

Ryder Capital reports a 176.7% increase in profit from ordinary activities to \$3.48m, steady distributable profits reserve of \$30.0m and declares a 4.0 cent fully franked final dividend taking FY22 full year dividend to 7.0 cents fully franked.

Ryder Capital Limited (Ryder or Company) [ASX: RYD] experienced a challenging 2H FY22 where tough macro conditions for equities drove weak investment performance resulting in FY2022 total comprehensive income after tax falling to (\$21.3m). Pre-tax undiluted net tangible assets (NTA) per share adjusted for dividends and tax decreased by 21.47% to \$1.3598 and the Company's net assets decreased from \$119.6m to \$115.7m inclusive of \$26.2m option capital and net of the buy-back.

The Company's profit reserve rose from \$105,462 to \$1,145,284 which when added to the Company's capital reserve takes total distributable profits to \$30,016,018 equivalent to \$0.353 per share on the Company's expanded capital base.*

Ryder enters FY23 having made a strong start in July with a 3.99% increase in NTA. The Portfolio is well positioned to perform in what is likely to remain a challenging and volatile investment environment. Reflecting the strong start to FY23, the prospect of more stable markets and a large profits reserve, the Board has declared a \$0.04 fully franked final dividend bringing the full year FY22 dividend to \$0.07 per share fully franked, equal to FY21.

The Ryder 5 year and since inception pre-tax undiluted NTA returns remain strong at 10.29% p.a. and 10.77% p.a., respectively. It is important to reinforce that Shareholders should review performance during the reporting period at both the Portfolio (gross Portfolio performance) and Company (pre-tax undiluted NTA return) level adjusted for any dividends, buy-backs or other distributions made by the Company.

Ryder Performance	6 months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception ⁽²⁾ (% p.a.)
Ryder Capital Gross Portfolio Performance	-22.97	-20.44	9.81	14.76	15.02
Ryder Capital Pre-tax Undiluted NTA⁽¹⁾	-23.49	-21.47	5.66	10.29	10.77
S&P / ASX All Ordinaries Accumulation	-11.50	-7.44	3.81	7.15	8.21
S&P / ASX Small Ordinaries Accumulation	-23.74	-19.52	0.38	5.07	7.56
Ryder Capital Hurdle - RBA Cash Rate + 4.25% p.a	2.20	4.52	4.58	5.04	5.28
Excess Return					
Pre-tax Undiluted NTA Return ⁽¹⁾⁽²⁾ - (RBA Cash Rate + 4.25% p.a.)	-25.69	-25.89	1.08	5.25	5.49

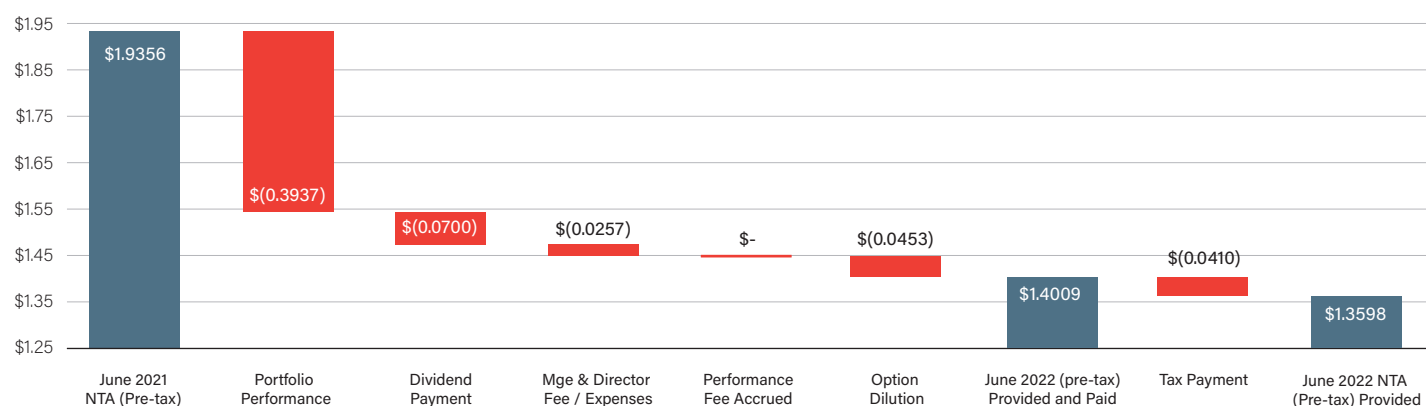
1. Adjusted for the dilution of 26.7m RYDO options and 26.5m RYDOA options. Calculation of pre-tax NTA is prior to the provision and payment of tax.

2. Inception Date is 22 September 2015.

Portfolio Performance

FY2022 gross portfolio performance of (20.44%) underperformed the Company's absolute return performance hurdle of RBA Cash + 4.25%. While FY22 performance was broadly in line with the most comparable Australian equity index being the ASX Small Ordinaries over the period, our inability to meaningfully outperform on a relative basis was disappointing. The Portfolio held an average cash exposure through the year of approximately 14.86%, providing some insulation however, there were several large unanticipated falls within our core high conviction holdings. Cash holdings of \$11.5m at 31 July 2021 represented 9.54% of the Portfolio.

Ryder (pre-tax) Performance



* Calculated using number of ordinary shares on issue at 30 June 2022 (85,050,629 units).

Outlook

With a synchronised fall in asset prices across equities, bonds and real estate, there have been very few, if any, places for long-only investors to hide other than cash during the last six months. With central banks now firmly fighting inflation through aggressive monetary tightening together with what we anticipate to be increased fiscal responsibility by governments over time, it is easy to be overly pessimistic about the immediate outlook for growth, earnings and equity valuations. There also remains a wide dispersion of views on where interest rates will ultimately need to rise in order to subdue inflationary pressures. We expect this dispersion of outcomes to continue to result in heightened volatility, something that has been absent in recent years, save for March/April 2020. It is not unreasonable with this backdrop to see markets continue to swing around churning out impatient capital to the benefit of patient, thoughtful capital – a backdrop that favours Ryder.

Many companies within our universe continue to be impacted by a variety of exogenous factors including tight labour markets, high input costs and stressed supply chains. Whilst on the demand side the impacts of increased cost of living/mortgage pressures, coupled with the unwinding of Covid-19 related consumption pull forward presents a number of challenges. In parallel with increasing our risk thresholds to new investments, we continue to scrutinise Portfolio positions to ensure they have robust/defensive business plans and resilience to the variable demand and supply side factors.

Overall, our outlook remains cautious, though opportunities are beginning to emerge in some sectors we like. We don't profess to be able to pick the market bottom, top or even its near term direction. With a permanent capital base, good liquidity as a result of our cash holdings and a consistent bottom up approach to investing we are confident in our ability to deliver strong absolute returns for shareholders.

Peter Constable

Chairman & Chief Investment Officer

David Bottomley

Director & Portfolio Manager

For more information visit www.rydercapital.com.au or contact: enquiries@rydercapital.com.au

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 to mid-cap Australasian 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.