

ASX Announcement

12 February 2025

Sandon Capital Investments Ltd Healthy Increase Net Profits

- **Strong investment result for the 6 months to 31 December 2024:**
 - **17.7%ⁱ portfolio return, more than double that of the market**
 - **\$16.78 million NPAT**
- **Total shareholder returns over the period were 16.6%ⁱⁱ**
- **SNC Shares offer an attractive fully franked dividend yield of 6.8% (9.0% incl. franking)ⁱⁱⁱ**

The Directors of Sandon Capital Investments Limited (ASX:SNC) are pleased to report that a 17.7% gross portfolio return in the six months to 31 December 2024 has helped deliver a healthy increase in net profit after tax to \$16.77 million for the half year period. The portfolio return was more than double that of the broader share market, as measured by the All Ordinaries Accumulation Index. The Investment Manager's commentary on the next page provides further details on performance.

Quarterly Fully Franked Dividends

In December 2024, the Directors announced their intention to have SNC pay quarterly dividends to provide shareholders a more frequent income stream. The Directors have previously announced their intention to pay a 1.4 cents per share quarterly fully franked dividend, representing an annualised dividend of 5.6 cents per share (previously 5.5 cents per share). The dividend reinvestment plan (DRP) will apply to this quarterly dividend, with no discount.

Indicative Dividend Timetable

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

Ex date	18 February 2025
Record Date	19 February 2025
DRP Election Date	20 February 2025
Payment Date	7 March 2025

SNC offers an attractive fully franked dividend yield of ~6.8% at a 9.4% discount to pre-tax NTA^{iv}

SNC shares are currently trading at an attractive annualised yield of 6.8% (which grosses up to 9.0% when including the value of franking credits at SNC's corporate tax rate of 25%).

The Company has significant profit reserves. As of 31 January 2025, SNC has profit reserves totalling 39.0 cents per share and a franking balance of 7.6 cents per share. Based on the current franking balance, SNC has the capacity to pay 22.8 cents per share in fully franked dividends should the directors choose. This equates to more than 4 years of dividends at the current rate of 5.6 cents per annum.

Investment Manager Commentary

The six months to 31 December 2024 delivered strong investment returns. The table below shows the various comparisons.

	SNC Gross Return	Small Ordinaries Accumulation Index	All Ordinaries Accumulation Index
6 months to 31 December 2024	17.7%	5.5%	6.9%
12 months to 31 December 2024	15.2%	8.4%	11.4%

All figures, including for SNC, are after management fees but before corporate expenses and taxes. Figures do not tally due to rounding and compounding.

The Company's investments in Nuix Ltd (NXL), Fleetwood Ltd (FWD), Midway Ltd (MWY) and Wellard Ltd (WLD) were the main contributors.

The NXL and FWD returns were largely attributed to markets recognising that each company is overcoming its own challenges. MWY was the subject of a scheme of arrangement which saw a significant share price premium paid and WLD sold its last ship at nearly three times its book value.

Throughout 2024 we maintained confidence and faith in our investment approach, despite often receiving contrary signals from the share prices of our companies. As we have cited before, "noise" driving short term market movements remains loud, yet many of the companies in our portfolio continued to report solid demand for their products and services and corresponding solid profitability and cash flow. Where market values diverged from intrinsic values, eventually some companies and assets were sold to those who better appreciated those values, at significant premia to market prices (viz MWY, WLD, Global Data Centres).

We believe there are signs of increasing corporate and private market investor confidence as shown by increased takeover activity. We are considering a number of new investment opportunities and we continue to press our portfolio companies to improve themselves.

We remain confident in the prospects for future returns as we continue to diligently and faithfully apply our investment approach.

This Announcement has been authorised by the Board.

Further information:

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ⁱ Portfolio return is performance after investment management fees but before any performance fees, corporate expenses and taxes.

ⁱⁱ Total shareholder return is calculated using SNC's closing share prices on 30 June 2024 (\$0.695) and 31 December 2024 (\$0.78) and assumes reinvestment of the final dividend paid on 7 November 2024.

ⁱⁱⁱ Based on a closing price of \$0.83 on 11 February 2025.

^{iv} Calculated assuming an annualised dividend of 5.6 cents per share using SNC's closing share price on 11 February 2025 (\$0.83) and 31 Jan 2025 pre-tax NTA (\$0.9160).