

Worley 2023 AGM report

ASX code	WOR
Meeting date	Thursday, 20 October 2023
Type of meeting	Physical with webcast
Monitor	Michael Batchelor, Gary Barton
Pre AGM-meeting	With Chair John Grill, People and Remuneration Chair Emma Stein, and Senior Group Director Investor Relations Verena Preston

Meeting Statistics

Number of holdings represented by ASA	59
Number of shares represented by ASA	155,314
Value of shares represented by ASA	\$2.643m
Total number attending meeting	41 attendees
Market capitalisation	\$8.95 billion
ASA open proxies voted	ASA voted in favour of all the resolutions.

This report will summarise the main insights from the meeting that the team attended, without repeating the information that was already presented in [the VI report](#). The meeting had a strong emphasis on environmental issues and how Worley is addressing them in its projects and operations.

The meeting started with a "Safety Moment" that highlighted the importance of mental health and "psychological safety" for the communities that are affected by Worley's projects. This would appear to be an approach that other companies have not adopted yet, but it could be a valuable way to reduce the risks and impacts of Worley's activities on the local populations.

The Chair expressed Worley's support for First Nations people after the rejection of the Voice referendum. He also mentioned that Worley had been listed for 20 years and that its global industry classification standard classification had changed this year from Energy to Industrials reflecting a maturing of the business. He said that he had no plans to retire, but that there was a succession plan in place. At 78-years-old, he is one of the oldest Chairs on an ASX-listed company board.

The CEO reported that Worley's profits, revenues, and backlog were increasing steadily because of its sustainability strategy. He projected that 75% of Worley's revenue would come from sustainability-related work by 2026, up from 41% in 2023. He also said that Worley was actively managing its business portfolio and that it had sold ERG, a global recruitment business, since the end of the financial year.

ASA was the only group to ask questions at the meeting.

One of the questions was about Worley's statutory net profit after tax (NPAT), noting its earnings before interest and tax (EBIT) guidance was between 7.5-8% (excluding the impact of procurement). ASA wanted to know if this guidance could be interpreted as a recovery in statutory earnings to match the previous growth trajectory or if there would be more significant write-downs in the future. Worley had received this question in advance and the Chairman answered that Worley would continue to actively manage its business portfolio. The ASA team interpreted this as a possibility of more write-downs in the future.

Another question was about the rate of industry and government investment in sustainability and how this was falling short of investment targets needed to achieve climate goals. The Chairman agreed but emphasised that Worley was committed to sustainability, and it was well placed to help accelerate industry and government investment.

We observed that most of the resolutions received overwhelming support from the poll, with less than 1% dissenting votes, except for two items. The adoption of the Remuneration Report faced 3% opposition. The grant of long-term performance rights to the CEO encountered 16% resistance. We attribute these to some dissatisfaction with the impact of the North American business sale on the statutory NPAT.

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