

## MONTHLY REPORT

# Sandon Capital Investments Limited (ASX:SNC)

APRIL 2025

NTA Before Tax

NTA After Tax

\$0.9379

\$0.9199

## INVESTMENT PERFORMANCE

| Gross Performance to<br>30 April 2025 <sup>1</sup> | 1 month     | 1 year       | Since<br>inception<br>(p.a.) |
|----------------------------------------------------|-------------|--------------|------------------------------|
| SNC                                                | 5.3%        | 25.0%        | 9.5%                         |
| All Ords Accumulation Index                        | 3.6%        | 8.8%         | 8.7%                         |
| <b>Outperformance<sup>2</sup></b>                  | <b>1.7%</b> | <b>16.2%</b> | <b>0.9%</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*                                  | \$167.1m |
| Market capitalisation                          | \$118.7m |
| Share price                                    | \$0.820  |
| Annual fully franked dividend (paid quarterly) | \$0.056  |
| Dividend yield (annualised)                    | 6.8%     |
| Profits reserve (per share)                    | 40.0cps  |
| Franking (per share)                           | 8.0cps   |
| Loan-to-assets (incl. SNCHA)                   | 19%      |

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

## PORTFOLIO COMMENTARY

The portfolio was up 5.3% 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 3.6% for the All Ordinaries Accumulation Index.

April saw increased volatility for global capital markets with most indices experiencing significant declines early in the month followed by a strong rebound. Against this backdrop, the strong performance of the portfolio was pleasing. The largest positive contributors were COG Financial Services Ltd (COG) (+2.9%), Fleetwood Ltd (FWD) (+2.5%), BCI Minerals Ltd (BCI) (+0.7%) and IDT Australia Ltd (IDT) (0.6%). These were offset by Nuix Ltd (-0.8%) and Karoon Energy Ltd (KAR) (-0.5%).

COG announced strong unaudited trading results for 3QFY25 with underlying NPATA to shareholders increasing by 9.4% over the prior corresponding period (pcp). The Novated Leasing business was again the standout performer, growing by more than 50% against the pcp. This more than offset the softer performance from the Finance Broking & Aggregation business. Encouragingly, the Asset Management & Lending business is growing again following an extended period of margin compression.

Continuing the momentum in recent contract wins, IDT announced that it had secured a manufacturing contract with Nacuity Pharmaceuticals Pty Ltd for an investigational treatment for retinitis pigmentosa, a progressive degenerative eye disease. The contract term is for five years with an initial \$3.2 million statement of work that is expected to be completed by the end of FY26. IDT also provided a 3QFY25 update with revenue growing 30% against the pcp.

Importantly, the outlook remains strong despite a volatile global trade environment. The company issued new client proposals worth a total of \$25.5 million in the quarter, taking the total value of open proposals to \$61.8 million.

After a long and protracted process, BCI announced that it had received approval from the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEE) for its Groundwater Monitoring and Management Plan. This final approval enables BCI to commence filling the remaining operational ponds (Ponds 4 through 9) and begin commissioning the crystallisers at the Mardie Project. In its quarterly update released later in the month, BCI noted that the construction of the salt first phase of the Mardie Project had progressed to 61% complete, with total construction expenditure to 31 March 2025 totalling \$824 million.

KAR's shares were negatively impacted by a falling oil price, which declined almost 9% as a result of the volatility in global trade and speculation around OPEC's decision to increase oil production (which was subsequently confirmed in early May). Despite the volatility in oil markets, KAR's quarterly production report highlighted that the company's renewed focus on its existing assets is starting to bear fruit. The flotel supported maintenance campaign at Bauna was successfully completed and the SPS-88 well has resumed production. The previously announced acquisition of the Bauna Floating Production, Storage and Offloading vessel (FPSO) was completed after month's end giving Karoon greater operational control. We look forward to updated production guidance in the next few months.

During the month, funds managed by Sandon Capital disclosed a 5.1% holding in SXL. We have now launched the public phase of this campaign. We will provide further updates as appropriate.

Much of April was overshadowed by the Australian federal election campaign, which tends to inject a certain degree of uncertainty. The end of the campaign augurs well for some stability despite uncertainty on the global stage. We believe the portfolio is well positioned in the current environment, with a focus on the domestic industrial economy. As far as we can tell now, most of our portfolio companies have limited direct exposure to any US tariffs. Indirect effects, by way of our trading partners, are difficult to predict. The portfolio companies are largely exposed to growing

markets for their goods and services. We will, as always, continue to apply our well-honed and patient approach to investment.

DIVIDENDS

SNC has declared 64.55 cents per share (cps) of fully franked dividends since listing in December 2013. The profits reserve is 40.0cps and there are 8.0cps of franking credits. These franking credits support the payment of up to 24.0cps of fully franked dividends.

The Board recently announced their intention to pay the next quarterly dividend of 1.4cps on 6 June 2025. SNC’s inaugural quarterly dividend of 1.4cps was paid on 7 March 2025.

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

TOP 5 POSITIONS

|                        |     |
|------------------------|-----|
| Fleetwood              | 15% |
| COG Financial Services | 11% |
| Spectra Systems        | 10% |
| Carbon Conscious       | 8%  |
| BCI Minerals           | 5%  |

INSTRUMENT EXPOSURE

|                               |     |
|-------------------------------|-----|
| Listed Australian Equities    | 73% |
| Listed International Equities | 11% |
| Unlisted Investments          | 16% |
| 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 10.8% 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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