

2022 ANNUAL GENERAL MEETING – CEO REPORT

Good morning and welcome to all.

More than ever, Silk is a critical service partner to its customer base. Our integrated, time certain, port-to-door service has delivered our customers certainty during the most uncertain of times.

This customer driven focus has underpinned Silk's success in FY22 and positions the business well to further capitalise on opportunities to extend our service capability and geographic reach.

Silk now has 47 operational sites strategically located in all major Australian capital cities. This footprint provides a distinct competitive advantage and ensures the efficient and cost-effective servicing of our customer base.

Silk achieved outperformance against all metrics in FY22 despite the significant challenges of COVID-19, global supply chain issues and labour shortages. Our time certain service resonates strongly with our customer base, driving strong revenue growth, improved margins and high operating cashflow conversion.

This is attributable to the strong foundations created in previous years including our asset right strategy, our focus on people, process, and technology - what we term The Silk Way - and our risk and governance framework.

Our Business Development team continue to gain market share, delivering over \$46.0m of new annualised revenue. Just as importantly, the team were successful in renewing 10 major contracts during the period. This collaborative approach with customers has been rewarded with strong customer retention and is reflected in a 21-point improvement in our Net Promoter Score.

The strong performance in FY22 is also attributable to the dedication of the entire Silk team and their commitment to uphold The Silk Way and our core values. Indeed, the most critical of our values is Safety, and during the period our total recordable injury frequency rate reduced to 7.26 from the previous period at 10.45. While this compares favourably to peers, we continue to target further safety improvement in FY23 and beyond.

Technology remains a key enabler to the Silk story. We believe that it is no longer simply enough to have capable tier 1 systems, they must now be secure and robustly protected from outside interference, data breaches and human error.

Silk has invested substantially in its Cyber Security capabilities, and I am pleased to advise that the business is now aligned with the Australia Cyber Security Centre Essential 8 recommendations. But we

are not stopping there, we understand that Essential 8 is the baseline and we will continue improving our protection, detection, and response controls. We will continue to invest in this area and periodically validate this by running independent red team penetration testing and external assessments to constantly test the rigour of our defences, and the agility of our recovery and restore processes.

The acquisition of 101Warehousing in February 2022 extended Silk's service offer by providing a B2C fulfillment capability to satisfy this rapidly developing customer requirement. Silk also continued its accelerated expansion of a distribution offer which is a key enabler in driving share of wallet growth.

Silk delivered a full year revenue result of \$394.7 million, an increase of \$71.4 million or 22.1% on the prior corresponding period, and outperforming Prospectus forecast by \$55.3 million.

During a period of rising costs and uncertainty, we maintained our margins through diligent cost recovery mechanisms and collaborative customer relationships.

Our national capabilities and leading port to door service offering was rewarded with strong growth in both operating segments, in part attributable to annualised new business wins in FY22 totalling \$46.6 million. In Port Logistics, billed containers increased by 6.5%, supported by both new and existing customer growth. Contract Logistics leased warehouse occupancy improved by 7.1 percentage points to 85.0%, underpinned by new customer wins and further organic growth; whilst the Distribution service line realised a 46.1% increase in billed consignments, from new customer wins and share of wallet growth.

These results underpinned our strong balance sheet enabling us to pay a full year dividend of 8.49 cents per share representing a yield of 4.2%.

We efficiently utilised our existing assets, infrastructure, and resources to produce a strong result in FY22. This delivered an improvement over FY21 of:

- underlying earnings growth of 16.2%
- underlying NPAT growth of 45%
- underlying free cashflow improvement of 37.5%

In summary the performance has been the result of customers continuing to reward Silk for its time certain offer, with new business wins, share of wallet gains and agreement to a disciplined yield program enabling the business to leverage its operating structure to enhance returns for shareholders.

Silk has commenced FY23 strongly. The pleasing year to date performance has been underpinned by new client wins and supported by organic growth from existing clients via further share of wallet gains. Our warehouse occupancy levels remain above 90% and our top twenty customers are trading well ahead of the prior corresponding period.

Container movements have been supported by a strong agricultural season which continues to drive increased export volumes.

We remain focused on organic growth opportunities and are building a long-term strategic pipeline to support the development of new facilities. This includes the Kemps Creek site, on which Silk purpose-built warehouses will come online from FY25, enabling the establishment of a new hub in New South Wales, and creating increased warehouse capacity at reduced operating costs. Over FY23 and FY24 we expect to add over 115,000 square metres of new capacity, allowing us to further drive organic growth.

In September 2022, we acquired Fremantle Freight & Storage Group, a leading Western Australian Port Logistics provider. This acquisition fulfils one of the primary growth targets flagged in our Prospectus and enables us to better service our blue-chip customer base on a national level. We have an exciting pipeline of acquisition targets and expect to continue to expand our service and geographic coverage in the year ahead.

Silk respects the significance of our Environmental, Social and Governance ('ESG') responsibilities and is committed to making tangible progress against our ESG roadmap in FY23. We continue to review and develop our Future Energy and Decarbonisation Strategy for all our operations.

Under our ESG initiatives we have identified three key areas of focus, being reduction of power consumption across our facilities and operations, maintaining our transport fleet and equipment in line with most advanced emission standards available, and exploration and trial of alternative fuel and equipment options to reduce emissions and carbonisation.

We are assessing all options to achieve our environmental goals, including exploring sustainable future fuels and carbon offsets. We recognise the important contribution that the broader logistics industry will play in this area, and we are committed to progressively reducing our greenhouse gas emissions in accordance with all government regulations and timelines and are working with a range of global brands and partners in order to achieve this critical outcome.

Enhancing shareholder value is a key objective for the Board and management team. We have a clear plan to achieve this over the next five years in a sustainable manner, through continued focus on new services, geographic expansion, and achieving a step up in scale through targeted acquisitions. We will do this while continuing to invest in our people, processes, and technology.

Our five-year plan features a series of time horizons over which we will continue to strengthen our core service offer, grow our share of wallet and fill gaps in our capabilities. We have new sites and capacity coming online in the near term, in New South Wales, Queensland and Western Australia, that will aid our geographic expansion where we will seek to deploy bespoke technology and automation solutions.

Importantly, we will actively pursue opportunities to optimise our network and service offer with further strategic acquisitions. Our Board approved strategy has provided a clear mandate to pursue not only smaller bolt on opportunities but a transformational acquisition in the near to medium term.

As always technology will remain a key part of Silk's service offering, and as such we will continue to invest in our technology stack, reporting and analytic capabilities.

In terms of our outlook, Silk's position remains unchanged from our FY22 Annual results announcement, where we stated that subject to no material adverse change in current economic conditions, Silk expects to grow revenue and underlying earnings in FY23.

The management team is committed to executing its Board approved strategy with the near-term focus on the further integration of 101Warehousing and Fremantle Freight and Storage, implementing new customer sites and developing technology including robotic solutions where appropriate. The Corporate Development team will also be actively seeking to add to our list of acquisitions.

These initiatives will be underpinned by the ongoing investment in the organisation's talent base, to ensure our growth is sustainable and accretive for shareholders.

This focus on sustainable growth was recently recognised with Silk winning the "Business Services Growth Company of the Year" for 2022, as awarded by the Australian Growth Company Awards. This award is testimony to the success of The Silk Way and our performance in FY22 and should give all shareholders comfort that the Board and management team of Silk Logistics Holdings are delivering.

Thank you for your time and attendance today. You can be assured that we are committed to creating continued long-term value for our shareholders. I will now hand you back to our Chair, Terry Sinclair, to continue with AGM proceedings.

This announcement is authorised for release by the Board of Directors of Silk Logistics Holdings Limited.

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Forward-Looking Statements

This announcement contains forward-looking statements, including references to expected outcomes. Forward-looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond SLH's control and speak only as of the date of this announcement. Readers are cautioned not to place undue reliance on forward-looking statements.