

Mader Group 2024 AGM Report

ASX code	MAD
Meeting date	Friday, 11 October 2024
Type of meeting	Physical (no webcast)
Monitor	John Ferguson
Pre AGM-meeting	No – however there was a telephone conversation with Paul Hegarty (CFO) a week before the AGM.

Meeting Statistics

Number of holdings represented by ASA	10
Number of shares represented by ASA	47,344
Value of shares represented by ASA	\$0.262m
Total number attending meeting	13
Market capitalisation	\$1.12 billion
ASA open proxies voted	ASA voted against resolutions 1 (remuneration report) and 2 (Mr Patrick Conway's re-election).

Monitor Shareholding: The individual involved in the preparation of this voting intention has no shareholding in this company.

The AGM was sparsely attended, brief and cordial.

Company founder and executive chair Luke Mader gave a short overview of the company's performance for the year and CEO Justin Nuich gave more operational detail. The company continues its trajectory of exceptional growth, with NPAT guidance of \$57m for FY2025 (exceeding the projected \$51m from the company's five-year plan established in 2021). The "secret sauce" for the success seems to be the company's ability to move into untapped new labour pools and provide training and career development opportunities, so that clients can access a broader range of industrial services.

The Remuneration Report was presented, and ASA declared its intention to vote open proxies against the resolutions for several reasons, the chief being the proportion of cash used in the incentive schemes, some of it without a visible cap. Mr Mader took the comments on board and indicated that change was likely when the Share Appreciation Rights scheme expires. The Report received a 9.22% against vote. When an adjustment is made to exclude the shares of the company's two biggest holders (Mr Mader and Skye Alba represented by NED Craig Burton), the vote translates into a 33% against vote.

The other two meeting resolutions were passed comfortably.

ASA asked a number of questions about the looming mandatory reporting of climate related issues. It looks like the company has given little thought to reducing its own emissions, let alone its obligations under the new reporting regime. Mr Nuich confirmed the company is a Group 1 entity under the Act, and Paul Hegarty (CFO) that Scope 3 emissions of the big resource company clients have become a talking point with Mader (at an informal level). Dean Just, the company's auditor from BDO, confirmed it is within his scope of work to provide assurances about a company meeting its obligations under the Act.

In response to an ASA question about the value of independent NEDs on a company Board, Mr Mader sees advantages but is very cautious about any nominations given the company's current performance. Underscoring the point was the absence from the meeting of the Board's sole NED.

The company has no immediate plans to introduce measurable objectives around gender equality in its workplace. It should be noted that Mader has been independently recognised as an exceptional employer of choice.

Before the AGM started, we had a fruitful discussion with Mr Nuich. He was asked about the 18.7% drop in the share price in the past year. He put it down to market sentiment about demand issues in the Lithium and Nickel markets, the cooling off in Chinese demand for iron ore and the closure of a number of coal mines in North America. All these led to less spending from company clients. He was receptive to the idea of a hybrid AGM in the future.

All Mader staff were approachable and keen to engage in conversation. They were rightly proud of their company, which has been a great success story due to well managed organic growth.

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