

Lendlease Group 2022 AGM report

ASX code	LLC
Meeting date	18 November 2022
Type of meeting	Hybrid
Monitor	Lewis Gomes assisted by Peter Gregory
Pre AGM-meeting	Yes with Chairman Michael Ullmer, Chairman People & Culture Committee Elizabeth Proust, and Company Secretary Wendy Lee

Meeting Statistics

Number of holdings represented by ASA	177
Number of shares represented by ASA	484,306
Value of shares represented by ASA	\$6.1m
Total number attending meeting	196 attendees in person and online
Market capitalisation	\$5.4 billion
ASA open proxies voted	on a poll. ASA voted in favour of all the resolutions.

Chair, Michael Ullmer and CEO, Tony Lombardo delivered their [AGM addresses](#) which shareholders should read in conjunction with the [3 November 2022 CEO Lendlease Strategy Briefing](#).

Presentation highlights were:

- **Board renewal** – Following the AGM Jane Hemstritch is retiring from the board and Bob Welanetz (US based) will become chair of the Nominations Committee. Margaret Lui (Singapore based) is joining the board in December as the board works to build deep experience in core segments and geographies.
- **Near term outlook** - Challenging macroeconomic conditions are expected in FY23. Real estate markets are sensitive to slower economic growth, more persistent inflation with upward pressure on interest rates. Lendlease is seeing lower asset prices plus a deferral of activity as clients pause, and the company expects each operating segment to deliver returns at the lower end of guidance.
- **Longer term outlook** - The board is confident in meeting its priority objective of lifting its Return on Equity from 4% in FY22, to 8-10% from FY24 thus leading to the restoration of long term securityholder value.
- **Dividend outlook** – The distribution policy has been revised, with the payout ratio reduced to 30-50% of core operating profit, down from 40-60%. In the near-term distributions are expected to be at the lower end of the range to fund planned growth.
- **Environment** Lendlease's goal is not only to eliminate their use of fossil fuels, but to help transform the real estate sector. Barangaroo office fund was recently named the world's most sustainable in the 2022 Global Real Estate Sustainability Benchmark.

Q&A

ASA Q. With our focus on improving and consistent returns for shareholders ASA asked how much profit was expected to be recurring in the future.

A. The CEO advised that the target was 45% of EBITDA.

Q. Concerns about Lendlease impact on Koala communities

A. The chair described Lendlease's proactive actions to mitigate and risk. Nicola Wakefield Evans agreed to engage further with the Sydney Koala Working Group.

Q How can Lendlease support communities impacted by east coast floods and in Ukraine.

A. Lendlease donates to Red Cross to provide assistance where people face difficulties and agreed the board would consider contributing expertise in rebuilding activities

Q. How does Lendlease work with clients who do not share their sustainability standards?

A. Through the negotiation process there is usually a meeting of minds about the financial benefits of sustainable development.

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