



# Working Capital Report 2024

McGrathNicol

# Welcome

The length of the average working capital cycle increased in 2024, tying up an additional \$754 million in cash for our sampled companies. There was a mix of results at the company level with 46% of the businesses actually experiencing a decrease in Days Working Capital, highlighting that a material competitive advantage can be achieved by implementing best practice working capital management techniques.



**Jason Ireland, Partner**  
+61 2 9338 2694  
jireland@mcgrathnicol.com



**Sean Wiles, Partner**  
+61 2 9248 9986  
swiles@mcgrathnicol.com



**Suzanne Westney, Director**  
+61 2 9338 2657  
swestney@mcgrathnicol.com

Welcome to the 2024 McGrathNicol Advisory Working Capital Report, the 12<sup>th</sup> annual edition of the report from our Cash and Working Capital Centre of Excellence.

This year our sample includes 124 ASX listed companies across seven sectors, with a combined market capitalisation of \$1.15 trillion. We have analysed the most recent full year (FY) results for 2024 and 2023 and incorporated international benchmarks for Asia, the US, and the EU.

Our sampled companies showed resilience in the face of challenging trading conditions and variable demand across most sectors in 2024, with 62% reporting an increase in revenue. However, only 54% of operators were able to achieve an increase in profitability as ongoing inflationary and interest rate pressures were compounded by increasing labour and other input costs. Understandably, management teams increased their focus on measures to protect margins and reduce costs in 2024.

In 2024, average Days Working Capital (DWC) increased by 0.4 days, locking up an additional \$754 million in cash. The increase in DWC was driven by operators holding more inventory (higher Days Inventory Outstanding or DIO), with close to a quarter of the sample carrying more than two weeks' additional inventory in 2024. Average Days Sales Outstanding (DSO) also increased as customers likely slowed payments to conserve cash and mitigate profitability concerns. In response, our sampled businesses paid their suppliers more slowly (higher Days Payable Outstanding or DPO). In fact, all sectors that saw an increase in average DSO also reported higher average DPO. Across the majority of sectors covered, the gap between the "best" and "worst" performers was in excess of 100 days.

To supplement our analysis in 2024, we put a spotlight on cash forecasting and the Payment Times Reporting Scheme (PTRS). With tightening margins and the ongoing challenges faced by management teams in optimising the conversion of earnings to cash, robust cash forecasting practices will be critical in 2025. Robust forecasting is the first step in best practice working capital management because it highlights priorities for improvement efforts. In addition, the shift in supplier payment cycles in 2024 has brought the application of the PTRS into frame, with a recent statutory review resulting in new reporting obligations and the provision of additional powers to the PTRS Regulator to act on non-compliance by reporting entities.

The following pages show a break down by sector, with information about our Cash and Working Capital Centre of Excellence provided at the end of the report.

# Working Capital Basics

## DSO

<b>2023</b>	<b>2024</b>
34.6	35.7
<b>Change</b>	<b>1.1</b>

### Measures the length of the 'order to cash' cycle.

Number of days of sales represented by outstanding debtors at the relevant calculation date.

An increase indicates that a company is taking longer to receive payment from its customers, which could result in cash flow constraints. A decrease indicates that a company is collecting payment from its customers more quickly, improving its cash flow.

## DIO

<b>2023</b>	<b>2024</b>
87.4	90.5
<b>Change</b>	<b>3.1</b>

### Measures the length of the 'make to order' cycle.

The number of days of purchases represented by inventory balances at the relevant calculation date.

An increase indicates an increase in inventory holdings. The increase may be planned (in anticipation of growth) or it may represent a build-up of unsold inventory due to challenging market conditions. A decrease indicates a reduction in inventory holdings.

## DPO

<b>2023</b>	<b>2024</b>
59.5	63.8
<b>Change</b>	<b>4.3</b>

### Measures the length of the 'procure to pay' cycle.

The number of days of purchases represented by outstanding creditors at the relevant calculation date.

An increase indicates a company is taking longer to pay its suppliers. This is positive from a cash flow perspective in that it preserves cash, but can indicate tight liquidity and cause strained supplier relationships. A decrease indicates a company is paying its creditors more quickly. This may be planned, but it could also indicate a company is unable to negotiate longer terms with its suppliers.

## DWC

<b>2023</b>	<b>2024</b>
52.1	52.5
<b>Change</b>	<b>0.4</b>

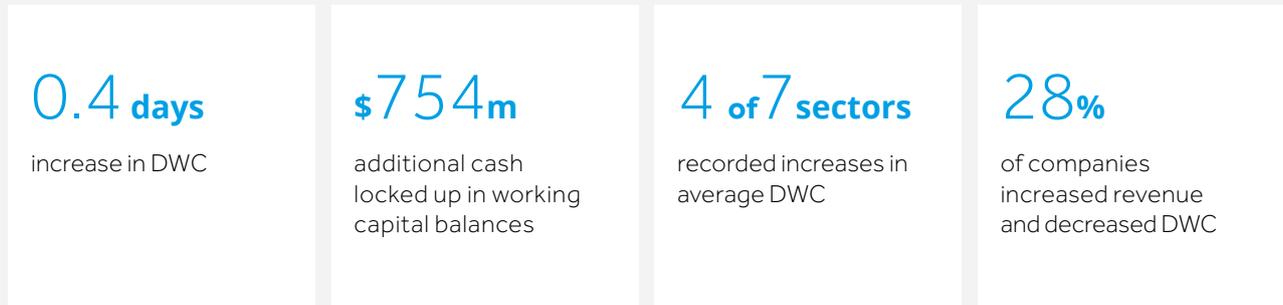
### Measures the length of the full working capital or 'cash conversion' cycle.

The relative measure of total working capital tied up in a company relative to its sales.

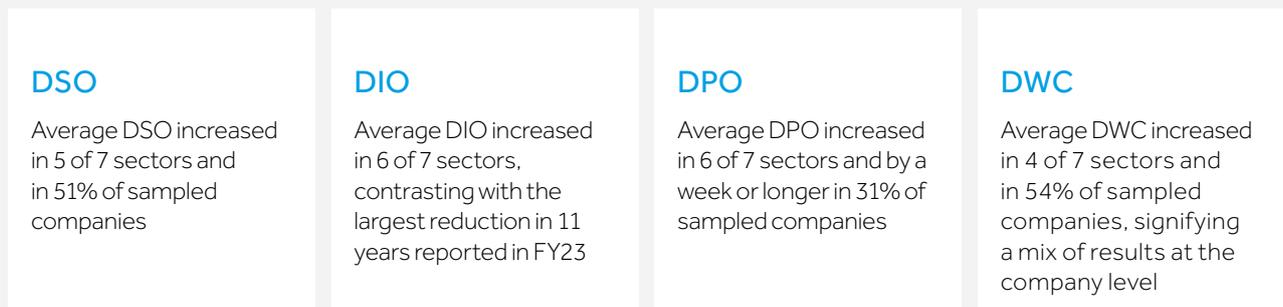
An increase indicates that a higher level of working capital has been required to operate a business, and may result from an increase in DSO or DIO, or a decrease in DPO. A decrease indicates that a lower level of working capital has been required to operate a business, and may result from a decrease in DSO or DIO, or an increase in DPO.

# Summary

## How have working capital cycles changed in 2024?



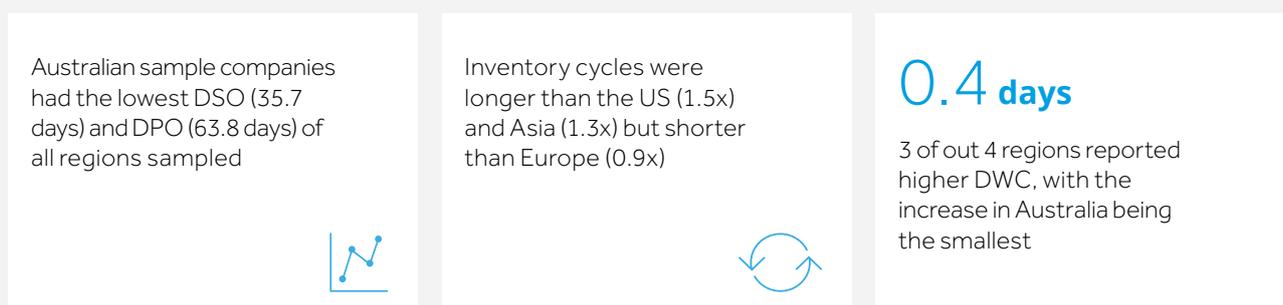
## How have the working capital metrics changed in 2024?



## What are the sector insights?



## How does Australia stack up against the rest of the world?



# FY25 Sector Outlook

DWC performance was mixed in FY24, with 4 of 7 sectors experiencing a lengthening of the DWC cycle. This marked somewhat of a reversal from FY23, where all sectors saw a decrease in DWC, mainly achieved through shortening collection cycles and reducing inventory. In FY24, DIO increased by 3.1 days, with sampled companies experiencing subdued demand and slower stock movement. 53% of companies that experienced higher DIO also faced longer customer collection cycles, putting further pressure on cash flow. To ease some of the pressure from higher DIO and DSO, average DPO increased in 56% of sampled companies, with operators in the Agriculture and Construction & Engineering sectors increasing DPO by a week or longer.

## Agriculture

### DWC 0.3

Slight increase in DWC, masking larger movements in DSO, DIO and DPO. Agriculture remains the most working capital-intensive sector with operators holding inventory for over six months (on average).

### Looking forward



Moderate conditions

- Effective inventory management is vital noting improved weather conditions and forecast higher agricultural commodity prices (sample reduced holdings in FY24, with 50% reducing by two weeks or more).
- Proactively manage customer collections given likely limited ability to stretch suppliers more.

## Building Products

### DWC (1.7)

Reduction in DWC, with significant variances in performance at the company level (noting that almost half of the sample reported DWC movement of a week or more).

### Looking forward



Moderate to Harder conditions

- Decrease inventory balances (to shift the burden of holding inventory along the supply chain).
- Focus on customer and supplier management as lower housing approvals slow demand.
- Review supplier terms and the extent to which these can be increased (without putting pressure on quality / supply).

## Construction & Engineering

### DWC 1.8

Increase in DWC was driven by increases in DSO and DIO, offset by an increase in DPO. The DPO metric was the result of a mix of results at the company level with three of the majors increasing DPO by >30 days to offset increases in DSO and DIO.

### Looking forward



Harder conditions

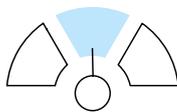
- Proactively manage debtors and WIP by implementing robust internal processes. Likely limited ability to push supplier payment times much higher.
- Mitigate and manage counterparty risks.
- Aim for cash positive or cash neutral projects (through the life of project rather than just at the end).

## Food & Beverage

### DWC (1.2)

Lower DWC, driven by a material reduction in DIO. This was partially offset by a reduction in DPO with two-thirds of the companies that collected more quickly from customers also paying their suppliers more quickly.

## Looking forward



Moderate conditions

- Prioritise inventory management, which remains critical in the sector.
- Integrate sales, operations, and inventory planning.
- Review supplier terms and the extent to which these can be increased (without putting pressure on quality / supply).

## Mining & Resources

### DWC 1.8

Increase in DWC due to higher DSO and DIO. Close to 60% of the sample that were paid more slowly by their customers also held more inventory, increasing the pressure on cash flow for those operators.

## Looking forward



Moderate to Harder conditions

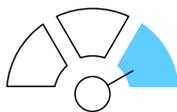
- Regularly review customer terms (using leverage where available to negotiate shorter terms).
- Prioritise inventory management amid commodity price fluctuations.
- Integrate sales, operations, and inventory planning.

## Retail

### DWC (1.9)

Reduction in DWC as retailers slowed payments to suppliers to mitigate the effects of an increase in DIO.

## Looking forward



Harder conditions

- Continue to focus on inventory management (noting operators carried over four months' of inventory in FY24).
- Refocus on supplier management to ensure security of supply, after extending payment cycles in FY24.
- Closely manage cash flow while revenue is impacted by subdued discretionary spend.

## Transport & Logistics

### DWC 2.8

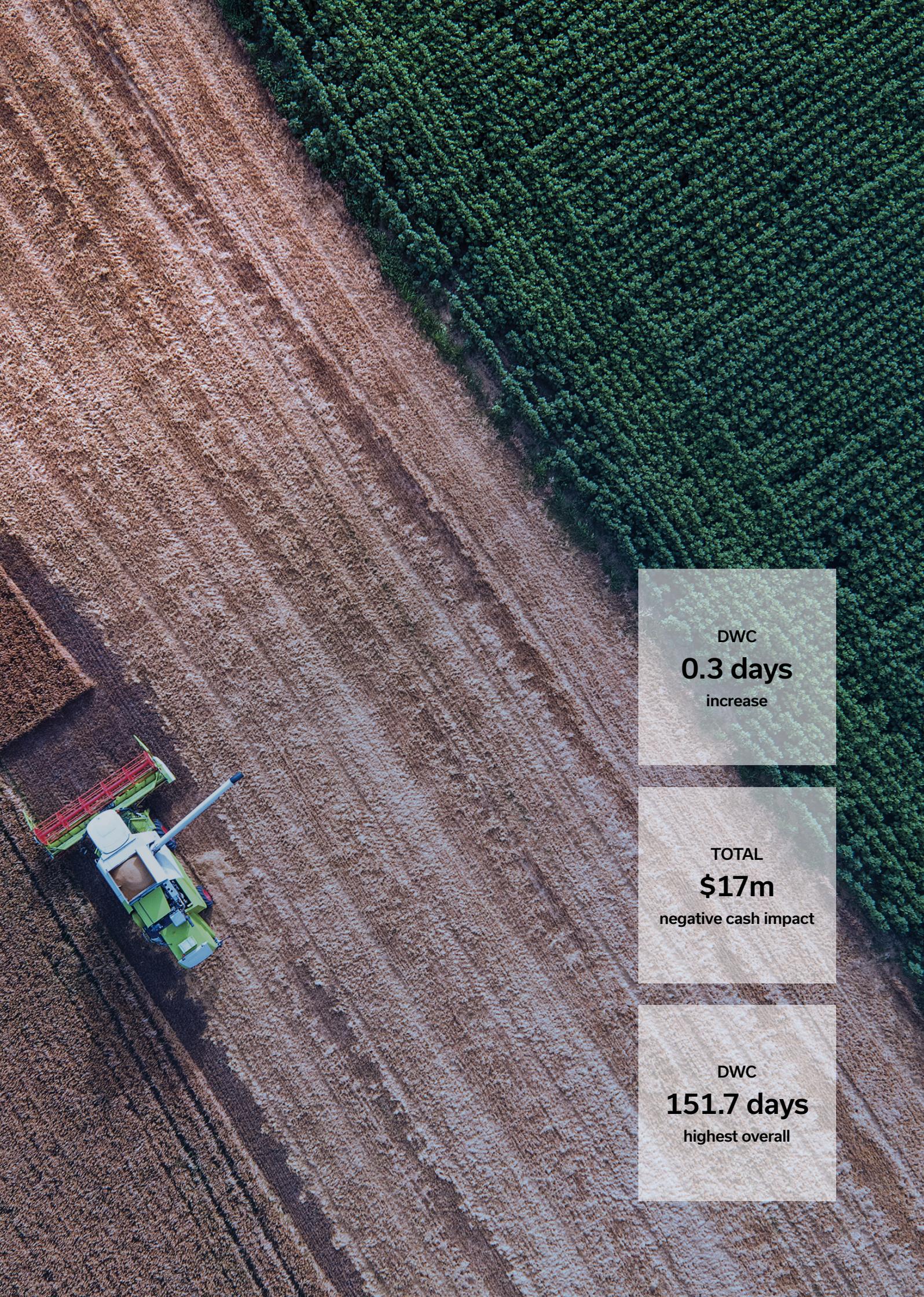
Largest increase in DWC of all sectors but remains the sector with the lowest working capital load. Increases in DSO and DIO were partially offset by an increase in DPO.

## Looking forward



Moderate conditions

- Manage inventory loads as industrial real estate demand and capacity normalises.
- For importers and exporters, consider hedging strategies (given international market volatility).
- Review supplier terms and extent these can be increased (without putting pressure on quality / supply).



DWC  
**0.3 days**  
increase

TOTAL  
**\$17m**  
negative cash impact

DWC  
**151.7 days**  
highest overall

# Agriculture

## Slight increase in average DWC and remains the sector with the highest inventory and overall working capital loads.

After consecutive years of higher sales, our sample of Agriculture companies reported an average 8% fall in revenue during FY24. Amongst a range of challenges, the El Niño event led to drier conditions, reducing crop yields in some sectors from the record highs in FY23. However, early 2024 rainfall did improve the outlook for winter crops, such as wheat and barley. Despite the lower sales, operating costs were well managed across the sector, with average gross and EBITDA margins remaining stable (relative to the prior year).

In terms of working capital performance, average DWC increased by 0.3 days to 151.7 days, driven by a 5.4 day increase in DSO (to 58.4 days) and a 3.5 day increase in DIO (to 188.3 days). Of particular note, the sector reported the highest DIO and DWC of all sectors covered in FY24. Interestingly, there was a mix of outcomes across the sample, with 80% of companies actually reducing their inventory holdings (and 50% of these companies doing so by lowering DIO by two weeks or longer).

To offset the impact of the increased inventory load and longer collection cycles for some operators, average DPO increased by 12 days (to 83.4 days) in FY24. However, only one third of the sampled companies that saw an increase in DSO were able to counter this by paying suppliers more slowly, signifying the complexities of managing working capital in this sector. This was also reflected in the large movements across all working capital metrics at the individual company level.

Our Australian sample's DWC remains significantly higher than our international sample, driven by higher DIO compared to the US, Europe and Asia, and lower DPO compared to our European sample.

Looking ahead, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) forecasts a 4% increase in the value of Australian agricultural production in FY25, driven by favourable conditions across much of the country, which are expected to improve crop production and result in higher livestock prices.

"The [operating cash] outflow in the current period was considerably lower than the pcp due to a concerted focus on inventory... Management will continue to focus on working capital via a range of actions including customer terms, supplier negotiations and effective stock management."

### Greg Hunt

Managing Director and CEO  
Nufarm limited  
Company Announcement

#### AGRICULTURE - FINANCIAL YEAR

Days	2023	2024	Change
<b>DSO</b>	53.0	58.4	5.4
<b>DIO</b>	184.8	188.3	3.5
<b>DPO</b>	71.4	83.4	12.0
<b>DWC</b>	151.4	151.7	0.3

#### INTERNATIONAL BENCHMARKING

Days	Asia	EU	US
<b>DSO</b>	43.3	64.4	52.0
<b>DIO</b>	73.9	171.4	79.7
<b>DPO</b>	29.3	111.5	43.0
<b>DWC</b>	82.5	93.6	58.1

#### BEST & WORST

Days	Best	Worst	Spread
<b>DSO</b>	14.6	146.4	131.8
<b>DIO</b>	28.5	366.8	338.3
<b>DPO</b>	191.5	13.0	(178.5)
<b>DWC</b>	6.7	327.3	320.6

DWC  
**1.7 days**  
decrease

TOTAL  
**\$198m**  
positive cash  
impact

DSO down  
**3.2 days**  
largest  
improvement

# Building Products

## Reduction in average DWC driven by lower average DSO and higher average DPO, despite a material increase in inventory holdings.

According to the Producer Price Index (PPI) for the Construction sector, input prices stabilised in FY24 with the PPI increasing by just 1.1% compared to a 7.4% increase in FY23. This was driven by a fall in steel prices and lower demand for new housing construction more generally. Despite the market pressures, 73% of our sampled Building Products companies recorded an increase in revenue and 73% of the sample achieved increased margins. However, high labour costs and other overheads meant that only 45% of the sample achieved an uplift in EBITDA margins relative to FY23.

From a working capital perspective, average DWC decreased by 1.7 days to 91.3 days as the sampled companies (on average) were able to collect from customers 3.2 days more quickly (lower DSO) and paid suppliers 2 days more slowly (higher DPO). Whilst the average movement in DWC was relatively small, there were some significant variances in performance noted at the individual company level with over half the sample experiencing movements in DWC of a week or more.

Close to 40% of the sample were able to reduce DSO and increase DPO, which provided a compounding benefit from a cash flow perspective and assisted with the management of higher inventory levels. Average DIO increased by 6.5 days to 117.9 days (or close to four months of inventory holdings). This followed a material reduction in inventory holdings during FY23 and highlights the importance of ongoing and effective inventory management for participants in the sector.

Our analysis of international metrics showed that the average DWC for our Australian sample was lower than their counterparts in Asia and Europe due to lower average DIO, however it was higher than the US sample, where companies held materially lower inventory.

Looking ahead, a further easing in demand as a result of lower housing approvals in FY24 is expected to intensify the attention on working capital management during FY25.

"[Due to] lower volumes... the Group has been focused on the disciplined management of cost, working capital, cash, capital expenditure and debt...".

### Barbara Chapman

Acting Chair  
Fletcher Building Limited  
FY24 Annual Report

#### BUILDING PRODUCTS - FINANCIAL YEAR

Days	2023	2024	Change
DSO	56.9	53.7	(3.2)
DIO	111.4	117.9	6.5
DPO	55.3	57.3	2.0
DWC	93.0	91.3	(1.7)

#### INTERNATIONAL BENCHMARKING

Days	Asia	EU	US
DSO	81.6	52.4	59.8
DIO	118.7	176.8	87.2
DPO	68.6	92.0	62.3
DWC	118.4	101.0	79.6

#### BEST & WORST

Days	Best	Worst	Spread
DSO	29.0	101.6	72.6
DIO	50.2	190.9	140.7
DPO	103.7	21.6	(82.1)
DWC	37.0	130.5	93.5



DWC  
**1.8 days**  
increase

TOTAL  
**\$210m**  
negative cash impact

DPO up  
**9.1 days**  
second largest  
increase

# Construction & Engineering

## Higher average DWC driven by increases in average DSO and DIO that were partly offset by an increase in average DPO.

The Construction & Engineering sector has experienced a prolonged period of contraction, with the Australian Performance of Construction Index (PCI) showing nine consecutive months of negative results and a five-year low in May 2024. Builders have cited decreased capital expenditure levels and rising costs, and have been forced to focus on simplified operations, cost reduction and margin control to help preserve earnings and cash flow. Across our sample, average revenue was flat, with 42% of operators reporting a reduction in revenue in FY24. However, 92% of the sample reported an increase in both gross profit and EBITDA.

From a working capital perspective, DWC increased by 1.8 days to 41.0 days in FY24 as our sampled companies saw their customer collection cycles lengthen (DSO up 1.8 days to 58.6 days) and held more inventory (DIO up 4.9 days to 27.9 days). Those movements were largely offset by our sampled companies extending their supplier payment cycles, with DPO up 9.1 days to 59 days.

At an individual company level, the DPO performance was mixed, with only 58% of the sample increasing DPO and the overall 9.1 day increase in DPO heavily influenced by the largest companies in the sample. The average DPO in the previous year was the lowest in six years so the FY24 result represents a significant reversal and may indicate a shift away from the recent trend of paying suppliers more quickly to support supply chains. DPO of 59 days is more in line with FY22 levels. Interestingly, despite the movement in average DPO, half of our sample experienced a working capital "funding gap" in FY24, where suppliers were paid more quickly than collections were made.

Internationally, the Asian and European markets saw an increase in DWC due to movements in DIO, with our Australian sample maintaining a materially shorter working capital cycle than their international counterparts.

Going forward, operators will need to remain alert to ongoing stress across their supply chains, however the energy transition and expected increase in government infrastructure spending likely provide growth opportunities in the second half of FY25.

"Operating cash flow of \$544.1 million represents a substantial improvement on the prior year... [due to a] disciplined focus on working capital management, cash collections and resolution of contractual variations and claims."

### Mark Menhinnitt

Chairman

Downer EDI

FY24 Annual Report: Directors Report

#### CONSTRUCTION & ENGINEERING - FINANCIAL YEAR

Days	2023	2024	Change
<b>DSO</b>	56.8	58.6	1.8
<b>DIO</b>	23.0	27.9	4.9
<b>DPO</b>	49.9	59.0	9.1
<b>DWC</b>	39.2	41.0	1.8

#### INTERNATIONAL BENCHMARKING

Days	Asia	EU	US
<b>DSO</b>	81.6	52.4	59.8
<b>DIO</b>	118.7	176.8	87.2
<b>DPO</b>	68.6	92.0	62.3
<b>DWC</b>	118.4	101.0	79.6

#### BEST & WORST

Days	Best	Worst	Spread
<b>DSO</b>	41.0	88.9	47.9
<b>DIO</b>	-	113.0	113.0
<b>DPO</b>	157.5	6.5	(151.0)
<b>DWC</b>	1.1	84.6	83.5



DWC  
**1.2 days**  
decrease

TOTAL  
**\$49m**  
positive cash impact

DIO down  
**7.6 days**  
largest improvement

# Food & Beverage

## Reduction in average DWC driven by lower average DSO and DIO, despite an offsetting decrease in average DPO.

Our sample of Food & Beverage companies delivered average revenue growth of 5% in FY24, with 90% of operators reporting higher sales. Price increases were the main driver, with the annual CPI for food and non-alcoholic beverages of 3.3% comparable to the average CPI of 3.8% for all household expenditure (for the 12 months to June 2024). Annual price increases were highest for take away foods, although there were spikes in some fruit and vegetable prices. In a reverse of the prior year trend, the majority of companies sampled (78%) were able to convert higher sales into higher earnings, indicating a clear focus on input cost and overhead management.

From a working capital perspective, average DWC for our sample decreased by 1.2 days (to 29.6 days) in FY24. Operators achieved a 7.6 day reduction in average DIO (to 42.7 days), however there was an offsetting shortening of supplier payment cycles with average DPO falling by 8.2 days (to 52.2 days). There was also a small reduction in DSO (0.8 day decrease to 31.5 days). Interestingly, two thirds of the companies that collected more quickly from their customers passed this onto their suppliers through faster payments.

The decrease in DIO followed a large reduction in FY23. However, there remains a large spread in DIO between the "best" and "worst" performers in our sample (77.9 days or over two months), which can be attributed to the mix of inventory types being managed, from perishables to products and ingredients with longer shelf-lives.

Our analysis of international metrics shows that the average DWC for our Australian sample was lower than their counterparts in Asia and Europe due to lower average DSO and DIO, however it was higher than the US sample, who collect from their customers more quickly.

Looking forward, we expect that the cost-of-living pressures and variable consumer sentiment will mean that management teams will need to continue to focus on operations and inventory planning in FY25.

"Lower working capital of \$74.2 million, mostly from a lower quantity of bulk inventory on hand. Payables... increased in FY2024 mainly due to timing of activity and price and cost increases."

### Barry Irvin AM

Executive Chairman  
Bega Cheese Limited  
FY24 Annual Report

#### FOOD & BEVERAGE - FINANCIAL YEAR

Days	2023	2024	Change
<b>DSO</b>	32.3	31.5	(0.8)
<b>DIO</b>	50.3	42.7	(7.6)
<b>DPO</b>	60.4	52.2	(8.2)
<b>DWC</b>	30.8	29.6	(1.2)

#### INTERNATIONAL BENCHMARKING

Days	Asia	EU	US
<b>DSO</b>	41.1	44.2	27.8
<b>DIO</b>	64.4	98.0	57.3
<b>DPO</b>	56.9	79.9	68.5
<b>DWC</b>	48.0	30.4	23.5

#### BEST & WORST

Days	Best	Worst	Spread
<b>DSO</b>	2.0	82.7	80.7
<b>DIO</b>	4.7	82.6	77.9
<b>DPO</b>	74.9	33.6	(41.3)
<b>DWC</b>	(22.9)	76.6	99.5



DWC  
**1.8 days**  
increase

TOTAL  
**\$1.5b**  
negative cash impact

DPO spread  
**241 days**  
largest of all sectors

# Mining & Resources

## Increase in average DWC driven by higher inventory loads and longer collection cycles, however working capital performance was mixed across the sector participants.

Our sample of Mining & Resources companies reported an average fall in revenue of 4% in FY24. However, there was a mix of outcomes at the company level, with 51% of operators actually reporting sales growth. A number of the companies that reported lower sales had exposure to depressed commodity prices for lithium and, to a lesser extent, coal and LNG. EBITDA margins fell by an average of 7% across the sample, but for those companies that did achieve higher revenue, 85% also managed their cost base well and delivered earnings growth.

From a working capital perspective, DWC increased by 1.8 days to 43.5 days in FY24. In a reversal of the FY23 movements for all tested metrics, our sampled companies held more inventory, with average DIO increasing by 2.7 days (to 78.9 days). There was also a lengthening of customer collection cycles, with average DSO increasing by 2.2 days (to 35.4 days). Close to 60% of the sample that were paid more slowly by their customers also held more inventory, increasing the pressure on cash flow for those operators.

Close to 60% of sampled companies that took longer to collect from their customers (higher DSO) passed this onto their suppliers through slower payments (higher DPO). This was particularly the case for the "majors", with the majority of the larger operators with higher DSO extending their supplier payment cycle (and all of these companies doing so by two weeks or longer). Average DPO for the entire sample increased by 3.4 days (to 64.6 days) in FY24.

Our Australian sample companies sat within the range of DWC achieved in Asia, Europe and the US.

Going forward, we expect to see the working capital cycles of Mining & Resources industry participants continue to be impacted by the combination of the accelerating 'boom bust' commodity price cycle, relatively high inflation, and the lumpy deployment of capital to fund the transition to renewable energy.

"Working capital movement was largely driven by decreased inventory volumes and an increase in payables, the latter being largely a function of the relative timing of payments year on year."

### Matthew Halliday

Managing Director and CEO  
Ampol Limited  
FY24 Annual Report

#### MINING & RESOURCES - FINANCIAL YEAR

Days	2023	2024	Change
<b>DSO</b>	33.2	35.4	2.2
<b>DIO</b>	76.2	78.9	2.7
<b>DPO</b>	61.2	64.6	3.4
<b>DWC</b>	41.7	43.5	1.8

#### INTERNATIONAL BENCHMARKING

Days	Asia	EU	US
<b>DSO</b>	39.3	50.1	38.5
<b>DIO</b>	71.3	71.9	43.7
<b>DPO</b>	66.3	89.5	91.9
<b>DWC</b>	48.4	40.0	24.0

#### BEST & WORST

Days	Best	Worst	Spread
<b>DSO</b>	-	134.4	134.4
<b>DIO</b>	1.5	231.6	230.1
<b>DPO</b>	247.0	6.2	(240.8)
<b>DWC</b>	(6.1)	130.2	136.3



DWC  
**1.9 days**  
decrease

TOTAL  
**\$1.1b**  
positive cash impact

Higher DIO for  
**91%**  
of sample companies

# Retail

## Average DWC decreased with retailers delaying payments to suppliers in response to slower inventory turnover in a challenging demand environment.

Retail revenue growth for the year across our sampled companies averaged 4.5%, which was below the 8% growth reported in FY23. Notably, 39% of the sample recorded revenue contractions in FY24 compared to 24% of the sample in FY23. When considered against a backdrop of CPI climbing by 3.8% in the 12 months to June 2024, and population growth running at approximately 2.5%, the sample's growth, whilst above the broader sector growth rate of 1.6%, was very modest. ABS retail sales data showed underlying volumes and per capita spend remained flat or declined across most categories.

Compounding the demand issue, rising costs created further pressure on retailers and contributed to an average 0.4% reduction in EBITDA margins across the sample (68% of the sample companies saw EBITDA margin decline in FY24).

The 1.9 day decrease in DWC was driven by a 6.9 day increase in DPO as retailers slowed payments to suppliers to mitigate the effects of a 4.4 day rise in DIO. This represents an average increase in inventory holdings of 9% across the sampled retailers, most likely due to lower-than-expected sell through in the current environment rather than a deliberate decision to hold more stock. Inventory holdings for Australian retailers remains structurally elevated compared to the international counterparts, which is often attributed to Australia's geographic remoteness.

Looking to FY25, high inflation in a number of non-discretionary spend areas, coupled with interest rates staying higher for longer, continues to subdue consumer confidence (albeit better than a year ago) and present revenue headwinds, despite government cost-of-living relief measures and tax cuts. The opportunity for significant recovery will only emerge with a meaningful reduction in interest rates (and if that does happen there are likely to be other demand factors associated with an economic slowdown to contend with). Margin pressure is also likely to continue as increases in utilities, insurance, wages and transport costs will be difficult to pass onto a consumer looking for discounts, not price increases.

"FY24 earnings were disappointing, with challenging economic conditions and inflationary pressures impacting consumers across all markets."

### Daniel Bracken

CEO, MD & Director  
Michael Hill International Limited  
FY24 Full Year Results

#### RETAIL - FINANCIAL YEAR

Days	2023	2024	Change
DSO	11.1	11.2	0.1
DIO	121.8	126.2	4.4
DPO	52.2	59.1	6.9
DWC	42.5	40.6	(1.9)

#### INTERNATIONAL BENCHMARKING

Days	Asia	EU	US
DSO	39.7	28.2	14.3
DIO	83.1	130.2	86.9
DPO	74.4	92.8	60.8
DWC	44.1	38.0	23.9

#### BEST & WORST

Days	Best	Worst	Spread
DSO	-	58.7	58.7
DIO	1.8	348.4	346.6
DPO	144.9	3.4	(141.5)
DWC	(33.1)	170.9	204.0



DWC  
**2.8 days**  
increase

TOTAL  
**\$404m**  
negative cash impact

DWC  
**26.5 days**  
lowest of all sectors

# Transport & Logistics

## A lengthening of the net working capital cycle driven by an increase in average DIO, somewhat offset by a lengthening of supplier payment cycles (higher average DPO).

The Transport & Logistics sector experienced growth in FY24, with 71% of our sample recording an increase in revenue. However, this only translated to higher margins for 60% of those operators as higher freight costs, labour constraints, and variable consumer demand impacted profitability. Those companies that previously relied on fuel surcharges to increase levies and protect margins also experienced push back from the market in FY24. Notably, 71% of our sampled companies saw EBITDA margins fall in FY24.

In terms of working capital performance, average DWC increased by 2.8 days to 26.5 days in FY24, due to average DSO and DIO increasing by 0.9 days and 4.5 days, respectively. The increase in DIO is largely attributed to M&A activity in the sector, with three of the four highest DIO movements the result of constituents' acquisition of an inventory holding business. Our sampled companies countered the increases in DSO and DIO through a 2.1 day increase in average DPO, with 78% of the sampled companies that collected more slowly from their customers passing this on by paying their suppliers more slowly. Given the nature of input costs for the sector (fuel, storage, and subcontracted labour), the ability of operators to do this for extended periods is limited.

Whilst only 29% of the sample were able to reduce DWC in FY24, the average DWC was the lowest of all sectors covered. From an international perspective, our Australian sample companies also appeared to manage working capital well when compared with their overseas counterparts, with comparable figures to the US and Europe, and much lower DWC than the Asia sample. Looking forward, consumer-related pressures will continue to impact Transport & Logistics companies. Despite the demand challenges, there is a need for fleet renewal and asset upgrades. Whilst asset utilisation and process productivity remain key factors impacting the performance of sector participants, environmental and ESG considerations are becoming more evident.

"We will continue to take a composed approach to financial risk as well as maintaining a strong focus on working capital management and underlying profit improvement."

### Tony Johnson

Chairman  
K&S Corporation Limited  
FY24 Annual Report

#### TRANSPORT & LOGISTICS - FINANCIAL YEAR

Days	2023	2024	Change
<b>DSO</b>	37.4	38.3	0.9
<b>DIO</b>	43.4	47.9	4.5
<b>DPO</b>	71.9	74.0	2.1
<b>DWC</b>	23.7	26.5	2.8

#### INTERNATIONAL BENCHMARKING

Days	Asia	EU	US
<b>DSO</b>	51.0	51.8	44.4
<b>DIO</b>	40.4	15.8	33.1
<b>DPO</b>	44.6	95.3	60.2
<b>DWC</b>	46.4	12.1	21.8

#### BEST & WORST

Days	Best	Worst	Spread
<b>DSO</b>	16.5	55.7	39.2
<b>DIO</b>	-	216.3	216.3
<b>DPO</b>	136.5	23.4	(113.1)
<b>DWC</b>	(26.4)	115.7	142.1

# Cash Forecasting – Better Practice

Robust cash forecasting practices are essential for monitoring working capital performance, managing liquidity, informing key business decisions and highlighting areas for improvement.

## 1. What forecast period is appropriate?

Cash forecasts are ordinarily viewed across two horizons – short term (typically 13 weeks) and long term (12 months up to 3 years) as part of a three-way integrated model.

## 2. How do the different types of forecast differ?

The short term forecast is used to establish the cash "runway" and should reflect and help confirm a business' working capital cycle and any immediate funding needs. The long term forecast is required to support the strategic planning process, provide a direct link to the P&L performance and should be used to show potential scenarios, risks and sensitivities.

## 3. What process should be followed when developing a cash forecast?

The process for preparing a forecast is a key indicator of how robust and reliable the forecast is likely to be. Importantly, the process must involve key stakeholders from across the business who are involved in managing the different aspects of the working capital cycle (from sales, procurement, operations and finance). The following stages are recommended in preparing the forecast: i) Planning, ii) Design, iii) Build, iv) Test, v) Approve. At all stages, clear communications from the Board and senior management on the importance of cash forecasting should be maintained. Another vital step in developing a robust forecast is variance analysis. Management teams should regularly track actual performance and refine forecast assumptions accordingly.

## 4. Can short term cash forecasting be automated?

Automated feeds from ERP systems should be included in the set up of cash forecasts where it is appropriate to do so. However, some manual adjustments may be required. Examples of this include the "unwinding" of known debtor and creditor balances for short term cash forecasts where expected customer receipt and supplier payment dates may differ from standard terms.

## 5. What framework is needed to support the cash forecasting process?

Robust cash forecasts are only one element of a strong cash management framework. Clear procedural guidance, a documented responsibility assignment matrix, working capital reporting and dashboards, and performance targets are all important for optimising the conversion of earnings to cash.

# Payment Times Reporting Scheme (PTRS) in Focus

The Payment Times Reporting Scheme (PTRS or the Scheme) came into effect on 1 January 2021, aiming to improve payment times for Australian small businesses by requiring large businesses (>\$100 million turnover) to report on their payment times to small business suppliers (<\$10 million turnover).

A statutory review of the PTRS was conducted in June 2023, which found that reporting complexities had caused a reduction in compliance. As part of the Government's response, changes to the Scheme have been introduced via the Payment Times Reporting Amendment Act 2024 (the Amendment Act), which was passed through Parliament, commencing from 7 September 2024.

## 1. Streamlined reporting obligations

New reporting obligations will commence for reporting periods beginning on or after 1 July 2024. An automated extension has been provided for reporting periods starting between 1 July 2024 and 30 September 2024, with reports not due until 30 June 2025.

The reforms intend to streamline reporting by reducing the total number of reporting fields, by providing detailed calculation methodologies to improve consistency of data, and through the introduction of consolidated reporting under a new definition for 'a reporting entity'.

## 2. New Regulatory Powers to act on non-compliance

The Regulator has been provided additional powers to improve the effectiveness of the Scheme, including the publishing of non-compliance for suspected reporting entities, and the ability to accept an enforceable undertaking as part of remediation by a non-compliant reporting entity.

## 3. New incentives for compliance by reporting entities

The reforms have introduced new incentives for large businesses to improve their payment times to small business suppliers with the Regulator having the ability to publish a public list of 'fast small business payers' for entities that pay small business suppliers within 20 days. Notably, the Regulator will also have the ability to identify and require disclosure by 'slow small business payers' (defined as reporting entities in the slowest 20 of payers overall or within their industry) on their website, in financial statements and other documentation such as procurement and tender documents.

Overall, DPO for our sampled companies was up by 4.3 days in FY24. All companies in our sample appear to meet the reporting threshold for PTRS (based on reported revenue).

# Basis of Preparation

Data used in this publication has been sourced from the S&P Capital IQ platform.

## Peer group classification

The Agriculture, Building Products, Construction & Engineering, Food & Beverage, Mining & Resources, Retail and Transport & Logistics peer group samples underpinning this report have been selected according to the Global Industry Classification Standard ("GICS") listed in the table opposite.

## Accounting periods

Financial information in this publication draws from the most recently published full year accounts as at 27 September 2024 (i.e. the most recently published full year financial information prior to this date has been used). Prior year comparable figures may differ from our 2023 report for companies in the sample that adjusted their 2023 accounts following the release of our report or restated their accounts when presenting current year results. Adjustments may occur if there has been a change in accounting policy.

Peer group sample	GICS groups included
Agriculture	Beverages Chemicals Food and Staples Retailing Food Products
Building Products	Building Products Construction Materials Metals and Mining Trading Companies and Distributors
Construction & Engineering	Aerospace and Defense Commercial Services and Supplies Construction and Engineering Energy Equipment and Services Metals and Mining Real Estate Management and Development
Food & Beverage	Food Products Personal Products Hotels, Restaurants and Leisure Internet and Direct Marketing Retail
Mining & Resources	Chemicals Construction and Engineering Electric Utilities Metals and Mining Oil, Gas and Consumable Fuels Software Trading Companies and Distributors
Retail	Auto Components Commercial Services and Supplies Distributors Electronic Equipment, Instruments and Components Food and Staples Retailing Household Durables Internet and Direct Marketing Retail Multiline Retail Specialty Retail Textiles, Apparel and Luxury Goods
Transport & Logistics	Commercial Services and Supplies Containers and Packaging Distributors Metals and Mining Road and Rail Transportation Infrastructure

The full peer group samples are included on pages 26 - 30.

# Basis of Preparation

## Source data

This publication contains high level financial information sourced from the S&P Capital IQ database of the latest available published financial statements of ASX listed entities for the 2024 financial year. The information contained herein is based on sources we believe reliable, but we do not guarantee its accuracy, and it should be understood to be general information only. The information is not intended to be taken as advice with respect to any specific organisation or situation and cannot be relied upon as such.

McGrathNicol accepts no responsibility for errors or omissions in financial information underpinning this publication, nor the loss of any person arising from use of or reliance on information herein. All readers of this publication must make their own enquiries or obtain professional advice in relation to any issue or matter referred to in this publication.

## Limitations

McGrathNicol acknowledges that at the level of detail applied, the analysis has limitations, some of which are noted below. For this reason, the analysis focuses on performance relative to the prior period, rather than in absolute terms against peers.

## Days sales outstanding

Debtors include GST, whilst sales do not. To the extent that a company makes more or less of its sales in Australia (or another jurisdiction that levies a consumption tax), results will vary.

## Days inventory outstanding

To the extent that a company has more or less labour included in its cost of sales, results will vary.

## Days purchases outstanding

Creditors include GST, whilst cost of sales do not. To the extent that a company acquires inventory or input services in Australia (or another jurisdiction that levies a consumption tax), results will vary. To the extent that a company has more or less labour included in its cost of sales, results will vary.

In addition, to the extent that there has been an accounting adjustment that has affected a company's sales, purchases, debtors, inventory or creditors, this has not been isolated in the analysis and may be reflected as a change in working capital.

## Calculation methodology

The working capital metrics referred to in this report have been calculated, as follows:

### Days Sales Outstanding ("DSO")

DSO is the number of days' worth of sales represented by the outstanding debtors at the relevant calculation date. The calculation used in this publication is:

$$\text{DSO} = \frac{\text{Debtors}}{\text{Sales}} \times 365$$

A low DSO metric is desirable and indicates that it takes a relatively low number of days for a company to collect debtors.

### Days Purchases Outstanding ("DPO")

DPO is the number of days' worth of purchases represented by the outstanding creditors at the relevant calculation date. The calculation used in this publication is:

$$\text{DPO} = \frac{\text{Creditors}}{\text{Cost of Sales}} \times 365$$

A low DPO metric indicates that it takes fewer days for a company to pay its trade creditors. A high DPO is desirable from a cash flow and working capital management perspective, but can be an indicator of tight liquidity and the cause of strained supplier relationships.

## Days Inventory Outstanding ("DIO")

DIO is the number of days' worth of purchases represented by the inventory balances at the relevant calculation date. The calculation used in this publication is:

$$\text{DIO} = \frac{\text{Inventory}}{\text{Cost of Sales}} \times 365$$

A low DIO metric is desirable and indicates a relatively high turnover of inventory.

## Days Working Capital ("DWC")

DWC is a relative measure of total working capital tied up in a company relative to sales. The calculation used in this publication is:

$$\text{DWC} = \frac{\text{Debtors} + \text{Inventory} - \text{Creditors}}{\text{Sales}} \times 365$$

A low DWC metric is favourable as it indicates a low level of working capital relative to the size of the business.

## International benchmarking

### AU

Australia (ASX 500)

### Asia

China (SS 180 Index); Hong Kong (Hang Seng Index); Japan (S&P Japan 500); and Singapore (FTSE Straits Times Index)

### EU

Europe (S&P Europe 350); and United Kingdom (FTSE 350 Index)

### US

USA (S&P 500); and Canada (TSX Composite Index)

# Findings

## Agriculture

Company name	DSO			DIO			DPO			DWC		
	2023	2024	Change	2023	2024	Change	2023	2024	Change	2023	2024	Change
Australian Agricultural Company Limited	8.6	14.6	6.0	381.9	313.7	(68.2)	23.1	29.2	6.1	426.6	327.3	(99.3)
Australian Vintage Limited	53.1	62.3	9.2	362.2	304.0	(58.2)	75.0	62.4	(12.6)	256.9	269.2	12.3
Elders Limited	90.7	103.5	12.8	83.6	83.5	(0.1)	95.2	118.7	23.5	81.1	75.2	(5.9)
GrainCorp Limited	34.5	34.2	(0.3)	92.1	79.0	(13.1)	14.0	13.0	(1.0)	97.3	92.2	(5.1)
Nufarm Limited	121.4	146.4	25.0	256.0	217.1	(38.9)	181.3	164.5	(16.8)	174.9	184.7	9.8
Ricegrowers Limited	64.8	59.8	(5.0)	212.6	215.0	2.4	88.8	80.3	(8.5)	138.9	142.2	3.3
Lynch Group Holdings Limited	18.5	18.3	(0.2)	32.8	28.5	(4.3)	56.2	50.2	(6.0)	6.0	6.7	0.7
Ridley Corporation Limited	35.3	38.2	2.9	34.0	33.5	(0.5)	50.7	49.5	(1.2)	20.1	23.7	3.6
Select Harvests Limited	38.4	35.2	(3.2)	134.3	366.8	232.5	41.1	191.5	150.4	152.0	232.2	80.3
Treasury Wine Estates Limited	64.7	71.4	6.7	258.8	241.6	(17.2)	88.8	74.3	(14.5)	160.1	163.2	3.1
<b>Peer group average</b>	<b>53.0</b>	<b>58.4</b>	<b>5.4</b>	<b>184.8</b>	<b>188.3</b>	<b>3.5</b>	<b>71.4</b>	<b>83.4</b>	<b>12.0</b>	<b>151.4</b>	<b>151.7</b>	<b>0.3</b>
<b>International benchmarking</b>												
<b>Asia</b>	<b>57.3</b>	<b>59.2</b>	<b>1.9</b>	<b>70.2</b>	<b>71.0</b>	<b>0.8</b>	<b>65.0</b>	<b>64.8</b>	<b>(0.2)</b>	<b>60.5</b>	<b>67.9</b>	<b>7.4</b>
<b>EU</b>	<b>45.6</b>	<b>48.2</b>	<b>2.6</b>	<b>101.5</b>	<b>102.3</b>	<b>0.8</b>	<b>90.9</b>	<b>91.2</b>	<b>0.3</b>	<b>134.6</b>	<b>153.6</b>	<b>19.0</b>
<b>US</b>	<b>37.0</b>	<b>38.6</b>	<b>1.6</b>	<b>60.7</b>	<b>59.2</b>	<b>(1.5)</b>	<b>69.4</b>	<b>69.6</b>	<b>0.2</b>	<b>37.7</b>	<b>36.0</b>	<b>(1.7)</b>

## Building Products

Company name	DSO			DIO			DPO			DWC		
	2023	2024	Change	2023	2024	Change	2023	2024	Change	2023	2024	Change
BlueScope Steel Limited	35.4	34.1	(1.3)	99.1	112.5	13.4	55.1	54.4	(0.7)	63.4	69.3	5.9
Brickworks Limited	40.9	31.5	(9.4)	155.3	160.6	5.3	60.6	51.9	(8.7)	106.5	105.2	(1.3)
Fletcher Building Limited	55.0	44.8	(10.2)	112.2	84.4	(27.8)	53.3	35.0	(18.3)	95.5	80.2	(15.3)
GWA Group Limited	52.9	41.5	(11.4)	126.8	139.2	12.4	65.6	82.0	16.4	90.6	76.3	(14.3)
IPD Group Limited	72.3	88.9	16.6	110.3	157.7	47.4	86.7	103.7	17.0	86.9	122.9	36.0
James Hardie Industries plc	28.9	29.0	0.1	51.0	52.5	1.5	29.3	39.2	9.9	43.0	37.0	(6.0)
Reece Limited	53.2	52.2	(1.0)	86.9	84.0	(2.9)	45.4	49.1	3.7	82.9	77.1	(5.8)
Reliance Worldwide Corporation Limited	69.4	66.3	(3.1)	138.0	141.2	3.2	33.2	40.5	7.3	133.9	127.4	(6.5)
Wagners Holding Company Limited	73.0	51.7	(21.3)	51.5	50.2	(1.3)	34.1	21.6	(12.5)	83.7	68.9	(14.8)
Vulcan Steel Limited	49.7	49.2	(0.5)	199.5	190.9	(8.6)	65.1	65.4	0.3	136.1	130.5	(5.6)
Acrow Limited	95.6	101.6	6.0	94.8	123.5	28.7	79.5	87.4	7.9	100.0	109.4	9.4
<b>Peer group average</b>	<b>56.9</b>	<b>53.7</b>	<b>(3.2)</b>	<b>111.4</b>	<b>117.9</b>	<b>6.5</b>	<b>55.3</b>	<b>57.3</b>	<b>2.0</b>	<b>93.0</b>	<b>91.3</b>	<b>(1.7)</b>
<b>International benchmarking</b>												
<b>Asia</b>	<b>81.8</b>	<b>81.6</b>	<b>(0.2)</b>	<b>115.9</b>	<b>118.7</b>	<b>2.8</b>	<b>74.0</b>	<b>68.6</b>	<b>(5.4)</b>	<b>113.1</b>	<b>118.4</b>	<b>5.3</b>
<b>EU</b>	<b>51.5</b>	<b>52.4</b>	<b>0.9</b>	<b>175.9</b>	<b>176.8</b>	<b>0.9</b>	<b>83.9</b>	<b>92.0</b>	<b>8.1</b>	<b>101.0</b>	<b>101.0</b>	<b>-</b>
<b>US</b>	<b>59.4</b>	<b>59.8</b>	<b>0.4</b>	<b>90.1</b>	<b>87.2</b>	<b>(2.9)</b>	<b>64.3</b>	<b>62.3</b>	<b>(2.0)</b>	<b>79.8</b>	<b>79.6</b>	<b>(0.2)</b>

## Construction & Engineering

Company name	DSO			DIO			DPO			DWC		
	2023	2024	Change	2023	2024	Change	2023	2024	Change	2023	2024	Change
Austal Limited	31.1	42.7	11.6	80.8	113.0	32.2	33.1	71.3	38.2	75.9	79.5	3.6
Downer EDI Limited	62.9	61.9	(1.0)	13.4	16.2	2.8	125.0	157.5	32.5	1.8	1.1	(0.7)
GR Engineering Services Limited	27.5	57.7	30.2	0.1	0.2	0.1	40.3	97.5	57.2	3.0	13.7	10.7
Johns Lyng Group Limited	56.7	56.6	(0.1)	1.4	1.9	0.5	57.5	55.9	(1.6)	12.6	16.0	3.4
Lendlease Group	56.5	63.1	6.6	59.1	72.3	13.2	99.0	105.1	6.1	19.5	33.5	14.0
Lycopodium Limited	76.3	88.9	12.6	0.8	0.9	0.1	16.0	11.9	(4.1)	70.5	84.6	14.1
MAAS Group Holdings Limited	54.1	41.0	(13.1)	91.8	103.0	11.2	68.4	54.4	(14.0)	66.5	65.0	(1.5)
Mader Group Limited	71.3	75.0	3.7	-	-	-	5.9	6.5	0.6	66.7	69.9	3.2
Monadelphous Group Limited	53.8	43.1	(10.7)	0.3	0.4	0.1	20.7	17.9	(2.8)	34.8	26.8	(8.0)
Service Stream Limited	78.4	68.7	(9.7)	4.7	5.0	0.3	21.4	11.7	(9.7)	68.0	64.4	(3.6)
SRG Global Limited	49.5	41.2	(8.3)	21.7	20.4	(1.3)	61.9	65.9	4.0	31.6	21.4	(10.2)
Worley Limited	63.6	63.3	(0.3)	1.6	1.5	(0.1)	49.2	52.4	3.2	19.0	16.4	(2.6)
<b>Peer group average</b>	<b>56.8</b>	<b>58.6</b>	<b>1.8</b>	<b>23.0</b>	<b>27.9</b>	<b>4.9</b>	<b>49.9</b>	<b>59.0</b>	<b>9.1</b>	<b>39.2</b>	<b>41.0</b>	<b>1.8</b>
<b>International benchmarking</b>												
<b>Asia</b>	<b>81.8</b>	<b>81.6</b>	<b>(0.2)</b>	<b>115.9</b>	<b>118.7</b>	<b>2.8</b>	<b>74.0</b>	<b>68.6</b>	<b>(5.4)</b>	<b>113.1</b>	<b>118.4</b>	<b>5.3</b>
<b>EU</b>	<b>51.5</b>	<b>52.4</b>	<b>0.9</b>	<b>175.9</b>	<b>176.8</b>	<b>0.9</b>	<b>83.9</b>	<b>92.0</b>	<b>8.1</b>	<b>101.0</b>	<b>101.0</b>	<b>-</b>
<b>US</b>	<b>59.4</b>	<b>59.8</b>	<b>0.4</b>	<b>90.1</b>	<b>87.2</b>	<b>(2.9)</b>	<b>64.3</b>	<b>62.3</b>	<b>(2.0)</b>	<b>79.8</b>	<b>79.6</b>	<b>(0.2)</b>

## Food & Beverage

Company name	DSO			DIO			DPO			DWC		
	2023	2024	Change	2023	2024	Change	2023	2024	Change	2023	2024	Change
Bega Cheese Limited	29.2	35.6	6.4	57.4	46.3	(11.1)	40.3	38.2	(2.1)	43.1	42.1	(1.0)
Collins Foods Limited	5.4	2.0	(3.4)	4.5	4.7	0.2	54.1	55.0	0.9	(19.3)	(22.9)	(3.6)
Domino's Pizza Enterprises Limited	24.1	20.2	(3.9)	20.9	17.2	(3.7)	89.2	67.5	(21.7)	(6.8)	(2.6)	4.2
Guzman y Gomez Limited	15.4	10.9	(4.5)	11.2	11.7	0.5	72.5	52.5	(20.0)	(1.3)	0.4	1.7
Noumi Limited	31.3	33.0	1.7	47.3	43.9	(3.4)	39.3	33.6	(5.7)	37.4	40.7	3.3
Good Drinks Australia Limited	58.2	68.6	10.4	77.4	75.3	(2.1)	48.9	58.3	9.4	71.5	76.6	5.1
Inghams Group Limited	30.6	24.3	(6.3)	31.8	32.8	1.0	42.7	35.8	(6.9)	21.5	21.9	0.4
Retail Food Group	82.0	82.7	0.7	43.2	40.2	(3.0)	79.5	72.2	(7.3)	71.7	73.7	2.0
Synlait Milk Limited	34.0	26.8	(7.2)	125.9	82.6	(43.3)	113.9	74.9	(39.0)	44.9	34.1	(10.8)
The a2 Milk Company Limited	13.2	11.1	(2.1)	82.9	72.3	(10.6)	23.4	33.8	10.4	45.1	32.0	(13.1)
<b>Peer group average</b>	<b>32.3</b>	<b>31.5</b>	<b>(0.8)</b>	<b>50.3</b>	<b>42.7</b>	<b>(7.6)</b>	<b>60.4</b>	<b>52.2</b>	<b>(8.2)</b>	<b>30.8</b>	<b>29.6</b>	<b>(1.2)</b>
<b>International benchmarking</b>												
<b>Asia</b>	<b>38.8</b>	<b>41.1</b>	<b>2.3</b>	<b>65.5</b>	<b>64.4</b>	<b>(1.1)</b>	<b>56.2</b>	<b>56.9</b>	<b>0.7</b>	<b>47.0</b>	<b>48.0</b>	<b>1.0</b>
<b>EU</b>	<b>44.2</b>	<b>44.2</b>	<b>-</b>	<b>102.8</b>	<b>98.0</b>	<b>(4.8)</b>	<b>81.3</b>	<b>79.9</b>	<b>(1.4)</b>	<b>33.0</b>	<b>30.4</b>	<b>(2.6)</b>
<b>US</b>	<b>32.1</b>	<b>27.8</b>	<b>(4.3)</b>	<b>63.2</b>	<b>57.3</b>	<b>(5.9)</b>	<b>75.5</b>	<b>68.5</b>	<b>(7.0)</b>	<b>28.1</b>	<b>23.5</b>	<b>(4.6)</b>

# Findings

## Mining & Resources

Company name	DSO			DIO			DPO			DWC		
	2023	2024	Change	2023	2024	Change	2023	2024	Change	2023	2024	Change
Ampol Limited	25.5	25.3	(0.2)	28.5	30.3	1.8	42.2	43.6	1.4	12.5	13.2	0.7
Base Resources Limited	75.0	59.6	(15.4)	69.7	103.3	33.6	54.1	55.0	0.9	82.0	90.6	8.6
Beach Energy Limited	52.8	53.9	1.1	55.7	54.8	(0.9)	115.0	90.6	(24.4)	14.8	28.2	13.4
BHP Group Limited	30.9	33.7	2.8	174.0	214.2	40.2	209.9	247.0	37.1	23.7	27.9	4.2
Champion Iron Limited	34.5	17.1	(17.4)	73.5	135.7	62.2	59.3	82.8	23.5	42.9	48.2	5.3
Coronado Global Resources Inc.	35.5	37.9	2.4	45.5	31.5	(14.0)	14.6	16.0	1.4	56.5	51.0	(5.5)
Emeco Holdings Limited	66.0	63.8	(2.2)	42.7	42.4	(0.3)	74.0	40.0	(34.0)	51.7	64.8	13.1
Evolution Mining Limited	14.7	25.4	10.7	67.7	63.5	(4.2)	60.3	68.7	8.4	20.7	21.7	1.0
Fortescue Metals Group Limited	7.2	8.6	1.4	55.5	64.3	8.8	45.9	43.8	(2.1)	11.6	18.3	6.7
Gold Road Resources Limited	-	-	-	91.8	69.8	(22.0)	19.4	23.0	3.6	42.5	25.7	(16.8)
Grange Resources Limited	29.6	-	(29.6)	169.6	201.3	31.7	32.9	28.7	(4.2)	119.5	130.2	10.7
IGO Limited	26.1	17.4	(8.7)	143.5	95.3	(48.2)	169.4	54.6	(114.8)	17.3	39.7	22.4
Imdex Limited	76.0	71.3	(4.7)	191.9	180.0	(11.9)	59.2	38.0	(21.2)	117.4	112.0	(5.4)
Incitec Pivot Limited	36.9	47.3	10.4	106.5	73.7	(32.8)	102.9	80.9	(22.0)	39.1	40.1	1.0
Lynas Rare Earths Limited	24.3	33.6	9.3	102.1	133.1	31.0	37.3	43.4	6.1	59.4	97.6	38.2
Macmahon Holdings Limited	50.8	55.7	4.9	56.8	80.5	23.7	97.1	105.8	8.7	38.3	49.8	11.5
New Hope Corporation Limited	18.9	31.2	12.3	25.6	41.4	15.8	39.8	53.8	14.0	14.3	26.0	11.7
Nickel Industries Limited	53.2	55.1	1.9	63.5	37.3	(26.2)	53.4	48.9	(4.5)	61.1	46.3	(14.8)
Northern Star Resources Limited	10.3	9.6	(0.7)	84.4	61.4	(23.0)	4.7	6.2	1.5	69.9	51.4	(18.5)
NRW Holdings Limited	47.7	50.4	2.7	25.1	25.0	(0.1)	64.5	56.2	(8.3)	26.8	34.2	7.4
OM Holdings Limited	17.0	26.1	9.1	184.9	231.6	46.7	83.1	152.8	69.7	98.0	93.3	(4.7)
Orica Limited	37.6	35.0	(2.6)	69.3	74.6	5.3	68.3	79.5	11.2	38.3	32.0	(6.3)
Origin Energy Limited	51.3	62.0	10.7	4.5	6.3	1.8	54.0	92.1	38.1	7.8	(6.1)	(13.9)
Perenti Global Limited	42.9	44.9	2.0	40.3	43.5	3.2	38.3	36.7	(1.6)	44.3	49.7	5.4
Perseus Mining Limited	0.5	0.5	-	99.6	101.6	2.0	90.3	117.0	26.7	4.5	(5.6)	(10.1)
Pilbara Minerals Limited	7.4	12.3	4.9	45.7	66.5	20.8	13.9	12.5	(1.4)	13.4	43.6	30.2
Ramelius Resources Limited	1.6	1.5	(0.1)	101.2	73.0	(28.2)	17.7	8.5	(9.2)	67.0	43.1	(23.9)
Regis Resources Limited	-	-	-	68.0	51.9	(16.1)	13.9	9.7	(4.2)	52.7	39.2	(13.5)
Rio Tinto Group	24.7	26.2	1.5	67.8	63.8	(4.0)	80.5	75.2	(5.3)	16.3	18.3	2.0
RPMGlobal Holdings Limited	107.7	105.6	(2.1)	1.7	1.5	(0.2)	20.6	20.9	0.3	94.7	92.3	(2.4)
Santos Limited	42.3	57.8	15.5	43.4	43.2	(0.2)	77.0	100.6	23.6	23.9	21.8	(2.1)
South32 Limited	25.1	26.0	0.9	126.0	117.8	(8.2)	97.6	79.5	(18.1)	40.8	46.9	6.1
Stanmore Resources Limited	26.7	16.4	(10.3)	213.0	141.8	(71.2)	60.7	60.7	-	42.0	31.2	(10.8)
Viva Energy Group Limited	23.6	27.0	3.4	22.9	36.1	13.2	46.5	64.9	18.4	1.5	0.9	(0.6)
Westgold Resources Limited	3.8	3.5	(0.3)	47.8	46.7	(1.1)	16.9	44.3	27.4	33.5	5.4	(28.1)
Whitehaven Coal Limited	13.4	38.0	24.6	29.1	94.6	65.5	14.6	42.8	28.2	17.4	63.9	46.5
Woodside Energy Group Ltd	24.3	42.3	18.0	31.3	37.9	6.6	126.5	123.4	(3.1)	(18.0)	(4.7)	13.3
Yancoal Australia Ltd	22.6	25.7	3.1	33.8	48.2	14.4	53.6	77.5	23.9	15.6	12.0	(3.6)
Zimplats Holdings Limited	104.6	134.4	29.8	68.7	58.0	(10.7)	58.6	95.7	37.1	111.5	100.8	(10.7)
<b>Peer group average</b>	<b>33.2</b>	<b>35.4</b>	<b>2.2</b>	<b>76.2</b>	<b>78.9</b>	<b>2.7</b>	<b>61.2</b>	<b>64.6</b>	<b>3.4</b>	<b>41.7</b>	<b>43.5</b>	<b>1.8</b>
<b>International benchmarking</b>												
<b>Asia</b>	<b>37.3</b>	<b>39.3</b>	<b>2.0</b>	<b>72.9</b>	<b>71.3</b>	<b>(1.6)</b>	<b>69.5</b>	<b>66.3</b>	<b>(3.2)</b>	<b>48.4</b>	<b>48.4</b>	<b>-</b>
<b>EU</b>	<b>44.1</b>	<b>50.1</b>	<b>6.0</b>	<b>72.4</b>	<b>71.9</b>	<b>(0.5)</b>	<b>91.0</b>	<b>89.5</b>	<b>(1.5)</b>	<b>38.5</b>	<b>40.0</b>	<b>1.5</b>
<b>US</b>	<b>32.6</b>	<b>38.5</b>	<b>5.9</b>	<b>41.3</b>	<b>43.7</b>	<b>2.4</b>	<b>87.2</b>	<b>91.9</b>	<b>4.7</b>	<b>21.1</b>	<b>24.0</b>	<b>2.9</b>

## Retail

Company name	DSO			DIO			DPO			DWC		
	2023	2024	Change	2023	2024	Change	2023	2024	Change	2023	2024	Change
Accent Group Limited	8.2	8.6	0.4	140.1	152.3	12.2	27.3	41.0	13.7	57.8	57.2	(0.6)
Adairs Limited	-	-	-	95.4	97.9	2.5	37.4	35.7	(1.7)	31.3	32.7	1.4
ARB Corporation Limited	42.7	46.8	4.1	265.5	288.7	23.2	10.1	3.4	(6.7)	164.1	170.9	6.8
Autosports Group Limited	12.1	13.2	1.1	72.0	83.8	11.8	20.7	19.4	(1.3)	53.1	65.1	12.0
Baby Bunting Group Limited	0.2	0.1	(0.1)	109.6	110.8	1.2	33.2	33.0	(0.2)	48.0	49.4	1.4
Bapcor Limited	34.9	29.1	(5.8)	176.1	177.4	1.3	71.4	62.9	(8.5)	90.8	91.6	0.8
Beacon Lighting Group Limited	11.0	9.8	(1.2)	351.6	348.4	(3.2)	25.4	47.6	22.2	115.8	102.7	(13.1)
Breville Group Limited	60.1	58.7	(1.4)	166.9	124.8	(42.1)	99.2	102.5	3.3	104.2	72.9	(31.3)
Cettire Limited	-	-	-	3.3	1.8	(1.5)	47.4	43.6	(3.8)	(34.0)	(33.1)	0.9
City Chic Collective Limited	10.1	11.0	0.9	148.5	150.0	1.5	21.5	60.6	39.1	101.4	61.7	(39.7)
Coles Group Limited	4.1	3.0	(1.1)	28.2	30.5	2.3	39.9	38.6	(1.3)	(4.6)	(2.9)	1.7
Eagers Automotive Limited	14.8	14.9	0.1	55.2	78.0	22.8	24.6	29.7	5.1	39.5	54.4	14.9
Harvey Norman Holdings Limited	14.1	13.7	(0.4)	105.7	105.5	(0.2)	50.9	55.0	4.1	51.3	48.4	(2.9)
JB Hi-Fi Limited	2.3	2.1	(0.2)	51.0	53.6	2.6	28.9	31.4	2.5	19.5	19.4	(0.1)
KMD Brands Limited	20.3	18.8	(1.5)	254.7	273.9	19.2	131.8	144.9	13.1	70.4	71.5	1.1
Kogan.com Ltd	3.3	2.8	(0.5)	70.5	92.0	21.5	42.3	59.1	16.8	23.6	23.6	-
Lovisa Holdings Limited	1.1	0.7	(0.4)	183.2	188.5	5.3	58.1	90.8	32.7	26.2	19.3	(6.9)
Metcash Limited	31.0	32.6	1.6	30.9	31.2	0.3	53.8	58.5	4.7	10.7	8.6	(2.1)
Michael Hill International Limited	9.0	11.5	2.5	325.0	336.8	11.8	124.7	131.1	6.4	79.7	89.3	9.6
Myer Holdings Limited	4.6	5.4	0.8	91.6	91.7	0.1	118.4	119.0	0.6	(10.1)	(9.6)	0.5
Nick Scali Limited	0.4	0.4	-	107.5	131.3	23.8	20.0	59.7	39.7	32.3	25.0	(7.3)
Premier Investments Limited	2.7	4.5	1.8	156.4	132.0	(24.4)	103.6	87.7	(15.9)	21.6	21.1	(0.5)
Super Retail Group Limited	1.8	1.6	(0.2)	140.8	148.2	7.4	63.8	74.8	11.0	43.2	41.0	(2.2)
Shaver Shop Group Limited	2.0	3.2	1.2	64.3	72.8	8.5	30.6	43.3	12.7	20.7	18.8	(1.9)
Temple & Webster Group Ltd	0.5	1.0	0.5	24.8	29.1	4.3	33.0	39.9	6.9	(5.0)	(6.2)	(1.2)
Universal Store Holdings Limited	2.6	2.0	(0.6)	88.0	94.9	6.9	32.9	32.2	(0.7)	25.2	26.9	1.7
Wesfarmers Limited	15.3	16.5	1.2	75.4	76.4	1.0	65.8	67.3	1.5	21.8	22.5	0.7
Woolworths Group Limited	2.6	2.7	0.1	28.6	31.0	2.4	43.5	43.0	(0.5)	(8.3)	(6.0)	2.3
<b>Peer group average</b>	<b>11.1</b>	<b>11.2</b>	<b>0.1</b>	<b>121.8</b>	<b>126.2</b>	<b>4.4</b>	<b>52.2</b>	<b>59.1</b>	<b>6.9</b>	<b>42.5</b>	<b>40.6</b>	<b>(1.9)</b>
<b>International benchmarking</b>												
<b>Asia</b>	<b>34.5</b>	<b>35.9</b>	<b>1.4</b>	<b>86.2</b>	<b>89.6</b>	<b>3.4</b>	<b>72.3</b>	<b>74.7</b>	<b>2.4</b>	<b>44.1</b>	<b>46.2</b>	<b>2.1</b>
<b>EU</b>	<b>25.7</b>	<b>27.8</b>	<b>2.1</b>	<b>97.0</b>	<b>97.2</b>	<b>0.2</b>	<b>72.2</b>	<b>70.8</b>	<b>(1.4)</b>	<b>34.9</b>	<b>37.8</b>	<b>2.9</b>
<b>US</b>	<b>17.0</b>	<b>17.0</b>	<b>-</b>	<b>90.1</b>	<b>88.7</b>	<b>(1.4)</b>	<b>77.9</b>	<b>70.7</b>	<b>(7.2)</b>	<b>27.7</b>	<b>29.8</b>	<b>2.1</b>

# Findings

## Transport & Logistics

Company name	DSO			DIO			DPO			DWC		
	2023	2024	Change									
Amcor plc	46.6	49.4	2.8	67.5	67.8	0.3	82.0	86.2	4.2	34.7	34.7	(0.0)
Auckland International Airport Limited	23.2	26.2	3.0	-	-	-	29.8	35.6	5.8	15.7	18.1	2.4
Aurizon Holdings Limited	42.8	46.2	3.4	79.6	81.5	1.9	103.1	114.2	11.1	35.6	36.7	1.2
Brambles Limited	51.9	50.1	(1.8)	7.4	6.4	(1.0)	54.9	51.0	(3.9)	20.6	20.9	0.3
Cleanaway Waste Management Limited	55.0	52.8	(2.2)	7.0	13.5	6.5	51.0	54.7	3.7	35.0	35.6	0.6
Dalrymple Bay Infrastructure Limited	25.1	30.0	4.9	-	-	-	62.1	82.4	20.3	(8.0)	(15.4)	(7.4)
K&S Corporation Limited	34.2	37.1	2.9	3.8	4.0	0.2	52.2	53.1	0.9	(6.7)	(4.3)	2.4
Lindsay Australia Limited	53.2	46.4	(6.8)	14.9	21.8	6.9	56.8	50.7	(6.1)	26.0	26.6	0.7
Orora Limited	38.3	45.1	6.8	66.8	87.3	20.5	46.7	60.0	13.3	54.6	67.1	12.5
Pact Group Holdings Ltd	17.5	16.5	(1.0)	104.4	108.0	3.6	135.7	136.5	0.8	2.4	3.4	1.0
Qube Holdings Limited	52.4	55.7	3.3	7.7	25.6	17.9	116.5	101.3	(15.2)	5.9	23.3	17.4
Sims Limited	26.3	23.0	(3.3)	49.5	38.9	(10.6)	32.9	23.4	(9.5)	39.2	35.1	(4.1)
Supply Network Limited	40.4	40.6	0.2	199.1	216.3	17.2	89.6	85.8	(3.8)	103.6	115.7	12.1
Transurban Group	16.2	16.7	0.5	-	-	-	93.5	100.4	6.9	(26.2)	(26.4)	(0.2)
<b>Peer group average</b>	<b>37.4</b>	<b>38.3</b>	<b>0.9</b>	<b>43.4</b>	<b>47.9</b>	<b>4.5</b>	<b>71.9</b>	<b>74.0</b>	<b>2.1</b>	<b>23.7</b>	<b>26.5</b>	<b>2.8</b>
<b>International benchmarking</b>												
<b>Asia</b>	<b>49.6</b>	<b>51.0</b>	<b>1.4</b>	<b>36.1</b>	<b>40.4</b>	<b>4.3</b>	<b>42.6</b>	<b>44.6</b>	<b>2.0</b>	<b>43.3</b>	<b>46.4</b>	<b>3.1</b>
<b>EU</b>	<b>45.1</b>	<b>51.8</b>	<b>6.7</b>	<b>12.9</b>	<b>15.8</b>	<b>2.9</b>	<b>90.1</b>	<b>95.3</b>	<b>5.2</b>	<b>7.0</b>	<b>12.1</b>	<b>5.1</b>
<b>US</b>	<b>41.4</b>	<b>44.4</b>	<b>3.0</b>	<b>32.3</b>	<b>33.1</b>	<b>0.8</b>	<b>58.9</b>	<b>60.2</b>	<b>1.3</b>	<b>20.3</b>	<b>21.8</b>	<b>1.5</b>

# Cash & Working Capital COE

The Working Capital Report 2024 has been prepared by McGrathNicol Advisory's Cash & Working Capital Centre of Excellence (COE). Our Cash & Working Capital COE is focused on increasing cash flow for our clients by using our cash flow optimisation system to forecast, track, save and generate cash. Cash is the lifeblood of business. The capacity to turn sales into cash faster reduces the cost of running a business and provides a material competitive advantage.

## Authors

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Jason Ireland  
Sean Wiles  
Suzanne Westney

Chloe Miller  
Chris Ballas

## Contributors

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David Barnaby  
Andrew Boys  
Doug Kay  
Victoria Nicholson  
Damien Pasfield  
Natalie Patane  
Jason Pietzner

Sachini Seneviratne  
Tom Shaw  
Rhyan Stephens  
Melinda Hogan  
Clíodhna Dempsey  
Grace Purcell  
Emma Rozsa

## Contacts

---

### Sydney



**Jason Ireland**  
+61 2 9338 2694  
jireland@mcgrathnicol.com



**Sean Wiles**  
+61 2 9248 9986  
swiles@mcgrathnicol.com

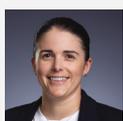


**Suzanne Westney**  
+61 2 9338 2657  
swestney@mcgrathnicol.com

### Brisbane



**Anthony Connelly**  
+61 7 3333 9806  
aconnelly@mcgrathnicol.com



**Selina Gerner**  
+61 7 3333 9848  
sgerner@mcgrathnicol.com

### Canberra



**Shane O'Keeffe**  
+61 2 6222 1420  
sokeeffe@mcgrathnicol.com

### Melbourne



**Chris Davey**  
+61 3 9038 3137  
cdavey@mcgrathnicol.com



**Rob Smith**  
+61 3 9038 3166  
rbsmith@mcgrathnicol.com



**Melinda Hogan**  
+61 3 9038 3113  
mhogan@mcgrathnicol.com

### Perth



**Rob Brauer**  
+61 8 6363 7603  
rbrauer@mcgrathnicol.com



**Rob Kirman**  
+61 8 6363 7685  
rkirman@mcgrathnicol.com



**Linda Smith**  
+61 8 6363 7633  
lsmith@mcgrathnicol.com

