

Shareholder Update

Year ended 30 June 2025



Jason Beddow
Managing Director
BEng, GdipAppFin(SecInst)

Dear valued shareholder,

On behalf of the Board of Argo Investments Limited (Argo), I am delighted to report an increased full year profit and a record high fully franked final dividend for our shareholders for the 2025 financial year.

Record high fully franked dividend

In August, the Board declared a fully franked final dividend of 20 cents per share. The final dividend is up 2 cents per share on last year and represents an increase of +11.1%.

Given the continued growth in Argo's franking balance, and recognising that imputation credits are more valuable in our shareholders' hands, the Board decided it was appropriate to meaningfully increase the final dividend.

Argo is focused on sustainably growing fully franked dividends to our shareholders and, for the foreseeable future, accelerating the distribution of accumulated franking credits.

Increased full year profit

Argo's profit for the full year increased +2.7% to \$259.8 million. Investment revenue rose +5.1% bolstered by better-than-expected dividends from numerous companies in the investment portfolio and an increase in special dividends received.

Summary of financial results	2025	2024
Revenue (including special dividends)	\$285.8 million	\$271.9 million
Profit	\$259.8 million	\$253.0 million
Earnings per share	34.1 cents	33.3 cents
Final dividend per share (fully franked)	20.0 cents	18.0 cents
LIC capital gain component per share	7.0 cents	3.0 cents
Full year dividends per share (fully franked)	37.0 cents	34.5 cents
Management expense ratio	0.15%	0.15%

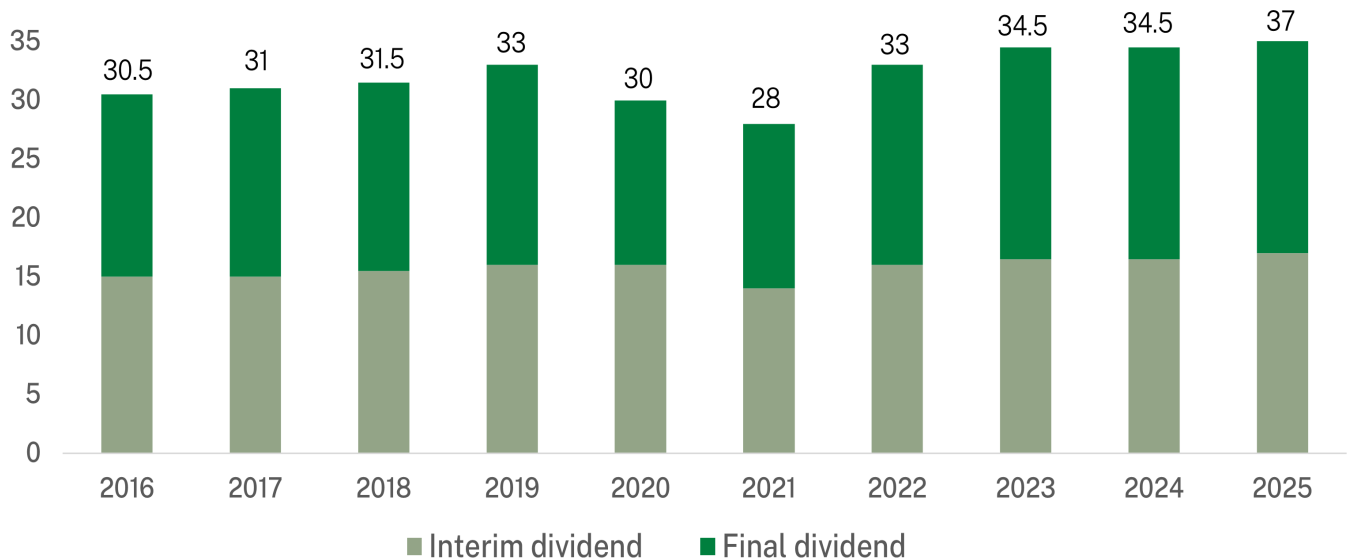
LIC capital gain tax benefit

The final dividend includes a listed investment company (LIC) capital gain component of 7.0 cents per share. This is due to capital gains in the portfolio being crystallised, including as a result of takeovers.

When Argo realises a discounted capital gain, the associated tax benefit can be passed on to shareholders. This allows most individuals and self-managed superannuation fund shareholders to claim a tax deduction in relation to this gain, in addition to the benefit of franking credits.

Further details can be found on your dividend statement or you can refer to the 'Dividends' section of the Shareholder Centre on our website.

Annual fully franked dividends (cents per share)



Investment performance

Argo's portfolio gained +13.3%, measured by net tangible assets (NTA) return after all costs and adjusted for company tax paid, slightly behind the S&P/ASX 200 Accumulation Index (Index) which increased +13.8% (without allowance for any costs).

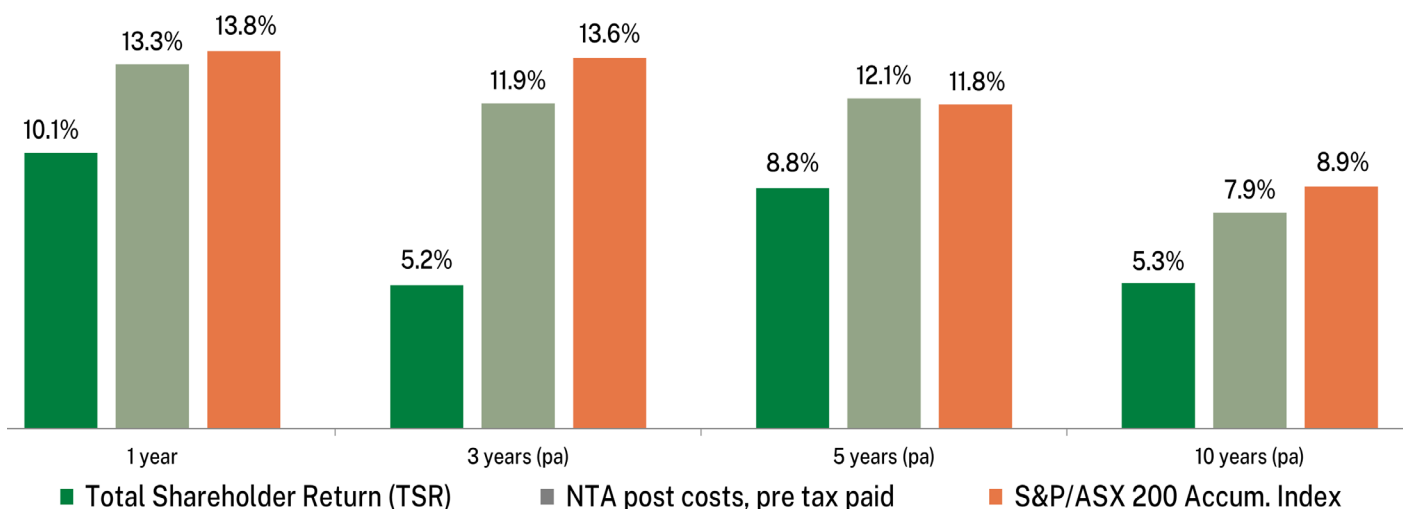
Our holding in Technology One was the biggest positive contributor to Argo's performance with its share price surging more than 120% over the year.

In contrast, the biggest negative contributor was our underweight holding in Commonwealth Bank of Australia (CBA). In defiance of traditional valuation metrics, the Bank's share price reached numerous record highs during the year and we selectively reduced our exposure to end the financial year with 5.4% of the portfolio invested in CBA, compared to the index weighting of 12.0%.

Over the past five financial years since the onset of the COVID-19 crisis, a period marked by significant global disruption and volatility, Argo has delivered a compound annual return of +12.1%, outperforming the Index, which returned +11.8% per annum, with no allowance for costs.

Our ability to navigate these tumultuous times and generate consistent, competitive returns reflects the strength of our diversified portfolio, long-term focus and disciplined investment approach that favours businesses that can maintain and grow their dividends.

Total returns



Figures to 30 June 2025. See the 'Shareholder Returns' section of our website for latest performance figures.

Portfolio movements

Over the course of the financial year, Argo purchased \$335.0 million of investments, which included new holdings and adding to existing positions. Over the same period, Argo received \$370.5 million from sales of investments, including \$48.0 million in CBA.

The larger movements in the portfolio during the financial year were:

Purchases

Amotiv

BHP Group

Dexus*

National Australia Bank

Origin Energy

Steadfast Group

Treasury Wine Estates

Worley

Xero*

Sales

Aristocrat Leisure

Brambles

Commonwealth Bank

Computershare

Diversified United Investment**

MAC Copper**

Macquarie Group

QBE Insurance Group

Technology One

* New portfolio position.

** Fully exited position.

Reliable, fully franked dividend income - Argo's advantage over index ETFs

We believe Argo's ability to provide shareholders with reliable, fully franked dividend income is a critical advantage over Australian index Exchange Traded Funds (ETFs). Unlike Argo, ETFs are required to distribute all of their income each year, resulting in inherently volatile distributions that directly reflect prevailing market conditions. In contrast, Argo's company structure allows us to retain earnings in stronger years and draw on these reserves during weaker periods, effectively smoothing dividends. In addition, the level of franking distributed by an ETF is typically partial or incomplete, reflecting its underlying holdings. By comparison, Argo's actively managed portfolio allows us to favour companies that pay franked dividends. Moreover, because Argo is itself a company that pays corporate tax, we generate our own franking credits, which we can then pass on to our shareholders.

Market outlook

In recent months, global equities have continued to rise as investors appear willing to shrug off a host of risks confronting the outlook. Although the extreme tariff-led volatility has receded, uncertainty surrounding US trade policy persists.

Australia's recent corporate reporting season suggested some improvement in macroeconomic conditions. Consumer stocks generally delivered solid results, with standouts such as Harvey Norman posting particularly strong profits. Rising household spending and improving business sentiment appear to be translating into more optimistic company outlooks. The Australian property sector is showing green shoots as the local housing cycle turns upward. This contrasts starkly with the US housing market with some companies with exposure – including Reece and James Hardie Industries – reporting weak results.

Looking ahead, the domestic picture is reasonably positive, with declining interest rates expected to support the Australian share market. However, the outlook for Australia remains highly contingent on offshore developments. We believe a number of geopolitical and macroeconomic risks remain elevated and global growth is set to slow. These factors should not be overlooked in our view. In this environment, we highlight the relatively defensive and diversified nature of Argo's portfolio. These attributes help ensure our portfolio is less susceptible to sharp market swings.

Argo remains focused on delivering a reliable income stream to shareholders. We see this as particularly important as interest rates fall and the outlook for dividends across the broader Australian share market is expected to remain flat or to contract.

Annual General Meeting

This year's Annual General Meeting (AGM) will be held on Wednesday 22 October 2025 in Adelaide. The AGM will be held in-person or can be viewed via a livestream on Argo's website. A recording will be available on our website in the week after the AGM. You may submit questions in advance or if you attend the meeting, you can ask your questions in person.

Full details of the AGM will follow in your Notice of Meeting.

Information meetings

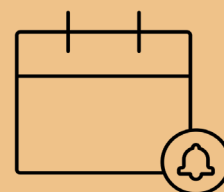
Following record attendance at our roadshow earlier this year, we will again be holding presentations in various capital cities in May 2026. These presentations are an opportunity to meet with Argo's team and hear about our investment approach, the portfolio, current investment trends and our outlook for Australian shares and the economy. Further details will be provided closer to the time.

Receive communications electronically

Email is the fastest and most reliable way to receive communications from us. You can elect to receive your Argo communications via email by contacting BoardRoom on 1300 350 716 or simply change your communication preferences via their secure and user-friendly shareholder portal at investorserve.com.au

Save the date

Argo AGM



In-person and livestream

22 October 2025

10am Adelaide time

If you have any questions or comments about Argo, please don't hesitate to contact us by telephone on (08) 8210 9500 or by email to invest@argoinvestments.com.au.

On behalf of the Board, I thank you for your ongoing and loyal support of Argo.

Yours faithfully,



Jason Beddow
Managing Director