



Company	The Reject Shop
Code	TRS
Meeting	AGM
Date	21 October 2020
Venue	https://agmlive.link/TRS20
Monitor	Proxy collection Mike Robey

Number attendees at meeting	unknown
Number of holdings represented by ASA	15
Value of proxies	\$430K
Number of shares represented by ASA	58.8K
Market capitalisation	\$265m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	No, proxy collect

Budget AGM for budget retailer

Speeches by the (new) chair Steve Fisher and (new) CEO Andre Reich are given [here](#).

The gist is a complete business refocus in order to drive out costs of the products, processes and retail tenancies. They forecast closures of unprofitable stores and renegotiation of some of the leases coming up for renewal. These leases are quite short with WALEs, (weighted average lease expiry in trade terms) of just 2 years.

TRS has just had a stroke of COVID-19 induced luck just when it needed it. In the months prior to the onset of COVID-19, Its stores had started a process of stock rationalisation and transition to more household consumables (such as cleaning products, toilet paper etc) and all stores have remained open throughout Australia, even in Victoria. The share price has trebled since the March low and all financials are much healthier. This comes after years of commercial decline, a debt covenant breach and a failed hostile takeover.

The AGM was bargain-table style with no live video and only the Chair and CEO delivering speeches and no Powerpoint to be seen. Only one question was posed (by your ASA proxy collector!) and it was all over in 30 minutes. Two directors were appointed - one brand new, the other good-as-new. The remaining resolution was an uncontroversial remuneration report. All resolutions passed with over 98% votes in favour.

Those who participated in the March TRS equity raise (an accelerated pro rata type without rights trading) are sitting pretty and by all accounts the nearly totally new board and management team have not put a foot wrong.