



**HANCOCK
& GORE**

15 February 2024

Company Announcements Office
Australian Securities Exchange

AGM PRESENTATION

Please find the attached presentation to be made by the Company at the 120th Annual General Meeting of Hancock & Gore Limited (HNG) which will be held today at 2.00pm (Sydney Time).

This announcement has been authorised for release to ASX by the HNG Board. For more information, please contact the Executive Chair, Sandy Beard on 0412 308 263.

ABOUT H&G

H&G is a diversified investment company with a focus on active management and driving shareholder returns through investing in a broad range of opportunities across Private Equity, ASX Listed Equities, funds management and real property, debt funding and other alternative investments. We seek to become a trusted partner of choice that aims to solve our partners' problems, identifying and pursuing opportunities that benefit all parties.

HANCOCK & GORE LIMITED (ASX:HNG) ACN 009 657 961

Level 5, 107 Pitt Street, Sydney NSW 2000

www.hancockandgore.com.au



120th Annual General Meeting

15th February 2024

Focus on Long Term Earnings and Cashflow

**HANCOCK
& GORE**

Hancock & Gore Ltd (ASX: HNG)



1. H&G Purpose
2. 2023 Results
3. H&G Strategy
4. Operating Pillar - Mountcastle
5. Strategic Capital Pillar
6. Funds Management Pillar
7. H&G Objectives
8. Proxy Results



H&G PURPOSE – Diversified Investment Manager

Delivery of 15%+ p.a. long-term investment returns through partnership of capital with skills

Alignment

Directors/KMP own ~25% H&G

Market Capitalisation¹

\$114m (+65% pcp)

Total Shareholder Return²

+50% p.a. under new management

Cash & listed³

\$17.5m

Dividends paid²

4.5 cps (fully franked)

External FUM⁴

\$38m (+36% pcp)

Our strategy:

- 1 Extensive trusted networks driving deal origination and execution
- 2 Alignment of values and performance with investee partners
- 3 Long-term investment objectives/counter cyclical view
- 4 Ability to inject operational expertise to investees

Our values: Honed over 120 years



Integrity



Alignment



Flexibility



Longevity

¹ As at 31 Jan 2024

² From FY20 | Recapitalisation and establishment of new management team

³ As at year end (30 Sep 23)

⁴ Excluding Hyde Road property, exited post year end (30 Sep 23)

PERFORMANCE HIGHLIGHTS FOR THE FULL-YEAR ENDED
30 September 2023

\$8.2m

NET PROFIT
AFTER TAX

26.7%

TOTAL
SHAREHOLDER
RETURN

36%

FUM GROWTH
(ON FY22)¹

\$68.5m

NTA
VALUE

18%

OF NTA IN CASH
& LISTED
SECURITIES

1.5cps

FULLY FRANKED
DIVIDEND DECLARED

¹Excludes Hyde Road property, exited post year end (30 Sep 23)

H&G STRATEGY & KEY INVESTMENT PILLARS

Hancock & Gore exists to deliver superior investment returns for shareholders in excess of 15% p.a. through different investment offerings



Operating Businesses

- Medium to long term high conviction strategic investments focused on building strong businesses, with H&G providing key value-added services including operational expertise, M&A and long-term value realisation strategies
- Target 20%+ IRR
- Capital Employed: \$50m+
- Assets: Mountcastle



Strategic Capital

- Active private and listed strategic investments, where H&G adds value by working collaboratively with management to restructure, drive growth and add required operating expertise.
- Target 12%+ IRR
- Capital Employed: \$30m+
- Key Assets:
 - Disruptive Packaging
 - Rino Recycling
 - Strategic Listed



Funds Management

- Delivering management, performance and advisory fees.
- Scalable product, with minimal balance sheet investment.
- H&G Investment Mgt strategies:
 - High Conviction Fund
 - Dynamic Credit Fund
 - Vail Lane Trust
 - DP Trust

OPERATING BUSINESS PILLAR – MOUNTCASTLE

Move to 100% ownership of MTC

- Binding agreement to buyout minorities to reach 100% ownership
- Continued alignment with Steve Doyle and Brad Aurisch swapping Mountcastle shareholding for HNG scrip, to be approved at this AGM
- Steve Doyle and Brad Aurisch to continue as Chairman and CEO of Mountcastle, respectively. Both to be incentivised to drive H&G TSR through Mountcastle’s contribution, to be approved at this AGM

Highly Experienced & Aligned Leadership Team



Steve Doyle – Chairman

- Appointed Chairman in March 2023
- More than 30 years in the retail sector including senior executive roles at Super Retail Group and Lovisa



Brad Aurisch – CEO

- Appointed CEO following the acquisition of LW Reid in 2019
- Relative of LW Reid founder with over 20 years’ management experience

Cash generating defensive asset growing market share

- Expansion into retail & New Zealand market
- Acquisitions integration
- Executive team transition and new key hires
- Core Schoolwear business remains strong – back to school period ongoing
- Softer conditions in discretionary corporate & fashion segments
- H&G move to 100% ownership at close of this AGM

FY24

- Continue accretive M&A activity – broad pipeline to execute
- Diversify Mountcastle nationally
- Expanding retail and corporate offering
- Enhance vertically integrated manufacturing and sales capabilities
- E-commerce and AI implementation

Long Term Horizon



Strategic Private Investments

- Disruptive Packaging - Continued focus on execution of manufacturing and geographic expansion
- Rino Recycling – Operations have commenced successfully at state-of-the-art recycling facility in Pinkenba Queensland

Strategic ASX Listed Investments

- Anagenics (AN1) – integration and turnaround continuing
- FOS (FOS) – Focus on M&A execution

Deal Pipeline

- Strong focus on simplifying Strategic Capital portfolio and bringing on a new high conviction asset
- Favourable risk-return investments continually and patiently being assessed

H&G Investment Management (HGIM) profitable, generating performance fees and scalable

HGIM FY23 closing external fee-paying FUM¹ \$38m (+36% pcp)

H&G High Conviction Fund (ASX:HCF - FUM \$28M)

- HCF represents 73% of HGIM FUM. HCF performed well FY23 +10.7% pre-tax net of fees, in addition to a maiden 2 cents fully-franked dividend
- HCF generated FUM growth of 58% or \$10.3m. Importantly all capital raised at prevailing NTA due to tight & supportive register
- The near-term FUM target for HCF is \$50m

Other HGIM Funds and Initiatives

- Recently launched Dynamic Credit Fund in partnership with Causeway Asset Management is a new offering providing investors exposure to private credit opportunities > 15% IRR
- Exploring synergistic partnerships to add scale and FUM
- Looking to expand private equity syndicates and property exposure

Strategic Intent for HGIM is to scale into a capital light high ROI business that is a strong and consistent contributor to H&G operating earnings and cashflow

¹Excludes Hyde Road property, exited post year end (30 Sep 23)

2023 OBJECTIVES UPDATE

Achievement across majority of strategic objectives set at the 2023 AGM

OBJECTIVE	BASELINE GOAL 2023	ACHIEVED
Drive investor awareness of potential value in H&G	Introduce new investors, refresh communications and marketing, launch funds and participate in M&A activity	
Quality of investment pipeline	Increase structured and asset backed opportunities with >15% p.a. returns	
Cash & Asset redeployment	Target material realisations from portfolio and establish a new cornerstone asset	
Assist value creation in Mountcastle & Disruptive Packaging	Meaningful acquisitions, organic growth and external capital raising	
Capital management initiatives	Continue to pay fully franked dividends	
Funds management vehicle	Invest in direct distribution capability & channel strategies. Grow H&G High Conviction FUM organically & via innovative inorganic models to \$50m+	
Drive active ASX listed Opportunities portfolio & capital markets activity	Find at least 2 strategic long term listed positions with active H&G involvement	
Strategic support for FOS and AN1	Significant listed positions with H&G board representation, continue to support in their ongoing transformations	
Enhance funds management team	Enhance distribution and compliance skill set to facilitate AUM growth	

2024 OBJECTIVES

Build on the momentum of 2023's achievements

OBJECTIVE	BASELINE GOAL 2024
Mountcastle optimization and cash generation	Integration of acquisitions, strategic M&A and positioning for long term earnings growth whilst continuing to provide dividend flow to H&G
New pillar identification	Build opportunity pipeline and identify material operating asset to sit alongside Mountcastle as a key driver of sustainable earnings growth and cashflow generation for H&G
Optimise portfolio	Target material realisations from portfolio to redeploy to highest ROI activities
Treasury support	Continue to deliver low risk cash returns from portfolio outside of MTC with an active and flexible balance sheet
Capital Management initiatives	Continue to pay fully franked dividends
Grow funds management business	Grow H&G High Conviction and HGIM FuM to build a high ROI funds management business with meaningful contribution to H&G profit and cashflow

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Company information

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MR. SANDY BEARD

EXECUTIVE CHAIRMAN

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