

## MONTHLY REPORT

# Sandon Capital Investments Limited (ASX:SNC)

NOVEMBER 2024

NTA Before Tax  
(ex-dividend)

\$0.9191

NTA After Tax  
(ex-dividend)

\$0.8942

## INVESTMENT PERFORMANCE

Gross Performance to 30 November 2024 <sup>1</sup>	1 month	1 year	Since inception (p.a.)
SNC	-2.2%	25.3%	9.4%
All Ords Accumulation Index	3.7%	23.5%	9.3%
<b>Outperformance<sup>2</sup></b>	<b>-5.8%</b>	<b>1.8%</b>	<b>0.1%</b>

1. The SNC gross returns are after investment management fees and brokerage expenses but before performance fees and corporate expenses. Index returns are before all fees and expenses and before any taxes. Dividends paid during the period are included when calculating SIN's gross investment performance.

2. Figures may not tally due to rounding.

## SANDON CAPITAL INVESTMENTS LIMITED

ASX Code	SNC
Gross assets*	\$159.9m
Market capitalisation	\$109.6m
Share price	\$0.760
Fully franked dividends	\$0.055
Dividend yield (annualised)	7.2%
Profits reserve (per share)	38.1cps
Franking (per share)	7.6cps
Loan-to-assets (incl. SNCHA)	16%

\*Includes the face value of 4.8% unsecured notes (ASX: SNCHA)

## PORTFOLIO COMMENTARY

The Portfolio was down 2.2% for the month, on a gross basis, after investment management fees and brokerage but before performance fees and corporate expenses, compared to an increase of 3.7% for the All Ordinaries Accumulation Index.

The largest positive contributors were Midway Ltd (MWY) (+1.6%), Global Data Centre Group (GDC) (+0.9%) and Wellard Ltd (WLD) (+0.3%). These were more than offset by Nuix Ltd (NXL) (-1.2%), BCI Minerals Ltd (BCI) (-0.8%), IDT Australia Ltd (IDT) (-0.7%), COG Financial Services Ltd (COG) (-0.5%), Fleetwood Ltd (FWD) (-0.5%) and Ignite Ltd (IGN) (-0.5%).

MWY announced that it had entered into a binding Scheme Implementation Deed with River Capital for the acquisition of all the shares in MWY by way of scheme of arrangement for a cash price of \$1.19 per share. The consideration is inclusive of a partially franked special dividend of \$0.38 per share. The MWY Board has recommended shareholders vote in favour of the scheme in the absence of a higher offer. We look forward to reading the scheme booklet to be released by MWY in due course.

GDC paid out \$2 per share of capital during the month comprised of a return of capital (\$1.066 per share) and a partially franked dividend (\$0.934 per share, 2.77% franked). Whilst the (yet to be received) cash proceeds from the sale of the AirTrunk stake are substantial (\$123 million), GDC was suspended from trading on 20 November, being six months from the agreement to sell its main undertaking (Etix). After month end, GDC released an unaudited Net Asset Value (NAV) of \$1.55 per share.

If press reports are true that FIRB approval for the sale of AirTrunk is imminent, we expect to receive further capital returns from GDC in the first quarter of next calendar year.

Following the sale of the Ocean Drover M/V in July, WLD made good on its promise to return the majority of the proceeds to shareholders with a 2 cent per share capital return approved by shareholders at the Annual General Meeting (AGM). As a result of the recent settlement with Ruchira Ships' liquidators and a subsequent strategic review, WLD has received enquiries from multiple credible industry participants to purchase its last remaining ship, the M/V Ocean Drover. We expect to receive an update on the potential sale of the M/V Ocean Drover by the end of the calendar year.

After receiving a non-binding indicative (NBIO) offer of \$0.15 per share from Myndbio Pty Ltd (Mynd) in June, IDT announced that it had terminated discussions as Mynd had not submitted an updated proposal in a timely manner. Given the rapid growth seen at IDT since the NBIO was announced, we are supportive of the Board's decision to focus on the existing business without the distraction of takeover discussions. 1QFY25 revenue increased 70% over the prior corresponding period, and the momentum is strong with \$6.8 million in new contract wins and \$24.7 million in proposals submitted during the quarter. IDT remains well placed to return to positive earnings and free cash flow before the end of FY25.

IGN shares fell almost 50% following its 10-for-1 consolidation on 21 November. This significant decline in the share price was a result of three (3) shares traded for total consideration of approximately one dollar. Despite the non-sensical share price fall, the AGM update was positive with the company expecting further year-on-year profit improvement in FY25.

## DIVIDENDS

SNC has declared 61.75 cents per share (cps) of fully franked dividends since listing in December 2013. The profits reserve is 38.1cps and there are 7.6cps of franking credits. These franking credits support the payment of up to 22.8cps of fully franked dividends.

SNC's FY24 final dividend of 2.75cps was paid on 7 November 2024. The Board anticipates paying an interim FY25 dividend of 2.75cps, provided the Company has sufficient profit reserves, franking credits and it is within prudent business practice.

A full list of SNC dividends since the IPO in December 2013 can be found [here](#).

## TOP 5 POSITIONS

Spectra Systems	12%
Fleetwood	11%
Carbon Conscious	8%
Coventry Group	7%
COG Financial Services	7%

## INSTRUMENT EXPOSURE

Listed Australian Equities	70%
Listed International Equities	13%
Unlisted Investments	17%
Cash or Cash Equivalents	0%

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## COMPANY OVERVIEW

Sandon Capital Investments Limited is a specialist 'Activist' listed investment company, managed by Sandon Capital. Sandon Capital devises and implements activist shareholder strategies that seek to unlock value inherent in securities held in our investment portfolios.

SNC provides investors with exposure to a portfolio of Australian companies that are typically not available to traditional investors. Through active engagement with the target company, Sandon Capital seeks to release the embedded value for shareholders. Target companies are likely to be in the small - to mid-cap market segment.

Sandon Capital has successfully employed its Activist investment strategy since September 2009. The wholesale Sandon Capital Activist Fund's investment performance since inception is 10.2% p.a. (after all fees and expenses).

### Investment Objectives

- To provide absolute positive investment performance over the medium to long term, ensuring capital preservation, while providing capital growth.
- To provide an investment strategy that few investors have the capacity to implement themselves.
- To provide shareholders with a growing stream of fully franked dividends.

# SANDON CAPITAL

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