



# ICG Enterprise Trust plc

## Investing in long term growth

Full year results presentation

April 2016



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# Full year results presentation

April 2016

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2. ICG Enterprise
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4. Investment activity
5. Portfolio
6. Balance sheet
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# 1. Introduction to ICG

## Who are we?

### Respected institution

€21.2 billion

ICG is a specialist asset manager in private debt, credit and equity with approximately €21.2 billion of assets under management on behalf of third party investors and the ICG plc balance sheet

€2.6 billion

ICG is listed on the London Stock Exchange under the ticker "ICP". ICG is a member of the FTSE 250 and has a market capitalisation of €2.6 billion

27 years

A 27 year track record of investment in private debt, credit and equity

### Worldwide network

11 countries

Global investment platform with more than 270 employees operating from ICG's 12 offices worldwide spanning 11 countries

>270 people

Over 120 investment professionals focused on credit, real estate debt and strategic secondaries strategies worldwide

In-house infrastructure platform ensuring quality service is delivered to ICG's investors

Source: ICG. Market capitalisation is at 15 April 2016. GBPEUR of 1.25. All other data as at 31 December 2015.

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# 1. Introduction to ICG

## Specialist asset manager

### Focus on investing in private debt, credit and equity

- ICG is a specialist asset manager with 27 years' history in private debt, credit and equity
- Our objective is to generate income and consistently high returns whilst protecting against investment downside
- We seek to achieve this through our expertise in investing across the capital structure
- We combine flexible capital solutions, local access and insight with an entrepreneurial approach to give us a competitive edge in our markets
- We are committed to innovation and pioneering new strategies where we can deliver value to our investors

**We are focused on growing our business and optimising our balance sheet to maximise value for shareholders**

# 1. Introduction to ICG

Generating growth across our four asset classes

<p>Corporate investments</p> <p>€10.8bn AUM</p>	<p>Capital Market investments</p> <p>€4.8bn AUM</p>	<p>Real Asset investments</p> <p>€3.2bn AUM</p>	<p>Secondary investments</p> <p>Now €0.9bn AUM <sup>1</sup></p>
<ul style="list-style-type: none"> <li>▪ Senior debt, mezzanine &amp; equity investments</li> <li>▪ Europe, Asia Pacific &amp; North America regionally focused funds</li> <li>▪ Launched in 1989</li> <li>▪ 13 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ CLO, loan mandates &amp; Alternative Credit strategies</li> <li>▪ Europe &amp; North America regionally focused funds</li> <li>▪ Launched in 1999</li> <li>▪ 24 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Real estate investment in senior debt, subordinated debt &amp; equity</li> <li>▪ UK commercial real estate investment</li> <li>▪ Launched in 2011</li> <li>▪ 7 active funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment in PE funds via primary &amp; secondary markets</li> <li>▪ Europe &amp; North America</li> <li>▪ Launched in 2014</li> <li>▪ 2 active funds</li> </ul>

Third party assets under management (AUM) as at 31 December 2015

<sup>1</sup> Pro forma for acquisition of ICG Enterprise Trust on 1 February 2016

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# 1. Introduction to ICG

## Areas of opportunity for ICG Enterprise

- Increase the rate of investment
  - Access to ICG sourced investment opportunities
  - The ICG balance sheet can underwrite large secondary & co-investment opportunities
  - Managing more capital will open up more opportunities to invest
  - Increase the size of the investment team to originate and analyse more opportunities
  
- Provide access to a broader range of investment opportunities
  - Over time ICG can offer ICG Enterprise access to our wide range of private funds
  - We can add investment executives in different countries to source local deal flow
  
- Benefit from ICG's insight and experience of investing in Europe, Asia & the US
  - ICG has invested in many hundreds of private equity owned companies
  - ICG has extensive understanding of the quality and performance of many private equity GPs
  - Our knowledge extends across Europe, Asia and the US
  - This access and insight can be used by the GET investment team to help their own decision making
  
- Provide access to an institutional asset manager operational platform
  - ICG has invested heavily in its operating infrastructure, employing dedicated teams to address fundraising, compliance, IT etc

## 2. ICG Enterprise

ICG Enterprise has a distinctive offering in the listed private equity sector

### OPTIMISED HYBRID STRATEGY

Investing in a diversified portfolio of buy-outs allowing for concentration amongst the top 30 investments to optimise performance

### FLEXIBLE APPROACH

Portfolio construction and balance sheet management adapted to market conditions

### MULTI DISCIPLINARY TEAM

Benefitting from considerable direct investment experience in debt & equity

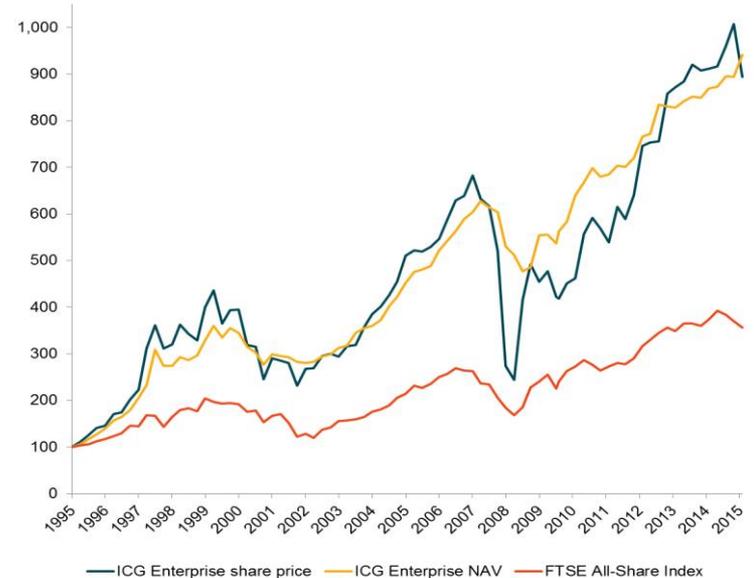
### STRONG BALANCE SHEET

Well placed to take advantage of current opportunities



### CONSISTENT OUTPERFORMANCE

The NAV and share price have consistently outperformed the Index over the short, medium and long term



## 3. Performance

### Highlights for the year ended 31 January 2016

#### Net asset value per share

**+8.2%**

The NAV per share increased 36p to 731p, extending its period of growth to seven years. Net assets at the year end were £521m.

#### Share price

**-1.9%**

The share price<sup>1</sup> fell 1.9% to 545p in the period against a 4.6% fall in the FTSE All Share Index. The share price has outperformed the Index over 1, 3, 5 and 10 years.

#### Underlying value of the portfolio in local currencies

**+11.1%**

This performance was split evenly between realisations and increases in the unrealised value of the remaining portfolio.

#### Cash returned for the year

**£17m**

A final dividend of 6.0p is proposed taking the total dividend for the year to 11.0p (£8m). Share buy-backs returned a further £9m

#### Realisation proceeds

**£120m**

Proceeds remained at the very high level of recent years with 28% of the opening portfolio being realised in the 12 months.

#### Investment in the portfolio

**£64m**

New investments totalled £64m, materially lower than last year, reflecting the greater discretion of managers in a more competitive market.

<sup>1</sup> Throughout the presentation all performance figures are stated on a total return basis (i.e. including the effect of re-invested dividends)

## 3. Performance

The NAV and share price outperformed the FTSE All-Share Index

	Jan-16	Jan-15	Total return
<b>Net asset value per share</b>	730.9p	695.2p	+8.2%
<b>Share price</b>	545.0p	575.0p	-1.9%
<b>FTSE All-Share Index</b>	3,336	3,622	-4.6%

- The share price is now\*, at 555p, 1.8% above the year end price

Notes: \*Close of business 15.04.16.

### 3. Performance

The portfolio made good progress, increasing by 11.1% in local currencies

Year to Jan-16	% of opening portfolio	% of opening NAV	£m
<b>Realised &amp; unrealised gains</b>	<b>11.1%</b>	<b>9.5%</b>	<b>48.0</b>
Currency	1.0%	0.8%	4.3
<b>Total portfolio</b>	<b>12.1%</b>	<b>10.3%</b>	<b>52.3</b>
Expenses and other		(2.7)%	(13.9)
Buy-backs		0.6%	(9.1)
<b>Total return before dividend</b>		<b>8.2%</b>	<b>29.3</b>
Dividend		(3.1)%	(14.8)
<b>Total NAV movement</b>		<b>5.1%</b>	<b>14.5</b>

- Gains were split equally between profits on realisations and uplifts in the value of unrealised assets

## 3. Performance

Share price and NAV outperform both the peer group and the Index over 1, 3, 5 and 10 years

Years to Jan-16 <sup>1</sup>	1	3	5	10
<b>Total return</b>				
<b>ICG Enterprise NAV growth</b>	<b>8%</b>	<b>23%</b>	<b>47%</b>	<b>108%</b>
<b>ICG Enterprise share price growth</b>	<b>-2%</b>	<b>20%</b>	<b>93%</b>	<b>75%</b>
FTSE All-Share Index	-5%	12%	30%	67%
Peer group <sup>2</sup> average NAV growth	5%	22%	43%	92%
Peer group <sup>2</sup> average share price growth	-2%	17%	56%	58%

Notes:

1. 12, 36, 60 and 121 month periods to 31 Jan 2016

2. Peer group (funds-of-funds): Aberdeen, F&C PE, HarbourVest, JPM PE, Pantheon, Princess, Private Equity Holding, SLEPET

Peer group (directs): Better Capital 2009 and 2012, Candover, Dunedin, Electra, HgCapital, NB Private Equity, SVG Capital

3. Data: total return (Morningstar, the Company)

## 3. Performance

Outperformance of the Index in 19 out of 20 years on a cumulative basis

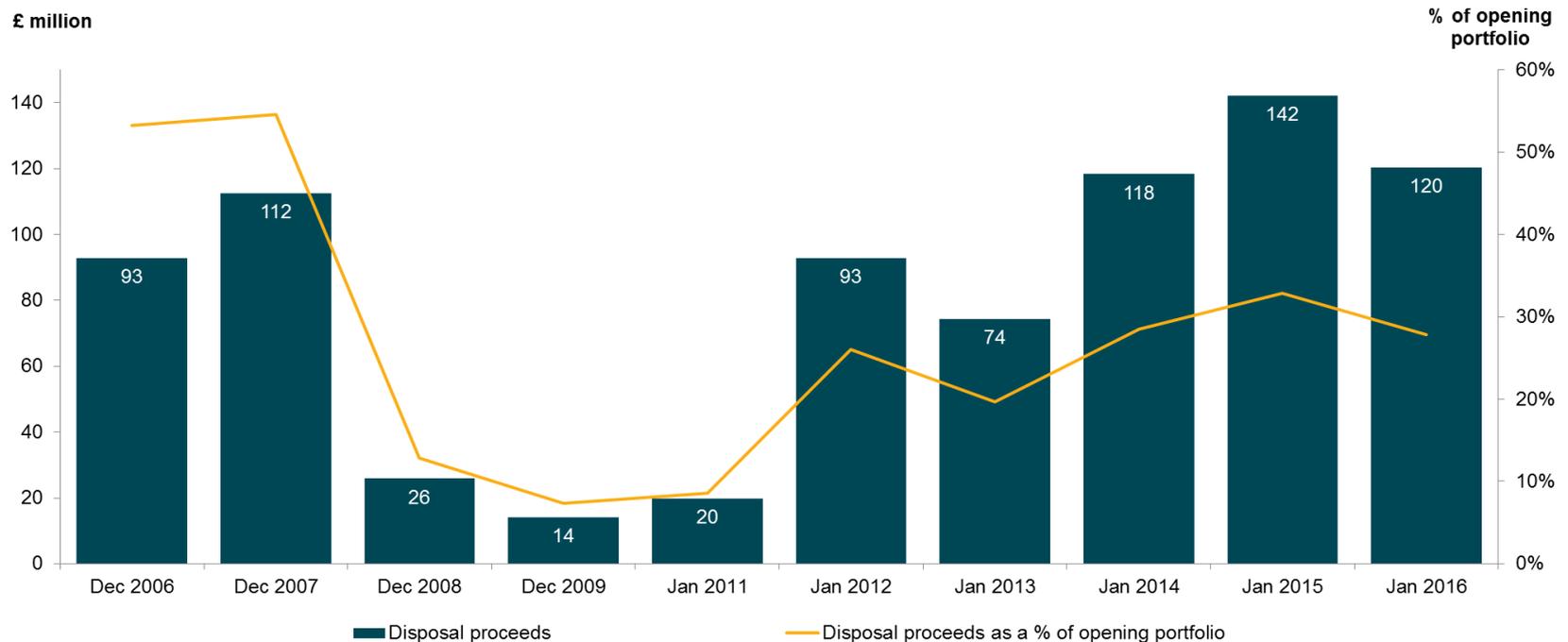
Years to Jan-16	1	2	3	4	5	6	7	8	9	10
<b>Total return</b>										
ICGT NAV	8%	14%	23%	37%	47%	70%	78%	56%	80%	108%
ICGT share price	-2%	3%	20%	66%	93%	97%	226%	31%	64%	75%
FTSE All-Share Index	-5%	2%	12%	31%	30%	49%	93%	35%	43%	67%

- The cumulative total return of the share price and the NAV has outperformed the FTSE All-Share Index in 19 out of the last 20 Company financial periods

## 4. Investment activity

The portfolio has continued to generate strong cash inflows

- Proceeds of £120 million are equivalent to 28% of the opening portfolio
- Full realisations accounted for £82 million of proceeds



Notes:

1. Excludes proceeds from secondary sales

## 4. Investment activity

Full realisations continued to generate significant uplifts to prior valuations<sup>1</sup>

	Year ended Jan-14	Year ended Jan-15	Year ended Jan-16
Valuation uplift <sup>1</sup>	36%	35%	<b>22%</b>
Number of full realisations	33	39	<b>41</b>
Multiple of original cost	2.1x	2.1x	<b>1.9x</b>

- Investments made since the financial crisis<sup>2</sup> generated uplifts of 27%
  - They generated a multiple of original cost of 2.4x over 4.6 years
- Pre crisis investments generated uplifts of 13%
  - They generated a multiple of original cost of 1.4x over 8.0 years

### Note

1.From underlying manager's most recent valuation prior to any uplift related to the disposal. Will differ from uplift in current period in some instances.

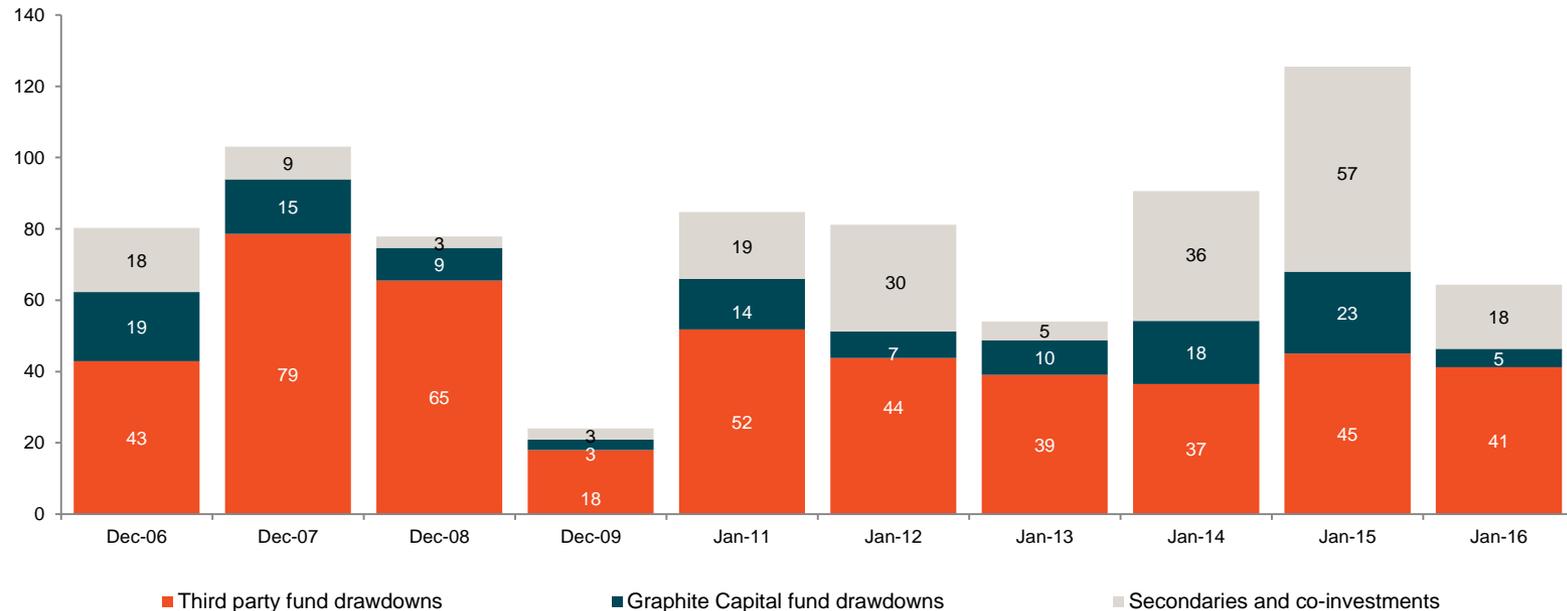
2.2009 onwards

## 4. Investment activity

New investment was almost half the exceptionally high level last year

- All types of investment were lower than last year

£ million



## 4. Investment activity

We completed a mix of primary, secondary and co-investments in the year

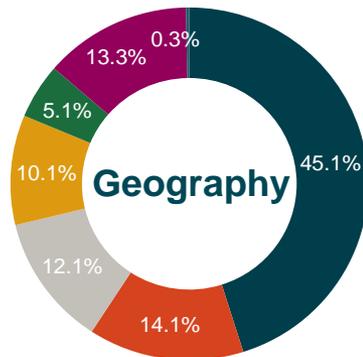
	Primary commitments	Secondary purchases	Co-investments
Year to 31 January 2016	     		  
Post year end	 		

- In the short time since joining ICG we are seeing additional investment opportunities

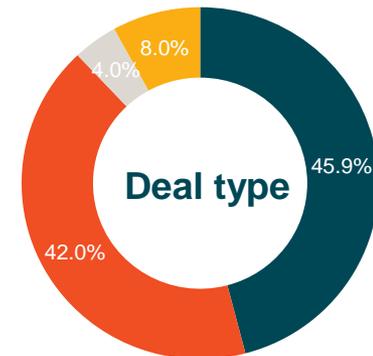
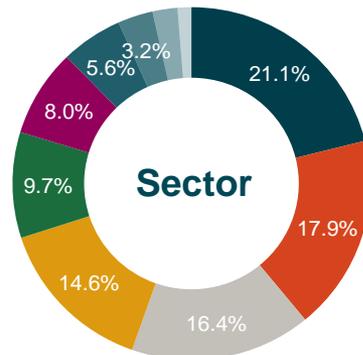
## 5. Portfolio

### The portfolio remains balanced and well diversified

- The portfolio strikes a balance between diversification and concentration
  - Exposure to almost 400 underlying companies, across a wide range of geographies and sectors
  - The top 30 underlying companies represent 49.5% of the portfolio value



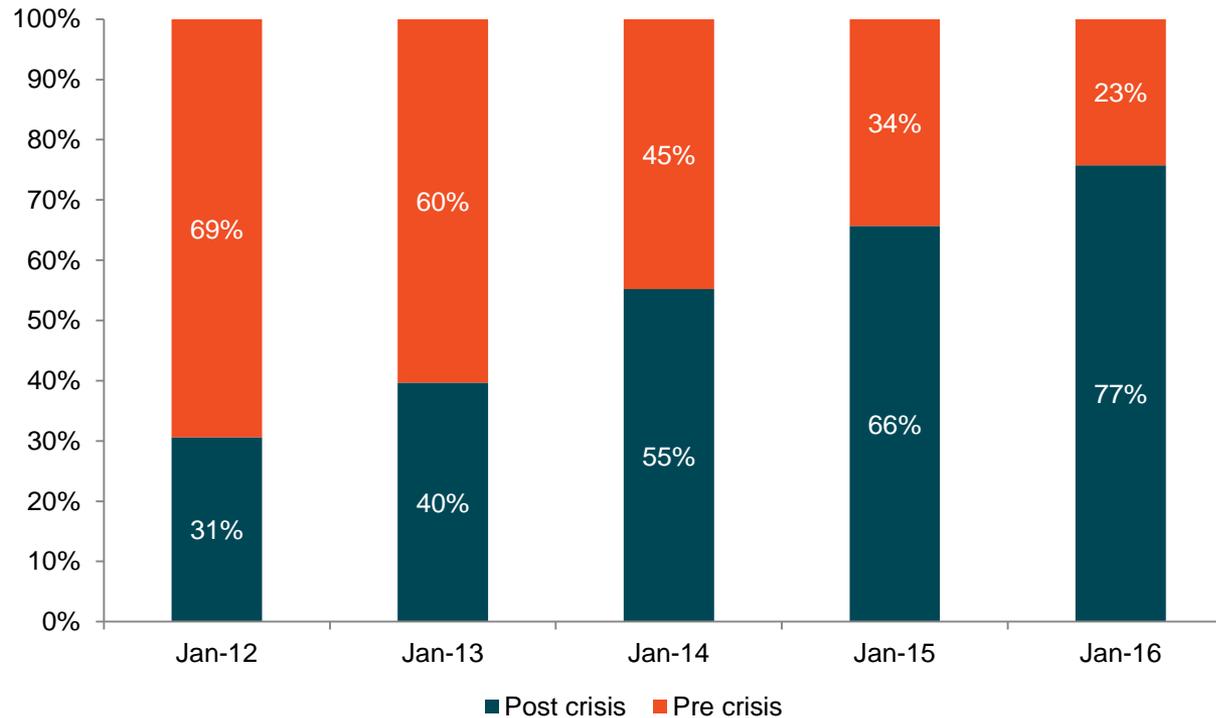
NB: Total Continental Europe 40.5%



## 5. Portfolio

Pre crisis investments continued to fall as a proportion of the portfolio

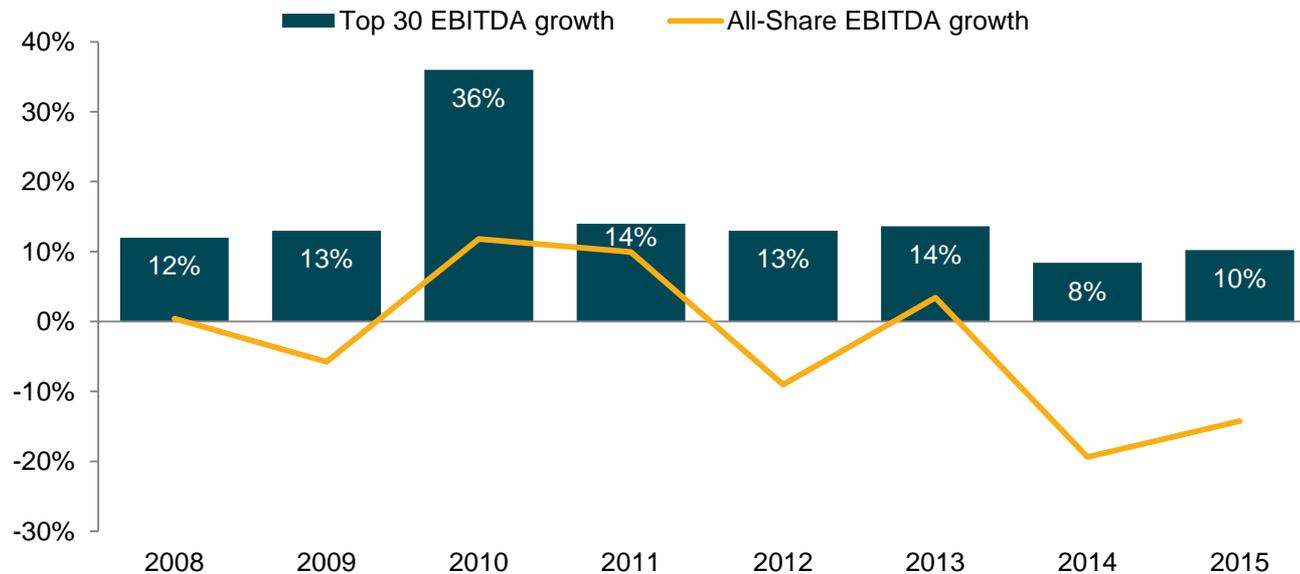
Analysis of the portfolio between pre and post 2008 investments



## 5. Portfolio

### The Top 30 companies continued to perform well

- The Top 30 companies grew revenues and EBITDA by 5% and 10% respectively
  - Aggregate FTSE All-Share revenues fell by 17% and EBITDA fell by 14%



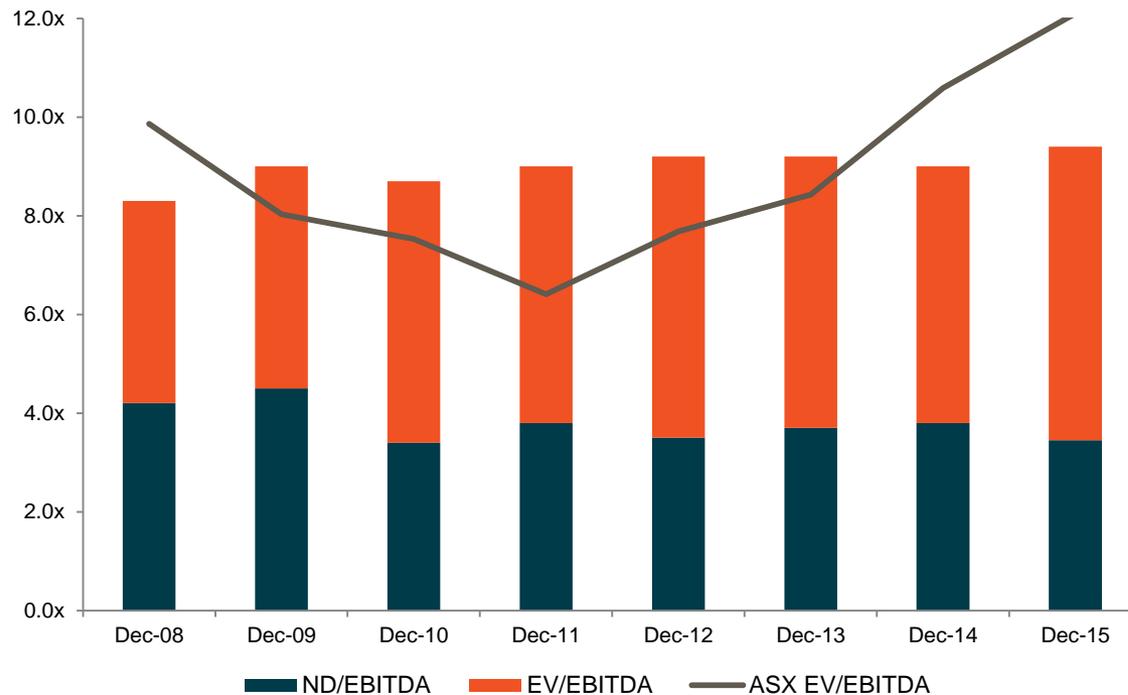
Notes:

Source: Bloomberg. Factset has a different data set but similar trend.

## 5. Portfolio

### The top 30 investments continued to be valued conservatively

- The Top 30 investments were valued at 9.4x EBITDA
  - This has been broadly consistent for the last 5 years
- Over the same period the EBITDA multiple of the FTSE All-Share Index has ranged from 6 to over 12



Notes:

Source: Bloomberg. Factset has a different data set but similar trend.

## 6. Balance sheet

The balance sheet is well positioned to withstand economic uncertainty

	Jan-16 £m	Jan-15 £m	Jan-16 %	Jan-15 %
<b>Investments<sup>1</sup></b>	428	432	80%	84%
<b>Net current assets</b>	105	85	20%	16%
<b>Total assets less current liabilities</b>	533	517	100%	100%
<b>Outstanding commitments</b>	254	234		
<b>Undrawn bank facility<sup>2</sup></b>	97	96		
<b>Total liquidity<sup>3</sup></b>	201	186		
<b>Overcommitment<sup>4</sup></b>	53	48		
<b>Overcommitment%</b>	10%	9%		

- The level of over-commitment and liquidity is consistent with our cautious approach
- The high cash balance presents an opportunity now that the Company is under the management of ICG

Notes:

1. All references to the portfolio are on a look-through basis to the investment portfolio held by the Company.

2. £50.0m and €61.7m translated at balance sheet date. Facility remains fully undrawn

3. Undrawn facility plus cash

4. Outstanding commitments less total liquidity

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## 7. Dividends and share buy-backs

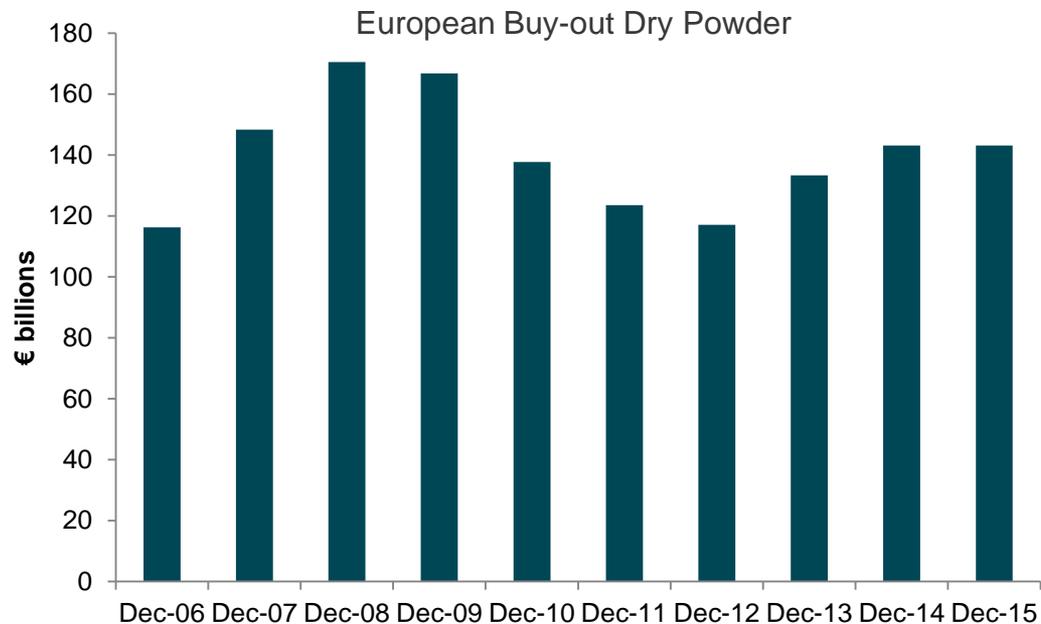
Total distributions for the year totalled £17m

- The Company repurchased 1.5 million shares at a cost of £9.1m
  - At an average discount to the estimated prevailing NAV of 18% this improved NAV per share by 0.6%
- A first ever interim dividend of 5.0p per share was paid totalling £3.6m
- The board has proposed a final dividend of 6.0p per share taking the total dividend to 11.0p per share (£7.9m)
- This takes total distributions to £17.0m or 23.8p per share for the year against 15.5p for the prior year
- The proposed total dividend represents a yield of 2.0% against the year end share price of 545p
  - The Company has elected to pay the dividend as an income distribution
- The new manager is focussed on investing the cash on balance sheet through opportunities sourced via its global investment network
- The Company will however consider further share buy-backs on an opportunistic basis

## 8. Market

### High levels of fundraising activity should drive continued realisations

- Fundraising for European buy-out funds in 2015 was up 45% to €45bn
- The level of uninvested commitments remains high
- This provides considerable support for future realisations

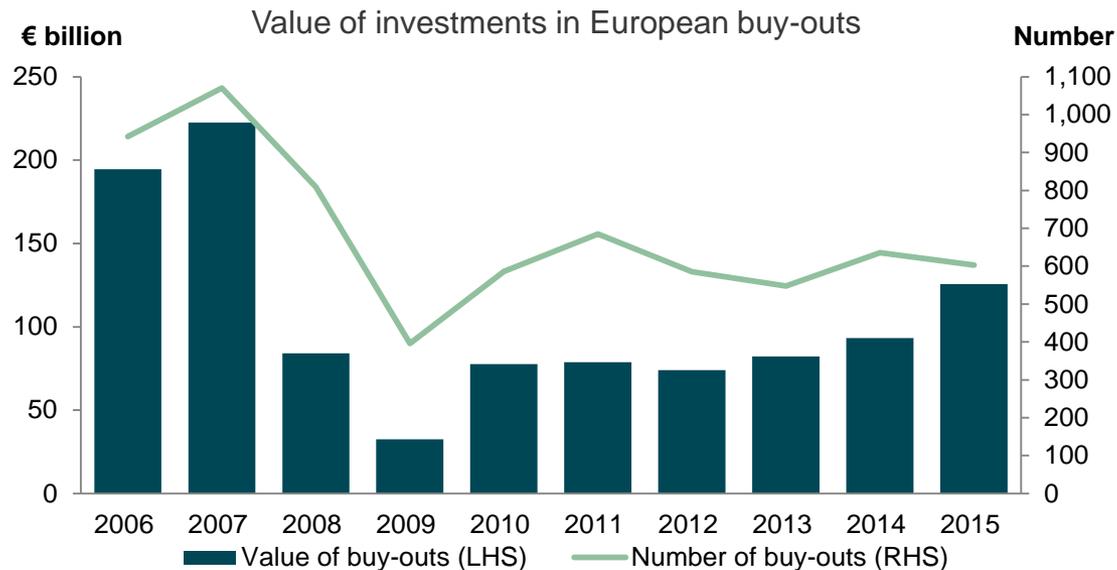


Note: Data sourced from Preqin

## 8. Market

There was a significant step up in the value of buy-outs in the year

- The value of European buy-outs grew 37% (+€36bn) in the year to €132bn
- This was driven by a €29bn increase in activity in continental Europe. The UK market grew €7bn (+28%)
- The value of transactions in the UK mid-market fell 25% (€4bn) though. This reflect a 23% fall in the number of transactions completed in the year



Note: Data sourced from Unquote and S&P

## 9. Conclusion

### ICG Enterprise is well positioned for future growth

- The environment for realisations remains favourable and managers will be seeking exits
  - The post-crisis vintages are expected to drive performance
- The portfolio continues to perform well
  - The Top 30 companies grew EBITDA in the 12 months to Dec-15 by 10%
  - The performance of more recent vintages is encouraging
- The performance of the Top 30 is stronger than the FTSE All-Share and its valuation is lower:

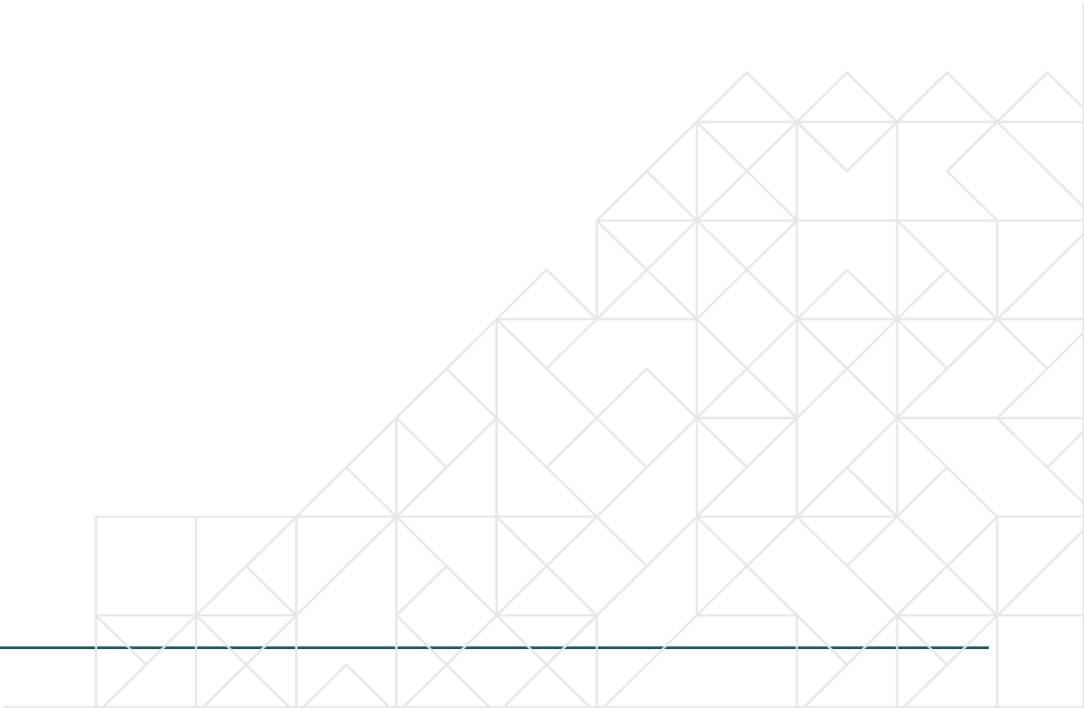
	ICGT Top 30	FTSE All-Share
EBITDA growth 12 months to 31-Dec-15	10%	(14)%
Implied EBITDA multiple at 15-Apr-16	7.6x <sup>1</sup>	12.3x

Notes:

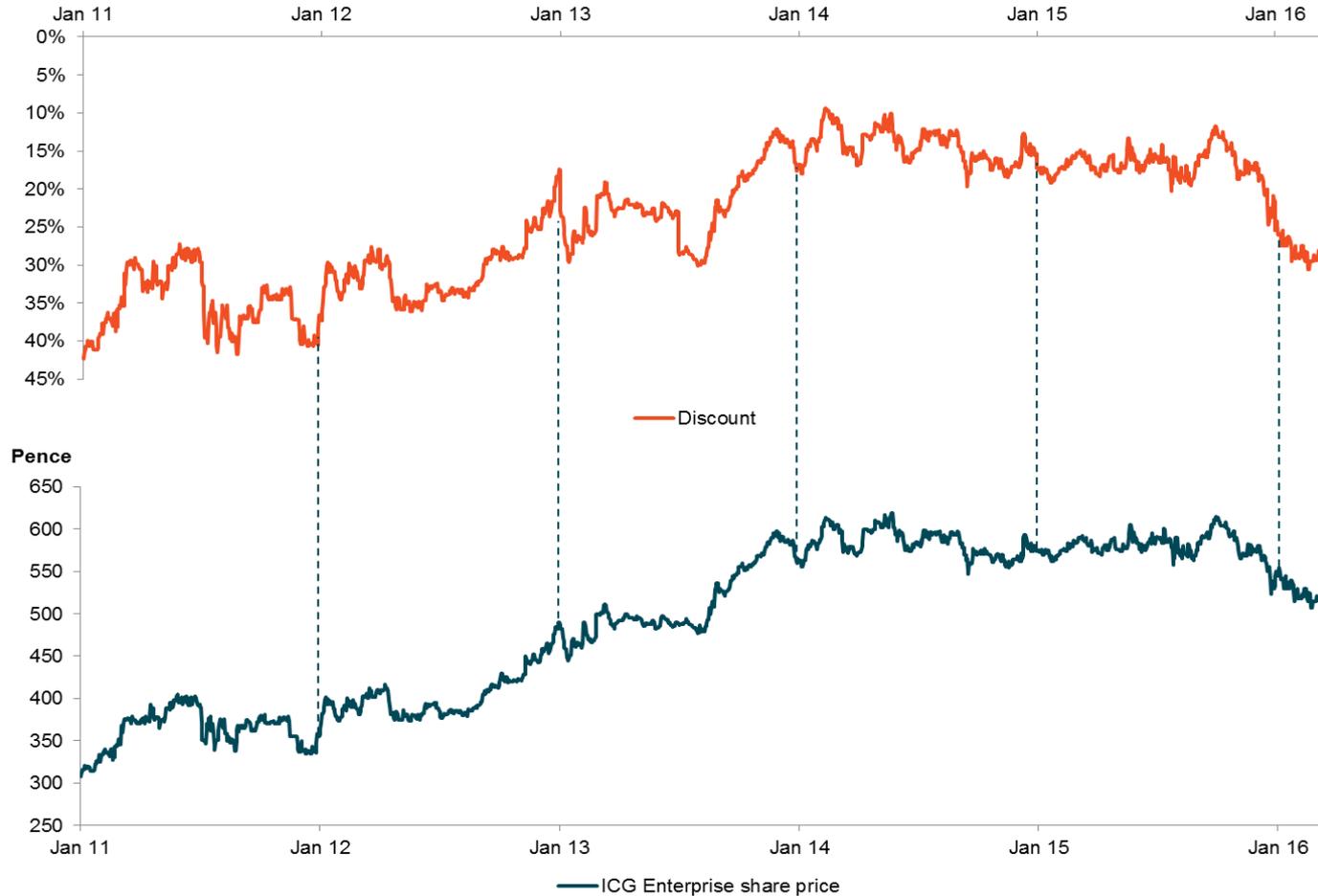
1. Applies share price discount to the valuation of the 30 largest underlying companies at 31-Jan.

2. Source for FTSE All-Share data: Bloomberg.

# Appendices



# Historic share price discount to prevailing NAV



# ICG Team



**Christophe Evain**  
Executive Director and Chief  
Executive Officer



**Benoit Durteste**  
Executive Director and Head  
of European Investments



**Philip Keller**  
Executive Director and Chief  
Financial Officer



**Emma Osborne**  
Head of Private Equity Fund  
Investments (“PEFI”)



**Kane Bayliss**  
Director  
PEFI



**Colm Walsh**  
Associate Director  
PEFI



**Fiona Bell**  
Associate Director  
PEFI



**Kelly Tyne**  
Associate  
PEFI



**Mark Crowther**  
Director  
Investor Relations



**Michael Pote**  
Associate Director  
Finance



**Andy Lewis**  
General Counsel



**Stuart Griffiths**  
Group Compliance Officer

# Useful information

<b>Structure:</b>	Company registered in England and Wales	<b>Ticker:</b>	ICGT.LON
	Investment trust tax status	<b>ISIN:</b>	GB0003292009
	Registered company number: 01571089	<b>SEDOL:</b>	0329200

**Listing:** Premium London listing      **Website:** [www.icg-enterprise.co.uk](http://www.icg-enterprise.co.uk)

**Broker:** J.P.Morgan Cazenove      Angus Wilton (sales): + 44 (0) 20 7155 8122

**Manager:** ICG Alternative Investment Limited

Authorised and regulated by the Financial Conduct Authority under the Alternative Investment Fund Manager Directive

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