W | A | M Capital

Annual General Meeting Chairman's Address

18 November 2026
ASX announcement

Introduction and welcome

Good morning and welcome to the 28th WAM Capital Limited (ASX: WAM) Annual General Meeting (AGM). My name is Geoff Wilson, Chairman of the Board of Directors. WAM Capital is one of Australia's most established listed investment companies. Listed in August 1999, WAM Capital provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. WAM Capital also provides exposure to relative value arbitrage and market mispricing opportunities. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

This is a hybrid meeting, held both online and in person here at the Museum of Sydney. The hybrid meeting format allows those that cannot join us in person to ask questions and actively participate. This is very important to us at Wilson Asset Management.

I acknowledge the Gadigal people of the Eora nation and pay my respects to Elders past and present.

Thank you for joining us and for your continued support of WAM Capital. I am joined today by my fellow Board members Dr Philippa Ryan, James Chirnside, Matthew Pancino and Kate Thorley.

I acknowledge the retirement of Director Angus Barker, who has decided not to stand for re-election as a Director at today's meeting. On behalf of the Board and all our shareholders, I thank Angus for his significant contribution to WAM Capital. His experience, sound judgement and independent perspective have been greatly valued throughout his time on the Board.

Richard King, a representative from WAM Capital's auditor, Pitcher Partners Sydney, will be available to address any questions relating to the Company's financial statements.

We are also joined by Wilson Asset Management Director of Finance Joe Camilleri, who will moderate today's meeting, and assist in addressing any questions received online or in person during the meeting.

FY2026 in review

Financial results

The WAM Capital investment portfolio declined 10.5%* in FY2026, underperforming the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index, which increased 5.7% and 8.1%, respectively. The drivers of underperformance included a mix of sector positioning, stock selection and the broader macroeconomic backdrop.

In FY2026, investor capital increasingly concentrated in artificial intelligence (AI) beneficiaries and liquid large-cap companies, contributing to valuation multiple compression across many small and mid-cap technology, software and service companies held in the investment portfolio. Consumer discretionary holdings weighed on returns as higher-than-expected interest rates pressured the sector.

WAM Capital has experienced negative investment portfolio performance in five of the 27 years since inception in 1999. Throughout these periods, the investment team has remained disciplined and continued to apply the proven investment process that has delivered strong long-term performance and outperformance for shareholders since 1999. The investment team has also been decisive in repositioning the investment portfolio as new opportunities emerge.

Since inception in August 1999, the investment portfolio has delivered 14.1% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 5.7% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 8.9% per annum.

The WAM Capital Board of Directors declared a final dividend of 7.75 cents per share, partially franked at 60%, bringing the FY2026 full year dividend to 15.5 cents per share, partially franked at 60%. The listed investment company structure, together with WAM Capital's accumulated profits reserve, enabled the Board to maintain the FY2026 full year dividend. Since inception, WAM Capital has paid 347.0 cents per share in franked dividends to shareholders, or 487.7 cents per share when including the value of franking credits.

FY2027 update and outlook

Company update and market outlook

Markets have remained challenging into FY2027, as interest rates remain a key driver for small and mid-sized companies. During the financial year to 31 October 2026, the WAM Capital investment portfolio decreased 5.3%*, while the S&P/ASX All Ordinaries Accumulation Index increased 1.7% and the S&P/ASX Small Ordinaries Accumulation Index fell 6.9%.

A stabilisation and potential decrease in interest rates would provide a more supportive environment for small-cap industrial companies, particularly consumer discretionary, technology and growth companies. While inflation remains elevated, there are signs the tightening cycle may be approaching its peak and markets are pricing in rate cuts from mid-2027.

The initial public offering (IPO) market also remains subdued, with the proposed Firmus Technologies' IPO withdrawn. We sold approximately half of our Firmus Technologies holding in the WAM Capital investment portfolio earlier in the year, realising more than five times the value of our total original investment. Firmus Technologies now represents approximately 2% of the investment portfolio. We expect the IPO market to remain subdued in FY2027, although with compressed valuations we anticipate an uptick in mergers and acquisitions (M&A) activity.

During the FY2026 reporting season, pleasingly more than 70% of the investment portfolio's holdings exceeded earnings expectations, despite the challenging market environment. This strong underlying performance has not been fully reflected in share prices, creating a disconnect between company fundamentals and their share price.

With an investment portfolio of high-quality companies, WAM Capital is well positioned to benefit as interest rates decline and this value is recognised by the market.

The investment team have increased the cash weighting to approximately 17% to take advantage of opportunities as they emerge. The investment team continues to undertake extensive company research in Australia and overseas and remain focused on applying our disciplined investment process and delivering long-term value for shareholders.

FY2027 Dividend target

Following payment of the FY2026 final dividend on 21 October 2026, the profits reserve of 5.7 cents per share is less than the 7.75 cents per share required to pay the FY2027 interim dividend at historic levels. As such, the Board announced an FY2027 full year dividend target of 8.0 cents per share, comprising an interim dividend of 4.0 cents per share and a final dividend of 4.0 cents per share. The FY2027 dividend target is not a forecast or commitment and will depend on the profits available to the Company at the time each dividend is considered by the Board.

The Board maintained the 15.5 cents per share dividend through a period in which dividends exceeded profits generated, drawing on accumulated reserves. We had disclosed that maintaining this dividend level each year required strong investment portfolio returns.

We recognise the impact of reducing the FY2027 target to 8.0 cents per share, particularly for shareholders who rely on regular income. The lower dividend target is intended to rebuild the profits reserve.

At 31 October 2026, the profits reserve of 5.7 cents per share is currently insufficient to meet the FY2027 full year dividend target of 8.0 cents per share. The Company is required to recoup its 2027 financial year to date losses since it last transferred to the profits reserve and generate a further 2.3 cents per share to its profits reserve for the Board to meet the FY2027 dividend target of 8.0 cents per share. The investment portfolio will need to increase 9.3% between now and June 2027 for the profits reserve to be sufficient to meet this target.

The level of franking attached to future dividends will depend on franking credits generated through tax paid on realised profits and franked dividends received from investee companies. Should the FY2027 full year dividend target of 8.0 cents per share be achieved, the Board expects it will continue to be partially franked at 60%. This would represent a dividend yield of 7.3% and a grossed-up dividend yield of 9.2%**, based on the 31 October 2026 pre-tax net tangible assets (NTA) of $1.09 per share.

We recognise that WAM Capital is now trading at a discount to NTA and understand shareholders' concerns. Our focus is on improving investment performance, rebuilding the profits reserve and communicating clearly. We believe these are the steps that will support long-term shareholder value.

For more information

Further information on WAM Capital can be found in the FY2026 Annual Report and on our website.

Thank you

Thank you for your support and entrusting us with your capital. I would also like to thank the Wilson Asset Management team and my fellow Board members.

*Investment portfolio performance is before expenses, fees and taxes and the impact of capital management initiatives to compare to the relevant indexes which are before expenses, fees and taxes.
**Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30%.

About WAM Capital

WAM Capital Limited (ASX: WAM) is a listed investment company (LIC) managed by Wilson Asset Management. Listed in August 1999, WAM Capital provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. WAM Capital also provides exposure to relative value arbitrage and market mispricing opportunities. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

All major platforms provide access to WAM Capital, including Asgard, BT Panorama, Colonial First State Edge, HUB24, Insignia Expand IDPS, Macquarie Wrap and Netwealth.

Listed August 1999

ASX

WAM Capital receives coverage from the following independent investment research providers:

Zenith Investment Partners | BELL POTTER | Lonsec | Independent Investment Research | Ord Minnett

This announcement has been authorised by the Board of WAM Capital Limited.

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for more than 130,000 investors and the Australian community for 29 years. As the investment manager for nine leading LICs: WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Income Maximiser (ASX: WMX), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA); and four unlisted funds: Wilson Asset Management Leaders Fund, Wilson Asset Management Founders Fund, Wilson Asset Management Real Assets Fund and Wilson Asset Management Equity Fund, Wilson Asset Management invests $6.0 billion on behalf of more than 130,000 retail and wholesale investors.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG), as well as Future Generation Women. Wilson Asset Management advocates and acts on behalf of retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with $10,000 each year to donate to charities of their choice. All philanthropic investments are made by Wilson Asset Management and not the LIC.

Wilson Asset Management

$6.0 billion
in funds under management

>250 years
combined investment experience

29 years
making a difference for shareholders

13
investment products

For more information visit www.wilsonassetmanagement.com.au or contact:

Geoff Wilson AO
Chairman &
Chief Investment Officer
(02) 9247 6755
X (Twitter): @GeoffWilsonWAM
LinkedIn: @Geoff Wilson

Catriona Burns
Chief Executive Officer
(02) 9247 6755
0487 497 437

Joe Camilleri
Director of Finance
(02) 9247 6755
0402 759 790

Alexandra Hopper Irwin
Head of Corporate Affairs and Marketing
(02) 9247 6755
0431 381 295