

Worley Limited 2024 AGM Report

ASX code	WOR
Meeting date	Thursday, 21 November 2024
Type of meeting	Physical (webcast)
Monitor	Gary Barton
Pre AGM-meeting	With chair John Grill, director Emma Stein and investor relations manager Verena Preston

Meeting Statistics

Number of holdings represented by ASA	40
Number of shares represented by ASA	126,778
Value of shares represented by ASA	\$1,774m
Total number attending meeting	23 shareholders, 34 visitors with 89 online viewers
Market capitalisation	\$7.7b
ASA open proxies voted	ASA voted in favour of Resolution 1, 2 and 6 and against for resolutions 3 remuneration, 4 grant of equity right to the CEO and 5 grant of long-term performance rights to the CEO

The individual involved in the preparation of this voting intention has a shareholding in this company.

Shareholders Unhappy with Dividend

The company reported growth in revenue, earnings, and margins; however, this did not translate into increased dividends. Three shareholders raised questions regarding the unchanged dividend payout despite the revenue increase. Looking ahead, the outlook presented at the full year 2024 results remain consistent with expectations for FY2025, assuming no deterioration in market conditions.

The CEO stated that they are targeting low double-digit EBITA growth and expect the underlying EBITA margin (excluding the impact of procurement) to be within a range of 8.0-8.5% in FY2025. The second half of FY2025 is expected to be stronger than the first half as the rebalancing process progresses throughout the year.

One shareholder questioned why the company is webcasting the meeting but not accepting questions or votes from online shareholders.

Director Changes: Worley replaced two directors this year, as Wang Xiao Bin and Anne Templeman-Jones did not stand for re-election. They welcomed Alison Kitchen AM and Kim Gillis AM to the Board of Directors. Their extensive experience, both in Australia and internationally, will

enhance the company's existing capabilities. Alison and Kim are members of the Nominations Committee, with Alison also taking on the role of Chair of the Audit and Risk Committee. All directors were approved.

Investment in Digital Transformation: Worley is making significant investments to accelerate its digitally enabled processes and systems, aiming to boost productivity and reshape project delivery. They are developing use cases across various opportunity areas to improve operational efficiency, enhance labour productivity, and support margin growth. The company views AI as an amplifier of its global workforce, which will support its medium-term growth plans.

Remuneration Report: The Chair of the People and Remuneration Committee, Ms. Emma Stein, addressed the meeting regarding the remuneration resolution. The Australian Shareholders Association (ASA) questioned the rationale behind paying bonuses given the decline in share price, negative total shareholder value, and unchanged dividends over the past five years, which are below the inflation rate, showing no alignment with shareholder value. The Chair's response was deemed inadequate by the ASA. The vote on the remuneration resolution saw 21.43% against it, while the vote on the CEO's deferred equity rights saw 16.82% against it.

Long-Term Performance Rights: The resolution for the grant of long-term performance rights to the CEO received 47.66% against it. The Chair noted in his closing remarks that the company would take shareholder votes into consideration for the next year.

Company Employee Share Plan: The resolution was successfully passed.

Withdrawal of Resolution: The company withdrew resolution 7 after proxies were 57.18% against the change to the constitution to reduce the maximum Board size to a level that board considered right for the Company. While ASA guidelines do not support a constitutional maximum number of directors, believing shareholders should have the flexibility to appoint an additional director without having to remove existing directors, the company had no vacancy as it is, and we support introducing a more streamlined board. There is no reason the board can't achieve this goal within the current maximum.

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