



<b>Company</b>	CSL Limited
<b>Code</b>	CSL
<b>Meeting</b>	AGM
<b>Date</b>	14 October 2020
<b>Venue</b>	Online
<b>Monitor</b>	Michael Muntisov

<b>Number attendees at meeting</b>	172 shareholders/proxyholders and 270 guests (last year 186 and 115 respectively)
<b>Number of holdings represented by ASA</b>	1133 (Last year 848)
<b>Value of proxies</b>	\$530m
<b>Number of shares represented by ASA</b>	1.77m (equivalent to 10th largest holder in Top 20 list)
<b>Market capitalisation</b>	\$137b
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with director Megan Clark and company secretary Fiona Mead

## Growing despite COVID

CSL's AGM was a low key affair even for a virtual meeting. It was audio only of the speakers with accompanying presentation slides. There were surprisingly few questions in total, and the answers tended to be short and generic. The whole event was done in an hour.

The company summarised the FY20 results which showed an increase in profit after tax of 17%. The CEO highlighted the profit engine being the growth in Immunoglobulin products.

Looking ahead, they are seeing strong demand for flu vaccines as governments around the world seek to avoid making the COVID pandemic worse. With CSL's work on a COVID vaccine, their R&D spend will be at the top end of their guidance, and plasma collections have been restrained due to COVID restrictions but are starting to improve.

The CEO announced a tightening of the guidance range for profit growth for FY21 to 3 to 8%, up from 0 to 8%, due to the strength in the Seqirus business (flu vaccines).

No further updates were provided on the progress of their COVID vaccine development.

Two new directors were elected with over 99% votes 'for'. One was Carolyn Hewson, recently retired from the BHP Board. The other was Pascal Soriot, CEO of global pharmaceutical firm, AstraZeneca (AZ), who revealed that, although he is based in Cambridge, UK, he was now an Australian citizen whose children live in Australia. Both answered questions from ASA on their initial impressions of CSL and workload.

There was a question on the potential conflict between CSL and AZ, to which the Chairman responded that it had been considered but that there was only a very minor overlap in product markets.

The perennial question on potential share split was raised and again dismissed. A question arose about CSL's operation in China and Immunoglobulin (Ig). The answer noted that China does not permit import of Ig, but CSL's own in-country operation processes local Ig.

The ASA asked about the number of new plasma centres opened so far this financial year in the USA. The CEO advised that twenty centres had already been opened, their target for the year being 20 to 30.

The largest 'against' vote was a sizable 23% against the grant of Performance Share Units to the CEO. Given that the company was redesigning its remuneration plan this year, the ASA asked whether they could confirm the adoption of at least two performance measures for the Long Term Incentive Plan (compared to one currently). The Chairman answered that they are considering an appropriate second measure in addition to Return on Invested Capital.