

ASX Announcement

16 July 2021

## **SNC reports exceptional investment returns for FY 2021, to pay 2.75 cents per share fully franked final dividend**

- **Investment portfolio performance of 68.5%<sup>1</sup> for FY 2021, outperforming the index by 38%**
- **Total shareholder returns of 79.5% for FY 2021<sup>1</sup>**
- **Fully franked final dividend of 2.75 cps, a 10% increase**
- **Future dividends underpinned by 30.0 cps in profits reserve and 9.6 cps in franking credits**

The Directors of Sandon Capital Investments Limited (ASX:SNC) intend to pay a 2.75 cents per share fully franked final dividend, an increase of 10% from last year's final dividend. The DRP will apply, with no discount. The dividend timetable is shown on page 2.

SNC's investment performance for the 2020 financial year was exceptional. The gross investment return of 68.5%<sup>2</sup> significantly outperformed the main Australian equity indices. The table below shows the comparisons.

<b>Gross Performance to 30 June 2021<sup>1</sup></b>	<b>1 yr</b>	<b>2 yrs (p.a.)</b>	<b>3 yrs (p.a.)</b>	<b>Since inception (p.a.)</b>
<b>SNC</b>	<b>68.5%</b>	<b>21.8%</b>	<b>15.8%</b>	<b>12.5%</b>
All Ordinaries Accumulation Index	30.2%	9.9%	10.3%	9.7%
<b>outperformance</b>	<b>+38.3%</b>	<b>+11.9%</b>	<b>+5.5%</b>	<b>+2.8%</b>

We remain committed to the companies currently in our portfolio and believe many are significantly undervalued. As COVID-19 emerged in early 2020, we assessed the balance sheet strength and cash flow resilience of the companies we owned. Our work led us to the conclusion that wholesale changes to the portfolio were not necessary.

Following emergence from the lockdowns in mid 2020, most of the companies in our portfolio not only survived, but also thrived. This was not simply a snapback from the depressed economic conditions arising from COVID induced lockdowns, but was the fruits of several years' worth of effort by us (and in turn the companies themselves) to foster changes we believed would benefit the companies and their shareholders.

As the post COVID-19 normal becomes more apparent, we continue to see opportunity not only in our portfolio companies, but also in new investments. We expect to provide updates on the recent additions to the portfolio over the next few months.

## **SNC offers an attractive fully franked dividend yield of ~5.5% at a 10.7% discount to pre-tax NTA<sup>2</sup>**

SNC shares are currently trading at a highly attractive annualised yield of 5.5% (which grosses up to 7.4% when including the value of franking credits at SNC's corporate tax rate of 25%).<sup>3</sup> This compares to the current yield of the All Ordinaries Index of approximately 3.8%.<sup>4</sup>

<sup>1</sup> Share price movements plus dividends from 1 July 2020 to 30 June 2021.

<sup>2</sup> Gross performance is after investment management fees but before performance fees, corporate expenses and taxes. Performance figures are unaudited.

<sup>3</sup> Calculated assuming an annualised dividend of 5.5 (2.75 + 2.75) cents per share, the pre-tax NTA at 30 June 2021 and the closing market price on 15 July 2021 of \$0.995 per SNC share.

<sup>4</sup> Source: Bloomberg estimate as at 16 July 2021. This is not a forecast and past performance is not a reliable indicator of future performance.

## **Indicative Dividend Timetable**

The table below shows the indicative timetable and may be subject to change.

<b>Ex date</b>	<b>19 October 2021</b>
Record Date	20 October 2021
DRP Election Date	21 October 2021
Payment Date	5 November 2021

This Announcement has been authorised by the Board.

### **Further information:**

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