

Apax Global Alpha Limited

Quarterly results for the period ended 30 September 2020

Key highlights

- Strong performance during the quarter: AGA's Total NAV Return¹ was 8.5% (11.7% constant currency).
- Exposure to Tech & Telco / Digital, Services, and Healthcare underpinned resilience of the portfolio during Covid-19 and is driving strong returns in the Private Equity portfolio.
- Two Private Equity exits signed (idealista, Neuraxpharm) and two IPO's (Duck Creek, Max Stock) at an average uplift of 63%² to June 2020 valuations.
- New Private Equity investment in legal practice management software provider MyCase announced.
- AGA's liquidity position is healthy with €72.9m of cash and its revolving credit facility of €140.0m remained undrawn. Derived Investments of €275.7m provide a further source of funding for AGA.
- Dividend of 4.87p paid during the period, in line with AGA's stated dividend policy of distributing 5% of NAV per annum.
- Whilst the economic outlook remains uncertain with Covid-19 infection numbers rising across the globe, the Apax Funds' focus on: i) sub-sector expertise; ii) driving business transformation; and iii) investing with modest average entry leverage levels leaves the portfolio well-positioned as the pandemic evolves.

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

"Despite the challenging environment, we are pleased to see that AGA's investment strategy and sector focus have delivered continued strong NAV performance in the quarter. In the private equity portfolio, there were several successful realisations in the period as well as attractive new investments. Whilst the impact of further lockdown measures remains to be seen, AGA's private equity portfolio has proven to be resilient and is well positioned."

Financial highlights

- Significant growth in Adjusted NAV³ to €1.12 billion, up from €1.06 billion in the last quarter.
- Portfolio weighted towards Private Equity (74%) vs. Derived Investments (26%), and resilient sectors such as Tech & Telco (44%), Services (27%) and Healthcare (19%).

Adjusted NAV ³	EUR 1,124m	GBP 1,020m
Adjusted NAV ³ per share	EUR 2.29	GBP 2.08
NAV ³ per share	EUR 2.29	GBP 2.08

	Exposure	Q3 2020	Q3 2020 constant currency
Total NAV Return ¹		8.5%	11.7%
Total Return ¹ – Private Equity	70%	12.4%	15.9%
Total Return ¹ – Derived Debt	22%	2.1%	5.7%
Total Return ¹ – Derived Equity	3%	(2.4%)	(1.0%)
Cash & Others	5%		

Private Equity portfolio highlights

- The Private Equity portfolio performed strongly in the quarter: Total Return¹ of 12.4% (15.9% constant currency).
- Exit activity reflective of Apax Partners' investment strategy and sub-sector expertise (software, digital marketplaces, and specialty pharmaceuticals) and showing a significant re-rating at exit, with portfolio companies having undergone a business transformation under the Apax Funds' ownership.
- Aggregate Gross IRR⁴ and Gross MOIC⁴ on Private Equity full exits and IPO's in Q3 2020 were 51% and 5.5x respectively.
- On a look-through basis, AGA invested c.€7.9m in one new investment (MyCase) which also closed in the period.
- Continued strong operating performance from the portfolio companies: Revenue and EBITDA growth of 10.4% and 17.8% 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 & Telco and is predominantly invested in Derived Debt (88% of Derived Investments).
- Solid performance of Derived Debt with a Total Return¹ of 2.1% (5.7% constant currency).
- Limited exposure to Derived Equity with remaining portfolio still affected by depressed valuation multiples across a number of positions. Total Return¹ of (2.4%) ((1.0%) on a constant currency basis).
- Derived Debt exited FullBeauty debt at a Gross MOIC⁵ of 0.7x, generating proceeds of €1.1m. Gross IRR⁵ on Derived Equity exit Lonza was 35.0% and Gross MOIC⁵ was 1.7x.
- Deployment of excess liquidity into Derived Debt with new investments of €13.6m.

For further information regarding the announcement of AGA's 2020 third quarter results, including the Company's results presentation and details for today's analyst and investor webcast at 9.30am (UK time), please visit www.apaxglobalalpha.com.

Contact details

Katarina Sallerfors
Investor Relations - AGA
Telephone: +44 (0)207 666 6526
Email: katarina.sallerfors@apax.com

APPENDIX

Movements in NAV

Adjusted NAV ³ movements (€m)	Private Equity	Derived Investments	Cash	Treasury Shares	Facility drawn	Other ⁴	3Q 20 Total	LTM Sep 20
Adjusted NAV at 30.06.20	742.5	281.5	33.8	-	-	2.9	1,060.7	1,055.8
+ Investments	0.3	13.6	(3.7)	-	-	(10.2)	-	-
- Distributions/ divestments	(47.5)	(18.1)	67.0	-	-	(1.4)	-	-
+ Interest and dividend income	-	-	6.8	-	-	(1.6)	5.2	20.0
+/- Unrealised gains/(losses)	113.5	5.4	-	-	-	-	118.9	151.4
+/- Realised gains/(losses)	-	2.2	-	-	-	-	2.2	13.4
+/- FX gains/(losses) ⁶	(24.7)	(8.9)	(0.7)	-	-	-	(34.3)	(53.5)
+/- Costs and other movements	-	-	(3.8)	-	-	1.8	(2.0)	(7.7)
- Dividends paid	-	-	(26.5)	-	-	-	(26.5)	(52.9)
+/- Performance fee reserve ⁷	-	-	-	-	-	-	-	(2.3)
+/- Treasury shares	-	-	-	-	-	-	-	-
+/- Revolving credit facility drawn/repaid	-	-	-	-	-	-	-	-
Adjusted NAV at 30.09.20³	784.1	275.7	72.9	-	-	(8.5)	1,124.2	1,124.2

Private Equity – operational metrics

Private Equity – operational metrics	30 September 2020	30 June 2020
Portfolio year-over-year LTM revenue growth ⁸	10.4%	11.0%
Portfolio year-over-year LTM EBITDA growth ⁸	17.8%	16.0%
Enterprise Value / EBITDA valuation multiple ⁸	17.8x	17.0x
Net debt / EBITDA multiple ⁸	4.1x	4.2x
Number of closed investments in the period ⁹	3	6
Number of exits for the period ⁹	2	3

Derived Investments – operational metrics

Derived Investments – operational metrics	30 September 2020	30 June 2020
Debt year-over-year LTM EBITDA growth ¹⁰	22.4%	9.7%
Debt average income yield to maturity ¹⁰	8.8%	9.2%
Debt average years to maturity	5.5	5.7
Debt average income yield ¹¹	7.8%	7.8%
Equity year-over-year LTM earnings growth ¹²	5.2%	7.0%
Equity price-to-earnings ratio ¹²	7.8x	20.8x
Number of investments for the period ¹³	4	4
Number of full exits for the period ¹⁴	2	7

Other Invested Portfolio highlights

Invested Portfolio analysis ¹⁵	€m	€m	%	%
Private Equity		784.1		74%
- AMI	21.8		2%	
- AEVI	5.2		0%	
- AEVII	29.1		3%	
- AVIII	263.8		25%	
- AIX	435.4		41%	
- ADF	28.6		3%	
- AX	0.2		0%	
Derived Investments		275.7		26%
- Derived Debt	243.4		23%	
- Derived Equity	32.3		3%	
Total		1,059.8		100%

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 IPO's in the current quarter calculated based on the expected sales proceeds from the two full exits signed (idealista & Neuraxpharm) and the fair value based on the closing share price at 30 September 2020, in addition to proceeds received in the quarter for the two IPOs (Duck Creek & Max Stock). Genius Sports Group which announced that it would go public through a combination with a special purpose acquisition vehicle post quarter end.
3. Adjusted NAV and NAV were the same at €1,124.2m as the performance fee reserve was nil at period end
4. Private Equity Aggregate Gross IRR and Gross MOIC calculated based on the expected aggregate cash flows in euro across all funds for the deals signed and IPO'd in the period (idealista, Neuraxpharm, Duck Creek & Max Stock). Gross IRR represents concurrent Gross IRR.
5. Derived Debt and Equity Gross MOIC and/or Gross IRR calculated based on aggregate euro cash flows since inception for deals fully exited during 3Q 2020. FullBeauty (debt) and Lonza (equity).
6. 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
7. Movement in the LTM Sep 20 Private Equity performance fee reserve of €2.3m reflects the increase and settlement of the performance fee reserve by the Company's purchase of shares in the market and subsequent issuance of those shares to the Investment Manager. This does not represent the underlying Private Equity portfolio's carried interest. There was no performance fee accrued during 3Q 2020 or YTD 2020
8. 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. Huayue Education and TietoEVRY are 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 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.
9. Private Equity closed 3 investments in 3Q 2020. Innovage closed in July 2020 and PriceFx closed in August 2020 whilst MyCase closed in September 2020. Apax VIII signed the sales of idealista and Neuraxpharm during the period. Additionally Apax VIII's investment Duck Creek listed in August 2020 and AMI's investment Max Stock listed in September 2020.
10. Gross Asset Value weighted average of the respective metric across the Derived Debt portfolio
11. 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
12. 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)
13. Represents two new debt investments (first lien positions in PCI and Veritext) and two add-ons to existing positions (Amerilife and a delayed draw of Evercommerce). There were no new equity positions.
14. Represents exits in Derived Debt (FullBeauty) and Derived Equity (Lonza) in 3Q 2020
15. Invested Portfolio excludes cash and cash equivalents, revolving credit facility drawn and net current assets, including these the NAV is €1,124.2m and Adjusted NAV was the same as there was no performance fee reserve at 30 September 2020

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.

About Apax Partners LLP

Apax Partners LLP ("Apax Partners") is a leading global private equity advisory firm and over its more than 40-year history, Apax Partners has raised and advised funds with aggregate commitments of over €40 billion. Funds advised by Apax Partners invest in companies across four global sectors of Tech & Telco, Services, Healthcare and Consumer. These funds provide long-term equity financing to build and strengthen world-class companies.

For further information about Apax Partners, please visit www.apax.com. Apax Partners is authorised and regulated by the Financial Conduct Authority in the UK.