

Apax Global Alpha Limited
Interim results for the period ended 30 June 2022

Key highlights

- The portfolio proved resilient during the six months to 30 June 2022 with a Total NAV Return¹ of (3.5)% ((8.9)% constant currency).
- Private Equity Total Return¹ of (5.7%) reflected strong operating performance in the underlying portfolio companies, offset by weaker markets and lower comparable company multiples used to value the portfolio.
- The focus on business performance improvement and value-creation is integral to the Apax Funds' investment strategy and drove positive operating performance across the portfolio. As a result, despite the deteriorating macroeconomic environment, the underlying portfolio companies have continued to post 19.1% LTM revenue growth² and 15.8% LTM EBITDA growth² to 30 June 2022.
- New deal activity has, unsurprisingly, been lower during the first six months when compared to last year. The Apax Funds have, however, continued to identify attractive investment opportunities and remained active buyers, completing five new investments in which, on a look-through basis, AGA deployed €51m in the first half of 2022.
- AGA received distributions of €86.0m from Private Equity exits, together with dividends and other distributions of €30.9m. Exits were achieved at an average uplift of 18.5%³.
- AGA had a healthy liquidity position with net cash of €150.1m and a €250m undrawn revolving credit facility as at 30 June 2022. Derived Investments of €364.9m provide a further source of capital flexibility.
- During the period, AGA committed to the Apax Global Impact fund (\$60m), the Apax Mid-Market Opportunities II fund (\$40m), and the new global buyout fund Apax XI (\$700m, split 70:30 between the fund's US\$ and Euro tranches).
- Dividend of 6.00p per share declared for the half year 2022, in line with AGA's stated dividend policy of distributing 5% of NAV per annum.

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

"The resilience of these results demonstrates that AGA's diversified portfolio is well-positioned to weather the current macroeconomic headwinds. Historically, private equity as an asset class has shown the highest levels of outperformance following periods of market volatility, and against this backdrop, we believe the Apax Partners' sector-based investment strategy focused on fundamental business improvement is ideally suited to take advantage of opportunities going forward."

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

"In an environment of volatile markets and macro conditions impacted by inflationary pressures and geopolitical risks, the established Apax Funds' strategy of "mining the hidden gems" has continued to deliver. As a result, AGA's portfolio remains well positioned in the currently challenging market environment and to take advantage of opportunities for further value creation for shareholders."

Financial highlights

- Total Adjusted NAV⁴ decreased to c.€1.4bn (FY21: €1.5bn) with Adjusted NAV per share decreasing to €2.83 (£2.44) from €3.02 (£2.54) in the six months to 30 June 2022.
- 71% of the Invested Portfolio is in Private Equity, and the portfolio remains well diversified across four key sectors and vintages.
- Weak public equity markets affected the valuation of the Apax Funds' publicly listed holdings. These positions reflect residual stakes in previously IPO'd portfolio companies. These portfolio companies have already returned 2.8x of the original investment in cash to the Funds, with a further 2.1x remaining (based on 30 June 2022 share prices).
- AGA was 89% invested as at 30 June 2022 and had outstanding commitments to the Apax Funds (together with callable distributions) of €1.2bn. It is expected that much of AGA's existing cash will be deployed in the Private Equity portfolio during the second half of the year, primarily as capital is being called to fund investments previously made by the Apax Funds.

	H1 2022	H1 2022	FY 2021	FY 2021
Adjusted NAV ⁴	EUR 1,392m	GBP 1,199m	EUR 1,482m	GBP 1,247m
Adjusted NAV ⁴ per share	EUR 2.83	GBP 2.44	EUR 3.02	GBP 2.55
NAV ⁴ per share	EUR 2.83	GBP 2.44	EUR 3.03	GBP 2.54

	Exposure	H1 2022	H1 2022 constant currency
Total NAV Return ¹		(3.5)%	(8.9)%
Total Return ¹ – Private Equity	63%	(5.7)%	(11.4)%
Total Return ¹ – Derived Debt	24%	3.4%	(3.6)%
Total Return ¹ – Derived Equity	2%	(11.5)%	(15.6)%
Cash & Others	11%		

Private Equity portfolio highlights

- The Private Equity portfolio delivered a Total Return of (5.7)% ((11.4)% constant currency) in the period.
- Two full or significant partial exits were completed during the period at an average uplift of 18.5% compared to Unaffected Valuations³. Aggregate Gross IRR⁵ and Gross MOIC⁵ in H1 2022 were 38.5% and 3.3x respectively.
- On a look-through basis, AGA invested c.€50.6m in five new investments, primarily in Tech & Digital.
- LTM Revenue and EBITDA growth was 19.1%² and 15.8%² respectively across the Private Equity portfolio.

Derived Investments portfolio highlights

- Steady performance across the portfolio with Derived Investments delivering a Total Return of 2.2% ((4.6)% constant currency) in the period to 30 June 2022, driven primarily by the Derived Debt portfolio.
- 97% of the Derived Debt Investments are floating rate. The average yield to maturity of the portfolio increased to 8.9% at 30 June 2022 (FY 21: 6.8%).
- €37.7m was deployed in Derived Debt in the first half of 2022. There were no new investments in Derived Equity.
- 92% of the portfolio is in debt instruments, with only 8% in equity investments.

For further information regarding the announcement of AGA's 2022 Interim 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

Lorraine Rees
Investor Relations - AGA
Telephone: +44 (0)7889 089 220
Email: lorraine.rees@apax.com

APPENDIX

Movements in NAV

Adjusted NAV movements (€m)	Private Equity	Derived Investments	Cash	Treasury Shares	Facility drawn	Other ⁶	Total
Adjusted NAV at 31.12.21	1,012.9	327.2	108.5	-	-	33.1	1,481.7
+ Investments	36.4	37.7	(74.1)	-	-	-	-
- Distributions/ divestments	(116.9)	(6.4)	156.7	-	-	(33.4)	-
+ Interest and dividend income	-	-	9.3	-	-	0.3	9.6
+/- Gains/(losses)	(110.6)	(25.6)	-	-	-	-	(136.2)
+/- FX gains/(losses) ⁷	55.4	23.6	1.0	-	-	-	80.0
+/- Costs and other movements	-	-	(5.4)	-	-	(0.1)	(5.5)
- Dividends paid	-	-	(37.4)	-	-	-	(37.4)
+/- Performance fee reserve ⁸	-	8.4	-	(8.4)	-	-	-
+/- Shares purchased	-	-	(8.4)	8.4	-	-	-
+/- Revolving credit facility drawn/repaid	-	-	-	-	-	-	-
Adjusted NAV at 30.06.22	877.2	364.9	150.2	-	-	(0.1)	1,392.2

Private Equity – operational metrics

Private Equity – operational metrics	30 June 2022	31 December 2021
Portfolio year-over-year LTM revenue growth ²	19.1%	20.2%
Portfolio year-over-year LTM EBITDA growth ²	15.8%	35.3%
Enterprise Value / EBITDA valuation multiple ²	17.9x	23.2x
Net debt / EBITDA multiple ²	4.8x	4.2x

Derived Investments – operational metrics

Derived Investments – operational metrics	30 June 2022	31 December 2021
Debt year-over-year LTM EBITDA growth ⁹	19.0%	22.2%
Debt average income yield to maturity ⁹	8.9%	6.2%
Debt average years to maturity	5.6	6.1
Debt average income yield ¹⁰	7.3%	5.4%

Other Invested Portfolio highlights

Invested Portfolio analysis ¹¹	€m	€m	%	%
- AMI	25.0		2%	
- AEVI	2.8		0%	
- AEVII	27.6		2%	
- AVIII	125.0		10%	
- AIX	393.1		32%	
- ADF	49.5		4%	
- ADF II	(2.1)		0%	
- AX	256.3		21%	
Private Equity		877.2		71%
- Derived Debt	337.5		27%	
- Derived Equity	27.4		2%	
Derived Investments		364.9		29%
Total		1,242.1		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). Average uplift of partial exits and IPO's includes proceeds received and the closing fair value at 30 June 2022.
- 4 Adjusted NAV and NAV were the same at €1,392.2m as the performance fee reserve was €0.0m at 30 June 2022
- 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 Other reflects net current assets. The movement since 31 December 2021 was related to debt investments that were sold prior to 31 December 2021 which settled during the six months to 30 June 2022.
- 7 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
- 8 Movement in the performance fee reserve of €8.4m reflects the performance fee paid during the period. At 30 June 2022, there was no performance fee accrued. This does not represent the underlying Private Equity portfolio's carried interest.
- 9 Gross Asset Value weighted average of the respective metric across the Derived Debt portfolio. Mindbody was excluded from LTM EBITDA growth
- 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 Invested Portfolio excludes cash and cash equivalents, revolving credit facility drawn and net current assets, including these the NAV and Adjusted NAV are €1,392.2m. There was no performance fee reserve at 30 June 2022.

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