

Huge will only achieve long-term success if it has invested in the right people and enough of the right people.

In October 2009, Huge's market capitalisation, measured by the number of shares in issue and the market price at which those shares traded on the JSE's stock exchange, was R35 million, and for the year ended 28 February 2010 it generated operating profit of R3 million. In October 2018, Huge's market capitalisation had grown to R1.7 billion – 50 times greater than what it was nine years earlier – and for the year ended 28 February 2019 it generated normalised operating profit of R108 million. For FY2020, Huge generated operating profit of R134 million – 45 times greater than what it was 10 years ago. These successes were only achieved because of Huge's people, their credibility, and the skills and experience they could bring to the table.

In early 2017, Huge was a single operating company, listed company and within the space of three months it became a multiple operating company, listed company. This was accomplished in a measured, conservative and risk conscious manner and at the lowest possible cost to Huge's shareholders. However, if Huge is to grow, and if the Growing Huge Strategy is to be fulfilled, Huge must create human capital capacity.

In the last 18 months, Huge has established a corporate office to support its operating companies in pursuing the Growing Huge Strategy. Huge's executive management team responsible for overseeing the delivery of the Growing Huge Strategy now comprises a Chief Executive Officer, a Chief Operating Officer, and a Chief Financial Officer. This executive management team is supported by a Company Secretary and three professional support staff. The creation of the role of Chief Operating Officer during FY2020, to which Andy Openshaw was appointed, created a key link between the Chief Executive Officer and the managing directors of the operating companies.

Huge's view is that if it invests in companies with the 'right jockeys' it will have a direct and positive bearing on Huge's long-term success and the success of the Growing Huge Strategy.

For Huge to be successful it must attract and retain its people. If Huge is to attract and retain human capital, it will have to create and offer incentives to its executives, members of management and employees.

During FY2020, shareholders overwhelmingly approved the Executive Option Agreements concluded with the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer. This support demonstrated that Huge's shareholders understand the correlation between incentives and shareholder value.

The Executive Option Agreements create a mechanism which will only reward the executive management team if the Group grows its earnings and cashflows and if the market rewards this growth in higher valuations. These simple performance hurdles align the objectives of the executive management team with the objectives of the Company's shareholders.



Human Capital and Rewards