) per share increased to \$1.1896 at 31 December 2023, from \$1.1865 at 30 June 2023. The December NTA per share is after a \$0.0425 fully franked dividend per share paid during the period, with other contributors to the December NTA per share illustrated in the below chart.



Strategic Review Update

During the 2023 Annual General Meeting (AGM) Ryder informed shareholders of its initiative to enhance liquidity and address the persistent discount to NTA associated with trading in its shares. This effort aims to ensure that any solution benefits all shareholders regardless of their investment horizon. The Board is currently evaluating various restructuring options and has engaged Pitcher Partners to assist with preliminary tax advice. Each restructuring option has its advantages but must be weighed against the costs, associated risks and tax implications. Importantly, the Board is very cautious not to compromise potential future returns particularly given the cyclically low trading multiples for the majority of its core Portfolio positions.

The ongoing strategic review is anticipated to be completed by the release of the Company's full-year results in August 2024, however at this stage, there can be no assurance of an acceptable solution.

Outlook

With the US Federal Reserve reaching the end of its monetary tightening cycle and economic growth not yet showing any signs of faltering, we have entered the goldilocks zone. Markets are now factoring in lower interest rates, further supporting economic growth whilst inflation continues to trend down. This scenario for now provides a very supportive backdrop for equities.

Despite this positive backdrop we remain cautious with our key concern focused on historically high market valuations pricing in too much good news. The Portfolio is composed of a core group of value stocks that generate cash, have conservative balance sheets, strong management and for the most part, pay regular dividends. We expect these investments, complimented by active and opportunistic management of the Portfolio positions as well as we navigate a market with unforeseen challenges ahead.



Peter Constable

Chief Investment Officer / Portfolio Manager



David Bottomley

Portfolio Manager

About Ryder Capital Limited

Ryder Capital Limited (Company) was listed in September 2015 and is managed by Ryder Investment Management Pty Limited (Investment Manager) a Sydney based boutique fund manager pursuing a high conviction value driven investment strategy specialising in small-cap Australian equities. The Investment Manager's approach is differentiated by investing for the medium to longer term; being aligned as significant shareholders in the Company and being focused on generating strong absolute returns first and foremost. A key foundation of the Investment Manager's success to date has been to minimise mistakes, ignore the crowd and back their judgement.