

## Apax Global Alpha Limited

### Quarterly results for the period ended 31 March 2021

#### Key highlights

- Strong performance during the quarter: AGA's Total NAV Return<sup>1</sup> was 10.4% (6.8% constant currency).
- Focus on four key sectors and a strategy of business improvement in private equity driving strong returns in the portfolio.
- Two full exits signed or closed (Boats Group, Signavio), one significant partial exit (Psagot), and one public listing (InnovAge) in Private Equity. Excluding the InnovAge IPO (primary only), the average uplift on exits was 50.5%<sup>2</sup> to previous Unaffected Valuations<sup>2</sup>.
- Apax X continues to have a strong pipeline of new investments, having signed or closed six new deals in the first quarter.
- The Derived Investment portfolio had a Total Return<sup>1</sup> of 8.0% in Q1, driven by strong performance in Derived Debt which makes up the largest part of the Derived Investment portfolio and a rebound in the Derived Equity positions.
- AGA's liquidity position is healthy with €100m of cash and its evergreen revolving credit facility of €140m undrawn. Derived Investments of €369m<sup>3</sup> provide a further source of funding for AGA.
- Consumer sector renamed 'Internet / Consumer' (incorporating all online marketplaces previously included under Services) to reflect increased focus on digital consumer opportunities away from traditional retail.

#### Commenting on the results, Ralf Gruss, COO of Apax Partners, said:

*"It has been a very good start to the year with AGA continuing to deliver strong NAV performance in the quarter. There is a strong pipeline of new investments and the current portfolio is performing well, benefitting from a focus on sectors that are showing strong structural growth, and investment in digital enablement and digital acceleration. As global economies continue to open, AGA's portfolio is well positioned for continued growth and to generate further value for shareholders."*

#### Financial highlights

- Significant growth in Adjusted NAV<sup>3</sup> to €1.3 billion, up from €1.2 billion in the last quarter, despite dividend payment of 5.28p per share during the quarter.
- Portfolio weighted towards Private Equity (69%) vs. Derived Investments (31%).
- AGA was 93% invested as at 31 March 2021 and had outstanding commitments to the Apax Funds (together with recallable distributions) of €443m.

	Q1 2021 (EUR)	Q1 2021 (GBP)
Adjusted NAV <sup>3</sup>	EUR 1,297m	GBP 1,106m
Adjusted NAV <sup>3</sup> per share	EUR 2.64	GBP 2.25
NAV <sup>3</sup> per share	EUR 2.65	GBP 2.25

	Exposure	Q1 2021	Q1 2021 constant currency
Total NAV Return <sup>1</sup>		10.4%	6.8%
Total Return <sup>1</sup> – Private Equity	64%	13.7%	9.6%
Total Return <sup>1</sup> – Derived Debt	25%	6.4%	2.5%
Total Return <sup>1</sup> – Derived Equity	4%	18.3%	14.1%
Cash & Others	7%		

#### Private Equity portfolio highlights

- The Private Equity portfolio performed strongly in the quarter: Total Return<sup>1</sup> of 13.7% (9.6% constant currency).
- Deal activity reflective of Apax's 'good to great' investment strategy and sub-sector expertise, focusing on opportunities where there is a significant re-rating at exit based on business quality improvement.
- Aggregate Gross IRR<sup>4</sup> and Gross MOIC<sup>4</sup> on Private Equity exits in Q1 2021, excluding the InnovAge IPO (primary only), were 15.3% and 1.7x respectively. Including the InnovAge IPO the aggregate Gross IRR<sup>4</sup> and Gross MOIC<sup>4</sup> increase to 134.5% and 2.5x, respectively.
- On a look-through basis, AGA invested c.€70m<sup>5</sup> in six new investments signed or closed during the period. (Azentio, Lutech, Herjavec, PIB Group, Rodenstock and idealista)
- Continued strong operating performance from the portfolio companies with earnings growth accelerating in Q1 2021: LTM Revenue<sup>6</sup> and EBITDA growth<sup>6</sup> of 12.1% and 44.2% respectively across the Private Equity portfolio.

### **Derived Investments portfolio highlights**

- Derived Investments leverage the insights and expertise of the Investment Advisor. The portfolio is weighted towards Tech and is predominantly invested in Derived Debt (87% of Derived Investments).
- Strong performance of Derived Investments with a Total Return<sup>1</sup> of 8.0% (4.0% constant currency) in Q1, driven by performance in Derived Debt with a Total Return<sup>1</sup> of 6.4% (2.5% constant currency).
- Performance of Derived Equity rebounded during the period with a Total Return<sup>1</sup> of 18.3% (14.1% constant currency).
- Continued deployment of excess liquidity into Derived Debt with new investments of €54.7m<sup>7</sup>.

For further information regarding the announcement of AGA's 2021 first quarter results, including the Company's results presentation and dial-in details for today's analyst and investor webcast at 9.30am (UK time), please visit [www.apaxglobalalpha.com](http://www.apaxglobalalpha.com).

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## APPENDIX

### Movements in NAV

Adjusted NAV <sup>3</sup> movements (€m)	Private Equity	Derived Investments	Cash	Treasury Shares	Facility drawn	Other	1Q 20 Total
<b>Adjusted NAV at 31.12.20</b>	<b>788.3</b>	<b>319.4</b>	<b>124.6</b>	-	-	(31.1)	<b>1,201.2</b>
+ Investments	41.2	54.7	(126.8)	-	-	30.9	-
- Distributions/ divestments	(101.5)	(28.1)	129.6	-	-	-	-
+ Interest and dividend income	-	-	5.3	-	-	-	5.3
+/- Gains/(losses)	73.1	10.3	-	-	-	-	83.4
+/- FX gains/(losses) <sup>8</sup>	29.6	12.6	0.4	-	-	-	42.6
+/- Costs and other movements	-	-	(3.2)	-	-	0.2	(3.0)
- Dividends paid	-	-	(30.0)	-	-	-	(30.0)
+/- Performance fee reserve	-	(2.9)	-	-	-	-	(2.9)
+/- Treasury shares	-	-	-	-	-	-	-
+/- Revolving credit facility drawn/repaid	-	-	-	-	-	-	-
<b>Adjusted NAV at 31.3.21<sup>3</sup></b>	<b>830.7</b>	<b>366.0</b>	<b>99.9</b>	-	-	-	<b>1,296.6</b>

### Private Equity – operational metrics

Private Equity – operational metrics	31 March 2021	31 December 2020
Portfolio year-over-year LTM revenue growth <sup>6</sup>	12.1%	6.6%
Portfolio year-over-year LTM EBITDA growth <sup>6</sup>	44.2%	20.8%
Enterprise Value / EBITDA valuation multiple <sup>6</sup>	18.2x	16.9x
Net debt / EBITDA multiple <sup>6</sup>	3.9x	3.9x

### Derived Investments – operational metrics

Derived Investments – operational metrics	31 March 2021	31 December 2020
Debt year-over-year LTM EBITDA growth <sup>9</sup>	30.3%	26.2%
Debt average income yield to maturity <sup>9</sup>	7.3%	8.1%
Debt average years to maturity	5.6	5.7
Debt average income yield <sup>10</sup>	6.9%	7.3%
Equity price-to-earnings ratio <sup>11</sup>	9.1x	7.1x

### Other Invested Portfolio highlights

Invested Portfolio analysis <sup>12</sup>	€m	€m	%	%
Private Equity		830.7		69%
- AMI	25.5		2%	
- AEVI	6.3		0%	
- AEVII	30.6		2%	
- AVIII	169.4		14%	
- AIX	498.3		42%	
- ADF	31.2		3%	
- AX	69.4		6%	
Derived Investments		368.9		31%
- Derived Debt	332.8		27%	
- Derived Equity	46.1		4%	
<b>Total</b>		<b>1,199.6</b>		<b>100%</b>

### Footnotes

1. "Total NAV Return" means the movement in the Adjusted NAV per share over the quarter plus any dividends paid. "Total Return" reflects the sub-portfolio performance on a stand-alone basis. It excludes items at the overall AGA level such as cash, management fees, and costs
2. Valuation uplifts on exits are calculated based on the total actual or estimated sales proceeds and income as appropriate since the last Unaffected Valuation. Unaffected Valuation is determined as the fair value in the last quarter before exit, when valuation is not affected by the exit process (i.e. because an exit was signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation). Average uplift of full exits and significant partial exits in the current quarter calculated based on the expected sales proceeds and/ or the fair value remaining. Weighted average uplift on two full exits, one significant partial exit and one public listing (InnovAge) were 91.2%, whilst excluding InnovAge's IPO weighted average uplift was 50.5%
3. NAV was €1,299.5m whilst Adjusted NAV was €1,296.6m reflecting the estimated performance fee reserve of €2.9m at period end. Private Equity NAV and Adjusted NAV were the same at €830.7m. Derived Investments NAV was €368.9m whilst it's Adjusted NAV was €366.0m reflecting the adjustment for the performance fee reserve of €2.9m.
4. Private Equity Aggregate Gross IRR and Gross MOIC of 15.3% and 1.7x calculated based on the expected aggregate cash flows across all funds for the 2 full exits (Boats Group and Signavio) and 1 significant partial exit (Psagot). Including InnovAge (all primary) Gross IRR and Gross MOIS were 134.5% and 2.5x respectively. Gross IRR represents concurrent Gross IRR
5. Invested cost remains subject to closing on investments signed which have yet to close (Lutech, Herjavec Group, Rodenstock)
6. Gross Asset Value weighted average of the respective metric across the portfolio. LTM Revenue growth and LTM EBITDA growth rates exclude companies where EBITDA is not meaningful such as financial services or high growth business with fluctuations in EBITDA. TietoEVRY is also excluded due to the unavailability of reported data. Net debt/EBITDA multiple and EV/EBITDA valuation multiple excluded companies where EBITDA is not meaningful such as financial services or companies with negative EBITDA, or high growth business valued on a revenue basis. MATCHESFASHION.COM is excluded due to low EBITDA from opex investments and short-term fluctuations in EBITDA. Cole Haan has been excluded at March 2021 as it has negative EBITDA
7. Total invested of €54.7m includes €1.2m related to a delayed draw on existing position Evercommerce during the period
8. FX on cash includes the revaluation of cash balances and net losses arising from the differences in exchange rates between transaction dates and settlement dates, and unrealised net losses arising from the translation into euro of assets and liabilities (other than investments) which are not denominated in euro
9. Gross Asset Value weighted average of the respective metric across the Derived Debt portfolio
10. Gross Asset Value weighted average of the current full year income (annual coupon/clean price as at the respective date) for each debt position in the Derived Debt portfolio as at the respective date
11. Gross Asset Value weighted average of the respective metric across the Derived Equity portfolio. (Answers, FullBeauty and Cengage were excluded from both LTM earnings growth and P/E ratio)
12. Invested Portfolio excludes cash and cash equivalents, revolving credit facility drawn and net current assets, including these the NAV was €1,299.5m and Adjusted NAV was €1,296.6m reflecting adjustment of €2.9m for the estimated performance fee reserve accrued

## Notes

1. Note that references in this announcement to Apax Global Alpha Limited have been abbreviated to "AGA" or "the Company". References to Apax Partners LLP have been abbreviated to "Apax Partners" or "the Investment Adviser"
2. Please be advised that this announcement may contain inside information as stipulated under the Market Abuse Regulations (EU) NO. 596/2014 ("MAR")
3. This announcement is not for release, publication or distribution, directly or indirectly, in whole or in part, into or within the United States or to "US persons" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) or into or within Australia, Canada, South Africa or Japan. Recipients of this announcement in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements in their jurisdictions. In particular, the distribution of the announcement may be restricted by law in certain jurisdictions
4. The information presented herein is not an offer for sale within the United States of any equity shares or other securities of Apax Global Alpha Limited ("AGA"). AGA has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition, AGA's shares (the "Shares") have not been and will not be registered under the Securities Act or any other applicable law of the United States. Consequently, the Shares may not be offered or sold or otherwise transferred within the United States, or to, or for the account or benefit of, US Persons, except pursuant to an exemption from the registration requirements of the Securities Act and under circumstances which will not require AGA to register under the Investment Company Act. No public offering of the Shares is being made in the United States
5. This announcement may include forward-looking statements. The words "expect", "anticipate", "intends", "plan", "estimate", "aim", "forecast", "project" and similar expressions (or their negative) identify certain of these forward-looking statements. These forward-looking statements are statements regarding AGA's intentions, beliefs or current expectations concerning, among other things, AGA's results of operations, financial condition, liquidity, prospects, growth and strategies. The forward-looking statements in this presentation are based on numerous assumptions regarding AGA's present and future business strategies and the environment in which AGA will operate in the future. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of AGA to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond AGA's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as AGA's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which AGA operates or in economic or technological trends or conditions. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. AGA expressly disclaims any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in AGA's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this announcement, or to update or to keep current any other information contained in this announcement. Accordingly, undue reliance should not be placed on the forward-looking statements, which speak only as of the date of this announcement.

**About Apax Global Alpha Limited**

AGA is a Guernsey registered closed-ended collective investment scheme incorporated as a non-cellular company that listed on the London Stock Exchange on 15 June 2015. It is regulated by the Guernsey Financial Services Commission.

AGA's objective is to provide shareholders with capital appreciation from its investment portfolio and regular dividends. The Company is targeting an annualised Total Return, across economic cycles, of 12-15% (net of fees and expenses) including a dividend yield of 5% of Net Asset Value.

The investment policy of the Company is to make Private Equity investments in Apax Funds, and Derived Investments which are investments in equities and debt derived from the insights gained via Apax Partners' Private Equity activities.

Further information regarding the Company and its publications are available on the Company's website at [www.apaxglobalalpha.com](http://www.apaxglobalalpha.com).

**About Apax Partners LLP**

Apax Partners LLP ("Apax") is a leading global private equity advisory firm. For nearly 50 years, Apax has worked to inspire growth and ideas that transform businesses. The firm has raised and advised funds with aggregate commitments of more than \$60 billion. The Apax Funds invest in companies across four global sectors of Tech, Services, Healthcare, and Internet/Consumer. These funds provide long-term equity financing to build and strengthen world-class companies. For further information about Apax, please visit [www.apax.com](http://www.apax.com).

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