

FY23 Half-Yearly Financial Results Presentation

Half Year Results - 31 March 2023

Hancock & Gore Ltd (ASX: HNG)



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PERFORMANCE HIGHLIGHTS FOR THE HALF-YEAR ENDED
31st MARCH 2023

\$2.2m

NET PROFIT
AFTER TAX

\$63.5m

NTA
VALUE

55%

FUM
GROWTH

\$0.28

NTA PER
SHARE

33%

OF NTA IN CASH
& LISTED
SECURITIES

0.5c

FULLY FRANKED
INTERIM
DIVIDEND

- **H1 FY23 ~\$2.2m NPAT** down 11% on H1FY22. Importantly, the 1HFY23 result didn't include any unlisted balance sheet asset revaluations despite strong underlying asset performance
- **H1 FY23 ~\$4.2m Revenue** was up 419% on H1FY22 reflecting the contribution of dividends received and performance fees
- Strong **earnings performance** of Mountcastle Group with H&G dividends received of \$1.5m. Progressing attractive **M&A opportunities** with potential for significant value uplift across Mountcastle and other balance sheet assets
- **56% growth in Funds under Management** since FY22 year-end driven by increased FUM and positive fund performance with **management & performance fees** up 276% on H1FY22
- Increased weighting to **property & high-yielding fixed income** assets with new investments during the half
- Exploring M&A opportunities in **investment management** targeting **debt, special situations and property** strategies in a balance sheet light structure
- **Strengthening of board and investment team** to allow for greater investment in value creation for portfolio companies



H1FY23 INCOME STATEMENT

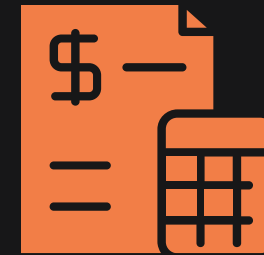
(\$m)	H1 FY23	H1 FY22	Movement
Revenue from continuing operations	\$4.2m	\$0.8m	\$3.3m
Fair Value Gains/(Losses)	(\$0.0m)	\$3.3m	(\$3.3m)
Other income	\$0.2m	\$0.2m	(\$0.0m)
Costs	\$2.1m	\$1.7m	\$0.5m
Operating Profit	\$2.2m	\$2.6m	(\$0.4m)
Tax	\$0m	\$0.1m	(\$0.1m)
NPAT	\$2.2m	\$2.5m	(\$0.3m)
Underlying NPAT¹	\$3.3m	\$0.1m	\$3.2m

¹ Underlying NPAT is after adjusting for employee share-based payments, depreciation and amortisation expenses and net fair value movements in unlisted financial assets and liabilities



H1FY23 BALANCE SHEET

(\$m)	Mar 23	Sep 22	\$ Change
Cash	\$5.1m	\$13.5m	(\$8.4m)
Listed Investments	\$15.9m	\$11.0m	\$4.9m
Unlisted Investments	\$33.8m	\$31.5m	\$2.3m
Loan Notes	\$7.6m	\$3.9m	\$3.7m
Intangibles	\$0.7m	\$0.7m	\$0m
Other Assets & Liabilities Net	\$1.1m	\$3.5m	(\$2.4m)
Net Assets	\$64.2m	\$64.1m	\$0.1m
Intangibles	(\$0.7m)	(\$0.7m)	\$0m
Net Tangible Assets	\$63.5m	\$63.4m	\$0.1m



\$63.5M

**NET TANGIBLE
ASSETS**

STRONG OWNERSHIP CULTURE

Strong alignment of interests between shareholders, fund investors and the H&G board and management team



H&G Directors & KMPs own ~25% of ASX:HNG & material investments in managed funds



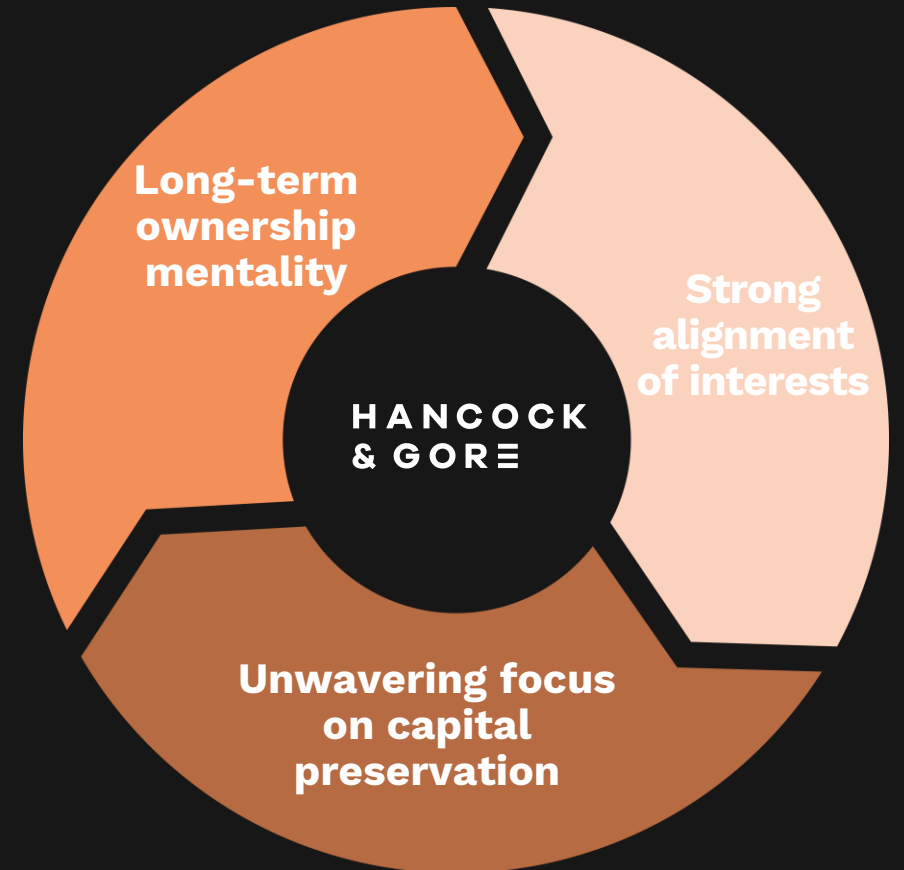
Investment team consists of experienced professionals from institutional backgrounds, joining H&G to build long-term wealth with shareholders



Demonstrated ability to originate attractive and unique investments and products across all sectors & cycles



Track record of distilling complexity to mitigate risk & make investment decisions in a timely manner



BOARD & MANAGEMENT

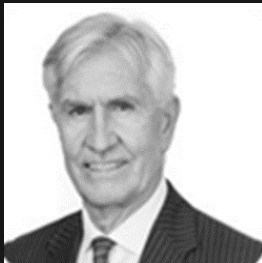
Building a high-quality, well-aligned investment team with broad experience and networks

GROUP / GOVERNANCE



SANDY BEARD
EXECUTIVE CHAIRMAN

- 30+ years of investment experience and director of numerous public and private companies



KEVIN ELEY
NON-EXECUTIVE DIRECTOR

- 30+ years of investment experience and director of numerous public and private companies



JOSEPH CONSTABLE
EXECUTIVE DIRECTOR

- 7+ years of experience across public company directorships, capital markets and investment management



ANGUS MURNAGHAN
NON-EXECUTIVE DIRECTOR

- 35+ years of investment/transaction experience in the Australian equities markets in senior roles

INVESTMENT TEAM



PHILLIP CHRISTOPHER
INVESTMENT DIRECTOR

- 12+ years of experience across private equity, capital markets and investment management



MICHAEL MAEJI
INVESTMENT MANAGER

- 5+ years of experience across corporate finance, M&A and investment management



NICHOLAS ATKINSON
INVESTMENT DIRECTOR

- 25+ years of experience across capital markets, corporate finance and investment management

HING HIGH CONVICTION LIMITED



JOSEPH CONSTABLE
PORTFOLIO MANAGER

- 7+ years of experience across public company directorships, capital markets and investment management

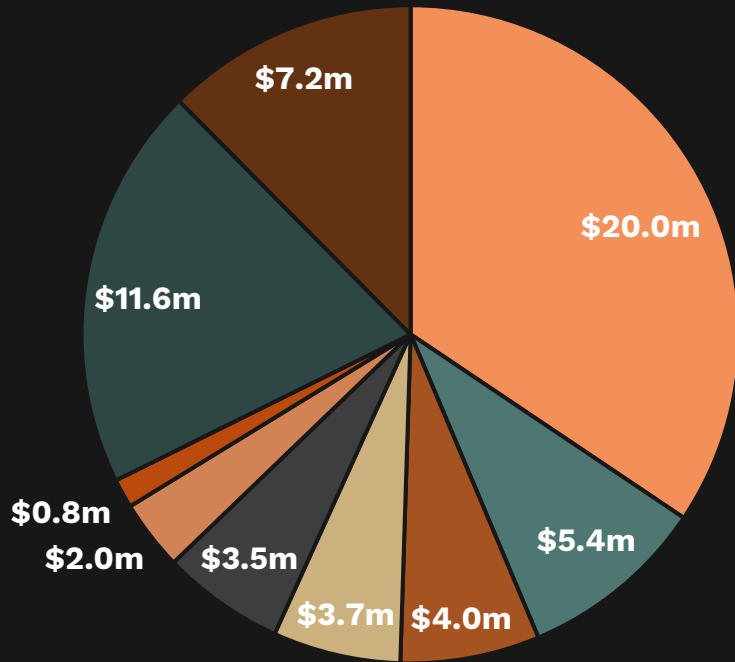


ARTHUR FOKSCHANER
INVESTMENT ANALYST

- 4+ years experience in security analysis, market strategy, and funds management

BALANCE SHEET INVESTMENT ACTIVITY

Progress in H1 on pursuing value creating initiatives



Key Assets

- Mountcastle
- Disruptive Packaging
- Hyde Road Trust
- Mint Payments
- Anagenics
- T-Shirt Ventures
- FOS Lighting
- Other Listed
- Other Unlisted



Mountcastle

Progressing multiple accretive M&A opportunities. In negotiations with strategically important bolt-on school uniform suppliers



Better packaging. No compromises.

Disruptive Packaging

Strong growth in sales and global pipeline of sustainable packaging and logistics solutions, exploring expansion opportunities



Hyde Road Trust

Actively working to increase the property's current yield while developing strategies to deliver long-term capital growth



Mint Payments

Continued revenue and earnings growth from travel sector payments solutions



T-Shirt Ventures

Continued revenue growth in NDIS technology solutions and completion of further growth investment



Anagenics

H&G cornerstoned capital raising to pursue M&A opportunities

H&G INVESTMENT MANAGEMENT HIGHLIGHTS

56% H1 Increase in FUM driven by strong performance by H&G High Conviction Ltd (ASX:HCF) & inclusion of the Hyde Road Trust

HCF successfully **completed ~\$2.75m (~15%) placement** at \$1.04 per share post half balance date (May 23). Strong support by Perennial Value & new strategic high net worth investors

HCF generated material performance fees on the back of strong alpha generation in a volatile market

HCF FUM ~\$28m post raise, that equates to an **increase of 100% since H&G acquired** the SIAL Funds Management vehicle in 2021. Material value creation for HNG shareholders, with platform set to build out FUM & Fees

Reposition work, increased rental income, & increased ownership interest in Hyde Rd Trust (76%).

Actively analysing new property assets. Leveraging expertise for asset value maximisation

FY23 Priorities - Continued HCF performance; Explore inorganic growth opportunities; Build out distribution capability; Launch new private asset syndication fund; Add material sized new private/listed investment

Strategies	High Conviction	Private Credit	Property	Private Equity
Asset Class	Ex ASX300 Listed Equities	Private Credit	Commercial Property	Private Equity
Status	Open	Late Stage DD	Advancing JV	Syndication
FUM	\$28m* *Post Raise	\$85m	\$10m	\$5m
Fund Target	\$100m+	\$150m+	\$100m+	\$50m

EVENTS POST HALF YEAR AND OUTLOOK

Private Assets

Mountcastle (MTC) – Strengthening board and advancing M&A opportunities

- Steven Doyle (ex Lovisa, Super Retail) appointed as Chairman
- MTC in due diligence on multiple acquisition opportunities
- H&G intention to support Mountcastle's growth through equity participation
- MTC on track to deliver c.\$10m of EBITDA for FY23

Disruptive Packaging (DP) – Customer demand accelerating growth

- Commissioning of Tecate, Mexico production line underway to supply USA market
- Progressing rollout of Unicor click & collect product for Coles
- North American orders continuing to grow rapidly (c.US\$30m of written and verbal commitments)
- Exploring accretive capital raising opportunities to accelerate manufacturing capacity expansion
- YTD sales up c.100% on last year

H&G Investment Management – Acquiring a controlling stake in experienced Private Credit fund manager

- NBIO signed to acquire 51% of Causeway Asset Management – a leading small to mid-market private credit provider
- Portfolio Managers each have 30+ years' experience & currently manage over \$75m FUM & with strong growth in new and existing products
- Provides synergistic funding competence to H&G Alternatives platform.
- Further details to be announced when due diligence is complete

Group

Dividend

- H&G Ltd declares 0.5c fully franked interim dividend – its fourth consecutive dividend since new executive team's leadership
- Intention is to maintain the payment of regular franked dividends

H&G STRATEGY – 2025 GOALS¹

Diversified Investment Company with an Active Value investment style that targets minimum 15% p.a. compound growth

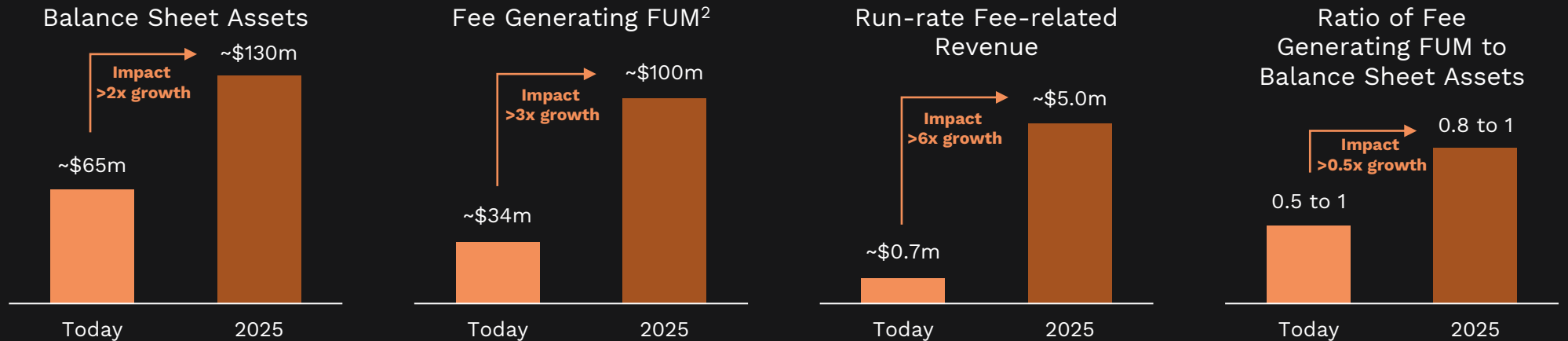
**H&G 2025
Goals**

Plan to **double H&G’s Balance Sheet Assets**

Plan to **triple H&G’s fee-generating FUM**

Plan to **triple H&G market cap**

Aspirational targets¹



¹ 2025 Goals are aspirational targets and are not to be construed as Guidance

² Third-party Funds Under Management (FUM)

HANCOCK
& GORE

MR. SANDY BEARD
EXECUTIVE CHAIRMAN

0412 308 263

www.hancockandgore.com.au



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