FY21 FULL YEAR RESULTS PRESENTATION

26 August 2021

SILK LOGISTICS HOLDINGS

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OVERVIEW

TECHNOLOGY ENABLED 'PORT-TO-DOOR' LOGISTICS

National integrated, end-to-end logistics solutions provider

SILK LOGISTICS HOLDINGS

Port Services

Port Logistics

- 3rd largest wharf cartage business moving 420k+ TEUs p.a.
- Import / Export container cartage services
- Time certain service offering
- Ancillary services (e.g. AQIS Pack/Unpack, Fumigation)

Contract Logistics

- Fully customised technology enabled storage / handling services
- Multi-user, dedicated-user and managed facilities
- Approx. 300k sq. m of premium warehousing across leased and managed sites

- Bespoke '4PL' distribution services to complement warehouse services
- Sophisticated national network of over 60 selected 'last-mile' distribution partners
- Underpinned by Silk's 'Control Tower' technology

End Customer

KEY STATISTICS

A scale operator with strong capabilities and a broad network

127,236 sqm
Container hard stand area

301,306 sqm
Total warehouse area [1] FY21

21
Sites nationally[2]

25%
Customers using two or more of the three port-to-door services[3]

6 years
Average customer relationship[3]

97%
Revenue from repeat customers[3]

1,190
Total personnel[4]

707
Permanent employees

3.8 LTIFR
Decreased from 7.3

1 As at end of June 2021; leased and facilities managed sites
2 Port Logistics and Contract Logistics sites
3 As per Prospectus FY21 figures – 88% of warehouse customers also using wharf cartage and/or distribution services
4 Includes company employed (permanent, fixed term, casual), agency supplied and contracted labour

FY21 PERFORMANCE HIGHLIGHTS

Delivered Prospectus forecast. Driving future growth

FY21 EBIT of $19.4 million versus FY20 EBIT of $0.9 million driven by revenue growth, increased scale, and operational efficiencies.

REVENUE

$323.3 million

YoY increase of 28.6%

New business $46.3m annualized

EBIT

$19.4 million

20.6x pcp

Strong growth in both operating segments

ROCE [1]

50.8%

YoY increase of 48.2%

Industry leading ROCE

BILLED CONTAINERS

25.9% YoY increase

283,352 containers for FY21

New business wins and increased scale

LEASED WAREHOUSE OCCUPANCY

77.9% FY21 average [2]

Versus 72.9% in FY20

Positive gross margin impact

BILLED CONSIGNMENTS

43.9% YoY growth

51,925 consignments for FY21

Strong organic growth

EBITDA TO CASH [3]

92.4%

Strong cash conversion

STRONG BALANCE SHEET

$25.3 million Cash

Capacity for M&A

IPO

Successful

$70 million raise

Strong investor demand

All financials in this presentation are stated on a pre-AASB16 Leases accounting basis and before significant items, unless otherwise stated. FY21 financial results are for the 52-week period ended 27 June 2021, and FY20 financial results are for the 52-week period ended 28 June 2020.

1 ROCE = EBIT pre AASB16 leases and before significant items / (equity + net debt / (cash))

2 ~84% occupancy commencing in July 2021

3 EBITDA to cash = Underlying free cash flow (after capex) / EBITDA pre AASB16 leases and before significant items

SUCCESSFULLY NAVIGATING COVID-19

COVID-19 Update

All Silk sites were able to rapidly implement strong COVIDSafe protocols and remained fully operational throughout FY21.

Logistics is an essential service

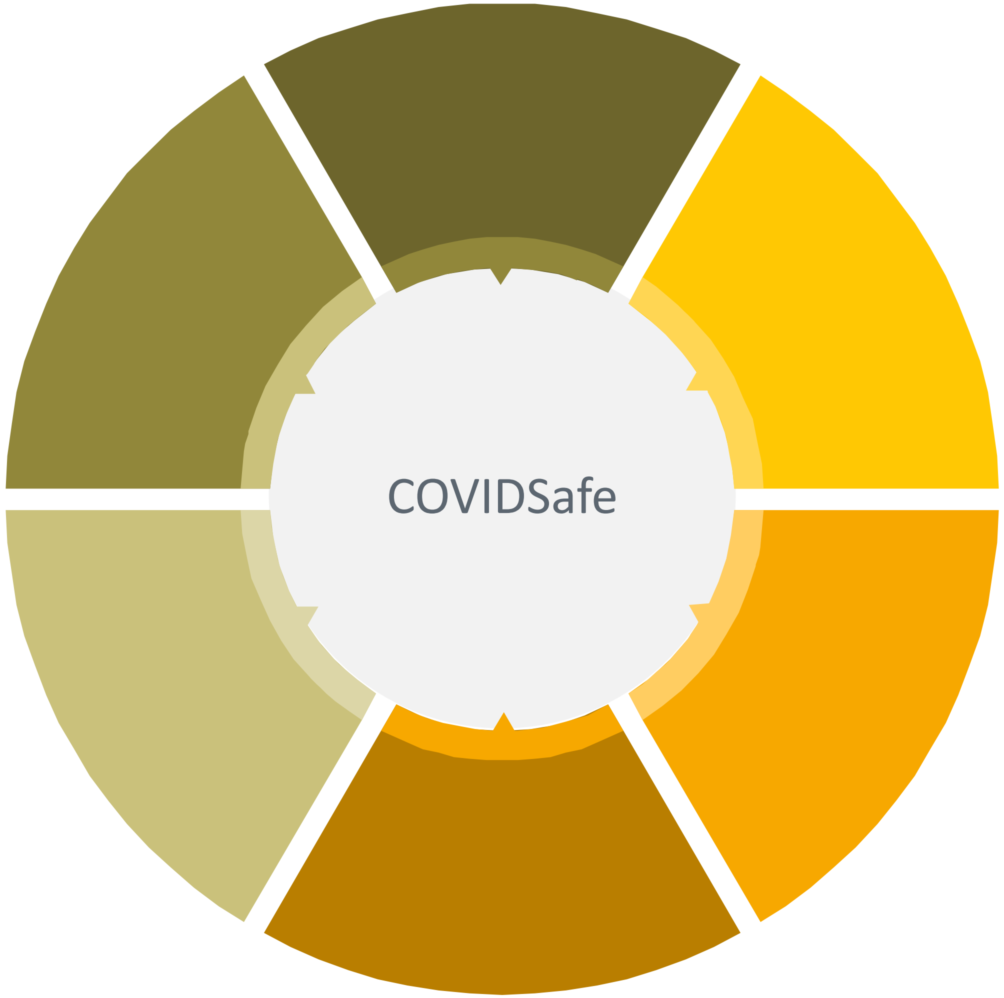
As an essential service Silk has been able to continue to operate across the network, leveraging its asset light model to cope with fluctuations in volume and workloads.

Silk's role during COVID-19

COVID-19 has been disruptive to global supply chains, with flow on impacts to shipping schedules, container costs and ultimately product availability for Silk customers. Silk's nimble, flexible, technology enabled service offer played a critical role in helping customers fulfill their own service promise.

Successfully managed operational impacts

Staffing shortages, higher unplanned leave.
Volatile storage patterns and order volumes.
Inconsistent container volumes through all ports.



Resilient market segments

The market segments Silk concentrates in have proven resilient, with the Silk customer base able to leverage strong consumer demand for their products.

Navigating Supply Chain complexity

The real change emerging from COVID-19 has been the complexity introduced into managing supply chains, creating further opportunity for Silk to deploy its Control Tower/4PL capability.

e-commerce supply chain opportunity

COVID-19 has accelerated the pace of certain customers transitioning to e-commerce models.
There will be a growing requirement for e-commerce solutions in FY22.

FINANCIAL PERFORMANCE

GROUP RESULTS SUMMARY

Delivered on FY21 prospectus forecast

Key financial results v. pcp

($m)	FY21	FY20	YoY Change	FY21 Prospectus Forecast
Revenue	323.3	251.5	28.6%	316.1
EBIT (before significant items)	19.4	0.9	20.6x	17.8 [1]
EBIT margin % (before significant items)	6.0%	0.3%	5.7%	5.6%
Statutory NPAT	8.4	(4.3)	3.0x	4.5 [2]
Free cash flow	22.4	11.2	101.9%	-
ROCE [3]	50.8%	2.6%	48.2%	-

REVENUE & MARGIN GROWTH

Expansion of services to existing Port Logistics customers in NSW and QLD

Extension of offering to existing Warehouse customer 'pull through' into Distribution services in Contract Logistics

New customers won and onboarded across Port Logistics and Contract Logistics

Increase in storage revenue from a rebound in pallet space occupancy

Benefits of operating leverage

Completion and delivery of integration benefits

1 Refer to Prospectus table 4.3.2.1
2 Refer to Prospectus table 4.3.1.1
3 ROCE = EBIT / (equity + net debt / (cash))

GROUP EBIT BRIDGE

Operating segments driving growth

PORT LOGISTICS

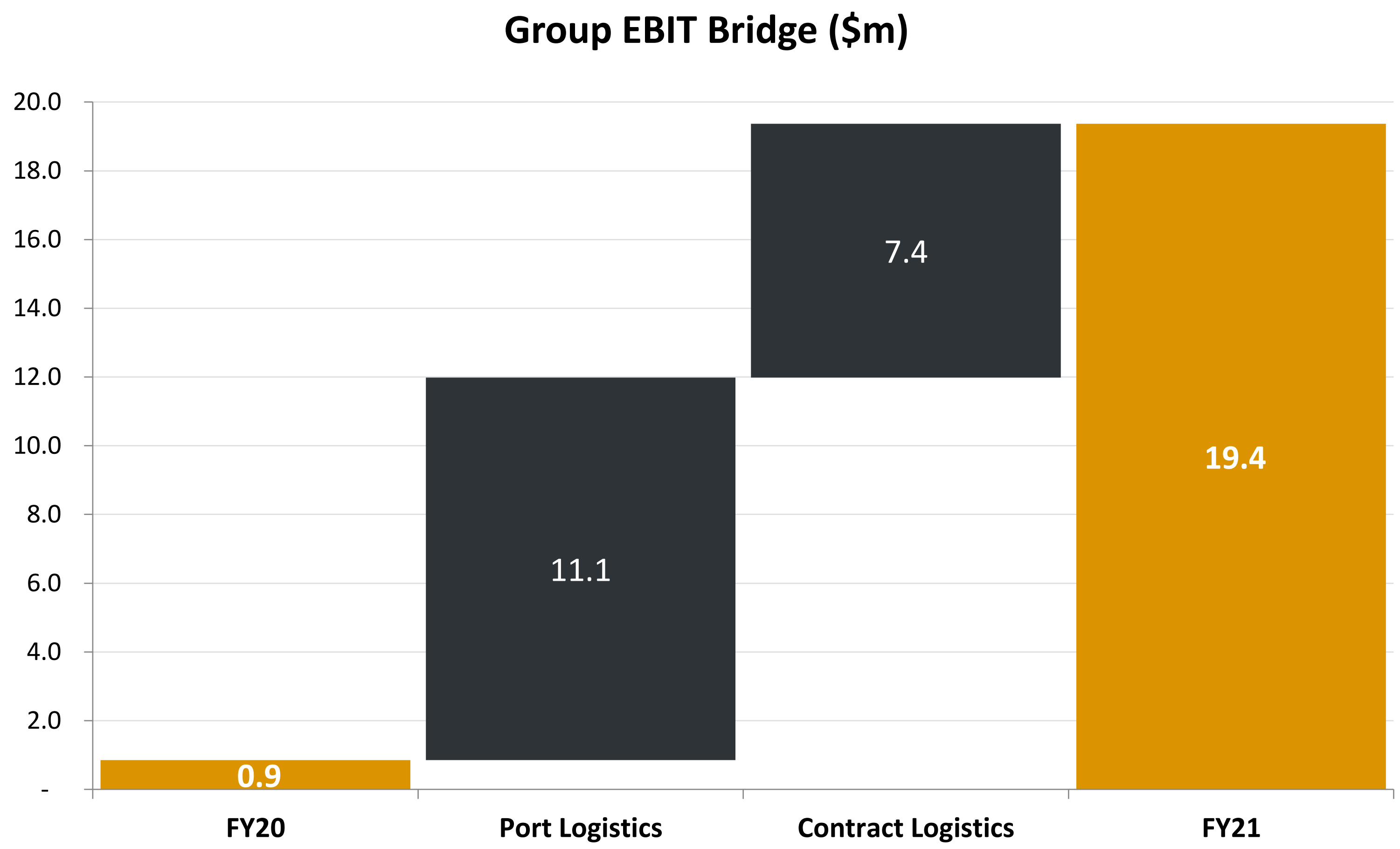
$53.0m Revenue growth

$11.1m EBIT growth

CONTRACT LOGISTICS

$18.8m Revenue growth

$7.4m EBIT growth



GROUP FINANCIAL RESULTS

Strong underlying earnings

Group Financials

	Port Logistics			Contract Logistics			SLH Group		
($m)	FY21	FY20	YoY Change	FY21	FY20	YoY Change	FY21	FY20	YoY Change
Revenue	203.2	150.2	35.3%	120.1	101.3	18.6%	323.3	251.5	28.6%
Expenses before significant items	188.4	144.4	30.5%	110.7	98.8	12.0%	299.1	243.2	23.0%
EBITDA before significant items (pre AASB16)	14.8	5.8	1.6x	9.4	2.4	2.9x	24.2	8.3	1.9x
EBITDA (before significant items) margin %	7.3%	3.9%	3.4%	7.8%	2.4%	5.4%	7.5%	3.3%	4.2%
Depreciation and amortisation	3.6	5.8	(37.5)%	1.2	1.6	(27.4)%	4.8	7.4	(35.3)%
EBIT before significant items (pre AASB16)	11.2	0.0	>100x	8.2	0.8	9.3x	19.4	0.9	20.6x
EBIT (before significant items) margin %	5.5%	0.0%	5.5%	6.8%	0.8%	6.0%	6.0%	0.3%	5.7%

FY21 PORT LOGISTICS SEGMENT

Financial Summary

SILK LOGISTICS HOLDINGS

Increase in container volumes, up 25.9% YoY.

Strong organic revenue growth, up 35.3% YoY.

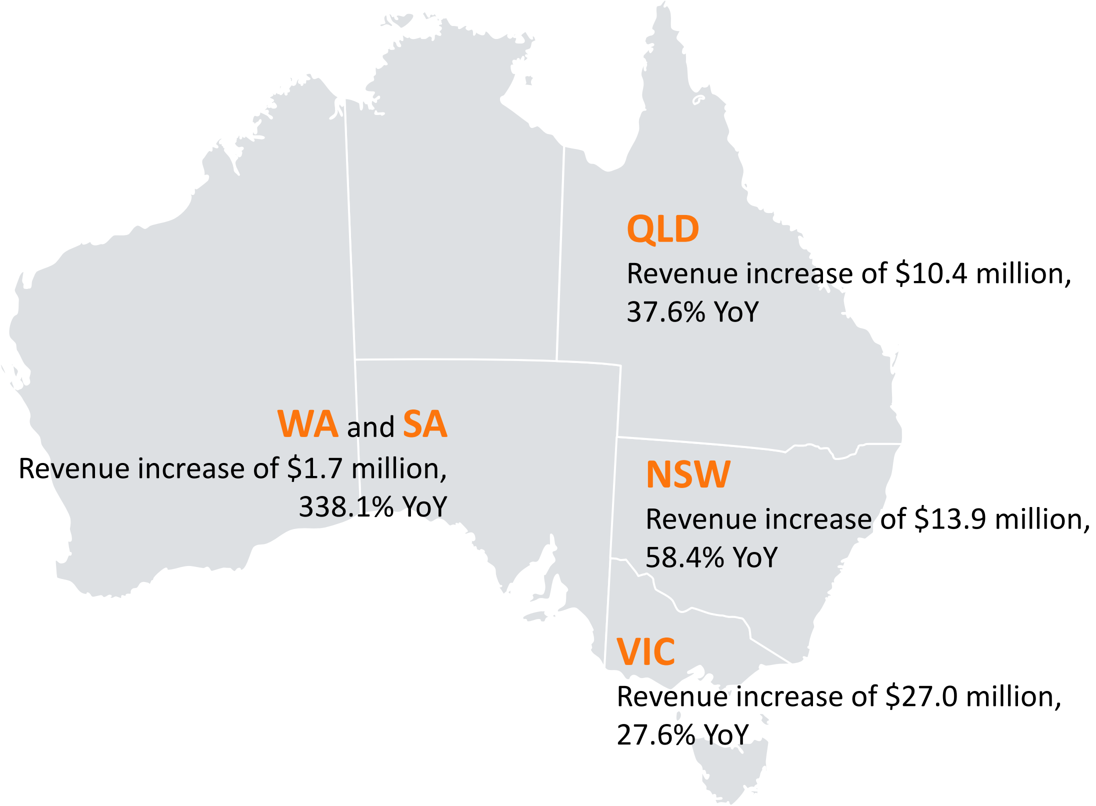
Revenue per billed container increased ~$50 YoY.

Focus on value-add services to increase revenue and share of wallet

Strong cost controls on labour, contractors, equipment and procurement.

	Port Logistics			
($m)	FY21	FY20	YoY Change	FY21 Prospectus Forecast
Billed containers (000's)	283.4	225.1	25.9%	277.3
Revenue	203.2	150.2	35.3%	198.1
Expenses	188.4	144.4	30.5%	184.1
EBITDA before significant items (pre AASB16)	14.8	5.8	1.6x	14.0
EBITDA (before significant items) margin %	7.3%	3.9%	3.4%	7.1%
Depreciation and amortisation	3.6	5.8	(37.5)%	3.7
EBIT before significant items (pre AASB16)	11.2	-	>100x	10.3
EBIT (before significant items) margin %	5.5%	0.0%	5.5%	5.2%

BENEFITS OF SCALE AND INTEGRATION



FY21 CONTRACT LOGISTICS SEGMENT

Financial Summary

SILK LOGISTICS HOLDINGS

($m)	Contract Logistics FY21	FY20	YoY Change	FY21 Prospectus Forecast
Pallet space occupancy (%)	77.9%	72.9%	5.0%	77.3%
Billed consignments (000's)	51.9	36.1	43.9%	49.9
Revenue	120.1	101.3	18.6%	117.9
Expenses	110.7	98.8	12.0%	109.0
EBITDA before significant items (pre AASB16)	9.4	2.4	2.9x	8.9
EBITDA (before significant items) margin %	7.8%	2.4%	5.4%	7.5%
Depreciation and amortisation	1.2	1.6	(27.4)%	1.3
EBIT before significant items (pre AASB16)	8.2	0.8	9.3x	7.6
EBIT (before significant items) margin %	6.8%	0.8%	6.0%	6.4%

- Strong revenue growth of 18.6% YoY.
- Warehouse occupancy uplift of 5% driven by new business wins and recovery from initial COVID-19 impact on supply chains.
- Distribution billed consignments up 43.9% YoY as a result of new business wins and increased share of wallet.
- Handling revenues stronger due to increased demand on key customer segments (retail, light industrial, and food).
- Strong labour controls (deployment of productivity dashboards). Handling margin improvement of 5.6%.
- Full year benefit of warehouse consolidation in WA.

RECONCILIATION

Statutory NPAT and Pre-AASB16 EBIT(DA) before significant items

Reconciliation of Statutory Results - Pre & Post AASB16 Leases

($m)	FY21	Port Logistics Segment	Contract Logistics Segment	Corporate	FY20	Port Logistics Segment	Contract Logistics Segment
Statutory Net Profit After Tax (NPAT)	**8.4**	**5.7**	**4.6**	**(1.9)**	**(4.3)**	**(0.9)**	**(3.5)**
Tax expense	3.9	**2.7**	**2.0**	(0.8)	(1.4)	0.1	(1.5)
Profit Before Tax (PBT)	**12.3**	**8.4**	**6.5**	**(2.7)**	**(5.7)**	**(0.8)**	**(4.9)**
Significant items[1]	3.4	0.7	-	2.7	1.5	0.1	1.4
Underlying PBT	**15.6**	**9.1**	**6.5**	**-**	**(4.2)**	**(0.7)**	**(3.5)**
Interest expense	8.7	2.7	5.9		9.1	2.1	6.9
EBIT before significant items	**24.3**	**11.8**	**12.5**	**-**	**4.9**	**1.4**	**3.4**
Depreciation & amortisation	36.8	14.2	22.6		39.7	12.6	27.1
EBITDA before significant items	**61.1**	**26.0**	**35.1**	**-**	**44.5**	**14.0**	**30.5**
Reconciliation to Pre AASB16							
Operating expenses							
Inclusion of property & MHE hire under previous AAS	(36.9)	(11.2)	(25.7)	-	(36.2)	(8.1)	(28.1)
EBITDA (pre AASB16 and before significant items)	**24.2**	**14.8**	**9.4**	**-**	**8.3**	**5.8**	**2.4**
Depreciation & amortisation [2]	(4.8)	(3.6)	(1.2)	-	(7.4)	(5.8)	(1.6)
EBIT (pre AASB16 and before significant items)	**19.4**	**11.2**	**8.2**	**-**	**0.9**	**0.0**	**0.8**

1 Significant items: FY21 includes IPO costs – $2.7m, remeasurement of deferred consideration liability $0.7m; FY20 includes payments for lost pallets over a number of years $0.7m, bad debts expense relate to a customer that was placed into administration $0.6m, executive leadership team member exit payment $0.2m
2 Depreciation & amortization on items excluding AASB16 RoU assets

BALANCE SHEET

Positioned for growth

SILK LOGISTICS HOLDINGS

Statutory Balance Sheet

($m)	As at 27 Jun-21	As at 28 Jun-20
Cash and cash equivalents	25.3	19.8
Trade, other receivables & assets	51.4	40.2
Total current assets	**76.7**	**60.1**
PP&E, right of use assets	170.0	189.3
Intangible & deferred tax assets	45.6	42.6
Total non-current assets	**215.6**	**231.9**
Total assets	**292.3**	**292.0**
Trade and other payables	(29.8)	(23.8)
Other financial liabilities	(6.0)	(5.3)
Lease liabilities	(34.8)	(30.5)
Other current liabilities [1]	(15.5)	(7.8)
Borrowings	(8.0)	(26.0)
Total current liabilities	**(94.2)**	**(93.4)**
Lease liabilities	(144.0)	(161.2)
Other non-current liabilities	(3.3)	(2.9)
Borrowings	(8.0)	-
Total non-current liabilities	**(155.3)**	**(164.1)**
Total liabilities	**(249.5)**	**(257.5)**
Net assets	**42.8**	**34.4**
Issued capital	52.2	52.2
Retained earnings	15.1	6.7
Reserves	(24.5)	(24.5)
Total equity	**42.8**	**34.4**

1 Other current liabilities include provisions, current tax liabilities and deferred revenue
2 Cash less borrowings and finance lease liabilities
3 Gross leverage = EBITDA pre AASB16 leases and significant items / (debt, bank guarantee and hire purchase liabilities)

Stable liquidity position

Net cash[2] $8.5 million

Low debt serviceability

Gross leverage[3] 1.2x

Improved borrowing capacity

$65.0 million

Based on 2.5x prospectus FY22 Forecast EBITDA

Post-IPO

$10.0 million cash / borrowings $8.0 million

(post offer proceeds, less IPO costs, pre-IPO dividend and loan repayment)

CASH FLOW

Strong cash generation

High EBITDA to cash conversion

Asset light business model – high cash retention

Strong EBITDA to cash conversion focus

Strong working capital management

Clean debtor book - > 90 days aged debtors at 0.8%

Prudent capex investment $3.0m less sale proceeds $0.7 million

Management of payment terms

($m)	FY21	FY20	FY21 Prospectus Forecast
EBITDA pre AASB16 before significant items	**24.2**	**8.3**	**22.9**
Non-cash items	(0.2)	(0.3)	(0.3)
Changes in working capital (pre AASB 16)	0.1	7.6	(5.0)
Net capex	(2.3)	(0.5)	(1.3)
Free cash flow before significant items & pre AASB 16	21.8	15.1	16.3
Landlord deferral impact	0.1	(1.5)	-
BAS deferral impact	2.4	(2.4)	2.4
Bonus payment	(2.0)	-	(2.0)
Underlying free cash flow (after capex)	**22.4**	**11.2**	**16.7**
Cash / EBITDA conversion	*92.4%*	*135.6%*	*72.9%*

OUTLOOK

FY22 OUTLOOK

On track to deliver FY22 Prospectus forecast

- **FY22 Revenue target $339.4 million**
- **FY22 EBIT[2] target $20.9 million**
- **FY22 EBIT margin[2] > 6.1%**
- **FY22 Statutory NPAT[2] $13.3 million**
- **Full year cash target $16.2 million**

COVID-19

Despite some uncertainty caused by ongoing state lockdowns, Silk is well placed to support our existing customers and new customers with supply chain solutions, and to navigate this period by leveraging our asset light business model.

Emerging trends and Australian exports

Some softening in retail sector offset by surge in e-commerce. Existing bricks and mortar retailers are adapting business models rapidly to meet demand. Import and export volumes are forecast to continue to grow in a range of 1.9% to 3.2%[1].

ESG

Silk will continue to develop and invest resources in its environmental, social and governance framework.

M&A opportunities

Consistent with the intent outlined in the Prospectus, Silk has identified M&A targets in the Port Logistics sector.

With the emerging requirement from Silk's existing customer base, the business is also seeking to identify M&A targets in the e-commerce warehouse sector.

Growth to continue

Strong revenue growth to continue. Additional resourcing onboarded to drive new business and extend customer share of wallet. Encouraging early wins to onboard late in Q1FY22.

1 Per Prospectus (Source: IBIS)
2 Proforma - per Prospectus

CLOSING

BUSINESS ON A PAGE

SILK LOGISTICS HOLDINGS

	Port Logistics	Contract Logistics
Brands	ROCKE BROTHERS; SILK CONTRACT LOGISTICS	SILK CONTRACT LOGISTICS
Primary service	• Wharf cartage	• Warehousing • Distribution
Customers (market categories)	• Freight forwarding[1] • Light Industrial • Food • Fast moving consumer goods (FMCG) • Specialist retail • Agricultural (export) • Building	• Light Industrial • Food • Fast moving consumer goods (FMCG) • Specialist retail • Building • Packaging
Key operating statistics	• 283,352 billed containers	• 51,925 billed consignments • 183,097 pallets stored • 77.9% average warehouse occupancy
Key financial statistics	• Revenue $203.2 million • EBIT[2] $11.2 million	• Revenue $120.1 million • EBIT[2] $8.2 million

1 Freight forwarding represents various end markets
2 Pre AASB16 Leases
All figures stated above are for FY21

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