

Apax Global Alpha Limited
Full year Results for the year ended 31 December 2022

Key highlights

- AGA's Adjusted NAV was €1.3bn (FY21: €1.5bn) in 2022, and Total NAV Return¹ was (7.4)% ((10.7)% constant currency).
- Operationally, the Private Equity portfolio performed well in 2022, with average EBITDA growth of 18.5%². However, this was not enough to fully offset negative movements in valuation multiples.
- Negative movements in valuation multiples were primarily from multiple contraction for the Apax Funds' listed holdings which represented 14% of the Private Equity portfolio at 31 December 2022 but contributed c. 80% to the multiple decline in Private Equity. This led to a Total Return in Private Equity decline by (11.3)% in 2022.
- Derived Investments, which mainly consist of debt, delivered a Total Return of 1.9% in 2022, cushioning overall Total Return. This portfolio absorbs cash not invested in Private Equity, enhances the robustness of AGA's balance sheet and provides a steady flow of income to support dividends and an additional source of alpha for AGA.
- Despite a challenging market backdrop, the Apax Funds continued to focus on opportunities where value creation could be achieved through operational improvement. The Apax Funds completed ten new Private Equity investments in the period in which, on a look-through basis, AGA deployed €132.8m.
- Demand for high-quality assets remained strong and the Apax Funds completed seven full exits in the period at an average uplift of 15.1% to last Unaffected Valuations³.
- The Board takes a disciplined approach to liquidity and capital management with rigorous scenario modelling and stress testing when agreeing new commitments to the Apax Funds. As a result, AGA was pleased to make commitments to three new funds during 2022: €700m to Apax XI, \$60m to Apax Global Impact, and \$40m to Apax Mid-Market Opportunities II.
- Dividend of 11.82p per share declared for the full year 2022, in line with AGA's dividend policy of distributing 5% of NAV per annum.

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

"Whilst 2022 saw a marked change in the macro environment, the Apax Funds have continued to identify attractive investment opportunities, generate alpha through business improvement, and exit at attractive prices. Whilst no investment strategy can be totally immune to the current macro headwinds, we believe that the Apax Funds have the right investment approach for the current market conditions."

Financial highlights

- AGA was 95% invested as at 31 December 2022 and had unfunded commitments to the Apax Funds (together with recallable distributions) of €1.0bn.
- At 31 December 2022, AGA's invested portfolio consisted of €871.0m in Private Equity (71%) and €364.2m in Derived Investments (29%).
- Following earlier commitments, as anticipated there were several large capital calls towards the end of 2022, largely from Apax X. After these calls, net cash was €64m, and the €250m revolving credit facility ("RCF") remained undrawn as at 31 December 2022.
- In early 2023, AGA received formal notice that the RCF will revert to a conventional fixed-term arrangement with an expiry date of 10 January 2025.

	FY 2022	FY 2022	FY 2021	FY 2022
	€	£	€	£
Adjusted NAV ⁴	1,299m	1,150m	1,482m	1,247m
Adjusted NAV ⁴ per share	2.65	2.34	3.02	2.54
NAV ⁴ per share	2.65	2.34	3.03	2.55

	Exposure	FY 2022	FY 2022 constant currency
Total NAV Return ¹		(7.4)%	(10.7)%
Total Return ¹ – Private Equity	67%	(11.3)%	(14.8)%
Total Return ¹ – Derived Debt	26%	2.7%	(1.7)%
Total Return ¹ – Derived Equity	2%	(6.8)%	(7.9)%
Cash & Others	5%		

Portfolio highlights

- Invested portfolio split across four key sectors: Tech & Digital (40%), Services (28%), Healthcare (17%), and Internet/Consumer (15%).
- In Private Equity, the portfolio is well diversified across vintages: 14% invested before 2017, 38% were acquired in the 2017-2019 period, and 48% of investments are from 2020 and later
- The Private Equity portfolio delivered a Total Return¹ of (11.3)% ((14.8)% constant currency) in the period. This reflected resilient trading performance with LTM Revenue and EBITDA growth of 21.5%² and 18.5%² respectively across the Private Equity portfolio demonstrating their robust business models and the benefit of the Apax Funds' investment approach, offset by the impact of multiple compression on valuations, in particular from the publicly listed holdings held.
- At 31 December 2022, 14% of the Private Equity Invested Portfolio was in publicly listed holdings. These reflect residual stakes in previously IPO'd portfolio companies which, together with secondary sales, have already returned distributions totalling 3.4x initial costs⁵ to AGA. There is further potential to create value from these holdings, as shown by the sale in January 2023 of the residual holding in Duck Creek at a 57% premium to its end-year market value.
- In Private Equity, seven full exits were completed during the period with a weighted average uplift of 15.1% compared to last Unaffected Valuations³. Gross IRR⁶ and Gross MOIC⁶ in 2022 were 17.1% and 3.1x respectively.
- AGA's debt portfolio, which makes up 94% of Derived Investments, delivered a Total NAV Return of 2.7% in 2022.
- 99% of the Derived Debt investments are invested in floating rate loans, reducing duration risk. With increasing base rates, the portfolio generates a 9.9% income yield.
- The average yield to maturity of the portfolio increased to 12.1% at 31 December 2022 (FY21: 6.2%).

- The Derived Debt portfolio has outperformed the S&P/LSTA leveraged loan index⁷ with a five-year cumulative return on a constant currency basis of 31.2% compared to 17.7%.
- €57.2m was deployed in Derived Debt in 2022. There were no new investments in Derived Equity.

For further information regarding the announcement of AGA's FY 2022 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.

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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 31.12.21	1,012.9	327.2	108.5	-	-	33.1	1,481.7
+ Investments	194.4	57.2	(248.0)	-	-	(3.6)	-
- Distributions/ divestments	(227.8)	(10.5)	271.0	-	-	(32.7)	-
+ Interest and dividend income	-	-	25.3	-	-	(0.3)	25.0
+/- Gains/(losses)	(141.8)	(32.9)	-	-	-	-	(174.7)
+/- FX gains/(losses) ⁹	33.3	14.8	0.2	-	-	-	48.3
+/- Costs and other movements	-	-	(9.5)	-	-	(0.3)	(9.8)
- Dividends paid	-	-	(71.1)	-	-	-	(71.1)
+/- Performance fee reserve ¹⁰	-	8.4	-	(8.4)	-	-	-
+/- Shares purchased	-	-	(8.4)	8.4	-	-	-
+/- Revolving credit facility drawn/repaid	-	-	-	-	-	-	-
Adjusted NAV at 31.12.22	871.0	364.2	68.0	-	-	(3.8)	1,299.4

Private Equity – operational metrics

Private Equity – operational metrics	FY 22	FY 21
Portfolio year-over-year LTM revenue growth ²	21.5%	20.2%
Portfolio year-over-year LTM EBITDA growth ²	18.5%	35.3%
Enterprise Value / EBITDA valuation multiple ²	17.2x	23.2x
Net debt / EBITDA multiple ²	4.8x	4.2x

Derived Investments – operational metrics

Derived Investments – operational metrics	FY 22	FY 21
Debt average income yield to maturity ¹¹	12.1%	6.2%
Debt average years to maturity	5.1	6.1
Debt average income yield ¹²	9.9%	5.4%

Other Invested Portfolio highlights

Invested Portfolio analysis ¹³	€m	€m	%	%
- AEVI	2.2		0%	
- AEVII	23.8		2%	
- AVIII	88.6		7%	
- AIX	325.4		26%	
- AX	364.7		30%	
- AXI	(3.4)		0%	
- AMI	23.4		2%	
- AMI II	(0.7)		0%	
- ADF	48.1		4%	
- ADF II	0.9		0%	
- AGI	(2.0)		0%	
Private Equity		871.0		71%
- Derived Debt	340.6		27%	
- Derived Equity	23.6		2%	
Derived Investments		364.2		29%
Total		1,316.9		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 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.
- 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). Where applicable, average uplifts of partial exits and IPO's includes proceeds received and the closing fair value at period end.
- 4 Adjusted NAV reflects Total NAV of €1,299.4m, before performance fee reserve of €0.0m
- 5 Includes proceeds received from pre-IPO funding rounds, dividends, primary and secondary offerings of shares in companies to 31 December 2022, from companies that listed in 2020 and 2021
- 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/or IPO'd in the period. Gross IRR represents concurrent Gross IRR.
- 7 Source: Bloomberg
- 8 Other reflects net current liabilities.
- 9 FX on cash includes the revaluation of cash balances and net gain or losses arising from the differences in exchange rates between transaction dates and settlement dates, and unrealised net gains or 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 reflects the performance fee reserve accrued by the Company's at 31 December 2022. 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.
- 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 was €1,299.4m and Adjusted NAV was €1,299.4m reflecting adjustment of €0.0m 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" 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's 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 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 \$65 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 is authorised and regulated by the Financial Conduct Authority in the UK.