

Fully franked interim dividend and strong investment portfolio performance since inception

14 February 2024
ASX announcement
and media release

5.25 cps

Fully franked interim dividend FY2024

6.9%

Annualised fully franked interim dividend yield FY2024^{*}

+14.8%

Investment portfolio performance per annum since inception^{**}

+8.7%

Investment portfolio outperformance of the S&P/ASX Small Ordinaries Index per annum since inception

54.25 cps

Dividends paid since inception

9.9%

Annualised grossed-up dividend yield FY2024[^]

Q&A Webinar

Tuesday 12 March
2024 at 2:00pm
(Sydney time)

Register to join the investment team for our WAM Capital, WAM Microcap, WAM Research and WAM Active FY2024 Interim Results Q&A Webinar.

[Register now](#)

The WAM Microcap Limited (ASX: WMI) Board of Directors is pleased to declare a fully franked interim dividend of 5.25 cents per share, providing an annualised fully franked dividend yield of 6.9%^{*} and an annualised grossed-up dividend yield of 9.9%[^].

Since inception in June 2017, WAM Microcap has paid 54.25 cents per share in fully franked dividends to shareholders, providing an average dividend yield on the initial public offering price of 8.2% and a grossed-up dividend yield of 11.7%[^] including the value of franking credits.

The Board's decision to maintain the fully franked interim dividend of 5.25 cents per share was made having consideration to the annualised pre-tax dividend yield of 11.6% on the Company's net assets as at 31 December 2023. Over the past 12 months, the investment portfolio increased 11.1%^{**}, strongly outperforming the S&P/ASX Small Ordinaries Accumulation Index, which was up 7.8%.

WAM Microcap reported an operating profit before tax of \$12.6 million and an operating profit after tax of \$9.5 million for the six months to 31 December 2023.

Chairman Geoff Wilson AO said: "The WAM Microcap investment team have diligently constructed the investment portfolio with quality micro-cap companies which has resulted in strong investment portfolio outperformance over the last 12-months. We are pleased to deliver shareholders a fully franked dividend consistent with the Company's investment objective of providing investors a stream of fully franked dividends since listing in 2017."

Through the Company's continued focus on undervalued micro-cap growth companies with a catalyst, the investment portfolio has increased by 14.8%^{**} per annum since inception, outperforming the S&P/ASX Small Ordinaries Accumulation Index by 8.7% per annum.

As at 31 December 2023, the Company had 48.9 cents per share available in its profits reserve, before the payment of the fully franked interim dividend of 5.25 cents per share, payable on 30 May 2024. The profits reserve represents 4.7 years of dividend coverage for shareholders.

Lead Portfolio Manager Oscar Oberg said that WAM Microcap's FY2024 interim results were achieved amid a challenging market environment where micro-cap companies underperformed the broader market, triggering a consolidation.

"With macroeconomic data suggesting that we may have reached the peak of interest rate increases, we see a more positive environment ahead for micro-cap companies with valuations at decade lows and the likelihood of additional mergers and acquisition activity," he said.

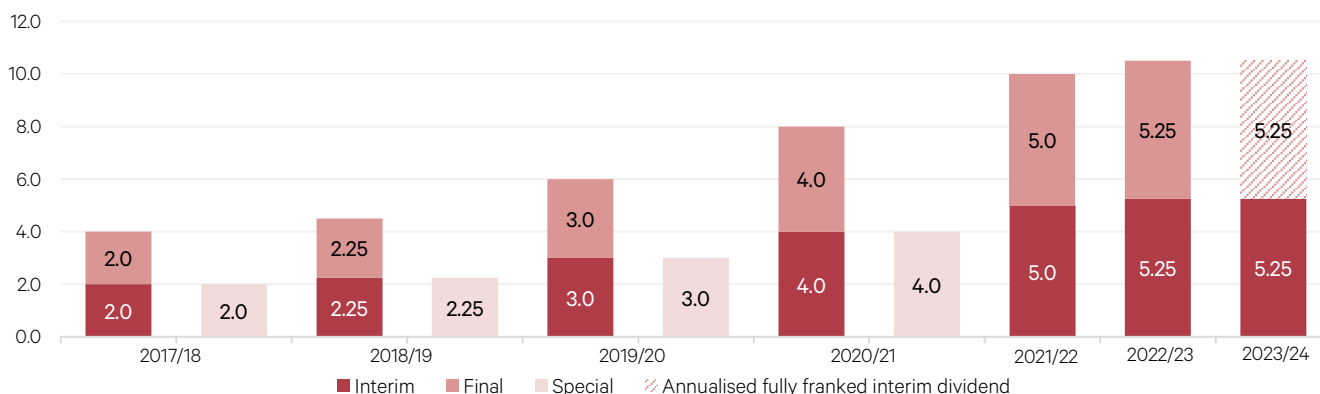
^{*}Based on the 13 February 2024 share price of \$1.52 per share.

^{**}Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

[^]Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

Fully franked dividends since inception

Cents per share



Investment portfolio performance since inception

Performance as at 31 December 2023

	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Jun-17)
WAM Microcap Investment Portfolio	5.6%	11.1%	4.9%	15.0%	14.8%
S&P/ASX Small Ordinaries Accumulation Index	6.4%	7.8%	0.9%	6.4%	6.1%
Outperformance	-0.8%	+3.3%	+4.0%	+8.6%	+8.7%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Top 20 holdings with portfolio weightings as at 31 December 2023

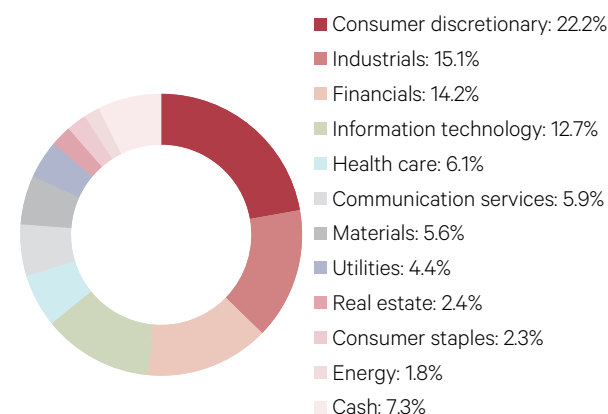
Code	Company name	%
TUA	Tuas Limited	3.7%
REG	Regis Healthcare Limited	3.0%
EVO	Embark Early Education Limited	2.9%
n/a	Xpansiv Limited	2.7%
CLG	Close the Loop Limited	2.5%
SSM	Service Stream Limited	2.4%
GTK	Gentrack Group Limited	2.4%
SGF	SG Fleet Group Limited	2.4%
WGN	Wagners Holding Company Limited	2.3%
LGI	LGI Limited	2.2%
GNX	Genex Power Limited	2.1%
TRS	The Reject Shop Limited	2.1%
BBN	Baby Bunting Group Limited	2.1%
GNP	GenusPlus Group Limited	2.0%
CTT	Cettire Limited	2.0%
GDG	Generation Development Group Limited	1.9%
AND	Ansarada Group Limited	1.9%
QAL	Qualitas Limited	1.9%
SMP	Smartpay Holdings Limited	1.8%
NZX NZ	NZX Limited	1.8%

Key dividend dates

Ex-dividend date	17 May 2024
Dividend record date (7:00pm Sydney time)	20 May 2024
Last election date for DRP	22 May 2024
Payment date	30 May 2024

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked interim dividend of 5.25 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the volume weighted average market price (VWAP) of shares sold on the ASX on the ex date for the relevant dividend and the three trading days following that date. The DRP will operate with a 2.5% discount for the fully franked interim dividend.

Diversified investment portfolio by sector as at 31 December 2023



About WAM Microcap

WAM Microcap Limited (ASX: WMI) 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 Asgard eWRAP Investment, BT Panorama, BT Wrap, Colonial First State FirstWrap, Hub24, IOOF Pursuit Select Investment Service, Macquarie Investment Manager / Consolidator, MLC Wrap IDPS and SMS, Netwealth Wrap and North Investment.

Listed
June 2017



WAM Microcap receives coverage from the following independent investment research providers:



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

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for 25 years and is the investment manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX), WAM Active (ASX: WAA) – and the Wilson Asset Management Leaders Fund. Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first LICs 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.



\$5 billion
in funds under management

>200 Years
combined investment experience

+25 Years
making a difference for shareholders

10
investment products

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