

Cochlear 2022 AGM report

ASX code	COH
Meeting date	18 October 2022
Type of meeting	Hybrid
Monitor	Patricia Beal assisted by Gareth Eastwood
Pre AGM-meeting	Yes with Chair Alison Deans and Kristina Devon (Investor Relations)

Meeting Statistics

Number of holdings represented by ASA	213
Number of shares represented by ASA	182,675
Value of shares represented by ASA	\$36 million
Total number attending meeting	44 in person; 164 total shareholders
Market capitalisation	\$1.3 billion
ASA open proxies voted	on a poll, ASA voted in favour of all the resolutions

The meeting was held at COH headquarters, Macquarie Park, rather than in the city. New(ish) chair Alison Deans said she wished shareholders to see the COH “home”; but that may have reduced the physical attendance numbers. Certainly, those there appreciated the face-to-face opportunity, and there were good questions from a number of people. The mood was generally favourable and optimistic for this company.

We and others had queries about the re-election of long-serving NED Yasmin Allen. It was explained that there needed to be an overlap / handover period between Ms Allen and new NED Ms Karen Price for the Chair of the Audit & Risk Committee. ASA then voted open proxies for Ms Price, but there was a significant against vote noted in the proxies, both for Ms Allen and Ms Price. The question was asked whether any proxy advisers had voted against Ms Price, and the answer was no. All other Items had positive votes above 90%, Ms Price received 87%. We were assured she is an experienced and very competent NED, and can comfortably manage her 3 other directorships as well as COH.

Further succession planning and board renewal will be happening, we were assured. Steven Mayne had a couple of unsolicited suggestions for new board members; it was neither confirmed nor denied whether they might be considered.

Other questions and responses:

Research investment is around two thirds spent in Australia.

Investment in Oticon: expect profitability (it was loss-making when bought). It expands the bone implant sector, both in patient numbers and servicing. Oticon patients gain ongoing servicing by COH.

China: the factory will be a manufacturing one, no research there, when it is accredited in perhaps 18 - 24 months. It will expand growth in China and the Asia-Pacific area.

“Cochlear Family” (of implant recipients): while now only 60% of recipients join, COH is trying to extend its reach, as it enhances the connection between both sides, to increase the satisfaction and servicing of all patients. COH is trying to inform specialists of its merits to their patients, as some specialists don’t promote it.

Debt: the company is now debt free.

Political donations: none made. Some fees paid for attendance at particular events.

Cloud computing: a new standard has been set as to how these are accounted for, which has coincided with particularly large expenses in cloud computing for COH. This impacts reported profits and therefore returns metrics slightly, but does not affect cash flow. There may be a slight lowering effect on STI achieved by KMP.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 (“ASA”). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person’s particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person’s acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.