

Tabcorp 2023 AGM report

ASX code	TAH
Meeting date	Wednesday, 25 October 2023
Type of meeting	Hybrid
Monitor	Mike Muntisov assisted by Steve van Emmerik
Pre AGM-meeting	With Chair Bruce Akhurst and Remuneration Committee Chair David Gallop, CoSec Chris Murphy, Terry Couper, Nicole Kirk.

Meeting Statistics

Number of holdings represented by ASA	207
Number of shares represented by ASA	3,447,155
Value of shares represented by ASA	\$2.8m
Total number attending meeting	73 shareholders/59 visitors in person 12 shareholders/145 visitors on line
Market capitalisation	\$1.85 billion
ASA open proxies voted	ASA voted against the remuneration report, the grant of options to the CEO, and the re-election of Remuneration Committee Chair David Gallop.

The [speeches](#) at the Tabcorp AGM were all about transitioning the company from its old stodgy ways to a modern, digitally-focused gambling company with an iconic brand. They talked about Strategy TAB25, which aims to achieve a Return on Invested Capital of 10% (currently 5.5%), digital market share of 30% (currently 24.5%), and limiting operating costs to between \$600m to \$620m.

Unfortunately, punters aren't co-operating as it seems that the cost-of-living pressures are affecting gambling spend, which accounts for the recent weakness in the share price. Nevertheless, the CEO sounded supremely confident that the strategy would be achieved and even suggested he himself would be buying more shares at the moment if not for the blackout period for executives.

The Chair flagged that there had been a protest vote against remuneration during his address, and indeed Tabcorp suffered a first strike with a 34% vote against. ASA voted against the remuneration report because of the excessive levels of pay of the CEO and Chairman. As the ASA representative explained at the meeting, the pay levels do not reflect the dramatic reduction in size of the company since the demerger of The Lottery Corporation. Proxy advisers ISS and Ownership Matters also recommended against the Remuneration Report.

ASA voted against the grant of incentive options for the CEO for the same reasons set out above. However, this resolution was comfortably passed.

All directors up for election were strongly supported with more than 90% votes in favour. ASA voted against the re-election of David Gallop because he was the Chair of the Remuneration Committee that endorsed the flawed remuneration scheme.

Due to probity constraints, there was no discussion of the Victorian Wagering License, which expires in 2024. Whether Tabcorp is successfully granted the license or not, the result will have a significant bearing on the company's fortunes.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.