

Ryder Capital announces a 21.2% increase in total comprehensive income after tax to \$4.4m and declares a 3 cent fully franked interim dividend.

Ryder Capital Limited's (Ryder or Company) [ASX:RYD] undiluted pre-tax NTA return for 1H FY23 was 5.09% and for the twelve months to 31 December 2022 was (19.59%).

Investment performance generated a total comprehensive income after-tax gain of \$4.4m (+21.2% pcp) while the Company's net assets declined slightly to \$118.8m (from \$118.9m at 30 June 2022).

The Company's distributable profits reserve decreased slightly to \$28.2m (from \$30.0m at 30 June 2022) primarily due to \$3.4m in dividends paid during the period. On a per share basis, the distributable profits reserve fell slightly to \$0.335.

Directors are pleased to announce an interim dividend of 3.00 cents per share fully franked (in line with the 3.00 cent 1H FY22 interim dividend) with an ex-date of 20 February 2023 and payable 7 March 2023.

The Company attained its seventh anniversary during the period allowing for a long term assessment of its investment performance. Ryder's pre-tax undiluted performance over 3 year, 5 year and since inception time frames exceeds that of the ASX Small Ords Accumulation Index - the most comparable to the Company's investment strategy.

Since inception the Investment Manager has outperformed all comparable ASX equity indices providing superior risk adjusted returns to the Company and its shareholders.

Ryder Performance	6 Month (%)	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)	Since Inception ⁽³⁾ (%p.a.)
Ryder Capital - Gross Portfolio Performance	5.96	-18.38	7.69	9.37	14.82
Ryder Capital - Pre-tax Undiluted NTA Return ⁽¹⁾	5.09	-19.59	4.18	6.09	10.74
Ryder Capital - Pre-tax NTA Return ⁽²⁾	6.10	-20.20	-0.98	1.23	7.23
S&P / ASX All Ordinaries Accumulation Index	9.65	-2.96	5.79	7.22	8.99
S&P / ASX Small Ordinaries Accumulation Index	7.03	-18.38	1.38	2.92	8.03
RBA Cash Rate	1.18	1.32	0.57	0.88	1.13
Ryder Capital Hurdle Rate - RBA Cash Rate + 4.25%	3.25	5.52	4.82	5.12	5.37

Source: Bloomberg + Apex

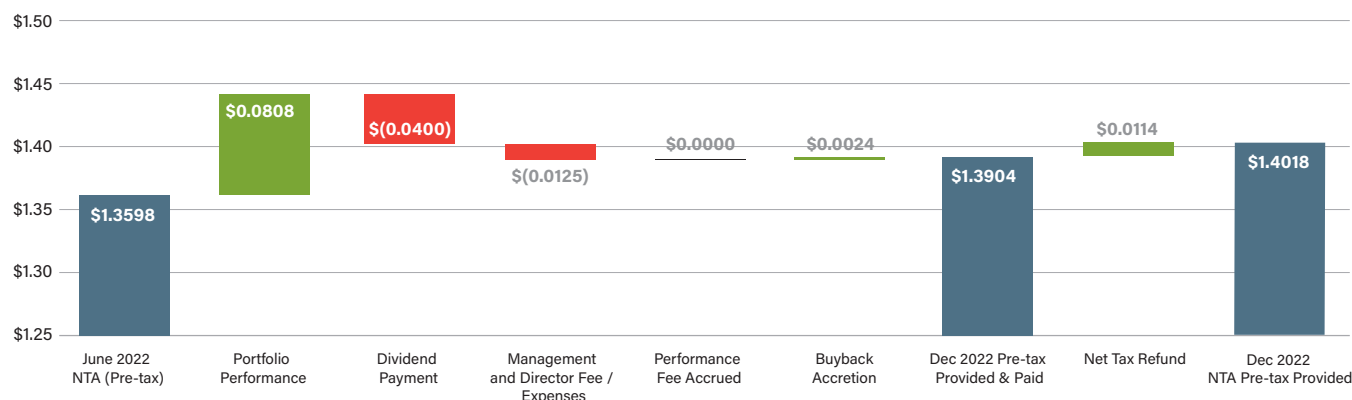
1. Adjusted for the dilution of the exercised 26.7m RYDO options and 26.5m RYDOA options. Calculation of pre-tax NTA is prior to the provision and payment (refund) of tax.

2. Fully diluted for all options exercised since inception.

3. Inception date is 22 September 2015.

The movement in pre-tax NTA for the period is illustrated below.

Ryder (pre-tax) Performance



Outlook

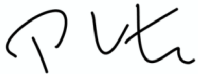
With the US Federal Reserve telegraphing that they believe the end of monetary tightening is in sight, markets have rejoiced with risk on exuberance these last few months that has left many investment managers (including ourselves) with concerns on valuations or a bearish outlook on markets questioning their theses.

Ordinarily, we do not spend an undue amount of energy or time trying to read the tea leaves in search of a macro view on markets, nor do we anticipate our conclusions to be better than others. However, we cannot ignore the precarious position markets now find themselves in having ignored what we see as a material and likely long period of higher interest rates and threats to cyclically high company profit margins combined with the yet to be tamed inflationary imposts and once in a generation full employment.

There is little insurance in markets for what could go wrong, even at the margin. Namely, inflation proving stickier (yet to be proven otherwise), and response to this both in short and long-term terminal interest rate levels as well as the extent to which this impacts company profits, which by and large we are starting to see some deterioration as seen in the US currently and likely followed here in Australia as we enter the current profit reporting period.

Whilst we acknowledge there is a chance policy makers can thread the needle, or as our own Governor repeats as 'a narrow pathway', for us this environment is one where we are inclined to be increasingly risk averse by not folding into a FOMO (fear of missing out) mindset and therefore holding more than less cash, maintaining our tactical ETF (synthetic short) position that provides an effective short exposure together with an active hedging strategy using ASX Share Price Futures. To be clear these hedging strategies are being implemented to dampen volatility and overall risk balanced against our preferred expression of risk aversion, which is to increase cash.

Despite our cautionary outlook, we retain a core group of value stocks that generate cash, have conservative balance sheets, strong management and pay regular dividends. We expect these investments, complimented by active and opportunistic management of the Portfolio to position us well despite the aforementioned challenges.



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.