

20 November 2024

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Officer

RE: Downer EDI Limited 2024 Annual General Meeting

Please find attached a copy of the following documents related to the Annual General Meeting of Downer EDI Limited to be held at 11:00am today:

- Chair's address to shareholders;
- Chief Executive Officer's address; and
- Slide presentation for the meeting.

Yours sincerely,
Downer EDI Limited



Robert Regan
Company Secretary

Authorised for release by Downer's Group General Counsel and Company Secretary, Robert Regan.

Chair's Address

Ladies and gentlemen, when I stood here at last year's AGM, my key message was that the Board and management team were fully committed to transforming the Company to deliver sustainable value for shareholders.

Now, 12 months on, I am pleased with progress to date and am confident we are on the right track. We still have a lot to do, however, the transformational changes implemented are making a positive impact on performance.

The governance structure at Board and Management levels have been redefined and reset. The changes to senior management have been significant and have improved bench strength, with 75% of our Executive Leadership Team either new to their leadership role or new to Downer. This is driving cascading change through the business.

Downer's Board of Directors continues to evolve and as part of our Board renewal process, we appointed two new Non-executive Directors in Financial Year 2024 (**FY24**). Steven MacDonald and Sheridan Broadbent joined the Board on 1 September 2023 and 1 October 2023 respectively. They bring diverse experience and expertise in both the Australia and New Zealand markets and are contributing significant value to the organisation.

Further to this, the Board appointed Peter Barker as Non-executive Director, effective from 1 July 2024. Peter brings with him a background in finance, risk management, corporate structuring including mergers, acquisitions and divestments, and systems transformation in complex multi-jurisdictional environments in the engineering, services and technology sectors. Peter is now Chair of our Audit and Risk Committee following the retirement of Nicole Hollows, on 15 November 2024.

Nicole's contribution to the culture of the Board and to the Audit and Risk Committee since joining the Board in June 2018 has been invaluable and she has been a key driver of change in that time. I thank Nicole for her commitment and her contribution and wish her the best in the future.

The new Board Project Governance Committee and the redefined People and Culture Committee have been in place for the full year, delivering greater governance and oversight.

At a management level, the structure, timing and depth of management reviews of Business Units and contracts has been strengthened. We've also implemented enhanced investment approval disciplines and governance relating to capital allocation processes.

We have made key improvements in our tendering and risk governance processes, applying rigorous discipline and adhering to new risk guardrails. We have prioritised securing opportunities that allow us to aim for higher margins with customers who value our unique capability and experience, while keeping our focus on sustainable long-term earnings quality.

Complementing these structural and governance changes, we have also commenced a reset of Downer's culture. Throughout FY24, considerable work went into developing our new high-performance culture program, The Downer Difference, which we officially launched in July 2024. It centres around three pivotal cultural focus areas: accountability, customer-centricity, and a safe, inclusive and purpose-led workplace. Embedding this culture is a priority in Financial Year 2025 (**FY25**).

As Peter will cover shortly, Downer delivered strong improvements to our financial performance in FY24, which reflect the positive impact of our leadership changes, new strategy, cultural shift to high performance, and the benefits from the transformation program.

Turning to sustainability. In August 2024, Downer released our first climate statement in accordance with the New Zealand Climate Reporting Standards, preparing us for the incoming mandatory Australian Sustainability Reporting Standards commencing in January 2025. You can read our climate statement in Downer's 2024 Sustainability Report on our website. We are dedicated to implementing solutions that will help us meet our net zero commitments; which are to reduce Scope 1 and 2 greenhouse gas emissions by 50 percent by 2032, and achieve net zero by 2050. The Scope 3 component of Downer's targets is currently under review. Downer's near term Scope 3 target and the Scope 3 component of our net zero target are being remeasured, with the aim to communicate our ambition in FY25.

Safety of our people remains our top priority, particularly as some of the sectors in which we operate are regarded as high risk. Tragically, we lost three people to workplace incidents in FY24. On behalf of the Board and our management team, I extend our deepest condolences to those affected. We are determined to learn from these tragic events, and Peter will speak to our direct response shortly. The focus on eliminating serious incidents across our operations and the importance of maintaining the safety of our people is reflected in changes to our FY25 remuneration framework, building on refinements made to the framework in FY24.

Specifically, the Board has increased the weighting of the Safety measure within the Short-Term Incentive scorecard. The Net Profit After Tax and before Amortisation of acquired intangibles (**NPATA**) and Funds From Operations (**FFO**) components have also increased, reflecting the criticality of sustained financial performance. And to ensure increased focus on achieving higher quality earnings through a sustained improvement in Earnings Before Interest, Tax and Amortisation of acquired intangibles (**EBITA**) margin – and the 4.5% average EBITA margin target across FY25 and Financial Year 2026 (**FY26**) – the Board has introduced for FY25 an EBITA margin performance modifier to the NPATA component to further incentivise Executives.

The Board will continue to review and refine the remuneration framework to consider feedback and stakeholder expectations, and to align it with our strategy and long-term interests of shareholders.

Ladies and gentlemen, we remain committed to continuing Downer's transformation to create sustainable value for shareholders. We made considerable progress in FY24, and are pleased with our achievements, though we acknowledge there is still more work ahead.

To close, on behalf of the Board, I thank Peter and his Executive team and our people for their efforts and energy over the past year. I would also like to thank our shareholders for your continuing support. I would now like to introduce Peter to address the meeting, before I return to run through the resolutions that will be put to the meeting.

Thank you.

CEO's Address

Thank you, Chair.

Ladies and gentlemen, FY24 was a year of major change for Downer and marked a key period in our business turnaround.

Our priorities were to improve financial performance, return our Utilities business to profitability, refresh our strategy and enhance risk management.

We made progress in each area, which has set good foundations for further improvement in FY25. Our Group EBITA margin for FY24 was 3.3% – compared to the 2.6% EBITA margin achieved in Financial Year 2023 (**FY23**). Underlying EBITA of \$381 million increased 17.7% and underlying NPATA of \$210 million represented an increase of 20.6%.

Earnings were backed by strong normalised cash conversion of 104.4%, a significant improvement on FY23. Our balance sheet also strengthened, with net debt to EBITDA of 1.4x, down from 2.0x.

Reflecting this improving performance, the FY24 total dividend of 17 cents per share increased by 30.8% compared to FY23. The final dividend of 11 cents per share was 50% franked, marking a return to franking for the first time since FY19.

We also achieved \$130 million of gross cost-out and remain on-track to achieve the remaining \$45 million during FY25.

At a portfolio level, we completed divestments of six non-core businesses, and have another three potential divestments in progress, allowing us to focus on core markets with greater potential to serve our customers better

We continued refining our structure to better meet customer needs and capitalise on tailwinds. This included merging our Utilities and Industrial & Energy divisions, aimed at maximising opportunities in the energy transition – and we are seeing these opportunities materialise.

Now, turning to our operating segments and key highlights.

The Queensland Train Manufacturing Program continued to ramp up, which offset the reduced Transport Agency spend impacting roads, particularly in Victoria.

A key contributor to the overall improved performance in FY24 was the return to profitability of Utilities, having substantially completed all but one of the underperforming projects in the Water business. The Victorian power maintenance contract returned to profitability in the second half of FY24, as anticipated albeit still not contributing to our Group threshold EBITA margin percentage target. This contract will end in July 2025, at which time our customer will transition to a new self-delivery model, with Downer supporting a handover over the next nine months.

In Facilities, we were awarded a contract renewal in June 2024, valued at approximately \$860 million for maintenance services for Homes NSW. And we secured a contract covering the planning phase for the Woomera Defence Base Redevelopment and pending Parliamentary approval, the project scope will cover a significant program of building, services and infrastructure works.

On safety, our Chair spoke about the three workplace fatalities that occurred in FY24. I also want to acknowledge the passing of our colleagues, and the profound loss experienced by their families and workmates. Keeping our people safe is Downer's highest priority, and while our systems and processes are sound, we have elevated our focus on critical risk control improvement as part of a Group Wide safety reset program.

Now, turning to a trading update. We have made a steady start in the first four months of the new financial year and see a healthy pipeline of opportunities, especially in power and energy transition services. Since August this year, we have secured three contracts valued at approximately \$230 million to deliver high voltage transmission lines and substations to support the connection of renewable energy to grids across New South Wales and Queensland. We have also been shortlisted for the Hunter Transmission project, to deliver approximately 120 kilometres of 500KV transmission line to connect Renewable Energy Zones in New South Wales.

On 25 September 2024, Downer signed a partnering agreement with Fortescue Zero to support its ambition to develop a Battery Electric Locomotive. Delivering a zero emissions solution for heavy haul rail is a major step towards the commercialisation of zero emissions power technologies in heavy industry applications. While it is early days and remains subject to a final investment decision, it is a good example of how Downer is supporting customers across all classes of infrastructure with re-engineering capability to achieve a zero-carbon output.

At our Results presentation in August 2024, I said we were building momentum and growing confidence as we entered FY25.

Our priorities remain unchanged; continue executing our transformation strategy, underpinned by a back-to-basics approach and high-performance culture, with a steadfast focus on Zero Harm, our customers and risk management.

As previously indicated at our FY24 full year results, government spending in Victoria is expected to stay subdued through to at least the first half of FY25. We do not currently see signs of improvement, and we anticipate having better visibility of any changes at the time of our upcoming half-year results in February. In our Victorian Roads business, this has required us to right size our cost base and be ready to support the return to more normal road maintenance volumes when they return. We have highly prized assets that cover importation, production and distribution of asphalt with long term maintenance contracts, so we remain confident of the prospects of our Victorian business.

Activity levels in New Zealand are also being impacted by softer economic conditions, especially in the power, water and telco segments. However, this impact, is mostly offset by ongoing reductions in our cost base and improved productivity in our Australian business.

Notwithstanding mixed trading conditions, we are still targeting to improve on our FY24 performance and deliver our remaining \$45 million cost-out commitment. While, as we stated in August this year, we expect revenue to be relatively flat, we are targeting continued improvement in earnings quality and EBITA margin and, are committed to pursuing opportunities that are consistent with our enhanced risk guardrails.

Ladies and gentlemen, thank you for your support over the past 12 months. It has been an important year of transition for Downer.

Finally, I would like to thank our 30,000 employees and 25,000 delivery partners who work tirelessly to deliver services for our customers, which enable communities to thrive.

Thank you.

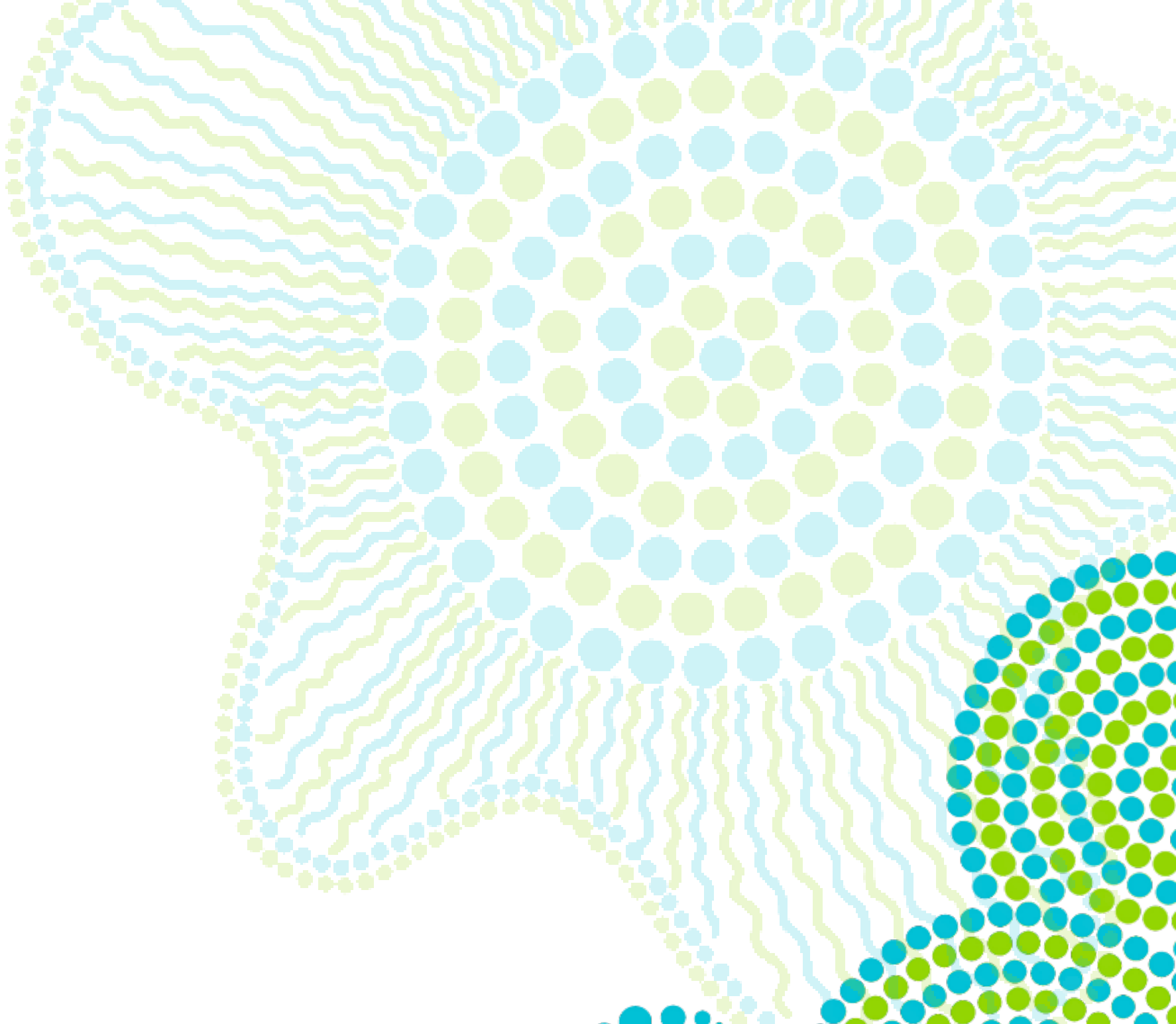
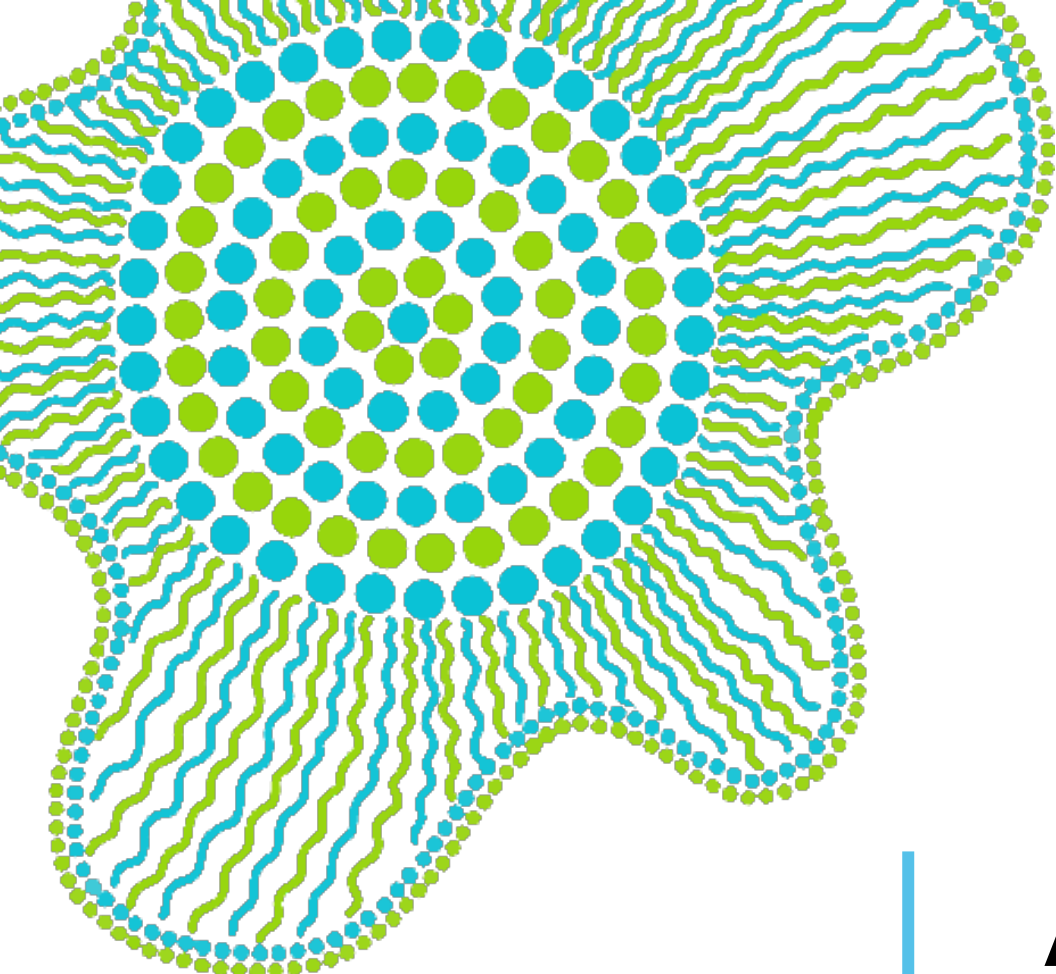
Annual General Meeting

Downer EDI Limited

Downer 



20 November 2024



Acknowledgment of Country

Downer acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the traditional and continuing custodians across Australia. We acknowledge and pay respect to Aboriginal and Torres Strait Islander Elders past, present, and future in maintaining their culture, their country, and spiritual connection to the land.



Safety procedures

When notified of an emergency, which will be a beeping alarm through the speakers in this auditorium, please evacuate the building immediately via the nearest exit

Do not use the lifts

Proceed to the designated external assembly area, which is across the road next to the multi-storey car park, as shown on the diagram on the screen

Follow the lead of Northside Conference Centre employees

Do not re-enter the building until authorised.



Our Board of Directors



Mark Menhinnitt



Peter Tompkins



Teresa Handicott



Adelle Howse



Steven MacDonald



Sheridan Broadbent



Peter Barker

Procedures and protocols



Downer

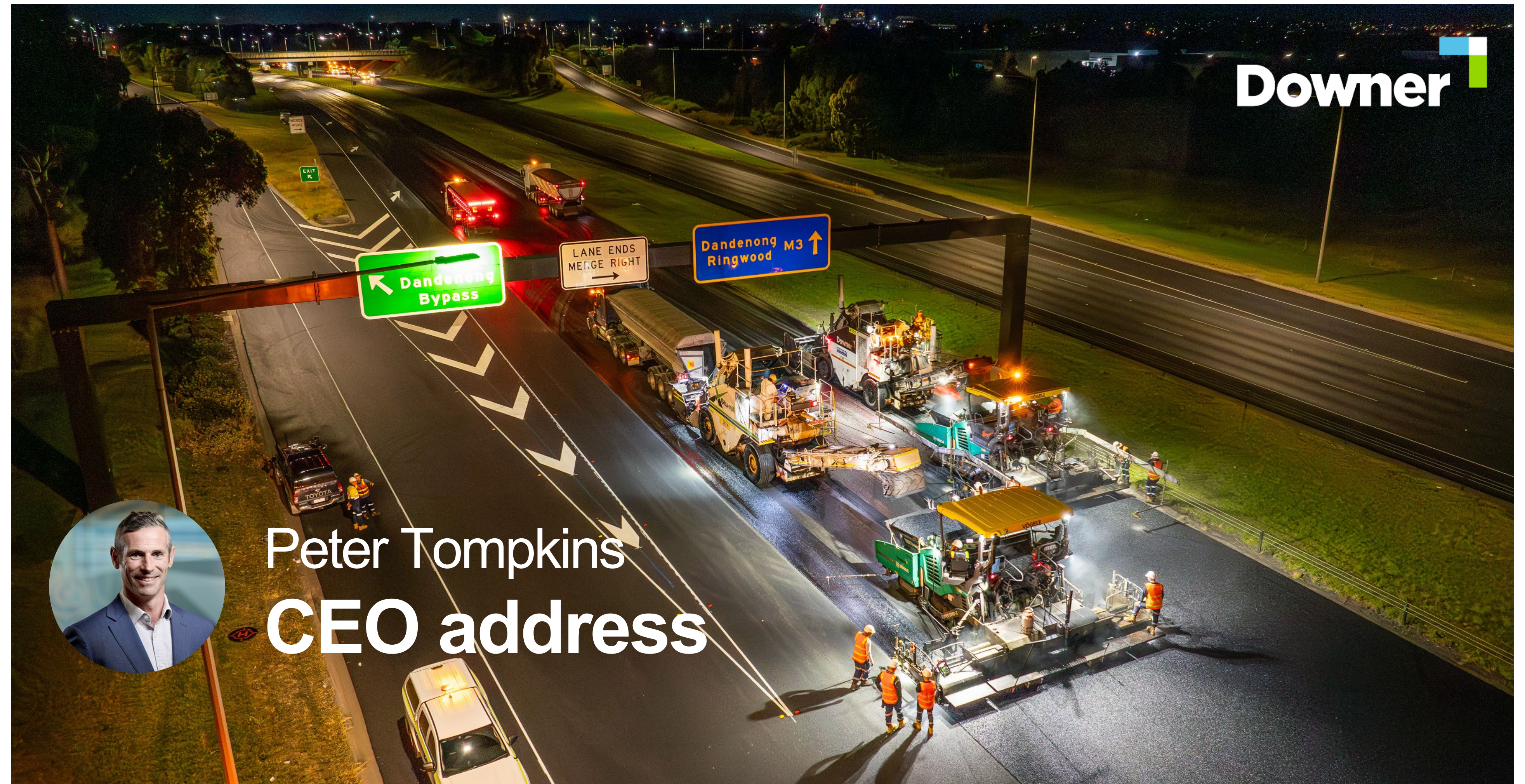


Mark Menhinnitt
Chair address





Peter Tompkins CEO address





Robert Regan

Poll procedure

Item 1 - Financial Report, Directors' Report and Independent Auditor's Report

The Financial Report, Directors' Report and Independent Auditor's Report are now open for discussion.

There is no requirement for shareholders to approve these reports. Accordingly, item number one is for discussion only and there will not be a vote on this item.

I remind you that only shareholders of the Company or their duly appointed representatives or proxies are permitted to ask questions.

If you do have a question, please raise your hand and we will bring a microphone to you.



Item 2 - Election of Director – Mr Peter Barker



“That Peter Barker who was appointed as an Independent Non-executive Director of the Company, effective 1 July 2024, in accordance with Rule 3.3 of the Company’s Constitution and being eligible, is elected as a Non-executive Director of Downer.”

Proxies received in relation to this item are displayed on the screen.

Item	For	Against	Abstain	Open – useable
No. of shares voted	549,980,656	715,061	62,802	666,564
% of voted shares	99.75	0.13	n/a	0.12
% of all shares	81.89	0.11	0.01	0.10

Item 3 - Adoption of Remuneration Report

“That the Remuneration Report for the year ended 30 June 2024 be adopted.”

Proxies received in relation to this item are displayed on the screen.

Item	For	Against	Abstain	Open – useable
No. of shares voted	536,227,512	13,867,179	663,828	666,564
% of voted shares	97.36	2.52	n/a	0.12
% of all shares	79.85	2.06	0.10	0.10

Item 4 – Approval of Managing Director’s long-term incentive (LTI)

“That approval is given to the grant of performance rights pursuant to the Company’s LTI Plan and the acquisition of shares on vesting by issue or by transfer as the Managing Director’s long-term incentive for 2025 on the basis described in the Explanatory Memorandum to this Notice of Meeting.”

Proxies received in relation to this item are displayed on the screen.

Item	For	Against	Abstain	Open – useable
No. of shares voted	549,106,524	1,557,488	100,774	660,297
% of voted shares	99.60	0.28	n/a	0.12
% of all shares	81.76	0.23	0.02	0.10

Item 5 - Appointment of PricewaterhouseCoopers (PWC) as auditor of the Company

“That, PricewaterhouseCoopers (PWC), having consented to act as auditor of the Company and having been appointed by the Board effective 10 April 2024, be approved as the auditor of the Company from that date and to continue in office thereafter.”

Proxies received in relation to this item are displayed on the screen.

Item	For	Against	Abstain	Open – useable
No. of shares voted	550,418,846	218,501	122,172	665,564
% of voted shares	99.84	0.04	n/a	0.12
% of all shares	81.96	0.03	0.02	0.10





Downer

