

ASX code: HNG



SUPPLYING
MARKET
LEADING
BRANDED
PRODUCTS

HGL Limited

Annual General Meeting
28 January 2014

Computershare Offices,
Level 4, 60 Carrington Street,
Sydney

www.hgl.com.au



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Strategy Plan Update

Annual General Meeting

28 January 2014

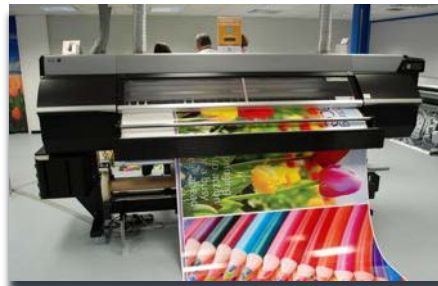
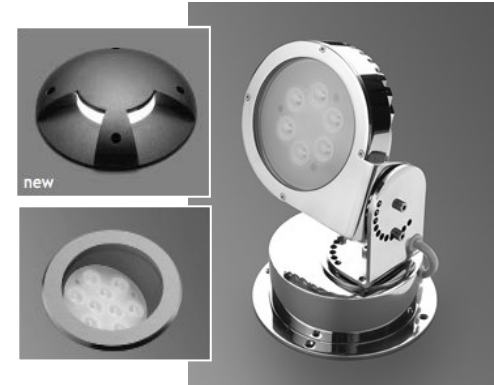
Henrik Thorup – Chief Executive Officer



HGL's Business Model

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HGL is a product marketing and supply chain business of market leading brands in diversified specialist markets.



Corporate strategy with focus on three core objectives:
Growth, Profit and Sustainability (GPS).

Phase 1 is to rebuild foundations.

1

Arrest revenue decline, maintain gross margins and improve operational efficiency.

Phase 2 is establishing the future industry footprint.

2

HGL must participate in attractive industries with long-term growth prospects.

Phase 3 is leveraging foundations and new industry footprint.

3

Leverage Phase One and Two in delivering enhanced Revenue and Profit growth.

Business Unit Sales Growth Plan

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Transformation

*New Products to
New Markets*

Adjacent

*New Products to
Existing Markets*

Core

*Existing Products to
Existing Markets*

Leutenegger
EST. 1891

BLC
COSMETICS

anitech
Making Virtual Reality

J
SB

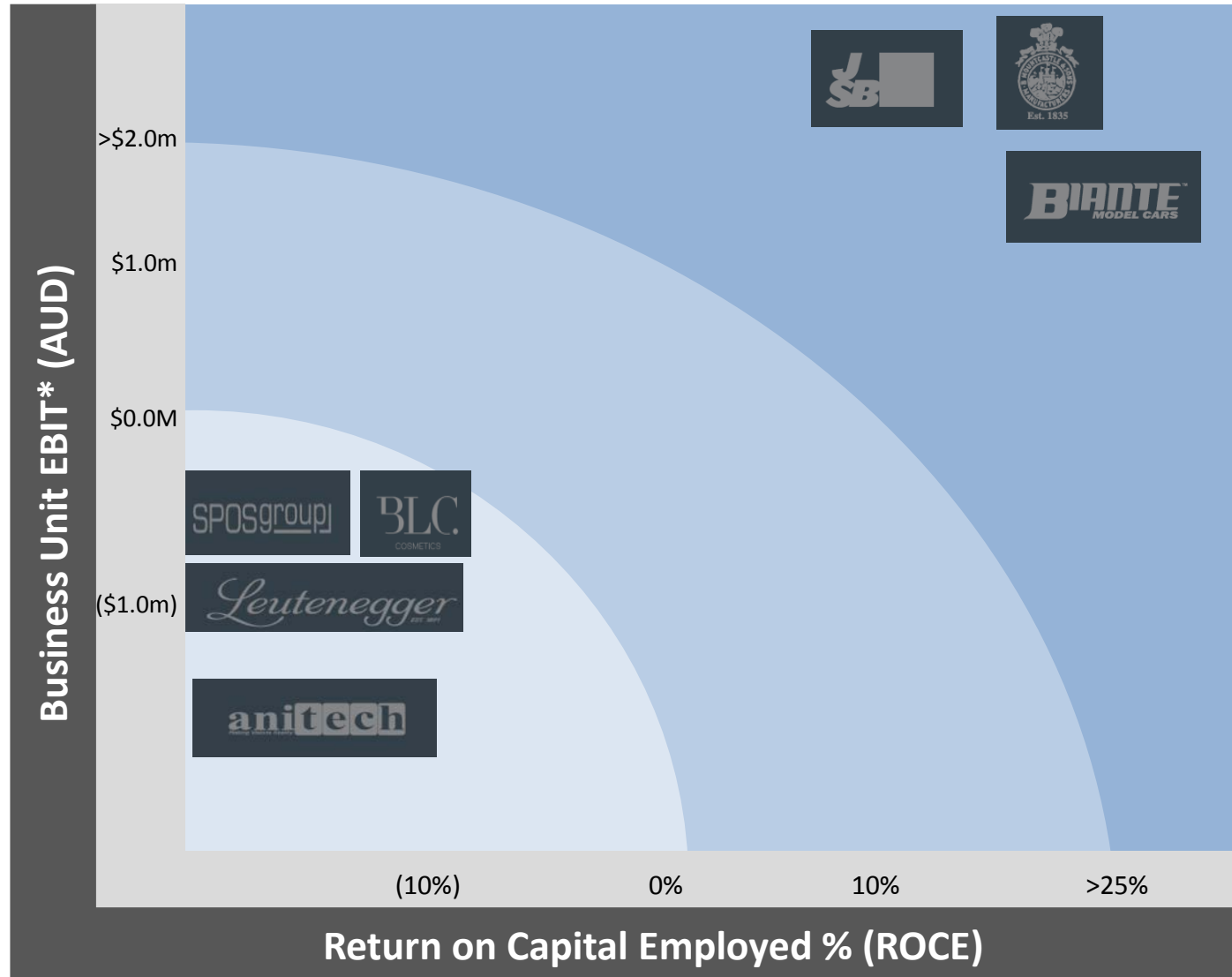
BIANTE
MODEL CARS

MANUFACTURE
EST. 1835

SPOSgroup

Business Unit Contribution to HGL

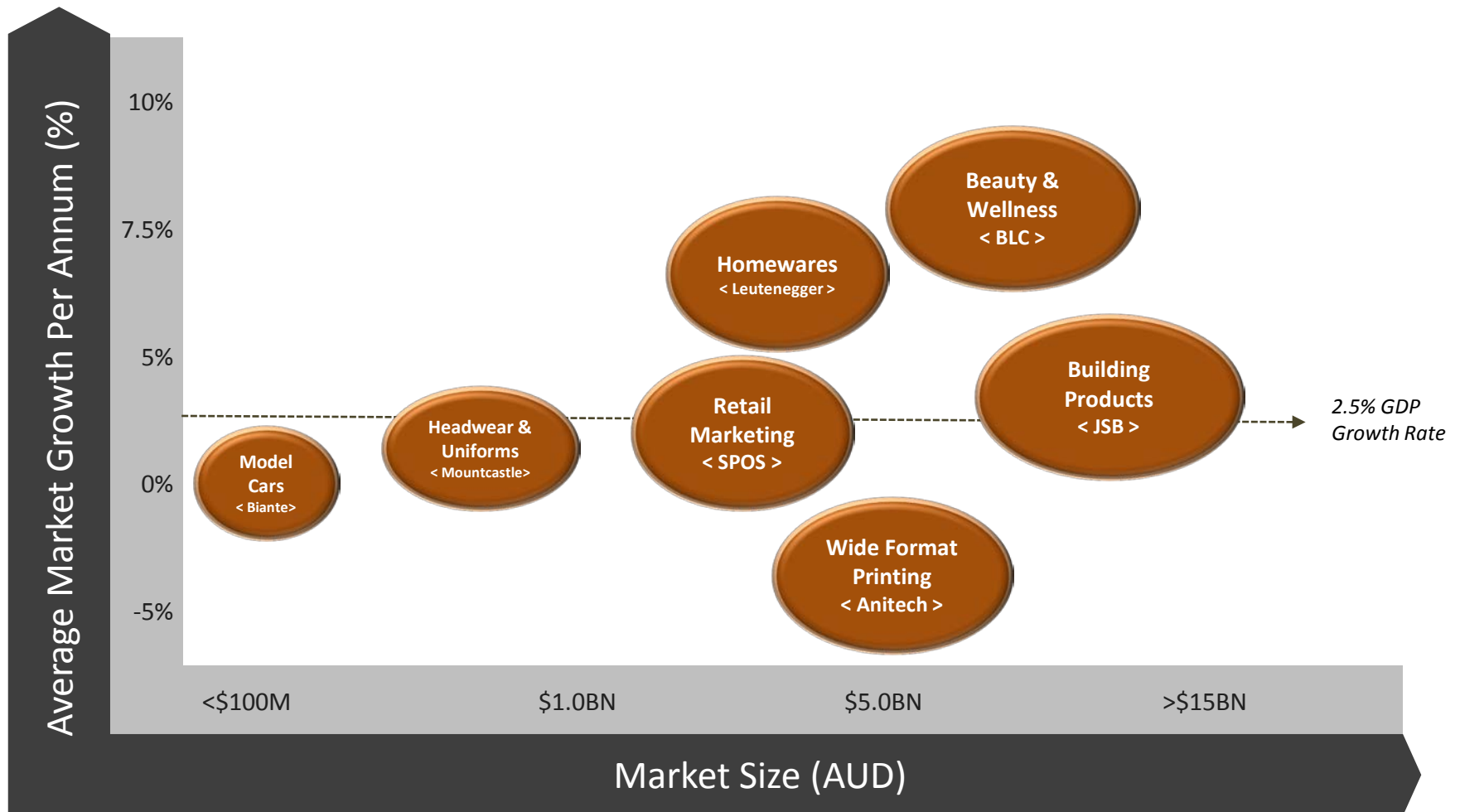
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* Business Unit EBIT result excluding One-Offs
Source: Figures based on financial accounts of 30 September 2013

HGL Industry Footprint

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Things we have achieved so far.....

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▶ FY13 Underlying EBIT result marginally ahead of last year

▶ Working capital reduction of \$7.0m

▶ Positive cash flow from operations

▶ Increased gross margin by 1.5% across the HGL Group

▶ Divestment of two non-core JV companies (BOC & XLN)

Things we have achieved so far.....

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- ▶ Arrested previous significant losses in SPOS Group
- ▶ Substantially streamlined operations in Anitech, SPOS & Leutenegger
- ▶ New CEO's appointed in BLC Cosmetics, SPOS and Leutenegger
- ▶ Expanded HGL executive team with appointment of COO

Challenges in our Business

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- ▶ Recent AUD exchange rate volatility
- ▶ Future GDP growth prospects of average 2.5% to 3.0% per annum
- ▶ Increasing wage levels and declining productivity rates
- ▶ Difficulty in attracting best-in-class talent in wholesale sector
- ▶ Pricing pressure from large scale retailers in selected sectors

Our Current Priorities

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Rebuild profitability levels in underperforming business units



New business development initiatives and top line growth



Invest in staff development and high performance culture



Commence pursuit of strategic acquisitions

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HGL Limited

GPS Strategy Plan (*G*rowth, *P*rofit & *S*ustainability)

28 January 2014

Henrik Thorup – Chief Executive Officer





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Disclaimer

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