SANDON CAPITAL

Lonsec Recommended

MONTHLY REPORT

Sandon Capital Investments Limited (ASX:SNC)

AUGUST 2026

NTA Before Tax (ex-dividend)	NTA After Tax (ex-dividend)
$0.8178	$0.8088

INVESTMENT PERFORMANCE

Gross Performance to 31 August 2026[1]	1 month	1 year	Since inception (p.a.)
SNC	10.3%	-11.7%	8.1%
All Ords Accumulation Index	1.9%	3.5%	9.0%
Outperformance[2]	**8.4%**	**-15.2%**	**-0.8%**

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*	$158.6m
Market capitalisation	$114.9m
Share price	$0.74
Annual fully franked dividend (paid monthly)	$0.0564
Dividend yield (annualised)	7.6%
Profits reserve (per share)	46.7cps
Franking (per share)	6.8cps
Loan-to-assets (incl. SNCHA)	24%

*Includes the face value of 8.5% unsecured notes (ASX: SNCHA).

PORTFOLIO COMMENTARY

The portfolio was up 10.3% 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 1.9% for the All Ordinaries Accumulation Index.

August saw most of our portfolio companies report their full year results. We were pleased with the financial performance of most portfolio companies. The largest positive contributors were Fleetwood Ltd (FWD) (+4.1%), COG Financial Services Ltd (COG) (+2.5%), BCI Minerals Ltd (BCI) (+1.7%), Southern Cross Media Group Ltd (SXL) (+1.0%), Nuix Ltd (NXL) (+1.0%), an undisclosed position (+0.6%) and Fitzroy River Corporation Ltd (FZR) (+0.5%). The only major detractor of note was Spectra Systems PLC (SPSY LN) (-0.8%).

FWD's Community Solutions business was again the standout reporting a 22% increase in revenue and a 28% increase in earnings before interest and tax. Building Solutions' results were clouded by previously flagged costs associated with the shutdown of NSW manufacturing and a number of projects which delivered poor margins. The new CEO has identified the issues and has taken steps to ensure these are not repeated. The closure of NSW manufacturing brings an end to the ill-conceived 2018 acquisition of MBS. Following the sale of the RV Solutions business FWD will operate two complementary business units, Community Solutions and Building Solutions.

COG delivered a very good result, with revenues increasing 9% and operating profit per share increasing 27%. COG's Salary Packaging division (formerly Novated Leasing) was the stand-out contributor, with revenue growing 51% and EBITDA to shareholders growing 88%.

The company provided a strong outlook with earnings expected to grow at a double-digit rate into FY27.

SXL's results demonstrated that audio remains the least challenged traditional media outlet. The (poor) reputation of the former Seven West Media assets held true, with the TV and Publishing divisions reporting declines in revenue and earnings. The company cited softer advertising markets, something that has been evident since well before the merger was proposed. SXL has new management and we are prepared to offer them a clean sheet. Their cost cuts have come faster and deeper than anticipated. We expect continued cost reduction, cash generation and debt repayment to be the key focus areas for the medium term.

DIVIDENDS

SNC has declared 71.59 cents per share (cps) of fully franked dividends since listing in December 2013. The profits reserve is 46.7cps and there are 6.8cps of franking credits. These franking credits support the payment of up to 20.4cps of fully franked dividends.

SNC's inaugural monthly dividend of 0.47cps was paid on 31 October 2025. The Board recently announced their intention to pay dividends of 0.47 cents per share per month for each of July, August and September 2026. These monthly dividends represent an annualised fully franked dividend rate of 5.64 cents per share.

A full list of SNC dividends announced since the IPO in December 2013 can be found here.

TOP 5 POSITIONS

Fleetwood	16%
COG Financial Services	12%
BCI Minerals	9%
Carbon Conscious	9%
Spectra Systems plc	8%

INSTRUMENT EXPOSURE

Listed Australian Equities	74%
Listed International Equities	9%
Unlisted Investments	17%
Cash or Cash Equivalents	0%

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 9.5% 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.

Positions and exposure based on weights in the investment portfolio

SANDON CAPITAL

For enquiries about the company or its investments:
Sandon Capital Investments Limited
+61 2 8014 1188
info@sandoncapital.com.au

For enquiries about your shareholding:
MUFG Corporate Markets (AU) Limited
1300 554 474 (Toll free within Australia)