

Apax Global Alpha Limited
Annual results for the period ended 31 December 2020

Key highlights

- Strong full year performance delivered a Total NAV Return¹ of 14.8% (21.6% constant currency) despite a challenging Covid-19 backdrop
- Benefitted from sector-driven strategy and portfolio weighting towards Tech and Digital (47% of invested portfolio) which proved more resilient against the impact of Covid-19.
- Private Equity portfolio was the key driver of strong full year results, achieving 25.4% Total Return¹, and AGA received distributions of €207.3m during the period. The average uplift on Private Equity exits was 40%² to previous Unaffected Valuations².
- Continued to invest in attractive opportunities with nine new Private Equity investments in Apax X and the Apax Digital Fund, primarily in technology.
- Robust performance of Derived Debt portfolio impacted by currency headwinds (0.2% Total Return, 7.4% constant currency Total Return).
- Healthy liquidity position with €93.5m of available cash³ and an unused revolving credit facility of €140.0m, and which post-period end was converted to an evergreen structure⁴. Derived Investments of €319.4m provide a further source of capital flexibility.
- Dividend of 5.28p per share declared for the full year 2020, in line with AGA's stated dividend policy of distributing 5% of NAV per annum.

Tim Breedon CBE, Chairman of Apax Global Alpha, said:

"While progress in developing and deploying a range of vaccines against Covid-19 is encouraging, the outlook remains uncertain. Five years post IPO, AGA's portfolio is now mature with Private Equity generating substantial cash distributions and the portfolio diversified across funds at all stages of the investment cycle. Against the current market backdrop, the resilience of the portfolio and AGA's sector-driven strategy means the Company should continue to provide long-term value generation opportunities and attractive income for shareholders."

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

"AGA performed strongly in 2020, delivering double-digit total NAV returns for investors. The strength of the business model can be seen through several successful realisations with good uplifts as well as attractive new investments despite the challenging market conditions. The focus on global opportunities across four key sectors means AGA's portfolio continues to be well positioned for emerging opportunities as we come out of the crisis."

Financial highlights

- Adjusted NAV⁵ grew to €1.20 billion, up from €1.09 billion in 2019.
- Portfolio weighted towards Private Equity (71%) vs. Derived Investments (29%), and resilient sectors such as Tech and Digital (47%), Services (26%) and Healthcare (18%).
- AGA was 93% invested. As at 31 December 2020 the Company had outstanding commitments to the Apax Funds (together with callable distributions) of €458.8m (38% of NAV). In addition to future Private Equity distributions, funding sources that can be accessed for future Private Equity calls include Derived Investments of €319.4m, an undrawn revolving credit facility of €140.0m, available cash³ of €93.5m.

	FY 2020	FY 2020	FY 2019	FY 2019
Adjusted NAV ⁴	EUR 1,201m	GBP 1,074m	EUR 1,092m	GBP 924m
Adjusted NAV ⁴ per share	EUR 2.45	GBP 2.19	EUR 2.22	GBP 1.88
NAV ⁴ per share	EUR 2.45	GBP 2.19	EUR 2.24	GBP 1.89

	Exposure	FY 2020	FY 2020 constant currency
Total NAV Return ¹		14.8%	21.6%
Total Return ¹ – Private Equity	66%	25.4%	32.6%
Total Return ¹ – Derived Debt	23%	0.2%	7.4%
Total Return ¹ – Derived Equity	4%	(3.8%)	2.5%
Cash & Others	7%		

Private Equity portfolio highlights

- The Private Equity portfolio performed strongly, delivering Total Return of 25.4% (32.6% constant currency) in the year.
- Exit activity was reflective of Apax Partners' investment strategy and sub-sector expertise (including in software, tech-enabled services, online marketplaces, and specialty pharmaceuticals) with average uplifts to Unaffected Valuations² of 40% achieved on exits. This is testament to the business transformation achieved under the Apax Funds' ownership.
- Aggregate Gross IRR⁶ and Gross MOIC⁶ on Private Equity exits⁷ and IPO's in FY 2020 were 45.0% and 4.1x respectively.
- On a look-through basis, AGA invested c.€69.4m in nine new investments during the year, primarily in Tech.
- Continued strong operating performance from the portfolio companies: Revenue and EBITDA growth of 6.6% and 20.8% respectively across the Private Equity portfolio.

Derived Investments portfolio highlights

- Derived Investments leverage the insights and expertise of Apax Partners. The portfolio is weighted towards Tech and Digital and is predominantly invested in Derived Debt (86% of Derived Investments).
- The Derived Investment portfolio was adversely impacted by the weakness of the US Dollar. On a constant currency basis, the portfolio was up 6.5%, translating to a Total Return of (0.6)% in euro terms.
- AGA deployed €87.4m in ten new investments in Derived Debt during the year, reflecting AGA's strategy to invest capital as it becomes available following exits in the Private Equity portfolio. There were no new investments in Derived Equity.
- Aggregate Gross IRR⁸ and Gross MOIC⁸ on Derived Debt realisations were 12.2% and 1.2x respectively whilst Derived Equity realisations generated an aggregate Gross IRR⁸ and Gross MOIC⁸ of 25.5% and 1.7x

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

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APPENDIX

Movements in NAV

Adjusted NAV ⁵ movements (€m)	Private Equity	Derived Investments	Cash	Treasury Shares	Facility drawn	Other ⁹	Total
Adjusted NAV at 31.12.19	759.4	342.2	3.3	-	-	(12.8)	1,092.1
+ Investments	55.7	87.4	(124.8)	-	-	(18.3)	-
- Distributions/ divestments	(207.3)	(90.0)	296.7	-	-	0.6	-
+ Interest and dividend income	-	-	18.8	-	-	(0.4)	18.4
+/- Gains/(losses)	225.1	1.4	-	-	-	-	226.8
+/- FX gains/(losses) ¹⁰	(51.5)	(21.9)	(2.4)	-	-	-	(75.8)
+/- Costs and other movements	-	-	(7.2)	-	-	(0.2)	(7.4)
- Dividends paid	-	-	(52.9)	-	-	-	(52.9)
+/- Performance fee reserve ¹¹	6.9	-	-	(6.9)	-	-	-
+/- Shares purchased	-	-	(6.9)	6.9	-	-	-
+/- Revolving credit facility drawn/repaid	-	-	-	-	-	-	-
Adjusted NAV at 31.12.20	788.3	319.4	124.6	-	-	(31.1)	1,201.2

Private Equity – operational metrics

Private Equity – operational metrics	31 December 2020	31 December 2019
Portfolio year-over-year LTM revenue growth ¹²	6.6%	20.9%
Portfolio year-over-year LTM EBITDA growth ¹²	20.8%	15.9%
Enterprise Value / EBITDA valuation multiple ¹²	16.9x*	17.2x
Net debt / EBITDA multiple ¹²	3.9x*	3.7x

*Excluding Cole Haan which faced significant challenges throughout the year due to lockdown measures and distorts the numbers. Including Cole Haan, the weighted average valuation multiple was 22.4x and portfolio net debt was 5.2x LTM EBITDA.

Derived Investments – operational metrics

Derived Investments – operational metrics	31 December 2020	31 December 2019
Debt year-over-year LTM EBITDA growth ¹³	26.2%	14.6%
Debt average income yield to maturity ¹³	8.1%	9.3%
Debt average years to maturity	5.7	6.0
Debt average income yield ¹⁴	7.3%	8.8%
Equity price-to-earnings ratio ¹⁵	7.1x	20.7x

Other Invested Portfolio highlights

Invested Portfolio analysis ¹⁶	€m	€m	%	%
Private Equity		788.3		71%
- AMI	25.1		2%	
- AEVI	5.3		0%	
- AEVII	29.2		3%	
- AVIII	180.7		16%	
- AIX	500.7		45%	
- ADF	34.3		3%	
- AX	13.0		1%	
Derived Investments		319.4		29%
- Derived Debt	275.7		25%	
- Derived Equity	43.7		4%	
Total		1,107.7		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 partial exits and IPO's includes proceeds received and the closing fair value at 31 December 2020
3. Available cash consists of €124.6m of cash less net current liabilities of €31.1m
4. Either party is required to give 2 years notice to terminate the agreement
5. Adjusted NAV and NAV were the same at €1,201.2m as the performance fee reserve was nil at year end
6. 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 year. Gross IRR represents concurrent Gross IRR.
7. The Apax funds made seven full exits, three significant partial exits and two IPOs.
8. Derived Debt and Equity Gross MOIC and Gross IRR calculated based on aggregate concurrent euro cash flows since inception for deals fully exited during the year.
9. Other reflects net current liabilities at 31 December 2020 of which €31.0m due was related to debt investments that were purchased but had yet to settle at year end.
10. 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
11. Movement in the Private Equity performance fee reserve of €6.9m reflects the 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 for performance fee accrued in the prior year. This does not represent the underlying Private Equity portfolio's carried interest. There was no performance fee accrued during FY 2020.
12. 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 TietoeVERY 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. Cole Haan has been excluded at December 2020 with the Net Debt/EBITDA and EV/EBITDA multiples as 5.2x and 22.4x respectively when included.
13. Gross Asset Value weighted average of the respective metric across the Derived Debt portfolio. (No exclusions)
14. 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
15. Gross Asset Value weighted average of the respective metric across the Derived Equity portfolio (Answers, FullBeauty, Just Group and Cengage were excluded from LTM earnings growth and Answers, FullBeauty and Cengage were excluded from P/E ratio)
16. Invested Portfolio excludes cash and cash equivalents, revolving credit facility drawn and net current assets, including these the NAV is €1,201.2m and Adjusted NAV was the same as there was no performance fee reserve at 31 December 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 nearly 50-year history, Apax Partners has raised and advised funds with aggregate commitments of more than €60 billion. Funds advised by Apax Partners invest in companies across four global sectors of Tech, 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.