

MTS/Metcash Limited 2024 AGM Report

ASX code	MTS/Metcash Limited
Meeting date	Friday, 13 September 2024
Type of meeting	Physical and webcast
Monitor	Patricia Beal and Elizabeth Fish
Pre AGM-meeting	Yes, online, with Chairman Peter Birtles, Margie Haseltine (Chair, People, Culture & Nomination Committee), Steve Ashe (GM of Corporate Affairs & Investor Relations)

Meeting Statistics

Number of holdings represented by ASA	91
Number of shares represented by ASA	1,120,313
Value of shares represented by ASA	\$4m
Total number attending meeting	25 shareholders in person; 5 online
Market capitalisation	\$3.9 billion
ASA open proxies voted	ASA voted in favour of all the resolutions

Championing Successful Independents

Chairman Peter Bartles opened the meeting with the usual year in review and market update statement (document forwarded to ASX). While current conditions remain challenging, they expect this to continue, with customers seeking more value-conscious choices at MTS affiliated stores. They are happy with the strong plans of the company and behaviours of retailers.

When questions were called for, we complimented the company on a successful year, and first questioned the cash raising and ensuing SPP. We asked why individual shareholders were cut back in their allocation of shares. The answer was that the applications for the institutional offer were cut back more than those from shareholders, both being proportional to the numbers already held. Those with particularly small holdings were however increased to a marketable parcel. Directors did not wish to lower the financial efficiency metrics of the company by taking more funds than were required. Of course, they required enough to be raised quickly, which happens with the institutional offering.

Re-election of M Haseltine: one question was around the workload she had. While stating that she had always given enough time to MTS duties, it was stated that she was resigning from the

Chairmanship and Board membership of Bapcor, after its AGM this year. Her experience on other boards also adds to what she can contribute to the MTS Board.

We voted for the remuneration report, while remarking that we were happy the STI were partially withheld for a year, but unhappy the LTI are only spread over 3 years. The trend (which ASA supports) is for 4 or more years spread for LTI, as long-term planning is often for 5 years. The company will be further examining the LTI conditions during this Financial Year.

S Mayne asked if any proxy advisers recommended a vote against any of the Resolutions, and the answer was that ISS did recommend voting against the rem report and associated performance rights issuance, but after discussions some of those so advised voted in favour of the resolution.

We questioned a section of the ESG Report, where the company gave a foreshadowed increasing target for “Waste Diversion” [from landfill], asking what had actually been achieved. The Chairman replied that they were contributing to industry-wide discussions and funds to accomplish such diversion. We shall continue to keep an eye on this aspect in future years.

The Horizon Project aims to update the warehouse software for the Food and Liquor Pillars. Given that its budget and finish date have been extended, we asked how it was progressing, and how its future success would be assessed. Getting it right for the long term was more important than the timetable, we were told, and it was progressing well.

All resolutions were easily carried. Over 98% supported the re-election of M. Haseltine; over 88% for the two rem resolutions, and over 99% the special resolution for financial assistance re the recent hardware acquisitions.

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