

NAV per Share Total Return +3.6% in the third quarter; +19.9% LTM

Highlights

- NAV per Share of 1,918p (31 July 2022: 1,852p); NAV per Share Total Return of 3.6% for the quarter and 19.9% for the last twelve months ('LTM')
- Portfolio Return on a Local Currency Basis of 0.2% for the quarter and 13.8% on an LTM basis
- New Investments of £59.9m, including 3 Direct Investments
- Realisation Proceeds of £62.6m during the quarter, including 11 Full Exits executed at a 33.0% weighted average Uplift to Carrying Value
- Third quarter dividend of 7p per share, taking total dividends for the period to 21p (Q3 FY22: 18p); reiterated intention to declare total dividend for FY23 of at least 30p per share
- Long-term share buyback programme initiated in October, with £0.3m being invested in share buybacks during the quarter and total repurchases under the program of £2.1m up to and including 31 January 2023
- Revised management fee agreement and cost-sharing, effective from 1 February 2023

Oliver Gardey

Head of Private Equity Fund Investments, ICG

“ ICG Enterprise Trust extended its track record of delivering resilient growth during the period, generating NAV per Share Total Return of 3.6% in the third quarter, bringing our five-year annualised NAV per Share Total Return to 17.6%.

Our Portfolio generated local currency returns of 0.2% in the third quarter, and 13.8% on an LTM basis. Importantly, we continued to realise assets at a premium, with 11 full exits completed during the third quarter at an average Uplift to Carrying Value of 33%. We believe these uplifts underline the quality and value of our Portfolio. We are also encouraged to see this momentum continuing post-period end.

ICG and our third-party managers have continued to source attractive opportunities, whilst our strong capitalisation is enabling us to invest for the future. Our investment strategy, centred on 'defensive growth', is underpinned by a disciplined approach to capital allocation, seeking to enable ICG Enterprise Trust shareholders to benefit from both income and capital appreciation over the long term.

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PERFORMANCE OVERVIEW

Performance to 31 October 2022	Annualised					
	3 months	9 months	1 year	3 years	5 years	10 years
Portfolio Return on a Local Currency Basis	0.2%	7.9%	13.8%	22.2%	20.2%	14.4%
NAV per Share Total Return	3.6%	14.8%	19.9%	21.0%	17.6%	14.6%
Share Price Total Return	(13.9)%	(15.2)%	(18.1)%	4.9%	6.3%	11.7%
FTSE All-Share Index Total Return	(4.6)%	(4.7)%	(2.8)%	2.3%	2.4%	6.2%

Portfolio activity	Three months to:		Nine months to:		12 months to:	
	31 Oct. 2022	31 Oct. 2021	31 Oct. 2022	31 Oct. 2021	31 Oct. 2022	31 Oct. 2021
Realisation Proceeds	£62.6m	£90.0m	£169.4m	£265.3m	£237.7m	£308.3m
Total New Investments	£59.9m	£75.2m	£203.6m	£208.5m	£298.8m	£265.7m

ENQUIRIES

Investors and analysts:

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EVENTS

A presentation for investors and analysts will be held at 10:30 GMT today. A link for the presentation can be found on the [Results & Reports page](#) of the Company website. A recording of the presentation will be made available on the Company website after the event.

Company timetable

Ex-dividend date	16 February 2023
Record date	17 February 2023
Payment of dividend	3 March 2023

ABOUT ICG ENTERPRISE TRUST

ICG Enterprise Trust is a leading listed private equity investor focused on creating long-term growth by delivering consistently strong returns through selectively investing in profitable, cash-generative private companies, primarily in Europe and the US, while offering the added benefit to shareholders of daily liquidity.

We invest in companies directly as well as through funds managed by ICG and other leading private equity managers who focus on creating long-term value and building sustainable growth through active management and strategic change.

We have a long track record of delivering strong returns through a flexible mandate and highly selective approach that strikes the right balance between concentration and diversification, risk and reward.

NOTES

Included in this document are Alternative Performance Measures (“APMs”). APMs have been used if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company, and for comparing the performance of the Company to its peers and its previously reported results. The Glossary in the Company’s H1 results includes further details of APMs and reconciliations to International Financial Reporting Standards (“IFRS”) measures, where appropriate.

In the Business Review and Supplementary Information, all performance figures are stated on a Total Return basis (i.e., including the effect of re-invested dividends). ICG Alternative Investment Limited, a regulated subsidiary of Intermediate Capital Group plc, acts as the Manager of the Company.

DISCLAIMER

This report may contain forward looking statements. These statements have been made by the directors in good faith based on the information available to them up to the time of their approval of this report and should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information. These written materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption therefrom. The issuer has not and does not intend to register any securities under the US Securities Act of 1933, as amended, and does not intend to offer any securities to the public in the United States. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted.

BUSINESS REVIEW

Portfolio composition

We take an active approach to portfolio construction, with a flexible mandate that enables us to deploy capital into primary, secondary and direct investment opportunities. Our portfolio composition as at 31 October 2022 is shown below:

Investment category	31 October 2022 £m	31 October 2022 % of Portfolio
Primary	749.7	53.3%
Secondary	266.6	18.9%
Direct	391.6	27.8%
Total	1,407.9	100.0%

We invest in funds managed by ICG and other leading private equity managers who focus on creating long-term value and building sustainable growth through active management and strategic change. Investments managed by ICG account for 30.3% of the Portfolio as at 31 October 2022.

Our primary investments provide a diversified base to our Portfolio, and through our direct and secondary investments we seek to proactively increase our exposure to companies that particularly align to our investment strategy.

Investment category	31 October 2022 £m	31 October 2022 % of Portfolio
ICG managed investments ¹	426.5	30.3%
Third party Direct Investments	238.4	16.9%
Third party Secondary Investments	66.5	4.7%
High Conviction Investments	731.4	51.9%
Third Party Funds	676.5	48.1%
Total	1,407.9	100.0%

¹ ICG managed investments include Primary, Secondary and Direct Investments

Geographically we focus on the developed markets of North America and Europe, including the UK, which have deep and mature private equity markets supported by a robust corporate governance framework. The geographic profile of the Portfolio is shown below:

Geography ¹	31 October 2022 £m	31 October 2022 % of Portfolio
North America	640.6	45.5%
Europe	430.8	30.6%
UK	242.2	17.2%
Other	94.3	6.7%
Total	1,407.9	100%

¹ Calculated by reference to the location of the headquarters of the underlying Portfolio companies on a value-weighted basis

Portfolio performance

- Portfolio valued at £1,407.9m on 31 October 2022, with 87.2% of the Portfolio having a Valuation Date of 30 September 2022 or later (October 2021: 88.9%)
- The Portfolio Return on a Local Currency Basis of 0.2% during the quarter represents modest declines within our Primary funds of (0.5)%; an increase of 0.3% within Secondaries; and an increase of 1.7% within Direct investments
- Due to the geographic diversification of our Portfolio, the reported value is impacted by changes in foreign exchange rates. During the third quarter, the Portfolio increased by £53.6m (4.0%) due to FX movements, driven primarily by US Dollar strengthening against Sterling. The Portfolio return on a reported currency basis was therefore 4.2% during the period

Movement in the Portfolio	Three months to
£m	31 October 2022
Opening Portfolio	1,353.7
Total New Investments	59.9
Total Proceeds	(62.6)
Net (proceeds)/investments	(2.7)
Valuation movement	3.3
Currency movement	53.6
Closing Portfolio	1,407.9
% Portfolio growth (local currency)	0.2%
% currency movement	4.0%
% Portfolio growth (Sterling)	4.2%
Impact of (net cash)/net debt	0.3%
Expenses and other income	(0.5)%
Co-investment Incentive Scheme Accrual	(0.4)%
Impact of share buybacks and dividend reinvestment	-
NAV per Share Total Return	3.6%

Realisation activity

- Total Realisation proceeds of £62.6m during the third quarter
- 11 Full Exits completed in the quarter, at a weighted average Uplift to Carrying Value of 33.0% and 1.8x Multiple to Cost

Investment activity

- Total New Investment of £59.9m in the third quarter. New investment by category was as follows:

	£m	% of total
Primary	33.9	56.6%
Secondary	-	-
Direct	26.0	43.4%
Total	59.9	100.0%

- Total New Investment in the third quarter included three new direct investments for a combined total of £25.9m, as outlined below:

Company	Manager	Company sector	Description	Investment value
ECA Group	ICG	Industrials	Provider of autonomous systems and navigation solutions	£13.0m
KronosNet	ICG	Business Services	Provider of business process outsourcing services	£8.8m
Vistage Worldwide	Gridiron	Business Services	Provider of executive advisory services	£4.1m

New Commitments

- We made one new fund Commitment of £17.2m during the third quarter:

Fund	Manager	Focus	Commitment value
Leonard Green IX ¹	Leonard Green	Large buyouts	\$20.0m (£17.2m)

¹ Represents a new manager relationship during the period

Quoted Companies

- We do not actively invest in publicly quoted companies but gain listed investment exposure when IPOs are used as a route to exit an investment. In these cases, exit timing typically lies with the third party manager alongside whom we are invested
- At 31 October 2022, quoted companies representing 8.0% of the Portfolio were valued by reference to the latest market price (31 July 2022; 8.8%)
- Only one quoted investment individually accounted for 0.5% or more of the Portfolio value:

	Company	Ticker	% of Portfolio value
1	Chewy (part of PetSmart holding) ¹	CHWY-US	3.5%
	<i>Other</i>		4.5%
Total			8.0%

¹ % value of Portfolio includes entire holding of PetSmart and Chewy. Majority of value is within Chewy

Balance sheet and financing

- Total available liquidity of £174.2m, comprising £22.7m cash and £151.5m undrawn bank facility

	£m
Cash at 31 July 2022	12.7
Realisation Proceeds	62.6
New investments	(59.9)
Shareholder returns	(0.3)
FX and other ¹	7.6
Cash at 31 October 2022	22.7
Available undrawn debt facilities	151.5
Cash and undrawn debt facilities (total available liquidity)	174.2

¹ FX and other includes a £13.1m drawing from existing debt facilities, partially offset by FX and other expenses paid out

- At 31 October 2022 the Portfolio represented 107.2% of net assets and the Company had net debt of £32.7m

	£m	% of net assets
Total Portfolio	1,407.9	107.2%
Cash	22.7	1.7%
Drawn debt	(55.4)	(4.2)%
Co-investment Incentive Scheme Accrual	(59.8)	(4.6)%
Other net current liabilities	(2.0)	(0.1)%
Net assets	1,313.4	100.0%

- Undrawn commitments of £528.5m, of which 18.8% (£99.1m) were to funds outside of their investment period

Dividend and share buyback

- Progressive dividend policy maintained: third quarter dividend of 7p per share, bringing total dividends for the financial year-to-date to 21p
- In the absence of any unforeseen circumstances, it is the Board's current intention to declare total dividends of at least 30p per share for the financial year ended 31 January 2023. This would represent an increase of 3p (11.1%) per share compared to the financial year ended 31 January 2022
- Long-term share buyback program initiated in October 2022, with 30,000 shares repurchased during the third quarter for a total consideration of £0.3m at an estimated weighted-average discount of 45.9% to last reported NAV per Share
- In aggregate, £2.1m invested in share buybacks since the program was initiated, up to and including 31 January 2023, with a total of 191,480 shares having been repurchased at an estimated weighted-average discount of 40.0% to the last reported NAV per Share

Changes to management fees and costs

- The ICG Enterprise Trust Board and the Manager have agreed a revised management fee rate, effective from 1 February 2023
- While the management fee arrangement will remain unchanged, a tiered cap as a proportion of NAV has been introduced at the following thresholds:

ICG Enterprise Trust NAV	Management Fee Cap
< £1.5bn	1.25%
≥ £1.5bn ≤ £2.0bn	1.10%
> £2.0bn	1.00%

- The Board believes that this arrangement fairly compensates the Manager, and ensures that ICG Enterprise Trust shareholders benefit from the economies of scale generated from growth in the Company's NAV
- The management fees for the twelve months to Q3 FY23 were 1.34% of NAV. As an illustration, had the revised agreement been in place during this period, management fees would have been capped at 1.25%. This would have reduced the management fee by approximately 6% (approximately £1.1m)
- The Manager has also agreed to absorb a number of ongoing costs previously paid for by ICG Enterprise Trust, in particular a material share of Sales and Marketing costs. The Board estimates that these are equivalent to approximately 25-30% of the General Expenses (which exclude management fees and finance costs) that would have been paid by ICG Enterprise Trust prior to this agreement being reached

Notable activity since the period end¹

- One new Primary Commitment of £12.5m
- New investments of £44.5m
- Total Proceeds of £46.3m

ICG Private Equity Fund Investments Team

2 February 2023

¹ Unless otherwise stated, values in this section refer to the period up to 31 December 2022

SUPPLEMENTARY INFORMATION

Top 30 companies

The table below presents the 30 companies in which ICG Enterprise Trust had the largest investments by value at 31 October 2022.

	Company	Manager	Year of investment	Country	% of Portfolio value
1	PetSmart Retailer of pet products and services	BC Partners	2015	United States	3.5%
2	Endeavor Schools Provider of paid private schooling	Leeds Equity	2018	United States	2.8%
3	Minimax Supplier of fire protection systems and services	ICG	2018	Germany	2.7%
4	Leaf Home Solutions Provider of home maintenance services	Gridiron	2016	United States	1.9%
5	Froneri Manufacturer and distributor of ice cream products	PAI	2013 / 2019	United Kingdom	1.8%
6	Yudo Designer and manufacturer of hot runner systems	ICG	2017 / 2018	South Korea	1.8%
7	DOC Generici Manufacturer of generic pharmaceutical products	ICG	2019	Italy	1.7%
8	Precisely Provider of enterprise software	Clearlake	2021 / 2022	United States	1.4%
9	AML RightSource Provider of compliance and regulatory services and solutions	Gridiron	2020	United States	1.3%
10	Ambassador Theatre Group Operator of theatres and ticketing platforms	ICG / Providence	2021	United Kingdom	1.3%
11	Curium Pharma Supplier of nuclear medicine diagnostic pharmaceuticals	ICG	2020	United Kingdom	1.2%
12	DigiCert Provider of enterprise internet security solutions	ICG	2021	United States	1.2%
13	IRI/NPD Provider of mission-critical data and predictive analytics to consumer goods manufacturers	New Mountain	2022	United States	1.2%
14	DomusVi Operator of retirement homes	ICG	2017 / 2021	France	1.2%
15	David Lloyd Leisure Operator of premium health clubs	TDR	2013 / 2020	United Kingdom	1.2%
16	European Camping Group Operator of premium campsites and holiday parks	PAI	2021	France	1.1%
17	Newton Provider of management consulting services	ICG	2021 / 2022	United Kingdom	1.1%

	Company	Manager	Year of investment	Country	% of Portfolio value
18	Ivanti Provider of IT management solutions	Charlesbank / ICG	2021	United States	1.1%
19	Visma Provider of business management software and outsourcing services	Hg Capital / ICG	2017 / 2020	Norway	1.0%
20	PSB Academy Provider of private tertiary education	ICG	2018	Singapore	1.0%
21	Crucial Learning Provider of corporate training courses focused on communication skills and leadership development	Leeds Equity	2019	United States	1.0%
22	Planet Payment Provider of integrated payments services focused on hospitality and luxury retail	Advent / Eurazeo	2021	Ireland	0.9%
23	Brooks Automation Provider of semiconductor manufacturing solutions	Thomas H. Lee	2021 / 2022	United States	0.9%
24	ECA Group Provider of autonomous systems for the aerospace and maritime sectors	ICG	2022	France	0.9%
25	Class Valuation Provider of residential mortgage appraisal management services	Gridiron	2021	United States	0.8%
26	Davies Group Provider of specialty business process outsourcing services	BC Partners	2021	United Kingdom	0.8%
27	RegEd Provider of SaaS-based governance, risk and compliance enterprise software solutions	Gryphon	2018 / 2019	United States	0.7%
28	MoMo Online Mobile Services Operator of remittance and payment services via mobile e-wallet	ICG	2019	Vietnam	0.6%
29	AMEOS Group Operator of private hospitals	ICG	2021	Switzerland	0.6%
30	KronosNet Provider of tech-enabled customer engagement and business solutions	ICG	2022	Spain	0.6%
Total of the 30 largest underlying investments					39.3%

Portfolio at 31 October 2022

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

Portfolio by calendar year of investment	% of value of underlying investments
2022	17.4%
2021	25.3%
2020	10.2%
2019	13.7%
2018	12.4%
2017	6.5%
2016	4.4%
2015	4.3%
<i>2014 and older</i>	5.8%
Total	100.0%

Portfolio by sector	% of value of underlying investments
TMT	23.0%
Consumer goods and services	20.1%
Healthcare	14.5%
Business services	11.8%
Industrials	8.8%
Financials	7.3%
Education	6.9%
Leisure	3.8%
Other	3.8%
Total	100.0%