



For immediate release 7:00am on 26 March 2020

UPDATE AND RESPONSE TO COVID-19 OUTBREAK

ICG Enterprise today provides an update on its response to the COVID-19 outbreak.

The Manager

A key priority for ICG is the well-being of its people. ICG has taken actions to protect its people and maintain business continuity, with all team members working remotely. The team are carrying out activities, as normal, and all staff have access to the necessary infrastructure to work remotely and this is working effectively.

Portfolio update

The investment team are working closely with our managers to understand both the immediate and potential future impact of the COVID-19 pandemic, and its economic fallout, on the performance of our portfolio companies. Given the rapid escalation of the crisis, we currently have limited visibility on the short and longer-term impact of COVID-19 on the global economy. It is therefore difficult to accurately gauge the impact on the portfolio at this stage. Performance will vary between geographies, sectors and companies and be dependent on business models and end markets.

ICG Enterprise has a high-quality portfolio that is well-diversified and weighted towards more resilient sectors, such as healthcare, consumer staples, business services and technology. Our portfolio also has a bias to managers who have a strong operational focus and demonstrable experience of successfully managing investments through periods of economic stress; while the situation is rapidly evolving, our managers have moved decisively to address immediate risks and are implementing plans to protect and preserve long term value.

Private equity is a long-term asset class with an active ownership model and an ability to react quickly to issues. We have significant expertise within our investment team and, more broadly, ICG has a long track record of managing private companies through multiple financial and economic cycles.

Cash balances and liquidity

At 31 January 2020, the financial year end, ICG Enterprise had available liquidity of £163m (£15m cash and £148m undrawn bank facility). £40m was recently drawn from our bank facility, taking total gross cash balances to £56 million at 20 March 2020.

Results

ICG Enterprise will be reporting full year results for the 12 months to 31 January 2020 in the second half of April 2020. The 31 January 2020 Net Asset Value is based on valuations which preceded the current crisis. We expect the recent sharp decline in public markets and the broader consequences of COVID-19 on global economies to have an impact on portfolio valuations in the months ahead and we will update the market further at the time of releasing our results.

Jeremy Tigue, Chairman of ICG Enterprise, commented: “The rapid spread of COVID-19 has dramatically changed the economic landscape. The FTSE All-Share Index has declined by 28%¹ so far in 2020 and discounts in the listed private equity sector have materially widened. The Directors, all of whom are shareholders, recognise that the current market volatility is concerning for investors.

“While no one can accurately predict the ultimate consequences of COVID-19, ICG Enterprise has a well-diversified, high-quality portfolio and a strong business model which has proven resilient over multiple economic cycles.”

Enquiries

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¹ As at 25 March 2020