

## Ryder Capital reports an 18% lift in final dividend to 5.0 cents per share fully franked, a 25.15% increase in pre-tax NTA and total comprehensive income of \$18.1m

Ryder Capital Limited (Ryder or Company) [ASX:RYD] reported FY24 total comprehensive income after tax of \$18.1m, a 363% improvement on FY23. Pre-tax NTA increased 25.15% to \$1.3875 per share. The Company bought back ~1.74m shares at an average of \$1.06 per share for a total cost of \$1.85m during the year.

The Company's total distributable profits reserve decreased to \$25.5m during FY24 (due to the payment of dividends which exceeded realised profits) equivalent to \$0.31 per share (compared to \$0.36 in FY23), from which \$0.21 per share is available to pay out as fully franked dividends. Ryder remains in a strong position to continue to pay steady to increasing fully franked dividends over time.

As a result of strong investment performance, coupled with a positive outlook across the Portfolio's core holdings, solid franking account balance and retained profits reserves, the Board increased the FY24 final dividend declaring a 5.0 cents per share fully franked final dividend on 11 July 2024, taking Ryder's annual dividend to 9.0 cents per share fully franked.

The major contributors to the year's performance were Austin Engineering, Macmahon Holdings, Aurelia Metals, Service Stream and SRG Global offset by detractors Janison Education and BCI Minerals.

Ryder's FY24 investment performance was strong, materially exceeding both its hurdle and that of comparable ASX Indices as set out in the table below.

	6 months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception <sup>(3)</sup> (% p.a.)
<b>Ryder Capital - Gross Portfolio Performance</b>	21.09	27.08	(2.17)	9.28	13.49
<b>Ryder Capital - Pre-tax Undiluted NTA Return<sup>(1)</sup></b>	20.08	24.96	(3.65)	6.08	9.83
<b>Ryder Capital - Pre-tax NTA Return<sup>(2)</sup></b>	20.28	25.15	(5.06)	4.64	8.00
<b>S&amp;P / ASX All Ordinaries Accumulation Index</b>	4.22	12.51	6.12	7.63	9.42
<b>S&amp;P / ASX Small Ordinaries Accumulation Index</b>	2.75	9.34	(1.55)	3.70	7.87
<b>RBA Cash Rate</b>	2.19	4.35	2.50	1.66	1.63
<b>Ryder Capital Hurdle Rate - RBA Cash Rate + 4.25%</b>	4.20	8.54	6.70	5.88	5.86

Source: Bloomberg + Apex

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. Fully diluted for all options exercised since inception. Calculation of pre-tax NTA is prior to the provision and payment of tax.

3. Inception date is 22 September 2015.

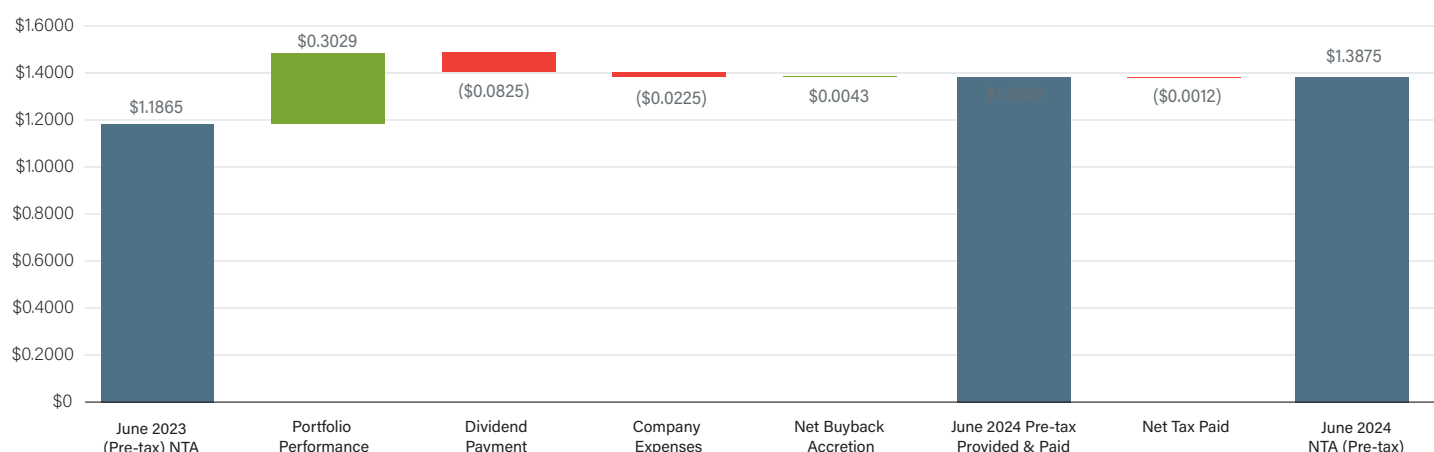
4. All returns assume the reinvestment of dividends.

## Portfolio Performance

FY24 gross portfolio performance was 27.08% outperforming both the Portfolio's absolute return performance hurdle (RBA Cash Rate + 4.25%) and the ASX Small Ordinaries - being the most comparable equity index.

The Portfolio held an average cash exposure through the year of approximately 6.72%. The Company's Portfolio hedging strategies, designed to provide Portfolio insurance, dragged on performance by (~1%).

A reconciliation of the pre-tax NTA from 30 June 2023 to 30 June 2024 is set out in the table below.



## Outlook

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At the time of writing, the outlook for global equity markets has become increasingly uncertain with the emergence of data suggesting the world's largest economy, the USA, could be close to, or near to entering a recession. The question is at what rate such a slowdown is occurring, and to what extent monetary easing by the Federal Reserve will soften the slow down and ultimately cushion corporate profits.

With equity markets having reached all-time highs in July after seeing off the inflation challenge and a soft economic landing being widely expected, volatility has returned as the economic outlook is reassessed. We do not propose to have any advantage forecasting the changing macro outlook, however we are actively reviewing the impact a risk-off environment could have on corporate profits and the nascent recovery in small caps.

Importantly, interest rates are relatively high globally and as such there is plenty of room to move for central banks in terms of providing monetary support. The situation in Australia for our own Reserve Bank is a little more complex due to the relatively sticky inflationary environment. As a consequence, the question we are working through is whether this is a turning point or just a short-lived repricing and recalibration event.

With permanent capital, increasing cash holdings and a Portfolio of undervalued companies with strong balance sheets and capable management teams, Ryder is well placed to weather any ensuing storm and capitalise on opportunities as they unfold.

### **Peter Constable**

Chairman & Chief Investment Officer

### **David Bottomley**

Director & Portfolio Manager

For more information visit [www.rydercapital.com.au](http://www.rydercapital.com.au) or contact: [enquiries@rydercapital.com.au](mailto: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.