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ASX / Media Release

Increased dividend revenue and record high fully franked interim dividend

Argo Investments Limited (ASX code: ARG), one of Australia's oldest and largest listed investment companies, announces a half-year profit of \$121.2 million and a fully franked interim dividend of 17.0 cents per share.

Summary of financial results	Half-year to 31 December 2024	Half-year to 31 December 2023
Revenue (dividends received)	\$137.5 million	\$132.6 million
Profit	\$121.2 million	\$125.3 million
Earnings per share	15.9 cents	16.5 cents
Interim dividend per share (fully franked)	17.0 cents	16.5 cents
Management Expense Ratio	0.15%	0.15%

Due to the current share price discount to Net Tangible Assets (NTA) per share, Argo will neutralise the Dividend Reinvestment Plan and Dividend Substitution Share Plan for the interim dividend by buying the shares required for participants on-market.

Portfolio investment revenue rose, bolstered by better-than-expected dividends from a number of companies in the investment portfolio, as well as special dividends. However, this was largely offset by lower income from other activities and net losses from option writing and trading activities.

Investment outperformance

In calendar year 2024, Argo gained +11.7% as measured by the NTA return after all costs and adjusted for company tax paid, outperforming the S&P/ASX 200 Accumulation Index which increased +11.4% (with no allowance for any costs).

Over the six months to 31 December 2024, Argo returned +6.3%, slightly trailing the Index which rose +6.9%.

The most significant positive contributor to performance over the half-year was our holding in Technology One with its share price up more than +65% during the period.

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In contrast, Argo's underweight exposure to Commonwealth Bank (4.9% of the investment portfolio compared to 9.4% of the Index) detracted from performance.

Investment portfolio

The larger movements in the portfolio during the period were:

Purchases

Worley
Steadfast Group
NAB
BHP Group
Westpac
Amotiv

Sales

Commonwealth Bank
Arcadium Lithium*
QANTM Intellectual Property*
Aristocrat Leisure
Macquarie Group
Computershare

* Fully exited position

Overall, the total number of stocks in the investment portfolio decreased to 80 during the period.

Outlook

As widely anticipated, Donald Trump's election has triggered significant share market volatility. Looking ahead, we expect the new US administration's policies and pronouncements will continue to drive major market movements and play a pivotal role in reshaping the global economic landscape, including trade conditions and supply chains.

Despite recent market fluctuations, we remain generally optimistic about the outlook for the domestic economy. The jobs market remains strong, corporate balance sheets are robust, and expenditure has remained resilient.

However, many Australians continue to face financial pressures from higher costs (notably insurance) and mortgage repayments. Some relief may be on the horizon as inflation continues to moderate, as evidenced by last week's lower-than-expected CPI figure, and increased expectations of an interest rate cut. The Reserve Bank of Australia's next meeting could mark the beginning of a new monetary easing cycle.

As the February corporate results reporting season gets underway, we will be particularly focused on the outlook for companies' earnings, which have been relatively subdued in more recent times. With the Australian share market hitting record highs last week, expectations of earnings recovery may already reflect a degree of optimism.

With cash available to capitalise on short-term opportunities and a diversified portfolio, Argo is well-positioned to navigate the current investment landscape. Notably, our portfolio includes stocks that generate US dollar revenue positioning them to benefit from the strong Greenback.

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About Argo

Argo Investments (ASX code: ARG) is one of Australia's oldest and largest listed investment companies (LICs). We offer investors low-cost, conservative and diversified exposure to approximately 80 Australian listed companies. Founded in Adelaide in 1946, Argo is one of ASX's top 100 companies and invests approximately \$8 billion on behalf of more than 91,000 shareholders.

