

## Outperformance drives increased fully franked interim dividend and profit

2 February 2021  
ASX announcement

- **155.2% increase in operating profit before tax to \$69.6 million\***
- **36.4% investment portfolio performance<sup>^</sup> in the financial year to date, outperforming the Index by 16.1%<sup>^</sup>**
- **33.3% increase FY2021 fully franked interim dividend, to 4.0 cents per share**

WAM Microcap achieved a 155.2% increase in operating profit before tax to \$69.6 million and a 149.9% increase in operating profit after tax to \$49.2 million in its FY2021 half year results\*. The operating profit for the half year is reflective of the strong investment portfolio performance and the growth in assets over the period.

The WAM Microcap Board of Directors has declared a fully franked interim dividend of 4.0 cents per share, which represents a 33.3% increase on the FY2020 fully franked interim dividend. The fully franked dividend has been achieved through the strong performance of the investment portfolio since inception and the profits reserve available and is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

The Company's strong investment portfolio performance provided shareholders with a total shareholder return of 61.0% in the six months to 31 December 2020. WAM Microcap's investment portfolio increased 36.4%<sup>^</sup> outperforming the S&P/ASX Small Ordinaries Accumulation Index by 16.1%<sup>^</sup>, with an average cash holding of 14.0% during the half year to 31 December 2020. The WAM Microcap investment portfolio increased 28.7%<sup>^</sup> in the 2020 calendar year, outperforming the Index by 19.5%<sup>^</sup> with an average cash holding of 18.8%.

WAM Microcap's investment approach, which focuses on providing access to a portfolio of undervalued micro-cap growth companies, has led to strong investment portfolio outperformance throughout the Company's history. Since inception in June 2017, the WAM Microcap investment portfolio has increased 23.8%<sup>^</sup> per annum, outperforming the Index by 13.2%<sup>^</sup> per annum.

The Company has a profits reserve of 37.5 cents per share as at 31 December 2020, representing 4.7 years of dividend coverage, and forms part of the net tangible assets (NTA) of the Company. Since inception, WAM Microcap has paid 21.75 cents per share in fully franked dividends to shareholders.

The WAM Microcap fully franked interim dividend will be paid on Tuesday 20 April 2021. The record date is Thursday 8 April 2021 and the shares will trade ex dividend on Wednesday 7 April 2021. The last election date for the Dividend Reinvestment Plan (DRP) is Monday 12 April 2021.

The DRP will be operating with a 2.5% discount for the interim dividend.

### FY2021 Interim Results Webinar

Please [register](#) to join Chairman and Chief Investment Officer Geoff Wilson AO, Lead Portfolio Manager Oscar Oberg, Portfolio Manager Tobias Yao, Equity Analyst Shaun Weick and Equity Analyst Sam Koch for our WAM Capital, WAM Microcap, WAM Research and WAM Active [FY2021 Interim Results Webinar](#) on Tuesday 2 February 2021 at 2:30pm (Sydney time). We encourage you to ask any questions you may have.

### Investment portfolio outperformance since inception

as at 31 December 2020

|   | Fin<br>YTD    | 1<br>yr       | Since inception<br>%pa (Jun-17) |
|---|---------------|---------------|---------------------------------|
| WMI Investment Portfolio <sup>^</sup>       | 36.4%         | 28.7%         | 23.8%                           |
| S&P/ASX Small Ordinaries Accumulation Index | 20.3%         | 9.2%          | 10.6%                           |
| <b>Outperformance</b>                       | <b>+16.1%</b> | <b>+19.5%</b> | <b>+13.2%</b>                   |

\*The HY2021 profit figures are unaudited. Audited half-year results will be announced to the market in February 2021.

<sup>^</sup>Investment portfolio performance and Index returns are before expenses, fees and taxes.

## Top 20 holdings with portfolio weightings

as at 31 December 2020

| Code    | Company                       | %    | Code | Company                              | %    |
|---------|-------------------------------|------|------|--------------------------------------|------|
| IFM     | Infomedia Limited             | 2.7% | BBN  | Baby Bunting Group Limited           | 1.6% |
| PPE     | People Infrastructure Limited | 2.7% | TRS  | The Reject Shop Limited              | 1.6% |
| DSK     | dusk Group Limited            | 2.5% | EVO  | Evolve Education Group Limited       | 1.6% |
| CAJ     | Capitol Health Limited        | 2.1% | EHE  | Estia Health Limited                 | 1.6% |
| VVA     | Viva Leisure Limited          | 2.1% | MLD  | MACA Limited                         | 1.5% |
| EGG     | Enero Group Limited           | 2.1% | NTD  | National Tyre & Wheel Limited        | 1.5% |
| SSG     | Shaver Shop Group Limited     | 2.0% | GDG  | Generation Development Group Limited | 1.5% |
| SWM     | Seven West Media Limited      | 1.8% | VGL  | Vista Group International Limited    | 1.5% |
| MTO     | Motorcycle Holdings Limited   | 1.7% | SKO  | Serko Limited                        | 1.5% |
| THL NZX | Tourism Holdings Limited      | 1.7% | HT1  | HT&E Limited                         | 1.5% |

This announcement has been authorised by the Board of WAM Microcap Limited.

### About WAM Microcap

WAM Microcap Limited has an investment management agreement with Wilson Asset Management. Listed in June 2017, WAM Microcap provides investors access to a portfolio of undervalued micro-cap growth companies with a market capitalisation of less than \$300 million at the time of acquisition. WAM Microcap also provides exposure to relative value arbitrage and market mispricing opportunities. WAM Microcap's investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital.

All major platforms provide access to WAM Microcap, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap and Hub24. WAM Microcap receives coverage from the following independent investment research providers:



### About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for seven leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Research and WAM Active, Wilson Asset Management invests over \$3.5 billion on behalf of more than 90,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first listed investment companies to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian Charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.



For further information, visit [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au) or contact:

**Geoff Wilson AO**  
Chairman &  
Chief Investment Officer  
(02) 9247 6755

**Kate Thorley**  
Chief Executive Officer  
(02) 9247 6755  
0405 115 644

**Jesse Hamilton**  
Chief Financial Officer  
(02) 9258 4953  
0401 944 807

**James McNamara**  
Head of Corporate Affairs  
(02) 9258 4915  
0416 734 080