

FY22 HALF YEAR RESULTS PRESENTATION



SILK
LOGISTICS
HOLDINGS

Presenters

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OVERVIEW



1H FY22 PERFORMANCE HIGHLIGHTS

Outperformance against pcp & IPO forecast. Delivering profit margin growth

REVENUE

\$182.4 million

pcp increase of 18.5%

New business \$25.3m annualised



UNDERLYING EBIT

\$12.5 million

pcp increase of 44.5%

Strong performance in both segments



UNDERLYING EBIT MARGIN

6.9%

V 5.6% pcp

Increased operating leverage



BILLED CONTAINERS

10.5% pcp increase

151,182 containers for 1H FY22

New business & existing customer growth



LEASED WAREHOUSE OCCUPANCY

81.6% 1H FY22 average

Versus 74.7% in 1H FY21¹

Underpinned by new business



BILLED CONSIGNMENTS

52.4% pcp growth

38,356 consignments for 1H FY22

New business & existing customer growth



UNDERLYING EBITDA TO CASH²

81.6%

Strong cash conversion



STRONG BALANCE SHEET

\$17.1 million Cash

Capacity for M&A



UNDERLYING EPS³

9.72 CPS

pcp 7.27 cps

Dividend to be paid



Underlying EBIT(DA) represents EBIT(DA) pre AASB16 Leases and before significant items. Significant items are set out on slide 6.

¹ 1HFY21 capacity was lower by 5,096 pallet spaces.

² Underlying EBITDA to cash = Underlying free cash flow after capex / underlying EBITDA.

³ Diluted EPS based on Underlying Net Profit After Tax (UNPAT). Refer to slide 10 and Interim Financial Report - Appendix 4D for UNPAT reconciliation.



FINANCIAL PERFORMANCE



1H FY22 GROUP RESULTS SUMMARY

Outperformance versus pcp & IPO forecast



(\$m)	1H FY22	1H FY21	Change ¹	1H FY22 Prospectus Forecast
Revenue	182.4	153.9	18.5%	169.8
Underlying EBIT (Pre AASB16 Leases) ²	12.5	8.7	44.5%	10.4
<i>Underlying EBIT margin % (Pre AASB16 Leases)</i>	<i>6.9%</i>	<i>5.6%</i>	<i>1.3pp</i>	<i>6.1%</i>
Underlying EBIT (Post AASB16 Leases) ²	14.6	11.6	25.9%	12.9
<i>Underlying EBIT margin % (Post AASB16 Leases)</i>	<i>8.0%</i>	<i>7.5%</i>	<i>0.5pp</i>	<i>7.6%</i>
Underlying NPAT ²	7.4	4.9	49.2%	6.5
Statutory NPAT	3.5	4.3	(18.3)%	6.5
Underlying free cash flow after capex	12.1	2.7	>100%	6.4
Underlying EPS (cents)	9.72	7.27	33.7%	N/A

REVENUE & MARGIN GROWTH



Successfully navigating supply chain challenges



Time certain service offer resonating with market



New customers won and onboarded in Port Logistics and Contract Logistics



Despite high COVID costs (\$1m), business model delivered margin growth



Growth in warehousing capacity and increased utilisation in period



Cost increases recovered from the market

¹ Change on margin % represents difference in percentage points (pp) from prior period.

² Significant items are profit or loss items associated with mergers and acquisitions activity, capital restructures or certain one-off events included in reporting periods that are not reflective of underlying business activities. FY22 pre-tax significant items include – IPO-related costs \$3.1m (net of \$0.5m fair value gain on financial instrument), pre-IPO share-based payments - \$1.8m, business acquisition costs - \$0.3m. FY21 pre-tax significant items include - movement in deferred contingent consideration - \$0.7m. The IPO Prospectus had no significant items in FY22. Further, the IPO Prospectus treated all IPO-related costs as FY21 significant items.

I H FY22 GROUP FINANCIAL RESULTS



Strong underlying earnings

(\$m)	Port Logistics			Contract Logistics			SLH Group		
	1H FY22	1H FY21	Change ¹	1H FY22	1H FY21	Change ¹	1H FY22	1H FY21	Change ¹
Revenue	114.0	95.4	19.5%	68.4	58.4	17.0%	182.4	153.9	18.5%
Expenses	104.5	88.7	17.9%	63.0	53.9	16.8%	167.5	142.6	17.5%
Pre AASB16 Leases									
Underlying EBITDA	9.5	6.7	40.4%	5.4	4.5	19.3%	14.9	11.3	31.9%
<i>Underlying EBITDA margin %</i>	8.3%	7.1%	1.2pp	7.9%	7.7%	0.2pp	8.2%	7.3%	0.9pp
Depreciation and amortisation	1.8	1.9	(7.4)%	0.6	0.7	(18.9)%	2.4	2.6	(10.3)%
Underlying EBIT	7.7	4.8	59.4%	4.8	3.9	25.9%	12.5	8.7	44.5%
<i>Underlying EBIT margin %</i>	6.7%	5.1%	1.6pp	7.1%	6.6%	0.5pp	6.9%	5.6%	1.3pp
Post AASB16 Leases									
Underlying EBITDA	14.4	11.4	27.1%	19.1	18.6	3.0%	33.5	29.9	12.1%
<i>Underlying EBITDA margin %</i>	12.7%	11.9%	0.8pp	28.0%	31.8%	(3.8)pp	18.4%	19.5%	(1.1)pp
Underlying EBIT	8.2	5.3	54.2%	6.4	6.3	1.8%	14.6	11.6	25.9%
<i>Underlying EBIT margin %</i>	7.2%	5.6%	1.6pp	9.3%	10.7%	(1.4)pp	8.0%	7.5%	0.5pp

PORT LOGISTICS

\$18.6m

Revenue growth

\$2.9m

EBIT growth

CONTRACT LOGISTICS

\$10.0m

Revenue growth

\$0.9m

EBIT growth

¹ Change on margin % represents difference in percentage points (pp) from prior period.

1H FY22 PORT LOGISTICS SEGMENT



Strong revenue growth continues - up 19.5% on pcp

Increase in container volumes despite global shipping disruptions - up 10.5% on pcp

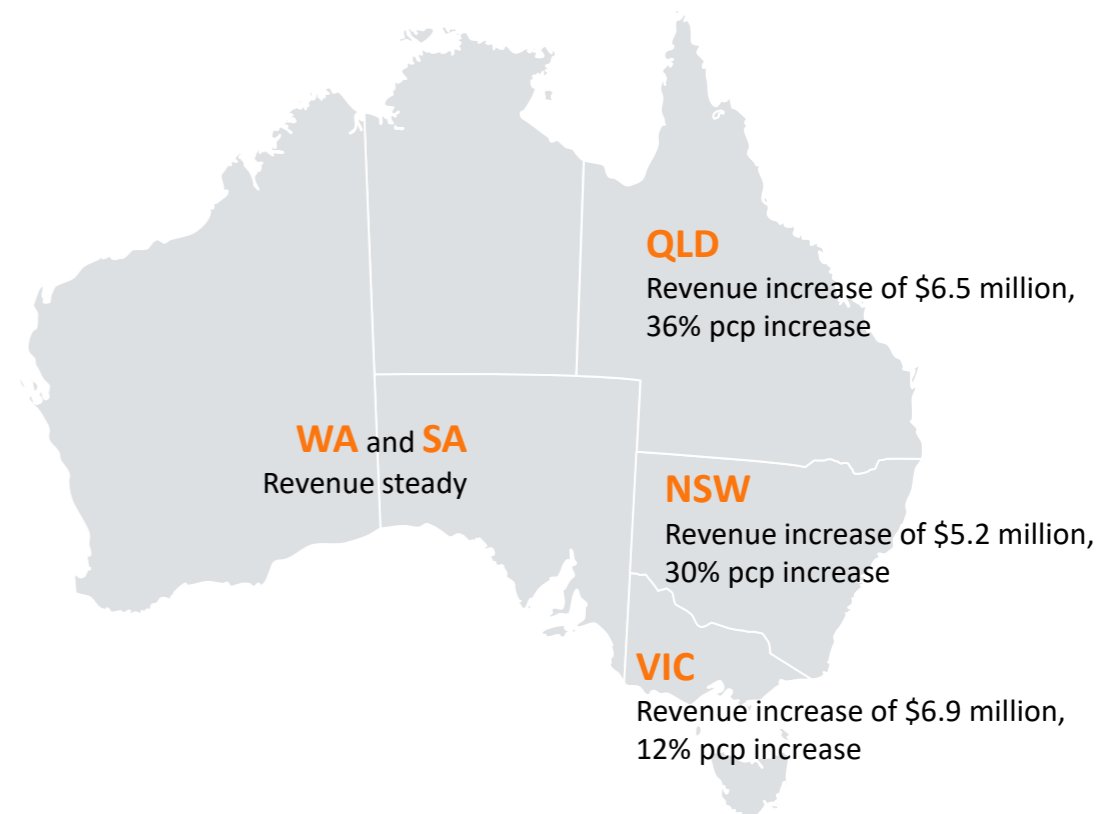
Uplift in revenue per container contributing to 9.0% of revenue growth

Time certain service offer and reliability underpinning growth

Initiatives - fleet renewal program, property expansion, investment in specialised assets

(\$m)	Port Logistics			1H FY22 Prospectus Forecast
	1H FY22	1H FY21	Change ¹	
Billed containers (000's)	151.2	136.8	10.5%	150.4
Revenue	114.0	95.4	19.5%	107.4
Expenses	104.5	88.7	17.9%	99.7
Pre AASB16 Leases				
Underlying EBITDA	9.5	6.7	40.4%	7.7
Underlying EBITDA margin %	8.3%	7.1%	1.2pp	7.2%
Depreciation and amortisation	1.8	1.9	(7.4)%	1.8
Underlying EBIT	7.7	4.8	59.4%	5.9
Underlying EBIT margin %	6.7%	5.1%	1.6pp	5.5%
Post AASB16 Leases				
Underlying EBITDA	14.4	11.4	27.1%	10.9
Underlying EBITDA margin %	12.7%	11.9%	0.8pp	10.1%
Underlying EBIT	8.2	5.3	54.2%	6.3
Underlying EBIT margin %	7.2%	5.6%	1.6pp	5.8%

BENEFITS OF SCALE AND INTEGRATION



¹ Change on margin % represents difference in percentage points (pp) from prior period.

1H FY22 CONTRACT LOGISTICS SEGMENT



Strong revenue growth of 17.0% on pcp through new business

Customer-centric service delivery key to supporting growth

Growing profit margins through scale and operational efficiencies

Delayed 1H FY22 volumes expected to positively impact 2H FY22

Occupancy improved to 81.6% from 74.7% on pcp

(\$m)	Contract Logistics			1H FY22 Prospectus Forecast
	1H FY22	1H FY21	Change ¹	
Leased warehouse pallet space occupied (000's)	195.8	175.4	11.6%	187.6
Billed consignments (000's)	38.4	25.2	52.4%	30.6
Revenue	68.4	58.4	17.0%	62.4
Expenses	63.0	53.9	16.8%	57.1
Pre AASB16 Leases				
Underlying EBITDA	5.4	4.5	19.3%	5.3
Underlying EBITDA margin %	7.9%	7.7%	0.2pp	8.4%
Depreciation and amortisation	0.6	0.7	(18.9)%	0.8
Underlying EBIT	4.8	3.9	25.9%	4.5
Underlying EBIT margin %	7.1%	6.6%	0.5pp	7.2%
Post AASB16 Leases				
Underlying EBITDA	19.1	18.6	3.0%	20.1
Underlying EBITDA margin %	28.0%	31.8%	(3.8)pp	32.3%
Underlying EBIT	6.4	6.3	1.8%	6.7
Underlying EBIT margin %	9.3%	10.7%	(1.4)pp	10.7%

¹ Change on margin % represents difference in percentage points (pp) from prior period.



RECONCILIATION



Underlying profit before significant items and pre & post AASB16 Leases

(\$m)	1H FY22	Port Logistics Segment	Contract Logistics Segment	Corporate	1H FY21	Port Logistics Segment	Contract Logistics Segment
Statutory Net Profit After Tax (NPAT)	3.5	5.0	2.4	(3.9)	4.3	2.2	2.0
Add back significant items ¹	3.9	-	-	3.9	0.7	0.7	-
Underlying NPAT	7.4	5.0	2.4	-	4.9	2.9	2.0
Tax Expenses	(2.1)	(2.3)	(1.1)	1.2	(2.3)	(1.4)	(1.0)
Profit Before Tax (PBT)	5.6	7.3	3.4	(5.2)	6.6	3.6	3.0
Significant items	5.2	-	-	5.2	0.7	0.7	-
Underlying PBT	10.8	7.3	3.4	-	7.3	4.3	3.0
Add back							
Interest expense	3.8	0.9	2.9	-	4.3	1.1	3.3
Underlying EBIT (post AASB16 Leases)	14.6	8.2	6.4	-	11.6	5.3	6.3
Depreciation & amortisation	19.0	6.2	12.8	-	18.3	6.0	12.3
Underlying EBITDA (post AASB16 Leases)	33.5	14.4	19.1	-	29.9	11.4	18.6
Reconciliation to Pre AASB16							
Operating expenses							
Inclusion of property & MHE hire under previous AAS	(18.7)	(5.0)	(13.7)	-	(18.7)	(4.6)	(14.1)
Underlying EBITDA (pre AASB16 Leases)	14.9	9.5	5.4	-	11.3	6.7	4.5
Depreciation & amortisation ²	(2.4)	(1.8)	(0.6)	-	(2.6)	(1.9)	(0.7)
Underlying EBIT (pre AASB16 leases)	12.5	7.7	4.8	-	8.7	4.8	3.9

¹ Significant items are set out on slide 6.

² Depreciation & amortization on items excluding AASB16 RoU assets.

BALANCE SHEET

Positioned for growth

Statutory Balance Sheet (post AASB16 Leases)

(\$m)	As at 26 Dec-21	As at 27 Jun-21
Cash and cash equivalents	17.1	25.3
Trade, other receivables & assets	66.2	51.4
Total current assets	83.3	76.7
PP&E, right of use assets	156.1	170.0
Intangible & deferred tax assets	46.2	45.6
Total non-current assets	202.3	215.6
Total assets	285.6	292.3
Trade and other payables	(30.8)	(29.8)
Other financial liabilities	-	(6.0)
Lease liabilities	(34.3)	(34.8)
Other current liabilities ¹	(17.9)	(15.6)
Borrowings	-	(8.0)
Total current liabilities	(83.0)	(94.2)
Lease liabilities	(131.0)	(144.0)
Other non-current liabilities	(3.0)	(3.3)
Borrowings	(15.0)	(8.0)
Total non-current liabilities	(149.0)	(155.3)
Total liabilities	(232.0)	(249.5)
Net assets	53.6	42.8
Issued capital	68.0	52.2
Retained earnings	8.5	15.1
Reserves	(23.0)	(24.5)
Total equity	53.6	42.8

¹ Other current liabilities include provisions, current tax liabilities and deferred revenue.

² ROCE = Underlying EBIT / (equity + net debt) on an annualised basis.

³ Gross leverage = (debt, bank guarantee and hire purchase liabilities) / underlying EBITDA over preceding 12 months.

⁴ Based on Silk's borrowing threshold range.

⁵ Cash less borrowings and finance lease liabilities.

Increased return on capital

ROCE² 59.0% v full year FY21 50.8%



Improved debt serviceability

Gross leverage³ 0.9x (June 21: 1.2x)



Available borrowing capacity

\$65.0 million

Based on 2.5x previous 12-month EBITDA⁴



Stable liquidity position

Net cash⁵ \$0.9 million



CASH FLOW

Strong cash generation

High EBITDA to cash conversion



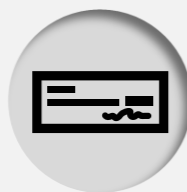
Strong EBITDA to cash conversion



Robust working capital management



Clean debtor book -
> 90 days aged debtors at 1.5%



Management of payment terms



Prudent capex investment \$1.3m offset by sale of assets

(\$m)	1H FY22
Underlying EBITDA	14.9
Non cash items	0.6
Changes in working capital (pre AASB16)	(4.2)
Net capex	-
Free cash flow before adjustment	11.3
Lease deferral impact	0.8
Underlying free cash flow after capex	12.1
Underlying free cash flow / Underlying EBITDA conversion	81.6%



OUTLOOK



FY22 OUTLOOK

Continuing growth momentum



Revenue forecast \$370m - \$380m

Underlying EBIT forecast \$25m - \$26m (Pre AASB16 leases) EBIT % ~6.9%

Underlying EBIT forecast \$30m - \$31m (Post AASB16 leases) EBIT % ~8.2%

Underlying ~NPAT \$16m

Full year cash target ~\$21m

Trading volumes & revenue

- Volume deferred from 1HFY22 will positively impact Q3FY22
- New business pipeline is positive
- Customers planning for early arrival of CY22 peak inventory

101 Warehousing acquisition

- Earnings included in the outlook from February (revenue c. \$10m, EBIT (pre AASB16 Leases) c. \$0.8m, EBIT (post AASB 16 Leases) c. \$1.0m)
- Highly complementary fit for Silk's increasing scale and revenue diversity
- Capability in the rapidly growing eCommerce sector

Operations

- Relaxation of workplace restrictions
- Re-opening borders – labour availability
- Continuing technology investment

Expansion

- M&A – strategic opportunities
- Property – planning additional capacity in Melbourne, Brisbane and Perth
- NSW warehouse – capacity expansion in 2024

RISKS & OPPORTUNITIES

Continuing to manage in current environment

Risks

Rising inflation & interest rates

Labour shortages & added pressure on wage costs

Political uncertainty (domestic / international)

Tightening of industrial property & cost pressures

Opportunities

Further industry rationalisation & consolidation (M&A)

Greater need for visibility & analytic tools (CTPs)

Expanded service offers

Expanded geographic capabilities





OPERATIONAL SUMMARY



KEY STATISTICS

A scale operator with strong capabilities and a broad network

127,236 sqm

Container hard stand area



295,710 sqm

Total warehouse area ¹



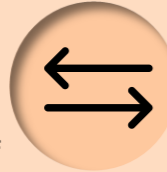
21

Sites nationally²



26%

Customers using two or more of the three port-to-door services³



8.3 years

Average customer relationship⁴



99%

Revenue from repeat customers⁵



1,226

Total personnel⁶



692

Permanent employees⁷

Average unplanned absenteeism rate of 6.7%⁸



3.2 LTIFR⁹

Decreased from 4.2 as at June 2021¹⁰



¹ As at 26 Dec 2021; leased and facilities managed sites.

² Port Logistics and Contract Logistics sites.

³ For period 28 June 2021 to 26 Dec 2021; 90% of warehouse customers also using wharf cartage and/or distribution services.

⁴ Contracted customers only.

⁵ Revenue received from the customer in FY21 and H1FY22.

⁶ Includes company employed (permanent, fixed term, casual), agency supplied labour and transport sub-contractor pool in week ending 26 December 2021.

⁷ Company employed in week ending 26 December 2021.

⁸ Company employed only, average of paid and unpaid unplanned leave for 1H FY22.

⁹ Rolling 12-month average.

¹⁰ Adjusted post publishing of FY21 results to include backdated claim.

TECHNOLOGY ENABLED 'PORT-TO-DOOR' LOGISTICS



The market leader of innovative supply chain solutions through our people and connected networks



2014
Established via MBO

IPO
9 July 2021
\$70 million

Asset right
High cash retention

450
Customers across both operating segments¹

90%
Warehouse customers also using wharf cartage and/or distribution¹

Acquisition
2 February 2022
101Warehousing

¹ Actively trading customers with revenue in 26-week period ending 26 December 2021.



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