

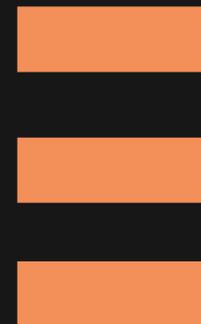


# FY22 Half-Yearly Financial Results Presentation

Half Year Results - 31 March 2022

**Strong base, opportunities  
emerging**

Hancock & Gore Ltd (ASX: HNG)



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PERFORMANCE HIGHLIGHTS FOR THE HALF-YEAR ENDED  
31<sup>st</sup> MARCH 2022

12%

TOTAL  
SHAREHOLDER  
RETURN

\$2.5m

NET PROFIT  
AFTER TAX

13%

NTA PER SHARE  
GROWTH

\$62.1m

NTA  
VALUE

45%

FUM  
GROWTH

\$0.28

NTA PER  
SHARE

34%

OF NTA IN CASH &  
LISTED  
SECURITIES

## H1FY22 HIGHLIGHTS

- **H1 FY 22 ~\$2.5 M NPAT** driven by ASX Tactical Opportunities portfolio, and revaluation of unlisted investments to reflect underlying performance
- **Strengthened balance sheet** via \$15 million equity raise in late CY21/early CY22
- Strong **EBIT performance of Pegasus and Mountcastle**. Combined half year EBIT ~\$4m (H&G share)
- Realised > \$1m profit from **ASX Tactical Opportunities portfolio – annualised IRR of > 24%**. (Portfolio performance has subsequently been impacted by market volatility but continues to meaningfully outperform ASX 200 and broader indices)
- **45% growth in Funds under Management** driven by mandate win and positive fund performance.
- **Restructuring Mountcastle & adding value** by extracting the Brisbane property from the operating company. The strategy intends to deliver enhanced income, long-term capital growth and future funds management opportunities
- Significant assistance to **M&A opportunities of investees**
- **Strong pipeline of investment opportunities** with inaugural H&G led **syndication deal launched** that will add to H2 FUM and ongoing management fees/potential performance fees
- **Well positioned for reset market valuations** with high levels of cash & liquid securities
- Progressed launch of new **managed vehicle** to target **private equity opportunities** in a balance sheet light structure



## INVESTMENT TEAM

*100+ years of collective investment experience*



**SANDY BEARD**  
EXECUTIVE CHAIRMAN

- 30+ years of investment experience and Director of numerous public and private companies.
- Executive Chair H&G (ASX:HNG) 2020-Present. Non-executive Chair Anagenics Ltd (AN1)
- Director of Centrepunt Alliance (ASX:CAF), FOS Capital Ltd (ASX:FOS)
- Former CEO of CVC Limited (ASX:CVC) (between 2001-2019)
- Member of Chartered Accountants Australia and New Zealand



**NICHOLAS ATKINSON**  
INVESTMENT DIRECTOR

- 25+ years of experience across capital markets, corporate finance and investment management.
- Former Executive Director of Institutional Equities at Morgans Financial (14 years).
- MBA (Macquarie GSM)
- Bachelor Commerce (UQ)
- Grad Dip Applied Investment & Finance (FINSIA)



**PHILLIP CHRISTOPHER**  
INVESTMENT DIRECTOR

- 12+ years of experience across private equity, capital markets and investment management.
- Former Director at Alceon Group Private Equity (6 years) and Analyst at Goldman Sachs. Director of Anagenics Limited (ASX: AN1) and Pegasus Healthcare
- Bachelor of Economics and Bachelor of Commerce (University of Western Australia)



**JOSEPH CONSTABLE**  
PORTFOLIO MANAGER

- 7+ years of experience across capital markets and investments
- H&G High Conviction Fund Portfolio Manager
- Executive Director H&G (ASX:HNG) 2020 – Present. Non-executive Director Po Valley Energy Ltd (ASX:PVE)
- Former Investment Manager at SIAL; experience at Smith and Williamson; Hunter Hall Intl



**MICHAEL BOWER**  
COMPANY SECRETARY

- 30+ years of experience in finance and investment roles
- Former CFO, Company Secretary and Investment Manager at CVC Limited (ASX: CVC) and accountant at KPMG
- BSc. (Hons) Chemistry (University of Durham, UK)
- Member of Chartered Accountants Australia and New Zealand & ICAEW

## H&G INVESTMENT MANAGEMENT HIGHLIGHTS

**45% Increase in FUM** driven by a new mandate win and High Conviction Fund positive performance

Launching a **strategic transformation of the HCF** that will **add assets/FUM & launch a LIC vehicle**

**Launched inaugural syndication** deal expected to close before June 22. Deal will add to H2 FUM and generate management fees plus potential performance fees

**Property Fund JV terms agreed with experienced property group** & actively analysing new property assets. Leveraging expertise for asset value maximisation

**Heads of Agreement signed for new founder private equity strategy**

**Material FUM growth runway in targeted strategies.** Invested in distribution capability & specialist management expertise

Strategies	High Conviction	Property	Founder PE	Special Situations	Venture
<b>Asset Class</b>	Ex ASX300 Listed Equities	Commercial Property	SME Private Equity	Unlisted & Listed Equities	Venture Capital
<b>Status</b>	Open	Finalising JV	JV Finalised	Early-Stage Discussions	Early-Stage Discussions
<b>FUM</b>	\$13m	\$19m Initial asset	\$5m initial investment identified	-	-
<b>Fund Target</b>	\$100m	\$200m	\$75m	\$100m	\$50m

## ESTABLISHED VALUE CREATION CYCLE

*Targeting 15% p.a. minimum compound returns*



## PORTFOLIO ACTIVITY SETS PLATFORM FOR GROWTH IN FY23 AND BEYOND

*Focus in H1 on driving key portfolio activity and identifying new investments*



Name	Moundcastle/LW Reid	Pegasus Healthcare	NewPackagingCo	Mint Payments	T-shirt Ventures	Anagenics Ltd (ASX: AN1)
<b>Type</b>	Defensive Yield	Defensive Growth	Growth	Growth Yield	Growth	Turnaround
<b>Valuation</b>	\$16.7m	\$9.6m	\$6m	\$3.1m	\$2m	\$1.7m
<b>Update</b>	<p>Progressing organic and accretive M&amp;A opportunities</p> <p>Extracting Brisbane 1.2 Ha property from operating company</p> <p>The strategy intends to deliver enhanced income, long-term capital growth and funds management opportunities</p>	<p>Progressing potential realisation opportunities</p>	<p>New PE investment in an innovative global closed-loop recyclable packaging company</p> <p>Launched inaugural syndication deal, expected to close May 2022 and add to H2 FUM and subsequent management and potential performance fees</p>	<p>Leverage to post Covid travel resumption</p>	<p>Material valuation uplift from organic growth and funding round</p>	<p>Working with company to build a profitable Global Health / Wellness and Beauty business through board and management renewal and assistance with strategic M&amp;A.</p> <p>Sandy Beard appointed Non-executive Chairman in Feb 22</p>

## INVESTMENTS OVERVIEW

BUSINESS	INDUSTRY	VALUATION	PROFORMA PORTFOLIO %
Mountcastle	School wear	\$16.7m	27%
Pegasus Healthcare	Health	\$9.6m	15%
Anagenics Ltd (ASX:AN1)	Wellness & Beauty	\$1.7m	3%
Mint Payments	Payments Technology	\$3.1m	5%
SPOS	Retail POS	\$2.2m	4%
T-Shirt Ventures	Health	\$2.0m	3%
ASX Listed	Various	\$7.6m	12%
H&G Investment Management	Funds Management	\$0.7m	1%
Loan Note	Secured Loan	\$5.2m	8%
All Other Net		\$2.1m	3%
Cash		\$12.0m	19%
<b>NET ASSETS</b>		<b>\$62.9m</b>	<b>100%</b>



## FY'22 AND BEYOND

*H&G has strengthened our executive team and built a solid and deep foundation for long term growth*

### 1 PRIVATE INVESTMENTS

- Continue targeting at least **15% p.a. returns** from earnings based value growth and income / dividends (across private equity and income investments)
- Significant proprietary deal flow and opportunity to leverage balance sheet with syndication capability
- Striving for outperformance significantly above **15% p.a. returns** through transformation / realisation of select PE assets

### 2 LISTED INVESTMENTS

- Continue **>20% p.a. return** targets across listed portfolio
- Continue to access deal flow through networks
- Support existing strategic asset investments via capital raisings

### 3 FUNDS MANAGEMENT

- Continue FUM growth with enhanced distribution networks
- Partner with experienced fund managers/industry experts to launch new products (e.g. Property Fund, Special Situations Fund, Venture Fund) to build capital light sustainable revenue streams

### 4 OTHER

- Increase advisory / ECM earnings from portfolio companies

# H1FY22 INCOME STATEMENT

*Six months to 31<sup>st</sup> March 2022*

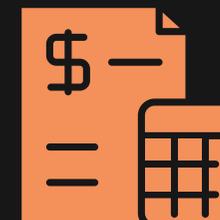
Realised & Unrealised Gains on Investments	\$3.3m
Funds Management & other fee revenue	\$0.3m
Other Income	\$0.5m
Dividends	\$0.2m
Expenses	(\$1.7m)
Net Profit Before Tax	\$2.6m
<b>Net Profit After Tax</b>	<b>\$2.5m</b>



## H1FY22 BALANCE SHEET

*As at 31<sup>st</sup> March 2022*

Cash	\$12.0m
Listed Investments	\$9.3m
Unlisted Investments	\$34.9m
Loan Note	\$5.2m
Intangibles	\$0.7m
Other Assets & Liabilities Net	\$0.8m
<b>Net Assets</b>	<b>\$62.9m</b>



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**\$62.1M**

NET TANGIBLE  
ASSETS

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HANCOCK  
& GORE

**MR. SANDY BEARD**  
EXECUTIVE CHAIRMAN

0412 308 263

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