

Appendix 4D

Half-year report



2025

Results for announcement to the market

Half-year ended 31 December 2024

Comparative figures being the half-year ended 31 December 2023

Argo Investments Limited ABN 35 007 519 520

				2024 \$A'000	2023 \$A'000
Income from operating activities	down	3.4%	to	134,353	139,014
Profit for the half-year	down	3.2%	to	121,229	125,273

Dividends

Interim fully franked dividend payable 14 March 2025 (previous corresponding period 16.5 cents fully franked)	17.0 cents
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The Company's Dividend Reinvestment Plan (DRP) and Dividend Substitution Share Plan (DSSP) will operate for the interim dividend. The DRP and DSSP will be neutralised by purchasing the shares required for participants on-market. The Directors have resolved that the shares will be allocated at the market price of Argo shares, which will be the volume weighted average ex-dividend market price of the shares traded during the pricing period from 10 February 2025 to 14 March 2025. No discount will apply.

The record date for determining entitlements to the interim dividend	10 February 2025
The election date for determining participation in the DRP and DSSP	11 February 2025

Final fully franked dividend for year ended 30 June 2024 paid 13 September 2024	18.0 cents
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Net Tangible Asset Backing

	December 2024	December 2023
NTA per share ¹	\$10.01	\$9.33
NTA after unrealised tax provision ²	\$8.63	\$8.15

1. After all costs, including tax payable.
2. As required under the ASX Listing Rules, theoretical NTA per share after providing for estimated tax on unrealised gains/losses in the portfolio. That is, after tax that may arise if the entire portfolio was sold.

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Directors' Report

The Directors present the financial report of the consolidated entity, consisting of Argo Investments Limited and its controlled entity (Argo or Company), for the half-year ended 31 December 2024.

The Company's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth. It does this by investing in a diversified Australian equities portfolio which is actively managed in a tax-aware manner within a low-cost structure.

Review of operations

Profit for the half-year decreased by 3.2% on the previous corresponding period to \$121.2 million and earnings per share decreased 3.6% to 15.9 cents per share. While dividends and distributions increased, the decrease in profit was due to reduced trading and other income.

The Directors have declared a fully franked interim dividend of 17.0 cents per share compared with 16.5 cents per share paid for the half-year to 31 December 2023. This dividend totals \$129.8 million, compared with \$125.2 million in the previous corresponding period, and will be paid on 14 March 2025.

Net tangible asset backing per Argo share was \$10.01 as at 31 December 2024, compared with \$9.61 as at 30 June 2024 and \$9.33 as at 31 December 2023.

During the half-year, \$25.1 million of additional capital was raised for investment from the Dividend Reinvestment Plan and Dividend Substitution Share Plan, offset by the on-market buy back of \$7.5m of Company shares.

Directors

The following persons were Directors during the half-year and are in office at the date of this report:

Peter Warne (Chairman since 1 January 2025)
Lianne Buck
Christopher Cuffe AO
Melissa Holzberger
Elizabeth Lewin
Jason Beddow (Managing Director)

Russell Higgins AO was Chairman until his retirement on 31 December 2024.

Auditor's Independence Declaration

The Auditor's Independence Declaration, as required under Section 307C of the *Corporations Act 2001*, is set out on page 5.

Rounding of amounts

Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies to the Company and accordingly amounts have been rounded to the nearest one thousand dollars in accordance with that Instrument, unless otherwise stated.

This report is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



P.H. Warne
Chairman

3 February 2025



Auditor's Independence Declaration

As lead auditor for the review of Argo Investments Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Argo Investments Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Julian McCarthy', written over a horizontal line.

Julian McCarthy
Partner
PricewaterhouseCoopers

Adelaide
3 February 2025

Consolidated Statement of Profit or Loss

for the half-year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Dividends and distributions		137,493	132,645
Other income		3,018	6,697
Net losses on trading investments		(6,158)	(328)
Income from operating activities		134,353	139,014
Administration expenses		(5,848)	(5,203)
Profit before income tax expense		128,505	133,811
Income tax expense thereon		(7,276)	(8,538)
Profit for the half-year		121,229	125,273
		cents	cents
Basic and diluted earnings per share	2	15.9	16.5

Consolidated Statement of Comprehensive Income

for the half-year ended 31 December 2024

	2024 \$'000	2023 \$'000
Profit for the half-year	121,229	125,273
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss</i>		
Revaluation of long-term investments	328,453	242,789
Provision for deferred tax expense on revaluation of long-term investments	(100,925)	(75,542)
Other comprehensive income for the half-year	227,528	167,247
Total comprehensive income for the half-year	348,757	292,520

(To be read in conjunction with the accompanying notes)

Consolidated Statement of Financial Position

at 31 December 2024

	December 2024 \$'000	June 2024 \$'000
Current Assets		
Cash and cash equivalents	73,444	97,166
Receivables	11,539	35,867
Investments	14,565	22,074
Total Current Assets	99,548	155,107
Non-Current Assets		
Investments	7,590,543	7,235,739
Property, plant and equipment	2,026	2,189
Total Non-Current Assets	7,592,569	7,237,928
Total Assets	7,692,117	7,393,035
Current Liabilities		
Payables	1,292	1,533
Derivative financial instruments	5,561	8,486
Current tax liabilities	7,216	26,669
Provisions	948	996
Total Current Liabilities	15,017	37,684
Non-Current Liabilities		
Payables	1,316	1,437
Deferred tax liabilities	1,085,934	992,539
Provisions	221	195
Total Non-Current Liabilities	1,087,471	994,171
Total Liabilities	1,102,488	1,031,855
Net Assets	6,589,629	6,361,180
Shareholders' Equity		
Contributed equity	3,271,061	3,253,652
Reserves	2,566,536	2,362,639
Retained profits	752,032	744,889
Total Shareholders' Equity	6,589,629	6,361,180

(To be read in conjunction with the accompanying notes)

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2024

	Contributed Equity \$'000	Reserves \$'000	Retained Profits \$'000	Total \$'000
Balance as at 1 July 2024	3,253,652	2,362,639	744,889	6,361,180
Profit for the half-year	-	-	121,229	121,229
Other comprehensive income	-	227,528	-	227,528
Total comprehensive income for the half-year	-	227,528	121,229	348,757
Transactions with shareholders:				
Dividend Reinvestment Plan	24,995	-	-	24,995
Cost of share issues net of tax	(47)	-	-	(47)
Executive performance rights reserve	-	(794)	-	(794)
Dividend paid	-	(22,837)	(114,086)	(136,923)
Buy-back of shares	(7,539)	-	-	(7,539)
Total transactions with shareholders	17,409	(23,631)	(114,086)	(120,308)
Balance as at 31 December 2024	3,271,061	2,566,536	752,032	6,589,629

for the half-year ended 31 December 2023

Balance as at 1 July 2023	3,204,096	2,040,788	753,027	5,997,911
Profit for the half-year	-	-	125,273	125,273
Other comprehensive income	-	167,247	-	167,247
Total comprehensive income for the half-year	-	167,247	125,273	292,520
Transactions with shareholders:				
Dividend Reinvestment Plan	25,969	-	-	25,969
Cost of share issues net of tax	(47)	-	-	(47)
Executive performance rights reserve	-	(755)	-	(755)
Dividend paid	-	-	(136,002)	(136,002)
Total transactions with shareholders	25,922	(755)	(136,002)	(110,835)
Balance as at 31 December 2023	3,230,018	2,207,280	742,298	6,179,596

(To be read in conjunction with the accompanying notes)

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2024

	2024 \$'000	2023 \$'000
Cash flows from operating activities		
Dividends and distributions received	162,823	157,438
Interest received	1,649	2,765
Other receipts	1,444	3,933
Proceeds from trading investments	7,706	5,258
Payments for trading investments	(9,281)	(1,800)
Other payments	(7,750)	(6,396)
Income tax paid	(34,116)	(14,830)
Net operating cash inflows	122,475	146,368
Cash flows from investing activities		
Proceeds from sale of long-term investments	144,348	136,425
Payments for long-term investments	(170,781)	(151,429)
Payments for fixed assets	(67)	(128)
Net investing cash outflows	(26,500)	(15,132)
Cash flows from financing activities		
Payments for lease liabilities	(163)	(194)
Cost of share issues	(67)	(67)
Dividends paid – net of Dividend Reinvestment Plan	(111,928)	(110,033)
Buy-back of shares	(7,539)	-
Net financing cash outflows	(119,697)	(110,294)
Net (decrease)/increase in cash held	(23,722)	20,942
Cash at the beginning of the half-year	97,166	125,255
Cash at the end of the half-year	73,444	146,197

(To be read in conjunction with the accompanying notes)

Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2024

1. Basis of preparation

The financial report for the half-year ended 31 December 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this half-year report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Argo Investments Limited (Company) during the half-year, in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Earnings per share

	2024 number '000	2023 number '000
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	762,733	757,306
	\$'000	\$'000
Profit for the half-year	121,229	125,273
	cents	cents
Basic and diluted earnings per share	15.9	16.5

3. Dividends

	2024 \$'000	2023 \$'000
Dividends paid during the half-year		
Final dividend for the year ended 30 June 2024 of 18.0 cents fully franked at 30% tax rate paid 13 September 2024 (2023: 17.0 cents fully franked at 30% tax rate)	136,923	136,002
Dividends paid in cash	111,928	110,033
Dividends reinvested in shares via DRP	24,995	25,969
	136,923	136,002
Dividends forgone via DSSP	101	-

The final dividend paid contained a listed investment company (LIC) capital gain component of 3.0 cents per share (2023: nil).

	2024 \$'000	2023 \$'000
Dividend declared after balance date		
Since the end of the half-year, the Directors have declared the following dividend which has not been recognised as a liability at the end of the half-year:		
Interim dividend for the year ending 30 June 2025 of 17.0 cents fully franked at 30% tax rate payable 14 March 2025 (previous corresponding period: 16.5 cents fully franked at 30% tax rate)	129,754	125,162

The interim dividend declared will not contain a LIC capital gain component (previous corresponding period: nil).

Notes to the Consolidated Financial Statements

4. Contributed equity

Ordinary shares rank pari passu, have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number of the shares held. The Company does not have a limited amount of authorised capital.

	2024	2023	2024	2023
	No. of shares	No. of shares	\$'000	\$'000
Issued and fully paid ordinary shares:				
Opening balance	761,242,265	755,564,117	3,253,652	3,204,096
Dividend Reinvestment Plan ^(a)	2,843,587	2,995,232	24,995	25,969
Dividend Substitution Share Plan ^(b)	11,474	-	-	-
Buy-back of shares ^(c)	(840,692)	-	(7,539)	-
Cost of share issues net of tax			(47)	(47)
Closing balance	763,256,634	758,559,349	3,271,061	3,230,018

(a) On 13 September 2024, 2,843,587 shares were allotted at \$8.79 per share pursuant to the Dividend Reinvestment Plan in operation for the final dividend paid for the year ended 30 June 2024.

(b) On 13 September 2024, 11,474 shares were allotted at \$8.79 per share pursuant to the Dividend Substitution Share Plan (DSSP) in operation for the final dividend paid for the year ended 30 June 2024. Shareholders who elect to be in the DSSP forgo their dividend and receive shares instead.

(c) During the period the company purchased and cancelled shares on-market. The shares were acquired at an average price of \$8.97 per share with prices ranging from \$8.79 to \$9.05 per share.

5. Financial reporting by segments

The Company operates in the investment industry predominately within Australia.

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the Directors when making strategic, investment or resource allocation decisions.

The Company is domiciled in Australia and derives its income from the investment portfolio through the receipt of dividends, distributions, interest and other income. Argo has a diversified portfolio of investments, with no single investment accounting for more than 10% of income.

There has been no change to the operating segments during the half-year.

6. Events after balance date

Since 31 December 2024, to the date of this report, there have been no events specific to the Company of which the Directors are aware which has had a material effect on the Company or its financial position.

7. Contingencies

At balance date the Company is not aware of any material contingent liabilities or contingent assets.

Directors' Declaration

In the opinion of the Directors of Argo Investments Limited (Company):

- (a) the consolidated financial statements and notes set out on pages 6 to 11 are in accordance with the *Corporations Act 2001* including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'P.H. Warne', with a long, sweeping flourish extending to the right.

P.H. Warne
Chairman

3 February 2025



Independent auditor's review report to the members of Argo Investments Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Argo Investments Limited (the Company) and the entities it controlled during the half-year (together Argo), which comprises the Consolidated Statement of Financial Position as at 31 December 2024, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Profit or Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, selected explanatory notes and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Argo Investments Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of Argo's financial position as at 31 December 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of Argo in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true



and fair view of Argo's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PRICEWATERHOUSE COOPERS

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Julian McCarthy', is written over the printed name and title.

Julian McCarthy
Partner

Adelaide
3 February 2025

