

22 February 2022

Sandon Capital Investments Ltd to pay a fully franked interim dividend of 2.75 cents per share

- **Strong investment performance for the 12 months to 31 December 2021:**
 - **NTA return was 25.8%ⁱ**
 - **All Ordinaries Accumulation Index return was 17.7%**
- **SNC announces intention to pay a fully franked interim dividend of 2.75 cents per share, up 10% on the pcg**
- **SNC Shares offer an attractive fully franked dividend yield of 5.9% (7.9% incl. franking)ⁱⁱ**

Sandon Capital Investments Limited (ASX:SNC) (**SNC** or the **Company**) is pleased to report gross investment returns of \$7.4 million and a net profit after tax of \$4.7 million for the half year ended on 31 December 2021.

The investment portfolio delivered gross returns of 4.5% for the 6 months ended 31 December 2021 compared to 4.6% delivered by the All Ordinaries Accumulation Index ("the Index") over the same period. Gross returns for the 12 months ended 31 December 2021 were 34.5%³, significantly ahead of the 17.7% delivered by the Index over the same period.

The Board has announced its intention to pay a fully franked interim dividend of 2.75 cents per share, an increase of 10% on the previous interim dividend. Upon payment of this dividend, SNC will have paid 48 cents per share of fully franked dividends since listing in December 2013.

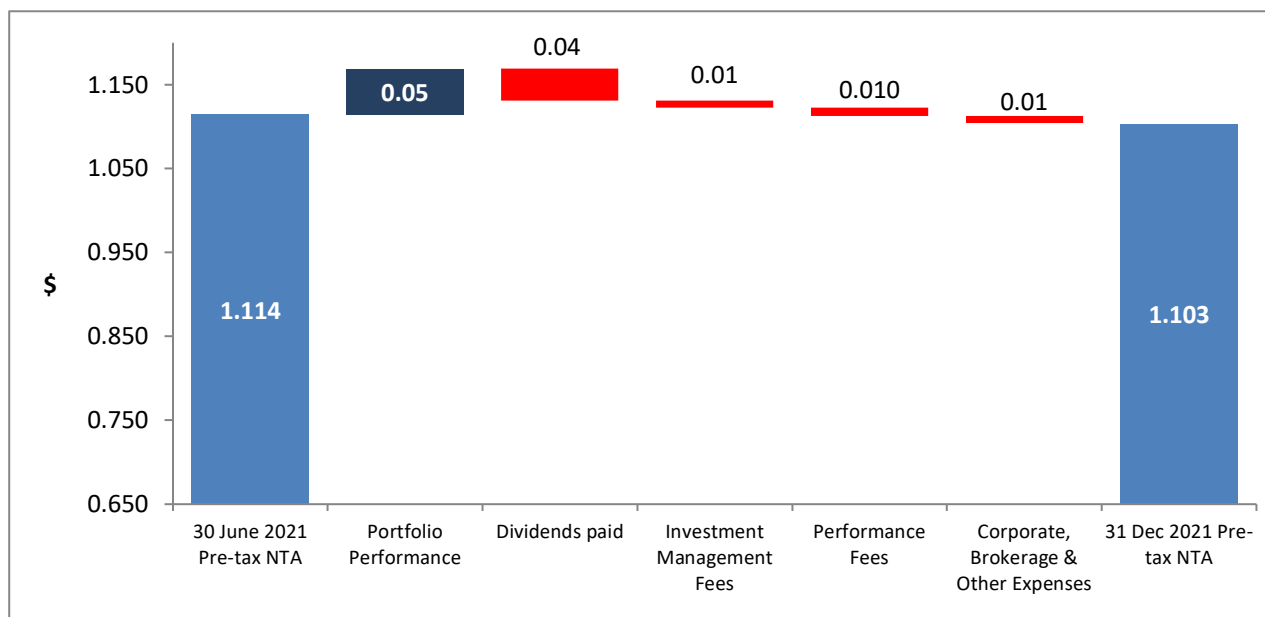
The Company has significant Profits Reserves. After paying the interim dividend, the profits reserve will be equivalent to 26.8 cents per share and the franking account will be approximately 6.3 cents per share.

Key Dates for Interim Dividend:

Dividend Dates	
Announcement date	22 February 2021
DRP Election Date	18 May 2021
Ex-date	16 May 2021
Record date	17 May 2021
Date payable	1 June 2021

The reinvestment plan (DRP) will apply in respect of the interim dividend. There will be no discount offered.

Results breakdown for the 6 months ended 31 December 2021



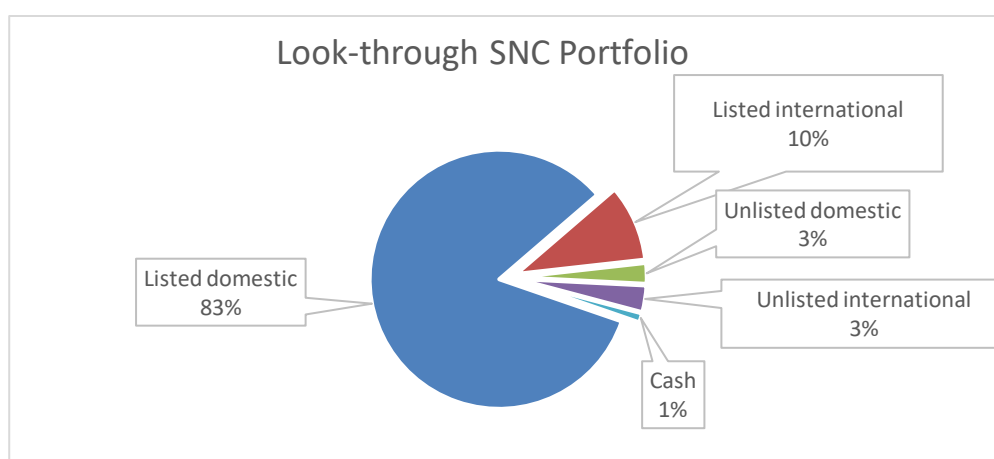
Note: figures may not tally due to rounding

Gross returns (before all fees and expenses) were 5.5 cents per share, equating to 4.5%. Performance fees, accrued but not paid, reflected the portfolio performance. Corporate expenses were in line with the prior comparable period.

Dividends paid included the fully franked final dividend of 2.75 cents per share as well as the fully franked special dividend of 1.0 cent per share paid during the period.

Portfolio structure

The chart below illustrates the broad composition of SNC's portfolio, including a look-through to MVT, as at 31 January 2022. Note that all figures are approximate and may have since changed.



Note: percentages are approximate and provide an illustration of the combined investment portfolio.

The bulk of SNC's assets by value are in listed securities, mainly in Australia with the remainder of approximately 10% spread between the UK and US. Unlisted assets are largely accounted for by Foundation Life, a New Zealand life company in run-off and a private equity fund also in run-off.

Investment Manager Commentary on Portfolio Performance

Investment returns in the first half of FY2022 were largely in line with those from the broader market, although 12-month performance remains substantially above the market. The investment manager, Sandon Capital, is disappointed that portfolio performance was not better. A significant detractor during the half year was IDT Australia Ltd (IDT), whose share price fell after failing to win further work from the federal government's plan to manufacture mRNA vaccines locally. This was a calculated risk that simply did not pay off. The investment in IDT remains a core holding, with substantial strategic value that we consider is not reflected in the current share price.

Despite this, the investment manager is generally pleased with the underlying operational performance of the majority of companies in the portfolio.

	SNC Gross Return¹	All Ordinaries Accumulation	Small Ordinaries Accumulation
6 months to 31 December 2021	4.5%	5.5%	4.6%
12 months to 31 December 2021	34.5%	16.9%	17.7%
Return per annum since inception	12.3%	10.0%	9.2%

1. The SNC returns are after investment management fees but before performance fees and other expenses and include dividends paid during the period. Index returns are before all fees and expenses and before any taxes.

Note: past performance should not be taken as being indicative of future performance.

For the companies in the portfolio that have already reported, their results were largely within our expectations. We are pleased that most investments continued to demonstrate the robustness and resilience of their business models as the effects of the COVID-19 pandemic continue.

Further information and commentary on the investment portfolio, in particular on the December 2021 half year reporting season, will be provided ahead of the shareholder presentations that will be scheduled in March and April 2021.

In terms of outlook, our portfolio companies that have already reported their earnings have delivered upbeat current and expected trading commentary. While COVID-19 and its consequences continue to impact many companies, we believe the domestic economy is robust. Although inflation risks are in play, we believe a return to more normal interest rates will be a long-term positive. Geopolitical risks are elevated and may cause short-term volatility. More than ever, we believe that patient, value-focused investing will deliver sound long-term returns for our shareholders. We remain committed to this approach.

Further information:

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ⁱ Change in pre-tax NTA plus dividends paid and imputation credits.

ⁱⁱ Based on a closing price of \$0.925 on 21 February 2022