

# **SALTER BROTHERS**

## EMERGING COMPANIES LIMITED

(ASX CODE: SB2)

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BROTHERS**

EMERGING COMPANIES LIMITED

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# 1. EXECUTIVE SUMMARY



- Salter Brothers is a global alternatives asset manager. The firm manages over A\$10.3 billion through its various business lines, including investment mandates of over A\$5.4 billion, trustee and administration services for over A\$4.0 billion in assets, and a multi-family office managing over A\$0.9 billion.
- 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 four-year track record of outperforming the small cap market.
- As at 30th January 2026, the share price of SB2 traded at a -27% discount to the underlying post tax NTA value.<sup>^</sup>
- Dividend paying LIC with a fully franked 2c dividend declared for 1H26, representing a 5.3% Yield.\*

<sup>^</sup> SB2 discount to NTA calculated as at 30th January 2026. For more information, refer to the Investment Report and NTA Update dated 12th February 2026 as published on the SB2 website ([salterbrothers.com.au/funds-management/emerging-companies/asx](https://salterbrothers.com.au/funds-management/emerging-companies/asx) announcements).

\* Dividend yield assuming a constant dividend per share of 4 cents, calculated as at 28th February 2026.

## 2. INVESTMENT TEAM



### **Gregg Taylor**

Head of Equities

25 years' experience

Previous: Schroders, Bombora

Gregg has extensive institutional investment experience in equities, actively managing money across both public and private markets. Gregg has led or structured over 30 unlisted investment transactions as an investment manager.

With over 25 years experience investing in listed small caps, Gregg has extensive experience through multiple market cycles.

Gregg is also an experienced ASX Director across multiple sectors holding roles including Non-Executive Chairman, non-executive director, head of audit & risk committee and head of remuneration & nominations committee.

Gregg holds a Bachelor of Commerce, Economics and Finance from the University of Wollongong and is a Chartered Financial Analyst (CFA).



### **Emily Mohan**

Investment Director

12 years' experience

Previous: iPartners, Bombora

Emily's experience spans across Funds Management, Equity Capital Markets, M&A and Equity Research and has worked across both private and public markets.

She joined Salter Brothers in December 2024 as an Investment Director, responsible for the unlisted funds, covering investment assessment, transaction execution and post investment and strategic management of operational companies.

Most recently, Emily held the role of Director at iPartners, an alternative assets manager and funder where she established the company's first equity fund. Prior to iPartners, Emily was an Investment Director at Bombora, which invested and partnered with high growth, pre-IPO companies. Emily operated across investment origination, structuring, diligence, and ongoing portfolio management and sat on the board of several portfolio companies as a Non-Executive Director.

Emily's experience is supported by a Bachelor of Commerce from Macquarie University.



### **Francis Crossle**

Analyst

4 years' experience



### **Dane Grant**

Analyst

3 years' experience

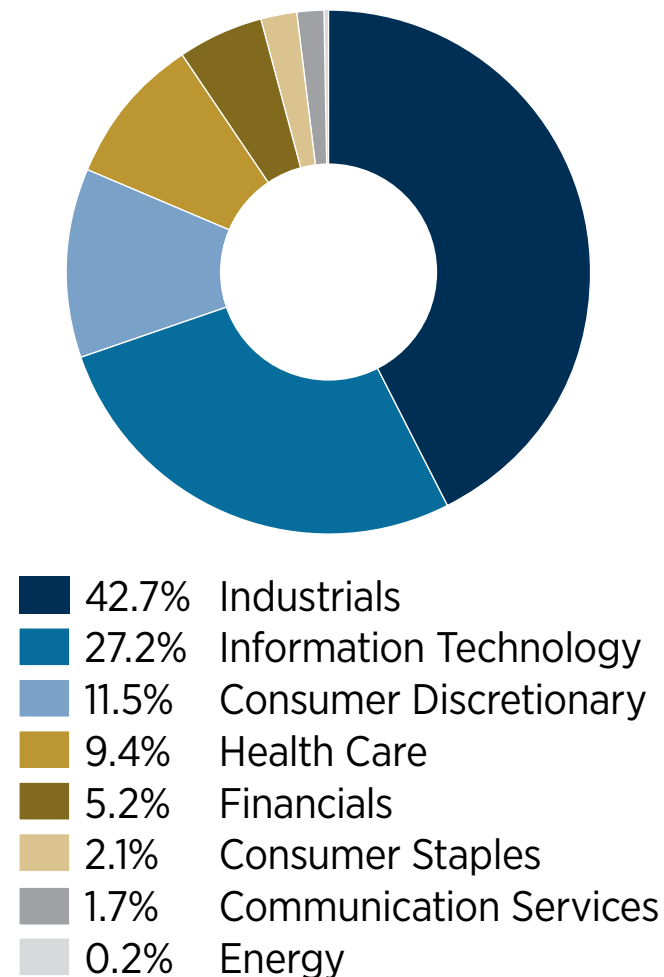


# 3. LISTED PORTFOLIO

## Portfolio Focus

- Actively managed Australian small caps investment portfolio that seeks to provide investors with attractive risk adjusted returns over the long term.
- Investing in listed and unlisted emerging companies (sub \$500m market cap) across a range of sectors.
- Sector exposure is concentrated in both traditional industrial and technology enabled industries. No direct resource exposure.
- High conviction portfolio with a target of 20–30 investment positions.
- Target portfolio weighted average market cap of ~\$250m.
- Objective to pay consistent fully franked dividends.

## Listed Portfolio Breakdown\*



\* As at 28th February 2026

## 4. UNLISTED PORTFOLIO

**Unlisted Investments now account for ~9%\* of the total SB2 portfolio\* and provide a potential near term catalyst**

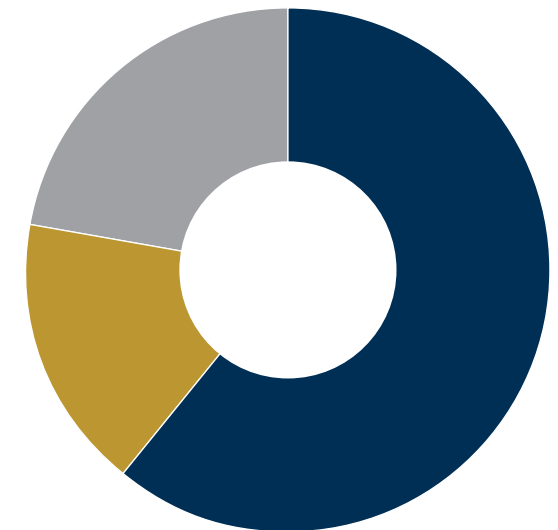
### PelicanCorp

- › PelicanCorp delivers specialised software and services to utilities, asset owners, and the One Call industry to safeguard underground assets. Their solutions are workflow and process-based tools delivering efficient enquiry and asset protection capabilities.
- › PelicanCorp now accounts for ~60% of the remaining value in the unlisted holdings.
- › The company is currently engaged in a sale process.



- › Bike Exchange is a premier global marketplace for bicycles, offering over 1,500 brands, 1,600 sellers, and 900,000 products across five countries. Centralising the cycling community, it supports and empowers hundreds of retail bike stores and brands worldwide, connecting them with millions of cycling enthusiasts and prospective customers.
- › Bike exchange accounts for ~17% of the remaining value in the unlisted holdings.
- › Bike exchange is currently engaged in a sales process.

### Unlisted Holdings\*



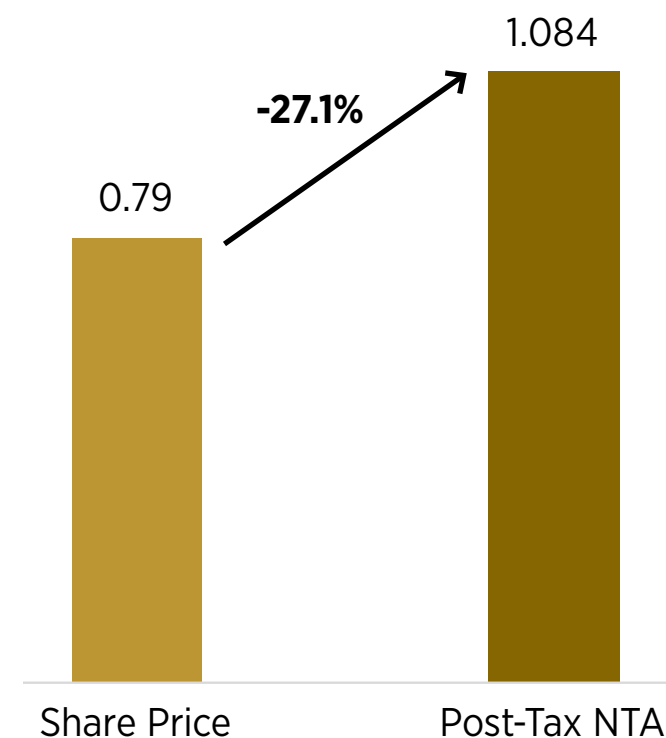
- Pelican
- Bike Exchange
- Other

\* As at 28th February 2026

# 5. SB2 TWO-YEAR COMPARISON

SB2 Current Portfolio (As at 28/2/2026)	Portfolio Two Years Prior (29/2/2024)
<ul style="list-style-type: none"> <li>› SB2 trading at a -27.1% discount to its post tax NTA.*</li> </ul>	<ul style="list-style-type: none"> <li>› SB2 trading at a -36.3% discount to its post tax NTA.</li> </ul>
<ul style="list-style-type: none"> <li>› SB2 declared an interim 2 cent, 100%franked dividend, representing an annualised yield of 5.3%.#</li> </ul>	<ul style="list-style-type: none"> <li>› SB2 was yet to have initiated paying dividends.</li> </ul>
<ul style="list-style-type: none"> <li>› Salter Brothers Trustee Ownership represents ~9% of the register.</li> </ul>	<ul style="list-style-type: none"> <li>› Salter Brothers Trustee Ownership represented ~46% of the register.</li> </ul>
<ul style="list-style-type: none"> <li>› Weighted average market capitalisation of the listed portfolio is \$324m.</li> </ul>	<ul style="list-style-type: none"> <li>› Weighted average market capitalisation of the listed portfolio was \$168m.</li> </ul>
<ul style="list-style-type: none"> <li>› Unlisted portfolio allocation is 9%, with near term catalyst to take it below 5%.</li> </ul>	<ul style="list-style-type: none"> <li>› Unlisted portfolio allocation at 13% with no near-term catalysts to reduce weight.</li> </ul>
<ul style="list-style-type: none"> <li>› Salter Brothers is favourably rated by an independent investment rating agency.</li> </ul>	<ul style="list-style-type: none"> <li>› No independent investment rating.</li> </ul>
<ul style="list-style-type: none"> <li>› Regular investor webinars, Linked-in, conference presentations and investor roadshows.</li> </ul>	<ul style="list-style-type: none"> <li>› Limited marketing or investor engagement.</li> </ul>

## Present Portfolio Discount\*



# Dividend yield assuming a constant dividend per share of 4 cents, calculated as at 28th February 2026.

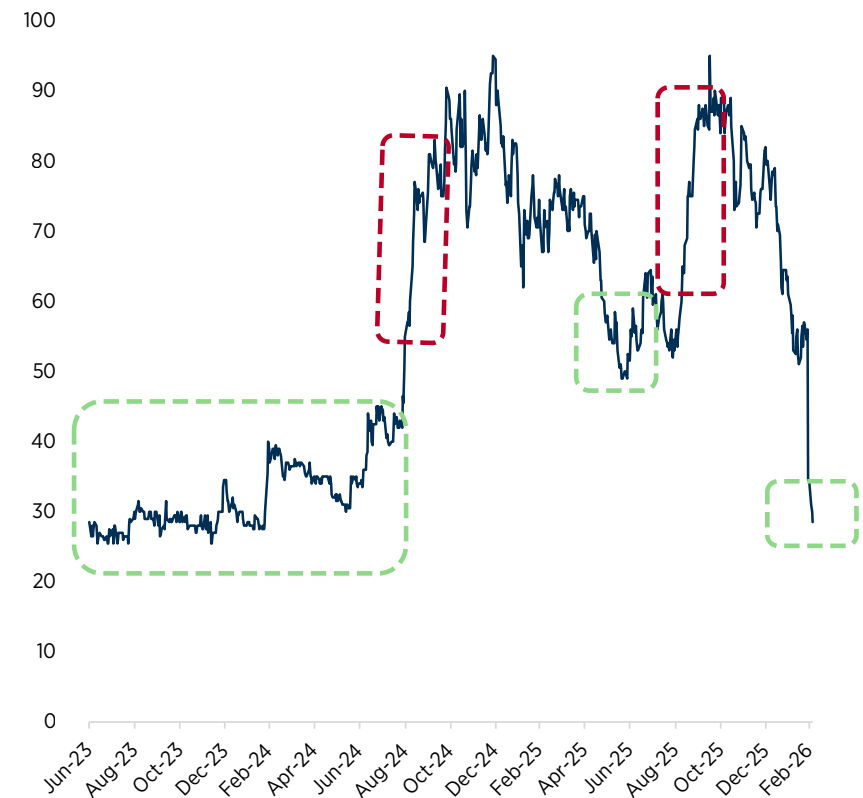
\* Calculated as at 30th January 2026.

## 6. INVESTMENT CASE



- Ai-Media is a global provider of AI-driven captioning, transcription and language technology solutions servicing broadcasters, enterprises and government customers, transitioning from a labour-intensive transcription services model to a scalable technology led platform built around its proprietary encoder network.
- Salter Brothers made the majority of its investment in 2022 when the market was valuing the company primarily as a services business. Over the past 3.5 years the company has successfully transitioned to technology driven model.
- The business is now forecast to reach \$36m of ARR in FY26, with revenue increasingly driven by high margin technology products rather than legacy transcription services. As the legacy services segment has been sunset, the underlying growth in technology revenue will become more visible.
- The shift towards technology has materially improved the company's economics, with gross margins expanding from 52.1% in FY22 to 69.5% in 1H26 and we forecast it to exceed 75% by FY27 as the mix continues to shift towards technology based revenue.
- The company maintains a clean balance sheet with no debt or capitalised development expenses, providing transparency around underlying profitability and cash generation.
- On Salter Brothers FY27 forecasts, the company currently trades on a single digit EV/EBITDA multiple and below 1x revenue, despite improving margins and growth metrics trending toward the Rule of 40 profile typical of high-quality SaaS businesses.

### Ai-Media Price Chart (ASX:AIM)



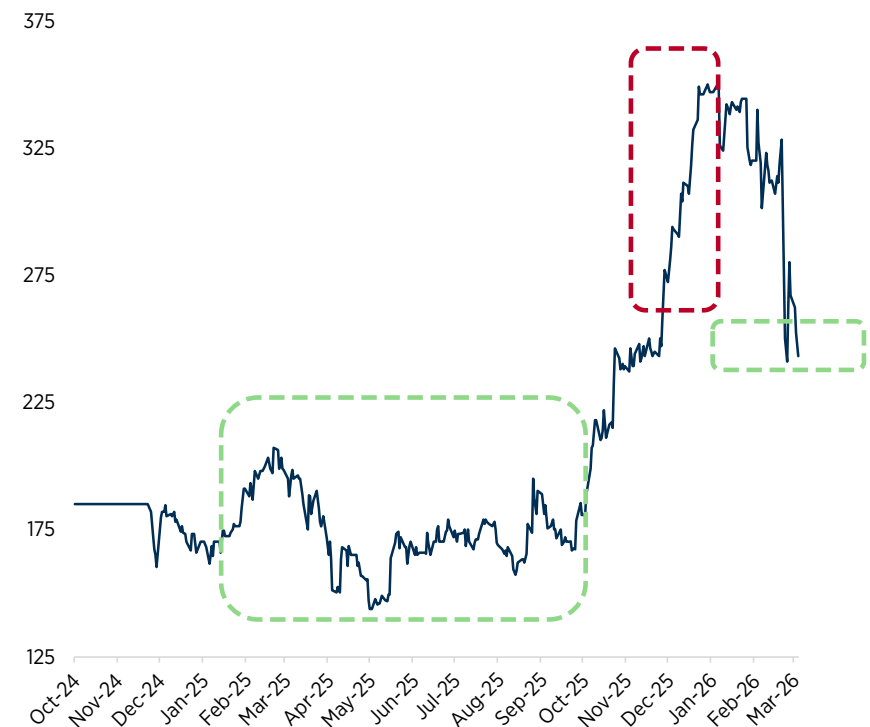
Source: Salter Brothers, Iress

## 6. INVESTMENT CASE



- Symal is an Australian founder-led business which provides construction contracting, equipment hires, material sales, recycling and remediation services to the civil construction industry in Australia. The company has a strong track record of organic growth and effective risk management through their vertically integrated operating model.
- Conducted initial due diligence through Symal's IPO, with positive view supported by the management team, light balance sheet, attractive trading multiples, defensive interconnected business segments, growing WIH/pipeline and appealing dividend yield.
- Salter Brothers has actively managed and traded the holding with investment adjustments outlined in the chart.
- Underlying investment thesis remains and the company currently trades on Salter Brothers FY27 forecasts at 4.6x EV/EBITDA, and 9.7 PE ratio with a fully franked dividend yield of 2.5%.\*

### Symal Price Chart (ASX:SYL)



\* Annualised half year dividend yield as at 28/2/2026

Source: Salter Brothers, Iress

# 7. SB2 PORTFOLIO POSITIONING

## Key Holdings

	Market Cap	Sector	Company Description
1. WRKR Ltd (ASX:WRK)	\$270m	Business Software	Wrkr is a regulatory technology business for Australian employers helping to simplify and streamline workforce compliance from hire to retire.
2. Betr Entertainment Ltd (ASX:BBT)	\$250m	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. Symal Group Ltd (ASX:SYL)	\$650m	Construction and Engineering	Symal is an Australian founder-led business which provides construction contracting, equipment hires, material sales, recycling and remediation services to the civil construction industry in Australia.
4. PYC Therapeutics LTD (ASX:PYC)	\$1,400m	Biotechnology	PYC therapeutics is a drug-development company, engaging in the discovery and development of novel RNA therapeutics for the treatment of genetic diseases.
5. Alfabs Australia Ltd (ASX:AAL)	\$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.

## 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 28/02/2026) features:
  - › Weighted average FY26-27F Revenue growth of c.22%
  - › Weighted average FY26-27F EBITDA margin of c.10%
  - › Weighted average FY26-27F NPAT margin of c.2%
  - › Weighted average FY26-27F P/E multiple of c.11.2x

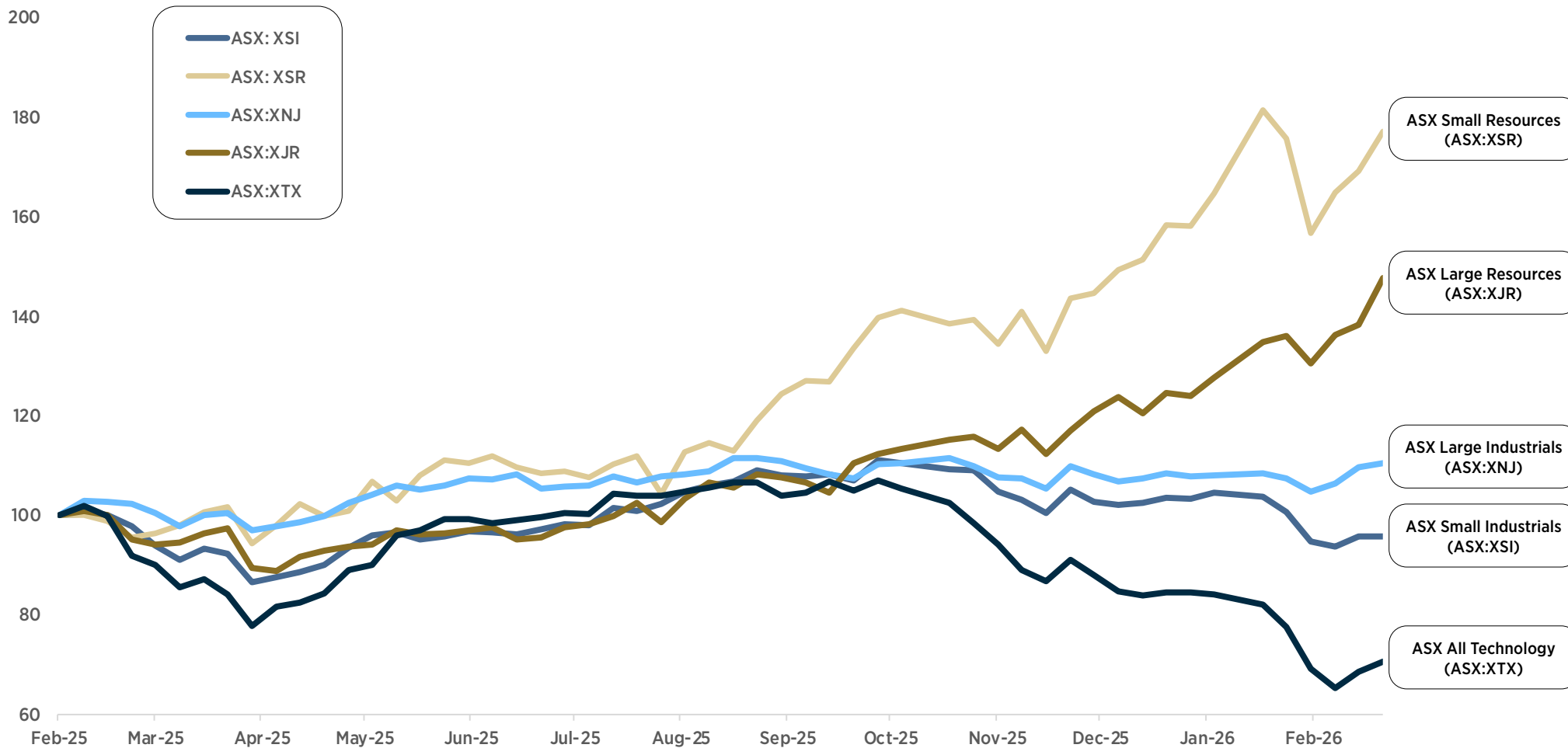
## Metrics of the Listed Portfolio\*\*

	FY25A	FY26F	FY27F
<b>Key Ratios</b>			
EV / Revenue (x)	1.8x	1.3x	1.0x
EV / EBITDA (x)	7.0x	6.3x	5.5x
EV / EBIT (x)	11.1x	9.9x	7.9x
P / E (x)	13.4x	12.1x	10.3x
<b>Portfolio Financials</b>			
Revenue Growth (%)	19%	25%	20%
EBITDA Margin (%)	10%	8%	12%
EBIT Margin (%)	3%	0%	6%
NPAT Margin (%)	0%	-2%	4%

\*\*All metrics reflect weighted averages of the combined portfolio based on SB2 forecasts, as at 28/02/2026, adjusted for abnormalities.

# 8. SECTOR REVIEW

## Industry and Index YTD month



Source: Salter Brothers, Iress

## 9. SB2 INDEPENDENT REVIEW

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### **SB2 has received a rating from SQM.**

The report can be accessed by wholesale investors and licensed financial advisors.

For a copy, please follow this [link](#) SB2 Rating.

# Q&A



# CONTACT US

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