

Eagers Automotive AGM Report 2024

Company/ASX code	Eagers Automotive (ASX: APE)
Meeting date	Wednesday, 22 May 2024
Type of meeting	Hybrid
Monitor	Meredith Clarke
Pre AGM-meeting	NA

Meeting Statistics

Number of holdings represented by ASA	38
Number of shares represented by ASA	303,735
Value of shares represented by ASA	\$3,702,530
Total number attending meeting	100 attendees
Market capitalisation	\$2,745m
ASA open proxies voted	Yes

The numbers voting in favour, prior to the formal vote of those in attendance, were all more than 97% in favour of each motion (as shown on the screen at the meeting).

I was unable to obtain the actual numbers of shareholders attending the meeting online and at meeting without a formal request from ASA having been received by Computershare. Apparently, this should be in writing to the company prior to the meeting.

The Chairman reported on results to date as did the CEO.

The CEO also advised that the company will be holding an Investors Day in Sydney on 11 June 2024. At this meeting they will provide details about the Eagers Technology initiative. The company now has proprietary technology that they believe will help give them a competitive edge. It was explained that part of this technology includes an Eagers developed "10-minute sales app".

At the conclusion of the voting and prior to opening the meeting up for questions the Chairman noted and acknowledged the in-person presence of three major shareholders, the presence of two former directors (and shareholders) and the presence of the former CEO/MD (and shareholder).

There was a small number of questions from the floor and from the people attending the meeting online.

One question from the floor related to the consignment sales model adopted by both Honda and Mercedes Benz. Eagers was asked if they believed other manufacturers would follow this model. The answer was “no”.

As part of the response the CEO advised that the market had changed and that:

1. Polestar is moving away from the direct-to-consumer model to the dealer model.
2. Tesla remains with the direct-to-consumer model.
3. The agency model is now stronger than previously, as a result of the changes in the economy. There was a trend towards the agency style model approximately two years ago; however, with the change in the economy and economic dynamics there is now a move back to the dealership model.

Another question related to the Board composition, particularly the reason for the CFO (Sophie Moore) being on the Board but not the CEO (Keith Thornton).

The answer was addressed by both the Chairman and by the CEO.

It was explained that it was historical as Sophie had been appointed to the Board before Keith became the CEO. Secondly, whilst the Board would welcome Keith, they do not wish to increase the size of the board, believing the current numbers are appropriate, and thirdly, the Chairman noted there is some institutional negativity about the industry experience weighting of the board (which, by the way, the Board disagree with arguing it is invaluable) and that adding Keith to the board would only weight it further in this regard.

The CEO also pointed out it would impact on the ‘gender diversity’ of the Board.

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