



Company	Perenti Global Limited (formerly Ausdrill Ltd)
Code	ASL (will become PRN around 11 October)
Meeting	AGM
Date	1 October 2019
Venue	Duxton Hotel, St Georges Terrace, Perth, WA
Monitor	Keith Mellis assisted by Chris Klisc

Number attendees at meeting	50, of which approximately 15 were shareholders
Number of holdings represented by ASA	15
Value of proxies	\$670,000
Number of shares represented by ASA	305,017
Market capitalisation	\$1.5billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair Ian Cochrane

Enter the Perenti(e) Lizard

The 2019 AGM was a relatively quiet but positive affair with only one question, relating to the allocation of capital, raised by one of the few shareholders in attendance. Company employees were very well represented, and ASA was able to raise several issues during question time. The meeting opened with a general review of the year's events by the Chair, Ian Cochrane, and this was followed by a more detailed address by the CEO/MD, Mark Norwell. The formal part of the meeting saw all ten resolutions passed with a minimum 99% support and these results together with a transcript of both opening addresses can be viewed on the [Company's website](#).

In his address, the Chair summarised the main events which he said have built a solid foundation for future growth and, in so doing, transformed the Company into a leading global mining services provider. He cited the acquisition and integration of Barmenco, installation of the new management team and the introduction of a new operating model. The Chair also took the opportunity to acknowledge the founders of Ausdrill, Ron Sayers, and of Barmenco, Peter Bartlett.

In referring to the \$181.3 net profit after tax (NPAT), Mr Cochrane drew attention to the one-off impairment of \$113m and to a gain (unquantified) arising from the Barmenco acquisition. ASA asked 2 questions of the auditor regarding the Annual Report; the first related to the potential for a conflict of interest arising from the level of consulting fees in 2019, which were twice that of the audit fee; the second questioned whether the Profit Statement gave a fair view with the revaluation gain of \$180m arising from the Barmenco acquisition included in Other Income whilst the profit for the year was only \$181m. As expected, the PwC response was limited to the application of sound internal controls over audit and

consulting practices for question 1 and compliance with disclosure requirements to address question 2. The Chair concluded by introducing the Perenti name to shareholders which he said was taken from the iconic WA Perentie lizard that thrives in challenging and isolated environments.

The CEO focussed more on the future and the application of the Company's core principles in implementing the Group 2025 Strategic Plan. Mr Norwell underlined the importance of the \$8.5b of potential work in the pipeline and reiterated his guidance of \$140m NPAT for 2020 (albeit with several provisos).

Resolution 4 called for the approval of the incentive rights plan. ASA supports the new remuneration structure, including the introduction of incentive rights, but raised 2 concerns in this regard. The first is that no details have been provided for the potential entitlements of unidentified senior employees, other than key management personnel. The Chair confirmed that this is for reasons of confidentiality but did stress that performance hurdles and the opportunity applicable to each employee are clearly defined. The second concern raised was over the definition of Capital Employed in connection with the calculation of the return on average capital employed (ROACE) performance measure, which excludes the capital represented by \$744m of intangible assets acquired in 2019. The Chair referred this to the CFO and ASA will pursue this with him in 2020.