



Super Retail Group 2023 AGM report

ASX code	SUL
Meeting date	Wednesday, 25 October 2023
Type of meeting	Hybrid
Monitor	Paul Donohue & Elizabeth Hemphill
Pre AGM-meeting	No

Meeting Statistics

Number of holdings represented by ASA	42
Number of shares represented by ASA	136,542
Value of shares represented by ASA	\$1.72 m
Total number attending meeting	TBA
Market capitalisation	\$2.9 b
ASA open proxies voted	ASA voted in favour of all the resolutions.

This was Super Retail Group's first hybrid meeting, but we chose to attend in person to look at their headquarters, which is probably the nicest building in the Northern Brisbane suburb of Strathpine.

We congratulated the Board on adopting the hybrid meeting format and the quality of their sustainability report, which demonstrated their commitment to people and planet with no hint of greenwashing.

There was some discussion on the like-for-like sales growth for the group's four brands and an update on performance since the annual report was published. Even after factoring in the prior year's abnormally good post-COVID-19 sales, the signs of a consumer slowdown are obvious in the second half.

This year Macpac, which sells outdoor wear, had a cracker of a first half with sales up 54% before dropping to +5% in H2 and then falling off a cliff to be -8% in the period leading up to the AGM. Apparently, they sold lots of travel goods in the first half, but Winter was too warm to sell puffer jackets.

Luckily, the brands balance each other's seasonal trends. As one executive said, "BCF loves hot and dry weather and Macpac loves cold & wet".

Last year, we questioned the bias to cash in the CEO remuneration. I am pleased to report this is now heading in the right direction. In FY22, deferred STI and LTI accounted for just 36% of CEO remuneration. In FY23 this jumped to 44% and it is planned to creep up to 46% in FY24. I asked if

the board has a target, maybe something North of 50%? But the Chair said that “46% was about right”.

Three directors were up for election, but we only asked questions of one. Mark O’Hare is the nominated replacement for Reg Rowe the founder of the company. He has been Reg’s business advisor for decades and has a long association with Super Retail Group. I noted that he seems very focussed with only two directorships, namely SUL and Reg’s private investment vehicle. Mark agreed with my observation and confirmed he has no intention of seeking roles on other boards.

Another item on the agenda was an increase to the director’s fee pool. The justification being the need for head room during a period of board renewal. The Chair, Dr Pitkin, announced last year that she won’t seek re-election when her term finishes in 2024. This year another director, Howard Mowlem, made a similar decision. These announcements and Mark replacing Reg, show that the board renewal is underway, so the fee pool increase seems warranted.

I was pleased to note that the board had not increased base or committee fees this year but asked if the enlarged pool might lead to a fee hike once the period of renewal settled down. Dr Pitkin responded that they were bumping up against the ceiling now and the renewal process may increase the number of directors in the long term, so a bigger pool is warranted.

ASA voted for all resolutions, and they were passed with comfortable margins except for the remuneration report, which saw an 18% protest vote.

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