

Silk Logistics Holdings Limited (ABN 45 165 867 372)

Appendix 4D – Half Year Report for the period ended 31 December 2023

as required by ASX listing rule 4.3A

Reporting Periods

Current reporting period

For the half-year ended 31 December 2023

Previous reporting period

For the half-year ended 25 December 2022

Results for announcement to the market

		31 December 2023 \$'000	25 December 2022 \$'000
Revenue from ordinary activities	Up 9.0% to	276,506	253,635
Underlying net profit after tax ('UNPAT') attributable to the owners of Silk Logistics Holdings Limited	Down 21.8% to	7,644	9,779
Profit from ordinary activities after tax attributable to the owners of Silk Logistics Holdings Limited	Down 30.0% to	6,176	8,828
Net profit for the half-year attributable to the owners of Silk Logistics Holdings Limited	Down 30.0% to	6,176	8,828

Dividends

	31 December 2023 Cents	25 December 2022 Cents
Interim dividend for the half-year ended 31 December 2023	2.82	5.27

Current period

On 26 February 2024, the directors declared an interim dividend for the half-year ended 31 December 2023 of 2.82 cents per ordinary share with a record date of 4 March 2024 to be paid on 10 April 2024.

Previous period

On 22 August 2023, the Board of Directors declared a fully franked FY23 final dividend of 3.10 cents per ordinary share. The dividend was paid on 2 October 2023.

On 23 February 2023, the Board of Directors declared a fully franked FY23 interim dividend of 5.27 cents per ordinary share. The dividend was paid on 31 March 2023.

Explanation of results

Underlying net profit after tax ('UNPAT'), being net profit after tax but before significant items (refer following table) has been used to measure the financial performance of the Group. The Group believes this measure of performance best represents the underlying operating results of the Group. For the half-year ended 31 December 2023, Group UNPAT of \$7,644,000 (1H FY23: \$9,770,000) was 21.8% lower than the previous corresponding period ('pcp').

	Half-year 31 Dec 2023 \$'000	Half-year 25 Dec 2022 \$'000
Profit from ordinary activities after tax attributable to the owners of Silk Logistics Holdings Limited	6,176	8,828
<i>Significant items:</i>		
Acquisition and related expenses ¹	566	951
Discontinued site costs ²	128	-
Corporate restructure costs ³	98	-
Depreciation, amortisation and interest on fair value of acquired assets and liabilities ⁴	676	-
Group UNPAT	7,644	9,779

¹ Costs associated with the acquisition of Secon Freight Logistics which was completed 1 September 2023

² Costs associated with the discontinued Kemps Creek, NSW site as announced on 14 November 2023

³ Costs associated with corporate restructure activities

⁴ Depreciation and amortisation on the fair value uplifts recognised from the provisional purchase price accounting on acquisition of Secon Freight Logistics so as to reflect the underlying contribution of the business before any provisional fair value uplifts. Interest expense relates to the unwind of the present value of the contingent consideration payable on acquisition of Secon Freight Logistics

Significant items are costs or income associated with merger and acquisition activity (including depreciation, amortisation and interest on fair value of acquired assets and liabilities), capital restructures or certain one-off costs or income incurred in reporting periods that are not reflective of underlying business activities.

Basic earnings per share ('EPS') as set out in the interim financial report, using statutory NPAT, was 7.67 cents per share (cps) (1HFY23: 11.20) and on a diluted basis was 7.67 cps (1HFY23: 11.17 cps).

Diluted UNPAT EPS is 9.49 cps (1HFY23: 12.38 cps).

Net tangible assets per security

	31 December 2023 Cents	25 December 2022 Cents [^]
Net tangible assets per ordinary security	(14.08)	11.51

Net tangible assets is net assets less goodwill and intangibles assets. In addition to goodwill and other intangible assets recognised in prior periods, net tangibles assets at 31 December 2023 excludes goodwill and other intangible assets recognised on acquisition of the Secon Group, and includes borrowings (net of cash acquired) used to finance the cash consideration at completion date. Refer attached interim financial report.

[^] Restated to align with 31 December 2023 calculation basis.

Details of entities over which control has been gained or lost during the period

On 1 September 2023 the Group acquired all of the issued and outstanding equity interests of Secon Freight Logistics Pty Ltd and its underlying group. Refer attached interim financial report.

Details of associates and joint venture entities

Not applicable.

Foreign entities

Not applicable.

Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.