



APM Human Services International Limited: 2023 AGM report

ASX code	APM
Meeting date	10 November 2023
Type of meeting	Hybrid
Monitor	John Ferguson
Pre AGM-meeting	Executive chair Megan Wynne, lead independent NED Nev Power, Company secretary Peter Torre and CFO Matt Cooper.

Meeting Statistics

Number of holdings represented by ASA	4
Number of shares represented by ASA	30,693
Value of shares represented by ASA	\$67,525.00
Total number attending meeting	~50
Market capitalisation	\$2.02b
ASA open proxies voted	30,693

Executive Chair Megan Wynne provided an over-view of the scale of APM’s global operations: 1500 employees providing services to 2.1m clients from 1700 sites in eleven countries. Social impact is the major focus for the company, and it advocates for social inclusion and the benefits of a diversity agenda. Mention was made of an estimated \$12.7b economic dividend for Australia if full social inclusion was achieved.

CEO Michael Anghie elaborated on the competitive advantages of having a significant global presence: it facilitates a cycle of continuous improvement and innovation as well as business resilience. Data was provided about the company’s operational performance, and it is a mixed bag. Revenues and operational margins are sound, but there are problems with lower client volumes in employment programs (but the fixed costs of maintaining a network of services continues), costs of funds (interest bearing deposits increased by 43% in the year), and labour market tightness for allied health professionals.

The Board has worked on its sustainability strategy led by the Global Sustainability Committee. Seven areas were identified to be addressed for good governance and effective risk management, one of which is business ethics. ASA put some questions on this area. Chair Megan Wynne provided answers which left the impression the Board does not see itself as providing proactive leadership in this area despite the board’s oversight of the overall strategy.

APM provides services to very diverse groups who experience disadvantage in their lives. Ideally the Board’s range of skills and competencies should reflect this diversity and be as broad as possible. A Relationship Deed provides private equity company Madison Dearborn Partners (MDP)

three Board seats and there looks to be a replication of skills and experience relevant to private equity operations. ASA asked Mr Timothy Sullivan (joint CEO of MDP), who was standing for re-election, whether he would support a change to the Deed so there are less MDP nominees on the Board. Mr. Power answered the question and made reference to the Deed being fully disclosed at the IPO and the value bought to the Board's operations by the three MDP nominees. These arrangements will continue. We consider they prevent an increase in the independence of the Board and expansion of the breadth of the Board's skills set and experiences which we believe would enhance APM's advocacy for inclusion and the benefits of diversity.

Former WA Premier Mark McGowan has just been appointed to APM's Advisory Board. His role is unclear, as are his remuneration arrangements with the company.

There were a number of on-line questions covering an extensive range of subjects. All questions received a full answer from the company.

All meeting resolutions were passed comfortably.

The West Australian reported on the AGM on the day following, with the dramatic headline: "APM chair under fire amid huge share drop". The drop was 20.72%. The market has spoken.

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