

# WEBINAR

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**SALTER BROTHERS**  
EMERGING COMPANIES LIMITED  
(ASX CODE: SB2)



EMERGING COMPANIES LIMITED

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# 1. EXECUTIVE SUMMARY

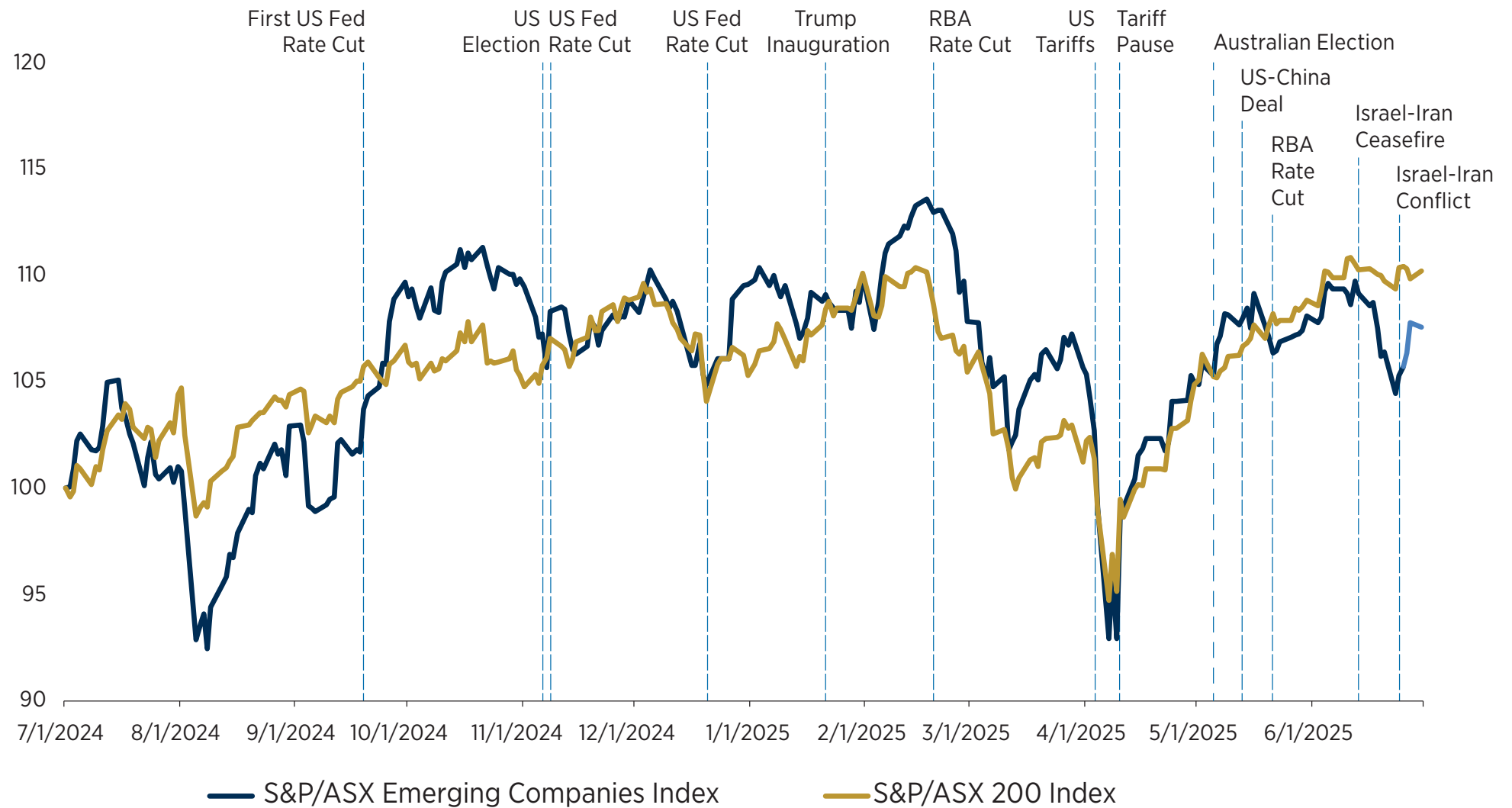


- Salter Brothers is a global alternative investments manager with over A\$4B of group assets under management.
- Salter Brothers Emerging Companies Limited (**ASX-SB2**) is a professionally managed listed investment company (**LIC**), dedicated to investing in small cap Australian companies with a market capitalisation of under A\$500M.
- SB2 has a strong three-year track record of outperforming the small cap market, with the fund achieving 6.34% gain in for the 12 months to 30th June 2025 performing in line with the market.\*
- As at 30th June 2025, the current share price of SB2 trades at a -30.3% discount to the underlying post tax NTA value.^

\* Performance numbers calculated as at 30th June 2025. Investment portfolio performance is calculated net of management fees but before taxes, other fees, and expenses. Performance has not been grossed up for franking credits received by shareholders.

^ SB2 discount to NTA calculated as at 30th June 2025. For more information, refer to the Investment Report and NTA Update dated 10th July 2025 as published on the SB2 website ([salterbrothers.com.au/funds-management/emerging-companies/asx](https://salterbrothers.com.au/funds-management/emerging-companies/asx) announcements).

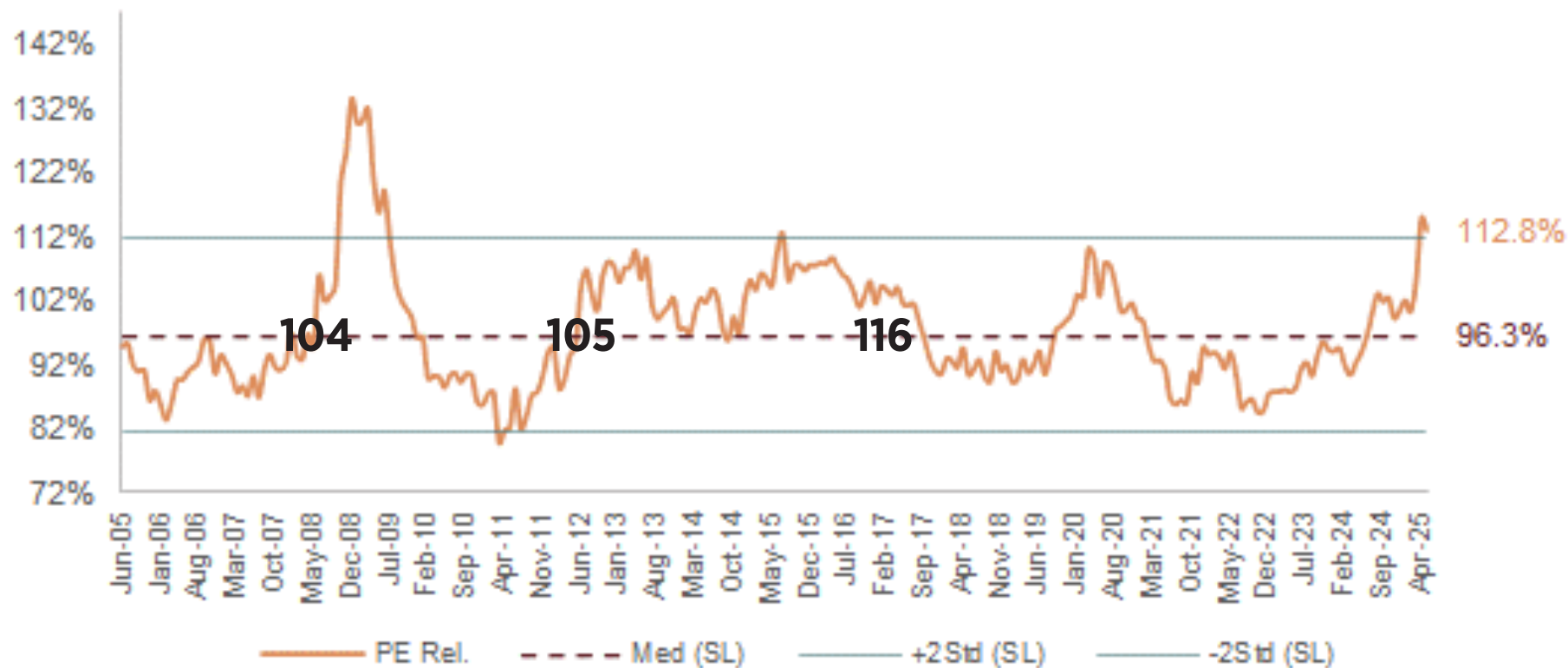
## 2. FY25 YEAR IN REVIEW



Source: S&P, RBA, US Federal Reserve

### 3 . SMALL CAP VS LARGE CAP VALUATIONS

S&P ASX100 relative to Small Ords PE 12MF



Source: Barrenjoey\* Data & Quant, Bloomberg, FactSet

# 4. FY25 INDEX PERFORMANCE

Performance Summary <sup>#</sup>	ASX Small Industrials (ASX:XSI)	ASX Small Resources (AXS:XSR)	ASX 200 Industrials (ASX:XNJ)	ASX 200 Resources (ASX:XJR)	Russell 2000	S&P 500
1 Month	1.40%	-2.48%	-0.63%	-1.01%	5.48%	4.65%
3 Months	5.29%	6.65%	4.79%	-2.02%	23.10%	23.75%
6 Months	-1.30%	16.67%	6.29%	-0.12%	-0.86%	5.67%
12 Months	5.31%	18.28%	20.92%	-7.07%	10.97%	12.79%

Source: Iress

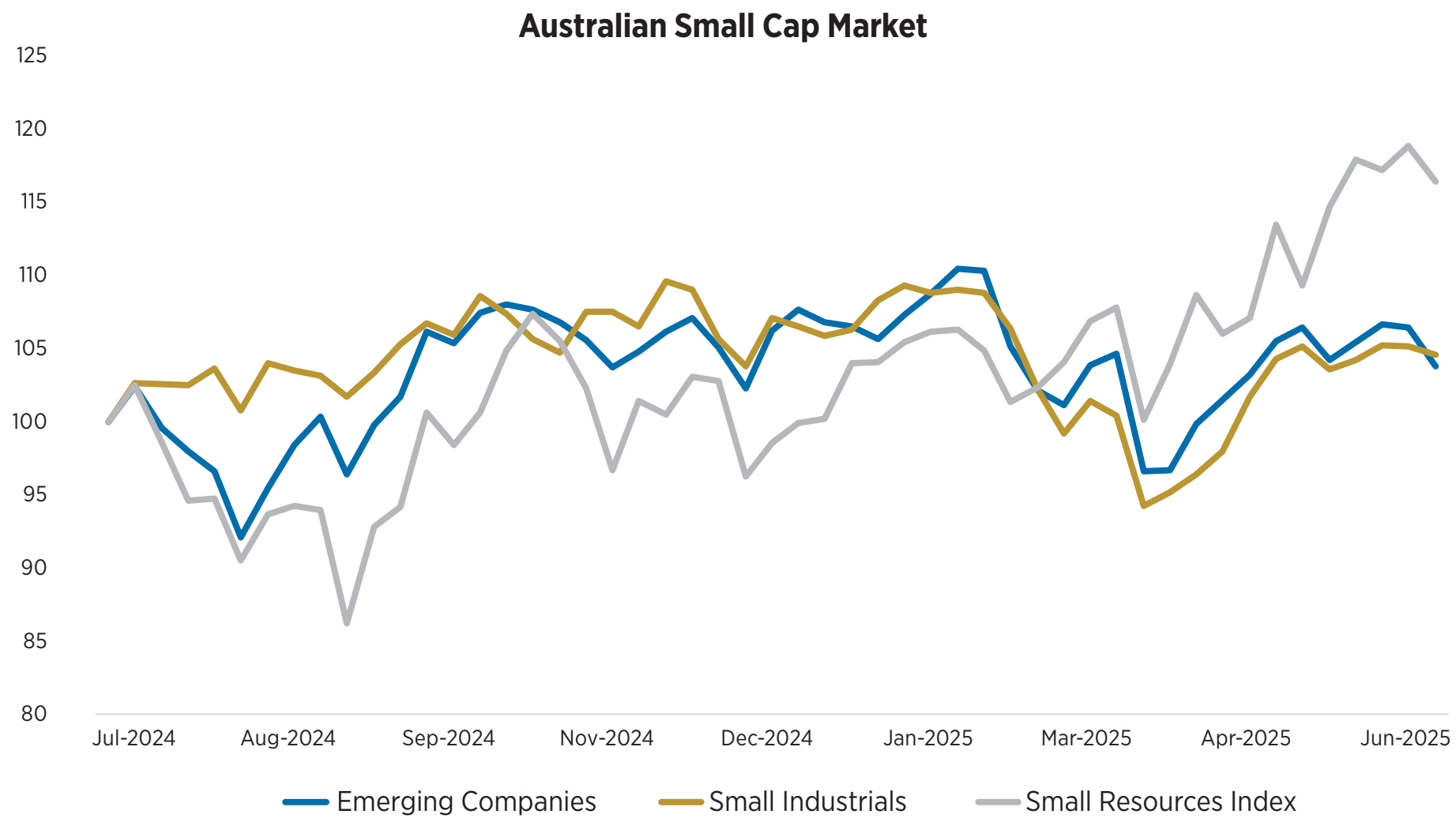
## 5. FY25 AUSTRALIAN SECTOR REVIEW

Performance Summary	1Q25	2Q25	3Q25	4Q25	FY25	Rank
<b>Energy</b>	-11%	-5%	-4%	6%	<b>-13%</b>	11
<b>Materials</b>	7%	-10%	2%	-3%	<b>-5%</b>	9
<b>Industrials</b>	9%	5%	1%	5%	<b>21%</b>	4
<b>Consumer Discretionary</b>	9%	3%	-4%	7%	<b>17%</b>	5
<b>Consumer Staples</b>	1%	-5%	0%	3%	<b>-2%</b>	8
<b>Health Care</b>	-1%	3%	-9%	0%	<b>-7%</b>	10
<b>Financials</b>	7%	7%	-4%	13%	<b>24%</b>	1
<b>Information Technology</b>	15%	2%	-17%	27%	<b>24%</b>	2
<b>Communication Services</b>	6%	3%	0%	12%	<b>23%</b>	3
<b>Utilities</b>	-3%	1%	1%	0%	<b>-1%</b>	7
<b>Real Estate</b>	13%	-3%	-9%	10%	<b>10%</b>	6

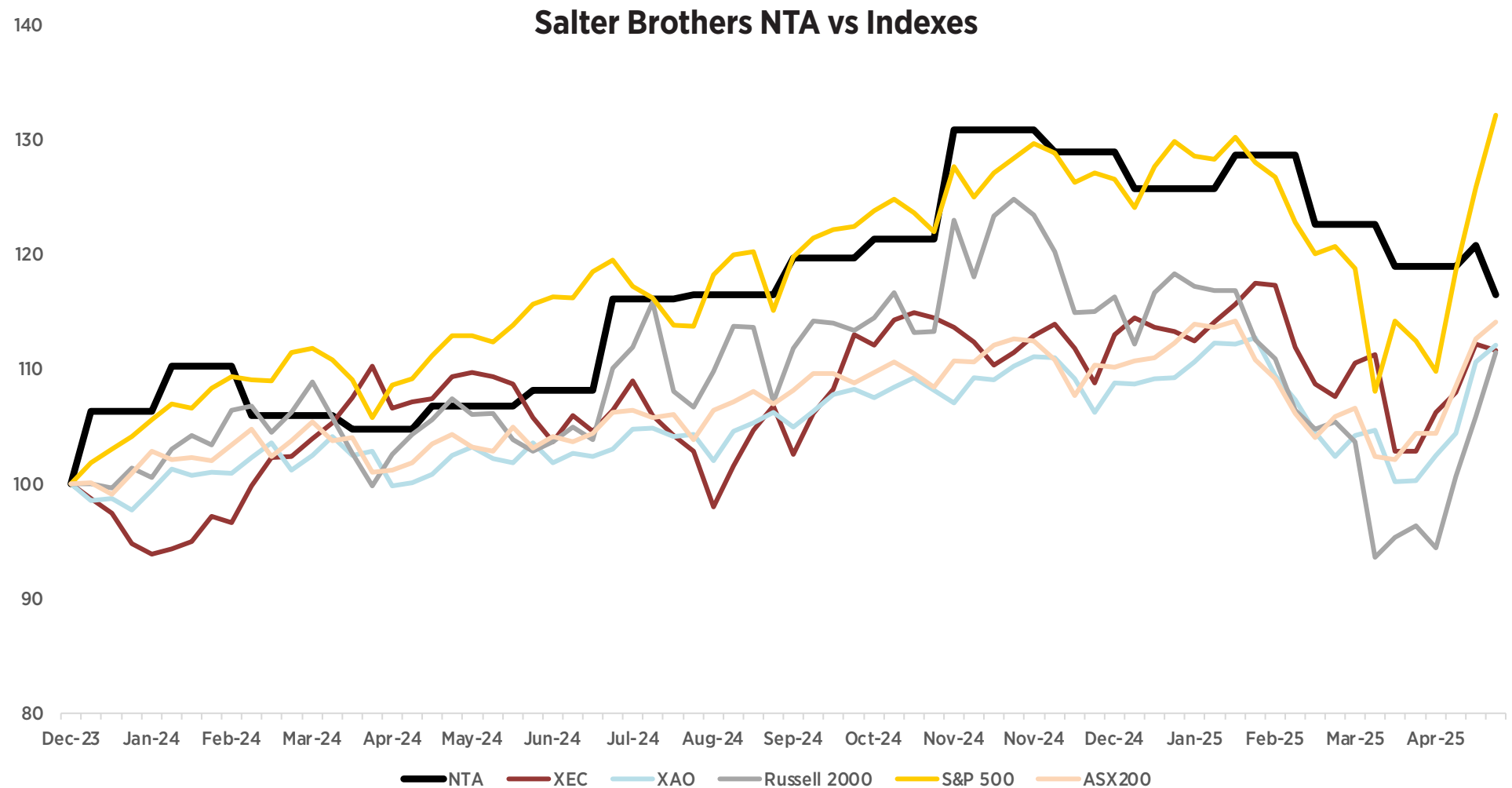
Source: Iress, ASX 200



# 6. FY25 AUSTRALIAN SMALL CAP SECTORS REVIEW



## 7. SB2 RELATIVE PERFORMANCE



# NTA Performance numbers calculated as at 30th June 2025.

NTA performance reflects the pre-tax NTA disclosed in ASX:SB2 monthly NTA updates.

Figures are indicative only, based on current assumptions, and may be subject to change.

The Disclosers do not guarantee the accuracy or correctness of the figures or performance metrics and recipients of this information should ensure that they read the latest Investment Report and NTA Updates as published on the SB2 website ([salterbrothers.com.au/funds-management/emerging-companies/asx-announcements](https://salterbrothers.com.au/funds-management/emerging-companies/asx-announcements)) from time to time.

## 8. SB2 PERFORMANCE

Performance Summary <sup>#</sup>	SB2	ASX Emerging Companies Index*	Difference
1 Month	-5.13%	-0.49%	-4.64%
3 Months	-8.72%	1.81%	-10.53%
12 Months	6.34%	6.72%	-0.38%
Inception p.a.*	1.94%	1.24%	0.70%
Inception*	8.16%	5.23%	2.93%

<sup>#</sup> Performance numbers calculated as at 30th June 2025. Investment portfolio performance is calculated net of management fees but before taxes, other fees, and expenses. Performance has not been grossed up for franking credits received by shareholders.

\* Inception is 27 May 2021.

- The **Salter Brothers Emerging Companies Portfolio** declined in June, lowering the **12-month return to 6.34%** as of **30 June**. This result in performance in line with the ASX Emerging Companies Index (ASX:**XEC**), which posted a full year return of **6.72%**.
- The 4 months to June have presented challenging markets with a significant level of volatility experienced across global markets, largely driven from policy speculation and a shift in sentiment. The small cap market has also observed a notable divergence in performance across the resource sector and broader market.

# 9. PORTFOLIO FY25 CONTRIBUTORS

## Key Additions

- › Botanix Pharmaceuticals LTD (ASX:BOT)
- › EML Payments LTD (ASX:EML)
- › Eroad LTD (ASX:ERD)
- › WRKR (ASX:WRK)
- › Prophecy International Holdings LTD (ASX:PRO)
- › Kinatico LTD (ASX:KYP)
- › Camplify Holdings LTD (ASX:CHL)
- › Symal Group LTD (ASX:SYL)

## Key Removals

- › Bigtincan Holdings LTD (ASX:BTH)
- › Tasmaea LTD (ASX:TEA)
- › Rpmglobal Holdings LTD (ASX:RUL)
- › Smart Parking LTD (ASX:SPZ)
- › Pureprofile LTD (ASX:PPL)
- › OFX Group LTD (ASX:OFX)

FY25 Portfolio Top Contributors		
1	Alcidion (ASX:ALC)	4.7%
2	AI-Media (ASX:AIM)	3.8%
3	Alfabs (ASX: AAL)	3.3%
4	WRKR (ASX:WRK)	3.1%
5	Pureprofile (ASX:PPL)	2.5%

# 10. OUTLOOK

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## Key Drivers

- **Interest Rates** – likely to remain an influential macroeconomic factor impacting small-cap equity performance. The expected easing cycle is anticipated to provide a supportive tailwind though FY26 particularly benefiting growth oriented small cap stocks.
- **Geopolitical Tensions** – will continue to influence market sentiment, confidence and volatility through FY26. Significantly the ongoing conflicts between Russia – Ukraine, Israel – Iran and potential conflict between China – Taiwan.
- **Tariffs** – and changing global dynamics will continue and remain a key risk in FY26. Australia is expected to receive a tariff of 10% on most goods entering the US resulting in a limited macroeconomic impact. However, the broader implications from a marginal slowdown in China's economy along with redirection of low cost goods and investment to Australia.
- **Exchange Rate** – the risk of a devaluation of the USD could have far reaching impacts for investors and Australian companies.





# 11 . SB2 PORTFOLIO POSITIONING

## Key Holdings

	Market Cap	Sector	Company Description
1. Alfabs Australia Ltd (ASX: <b>AAL</b> )	\$100m	Engineering & Mining	Provides a design-to-delivery solution for its clients across heavy steel fabrication, construction and maintenance services, mining equipment, protective coatings, and transport. clinics.
2. Betr Entertainment Ltd (ASX: <b>BBT</b> )	\$200m	Casinos & Gaming	Bluebet under new Chairman Matt Tripp plans to aggressively pursue inorganic growth by leveraging their integration technology and consolidating the sub-scale wagering platforms
3. Ai-Media Technologies LTD (ASX: <b>AIM</b> )	\$150m	Business Software	Provider of live and recorded captioning, transcription, subtitles, translation, and speech analytics using a proprietary, cloud-based technology platform.
4. Eroad LTD (ASX: <b>ERD</b> )	\$250m	Electronic Equipment and software	Eroad provides electronic on-board units and software as a service to the transport industry. The EROAD platform, which connect drivers, vehicles, assets, and operations to give businesses real-time visibility to operate efficiently and remain compliant.
5. Alcidity Group Ltd (ASX: <b>ALC</b> )	\$130m	Health Care Technology	Alcidity is a global health tech business that has recently upgraded their earnings and cash flow outlook for FY25 and have a developed pipeline of new contract opportunities.

## Key Features of the SB2 Portfolio

- › Taking a two-year view, the weighted average valuation upside of the listed holdings in the portfolio based on SB2 forecasts is greater than 70%.
- › The SB2 equity portfolio quantitatively reflects the investment philosophy of the Investment Team – that is focused on capital preservation and long-term capital.
- › Growth and income from its investments and generating attractive risk adjusted returns over the long term.
- › As such, the weighted average investment profile of our portfolio (as at 30/06/2025) features:
  - › Weighted average FY25-26F Revenue growth of c.19%
  - › Weighted average FY25-26F EBITDA margin of c.14%
  - › Weighted average FY25-26F NPAT margin of c.2%
  - › Weighted average FY25-26F P/E multiple of c.8.4x

## Metrics of the Listed Portfolio\*\*

	FY24A	FY25F	FY26F
<b>Key Ratios</b>			
EV / Revenue (x)	1.9x	1.6x	1.3x
EV / EBITDA (x)	6.7x	5.2x	4.8x
EV / EBIT (x)	9.2x	7.2x	6.5x
P / E (x)	9.2x	8.8x	7.9x
<b>Portfolio Financials</b>			
Revenue Growth (%)	35%	17%	21%
EBITDA Margin (%)	10%	12%	16%
EBIT Margin (%)	-3%	2%	8%
NPAT Margin (%)	-7%	-1%	5%

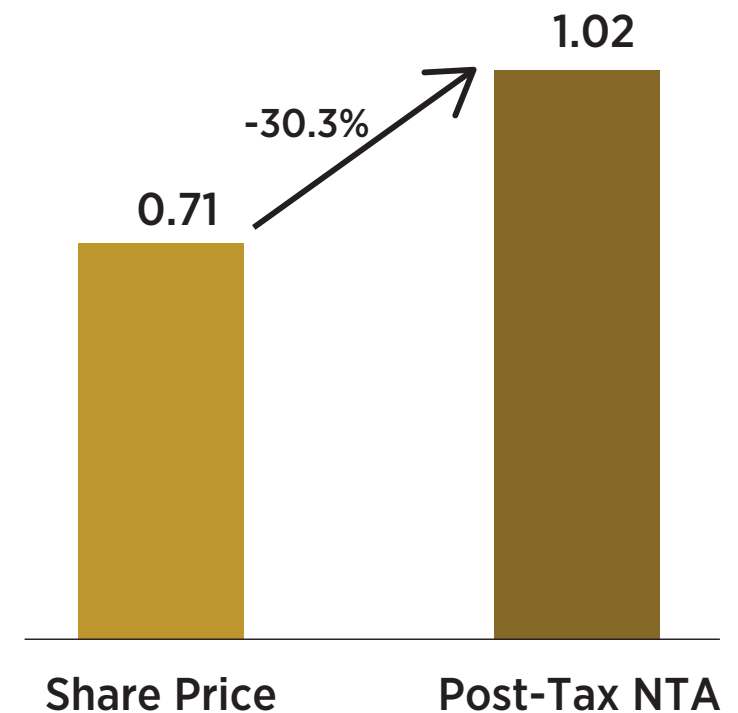
\*\*All metrics reflect weighted averages of the combined portfolio based on SB2 forecasts, as at 30/06/2025, adjusted for abnormalities.

## 12. DISCOUNT OPPORTUNITY

Steps to Narrow the NTA and Share Price Gap:

- › SB2 is currently trading at a ~ 30.3% discount to its Post-Tax NTA as at the 30th June.
- › Following the release of the SB2 half-year results, the share buy back program has recommenced.
- › Salter Brothers has paid a maiden, fully franked interim dividend of 2 cents per share, representing an annualised dividend yield of 5.63%.\*
- › Reduction in Salter Brothers Trustee Ownership from 48% in February 2024 to 12.7% as at 4th July.
- › The investment team remains actively engaged in building awareness, through monthly investor webinars, LinkedIn, conference presentations and investor roadshows.

**Discount Comparison**



# Dividend yield assuming a constant dividend per share, calculated as at 30 June 2025.

# Q&A

# CONTACT US



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