



# Quarterly Update

## For the three months to 30 April 2018

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### Highlights

- NAV per share of 970p; a total return of 1.6% over the quarter
- Continued strong exit activity; realisations at significant uplifts to carrying value and cost
- £64.6m of new commitments and selective deployment into compelling investment opportunities
- Quarterly dividend of 5.0p declared - to be paid in September 2018
- NAV and share price continue to outperform FTSE All-Share over one, three, five and 10 years

### Realisations and IPOs the key driver of growth

- Investment portfolio valued at £611.8m<sup>1</sup>, 91.1% of net assets
  - 2.3% return for the quarter; 1.7% on a constant currency basis
- Portfolio continues to be highly cash generative
  - 16 full realisations in the quarter; £25.2m of realisation proceeds
  - Realisations at a 31% uplift<sup>2</sup> to carrying value; 2.2x multiple of cost
- Continued exit activity since the quarter end
  - A further £24.2m of proceeds received in May 2018
  - £10.7m from the sale of The Laine Pub Company; a 2.0x multiple to cost
  - Year to date, realisations continue to outweigh new investments<sup>3</sup>

### New commitments and selective investment into compelling opportunities

- £64.6m of new primary commitments
  - €40m (£34.6m) to ICG Europe Fund VII
    - Flexible strategy targeting gross annualised returns of 15-20% with low downside risk
    - Investing in European companies with experienced management, typically in non-cyclical industries
  - £30m to Graphite IX
    - Focus on mid-market buyouts in the UK
    - Companies valued at between £30 million and £150 million

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<sup>1</sup> 49% of the Portfolio is valued using 31 March 2018 (or later) valuations.

<sup>2</sup> Uplift figure excludes publically listed companies that were exited via sell downs of their shares

<sup>3</sup> At 31 May 2018

- £22.3m of new investment – 47% deployed into high conviction investments
  - Focus remains on defensive growth, structural downside protection and relative value
  - High conviction investments (ICG directly controlled investments, third-party co-investments and secondary investments) increased to 43% of investment portfolio
- £7.1m co-investment completed in Endeavor Schools, a school operator based in the USA, alongside Leeds Equity Partners
  - Defensive business with strong underlying growth trends and stable cash flows
- £5.1m invested since the quarter end
  - Strong pipeline of co-investments and new funds

### Dividend

- Final dividend of 6p to be paid on 13 July 2018<sup>4</sup>
- Quarterly dividend of 5.0p declared
  - Will be paid on 7 September 2018 for shareholders on the register on 17 August 2018

### Strong balance sheet

- Closing net asset value of £672m
- Cash balance of £74.8m at 30 April 2018
- Uncalled commitments of £376.3m
  - £179.0m total liquidity (including £104.2m undrawn bank line)

### 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 30 April 2018	3 months	1 year	3 years	5 years	10* years
Net asset value per share	+1.6%	+13.7%	+49.8%	+69.5%	+108.5%
Share price	+5.0%	+19.4%	+62.1%	+97.2%	+134.6%
FTSE All-Share Index	+1.1%	+8.2%	+22.5%	+45.6%	+102.8%

\* As the Company changed its year end in 2010, the ten-year figures are for the 121 month period to 30 April 2018.

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

“The portfolio continues to perform well, and we are pleased with the progress made in a quarter in which managers tend not to revalue the unrealised investments significantly. The portfolio remains highly cash generative as our managers continue to take advantage of the strong exit environment to sell portfolio companies. Against this, we are redeploying capital selectively into high quality defensive businesses and in special situations where we can achieve relative value. We have a strong pipeline of new opportunities and the portfolio is well positioned to continue to generate shareholder value.”

<sup>4</sup> To shareholders on the register on 22 June 2018

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## Enquiries

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### Analyst / Investor enquiries:

+44 (0) 20 3201 7700

Emma Osborne, Head of Private Equity Fund Investments, ICG

Nikki Edgar, Finance and Investor Relations, ICG

### Media:

Helen Gustard, Co-Head of Corporate Communications, ICG

+44 (0) 20 3201 7917

Alicia Wyllie, Co-Head of Corporate Communications, ICG

Vikki Kosmalska, Associate Partner, Maitland

+44 (0) 20 7379 5151

## 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 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.

	<b>Company</b>	<b>Manager</b>	<b>Year of investment</b>	<b>Country</b>	<b>Value as a % of Portfolio</b>
<b>1</b>	<b>City &amp; County Healthcare Group</b> Provider of home care services	Graphite Capital	2013	UK	3.4%
<b>2</b>	<b>DomusVi+</b> Operator of retirement homes	ICG	2017	France	2.9%
<b>3</b>	<b>Visma+</b> Provider of accounting software and accounting outsourcing services	ICG & Cinven	2014 & 2017	Europe	2.5%
<b>4</b>	<b>David Lloyd Leisure+</b> Operator of premium health clubs	TDR Capital	2013	UK	2.3%
<b>5</b>	<b>Education Personnel+^</b> Provider of temporary staff for the education sector	ICG	2014	UK	2.2%
<b>6</b>	<b>Roompot+</b> Operator and developer of holiday parks	PAI Partners	2016	Netherlands	2.0%
<b>7</b>	<b>nGAGE</b> Provider of recruitment services	Graphite Capital	2014	UK	2.0%
<b>8</b>	<b>Gerflor^</b> Manufacturer of vinyl flooring	ICG	2011	France	2.0%
<b>9</b>	<b>PetSmart+</b> Retailer of pet products and services	BC Partners	2015	USA	1.8%
<b>10</b>	<b>Ceridian+</b> Provider of payment processing services	Thomas H Lee Partners	2007	USA	1.8%
<b>11</b>	<b>The Laine Pub Company+</b> Operator of pubs and bars	Graphite Capital	2014	UK	1.8%
<b>12</b>	<b>ICR Group</b> Provider of repair and maintenance services to the energy industry	Graphite Capital	2014	UK	1.7%
<b>13</b>	<b>Froneri+^</b> Manufacturer and distributor of ice cream products	PAI Partners	2013	UK	1.6%
<b>14</b>	<b>Cambium^</b> Provider of educational solutions and services	ICG	2016	USA	1.6%
<b>15</b>	<b>System One+</b> Provider of specialty workforce solutions	Thomas H Lee Partners	2016	USA	1.6%

	<b>Company</b>	<b>Manager</b>	<b>Year of investment</b>	<b>Country</b>	<b>Value as a % of Portfolio</b>
<b>16</b>	<b>Beck &amp; Pollitzer</b> Provider of industrial machinery installation and relocation	Graphite Capital	2016	UK	1.6%
<b>17</b>	<b>Skillsoft+</b> Provider of off the shelf e-learning content	Charterhouse	2014	USA	1.5%
<b>18</b>	<b>Frontier Medical+</b> Manufacturer of medical devices	Kester Capital	2013	UK	1.5%
<b>19</b>	<b>TMF^</b> Provider of management and accounting outsourcing services	Doughty Hanson	2008	Netherlands	1.5%
<b>20</b>	<b>Yudo+</b> Designer and manufacturer of hot runner systems	ICG	2018	South Korea	1.4%
<b>21</b>	<b>Endeavor Schools+</b> Operator of schools	Leeds Equity Partners	2018	USA	1.2%
<b>22</b>	<b>YSC</b> Provider of leadership consulting and management assessment services	Graphite Capital	2017	UK	1.1%
<b>23</b>	<b>Swiss Education+</b> Provider of hospitality training	Invision Capital	2015	Switzerland	1.1%
<b>24</b>	<b>New World Trading Company</b> Operator of distinctive pub restaurants	Graphite Capital	2016	UK	1.1%
<b>25</b>	<b>U-POL^</b> Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	1.0%
<b>26</b>	<b>Cognito+</b> Supplier of communications equipment, software & services	Graphite Capital	2002	UK	0.9%
<b>27</b>	<b>Compass Community</b> Provider of fostering services and children residential care	Graphite Capital	2017	UK	0.9%
<b>28</b>	<b>Random42</b> Provider of high-quality medical animation and digital media services to the healthcare and pharmaceutical industry	Graphite Capital	2017	UK	0.8%
<b>29</b>	<b>Intervias</b> Operator of petrol station forecourts	TDR Capital	2014	UK	0.7%
<b>30</b>	<b>Odgers+</b> Provider of recruitment services	Graphite Capital	2009	UK	0.6%
<b>Total of the 30 largest underlying investments</b>					<b>48.1%</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 30 April 2018 are:

	Fund	Year of commitment	Country/ region	Value £m	Outstanding commitment £m
1	<b>Graphite Capital Partners VIII *</b> Mid-market buy-outs	2013	UK	74.3	26.6
2	<b>ICG Europe VI **</b> Mezzanine and equity in mid-market buy-outs	2015	Europe	24.0	2.3
3	<b>BC European Capital IX **</b> Large buy-outs	2011	Europe/USA	19.5	0.8
4	<b>CVC European Equity Partners VI</b> Large buy-outs	2013	Europe/USA	14.9	2.2
5	<b>CVC European Equity Partners V **</b> Large buy-outs	2008	Europe/USA	12.8	0.4
6	<b>Graphite Capital Partners VII * / **</b> Mid-market buy-outs	2007	UK	12.6	4.7
7	<b>One Equity Partners VI</b> Mid-market buy-outs	2016	USA/Western Europe	12.3	1.0
8	<b>Fifth Cinven Fund</b> Large buy-outs	2012	Europe	12.1	1.2
9	<b>Thomas H Lee Equity Fund VII</b> Mid-market and large buy-outs	2015	USA	12.0	4.5
10	<b>ICG Strategic Secondaries Fund II</b> Secondary fund restructurings	2016	Europe/USA	11.2	18.8
11	<b>ICG Velocity Partners Co-Investor **</b> Mid-market buy-outs	2016	USA	10.7	1.0
12	<b>Permira V</b> Large buy-outs	2013	Europe/USA	10.1	0.6
13	<b>Activa Capital Fund III</b> Mid-market buy-outs	2013	France	10.1	3.8
14	<b>TDR Capital III</b> Mid-market and large buy-outs	2013	Europe	9.6	3.1
15	<b>PAI Europe VI</b> Mid-market and large buy-outs	2013	Europe	9.5	6.7
16	<b>Nordic Capital Partners VIII</b> Mid-market and large buy-outs	2013	Europe	9.2	1.6
17	<b>Thomas H Lee Parallel Fund VI</b> Large buy-outs	2007	USA	8.7	1.0
18	<b>Doughty Hanson &amp; Co V **</b> Mid-market and large buy-outs	2006	Europe	8.7	6.7
19	<b>IK VII</b> Mid-market buy-outs	2013	Europe	8.3	0.4
20	<b>Hollyport Secondary Opportunities V</b> Tail-end secondary portfolios	2015	Europe/USA	8.1	2.3

Fund	Year of commitment	Country/ region	Value £m	Outstanding commitment £m
<b>21 ICG Europe V **</b> Mezzanine and equity in mid-market buy-outs	2012	Europe	7.9	0.8
<b>22 Deutsche Beteiligungs Fund VI</b> Mid-market buy-outs	2012	Germany	7.4	1.2
<b>23 Bowmark Capital Partners IV</b> Mid-market buy-outs	2007	UK	6.8	0
<b>24 Egeria Private Equity Fund IV</b> Mid-market buy-outs	2012	Netherlands	6.6	1.6
<b>25 Graphite Capital Partners VI **</b> Mid-market buy-outs	2003	UK	6.3	0.0
<b>26 ICG European Fund 2006 B**</b> Mezzanine and equity in mid-market buy-outs	2014	Europe	6.2	2.1
<b>27 Advent Global Private Equity VIII</b> Large buy-outs	2016	Europe/USA	6.1	6.7
<b>28 ICG Asia Pacific Fund III</b> Mezzanine	2016	Asia Pacific	6.1	5.6
<b>29 Gridiron Capital Fund III</b> Mid-market buy-outs	2016	North America	5.9	5.6
<b>30 Activa Capital Fund II</b> Mid-market buy-outs	2007	France	5.0	1.9
<b>Total of the largest 30 fund investments</b>			<b>363.0</b>	<b>115.2</b>
<b>Percentage of total investment Portfolio</b>			<b>59.3%</b>	

\* Includes the associated Top Up funds.

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

## Portfolio analysis<sup>1</sup>

Investment category	% of portfolio
<b>High conviction portfolio</b>	
ICG	18.1%
Third party co-investments	19.1%
Third party secondary investments	6.0%
<b>Total High Conviction investments</b>	<b>43.2%</b>
<b>Third party funds' portfolio</b>	
Graphite Capital primary funds	14.6%
Third party primary funds	42.2%
<b>Total diversified fund investments</b>	<b>56.8%</b>
<b>Total</b>	<b>100.0%</b>

Portfolio by investment type	% of value of underlying investments
Large buyouts	42.4%
Mid-market buyouts	48.1%
Small buyouts	7.9%
Other	1.6%
<b>Total</b>	<b>100.0%</b>

Portfolio by calendar year of investment	% of value of underlying investments
2018	4.8%
2017	19.5%
2016	20.5%
2015	12.3%
2014	17.1%
2013	11.8%
2012	3.1%
2011	2.0%
2010	2.1%
2009	1.2%
2008	1.8%
2007	2.0%
2006 and before	1.8%
<b>Total</b>	<b>100.0%</b>

Portfolio by sector	% of value of underlying investments
Healthcare and education	21.8%
Industrials	16.7%
Business services	15.9%
Consumer goods and services	15.2%
Leisure	12.6%
TMT	10.2%
Financials	4.9%
Other	2.7%
<b>Total</b>	<b>100.0%</b>



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

**% of value of underlying investments**

UK	35.3%
North America	23.0%
Europe	38.7%
Rest of world	3.0%
<b>Total</b>	<b>100.0%</b>

**Footnote**

1. 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.

**Balance sheet information**

The summary balance sheet at 30 April 2018 is set out below.

	30 April 2018	% of net assets	31 January 2018	% of net assets
	£m		£m	
Total portfolio	611.8	91.1%	600.7	90.4%
Cash and liquid assets	74.8	11.1%	78.4	11.8%
Other net current liabilities	(14.8)	(2.2%)	(14.8)	(2.2)%
<b>Net assets</b>	<b>671.8</b>	<b>100.0%</b>	<b>664.3</b>	<b>100.0%</b>

**Movement in liquid assets**

£m	3 months 30 April 18
Additions <sup>2</sup>	(22.9)
Cash proceeds generated by the portfolio (including income)	25.2
Net cash generated by the investment portfolio	2.3
Non-investment cash flows	(2.6)
Effect of changes in foreign exchange rates	0.2
Cash inflow before shareholder distributions	(0.1)
Dividends paid to shareholders	(3.5)
Net cash movement	(3.6)
Opening cash and liquid assets	78.4
<b>Closing cash and liquid assets</b>	<b>74.8</b>

**Footnote**

2. Additions cash figure for quarter to 30 April includes £0.6m of drawdowns paid which were accrued at the prior quarter end.

**Uncalled commitment coverage**

	30 April 2018	31 January 2018
	£m	£m
Cash and liquid assets	74.8	78.4
Undrawn bank facility	104.2	104.0
Total liquidity	179.0	182.4
Outstanding commitments	376.3	321.2
Less: Total liquidity	(179.0)	(182.4)
Over-commitment	197.3	138.8
Over-commitment as % of net assets	29.4%	20.9%