



Electra Private Equity PLC

**Half Year Review and Analysis**

May 2013

Presented by  
electra  
partners



# Results: Six Months to 31 March 2013

	31 March 2013	30 September 2012	Change
Net assets (£000's)	999,371	916,304	9.1%
Net asset value per share (diluted)	2,684p	2,473p	8.5%
Share price	2,365p	1,770p	33.6%
Discount	11.9%	28.4%	

FTSE All-Share up 14.5% over the year six months to 31 March 2013


Partially adjusted diluted NAV per share at 23 May 2013 was 2,707p (share price 2,255p)



# Portfolio Movement

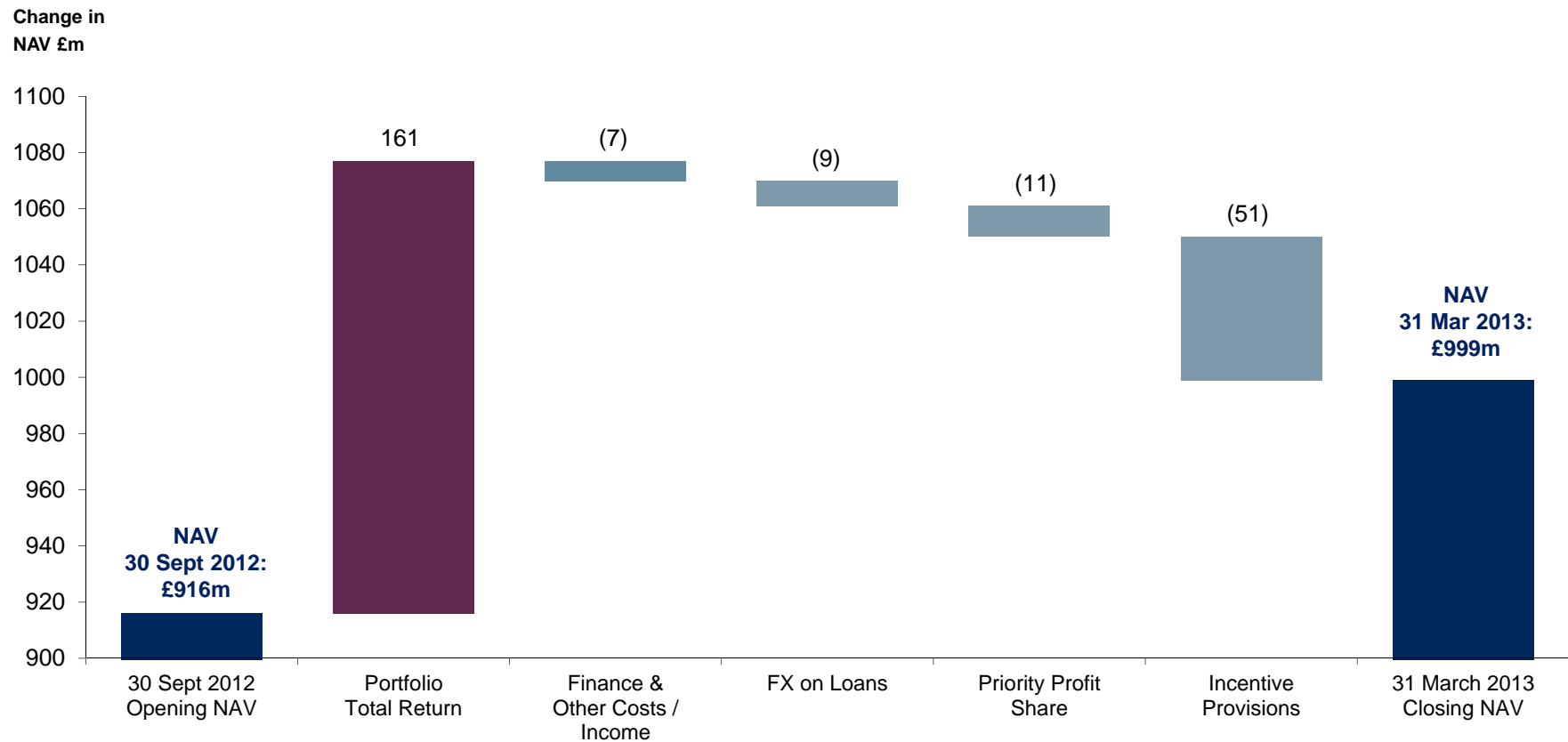
30 September 2011 to 31 March 2013

	Six months to 31 Mar 2013 £m	Six months to 30 Sept 2012 £m	Six months to 31 Mar 2012 £m
Opening investment portfolio	868	786	883
Investments	204	58	92
Realisations / Income	(112)	(33)	(268)
Total return	161*	57	79
Closing investment portfolio	1,121	868	786
Return as a percentage of opening portfolio	18.5	7.3	8.9




# Analysis of Movement in NAV

## Six months to 31 March 2013





# H1 2013 – New Investments

Company	AXIO Data Group	EP 1 Secondary Portfolio	
Business Description	B2B information services	Interests in secondary funds	House builder
New Capital Invested	£90.6m	£78.4m	£13.3m
Ownership	68.8%	Limited partnership positions	10.7%
Investment Rationale	Attractive earnings multiple	Attractive acquisition discount	Construction cycle

# AXIO Data Group

## Investment

- In April 2013 Electra invested £91 million to acquire the majority of UBM plc's Data Services businesses
- The Data Services businesses provide data and information products which professionals use to support their decision-making and day-to-day business activities
- Operating in 28 countries worldwide, the businesses serve a wide range of sectors including healthcare, technology & IP, global trade, aviation and forest products
- AXIO Data Group is a robust and cash generative portfolio of companies which offers diversity through operating across a range of sectors and geographies
- The companies have strong brands benefitting from well established customer relationships and hold leadership positions in niche markets



# EP 1 Secondary Portfolio Investment

- Between December 2012 and March 2013, Electra invested £78 million in a portfolio of seven secondary private equity funds with further commitments to those funds of £25 million
- The portfolios benefit from wide diversification and are expected to generate strong cash distributions over the next few years
- The purchase price represented a significant discount to the valuation of the underlying assets
- At 31 March 2013 these limited partnerships were revalued in line with the requirements of IFRS to be stated at fair value. This produced an uplift in book value of £33.5 million



# CALA Group Investment

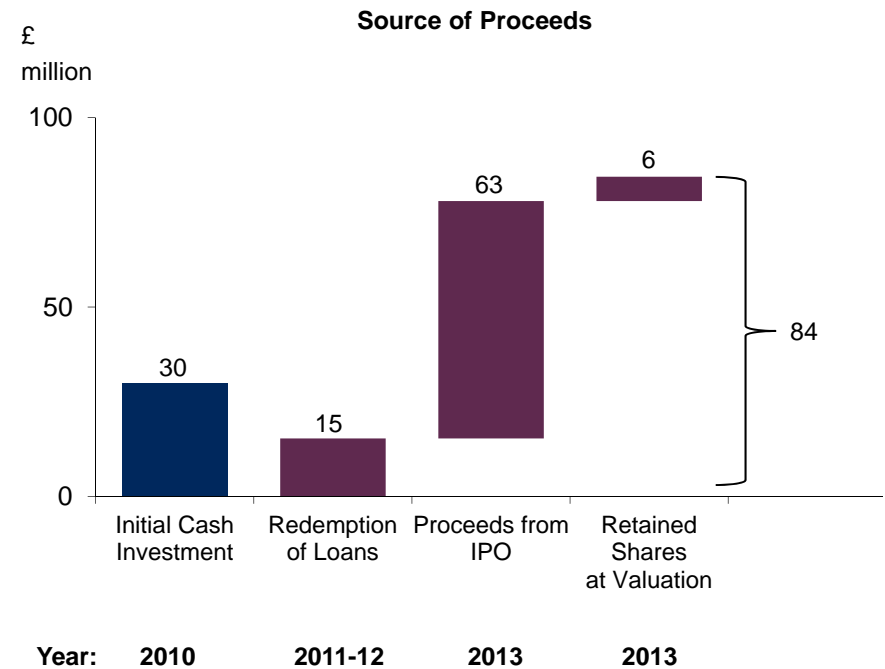
- In April 2013 Electra invested £13 million as a co-investor in Patron Capital Partners and Legal & General's acquisition of CALA Group from Lloyds Banking Group
- Headquartered in Edinburgh, CALA Group is a national house builder which provides high quality homes in the North, East and West of Scotland, in the Midlands and in the South East of England
- The company focuses on high quality, well designed homes in prime locations, from starter homes to luxury detached family properties
- The continued undersupply of new housing in the UK and legislation promoting development means that this is a favourable time in the cycle to be investing







- In 2010 Electra invested £30 million in the MBO of esure from Lloyds Banking Group
- Backed an entrepreneur with a successful track record in motor and home insurance and invested at a favourable point in the insurance cycle
- esure also owns the Sheila's Wheels brand and a 50% stake in gocompare.com, the internet aggregator
- In March 2013 esure successfully completed an Initial Public Offering allowing Electra to realise the majority of its investment
- Investment has generated a gross return of **circa 3x original cost** for Electra; an IRR of 48%

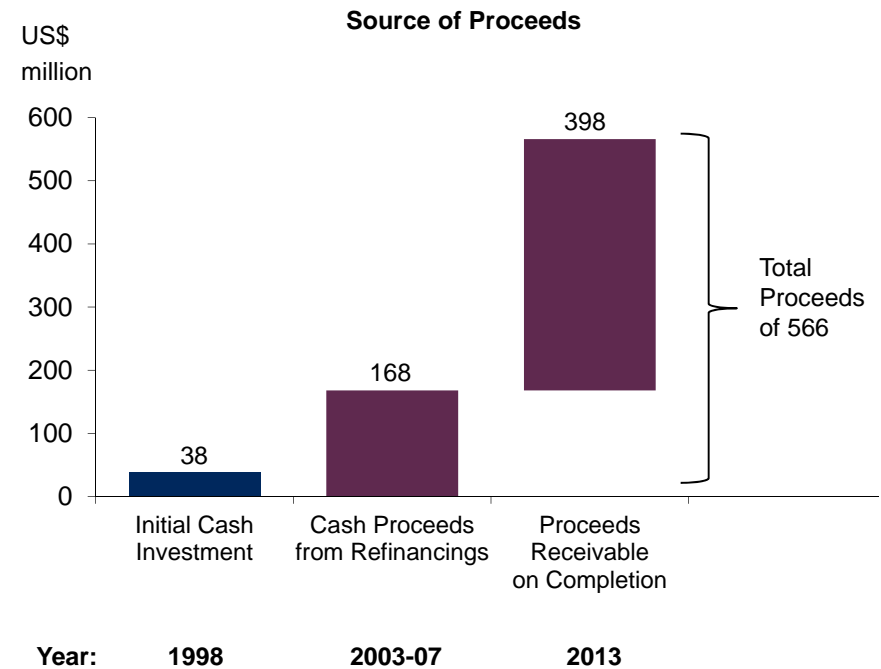




# Allflex Holdings



- In 1998 Electra invested US\$38 million in the buyout of Allflex, arranged by Electra Partners
- Allflex is the global leader in animal identification
- Under Electra's ownership, profits have grown six fold as a result of geographic expansion, an increase in the number of species tagged and the introduction of new and sophisticated products
- The company was successfully refinanced in 2003, 2005 and 2007 resulting in Electra receiving aggregate proceeds of US\$168 million
- A binding offer was received on 3 May which, subject to regulatory approval, will result in Electra receiving proceeds of US\$398 million on completion. The total proceeds of US\$566 million represent a gross return of **15x original cost** over the 14 year investment period and gives rise to an IRR of 28%





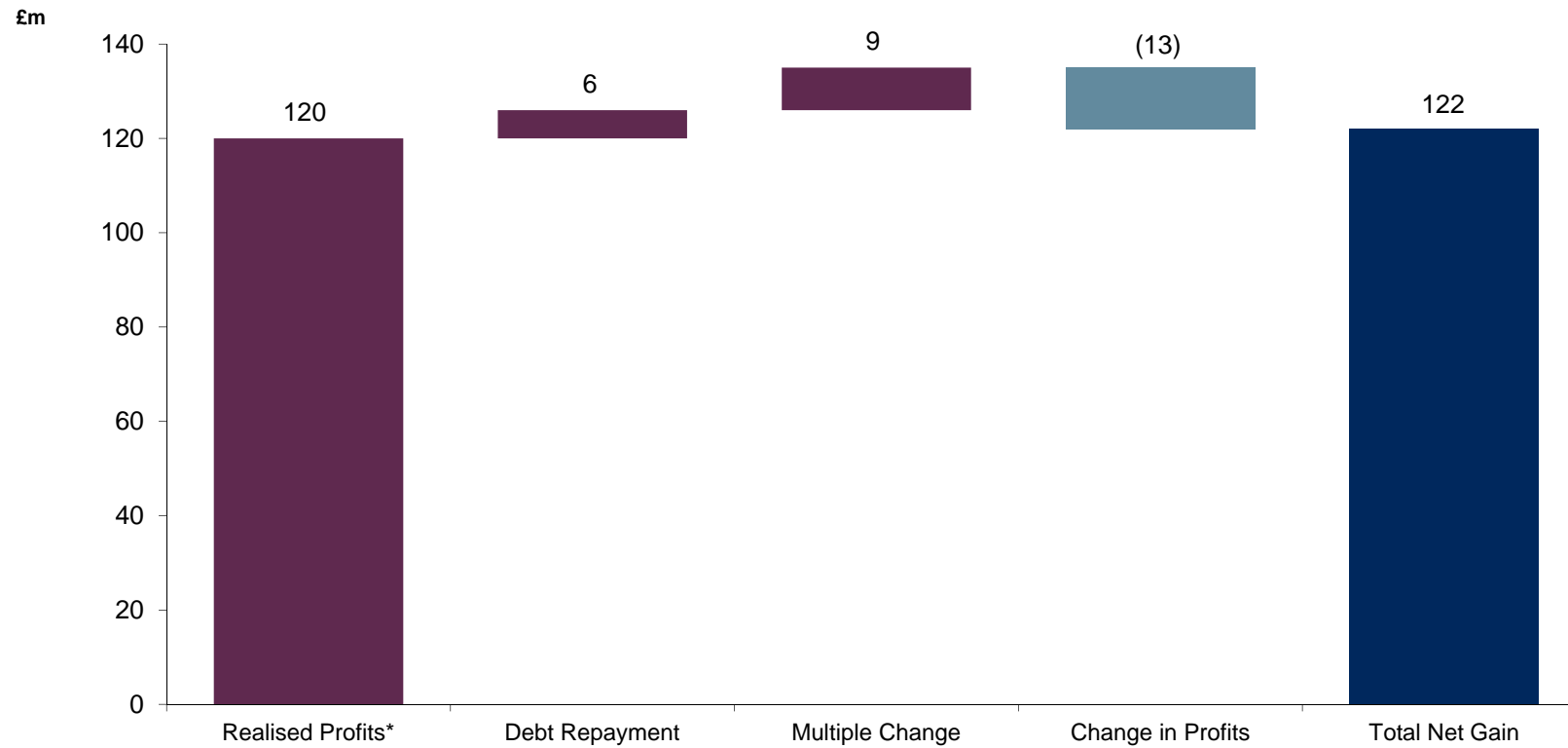
# Portfolio Changes (by segment)

Six months to 31 March 2013

	Valuation at 30 Sept 2012 £m	Purchases £m	Sales / Income £m	Total Return £m	Valuation at 31 Mar 2013 £m	% Increase
Direct Unlisted	612	117	74	122	777	19.9
Secondaries	34	78	11	37	138	108.8
Funds	117	9	20	7	113	6.0
Listed	105	-	7	(5)	93	(4.8)
	868	204	112	161	1,121	18.5

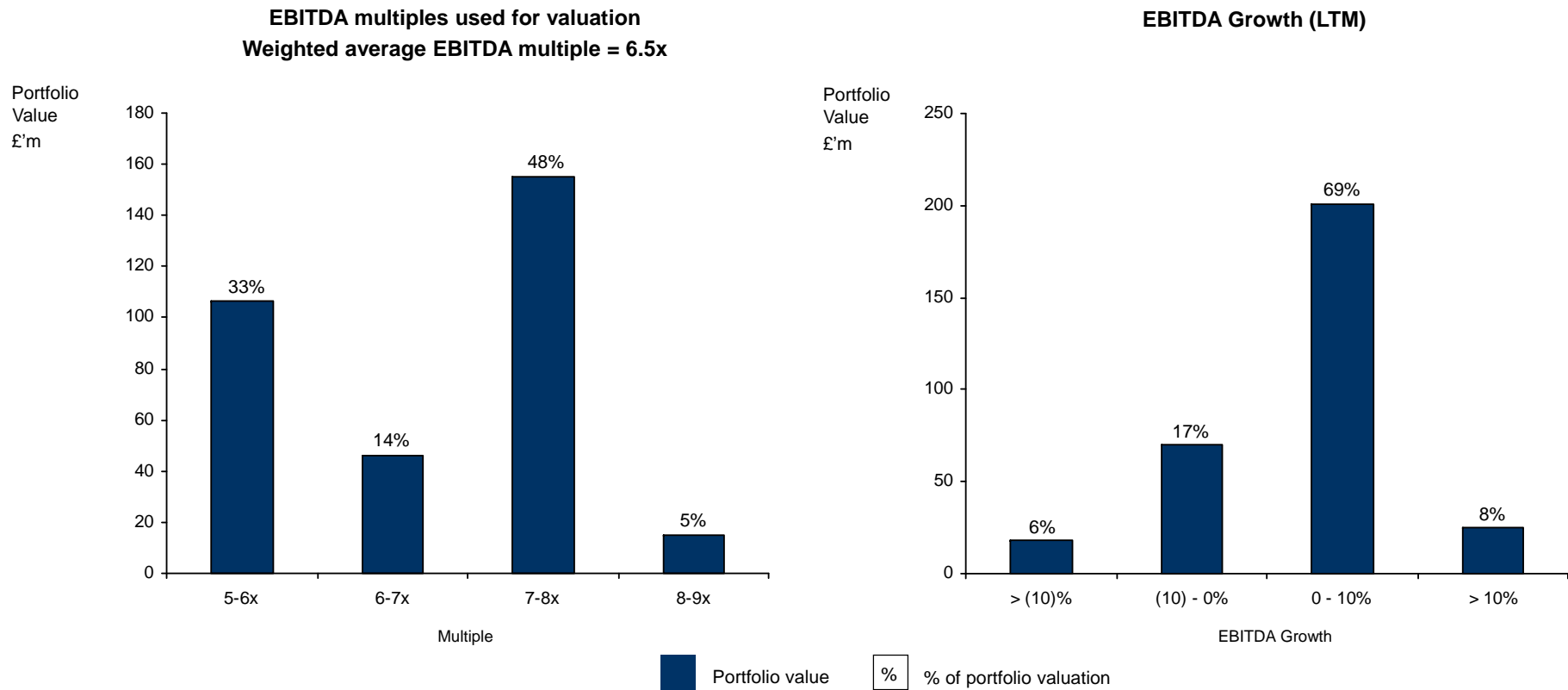
# Analysis of Net Gains – Direct Unlisted

Six months to 31 March 2013



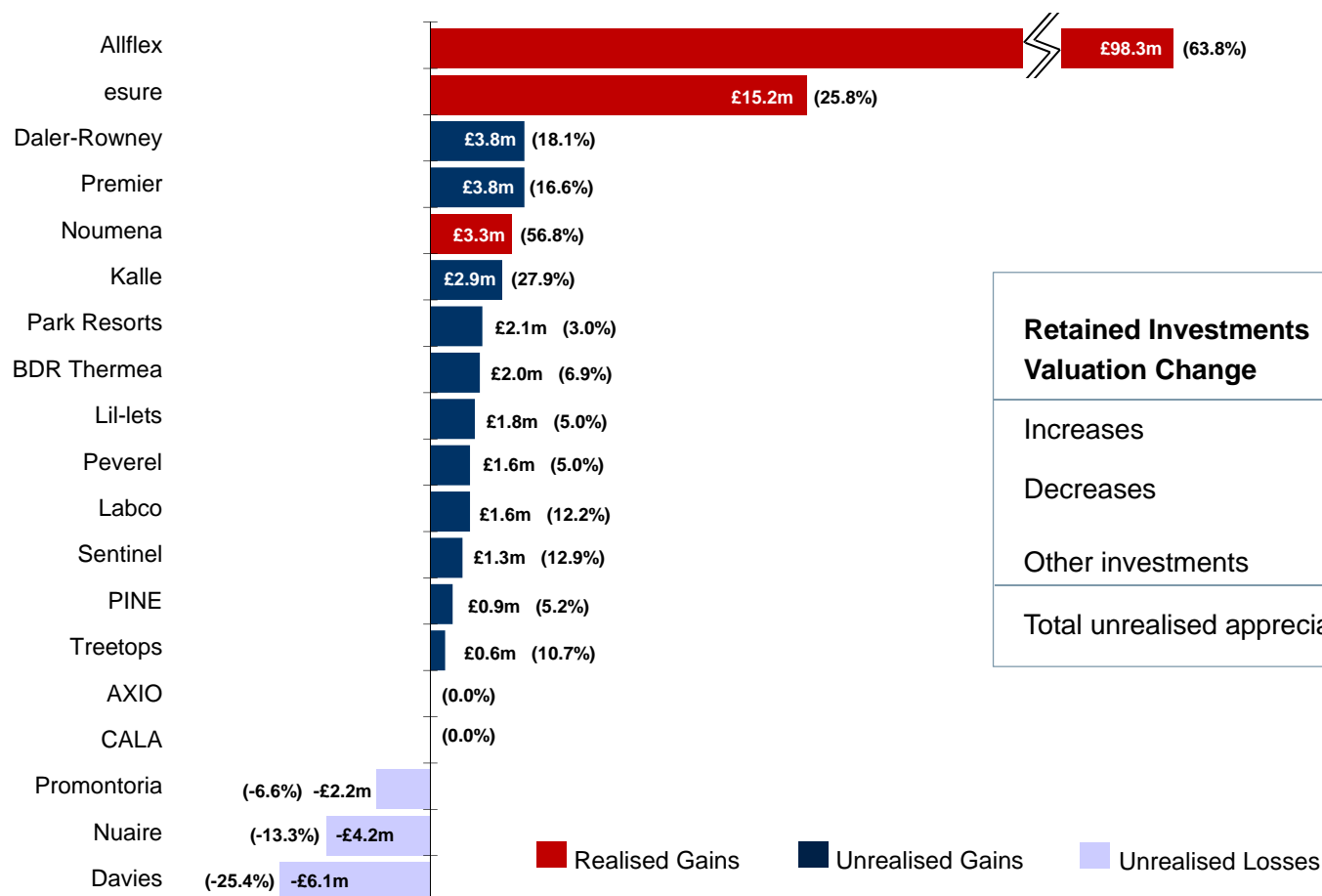
# Direct Unlisted (Valued on Earnings Basis\*)

## Valuation Multiples / EBITDA Growth



# Direct Unlisted – Total Return for Half Year

## Six months to 31 March 2013



Retained Investments		
Valuation Change	No.	£m
Increases	11	23
Decreases	3	(13)
Other investments	(not listed)	(4)
Total unrealised appreciation		6

# Direct Unlisted – Portfolio

Individual investments greater than £7.5 million in value

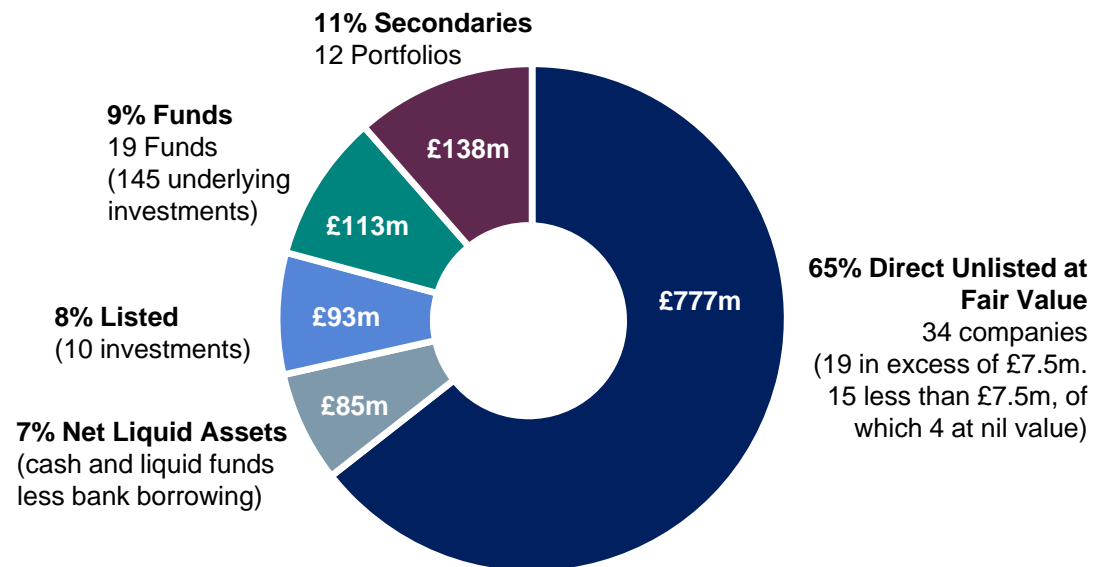
Company	Sector	Year of Investment	Valuation Basis	Cost £m	Valuation at 31 Mar 2013 £m	% of Unlisted	Cumulative %
Allflex	Animal identification tags	*2007	Exit value	49.3	252.5	32.5	32.5
AXIO Data Group	B2B information services	2013	Earnings	90.6	90.6	11.6	44.1
Park Resorts	Caravan parks operator	2012	Cost	69.0	70.2	9.0	53.1
Lil-lets Group	Feminine hygiene products	2007	Earnings	28.1	43.0	5.5	58.6
Peverel Group	Property management services	2012	Earnings	22.0	34.8	4.5	63.1
Promontoria	Property holding company	*2008	Yield	14.1	30.4	3.9	67.0
Nuaire	Ventilation systems manufacturer	2007	Earnings	23.1	27.7	3.6	70.6
Premier	Investment management	2008	Earnings	55.8	26.6	3.4	74.0
Daler-Rowney	Fine art materials supplier	2011	Earnings	17.4	25.0	3.2	77.2
BDR Thermea	Heating products	*2009	Loan value	-	18.5	2.4	79.6
Davies Group	Insurance claims solutions	2011	Earnings	35.8	17.8	2.3	81.9
PINE	Nursery school finance	2006/7	Yield	14.0	17.5	2.2	84.1
esure	Motor and home insurance	2010	Exit value	-	17.2	2.2	86.3
Labco	Medical diagnostics	2008	Earnings	25.3	14.9	1.9	88.2
Kalle	Food casings	2010	Earnings	9.0	13.5	1.7	89.9
CALA Group	National house builder	2013	Cost	13.3	13.3	1.7	91.6
Sentinel	Heating system products	2011	Earnings	14.7	11.3	1.5	93.1
Treetops	Nursery education	2012	Earnings	10.1	10.7	1.4	94.5
Noumena	Property holding company	2002	Exit value	4.6	9.2	1.2	95.7
				496.2	744.7	95.7	95.7
Direct investments - Sundry				77.3	32.7	4.3	100.0
Total				573.5	777.4	100.0	



# Balance Sheet / Portfolio

<b>Balance Sheet Summary</b>	
31 March 2013	
	£m
Portfolio	1,206
Other Liabilities	(68)
ZDP	(59)
Convertible Bond	(80)
<b>Net Assets</b>	<b>999</b>

## Portfolio £1,206 million



	31 Mar 13 £m	30 Sept 12 £m
<b>Investment Portfolio</b>	<b>1,121</b>	<b>868</b>
<b>Net Liquid Resources*</b>	<b>85</b>	<b>223</b>
<b>Total Portfolio</b>	<b>1,206</b>	<b>1,091</b>





# Electra Liquidity Position

- As at 31 March 2013, Electra's outstanding commitments were to AXIO Data Group (£9 million) and other private equity funds for a total of £100 million
- Bank borrowings (£163 million) provide for currency hedging
- In October 2011 the bank facility was renewed with £195 million available until June 2016. This has recently been extended to December 2017

	31 Mar 2013 £m	30 Sept 2012 £m
Liquid resources*	248	377
Bank borrowings	(163)	(154)
Net liquid resources	85	223
ZDP shares	(59)	(57)
Convertible Bond**	(100)	(100)

\* After investment in AXIO Data Group (£91m) and final EP 1 payment (£13m)

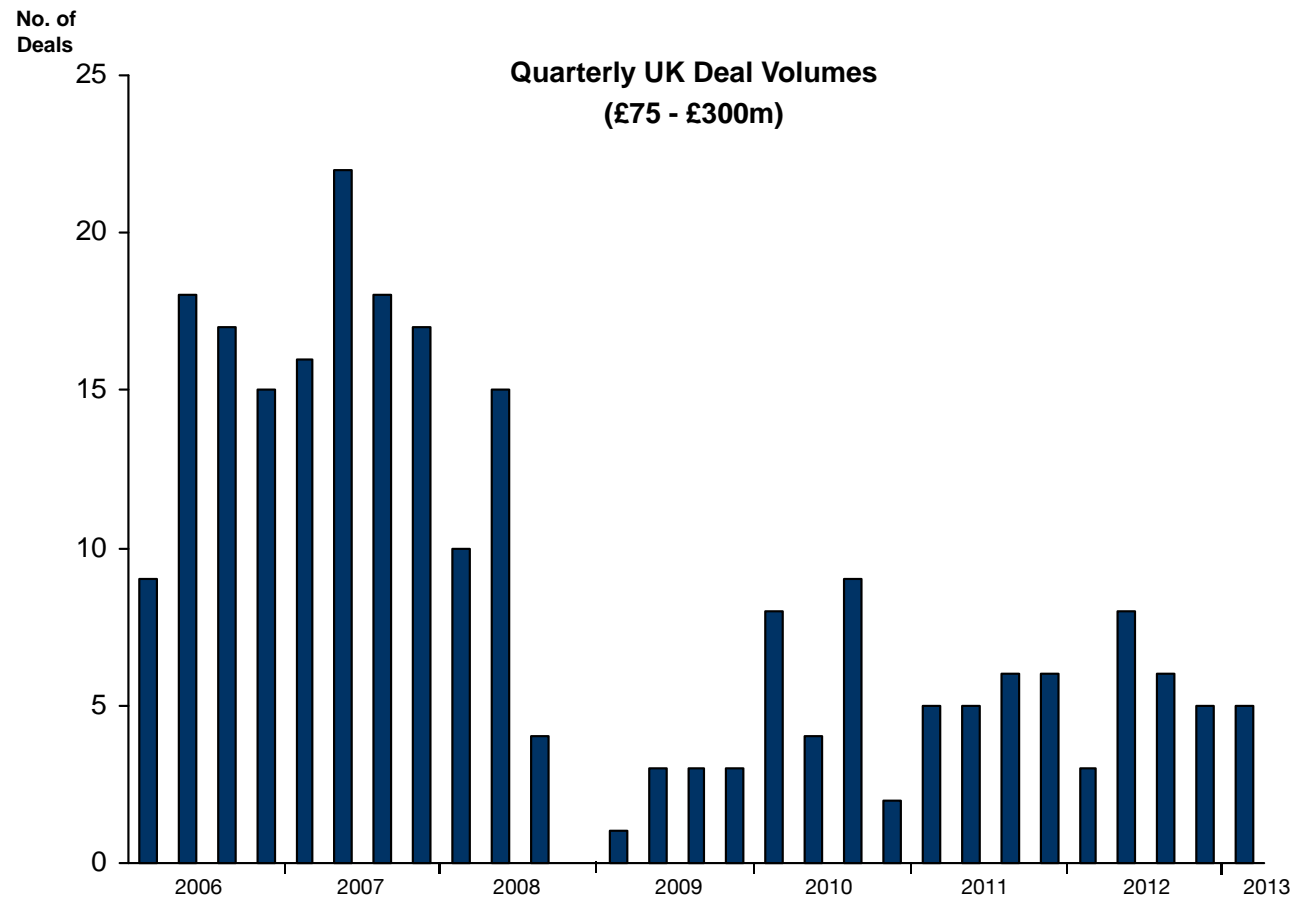
\*\* Repayment amount

ZDP repayable in 2016

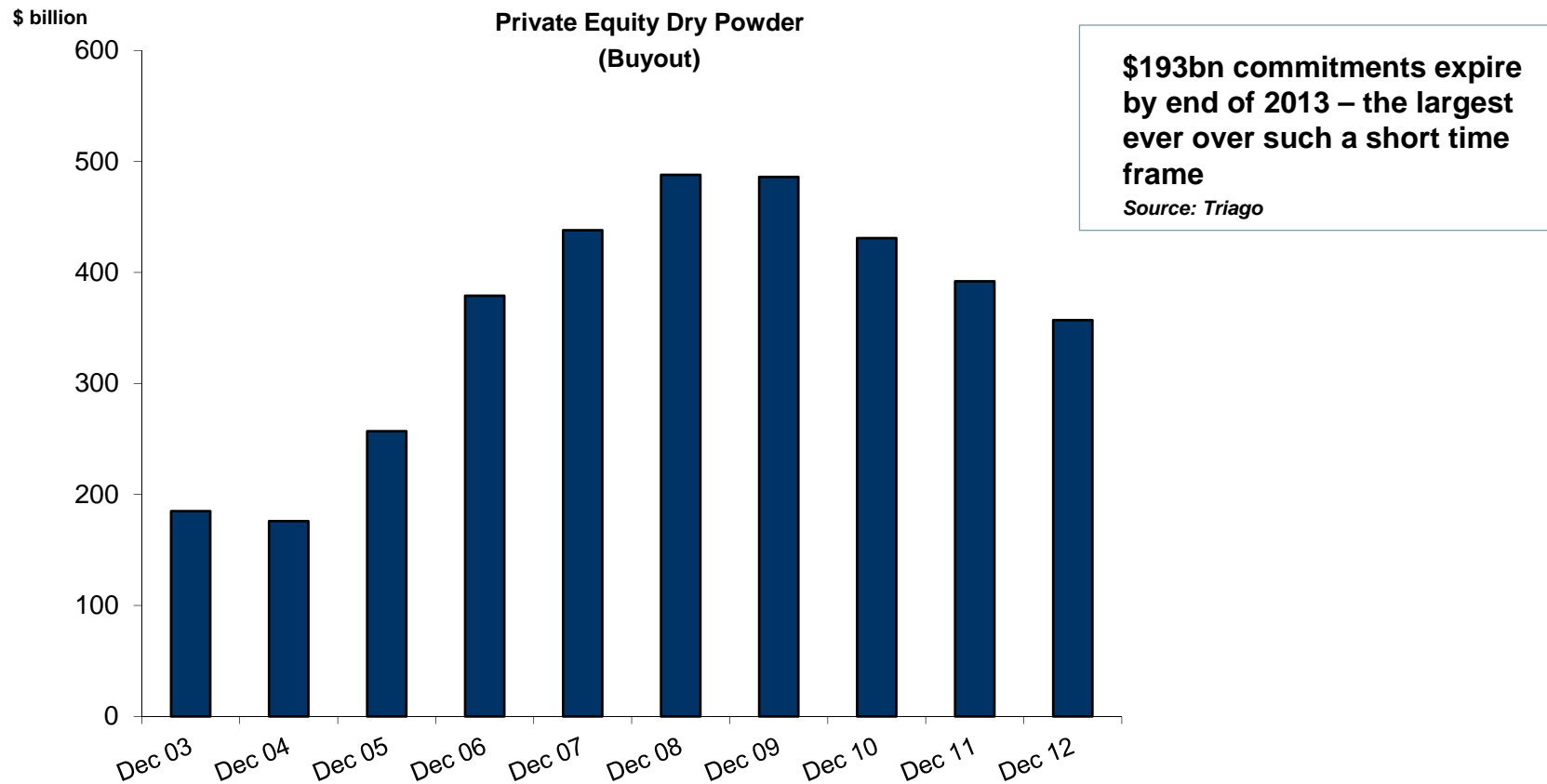
Convertible Bond repayable in 2017 if not converted



# Market is Still Fairly Subdued

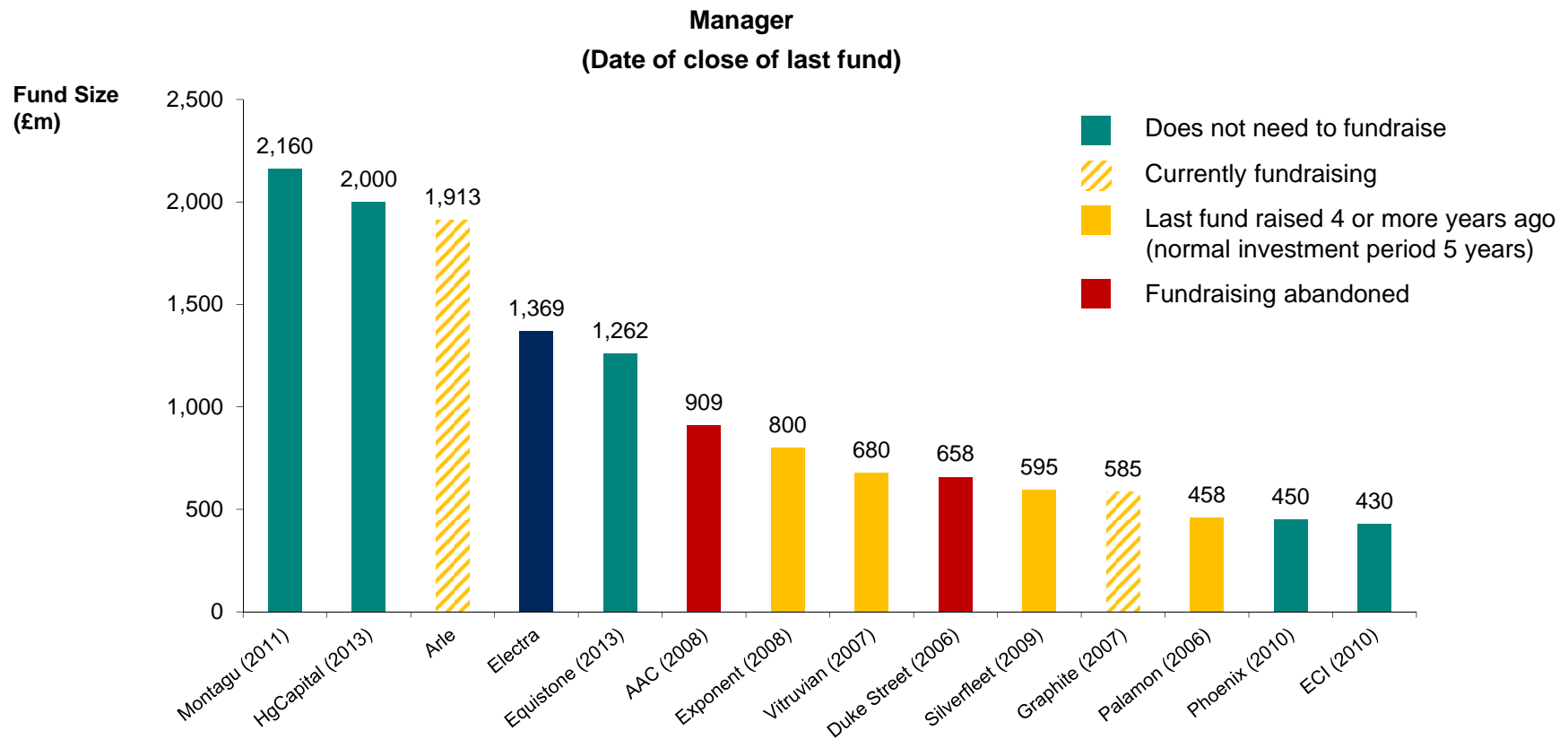


— But Competitive Environment is Improving with Substantial  
— Expiry of Dry Powder...

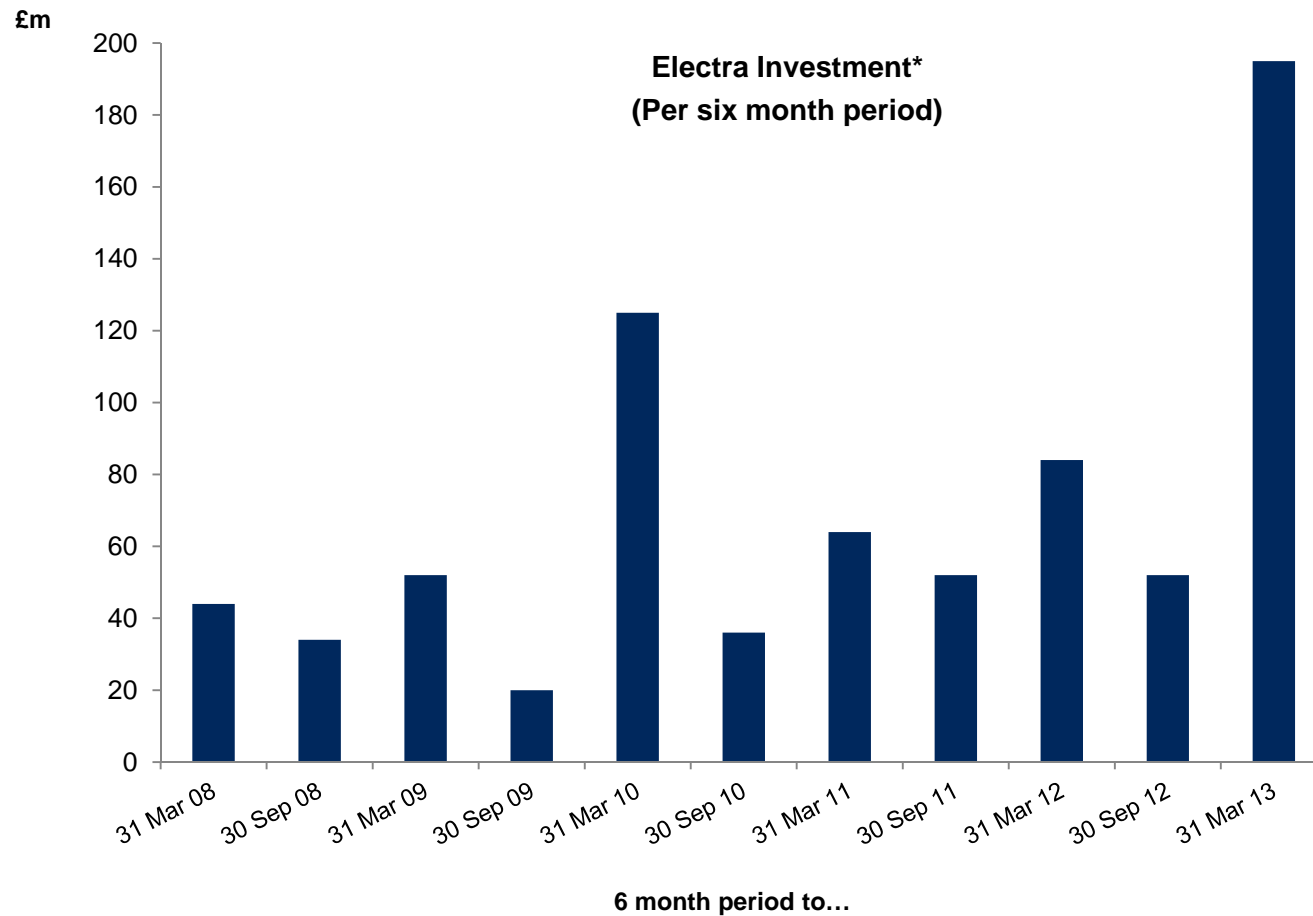




# ...and Competitors Needing to Fundraise

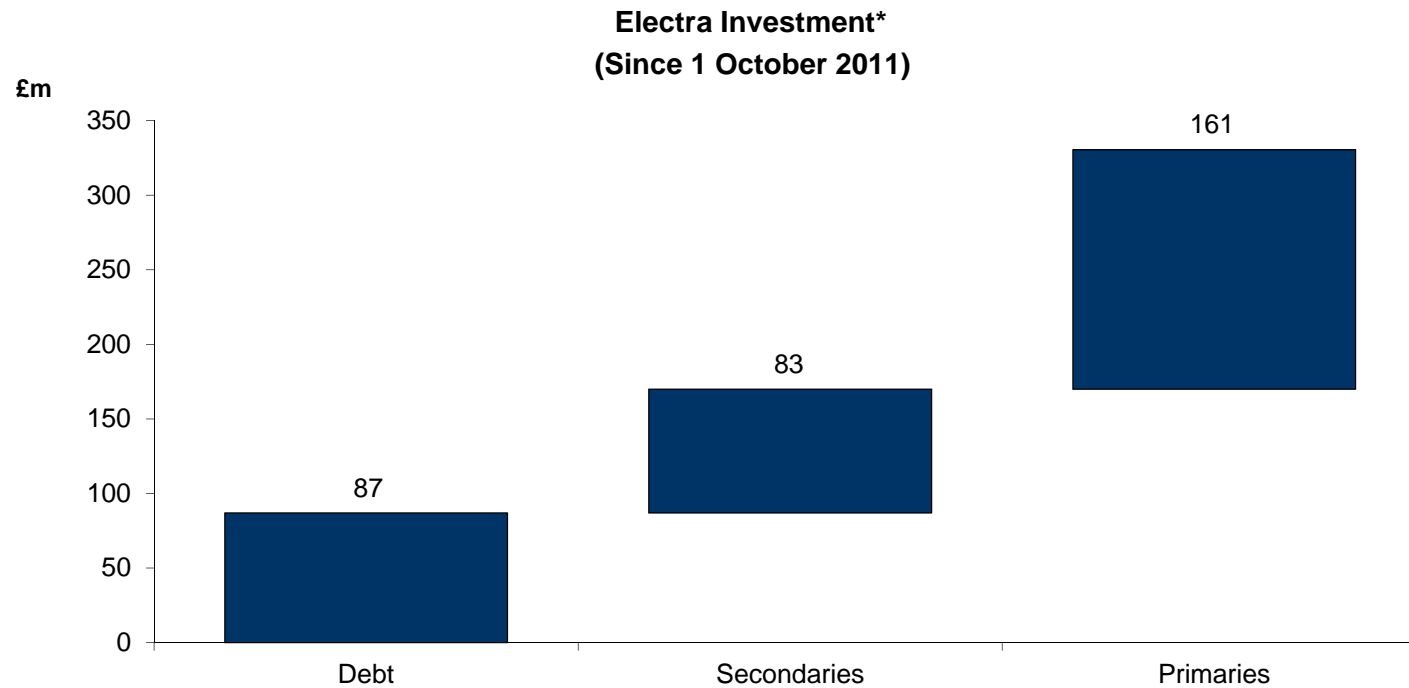


# Electra's Investment Rate is Accelerating

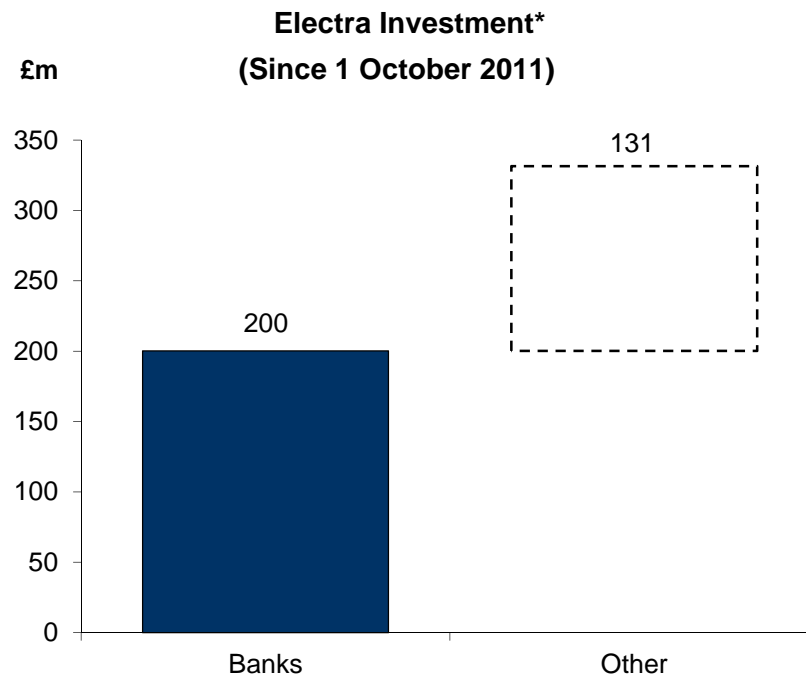




# Electra's Flexible Mandate Has Been Key to This



## Bank Owned Assets have Accounted for a Majority of Investment



- Bank asset disposals
  - Non core businesses
  - Financial assets
  - Accidental ownership
- Increasing pressure on private equity competitors
  - Fundraising tough
  - Refinancing wall



## Looking Forward We See More of the Same

- Improved competitive situation
- Some acceleration in deal flow
- Perfect market for Electra





## Conclusion

- Flexible investment strategy ideally situated to current market conditions
- Strong liquid position will allow full participation in deal opportunities
- Existing portfolio will continue to contribute to NAV growth

**Electra remains well placed in terms of experience, liquidity and flexible investment approach to maximise benefit of existing opportunities**



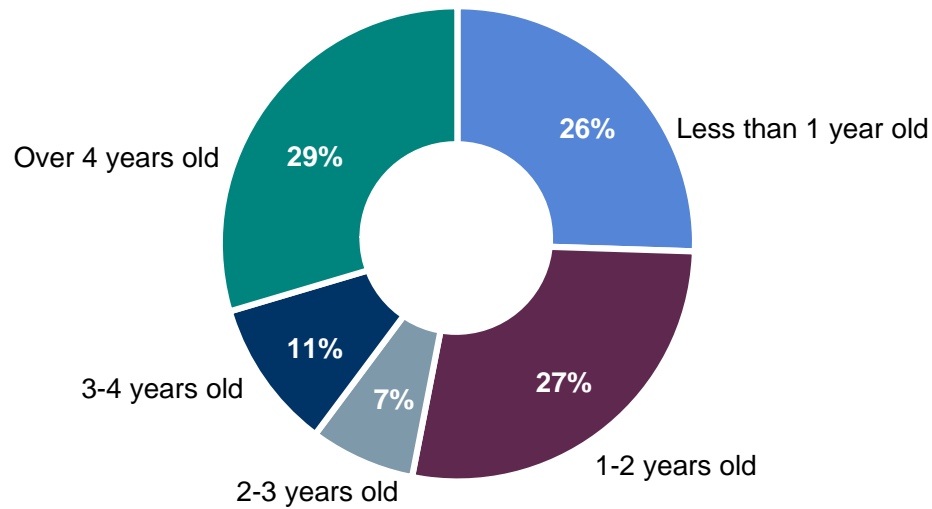
# Appendices



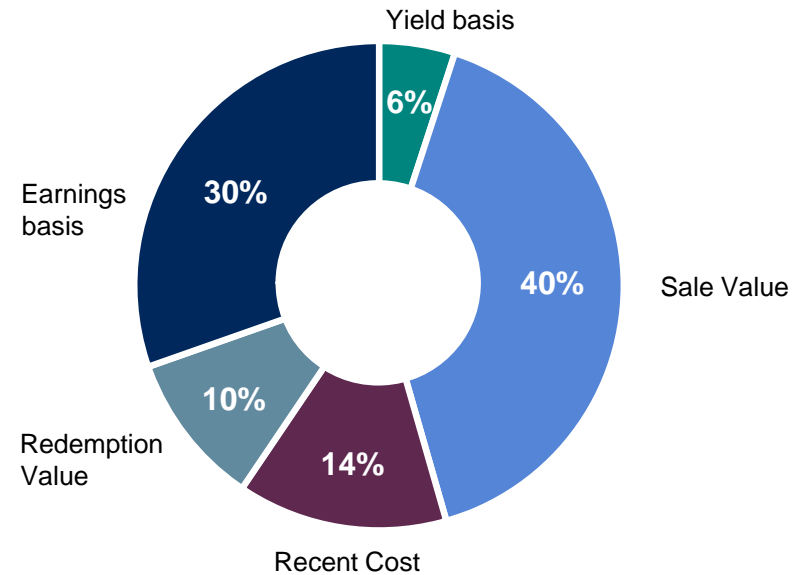
# Investment Portfolio - Direct Unlisted

at 31 March 2013

**Age Profile By last financing\***



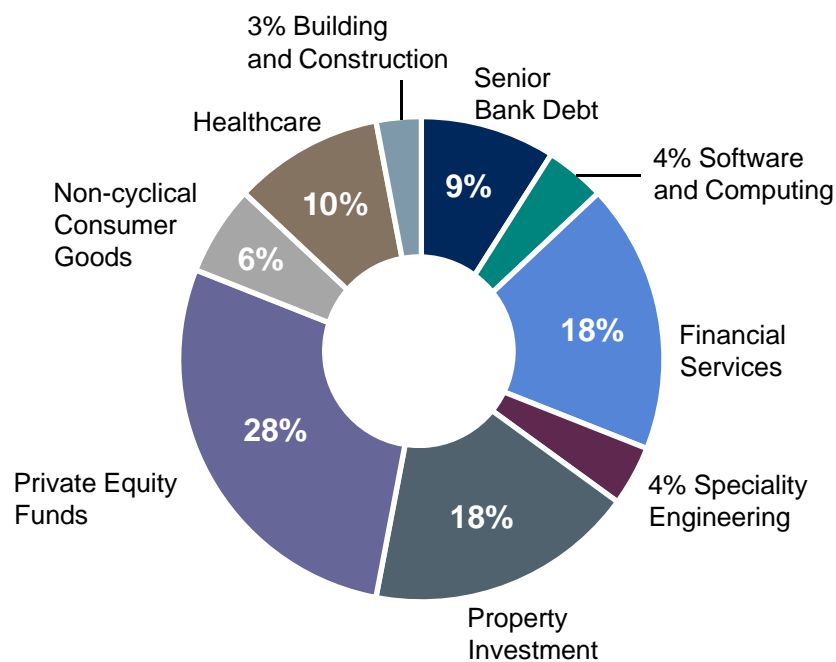
**Valuation Basis**



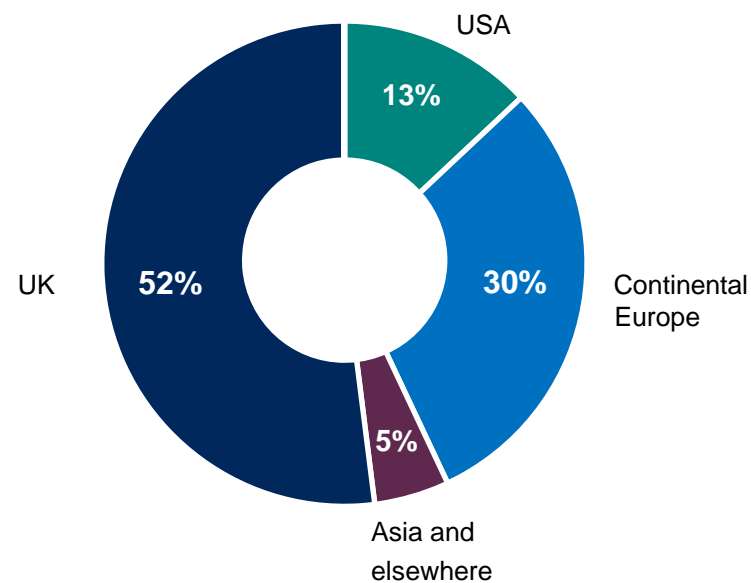
# Investment Portfolio

at 31 March 2013

**Classification and Distribution\***



**Geographic Split\***





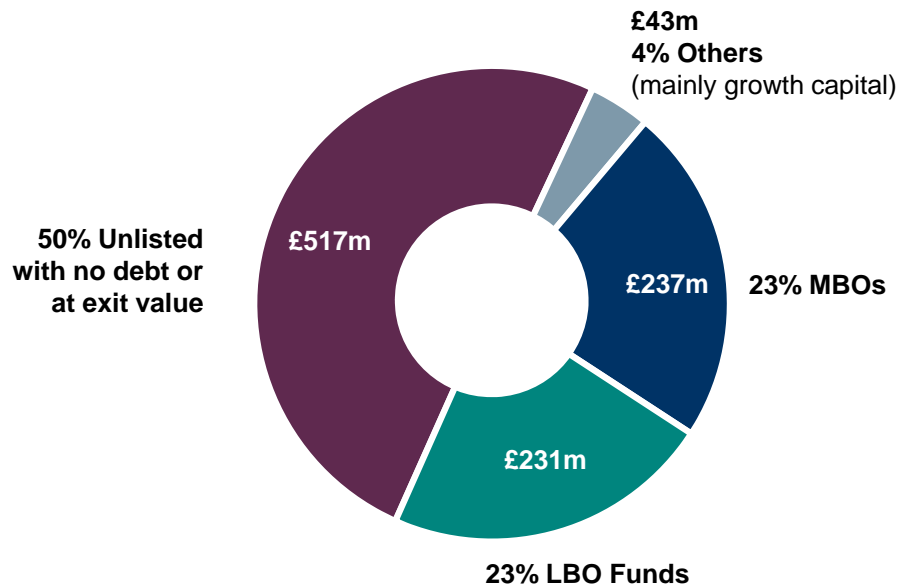
# Listed Portfolio

	Country	No of Shares '000	Cost £m	Value at 31 Mar 2013 £m
Zensar Technologies	India	10,301	4.1	30.4
LondonMetric	UK	26,292	26.5	27.6
Orthofix	USA	329	0.1	7.8
Dinamia	Spain	1,700	13.9	7.2
Millicom	USA	116	0.2	6.1
Hornby	UK	2,995	0.1	2.3
Meghmani	India	28,389	2.6	1.0
Sundry (mainly in process of sale)			3.3	9.8
			50.8	92.2
Accrued dividends (Zensar)				0.9
				93.1

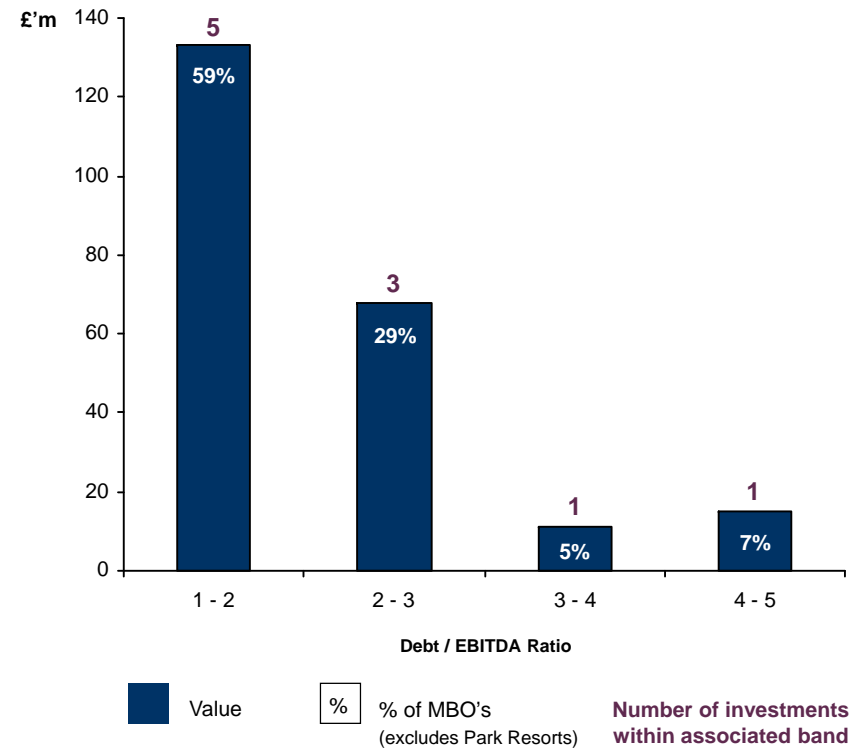
# Debt Analysis

Unlisted Investment Portfolio £1,028 million

31 March 2013



Debt / EBITDA Ratio: MBOs (£237m)



**Weighted Average Debt / EBITDA Ratio 2.1**  
(excluding Funds)



# Management Team

- Well resourced
- 16 investment professionals
  - Backed by a 23-strong team skilled in finance, compliance, investor relations and marketing

- Experienced
- Senior management have on average 26 years' experience in private equity
  - In private equity long enough to invest through several business cycles
  - Short decision lines

Senior Management Team	
Hugh Mumford	Managing Partner
Tim Syder	Deputy Managing Partner
David Symondson	Deputy Managing Partner
Alex Fortescue	Chief Investment Partner
Rhian Davies	Partner
Philip Dyke	Partner
Steve Ozin	Partner

Investment Team	
Alex Cooper-Evans	Investment Partner
Charles Elkington	Investment Partner
Nigel Elsley	Investment Partner
Chris Hanna	Investment Partner
Sarah Williams	Investment Director
John Martin	Investment Manager
Ian Wood	Investment Manager
Shakira Adigun-Boaye	Investment Associate
Tom Stenhouse	Investment Associate



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