

## Reaching new highs with a significant takeover

<b>Company/ASX Code</b>	SRG Global Ltd (ASX:SRG)
<b>AGM time and date</b>	10am on Thursday, 9 October 2025
<b>Location</b>	River Room, Royal Perth Yacht Club, Australia II Drive, Crawley WA 6009
<b>Registry</b>	Computershare
<b>Type of meeting</b>	Physical
<b>Monitor</b>	Geoff Corrick
<b>Pre-AGM Meeting</b>	25/9/25 with David Macgeorge (MD), Roger Lee (Executive Director, CFO and Joint Company Secretary) and Judson Lorkin (Executive General Manager-Finance and Joint Company Secretary)

Monitor Shareholding: The individual involved in the preparation of this voting intention is a trustee of an SMSF which has a shareholding in this company.

### 1. How we intend to vote

No.	Resolution description	
1	Adoption of remuneration report	For
2	Election of Non-executive Director Ms Linda O'Farrell	For
3	Re-election of Non-executive Director Ms Amber Banfield	For
4	Increase in total aggregate remuneration for Non-executive Directors	For
5	Issue of performance rights to Mr David Macgeorge	For
6	Issue of performance rights to Mr Roger Lee	For

### 2. Summary of Issues

- The Company has made some progress in changing the revenue mix to about 75% annuity/recurring income and 25% project based income.
- The acquisition of Diona Pty Ltd in September 2024 has significantly raised the size of the business by about 20%.
- The SPP as part funding for the above acquisition was notable for scaling back over-subscriptions by issuing shares in proportion to existing shareholdings.
- While two measures are commendable for measuring achievement of KMP long term incentive (LTI) targets it is disappointing to see the measure on Total Shareholder Return changed from an internal target to an arguably not so good comparison with a comparator group of other listed companies.

- The Company does not report Lost Time Injury Frequency Rates (LTIFR) or Total Reportable Injuries (TRI) instead having a strong Zero Harm Culture.
- The Company does not report a Board skills matrix to the extent that ASA would like in the Annual Report.

### 3. Matters Considered

#### Accounts and reports

Financial results over the last five years show a very consistent and steady growth across all the common measures. See table below.

The audit report lists two key audit matters, neither of which lead to adverse findings. The first is expected for companies engaged in long term construction or maintenance contracts – the recognition of project receipts in relation to project progress. The second is the valuation of the major acquisition – the purchase of Diona Pty Ltd.

#### Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (\$m)	47.4	34.4	22.6	20.1	12.1
UPAT (\$m)					
Share price (\$) <sup>(1)</sup>	'1.725	0.84	0.75	0.61	'0.505
Dividend (cents)	5.5	4.5	4	3	2
Simple TSR (%)	112.00%	18.00%	29.50%	26.70%	150.00%
EPS (cents)	10.3	7.7	6.7	5	3.3
CEO total remuneration, actual (\$m)	4.01	2.51			

*Simple TSR is calculated by dividing change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.*

*<sup>(1)</sup> For the purposes of LTI remuneration calculations the Company uses Absolute Shareholder Return based on the 5-day volume-weighted average price at the start and end dates of the the measurement period and includes dividends paid during the period.*

#### Governance and culture

The Board consists of four Non-Executive Directors plus the Managing Director and the Chief Financial Officer/Joint Company Secretary. There is good gender diversity, and member skills are appropriate to the size and operations of the Company. The Company reports the Board's skills matrix in a separate Corporate Governance Report. ASA policy asks that the skills matrix be included in the Annual Report, and the matrix should show which members have the listed skills. This allows shareholders to see readily how skills of NEDs up for re-election, or those being first appointed, fit the skills requirements of the Board. The Company gives a summary of how the skills are covered by the Board as a whole, with ratings of Expert, Extensive or Sufficient. The Australian Institute of Company

Directors suggests ratings of Essential, Desirable or Purchasable. (An example of Purchasable might be Internet Security skills).

The approach to safety is the Zero Harm Culture. As mentioned earlier the Company avoids any use of statistics such as LTIFR or TRI, particularly in setting performance targets. The reasoning is that emphasis on these measures leads to under-reporting of injuries. Zero Harm emphasises addressing every hazard (including near misses), minimizing risk and empowering employees to take ownership of safety. The MD has a weekly meeting to review any incidents and the remedial action that is taken or needs to be taken.

### **Key events**

The most significant event was the acquisition of Diona Pty Ltd, a company specialising in the water security and energy transition sectors. SRG paid \$121m in cash partly from a share issue, which raised approximately \$63m after costs., and the remainder from cash reserves. In the 10 months of the year since acquisition Diona Pty Ltd contributed \$199m to revenue and \$18.5m to profit before tax. By my calculation the acquisition is adding 20% to yearly revenue.

Diona has now been integrated into the SRG group as SRG Global Utilities.

Shares were issued by a placement of \$60m to institutional investors and an SPP of \$6m to retail shareholders, both at an issue price of 83c per share. The Company received strong demand for both parts of the raising. Just under 80m new shares were issued, which added 15% to the number of issued shares. For the SPP a total of \$52.3m was offered, almost nine times the amount required. This was scaled back to \$6m with new shares in proportion to each shareholder's existing holding. Although the ASA prefers a renounceable entitlement offer for retail shareholders (so that even those not putting in new capital can benefit from the sale of rights) we were pleased to see the scale back implemented this way.

### **Key board or senior management changes**

The current Chair Peter McMorrow is retiring from the Board at this AGM and will be replaced by current board member Ms Amber Banfield (subject to re-election at Resolution 3).

With this retirement in mind, the Board appointed Ms Linda O'Farrell as an additional NED in July of this year. They are included in the Director's Report in the FY25 Annual Report (subject to election at Resolution 2).

### **Sustainability/ESG**

The Annual Report lists, early in the Managing Director's report, many company activities in this category. As well as safety and governance items mentioned above, other items include training activities, Indigenous engagement, community support activities and efforts to reduce emissions at Company and client sites.

### **Shareholder engagement**

The ASA is pleased to see that shareholders are invited to take part in on-line Investor Briefings at the announcement of half year and full year results.

As the Company grows and probably gains more shareholders from outside WA we would like to see the Company move to the hybrid meeting format for the AGM so that most shareholders have the opportunity to take part in the meeting

## **4. Rationale for Voting Intentions**

### **Resolution 1: Adoption of remuneration report**

The remuneration report explains the STI and LTI schemes for the KMP in clear terms. Executives achieved the stretch targets and so received 100% of the amounts available.

### **Resolution 2: Election of Non-executive Director Ms Linda O'Farrell**

Ms O'Farrell is well qualified and has been employed in resource companies which will have provided good experience in the types of contracts that SRG undertakes.

### **Resolution 3: Re-election of Non-executive Director Ms Amber Banfield**

Ms Banfield has a range of suitable experience and qualifications for the role. Ms Banfield is to be the new Chair following the AGM. Although they have two other directorships of ASX listed companies this is within the ASA policy of five directorships (where Chair counts as two). She now has four years' experience in the SRG Board, enough time to be familiar with all parts of the Company. Ms Banfield does not quite hold the ASA recommended number of shares of a value exceeding their director fees.

### **Resolution 4: Increase in total aggregate remuneration for Non-executive Directors**

Although there are no plans to appoint additional directors at the moment, as the Company expects to grow rapidly it seems appropriate to allow the fee pool for NEDs to be increased.

### **Resolution 5: Issue of Performance rights to Mr David Macgeorge**

The ASA supports the LTI plans to have two separate targets with a 50% split between them. The first target is based on earnings per share and the second on return to shareholders. Until now the second measure is based only on the performance of the Company. There is no reference to a comparator group. We have been told that the second measure is not supported by proxy advisors to large shareholders so future allocations (including this resolution and Resolution 6) are based on a Relative TSR measure using the comparator group of ASX200 companies in the Industrials Sector. The reason for disliking this method is that 50% of the reward is made once the Company is above the halfway mark in the comparator group. The ASA thinks that a pro-rata allocation above the half way mark should start from zero and not reward average performance.

### **Resolution 6: Issue of performance rights to Mr Roger Lee**

As for Resolution 5.

#### **ASA Disclaimer.**

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## **Appendix 1**

### **Remuneration framework detail**

CEO rem. Framework for FY25	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.21	30.00%		%
STI - Cash	1.44	36.00%		%
STI - Equity	0	%		%
LTI	1.37	34.00%		%
Total	4.02	100.0%		100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. \*Target remuneration is sometimes called budgeted remuneration and is what the Company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.