



Company	Boral Ltd
Code	BLD
Meeting	AGM
Date	28 October 2021
Venue	Online
Monitor	Ian Anderson

Number attendees at meeting	20 shareholders, 7 proxy holders and 236 others (many of whom may have been company employees)
Number of holdings represented by ASA	135 (previous year 232)
Value of proxies	\$5.3M
Number of shares represented by ASA	0.8M (outside Top 20 list)
Market capitalisation	\$8.1Bn – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Lead Independent Director, Rob Sindel, Dominic Millgate Company Secretary and Kylie FitzGerald Investor Relations Director

Boral divests US Investments

The meeting was held virtually using the Link Group's online platform which worked seamlessly, although was not tested with live questions. The chairman appeared alone at a lectern and other directors, such as the MD or those seeking election, only appeared individually when speaking on their specific issue. All questions were attributed to the questioner except where multiple questions were agglomerated.

Mr Stokes opened the meeting with an acknowledgement to country and a fairly lengthy explanation of the online meeting procedures. He then summarised Southern Group Holdings' (SGH) history in the company leading up to the acquisition of their current nearly 70% shareholding. He then addressed Boral's safety record before turning to the company's financial results, divestment programme, overall strategy and board renewal.

He touched on a lack of surplus capital at year end leading to the declaration of no dividends for the year before referring to the expected \$3.2Bn in proceeds from the divestment of the North American businesses and the Australian Timber business which would allow a capital return to shareholders of some \$3Bn during calendar 2022, approval of which was being sought at the meeting. Turning to strategy, he said Boral's return on funds employed was unacceptably low at

below cost of capital and a new transformation programme including transitioning from a regional to a national operating model was aimed at producing a \$200-250M EBIT uplift essential to providing acceptable returns throughout the cycle.

In closing he thanked the previous chair, Kathryn Fagg, and retiring directors and said that the board was currently focussed on recruiting two new independent directors.

Managing director, Zlatco Todorovski, expanded on the restructuring plans for the Australian businesses under four strategic pillars of **focussing** on the portfolio re-alignment, **positioning** Boral's core business for improved profitability through the new operating model, **redefining** the business through adjacent growth opportunities such as recycling and decarbonisation and **extending** the business by exploring opportunities to commercialise innovations over time.

After reviewing safety, Covid effects and financial results in more detail he gave a 1Q22 trading update saying that revenue from continuing operations was down 1% on the prior year with EBIT down even more reflecting the effects of Covid restrictions on construction particularly in NSW where Boral has higher integrated margins.

All questions were taken prior to moving to the formal business of the meeting. Questions ranged from environmental and emissions issues including low carbon materials and electrification of the heavy vehicle fleet, to financial performance, lack of dividends, dividend reinvestment and site specific problems. In answer to questions from ASA, Mr Stokes advised that the company "would listen to shareholders" in relation to preventing LTI from vesting if actual TSR was negative but avoided outlining the specific skills desirable in new directors to complement the existing board.

All resolutions passed with greater than 99.5% majorities and the meeting closed in under 90 minutes.