



Quarterly Update

For the three months to 30 April 2019

Highlights

- NAV per share of 1,068.2p; total return of 1.6% in the quarter
- Continued strong performance across the portfolio
- Portfolio remains cash generative
- Three new primary commitments during the quarter
- NAV and share price continue to outperform FTSE All-Share

Strong performance across the portfolio

- Investment portfolio valued at £703.4m¹
 - 2.3% portfolio return for the quarter; 2.8% on a constant currency basis
 - Performance driven by both write-ups in high conviction and third-party funds portfolio and realisations

Realisations outweighed new investment

- 12 full realisations in the quarter; £27.7m of proceeds received
 - Realisations continue to be at an uplift to carrying value and cost
- £20.3m of new investment in the quarter
 - High conviction investments (ICG directly controlled investments, third-party co-investments and secondary investments) represented 23% of capital deployed
 - High conviction investments represent 41% of investment portfolio - focus remains on defensive growth, structural downside protection and relative value
- £44.0m new primary commitments during the quarter, including two new US manager relationships (Gryphon and AEA Investors)
 - \$15m (£11.5m) late primary commitment to Gryphon V.
 - Late primary - fund was already 48% invested at the time the commitment was made.
 - \$20m (£15.3m) commitment to AEA VII, a mid-market buyout fund with a North American focus
 - €20m (£17.2m) commitment to the seventh Cinven fund; focused on large European buyouts

¹ 65% of the Portfolio is valued using 31 March 2019 (or later) valuations.

Continued activity since quarter end

- Further £12.6m of proceeds received since the quarter end²; realisations continue at uplifts to carrying value
- €15m (£13.2m) primary commitment made to Advent IX, a fund seeking control buyouts primarily in Europe and North America

Strong balance sheet

- Closing net asset value of £738.7m; investment portfolio represents 95% of net asset value
- Our liquidity position was strengthened during the quarter following the refinancing of the bank facility in April 2019. The facility size was increased to €176m (£151.4m) reflecting the growth in the level of commitments since the facility was last refinanced.
- Cash balance of £61.5m; uncalled commitments of £443.4m
 - £212.9m total liquidity (including £151.4m undrawn bank facility)

Dividend

- Q1 interim quarterly dividend of 5.0p declared
 - Will be paid on 6 September 2019
 - The ex-dividend date will be 15 August 2019 and the record date 16 August 2019

Consistent strong performance

The performance of the Company remains strong over the short, medium and long term

Performance to 30 April 2019	3 months	1 year	3 years	5 years	10* years
Net asset value per share	+1.6%	+12.4%	+53.2%	+74.6%	+187.0%
Share price	+7.7%	+5.6%	+76.5%	+77.4%	+542.5%
FTSE All-Share Index	+7.8%	+2.6%	+33.3%	+35.2%	+194.5%

* As the Company changed its year end in 2010, the ten-year figures are for the 121 month period to 30 April 2019.

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

“We are pleased with the performance of the portfolio in what is typically a quarter in which managers tend not to revalue unrealised investments significantly. All parts of the portfolio contributed to growth, and the portfolio remains cash generative with several full and partial realisations in the three months. We remain highly selective in redeploying capital and have a strong pipeline of new opportunities, and the portfolio is well positioned to continue to generate shareholder value.”

Enquiries

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² As at 31 May 2019

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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 30 April 2019. 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
1	DomusVi+ Operator of retirement homes	ICG	2017	France	3.7%
2	City & County Healthcare Group Provider of home care services	Graphite Capital	2013	UK	3.3%
3	Minimax+ Supplier of fire protection systems and services	ICG	2018	Germany	2.7%
4	Visma+ Provider of accounting software and accounting outsourcing services	Cinven / ICG	2014 / 2017	Europe	2.5%
5	Froneri+^ Manufacturer and distributor of ice cream products	PAI Partners	2013	UK	2.4%
6	Yudo+ Manufacturer of components for injection moulding	ICG	2018	South Korea	2.3%
7	Roompot+ Operator and developer of holiday parks	PAI Partners	2016	Netherlands	2.2%
8	nGAGE Provider of recruitment services	Graphite Capital	2014	UK	2.0%
9	Ceridian+ Provider of payroll and human capital software	Thomas H Lee Partners	2007	USA	1.9%
10	Beck & Pollitzer Provider of industrial machinery installation and relocation	Graphite Capital	2016	UK	1.9%
11	ICR Group Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	1.9%
12	Education Personnel+^ Provider of temporary staff for the education sector	ICG	2014	UK	1.8%
13	System One+ Provider of specialty workforce solutions	Thomas H Lee Partners	2016	USA	1.7%
14	IRI+ Provider of data and predictive analytics to consumer goods manufacturers	New Mountain	2018	USA	1.6%
15	Gerflor^ Manufacturer of vinyl flooring	ICG	2011	France	1.5%

	Company	Manager	Year of investment	Country	Value as a % of Portfolio
16	PetSmart+ Retailer of pet products and services	BC Partners	2015	USA	1.4%
17	YSC Provider of leadership consulting and management assessment services	Graphite Capital	2017	UK	1.3%
18	Endeavor Schools+ Operator of schools	Leeds Equity Partners	2018	USA	1.3%
19	PSB Academy+ Provider of private tertiary education	ICG	2018	Singapore	0.9%
20	U-POL^ Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	0.9%
21	Cognito+^ Supplier of communications equipment, software & services	Graphite Capital	2002 / 2014	UK	0.8%
22	Abode Healthcare+ Provider of hospice and healthcare services	Tailwind Capital	2018	USA	0.8%
23	Compass Community Provider of fostering services and children residential care	Graphite Capital	2017	UK	0.8%
24	David Lloyd Leisure+ Operator of premium health clubs	TDR Capital	2013	UK	0.7%
25	LeafFilter Provider of gutter protection solutions	Gridiron	2016	USA	0.7%
26	Random42 Provider of medical animation and digital media services	Graphite Capital	2017	UK	0.7%
27	New World Trading Company Operator of distinctive pub restaurants	Graphite Capital	2016	UK	0.7%
28	Skillsoft+ Provider of off the shelf e-learning content	Charterhouse	2014	USA	0.6%
29	Drew Marine^ Manufacturer of advanced performance chemicals and safety solutions	Jordan Company	2013	USA	0.6%
30	Alerian^ Provider of data and investment products focused on natural resources	ICG	2018	USA	0.6%
Total of the 30 largest underlying investments					46.2%

+ 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 30 April 2019 are:

	Fund	Year of commitment	Country/region	Value £m	Outstanding commitment £m
1	Graphite Capital Partners VIII * Mid-market buyouts	2013	UK	88.6	16.9
2	ICG Europe VI ** Mezzanine and equity in mid-market buyouts	2015	Europe	18.5	4.3
3	CVC European Equity Partners VI Large buyouts	2013	Europe/USA	17.8	3.5
4	BC European Capital IX ** Large buyouts	2011	Europe/USA	15.2	0.5
5	PAI Europe VI Mid-market and large buyouts	2013	Europe	14.9	-
6	Thomas H Lee Equity Fund VII Mid-market and large buyouts	2015	USA	14.5	3.1
7	One Equity Partners VI Mid-market buyouts	2016	Europe/USA	14.5	1.1
8	Gridiron Capital Fund III Mid-market buyouts	2016	North America	13.4	4.9
9	ICG Strategic Secondaries Fund II Secondary fund restructurings	2016	Europe/USA	13.2	16.1
10	Activa Capital Fund III Mid-market buyouts	2013	France	12.5	1.8
11	Graphite Capital Partners VII * / ** Mid-market buyouts	2007	UK	12.5	4.7
12	Advent Global Private Equity VIII Large buyouts	2016	Europe/USA	12.1	2.6
13	Resolute II ** Mid-market buyouts	2018	USA	11.4	2.4
14	CVC European Equity Partners V ** Large buyouts	2008	Europe/USA	11.0	0.5
15	Permira V Large buyouts	2013	Europe/USA	10.4	1.4
16	Sixth Cinven Fund Large buyouts	2016	Europe	9.4	8.0
17	IK VII Mid-market buyouts	2013	Europe	9.2	0.4
18	Fifth Cinven Fund Large buyouts	2012	Europe	9.2	1.3
19	ICG Asia Pacific Fund III Mezzanine and equity in midmarket buyouts	2016	Asia Pacific	8.9	3.4
20	TDR Capital III Mid-market and large buyouts	2013	Europe	8.4	2.2

Fund	Year of commitment	Country/region	Value £m	Outstanding commitment £m
21 Nordic Capital Partners VIII Mid-market and large buyouts	2013	Europe	8.0	1.4
22 Bowmark Capital Partners V Mid-market buyouts	2013	UK	7.9	0.1
23 Hollyport Secondary Opportunities VI Tail-end secondary portfolios	2017	Global	7.5	2.7
24 Bowmark Capital Partners IV Mid-market buyouts	2007	UK	7.4	-
25 Silverfleet II Mid-market buyouts	2014	Europe	7.3	4.7
26 IK VIII Mid-market buyouts	2016	Europe	7.3	2.5
27 Deutsche Beteiligungs Fund VI Mid-market buyouts	2012	Germany	6.8	0.8
28 ICG European Fund 2006 B** Mezzanine and equity in mid-market buyouts	2014	Europe	6.7	2.1
29 Hollyport Secondary Opportunities V Tail-end secondary portfolios	2015	Global	6.6	2.3
30 Bain Capital Europe IV Mid-market buyouts	2014	Europe	6.4	1.8
Total of the largest 30 fund investments			397.5	97.5
Percentage of total investment Portfolio			56.5%	

* 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

Investment category	% of portfolio
High conviction portfolio	
ICG	20.5%
Third party co-investments	15.7%
Third party secondary investments	5.0%
Total High Conviction investments	41.2%
Third party funds portfolio	
Graphite Capital primary funds	14.2%
Third party primary funds	44.6%
Total diversified fund investments	58.8%
Total	100.0%

Portfolio by investment type	% of value of underlying investments
Large buyouts	44.9%
Mid-market buyouts	46.5%
Small buyouts	5.3%
Other	3.3%
Total	100.0%

Portfolio by calendar year of investment	% of value of underlying investments
2019	2.6%
2018	21.0%
2017	20.2%
2016	17.7%
2015	8.6%
2014	11.8%
2013	8.7%
2012	2.5%
2011	1.2%
2010	1.7%
2009	1.0%
2008	0.2%
2007	2.4%
2006 and before	0.4%
Total	100.0%

**% of value of
underlying
investments**

Portfolio by sector	
Healthcare and education	21.2%
Industrials	20.6%
Business services	15.0%
Consumer goods and services	13.1%
TMT	12.1%
Leisure	8.6%
Financials	5.9%
Other	3.5%
Total	100.0%

**Portfolio by geographic distribution based on
location of Company headquarters**

% of value of underlying investments

UK	30.7%
North America	26.5%
Europe	38.3%
Rest of world	4.5%
Total	100.0%

Balance sheet information

The summary balance sheet at 30 April 2019 is set out below.

	30 April 2019	% of net assets	31 January 2019	% of net assets
	£m		£m	
Total portfolio	703.4	95.3%	694.8	95.1%
Cash and liquid assets	61.5	8.3%	60.6	8.3%
Other net current liabilities	(26.2)	(3.6%)	(24.5)	(3.4)%
Net assets	738.7	100.0%	730.9	100.0%

Movement in the portfolio

3 months

£m

30 April 19

Opening Portfolio*	694.8
Third-party funds portfolio drawdowns	15.6
High conviction investments – ICG funds, secondary investments and co-investments	4.7
Total new investment	20.3
Realisation Proceeds	(27.7)
Net cash (inflow)/outflow	(7.4)
Underlying Valuation Movement**	19.6
Currency movement	(3.6)
Closing Portfolio*	703.4
% underlying Portfolio growth (local currency)	2.8%
% currency movement	(0.5%)
% underlying Portfolio growth (Sterling)	2.3%

** 65% of the Portfolio is valued using 31 March 2019 (or later) valuations (31 Jan 19: 91%).

Movement in liquid assets

£m	3 months 30 April 19
Additions ²	(20.3)
Cash proceeds generated by the portfolio (including income)	27.7
Net cash generated by the investment portfolio	7.4
Non-investment cash flows	(2.6)
Effect of changes in foreign exchange rates	(0.2)
Cash inflow before shareholder distributions	4.6
Dividends paid to shareholders	(3.5)
Share buy backs	(0.2)
Net cash movement	0.9
Opening cash and liquid assets	60.6
Closing cash and liquid assets	61.5

Uncalled commitment coverage

	30 April 2019 £m	31 January 2019 £m
Cash and liquid assets	61.5	60.6
Undrawn bank facility	151.4	103.9
Total liquidity	212.9	164.5
Outstanding commitments	443.4	411.2
Less: Total liquidity	(212.9)	(164.5)
Over-commitment	230.5	246.7
Over-commitment as % of net assets	31.2%	33.7%