



Company	Seven Group Holdings
Code	SVW
Meeting	AGM
Date	20 November 2019
Venue	The Mint, 10 Macquarie St, Sydney
Monitor	Ian Graves assisted by Julieanne Mills

Number attendees at meeting	9 shareholders, 8 company representatives, plus 26 visitors
Number of holdings represented by ASA	53
Value of proxies	\$2.54m
Number of shares represented by ASA	132,229 (equivalent to 13th largest holder in Top 20)
Market capitalisation	\$6.397bn
Were proxies voted?	Yes, on a poll
Pre AGM-Meeting?	Yes, with Company Secretary Warren Coatsworth, M Gitanjali Bhalla Group Exec People Culture & Safety and Terry Davis NED, Chair of the Rem and Nomination Committee by phone

Seven Group Holdings would do better without Seven West Media

Seven Group Holdings (SVW) AGM was held on the day the Prime Minister announced a further \$3.8bn in fast tracked infrastructure spending. SVW are well placed to take advantage of this government spending with their leading market position in equipment hire, service and supply.

The AGM was a quiet small affair with the shareholders far out numbered by company employees and visitors.

The independent Chair Terry Davis chaired the meeting with Kerry Stokes unavailable due to a “routine medical condition”. He stuck to the script with comments on the recent results of the board review and highlighting renewal of the board with the appointment of Ms Farrar. Gender diversity has improved to 20%. However, there is still room for improvement there.

The CEO, Ryan Stokes, forecast earnings growth in the mid-high single digits. 2020 outlook for SVW Coates, Allight Sykes and Westrac is bright with Queensland in particular to benefit from Government spending and year to date. Acquisitions and further investment in the fleet are on the cards with \$1bn available to pursue growth opportunities.

Changes of management include Coates Hire new internal appointment of SVW COO Murray Vitlich appointed CEO.

The energy sector also looks positive with the Beach investment projecting an EBITDA of \$1.25-1.4bn. Crux LNG Project has “anticipated a supply gap 2024/25 for 15 to 20 years”, sale review due mid-2020.

The elephant in the room was 41% shareholding in Seven West Media which Ryan Stokes attempted to support and justify while suggesting the pain is not over yet. A lot is riding on the new CEO and the merger with Prime if approved.

Questions were minimal with the ASA raising the issue of the maximum opportunity of the STI’s being larger than the LTI’s and therefore encouraging short term thinking. The chair responded by suggesting that the 2 year lock out on the LTI’s and 1 year on the STI ensured that it was a longer view and with a 35% increase in shareholder return they felt it was appropriate. The ASA voted against the remuneration report for these reasons.

There was a question about further impairments of media assets and a question around the boom and bust economy of the WA mining economy and their impact on the company. SVW responded by saying that export volumes are the best lead indicator, and SVW customers are lowest cost miners.

There was a climate related question that asked whether the company had stress tested its assets for a 1.5 degree warming scenario and highlighted the IPCC 25% gas reduction goal by 2030 and 70% by 2050. The chair stated that the company's position was consistent with the government's position, that gas was a cleaner option than coal, they were in it for the medium term and there was no exit strategy.

Mr Bruce McWilliam retired from the SVW board at the end of the meeting but will be staying on the SWM board to assist with the transformation and change of management.

All items were voted in the affirmative with both female Directors with strong support, there was a slight protest vote against remuneration.

Voting Outcomes

Kate Farrar election 99.81%

Annabelle Chaplain re-election 99.81%

Terry Davis re-election 97.88%

Remuneration Report 93.14%

Grant of Shares to CEO/MD 97.87%

Approval of NED fee increases 98.82%

A copy of the AGM presentation can be found here:

<https://www.asx.com.au/asxpdf/20191120/pdf/44brd7tq5dqdjd.pdf>