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# ASX Announcement



26 November 2021

# Chairman's Address by Michael Alscher Annual General Meeting – 26 November 2021

# **WELCOME**

Good morning ladies and gentlemen, my name is Michael Alscher, and I am the Chairman of Cardno Limited. On behalf of the Board and staff of Cardno, I welcome all our shareholders who have made time to attend today's Annual General Meeting.

# ACKNOWLEDGEMENT OF COUNTRY

In the spirit of reconciliation, I would like to acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

#### QUORUM

As it is now 10:00am and the Company Secretaries have advised me that a quorum is present, I formally declare the Annual General Meeting open.

# INTRODUCTION

I would like to start by introducing the Board of Directors present at the meeting and separately located in Brisbane, Sydney and the United States today.

- > Ms Susan Reisbord, Chief Executive Officer and Managing Director;
- > Ms Rebecca Ranich, an independent Non-Executive Director and member of the Remuneration Committee;
- > Mr Steven Sherman, an independent Non-Executive Director, a member of the Audit, Risk and Compliance Committee and a member of the Remuneration Committee;
- > Mr Jeffrey Forbes, an independent Non-Executive Director, Chair of the Audit, Risk and Compliance Committee and a member of the Remuneration Committee;
- > Mr Nathanial Thomson, a Non-Executive Director and a member of the Remuneration Committee.

Also in attendance today is our Chief Financial Officer, Mr Peter Barker, and members of Cardno's Global Management team including Susan Reisbord, who is also our Americas CEO; Jamie Alonso, our Asia Pacific CEO, and Seth Yoskowitz, interim CEO of Cardno's International Development division.

We also welcome Mr Jason Adams representing KPMG, Cardno's auditor, and Mr Tim Gordon from our legal advisory firm, Gilbert & Tobin.



#### **FY21 FINANCIAL PERFORMANCE**

I am pleased to report that your Company achieved results that were both up on last year and ahead of guidance with an underlying Earnings Before Interest Tax Depreciation Amortisation and Impairment of \$51.2m (stated on a pre AASB 16 basis). This represents a 19% increase on last year's underlying result. Pleasingly, this is the fifth year in a row where your Company has hit or exceeded market guidance.

Cardno is fortunate in that all our clients are B2B (business to business) or B2G (business to government).

As such Cardno has been able to continue to deliver our services and solutions despite the COVID-19 pandemic. This performance is testimony to the hard work, ingenuity and adaptability of our people around the world who have coped with an incredibly disruptive year in the way they can engage and deliver projects for clients.

While the future impact of COVID-19 on our business is not completely clear, we note that the Company had a successful FY21, beating both internal budgets and external market guidance, focusing on what we can control. Throughout the year and across all geographies, we have actively evaluated and mitigated COVID-19 lockdowns or restrictions as they have emerged.

#### OPERATING HIGHLIGHTS

Our Asia Pacific leadership has spent the past year both building on Cardno's core strengths of Transport, Water, Buildings and Environment and focussing on operational disciplines. This significant work is bearing fruit, with Asia Pacific's financial result showing a marked increase on the prior year.

The Americas had another exceptional year with all businesses meeting or exceeding targets. We enter FY22 with encouraging levels of backlog and an expectation of ongoing success in maintaining top quartile industry performance.

Our International Development (ID) business remains a core focus for the Company. We remain committed to the important work we do in support of our clients in bringing positive social and economic impact across the developing world. During the year, the division successfully reduced its operations in Europe in order to refocus efforts on our key donor clients in the Americas and Asia Pacific. Both markets reported a strong FY21 performance and are well positioned for FY22.

#### OUTLOOK

On 9 June 2021, Cardno announced that it would commence a Strategic Review process with the objective of maximising Cardno Shareholder value. As advised in our market announcement to the ASX on 21 October 2021, Cardno has entered Share Sale Agreements with Stantec Inc. for the sale of its Americas Consulting and its Asia Pacific Consulting Divisions. The transactions are conditional, amongst other things, on approval by the holders of ordinary shares, to be sought at an upcoming Extraordinary General Meeting (EGM) which will be held on 3 December 2021. The Cardno Board unanimously recommends that Cardno shareholders vote in favour of the transactions at the EGM.

# **PEOPLE**

I want to thank all our staff for their extraordinary efforts in this last year. Our people continue to deliver innovative solutions to clients around the world, regardless of social, political, environmental or COVID-19 related challenges.

I would also like to thank our clients, banking partners and shareholders for their ongoing support.

Lastly, thank you to my fellow Board members for their continued guidance and support.



I would now like to handover to our CEO & Managing Director Susan Reisbord, to make a brief presentation on your company's activities and results for the FY21 year.

Thank you

Michael Alscher Chairman, Cardno Limited

Authorised for release to the ASX by Michael Alscher, Chairman

- ENDS -

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**About Cardno:** Cardno is a global provider of integrated professional services which enrich the physical and social environment for the communities in which we live and work. Our team of multidisciplinary specialists around the world has over 75 years' experience in designing, developing and delivering sustainable projects and community advancement programs. Cardno is listed on the Australian Securities Exchange (ASX:CDD). <a href="www.cardno.com">www.cardno.com</a>.