

Apax Global Alpha Limited
Annual results for the period ended 31 December 2021

Key highlights

- Total NAV Return¹ of 28.7% (22.8% constant currency), with continued good momentum across the portfolio.
- Total Adjusted NAV² increased to c.€1.5bn (FY20: €1.2bn) with Adjusted NAV per share increasing to €3.02 (£2.54) from €2.45 (£2.19) in the year to 31 December 2021.
- Operating improvements, earnings growth, and a supportive valuation environment drove performance in the portfolio.
- Reflecting increased investment activity in Private Equity, AGA received distributions of €275m from Private Equity exits during the period, achieved at an average uplift of 50.2%³. This was balanced against €200m of calls for new investments.
- Capital not invested in Private Equity was deployed into Derived Debt, with returns in debt driving steady performance in the Derived Investments portfolio which achieved a 15.8% Total Return (9.3% constant currency).
- AGA had a healthy liquidity position with €108m of available cash at 31 December 2021. Derived Investments of €336m provide a further source of capital flexibility.
- Dividend of 12.33p per share declared for the full year 2021, in line with AGA's stated dividend policy of distributing 5% of NAV per annum.

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

"Despite the emergence of new Covid-19 variants throughout the year, we saw strong economic recovery in 2021 and we expect this to continue, albeit with some inflationary pressures. In this environment, AGA's portfolio remained robust with strong NAV growth. In particular, the Private Equity portfolio was able to capitalise on the high valuation environment to exit companies that had completed their transformation journeys or re-rated to very high levels, particularly in technology. Looking ahead, AGA's portfolio remains well positioned to continue delivering attractive value and income to investors."

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

"AGA recorded another strong year in 2021, delivering Total NAV Return of over 28% for investors. The portfolio is benefitting from a sector-led strategy and a focus on multiple levers of value creation and business transformation in Private Equity. Operating performance in the portfolio remains strong and there continues to be real momentum."

Financial highlights

- Adjusted NAV² grew to €1.5bn, compared to €1.2bn at 31 December 2020.
- Invested Portfolio weighted towards Private Equity (75%) vs. Derived Investments (25%), and resilient sectors such as Tech and Digital (40%), Services (24%) and Healthcare (22%).
- AGA was 90% invested as at 31 December 2021 and had outstanding commitments to the Apax Funds (together with recallable distributions) of €385m.
- In addition to future Private Equity distributions, funding sources that can be accessed for Private Equity calls include Derived Investments of €336m and available cash of €108m as at 31 December 2021. This provides AGA with a healthy liquidity position to meet future calls from the Apax Funds.
- AGA also has an undrawn evergreen revolving credit facility⁴ of €140.0m.

	FY 2021	FY 2021	FY 2020	FY 2020
Adjusted NAV ²	EUR 1,482m	GBP 1,247m	EUR 1,201m	GBP 1,074m
Adjusted NAV ² per share	EUR 3.02	GBP 2.54	EUR 2.45	GBP 2.19
NAV ² per share	EUR 3.03	GBP 2.55	EUR 2.45	GBP 2.19

	Exposure	FY 2021	FY 2021 constant currency
Total NAV Return ¹		28.7%	22.8%
Total Return ¹ – Private Equity	68%	41.0%	34.6%
Total Return ¹ – Derived Debt	20%	13.4%	6.9%
Total Return ¹ – Derived Equity	2%	37.5%	30.2%
Cash & Others	10%		

Private Equity portfolio highlights

- The Private Equity portfolio performed strongly, delivering a Total Return of 41.0% (34.6% constant currency) in the year.
- Exit activity reflected Apax's investment strategy of "mining hidden gems" within sub-sectors of expertise, focusing on companies where a significant re-rating opportunity existed based on business quality improvement.
- Average uplift on exits of 50.2% compared to Unaffected Valuations³, reflecting the quality of the portfolio.
- Aggregate Gross IRR⁵ and Gross MOIC⁵ on Private Equity exits⁶ and IPOs in FY 2021 were 54.1% and 4.5x respectively.
- On a look-through basis, AGA invested c.€207.2m in 19 new investments that closed in the year, primarily in Tech & Digital and Services.
- Continued strong operating performance from portfolio companies: LTM Revenue and EBITDA growth of 20.2%⁷ and 35.3%⁷ respectively across the Private Equity portfolio.
- The Enterprise Value/EBITDA valuation multiple was broadly flat on the previous quarter at 23.2x⁷ at the end of December 2021, but higher than that of 31 December 2020 (16.9x). This increase over the year was primarily driven by a re-rating of public markets, particularly in tech.
- The share of publicly listed companies in the Private Equity portfolio increased to 25% in the year.
- AGA made a commitment of \$90m to Apax Digital Fund II which closed at \$1.9bn in the period.

Derived Investments portfolio highlights

- Steady performance in line with expectations across the portfolio with Derived Investments delivering a Total Return of 15.8% (9.3% constant currency) in the year to 31 December 2021, driven primarily by good performance in the Derived Debt portfolio and also benefitting from the appreciation of the US dollar against the Euro.
- Continued focus on investments in first and second lien loans in target sub-sectors in expectation of additional investments in the Private Equity portfolio in the next 12 months – €244m deployed across new debt positions in 2021. There were no new investments in Derived Equity.
- Reflecting the increased share of first lien loans in the portfolio, the average yield to maturity of the portfolio was 6.2% at 31 December 2021.
- Healthy credit portfolio with strong operating performance from underlying Derived Debt portfolio companies: 22.2% LTM EBITDA growth to 31 December 2021.
- Derived Debt delivered a Total Return of 13.4% (6.9% constant currency) and Derived Equity delivered a Total Return of 37.5% (30.2% constant currency) in the year.

For further information regarding the announcement of AGA's 2021 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 movements (€m)	Private Equity	Derived Investments	Cash	Treasury Shares	Facility drawn	Other ⁸	Total
Adjusted NAV at 31.12.20	788.3	319.4	124.6	-	-	(31.1)	1,201.2
+ Investments	199.9	243.5	(474.3)	-	-	30.9	-
- Distributions/ divestments	(275.1)	(263.7)	505.6	-	-	33.2	-
+ Interest and dividend income	-	-	26.5	-	-	0.7	27.2
+/- Gains/(losses)	252.6	13.6	-	-	-	-	266.2
+/- FX gains/(losses) ⁹	47.2	22.8	0.8	-	-	-	70.8
+/- Costs and other movements	-	-	(10.1)	-	-	(0.6)	(10.7)
- Dividends paid	-	-	(64.6)	-	-	-	(64.6)
+/- Performance fee reserve ¹⁰	-	(8.4)	-	-	-	-	(8.4)
+/- Shares purchased	-	-	-	-	-	-	-
+/- Revolving credit facility drawn/repaid	-	-	-	-	-	-	-
Adjusted NAV at 31.12.21	1,012.9	327.2	108.5	-	-	33.1	1,481.7

Private Equity – operational metrics

Private Equity – operational metrics	31 December 2021	31 December 2020
Portfolio year-over-year LTM revenue growth ⁷	20.2%	6.6%
Portfolio year-over-year LTM EBITDA growth ⁷	35.3%	20.8%
Enterprise Value / EBITDA valuation multiple ⁷	23.2x	16.9x
Net debt / EBITDA multiple ⁷	4.2x	3.9x

Derived Investments – operational metrics

Derived Investments – operational metrics	31 December 2021	31 December 2020
Debt year-over-year LTM EBITDA growth ¹¹	22.2%	26.2%
Debt average income yield to maturity ¹¹	6.21%	8.1%
Debt average years to maturity	6.1	5.7
Debt average income yield ¹²	5.4%	7.3%

Other Invested Portfolio highlights

Invested Portfolio analysis ¹³	€m	€m	%	%
- AMI	28.7		2%	
- AEVI	7.1		1%	
- AEVII	24.7		1%	
- AVIII	143.9		11%	
- AIX	537.0		40%	
- ADF	40.4		3%	
- ADF II	(1.1)		0%	
- AX	232.2		17%	
Private Equity		1,012.9		75%
- Derived Debt	304.6		23%	
- Derived Equity	30.9		2%	

Derived Investments	335.6	25%
Total	1,349.6	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. Adjusted NAV reflects Total NAV of €1,490.1m, after performance fee reserve of €8.4m
3. 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 2021
4. Either party is required to give 2 years notice to terminate the agreement
5. 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.
6. The Apax funds made 15 full and significant partial exits including IPOs.
7. 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. 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.
8. Other reflects net current assets at 31 December 2021 of which €33.0m due related to debt investments that were sold but had yet to settle at year end.
9. 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
10. Movement in the performance fee reserve of €8.4m reflects the performance fee reserve accrued by the Company's at year end. This does not represent the underlying Private Equity portfolio's carried interest.
11. Gross Asset Value weighted average of the respective metric across the Derived Debt portfolio. Mindbody was excluded from LTM EBITDA growth
12. 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
13. Invested Portfolio excludes cash and cash equivalents, revolving credit facility drawn and net current assets, including these the NAV is €1,490.1 and Adjusted NAV is €1,481.7. The performance fee reserve was €8.4m at 31 December 2021

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" 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") 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.

Apax Partners is authorised and regulated by the Financial Conduct Authority in the UK.