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ASX announcement

1 November 2021

Hills to exit New Zealand security distribution business

Hills Limited (ASX: HIL) today announces the decision to exit its loss-making New Zealand security distribution operations as part of the Company's strategy to focus on cash generation and areas of long-term growth potential.

On 19 October 2021, Hills announced it was undertaking a review of the New Zealand security distribution operations and had commenced a workplace change process with employees to consider options for the business.

Hills has today informed employees of the decision to exit the business and will work with vendors and customers to undertake an orderly exit to minimise disruption to the New Zealand security market. As those discussions are in progress, the form and timing of the exit are yet to be finalised.

This change does not include, and has limited impact on, the New Zealand operations of the Technical Services division that provides installation services for Sky TV, nor the Health Solutions business.

Hills Chief Executive Officer David Clarke said: "After a comprehensive review of our New Zealand operations it was clear that our growth plans were not being achieved and the fundamentals of the business required a substantial multi-year turnaround to become profitable. In our view the significant time and resources required for a turnaround in New Zealand are better invested in our fast-growing Health Solutions division, expanding Hills Technical Services operations, and improving the performance of the Australian security and IT distribution business.

"I acknowledge this is a difficult time for our hard working and committed New Zealand staff. The Company will be supporting them closely throughout this process."

This ASX announcement is authorised for release by the Board of Hills Limited.

About Hills Limited

Hills is a majority Australian-owned publicly listed company (ASX:HIL) that is a value-added distributor of integrated technology solutions that connect, entertain and secure people in the environments they trust the most: their homes, schools, and universities, hospitals, and aged care facilities, workplaces, and government institutions.

For more information, visit www.hills.com.au.

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