

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

	NTA (before tax payment)	NTA (after tax payment)	Tax paid
December 2024	145.80c	145.62c	0.18c
November 2024	146.79c		

The December 2024 NTA (after tax payment) is after the payment of \$503k (0.18 cents per share) in tax during the month.

The net current and deferred tax asset/(liability) position of the Company for December is (2.87) cents per share.

Dividend highlights

10.5c

Fully franked full year dividend (per share)

64.75c

Dividends paid since inception (per share)

92.5c

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

7.2%

Fully franked dividend yield*

10.3%

Grossed-up dividend yield*

48.1c

Profits reserve (per share)

Assets

\$411.6m

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

16.9%


S&P/ASX Small Ordinaries Accumulation Index:
6.4%


Month-end share price (at 31 December 2024)

\$1.455

*Based on the 31 December 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.

[Read Oscar Oberg's stock pick commentary on Paragon Care](#) 

[Read Tobias Yao's comments on the success of Zip Co](#) 

The WAM Microcap (ASX: WMI) investment portfolio increased in December, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Fleet leasing company SG Fleet Group (ASX: SGF) and waste provider Close the Loop (ASX: CLG) were contributors to the investment portfolio outperformance.

SG Fleet Group
INTEGRATED MOBILITY

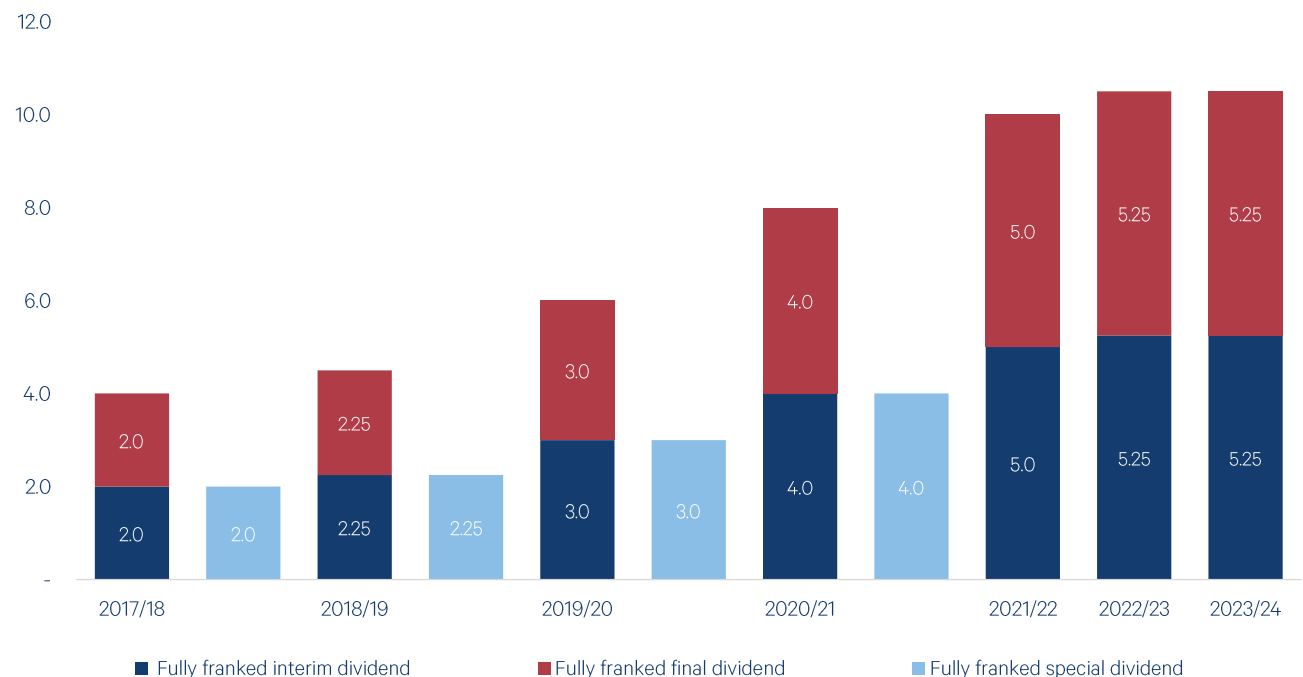
SG Fleet Group is a leading provider of integrated mobility solutions, including fleet management, vehicle leasing and salary packaging services. During the month, SG Fleet Group announced it had entered into a scheme implementation deed with Westmann Bidco, an entity owned by Pacific Equity Partners (PEP). PEP's offer to acquire SG Fleet Group at \$3.50 per share valued the company at \$1.2 billion, representing a premium of 31% to its closing share price of \$2.67 per share at 22 November 2024. Following the announcement, SG Fleet Group's shares rose 18%, reflecting market optimism. The scheme consideration implied valuations of 8.3 times earnings before interest, taxes, depreciation and amortisation (EBITDA) for FY24 and 12.3 times net profit after tax excluding amortisation of intangibles arising from acquisitions for FY24. We believe the takeover bid for SG Fleet Group represents fair value and for these reasons we have now exited our shareholding.

CLOSE THE LOOP

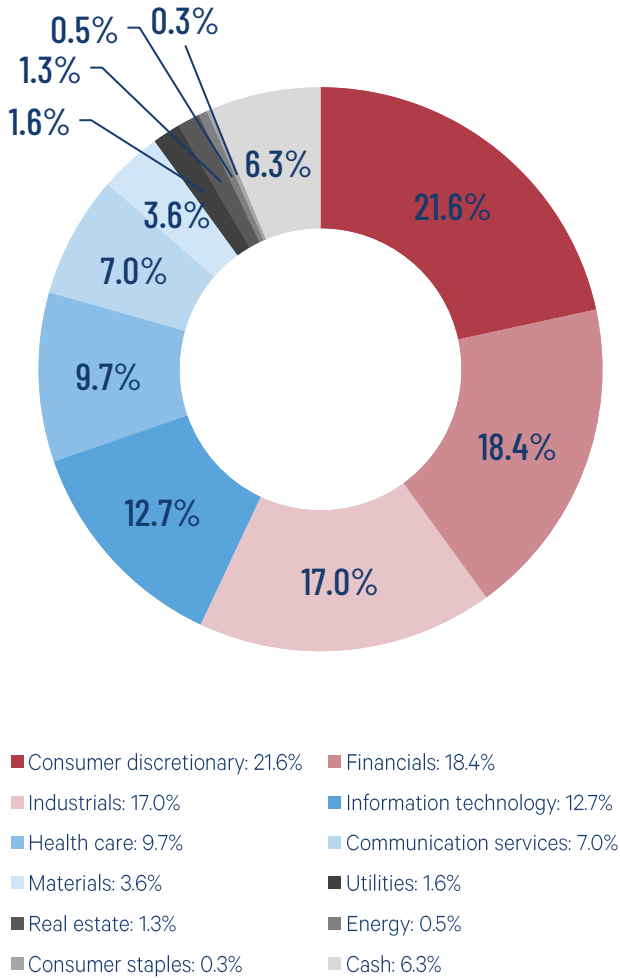
Close the Loop is a global circular economy provider that specialises in recycling, resource recovery, and sustainable product development. During the month, Close the Loop announced that the exclusivity period with Adamantem Capital to undertake due diligence and negotiate a binding scheme implementation deed, which was initially announced in November 2024, would be extended to 20 January 2025. After the initial announcement was made, Close the Loop's share price rose 19%, which reflected market optimism about the potential scheme of arrangement. The proposition from Adamantem Capital was to acquire the company at \$0.27 per share, representing a 49% premium to Close the Loop's 30-day volume-weighted average share price (VWAP) on 15 November 2024. While the proposed takeover has positively influenced the share price, the final impact will depend on the successful completion of the acquisition and the terms of the binding agreement.

Fully franked dividends since inception

Cents per share



Diversified investment portfolio by sector



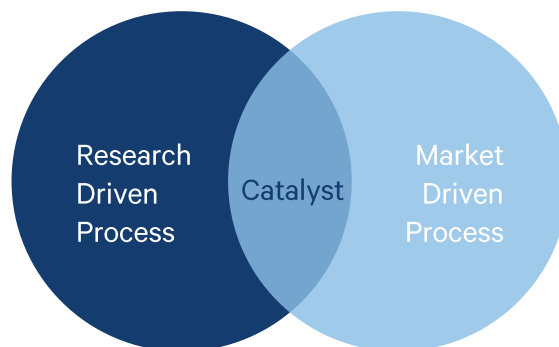
Top 20 holdings (alphabetical order)

Code	Company Name
ACL	Australian Clinical Labs
ADH	Adairs
AIM	AI-Media Technologies
ANG	Austin Engineering
DSE	Dropsuite
EML	EML Payments
EVO	Embark Early Education
GDG	Generation Development Group
GTK	Gentrack Group
IDX	Integral Diagnostics
PBH	Pointsbet Holdings
PGC	Paragon Care
QOR	Qoria
REG	Regis Healthcare
SNL	Supply Network
SSM	Service Stream
TUA	Tuas
UNI	Universal Store Holdings
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 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

Key contacts

Geoff Wilson AO
Chairman & Chief Investment Officer
X (Twitter)
[@GeoffWilsonWAM](https://twitter.com/GeoffWilsonWAM)
(02) 9247 6755

Jesse Hamilton
Chief Financial Officer
0401 944 807

Camilla Cox
Corporate Affairs Manager
0407 407 062

Kate Thorley
Chief Executive Officer
(02) 9247 6755

For more information visit:
wilsonassetmanagement.com.au



Stay informed

Please subscribe to our [newsletter](#) and follow us on our social channels [X](#), [LinkedIn](#) and [Facebook](#) for real-time insights and market updates from our investment experts, along with the latest news, results and events.

Zenith Disclaimer: The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (ASX: WMI assigned June 2024) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at [Fund Research Regulatory Guidelines](#)

Independent Investment Research (IIR) Disclaimer: The rating ascribed by IIR is provided under the Annual LIC Research Participation Scheme whereby the LIC Manager provides information and IIR rating is monitored on a monthly basis to ensure its currency. The manager is a participant and as such this rating is current. Please note an ascribed rating does not constitute advice in any form. We recommend to any reader that no investment decisions are made on this fund without seeking advice from your Wealth Manager.