

Ryder Capital outperforms Australian Equity Indices and declares a 1 cent fully franked interim dividend.

Ryder Capital Limited's (Ryder or Company) [ASX: RYD] undiluted pre-tax NTA return for six months was (7.4%) and for the twelve months to 31 December 2018 was (3.7%). While disappointing in a short-term nominal context, this compares favourably to other long only equity index returns.

Cash holdings at 31 December were \$23.8m or 29.3%, providing substantial flexibility and liquidity to capitalise on future investment and market volatility driven opportunities.

The Company's pre-tax net assets rose strongly to \$77,578,247 (from \$57,406,933 at 30 June 2018) reflecting the exercise of 22,511,173 RYDO Options during the period. The Company's NTA per share value was enhanced by the ongoing operation of the Company's share buyback where 2,375,297 units were purchased on market at an average price of \$1.1936 for a total outlay of \$2,835,079 during the period. The Company's closing issued capital of 60,333,321 shares increased from 40,197,445 giving Ryder a market capitalisation of \$73.0m at 31 December 2018 up from \$50.3m (30 June 2018).

The Company made a statutory profit before tax of \$138,386 and after providing for a tax benefit of \$85,513 made an after-tax profit of \$223,899 in 1H FY2019.

The Manager's performance (as measured by the performance of the Company's portfolio less all operating costs before tax) underperformed the Company's set performance benchmark for the period. The Manager continues to outperform the Company's performance benchmarks over the more relevant three years and since inception timeframes (refer to performance table).

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a)	Since Inception ⁽²⁾ (%)	Since Inception ⁽²⁾ (% p.a)
Gross Portfolio Performance	-7.47	-6.39	-1.30	18.85	72.52	18.12
Pre-tax Undiluted NTA Return ⁽³⁾	-7.93	-7.40	-3.72	13.76	50.50	13.30
Pre-tax NTA Return⁽¹⁾	-11.24	-12.67	-11.19	10.75	38.84	10.54
Performance Benchmark (RBA Cash Rate +4.25%)	1.42	2.86	5.75	5.83	20.51	5.86
ASX All Ords Accumulation Index	-9.74	-9.23	-7.42	2.23	12.87	3.79
ASX Small Ords Accumulation Index	-13.70	-12.75	-8.67	7.45	38.11	10.44
ASX200 Accumulation Index	-9.04	-8.85	-6.90	2.16	12.44	3.67

1. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees and ignoring the dilutionary impact of unexercised outstanding RYDOA options.

2. Inception Date is 22 September 2015

3. Pre-tax NTA return adjusted for exercised 26.7m RYDO options.

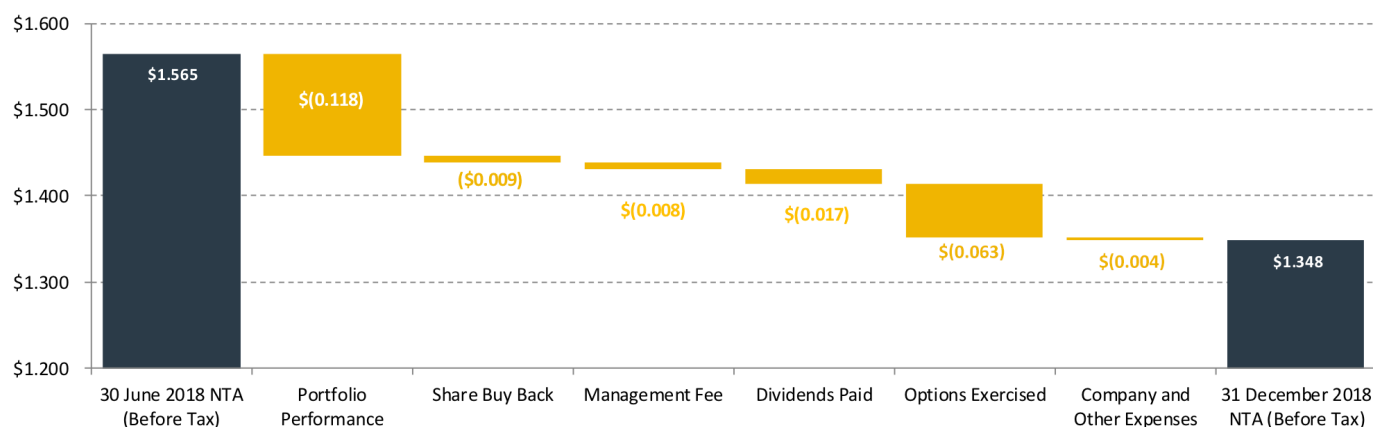
The Company intends to selectively continue the operation of the share buyback where it is accretive on a fully diluted basis.

Directors are pleased to announce a 1 cent per share fully franked interim dividend payable on 25 March 2019 with an ex-date of 8 March 2019. Directors are committed to paying a steady stream of fully franked dividends provided the Company's investment returns, available cash and franking account allow for the fulfillment of this objective.

Portfolio Performance

Gross portfolio performance was (6.39%) for the period and (1.3%) for the year. Cash holdings increased substantially during the half due to the exercise of 22.5m RYDO Options during the period and at 31 December 2018 cash holdings represented 29.3% of the portfolio.

Ryder 1H FY2019 Pre Tax NTA Performance



Outlook

As bottom up stock pickers we are not overly obsessive about short term market volatility and direction, or for that matter macro themes. However, we do use market volatility to selectively enter and exit investments and as a guide to determine appropriate cash weightings - as such we have given some thought to the recent market volatility and what lies ahead.

Our high level observation is markets have become overly complacent, getting ahead of themselves in terms of expectations for continued low volatility, double digit earnings growth and a measured pace of US led credit tightening by the Federal Reserve. Compounding these adjustments to expectations has been the impact of mutual fund flow driven Exchange Traded Fund behaviour which at its extreme can become somewhat self-fulfilling as declining prices promote re-allocation away from equities/certain sectors and in turn further selling.

Global GDP has weakened more recently due to a number of widely reported factors however, we note that in a historical context we are far from being able to forecast with any certainty an impending recession. As such we see markets muddling along with the potential for heightened volatility providing excellent opportunities for stock picking.

We currently hold approximately 27.8% of the portfolio in cash (as at 31 January 2019), putting the Company in a strong position to capitalise on future investment opportunities as and when they present.

Peter Constable

Chairman & Chief Investment Officer

David Bottomley

Director & Portfolio Manager

For more information visit www.rydercapital.com.au or contact: 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 (Manager) a Sydney based boutique fund manager pursuing a high conviction value driven investment strategy specialising in small to mid-cap Australasian equities. The 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 Managers success to date has been to minimise mistakes, ignore the crowd and back their judgement.