

W | A | M Microcap ASX: WMI

The most exciting undervalued growth opportunities in the Australian micro-cap market.



Net Tangible Assets (NTA) per share before tax

September 2024 **145.25c**

August 2024 **139.12c**

The September NTA figure is **before** the fully franked final dividend of 5.25 cents per share payable on 29 October 2024. The shares will trade ex dividend on 15 October 2024.

The September NTA is **after** the payment of \$105k (0.04 cents per share) in tax during the month.

The net current and deferred tax asset/(liability) position of the Company for September 2024 is (1.36) cents per share.

Dividend highlights

10.5c

Fully franked full year dividend (per share)

59.5c

Dividends paid since inception (per share)

85.0c

Dividends paid since inception, when including the value of franking credits (per share)

6.8%

Fully franked dividend yield*

9.7%

Grossed-up dividend yield*

48.8c

Profits reserve (per share)

Assets

\$415.1m

Investment portfolio performance[^] (pa since inception June 2017)

16.6%


S&P/ASX Small Ordinaries Accumulation Index:
6.8%


Month-end share price (at 30 September 2024)

\$1.54

*Based on the 30 September 2024 share price and the FY24 fully franked full year dividend of 10.5 cents per share. Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30%.

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

[Oscar Oberg's comments on biogas company LGI](#) 

[Oscar's views on Myer's need to recoup profits](#) 

The WAM Microcap (ASX: WMI) investment portfolio increased in September. Australian diagnostics imaging group Capitol Health (ASX: CAJ) contributed to investment portfolio performance following the proposed sale of competitor Healius' (ASX: HLS) diagnostic imaging business at a higher valuation than market expectations. Australian Clinical Labs (ASX: ACL) also contributed to investment portfolio performance following the sale of Crescent Capital Partners' 30% holding in the company, which had been an overhang for the share price.



Capitol Health's proposed merger with leading radiologist and diagnostic imaging provider Integral Diagnostics (ASX: IDX) is progressing well. As a combined company, it will emerge as a near \$1 billion diagnostics imaging group. In September, competitor Healius sold its diagnostic imaging business for \$965 million. The valuation of the business was 24 times on an enterprise value to earnings before interest and tax (EBIT) basis. This was much higher than both Capitol Health and Integral Diagnostics, which were trading on 15 times its enterprise value. The higher-than-expected valuation for Healius' diagnostic imaging business meant that both Capitol Health and Integral Diagnostics' share price increased over the month.

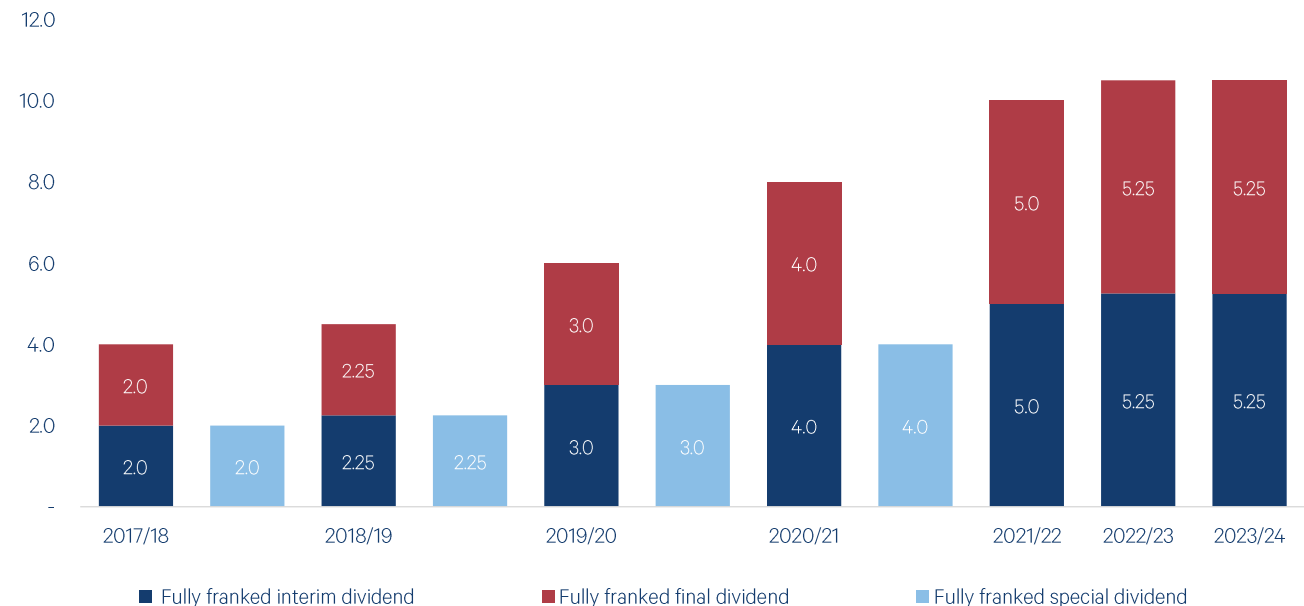


Australian Clinical Labs' share price rose in September following improved liquidity from the sale of Crescent Capital Partners' 30% shareholding. Shareholders both new and existing saw this as an opportunity to invest in the business following management's recent full year update which reported adjusted revenue and margin growth, and positive expectations for pathology volumes for the next 12 months. Australian Clinical Labs expects a 4% to 8% increase in FY2025 revenue as well as 4% to 17% increase in EBIT and we see a strong chance that the business beats earnings expectations over the course of the year.

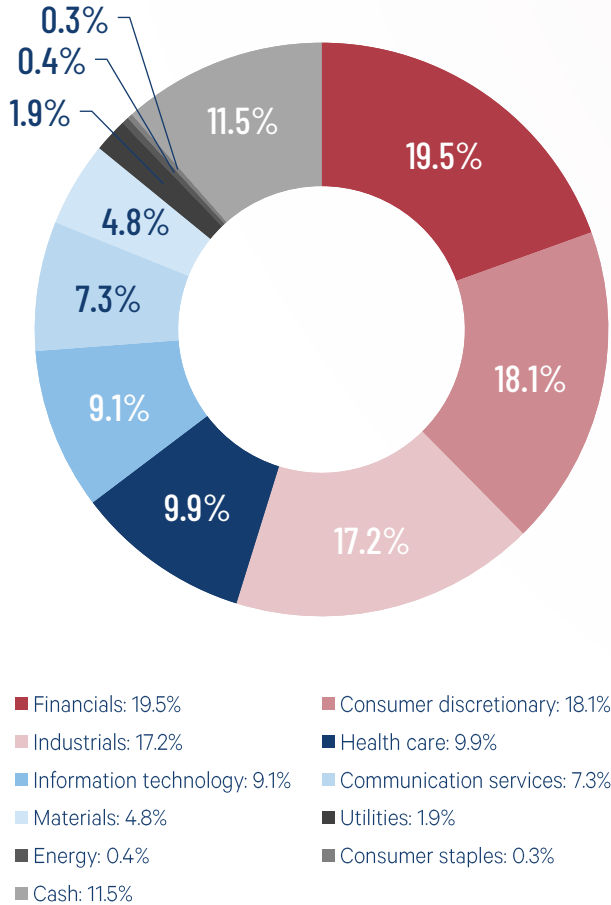
Fully franked dividends since inception

The Board declared a fully franked final dividend of 5.25 cents per share payable on 29 October 2024.

Cents per share



Diversified investment portfolio by sector



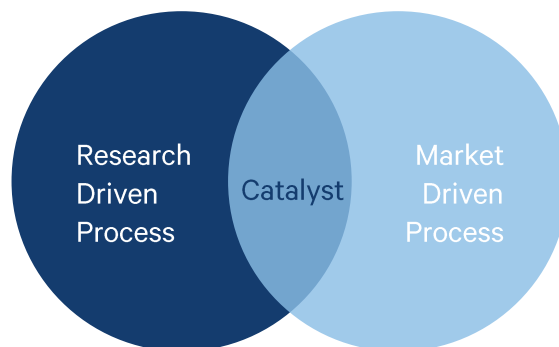
Top 20 holdings (alphabetical order)

Code	Company Name
ACL	Australian Clinical Labs
ANG	Austin Engineering
BVS	Bravura Solutions
CAJ	Capitol Health
DSE	Dropsuite
EML	EML Payments
EVO	Embark Early Education
GDG	Generation Development Group
GTK	Gentrack Group
PGC	Paragon Care
REG	Regis Healthcare
SGF	SG Fleet Group
SMP	Smartpay Holdings
SSM	Service Stream
TRS	The Reject Shop
TUA	Tuas
UNI	Universal Store Holdings
WGN	Wagners Holding Company
ZIP	Zip Co
n/a	Xpansiv

Our proven investment process

Research and market driven process across undervalued micro-cap growth companies with a market capitalisation of less than \$300 million.

Diligent and deep research on undervalued micro-cap growth companies that focuses on free cash flow, return on equity, meeting management and the quality of a company.



Takes advantage of short-term mispricing opportunities in the Australian equity market.

Catalyst: a major event that alters the market’s perception of a company or its earnings momentum which will lead to a rerating of the investee company’s share price.

About the Investment Manager

Wilson Asset Management has a track record of making a difference for shareholders and the community for over 25 years.

As the investment manager for eight leading listed investment companies (LICs), Wilson Asset Management has a diversified offering of Australian and global listed equities and alternative assets.

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).

>\$5 billion in funds under management

130,000 retail and wholesale investors

>200 years combined investment experience

10 investment products

Listed Investment Companies

W | A | M Capital

W | A | M Leaders

W | A | M Global

W | A | M Microcap

W | A | M Alternative Assets

W | A | M Strategic Value

W | A | M Research

W | A | M Active

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