



# FY23 Full-Year Financial Results Presentation

Full Year Results to 30 September 2023

Hancock & Gore Ltd (ASX: HNG)

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PERFORMANCE HIGHLIGHTS FOR THE FULL-YEAR ENDED  
30 September 2023

\$8.2m

NET PROFIT  
AFTER TAX

26.7%

TOTAL  
SHAREHOLDER  
RETURN

31%

FUM GROWTH  
(ON FY22)

\$68.5m

NTA  
VALUE

18%

OF NTA IN CASH  
& LISTED  
SECURITIES

1.5c

FULLY FRANKED  
DIVIDEND DECLARED

## FY23 HIGHLIGHTS

- **FY23 \$8.2m NPAT up 46%** driven by Mountcastle's continued growth & strong dividend, interest and funds management income
- Acquisition of additional 40.3% interest in Mountcastle<sup>(1)</sup> and binding agreement to **move to 100% ownership** including scrip rollover of key executives<sup>(2)</sup>
- **Steven Doyle** (ex-Super Retail Group/Lovisa) **appointed Mountcastle Executive Chairman** and to be appointed to H&G Board
- Continued simplification of H&G balance sheet, with **realisation of non-core assets and reinvestment into high return on investment** assets
- **Continued growth of Disruptive Packaging** including accretive acquisitions and growth capital raise at 55% premium to H&G investment cost<sup>(1)</sup>
- **1.0 cent per share final FY23 dividend declared** (1.5 cps total FY23 dividend)
- **Funds Management FUM growth of 31%** assisted by H&G High Conviction Fund (ASX:HCF) investment outperformance generating 10.7% after fees

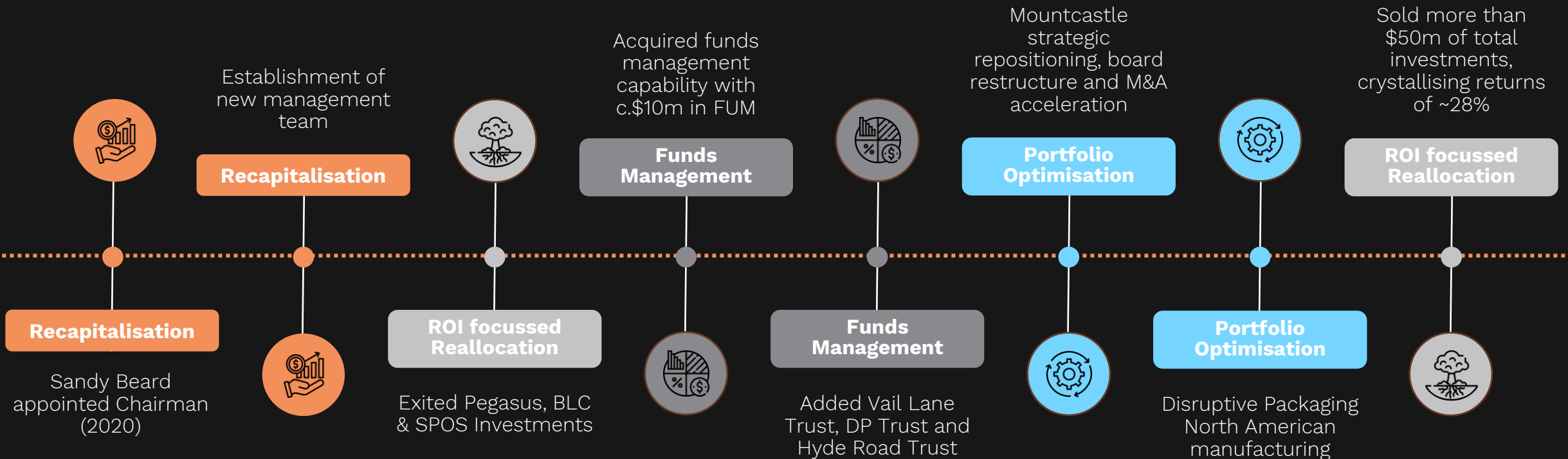


(1) Completion post year-end

(2) Binding agreement reached post year-end

# ACHIEVEMENTS TO DATE

## Total Shareholder Return since 2020 Recapitalisation of ~50% p.a.



**Oct 2020**

Capital raised at \$0.125

**FY 2023**

30 Sept 2023

# 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: \$30m+
- 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 ASX (Anagenics and FOS Capital)



## Funds Management

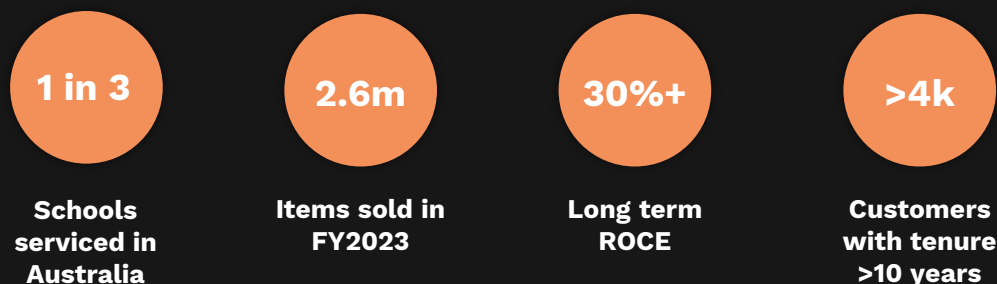
- Leveraging investment team in a scalable product, delivering management, performance and advisory fees.
- Target 15%+ IRR
- Capital Employed ~\$1m
- H&G Investment Mgt strategies:
  - High Conviction Fund
  - Dynamic Credit Fund
  - Vail Lane Trust
  - DP Trust

# OPERATING BUSINESS PILLAR – MOUNTCASTLE

## FY23 Mountcastle (MTC) Achievements

- Delivered \$53m revenue and \$10m EBITDA
- Increased holding in to 89%<sup>(1)</sup> and binding agreement reached to increase holding to 100%<sup>(2)</sup>
- Completed two accretive acquisitions – Argyle Schoolwear and Moorebank Uniform & Embroidery
- Enhancement of Mountcastle board with Steven Doyle (ex Lovisa, Super Retail) appointed as Chairman
- MTC in due diligence on multiple acquisition opportunities
- Significant investment in e-commerce capability

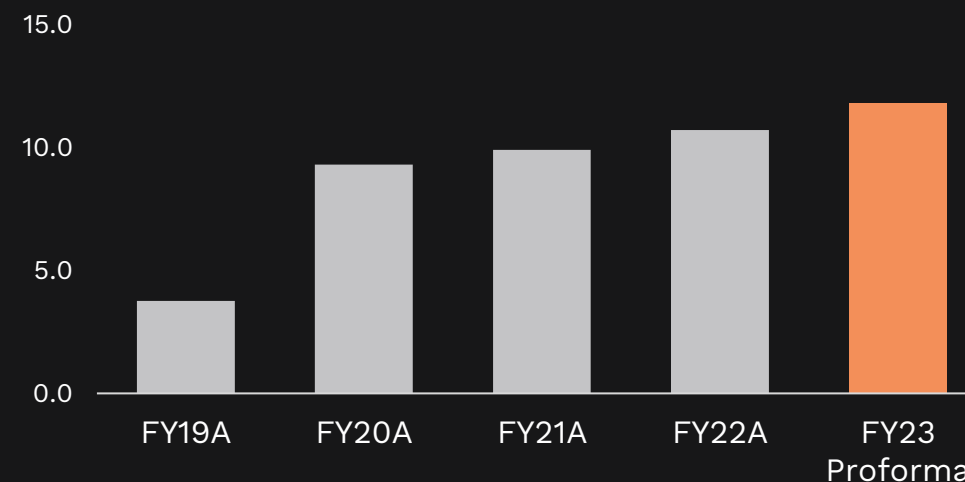
## MTC Key Metrics



## HNG's Active Role in Building a Scalable Platform

- Repositioned through strategic board direction
- Refresh of senior leadership team
- Acceleration of M&A strategy
- Extraction of Hyde Road property
- Assisted with several operational improvements

## Longstanding Partnership with HNG – Mountcastle EBITDA (\$m)<sup>(3)</sup>



(1) Completion post year-end

(2) Binding agreement reached post year-end

(3) Includes the proforma 2023 impact of Argyle Schoolwear and MUE acquisitions completed on 31 August 2023



# MOVE TO 100% OWNERSHIP OF MOUNTCASTLE

## About the Deal

- Binding agreement to buyout minorities to reach 100% ownership<sup>(1)</sup>
- Continued alignment with Steve Doyle and Brad Aurisch swapping Mountcastle shareholding for HNG scrip at \$0.35/share
- Steve Doyle and Brad Aurisch to continue as Chairman and CEO of Mountcastle, respectively
- Full details in announcement of 16 November 2023

## Highly Experienced & Aligned Leadership Team



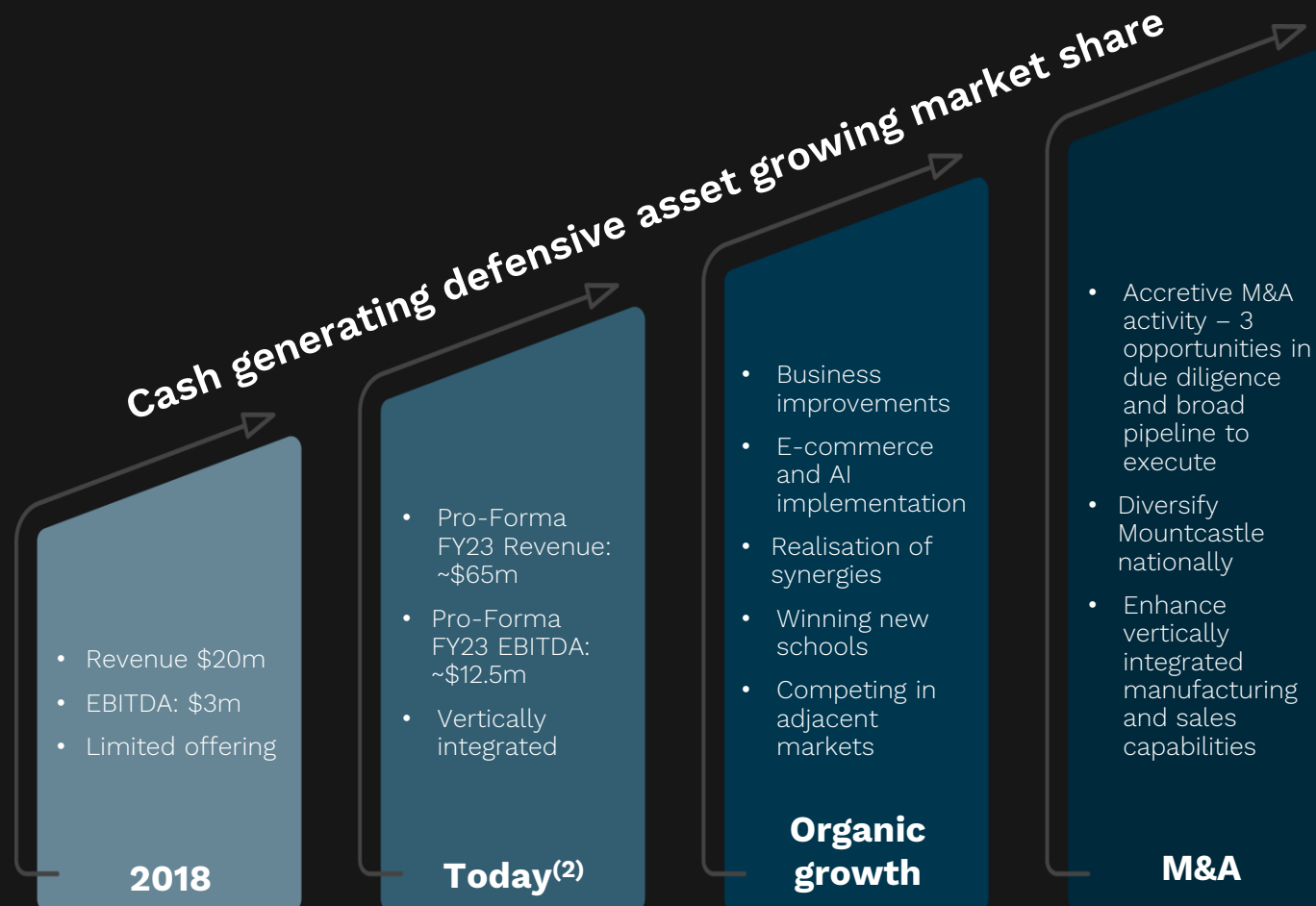
### Steve Doyle – Chairman

- 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



(1) Binding agreement reached post year-end

(2) Includes the impact of Argyle Schoolwear and MUE acquisitions completed on 31 August 2023



## FY23 INCOME STATEMENT & BALANCE SHEET

(\$m)	FY23	FY22	Movement
Revenue from continuing operations	\$6.9m	\$4.4m	\$2.4m
Fair Value Gains/(Losses)	\$5.8m	\$5.9m	(\$0.0m)
Other income	\$0m	\$0m	\$0m
Costs	\$4.6m	\$4.6m	\$0.0m
<b>Operating Profit</b>	<b>\$8.2m</b>	<b>\$5.7m</b>	<b>\$2.5m</b>
Tax	\$0m	\$0.1m	\$0.1m
<b>NPAT</b>	<b>\$8.2m</b>	<b>\$5.6m</b>	<b>\$2.6m</b>

(\$m)	Sep 23	Sep 22	Movement
Cash	\$5.6m	\$13.5m	(\$7.9m)
Listed Investments	\$11.9m	\$11.2m	\$0.7m
Unlisted Investments	\$41.9m	\$32.7m	\$9.2m
Fixed Income	\$8.6m	\$5.2m	\$3.4m
Intangibles	\$0.7m	\$0.7m	\$0m
Other Assets & Liabilities Net	\$0.6m	\$0.8m	(\$0.2m)
<b>Net Assets</b>	<b>\$69.2m</b>	<b>\$64.1m</b>	<b>\$5.2m</b>
Intangibles	(\$0.7m)	(\$0.7m)	\$0m
<b>Net Tangible Assets</b>	<b>\$68.5m</b>	<b>\$63.4m</b>	<b>\$5.2m</b>

HANCOCK  
& GORE

**MR. SANDY BEARD**  
EXECUTIVE CHAIRMAN

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