

24 February 2023

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

- **SNC announces intention to pay a fully franked interim dividend of 2.75 cents per share, in line with the previous interim dividend**
- **SNC Shares offer an attractive fully franked dividend yield of 8.6% (11.5% incl. franking)¹**

Sandon Capital Investments Limited (ASX:SNC) (**SNC** or the **Company**) reported a gross investment loss of \$0.9 million and a net loss after tax of \$0.8 million for the half year ended on 31 December 2022.

The investment portfolio delivered gross returns of -3.1% for the 6 months ended 31 December 2022 compared to 7.0% delivered by the Small Ordinaries Accumulation Index and 9.6% delivered by the All Ordinaries Accumulation Index over the same period. Both the Board and the Investment Manager are disappointed by the underperformance, particularly relative to the small cap indices. The Investment Manager intends to provide more detailed commentary on the investment portfolio once all portfolio companies have reported their results.

The Board has announced its intention to pay a fully franked interim dividend of 2.75 cents per share, in line with the previous interim dividend. Upon payment of this dividend, SNC will have paid 50.8 cents per share of fully franked dividends since listing in December 2013.

The Company has significant profits reserves and franking credits. After paying this interim dividend, the profits reserve will be equivalent to 24.3 cents per share and the franking account will be approximately 7.4 cents per share.²

Key Dates for Interim Dividend:

Dividend Dates	
Announcement date	24 February 2023
Ex-date	16 May 2023
Record date	17 May 2023
DRP Election Date	18 May 2023
Payment Date	2 June 2023

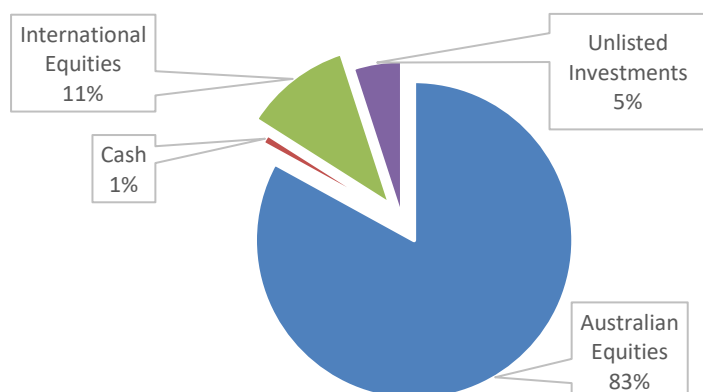
The dividend reinvestment plan (DRP) will apply in respect of the interim dividend. There will be no discount offered. The Directors and their associated entities entitled to do so are participating in the DRP.

¹ Based on the closing price of \$0.64 on 23 February 2023

² Assuming the profits reserve and franking account reported as at 31 January 2023 reduced by the 2.75cps interim dividend

Portfolio structure

The chart below illustrates the broad composition of SNC's portfolio, including a look-through to MVT, as at 31 January 2023. 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 11% in UK listed investments. Unlisted assets are largely accounted for by the Foundation Life investment.

Investment Manager Commentary on Portfolio Performance

Investment returns in the first half of FY2023 were disappointing. The share prices of small capitalisation industrial companies fared poorly over the period, particularly those in our portfolio. For a small minority of these, that performance was deserved as their operational performance was poor. In most instances, those companies have undergone personnel changes at board and management at our instigation. We view such changes as positive for the future. At other companies, performance has been solid, yet as the tide of investors fell, so too did share prices, irrespective of operating performance.

Further information and commentary on the investment portfolio, in particular on the December 2022 half year reporting season, will be provided in March and also ahead of the shareholder presentations that will be scheduled for March/April 2023.

In terms of outlook, we await commentary from our portfolio companies as they report over the coming week. Although inflation risks are in play and investor uncertainty remains high, 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.

This announcement has been approved by the Board.

Further information:

Sandon Capital Investments Limited

Tel: 02 8014 1188

Fax: 02 8084 9918

Website: www.sandoncapital.com.au

Share registry:

Link Market Services

Tel: 1300 554 474 (toll free within Australia)

Email: registrars@linkmarketservices.com.au

Fax: +61 2 9287 0303

Postal Locked Bag A14, Sydney

Address: South NSW 1235