

Brambles Limited 2022 AGM report

ASX code	BXB
Meeting date	18 October 2022
Type of meeting	Hybrid
Monitor	Roger Ashley
Pre AGM-meeting	Yes with Chair John Mullen and Suk Hee Lee, Director Investor Relations

Meeting Statistics

Number of holdings represented by ASA	186
Number of shares represented by ASA	814,966
Value of shares represented by ASA	\$9.4m
Total number attending meeting	37 shareholders/shareholders representatives
Market capitalisation	\$16.1 billion
ASA open proxies voted	On a poll. ASA voted in favour of all the resolutions {except those mentioned below}

While the 2022 results were positive, both the [Chairman and the CEO](#) referred to the deterioration in free cash flow due to an escalation in lumber and pallet price inflation and increased inventory holdings across customer and retailer supply chains. This situation is expected to improve in the coming year but still remain negative.

Both also addressed the transformation strategies that are in train. For example, in 2022 smart pallets with autonomous tracking devices were deployed in over 20 countries which will reduce losses and provide enhanced customer data. Continuing results from this strategy will influence decisions in 2023 and beyond. The Chairman promised that commitment to increased future digital investment would occur only where value creation is clear and the expected returns meet strict capital allocation criteria.

The first quarter of 2023 resulted in 14% revenue growth but with low volume growth and continuing cost pressures the expectation is that sales revenue growth will slow to 7-10% for the year with underlying profit growth of 8-11%.

In executive remuneration only a minor change to the short-term incentive will occur in 2023.

The ASA notified the meeting that a vote against the election of Kendra Banks and George El-Zoghbi was envisaged subject to hearing their comments on their ability to perform the role as a director while holding down senior full-time executive roles at another company. The Chairman defended the company's position citing their experience and overseas practice. Disappointingly neither



Director made mention of this question in their addresses to the meeting. The ASA accordingly voted against their election. Despite this, all resolutions passed with 96+% in favour.

The tone of the meeting was positive with participants (including ASA) applauding the company for its results in difficult circumstances and for its leadership in sustainability and pursuit of low-emissions targets.

Other comments from those attending the meeting online included a possible change to plastic pallets given the difficulty in sourcing sustainable timber and Director Kendra Banks participation in Board meetings given she works in Melbourne and the meetings are held in Sydney. The answers were that plastic pallets have been trialled and found to be uneconomic, with a particular example being Costco's requirements in the US which led to a decision by Brambles not to proceed. The Kendra Banks question was answered indirectly by referring to her record of full participation in proceedings with, again, no reference to workload.

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.