

Orica Limited 2024 AGM Report

ASX code	ORI
Meeting date	Tuesday, 17 December 2024
Type of meeting	Physical (webcast)
Monitor	Adam Raymond assisted by Peter Aird
Pre AGM-meeting	Meeting with Chair Malcolm Broomhead

Meeting Statistics

Number of holdings represented by ASA	125
Number of shares represented by ASA	403975
Value of shares represented by ASA	\$7.1 million
Total number attending meeting	~80 attendees
Market capitalisation	\$8.45 billion
ASA open proxies voted	ASA voted in favour of all the resolutions

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

History

This year's AGM celebrated the Orica 150-year anniversary with the Chair running through a brief history of the company. This was relevant to shareholders as it shows that the focus solely on explosives and blasting technology is relatively recent. The non-mining chemicals branch of the company only divested a few years ago. There is a very big focus also on mining chemicals, especially sodium cyanide (used in gold mining), which is linked to the purchase of Cyanco during the financial year (FY).

Capital Raising

Orica purchased two companies during the year, Cyanco and Terra Insights. The Cyanco was the larger of the two purchases, but both were financed by capital raising. This capital raising was heavily oversubscribed at the retail and institutional placements. A question was raised at the meeting about the extension of the retail Share Purchase Plan (SPP), given the demand as had been done with an ANZ capital raising recently, but the chair countered that the allocations were proportional between the retail and institutional offerings, so this option wasn't taken.

Financial Performance

There was a big rise in Net Profit After Tax (NPAT) versus the previous year. This was not linked to revenue, which suffered a small drop. After questioning, the Managing Director noted that revenue was linked to costs, as these costs were factored into what was charged to clients so falling costs had reduced revenue.

Corporate Governance

Several issues of corporate governance were raised:

- The meeting format was altered to shift all questions and topics to the end of the meeting. According to the chair this was done to increase the meeting's efficiency.
- Mr Broomhead, the chair, announced that he planned to retire before the next AGM and that the board was seeking replacements. This is in line with the ASA recommendations that board members limit their tenure to 10 years or less with Mr Broomhead joining the board in 2015.
- An issue was raised around board nominations, which must be made 45 days ahead of the AGM. This is before the financial results are released. It was suggested that this interfered with the election process. The chair reiterated the board's position that pushing back the AGM would make it too far into the company FY to be useful. It was already delayed as much as possible being the end of December.
- A number of shareholders noted that they had trouble getting physical copies of the annual report and other correspondence. One shareholder questioned the counting of the votes as all the votes had support of over 98%. Both these tasks were conducted by Link Market Services.

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