



## Quarterly Update

For the three months to 31 October 2018

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### Highlights

- NAV per share of 1,046.2p; total return of 2.5% in the quarter and 10.8% over the nine months
- Continued strong performance across the portfolio
- Portfolio remains highly cash generative; realisations at significant uplifts to carrying value and cost
- Selective investment into a number of compelling high conviction investment opportunities
- NAV and share price continue to outperform FTSE All-Share over one, three, five and 10 years

### Continued strong performance across the portfolio

- Investment portfolio valued at £681.8m<sup>1</sup>
  - 3.4% portfolio return for the quarter; 3.0% on a constant currency basis
  - 14.1% portfolio return for the nine months; 11.2% on a constant currency basis

### Portfolio remains highly cash generative

- 15 full realisations in the quarter; £33.6m of proceeds received
  - Realisations at a 29% uplift<sup>2</sup> to carrying value; 2.1x multiple of cost
- 49 full realisations in the nine months; £118.5m of proceeds
  - Realisations at a 30% uplift<sup>2</sup> to carrying value; 2.3x multiple of cost

### Selective investment into a number of compelling high conviction investment opportunities

- High conviction investments (ICG directly controlled investments, third-party co-investments and secondary investments) 44% of investment portfolio
- £38.3m of new investment in the quarter; £114.8m in the nine months
  - High conviction investments 38% of capital deployed in quarter; 53% in nine months
  - £11.8m secondary investment in Resolute Fund II (managed by The Jordan Company) completed in the quarter
  - Focus remains on defensive growth, structural downside protection and relative value
  - US exposure increased to 26% of the portfolio

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<sup>1</sup> 87% of the Portfolio is valued using 30 September 2018 (or later) valuations.

<sup>2</sup> Uplift figure reflects private valuations only (i.e. excludes publicly listed companies that were exited via sell downs of their shares)

- £7.7m new primary commitment to US mid-market manager Five Arrows Capital Partners in the quarter; £109.5m of commitments to seven funds in the nine months
  - New relationship with Five Arrows, a European and US mid-market private equity manager

#### Further realisations and strong investment pipeline of co-investments and funds since quarter end

- Further £43.1m of proceeds received since the quarter end<sup>3</sup>; realisations continue at uplifts to carrying value
- £34.8m of new investment, including \$15m (£11.7m) co-investment in IRI, a market leading provider of mission-critical data and predictive analytics to consumer goods manufacturers, alongside New Mountain
- \$40m (£31.3m) committed to ICG Strategic Equity Fund III; also committed \$25.0m (£19.6m) alongside Strategic Equity team, backing the spin-out of Standard Chartered's private equity team in Asia
- £21.4m further fund commitments to two funds; Bowmark VI (£12.5m) and €10m (£8.9m) commitment to Five Arrows Principal Investments III

#### Strong balance sheet

- Closing net asset value of £724.6m; investment portfolio represents 94.1% of net asset value
- Cash balance of £62.6m; uncalled commitments of £381.0m
  - £167.3m total liquidity (including £104.7m undrawn bank facility)

#### Dividend

- Third quarter dividend of 5p declared, taking dividends for the nine months to 15p
  - Third quarter dividend will be paid on 1 March 2019
  - The ex-dividend date will be 7 February 2019 and the record date 8 February 2019

#### Board changes

Andrew Pomfret will not stand for re-election as a Director at the Annual General Meeting of the Company to be held on 27 June 2019 and will retire from the Board from that date, having served for over eight years. Alastair Bruce will succeed Andrew Pomfret as Chairman of the Audit Committee from 1 February 2019. These changes are part of the Board's succession planning.

#### Consistent strong performance

The performance of the Company remains strong over the short, medium and long term, with the NAV and share price outperforming the FTSE All-Share Index over one, three, five and 10 years.

Performance to 31 October 2018	3 months	9 months	1 year	3 years	5 years	10* years
Net asset value per share	+2.5%	+10.8%	+14.2%	+59.3%	+71.5%	+136.1%
Share price	-2.2%	+3.2%	+1.9%	+44.9%	+70.0%	+180.2%
FTSE All-Share Index	-7.2%	-2.5%	-1.5%	+25.4%	+30.5%	+126.1%

\* As the Company changed its year end in 2010, the ten-year figures are for the 121 month period to 31 October 2018.

<sup>3</sup> As at 31 December 2018

**Emma Osborne, Head of Private Equity Fund Investments, ICG, commented:**

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“The portfolio has continued to deliver strong returns in the third quarter and remains highly cash generative. Over the last few years, we have focused on companies with strong defensive characteristics in sectors with non-cyclical growth drivers and increased our weighting to international markets. In an environment of rising volatility and economic uncertainty, we believe our focus on defensive growth and our flexible mandate positions the portfolio well to weather uncertainty and continue to generate value for shareholders.”

**Enquiries**

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**Disclaimer**

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## Supplementary information

### The 30 largest underlying investments

The table below presents the 30 companies in which ICG Enterprise had the largest investments by value at 31 October 2018. These investments may be held directly or through funds, or in some cases in both ways. The valuations are gross and are shown as a percentage of the total investment Portfolio.

Company	Manager	Year of investment	Country	Value as a % of Portfolio
<b>1 City &amp; County Healthcare Group</b> Provider of home care services	Graphite	2013	UK	3.5%
<b>2 DomusVi+</b> Operator of retirement homes	ICG	2017	France	3.2%
<b>3 Minimax+</b> Supplier of fire protection systems and services	ICG	2018	Germany	2.6%
<b>4 Visma+</b> Provider of accounting software and accounting outsourcing services	Cinven & ICG	2014 & 2017	Europe	2.5%
<b>5 Roompot+</b> Operator and developer of holiday parks	PAI Partners	2016	Netherlands	2.2%
<b>6 Yudo+</b> Designer and manufacturer of hot runner systems	ICG	2018	South Korea	2.2%
<b>7 Ceridian+</b> Provider of payroll and human capital software	Thomas H Lee	2007	USA	2.1%
<b>8 Froneri+^</b> Manufacturer and distributor of ice cream	PAI Partners	2013	UK	2.0%
<b>9 nGAGE</b> Provider of recruitment services	Graphite	2014	UK	1.9%
<b>10System One+</b> Provider of specialty workforce solutions	Thomas H Lee	2016	USA	1.8%
<b>11Education Personnel+^</b> Provider of temporary staff for the education sector	ICG	2014	UK	1.8%
<b>12Gerflor^</b> Manufacturer of vinyl flooring	ICG	2011	France	1.7%
<b>13Cambium^</b> Provider of educational solutions and services	ICG	2016	USA	1.7%
<b>14Beck &amp; Pollitzer</b> Provider of industrial machinery installation and relocation	Graphite Capital	2016	UK	1.7%
<b>15ICR Group</b> Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	1.5%

Company	Manager	Year of investment	Country	Value as a % of Portfolio
<b>16PetSmart+</b> Retailer of pet products and services	BC Partners	2015	USA	1.5%
<b>17Skillsoft+</b> Provider of off the shelf e-learning content	Charterhouse	2014	USA	1.3%
<b>18Frontier Medical+</b> Manufacturer of medical devices	Kester Capital	2013	UK	1.3%
<b>19Endeavor Schools+</b> Operator of schools	Leeds Equity	2018	USA	1.2%
<b>20PSB Academy+</b> Provider of private tertiary education	ICG	2018	Singapore	1.2%
<b>21YSC</b> Provider of leadership consulting and management assessment services	Graphite Capital	2017	UK	1.0%
<b>22New World Trading Company</b> Operator of pub restaurants	Graphite	2016	UK	0.9%
<b>23U-POL^</b> Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	0.9%
<b>24Cognito+</b> Supplier of communications equipment, software & services	Graphite Capital	2002	UK	0.8%
<b>25Abode Healthcare+</b> Provider of hospice and healthcare services	Tailwind	2018	USA	0.8%
<b>26Compass Community</b> Provider of fostering services and children's residential care	Graphite Capital	2017	UK	0.8%
<b>27Random42</b> Provider of medical animation and digital media services	Graphite Capital	2017	UK	0.8%
<b>28Alerian^</b> Provider of data and investment products focused on natural resources	ICG	2018	USA	0.7%
<b>29David Lloyd Leisure+</b> Operator of premium health clubs	TDR Capital	2013	UK	0.7%
<b>30LeafFilter</b> Provider of gutter protection solutions	Gridiron	2016	USA	0.6%
<b>Total of the 30 largest underlying investments</b>				<b>46.9%</b>

+ All or part of this investment is held directly as a co-investment or other direct investment.

^ All or part of this investment was acquired as part of a secondary purchase.

## The 30 largest fund investments

The 30 largest funds by value at 31 October 2018 are:

Fund	Year of commitment	Country/region	Value £m	Outstanding commitment £m
<b>1 Graphite Capital Partners VIII *</b> Mid-market buyouts	2013	UK	83.8	21.1
<b>2 ICG Europe VI **</b> Mezzanine and equity in mid-market buyouts	2015	Europe	22.9	3.3
<b>3 BC European Capital IX **</b> Large buyouts	2011	Europe/USA	19.6	0.6
<b>4 CVC European Equity Partners VI</b> Large buyouts	2013	Europe/USA	15.2	2.3
<b>5 ICG Strategic Secondaries Fund II</b> Secondary fund restructurings	2016	Europe/USA	14.2	13.2
<b>6 One Equity Partners VI</b> Mid-market buyouts	2016	Europe/USA	14.0	0.5
<b>7 PAI Europe VI</b> Mid-market and large buyouts	2013	Europe	13.9	3.4
<b>8 Thomas H Lee Equity Fund VII</b> Mid-market and large buyouts	2015	USA	12.8	4.3
<b>9 Graphite Capital Partners VII * / **</b> Mid-market buyouts	2007	UK	12.5	4.7
<b>10 CVC European Equity Partners V **</b> Large buyouts	2008	Europe/USA	12.5	0.5
<b>11 ICG Velocity Partners Co-Investor **</b> Mid-market buyouts	2016	USA	11.8	0.9
<b>12 Resolute II **</b> Mid-market buyouts	2018	USA	11.6	2.6
<b>13 Activa Capital Fund III</b> Mid-market buyouts	2013	France	11.4	3.9
<b>14 Gridiron Capital Fund III</b> Mid-market buyouts	2016	USA	11.1	3.6
<b>15 IK VII</b> Mid-market buyouts	2013	Europe	10.5	0.4
<b>16 Nordic Capital Partners VIII</b> Mid-market and large buyouts	2013	Europe	10.0	1.6
<b>17 Permira V</b> Large buyouts	2013	Europe/USA	10.0	1.4
<b>18 Fifth Cinven Fund</b> Large buyouts	2012	Europe	9.7	1.4
<b>19 Advent Global Private Equity VIII</b> Large buyouts	2016	Europe/USA	9.7	4.7
<b>20 ICG Asia Pacific Fund III</b> Mezzanine	2016	Asia Pacific	8.8	4.8

Fund	Year of commitment	Country/region	Value £m	Outstanding commitment £m
<b>21 Hollyport Secondary Opportunities V</b> Tail-end secondary portfolios	2015	Global	8.1	2.3
<b>22 Deutsche Beteiligungs Fund VI</b> Mid-market buyouts	2012	Germany	7.9	1.0
<b>23 TDR Capital III</b> Mid-market and large buyouts	2013	Europe	7.3	3.1
<b>24 Bowmark Capital Partners IV</b> Mid-market buyouts	2007	UK	7.1	0
<b>25 Egeria Private Equity Fund IV</b> Mid-market buyouts	2012	Netherlands	7.1	1.0
<b>26 ICG European Fund 2006 B **</b> Mezzanine and equity in mid-market buyouts	2014	Europe	6.9	2.2
<b>27 Silverfleet II</b> Mid-market buyouts	2014	Europe	6.9	5.8
<b>28 Thomas H Lee Parallel Fund VI</b> Mid-market and large buyouts	2007	USA	6.6	1.0
<b>29 Sixth Cinven Fund</b> Large buyouts	2016	Europe	6.2	11.2
<b>30 Charterhouse Capital Partners X</b> Large buyouts	2015	Europe	6.1	8.2
<b>Total of the largest 30 fund investments</b>			<b>396.2</b>	<b>115.0</b>
<b>Percentage of total investment Portfolio</b>			<b>58.1%</b>	

\* Includes the associated Top Up funds.

\*\* All or part of an interest acquired through a secondary fund purchase.

## Portfolio analysis

All balance sheet data is presented on a look-through basis to the investment portfolio held by the Company, which is consistent with the commentary in previous annual and interim reports

<b>Investment category</b>	<b>% of portfolio</b>
<b>High conviction portfolio</b>	
ICG	21.5%
Third party co-investments	15.5%
Third party secondary investments	6.7%
<b>Total High Conviction investments</b>	<b>43.7%</b>
<b>Third party funds' portfolio</b>	
Graphite Capital primary funds	14.4%
Third party primary funds	41.9%
<b>Total diversified fund investments</b>	<b>56.3%</b>
<b>Total</b>	<b>100.0%</b>

<b>Portfolio by investment type</b>	<b>% of value of underlying investments</b>
Large buyouts	43.8%
Mid-market buyouts	48.4%
Small buyouts	4.6%
Other	3.2%
<b>Total</b>	<b>100.0%</b>

<b>Portfolio by calendar year of investment</b>	<b>% of value of underlying investments</b>
2018	16.5%
2017	19.9%
2016	19.4%
2015	10.1%
2014	13.0%
2013	10.0%
2012	3.0%
2011	1.6%
2010	1.7%
2009	1.0%
2008	0.3%
2007	2.7%
2006 and before	0.8%
<b>Total</b>	<b>100.0%</b>



<b>Portfolio by sector</b>	<b>% of value of underlying investments</b>
Healthcare and education	21.2%
Industrials	20.6%
Business services	15.2%
Consumer goods and services	15.4%
Leisure	9.0%
TMT	9.9%
Financials	5.4%
Other	3.3%
<b>Total</b>	<b>100.0%</b>

<b>Portfolio by geographic distribution based on location of Company headquarters</b>	<b>% of value of underlying investments</b>
UK	30.3%
North America	26.3%
Europe	38.8%
Rest of world	4.6%
<b>Total</b>	<b>100.0%</b>

## Balance sheet information

The summary balance sheet at 31 October 2018 is set out below.

	<b>31 October 2018</b>	<b>% of net assets</b>	<b>31 January 2018</b>	<b>% of net assets</b>
	<b>£m</b>		<b>£m</b>	
Total portfolio	681.8	94.1%	600.7	90.4%
Cash and liquid assets	62.6	8.6%	78.4	11.8%
Other net current liabilities	(19.8)	(2.7%)	(14.8)	(2.2)%
<b>Net assets</b>	<b>724.6</b>	<b>100.0%</b>	<b>664.3</b>	<b>100.0%</b>

<b>Movement in the portfolio</b>	<b>9 months 31 October 18</b>
<b>£m</b>	
Opening Portfolio*	600.7
Third-party funds portfolio drawdowns	53.6
High conviction investments – ICG funds, secondary investments and co-investments	61.2
Total new investment	114.8
Realisation Proceeds	(118.5)
Net cash (inflow)/outflow	(3.7)
Underlying Valuation Movement**	67.4
Currency movement	17.4
<b>Closing Portfolio*</b>	<b>681.8</b>
% underlying Portfolio growth (local currency)	11.2%
% currency movement	2.9%
% underlying Portfolio growth (Sterling)	14.1%

\*\* 87% of the Portfolio is valued using 30 September 2018 (or later) valuations (31 Jan 18: 94%).

## Movement in liquid assets

£m	9 months 31 October 18
Additions <sup>2</sup>	(115.2)
Cash proceeds generated by the portfolio (including income)	118.5
Net cash generated by the investment portfolio	3.3
Non-investment cash flows	(9.2)
Effect of changes in foreign exchange rates	1.2
Cash inflow before shareholder distributions	(4.7)
Dividends paid to shareholders	(11.1)
Net cash movement	(15.8)
Opening cash and liquid assets	78.4
<b>Closing cash and liquid assets</b>	<b>62.6</b>

Additions cash figure for 9 months to 31 October includes £0.6m of drawdowns paid which were accrued at the prior year-end

## Uncalled commitment coverage

	31 October 2018 £m	31 January 2018 £m
Cash and liquid assets	62.6	78.4
Undrawn bank facility	104.8	104.0
Total liquidity	167.4	182.4
Outstanding commitments	381.0	321.2
Less: Total liquidity	(167.3)	(182.4)
Over-commitment	213.7	138.8
Over-commitment as % of net assets	29.5%	20.9%