

The Manager

Market Announcements Office
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2024 LSF Annual General Meeting – Chairman's Address

In the 2023-24 financial year, the Investment Manager L1 Capital navigated a challenging investment landscape that included speculation over interest rates, inflation and geopolitical tensions, together with the rise of AI stocks and divergent trends in commodities.

Following a period of aggressive interest rate hikes by central banks, L1's persistent view that rates would remain steady benefited the portfolio. The team also successfully capitalised on volatility in key commodities, using market gyrations to take profits in areas like copper following the Q2 2024 rally, and buying high quality, commodities-exposed equities on the dips in response to market shifts throughout the year.

Despite the significant headwinds from the markets' bias towards Growth over Value stocks and concerns about China's economy impacting resource equities, L1 delivered a pleasing 12.5% net return for the full financial year, resulting in a 3-year annualised net return of 11.9%, outperforming the ASX200AI by +0.3% over 1 year and 5.5% per annum over 3 years.

This strong investment result is a product of L1's disciplined, bottom-up investment approach focused on undervalued companies, timely trading decisions and a keen understanding of emerging themes.

Having paid our first fully franked dividend of 1.5 cents per share in February 2021, the Company has since paid a regular and growing stream of fully franked dividends each half year.

The company paid an interim dividend of 5.75c per share fully franked in March 2024 and a final dividend of 6.0c per share fully franked in September 2024, bringing total dividends for the year to 11.75c per share fully franked, which was an uplift of 12% on the prior year. We expect total dividends to continue to increase in 2025.

During the year, senior management of the Investment Manager and your Board members have once again increased their investment in LSF by buying shares on-market – a clear reinforcement of their commitment to the Company's long-term success.

I would like to take a moment to mention another, much more important challenge that the L1 team overcame this year. In April, the Board announced that Mark Landau, Non-Independent Director of LSF and Co-Managing Director and Co-Chief Investment Officer of L1 Capital would be taking three months leave to receive treatment for an early stage, treatable cancer. I am delighted to report that, following successful treatment, Mark returned to work as expected in August.

The Board has a deep respect for the culture of integrity, passion and care that underpin how Mark and Rafi have built the L1 business. This year, we saw firsthand that culture in action, as the team rallied around Mark to support him through his journey. Every person associated with L1 Capital was prepared to step up to ensure that L1's investments and clients were looked after without compromise. It was nothing short of incredible to observe how the L1 culture goes beyond the numbers, facts and figures, and to witness the genuine care for one another that unites the L1 Capital team on a much deeper level.

Lastly, on behalf of the Board and the Investment Manager I would also like to thank all of our shareholders for their continuing support of the Company. It is very much appreciated.

Authorised for release by Andrew Larke, Chairman.