

## NRW Holdings AGM Report

<b>Company</b>	NRW Holdings Ltd
<b>Code</b>	NWH
<b>Meeting</b>	AGM
<b>Date</b>	9 November 2022
<b>Venue</b>	Duxton Hotel St Georges Tce Perth
<b>Monitor</b>	Len Roy assisted by Ian Berry

## Meeting Statistics

<b>Number attendees at meeting</b>	Est 15 shareholders and 15 visitors
<b>Number of holdings represented by ASA</b>	26
<b>Value of proxies</b>	\$847,000
<b>Number of shares represented by ASA</b>	339,001
<b>Market capitalisation</b>	\$1.1 billion
<b>Were proxies voted?</b>	Yes, on a poll. (No webcast)
<b>Pre AGM Meeting?</b>	Yes, with Ind NED Peter Johnston & Company Secretary Kim Hyman.

## Strong financial performance but high level Against vote on Rem Report.

NRW had had a very successful year - both financially & operational. Shareholder attendance relatively low notwithstanding total FY22 fully franked dividend 12.5cps being 39% increase on FY21. Chairman took the opportunity of reiterating the financial headlines.

Revenue increased 4% to \$2.4bn. Strong cash flows & cash conversion 111%. Gearing 11%. Order book was a record \$5.2bn.

The company had been on a growth trajectory over the previous 4-5 years based on increased range of engineering services, EPC project capability including design, construction, commissioning & follow through maintenance plus diversity of commodities within the mining / resources sectors. Also there had been a lift in proportion of contract extension work.

CFO Andrew Walsh had indicated he planned to retire at year end (subject to transitional arrangements with incoming CFO Richard Simons) and Andrew received positive acknowledgement from all attendees for his 8 years' service particularly the financial overseeing of several key acquisitions.

The chairman referenced the detailed FY22 Sustainability Report including ESG & urged attendees to avail themselves of a copy.

CEO Jules Pemberton spoke of the performance & opportunities of the three business units. Civils had plenty of opportunities although it was NRW's most competitive market segment. Civils sometimes provide feeder work to the other business units.

Mining had provided good growth & improved margins plus incremental work from contract extensions.

MET had provided best margins from the engineering & technology capabilities.

The company has a large, dedicated apprentice program and FY22 intake was 200. Retention levels following program completion have been very high helping ease the serious labour shortage in WA.

In summarising the outlook, the CEO indicated NRW had submitted tenders with aggregate value \$3.5bn and forecast FY23 Earnings EBITA was \$162m - \$172m subject to exceptional market circumstances.

In response to questions from ASA:

1. We queried the high 50% Against vote on the remuneration report and it was indicated two proxy advisors representing significant shareholder interests had recommended Against. In contrast, two other proxy advisors had recommended For. It was too early to clarify further but NRW would investigate & respond when more information was available. In contrast, the resolution for Approval of grant of Performance Rights for FY23 for CEO received 76% support. This is the fifth successive remuneration report strike for NRW. Curiously when the second successive strikes were incurred in 2019 and 2021, the resolution to spill the board received more than 90% against votes.
2. We queried reported reduction in government funding and reduced work scope (involving replacement of some overpass bridges with roundabouts) on the Bunbury Ring Road and

were advised the project was a partnership based on the principle of cost plus an agreed margin.

3. Plant & equipment assets are strategically important to NRW (\$997m as at June 30 '22) & we were advised utilization level was at very high level & supplemented by short term rental where necessary.

Managing Director's address

[NRW 2022 AGM - CEO Address & Presentation \(iguana2.com\)](#)

Voting Results

[Results of Meeting \(iguana2.com\)](#)