




Electra Private Equity PLC

Annual Review and Analysis

November 2013

Presented by
electra
partners



Results: Year to 30 September 2013

	30 September 2013	30 September 2012	Change
Net assets (£000's)	1,029,902	916,304	12.4%
Net asset value per share (diluted)	2,764p	2,473p	11.8%
Share price	2,230p	1,770p	26.0%
Discount	19.3%	28.4%	

FTSE All-Share up 18.9% over the year to 30 September 2013

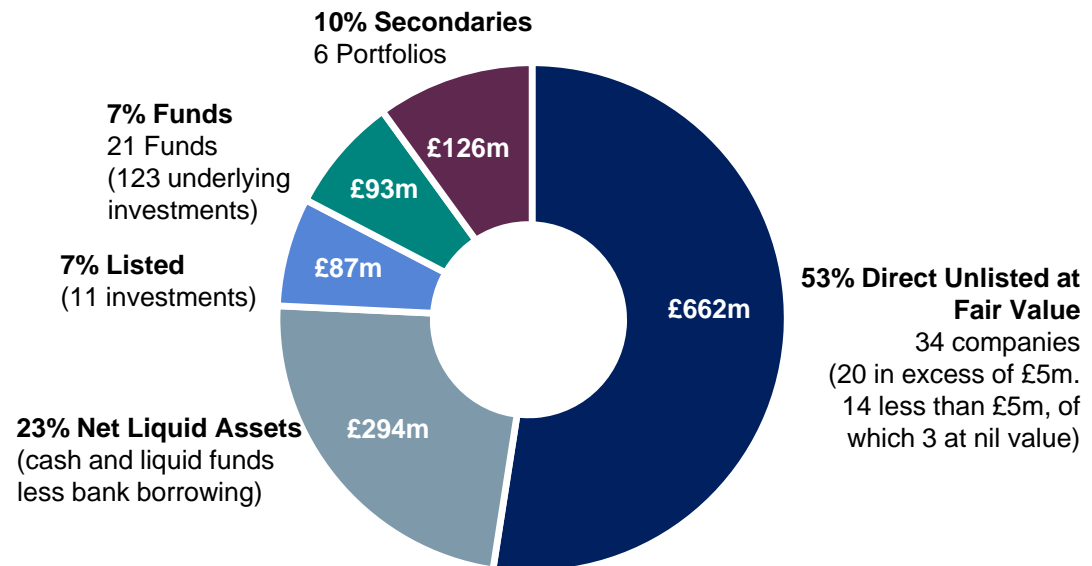
Partially adjusted diluted NAV per share at 21 November 2013 was 2,796p (share price 2,294p)



Balance Sheet / Portfolio

Balance Sheet Summary	
30 September 2013	
	£m
Portfolio	1,262
Other Liabilities	(89)
ZDP	(61)
Convertible Bond	(82)
Net Assets	1,030

Portfolio £1,262 million

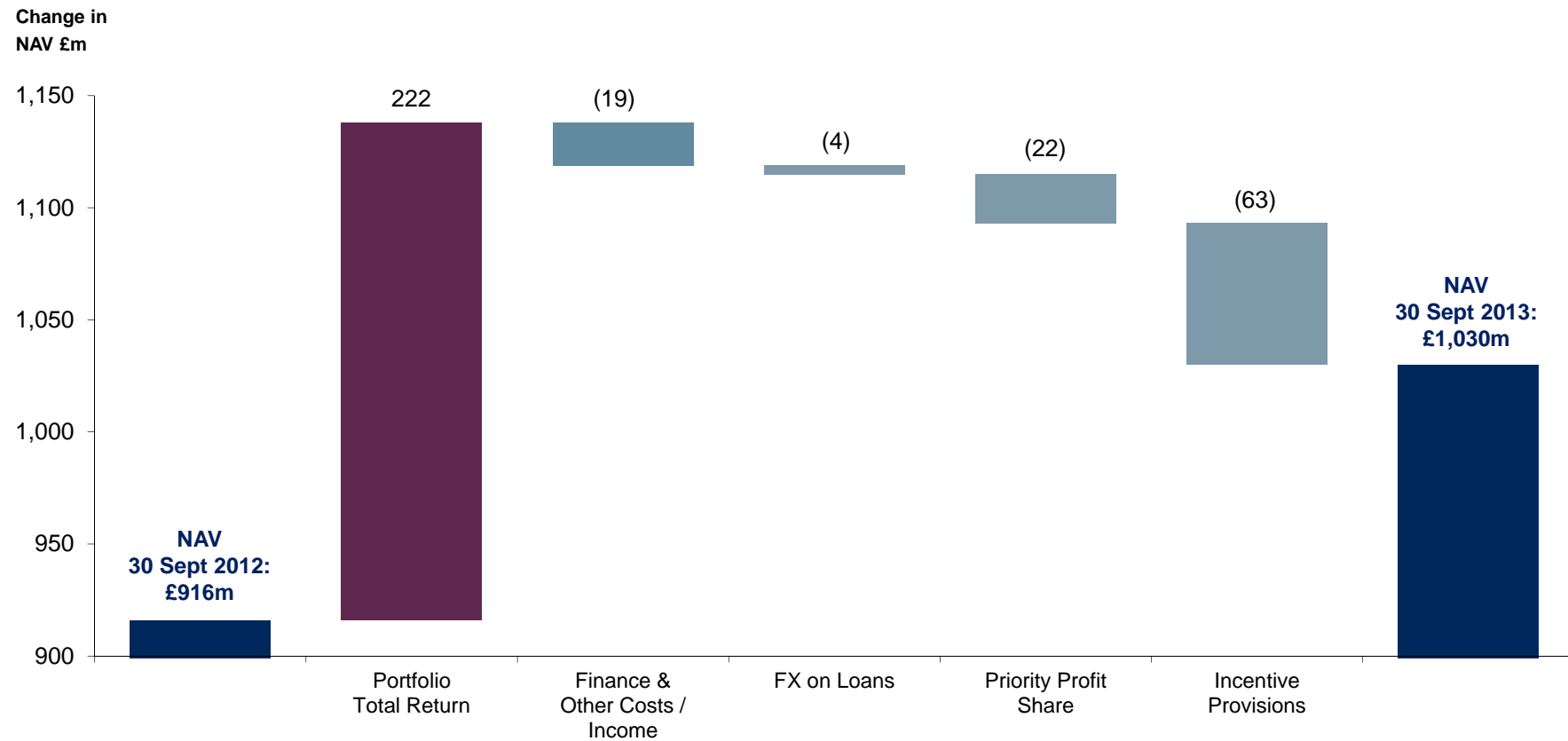


	30 Sept 13 £m	30 Sept 12 £m
Investment Portfolio	968	868
Net Liquid Assets	294	223
Liabilities	(232)	(175)
Net Assets	1,030	916



Analysis of Movement in NAV

Year to 30 September 2013





Investment Portfolio Movement

Four years to 30 September 2013

Year ended 30 September	2013 £m	2012 £m	2011 £m	2010 £m
Opening investment portfolio	868	883	766	576
New Investment	337	150	136	183
Realisations / Income	(459)	(301)	(137)	(149)
Total return	222	136	118	156
Closing investment portfolio	968	868	883	766
Return as a percentage of opening portfolio	25.6	15.4	15.4	27.1



Portfolio Changes (by segment)

Year to 30 September 2013

	Valuation at 30 Sept 2012 £m	Purchases £m	Realisations / Income £m	Total Return £m	Valuation at 30 Sept 2013 £m	Performance Increase / (Decrease) %
Direct Unlisted	612	244	393	199*	662	32.5
Secondaries	34	79	21	34	126	100.0
Funds	117	14	35	(3)	93	(2.6)
Listed	105	-	10	(8)	87	(7.6)
	868	337	459	222	968	25.6



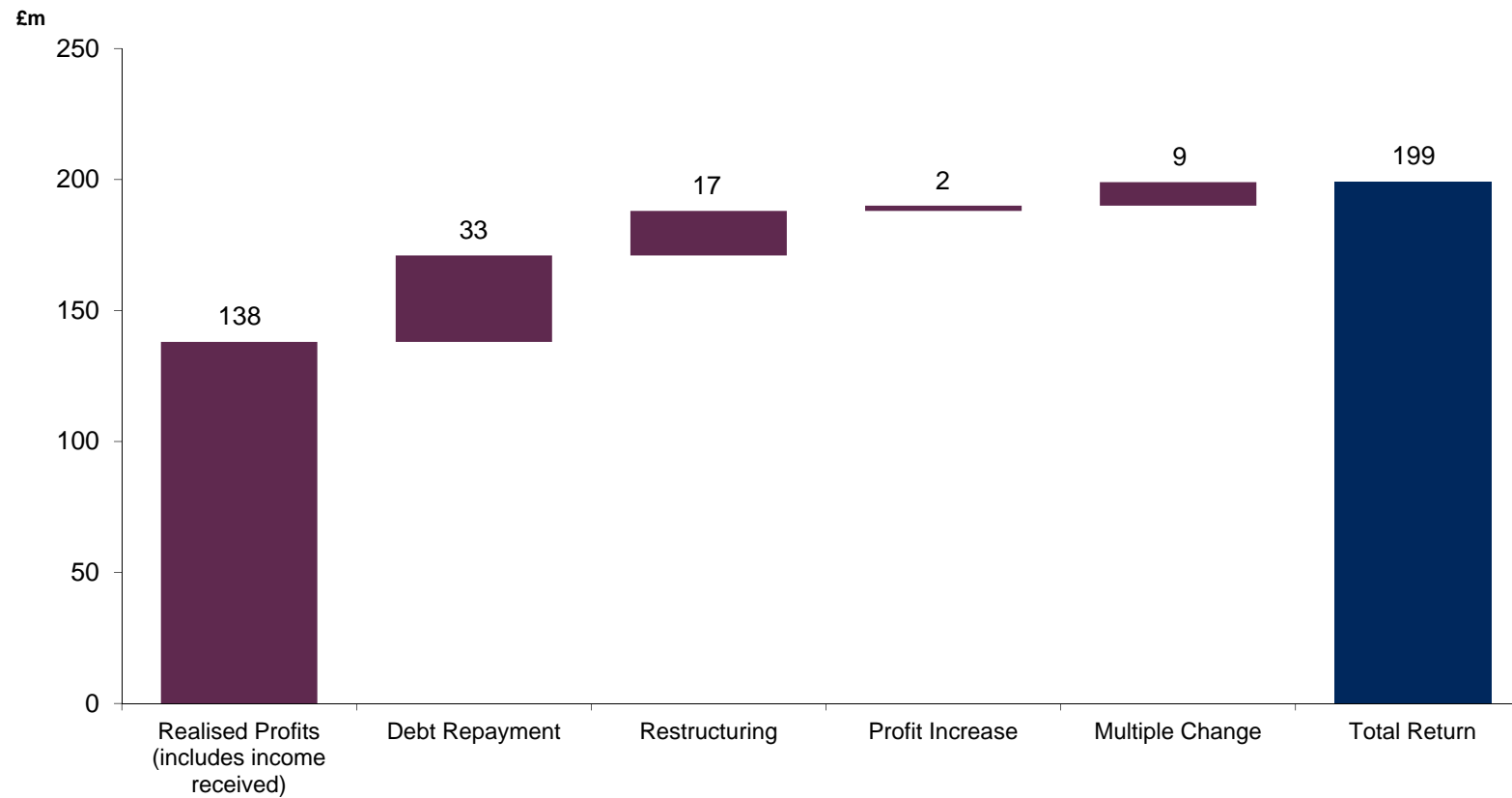
Portfolio Movement (by Segment)

Each six month period

	1st Half			2nd Half			Total Year £m
	Valuation Change (pre FX) £m	FX £m	Total 1st Half £m	Valuation Change (pre FX) £m	FX £m	Total 2nd Half £m	
Unlisted	107	15	122	83	(6)	77	199
Secondaries	31	6	37	2	(5)	(3)	34
Funds	-	6	6	(7)	(2)	(9)	(3)
Listed	(7)	3	(4)	4	(8)	(4)	(8)
	131	30	161	82	(21)	61	222

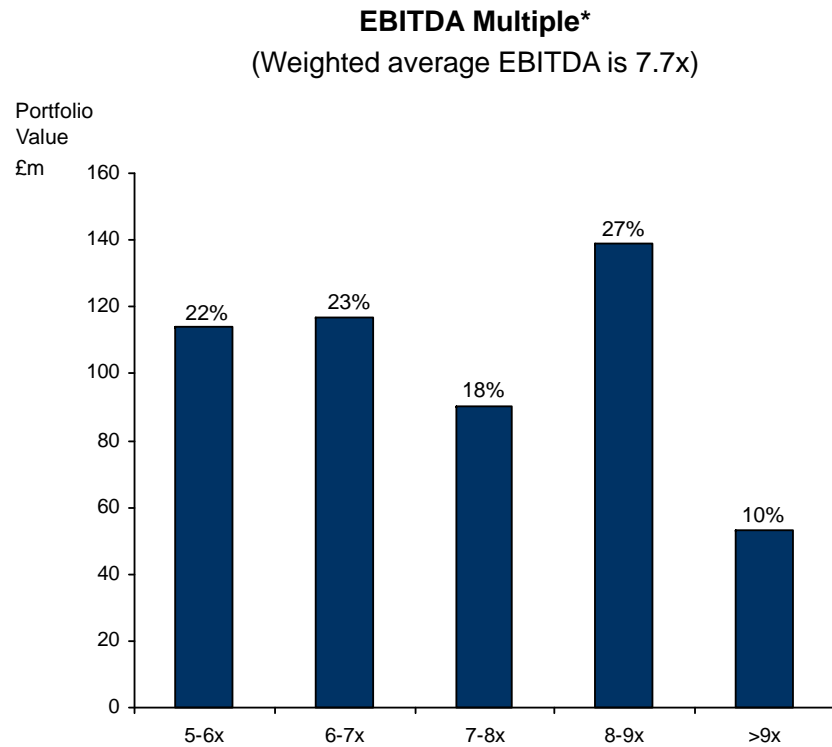
Analysis of Total Return – Direct Unlisted

Year to 30 September 2013

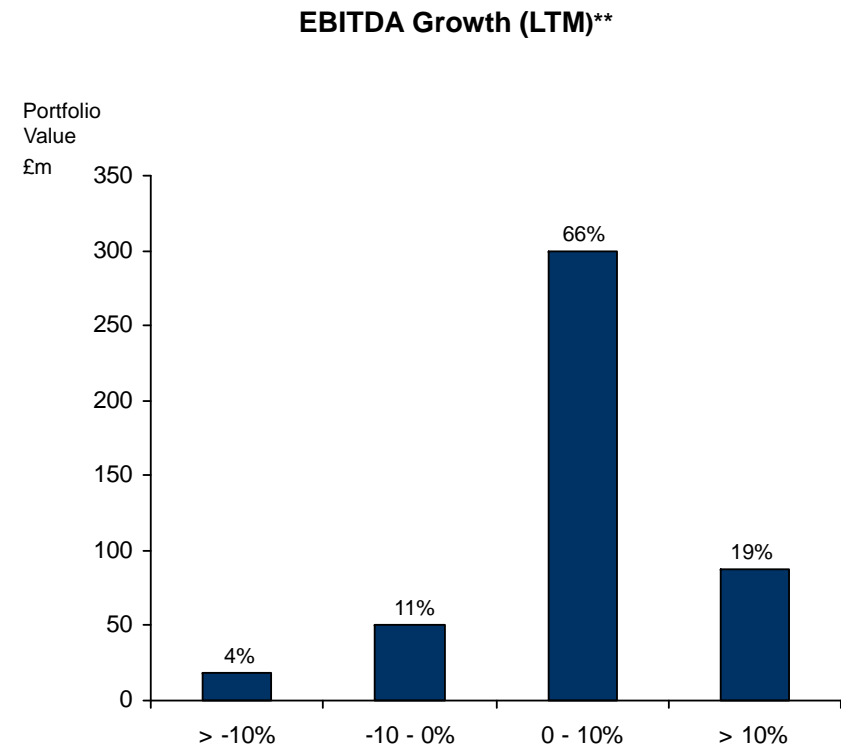


Direct Unlisted – Earnings Basis

Multiples used and EBITDA growth rates



* Excludes Lil-lets and esure

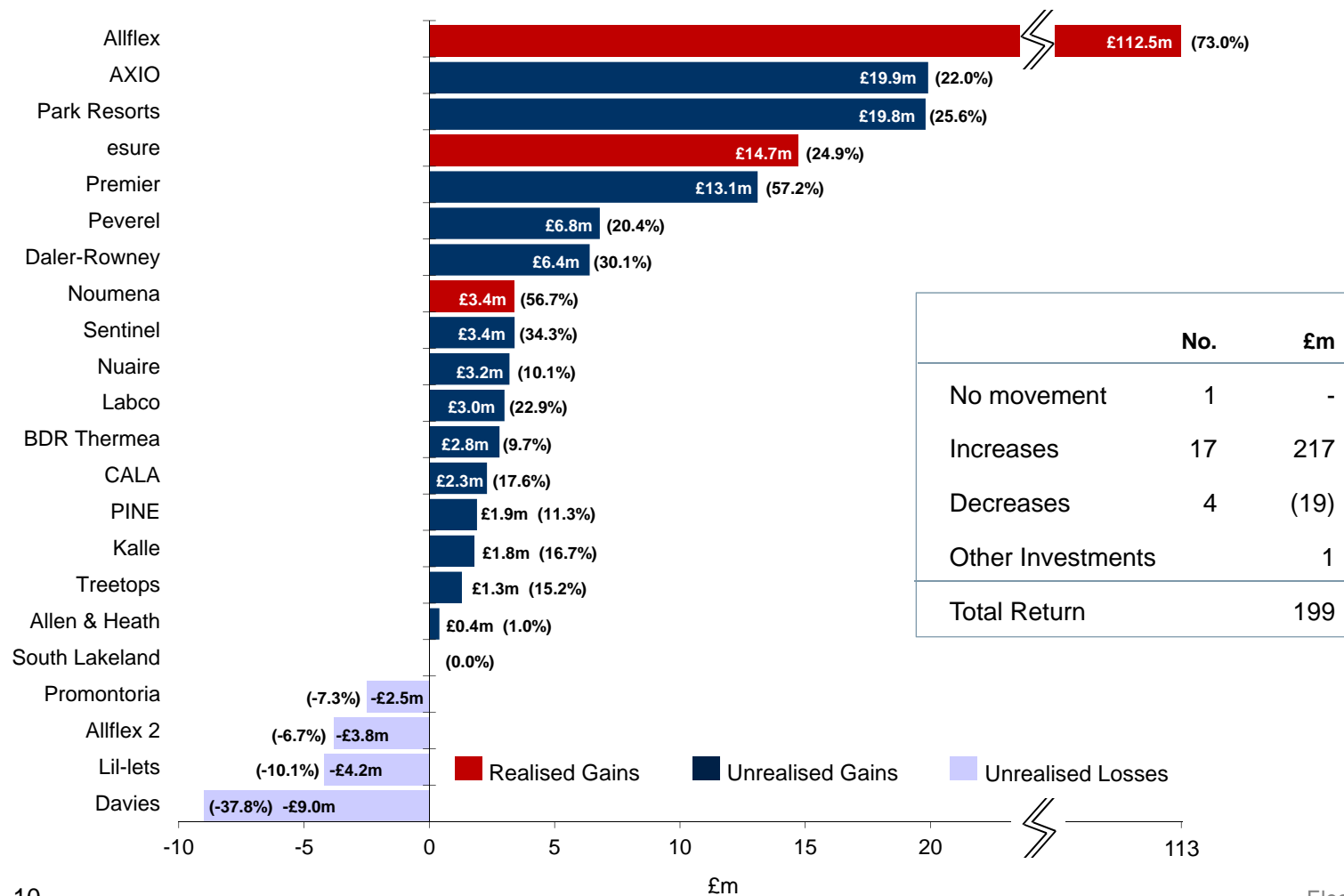


** Excludes investments purchased in last six months

■ Portfolio value

Direct Unlisted – Total Return

Year to 30 September 2013

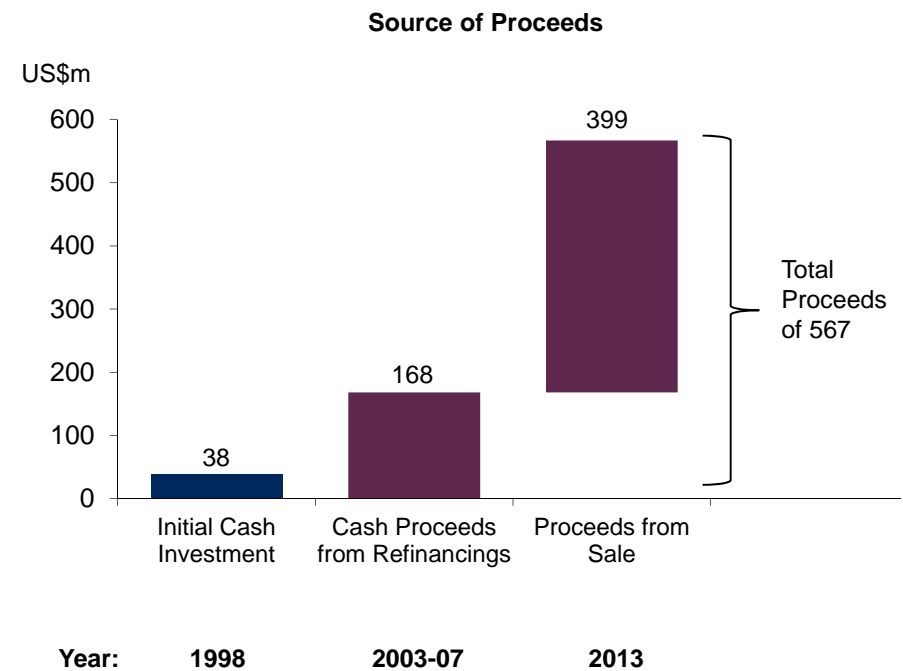




Allflex Holdings



- In 1998 Electra invested US\$38 million in the buyout of Allflex, the global leader in animal identification
- Under Electra's ownership, profits grew six-fold as a result of geographic expansion, an increase in the number of species tagged, the introduction of new products and a number of acquisitions
- Electra received US\$168 million from three refinancings between 2003-07
- The sale of Allflex in July 2013 produced proceeds of US\$399 million, an increase over the book value at 30 September 2012 of 73%
- Over a 15-year investment period Allflex returned an IRR of 28% and cash equivalent to 15x the original investment
- In July 2013 Electra reinvested US\$85 million in the new company for a 14.9% equity stake



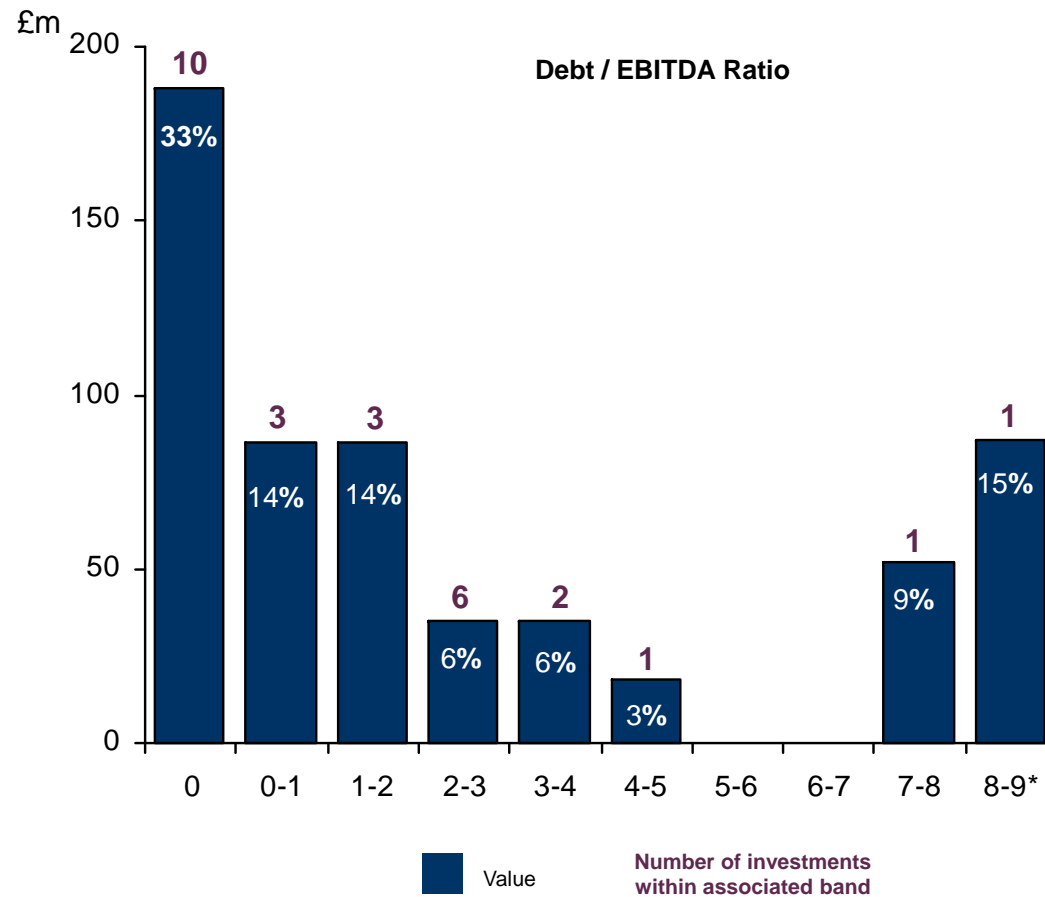
Direct Unlisted

Individual investments greater than £5 million in value at 30 September 2013

Company	Sector	Year of Investment	Valuation Basis	Cost £m	Valuation at 30 Sept 2013 £m	% of Unlisted	Cumulative %
AXIO	B2B information services	2013	Recent transaction & cash flow	85.0	104.8	15.8	15.8
Park Resorts	Caravan parks operator	2012	Earnings	69.6	86.8	13.1	28.9
Allflex	Animal tagging	2013	Recent transaction	56.7	52.9	8.0	36.9
Allen & Heath	Audio mixing consoles	2013	Recent transaction	42.3	42.3	6.4	43.3
Peverel	Property management	2012	Earnings	22.0	39.9	6.0	49.3
Lil-lets	Feminine hygiene	2006	Exit value	28.1	37.0	5.6	54.9
Premier	Financial services	2009	Earnings	56.1	35.9	5.4	60.3
Nuaire	Ventilation systems	2007	Earnings	23.1	35.2	5.3	65.6
Daler-Rowney	Fine art products	2011	Earnings	17.4	27.5	4.2	69.8
Promontoria	Property holding company	2008	Yield	12.6	27.1	4.1	73.9
South Lakeland	Caravan parks operator	2013	Recent transaction	21.2	21.2	3.2	77.1
BDR Thermea	Heating systems	2009	Exit value	-	19.3	2.9	80.0
PINE	Nursery school finance	2005	Yield	14.0	18.2	2.7	82.7
Labco	Medical diagnostics	2008	Earnings	25.3	16.3	2.5	85.2
CALA	Premium house builder	2013	Net assets	13.3	15.6	2.4	87.6
Davies	Insurance claims management	2011	Earnings	35.8	14.8	2.2	89.8
Sentinel	Heating fluids	2011	Earnings	15.5	13.5	2.0	91.8
Kalle	Food containers	2010	Earnings	9.0	12.3	1.9	93.7
Treetops	Nursery education	2012	Earnings	7.6	8.7	1.3	95.0
esure*	Motor and home insurance	2010	Listed value	-	5.4	0.8	95.8
				554.6	634.7		
Direct investments - Sundry				42.4	27.8	4.2	100.0
Total				597.0	662.5		



Direct Unlisted - Debt / EBITDA Ratio



* Approximately 30% of debt owned by Electra

Note: Excludes Lii-lets, PINE, BDR Thermea, esure and zero valued investments



Electra Liquidity Position



- Bank borrowings (£158 million) provide for currency hedging
- The bank facility of £195 million is available until December 2017
- ZDP repayment in August 2016 at an amount of £73 million
- Convertible Bond repayable in December 2017 if not converted
- As at 30 September 2013, Electra had outstanding commitments to private equity funds of £94.3 million (9% of NAV)

	30 Sept 2013		30 Sept 2012	
	£m	% of NAV	£m	% of NAV
Liquid resources	452	44	377	41
Bank borrowings	(158)	15	(154)	17
Net liquid resources	294	29	223	24
ZDP shares	(61)	6	(57)	6
Convertible Bond*	(100)	10	(100)	11

* Repayment amount






H1 2013 – New Investments

Company		EP1 Secondary Portfolio	
Business Description	B2B information services	Interests in secondary funds	House builder
New Capital Invested	£90.6m	£77.9m	£13.3m
Ownership	68.8%	Limited partnership positions	10.7%
Investment Rationale	Attractive earnings multiple	Attractive acquisition discount	Construction cycle



H2 2013 – New Investments

Company			
Business Description	Audio mixing console manufacturer	Animal identification systems	Holiday parks
New Capital Invested	£42.3m	£56.7m	£21.2m
Ownership	88.2%	14.9%	78.2%
Investment Rationale	Leading brand that has achieved revenue growth for 20 years	Global market leadership position & opportunity to grow in adjacent markets	Good growth potential and synergies with Park Resorts

Allen & Heath Investment

- In June 2013 Electra invested £42 million to acquire Allen & Heath
- Founded in 1969, Allen & Heath designs and manufactures audio mixing consoles for live sound, such as concerts, theatres and houses of worship
- Allen & Heath is a leading brand with an extensive product portfolio and has achieved revenue growth for over twenty years. It is an international business with more than 90% of its sales being made outside the UK
- Electra Partners' strategy is to continue organic growth through accelerating new product development, investing in sales and marketing and supporting the management team in making acquisitions of other professional audio brands and products



South Lakeland Parks Investment

- In September 2013 Electra invested £21 million in the acquisition of South Lakeland Parks
- South Lakeland owns and operates nine high-quality holiday parks in the English Lake District and Morecambe Bay area
- South Lakeland will be managed by Park Resorts with the attendant synergies. South Lakeland's high quality holiday parks fit well with the existing Park Resorts portfolio
- The deal also fits Electra Partners' macro growth themes of austerity/value (consumers choosing to holiday in the UK) and ageing (an increasingly older demographic purchasing holiday homes)
- Electra Partners' strategy will include investment in the infrastructure and the facilities of the holiday parks to further enhance their appeal to both caravan owners and holiday-makers





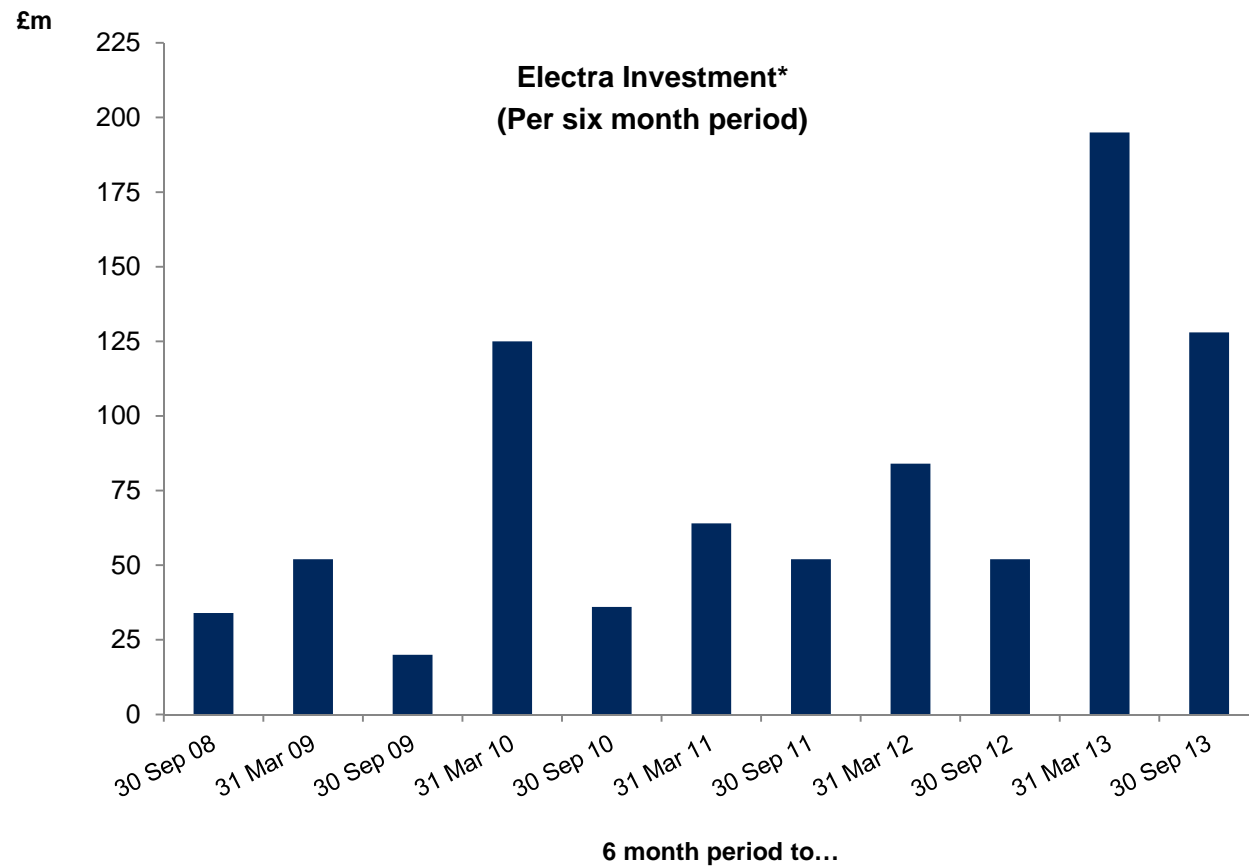
Recap on Last Year

At last year's Analyst Meeting we mentioned:

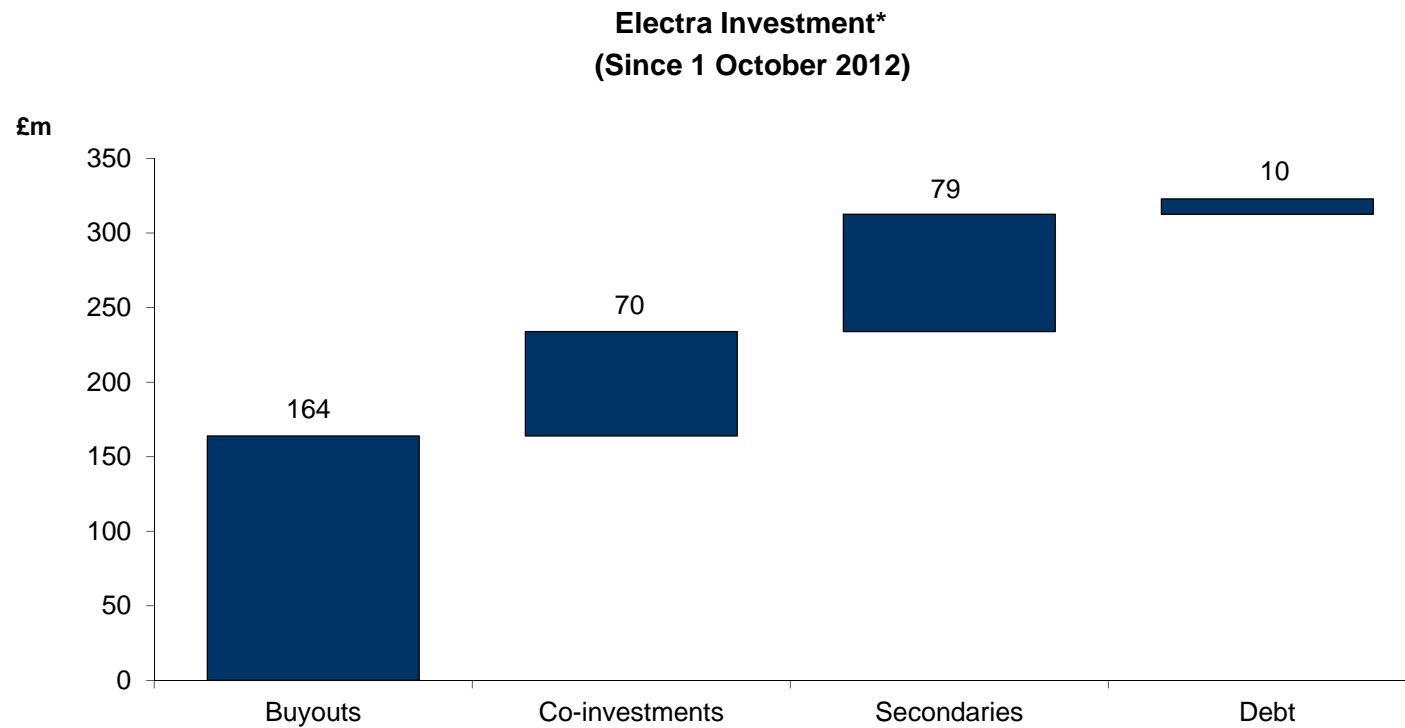
- There were lots of processes in place,
- ... but pricing levels meant it was a better selling market than buying.
- Fundraising was tough and competition was reducing.
- We expected to see more bank related deals,
- ... but would remain disciplined on price.
- Our flexible investment strategy would be ideally situated to the market conditions.

FY 2013: A Record Year of Investment

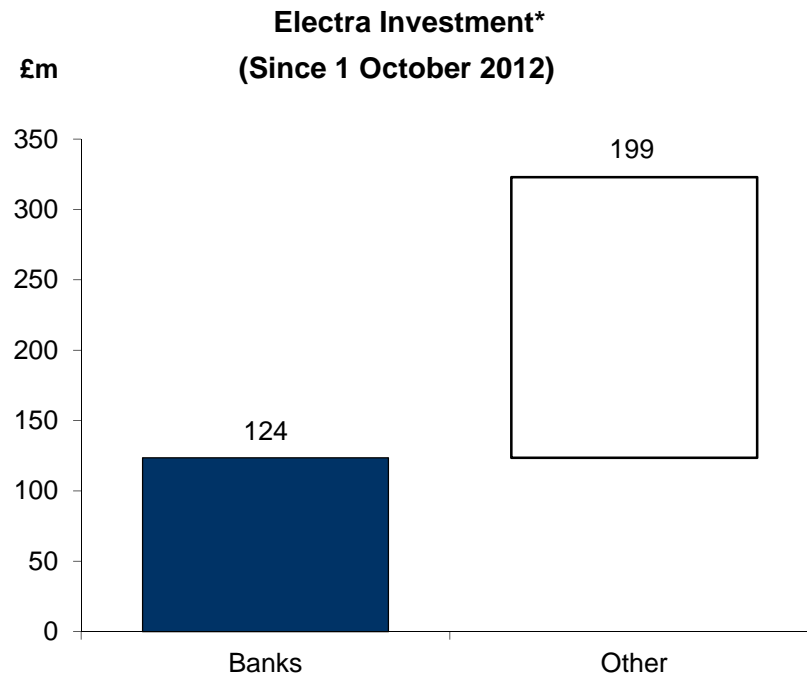
- Investment in the year was double the prior year



Electra's Flexible Mandate Remains Key



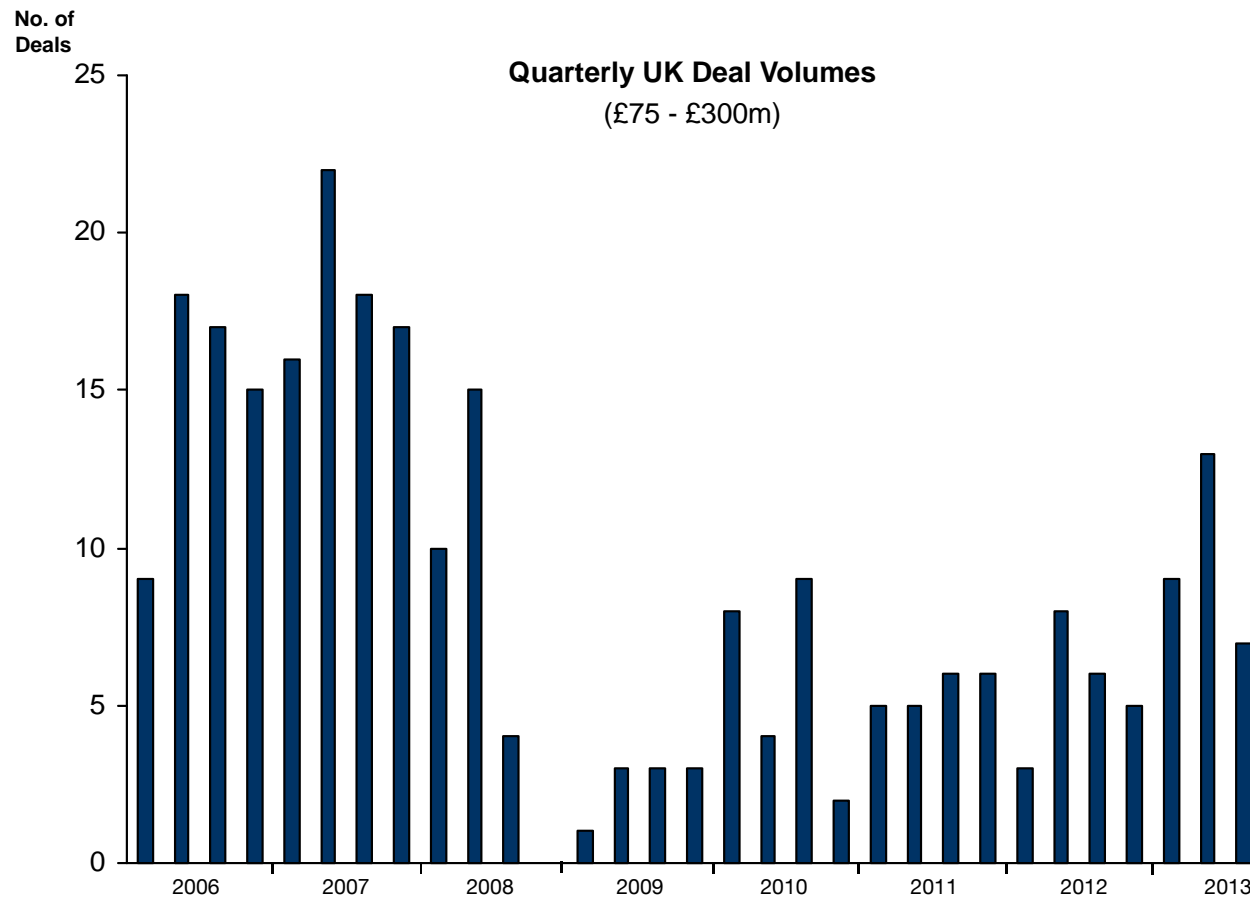
Bank Owned Assets Account for a Sizeable Amount of New Investment



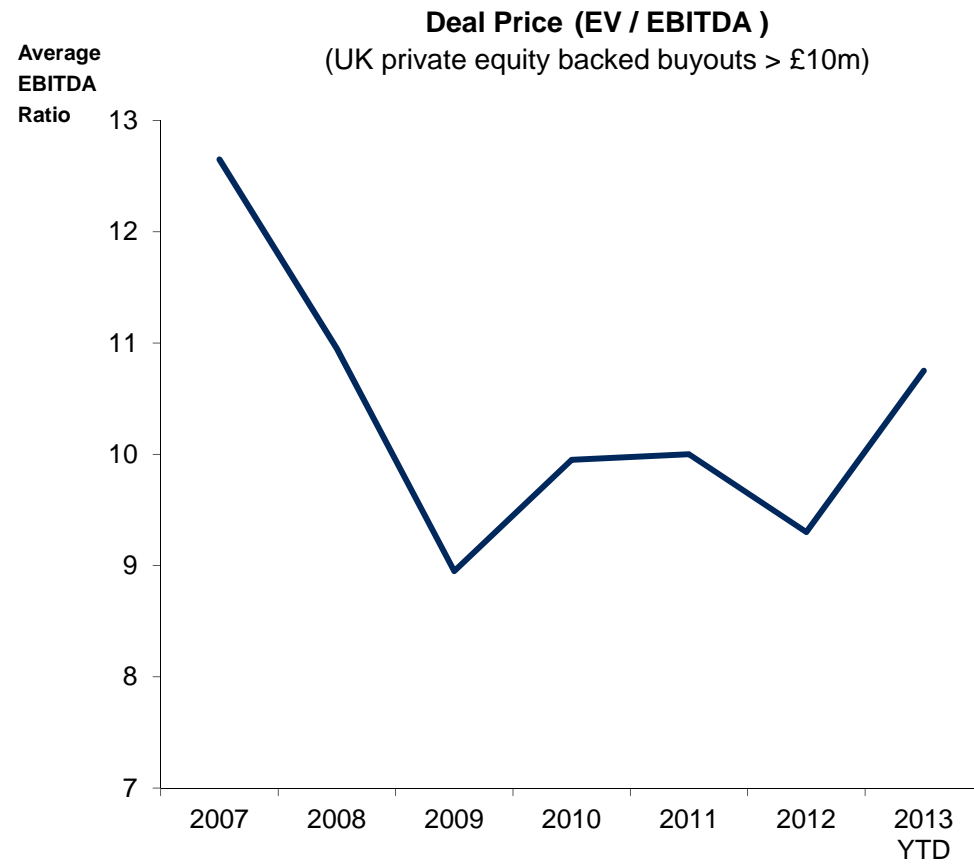
- Bank asset disposals
 - Non core businesses
 - Financial assets
 - Accidental ownership
- Increasing pressure on private equity competitors
 - Fundraising tough
 - Refinancing wall



Market Deal Volumes Appear to be Increasing

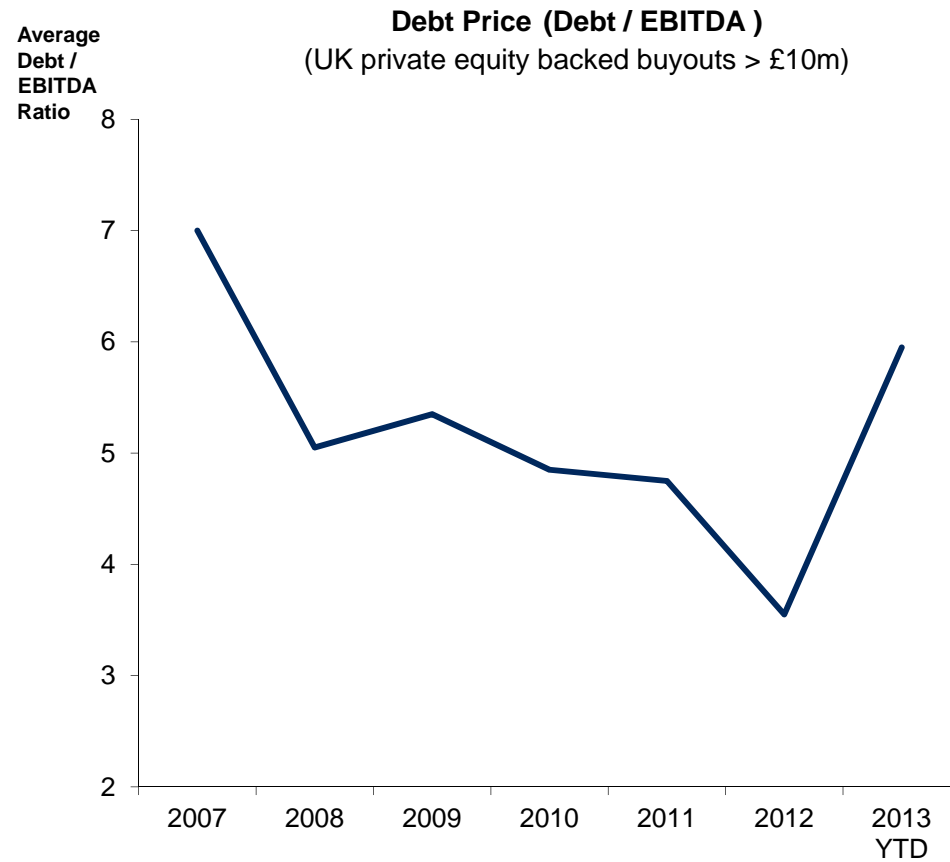


Deal Pricing is Increasing...





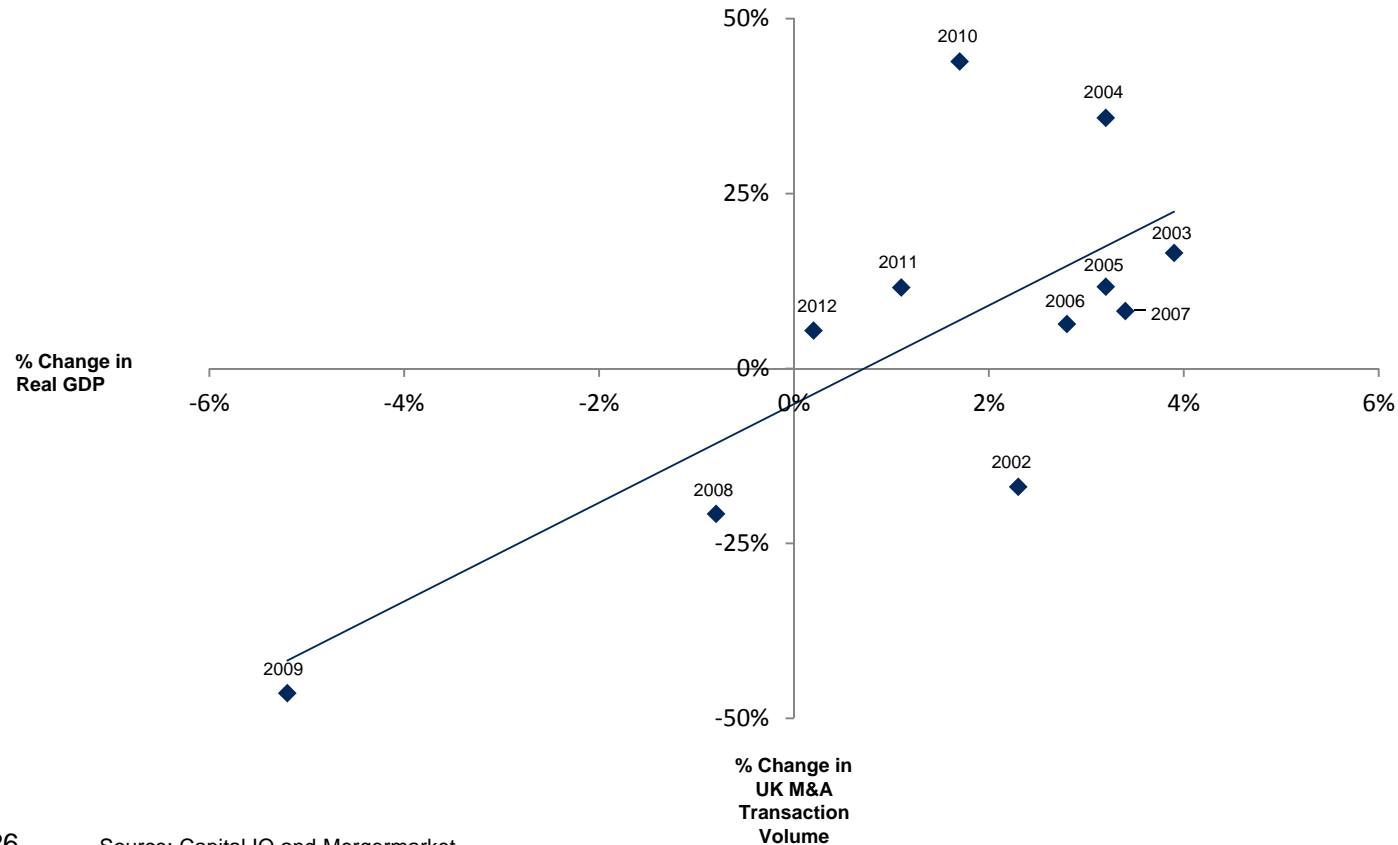
...Fuelled by a Stronger Debt Market





As the Economy Improves, M&A Should Pick Up

UK GDP vs. UK M&A Volumes





The Pipeline is Strong

- Six major investments completed in the year at attractive pricing levels
- In addition, Park Resorts was refinanced to secure a large equity position
- We are pursuing a number of opportunities which are at a late stage

Opportunities Investigated by Electra Partners Year to 30 September 2013	Final Result
Opportunities investigated	c.500
Of which were bid on by Electra	19
Of which completed	6
Of which still in process	8
Further hot prospects being pursued	9



Looking Forward We See Another Busy Year

- Acceleration in deal flow as bank disposals continue and the UK economy gains momentum
- Our investment strategy remains focused on four key asset groups:
 - Buyouts
 - Co-investments
 - Secondaries
 - Debt
- We remain patient and disciplined, but are more optimistic about the future



Consistent Out-performance

Electra has out-performed the FTSE All Share Index and the Morningstar PE Indices over the long-term

Total Return

Period to 30 Sept 2013	1 year %	3 years %	5 years %	10 years %
Electra NAV per share (diluted)	12	35	53	279
Morningstar PE Index NAV per share return (ex Electra)	14	19	-13	46
Electra Share Price	26	63	81	267
Morningstar PE Index share price return (ex Electra)	40	47	-3	39
FTSE All Share Index	19	33	66	140

Source: Morningstar and Electra Partners.
Performance calculated on a total return basis with dividends reinvested.

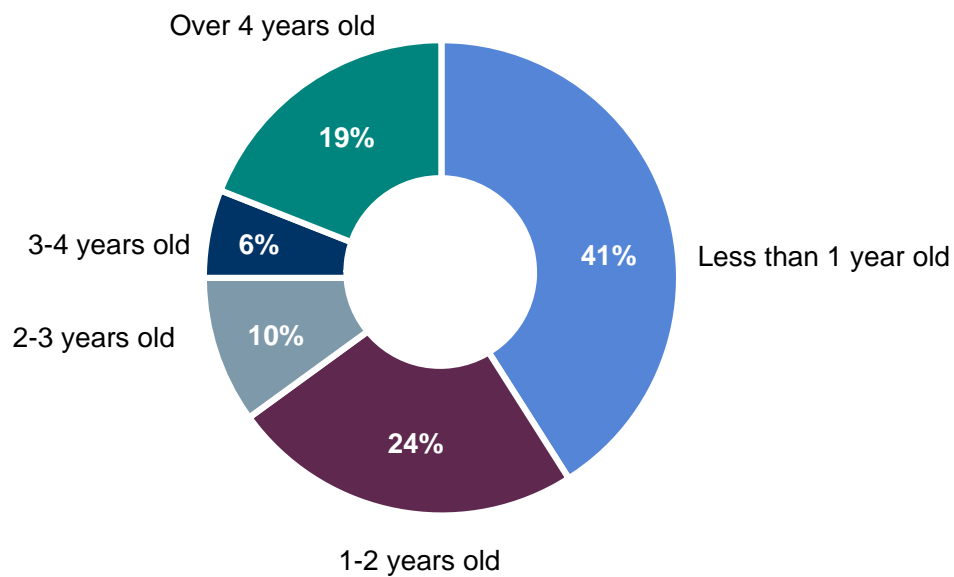


Appendices

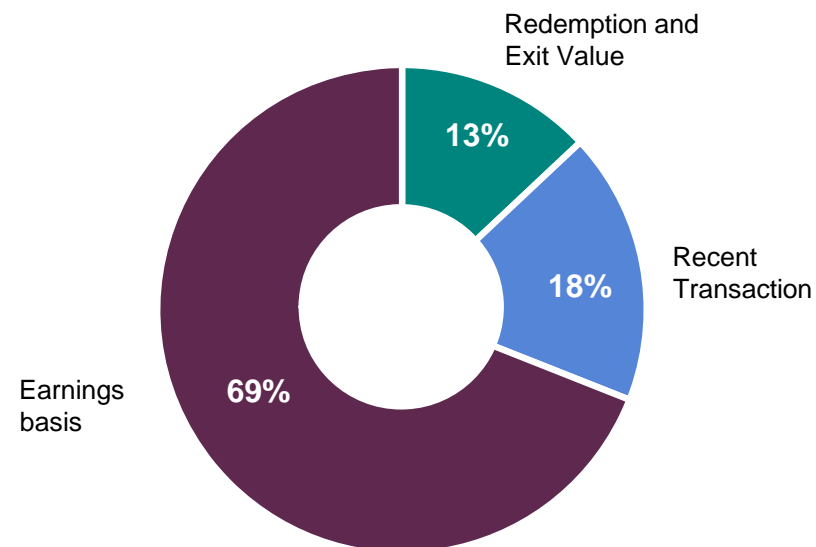
Investment Portfolio - Direct Unlisted

at 30 September 2013

Age Profile By last financing*



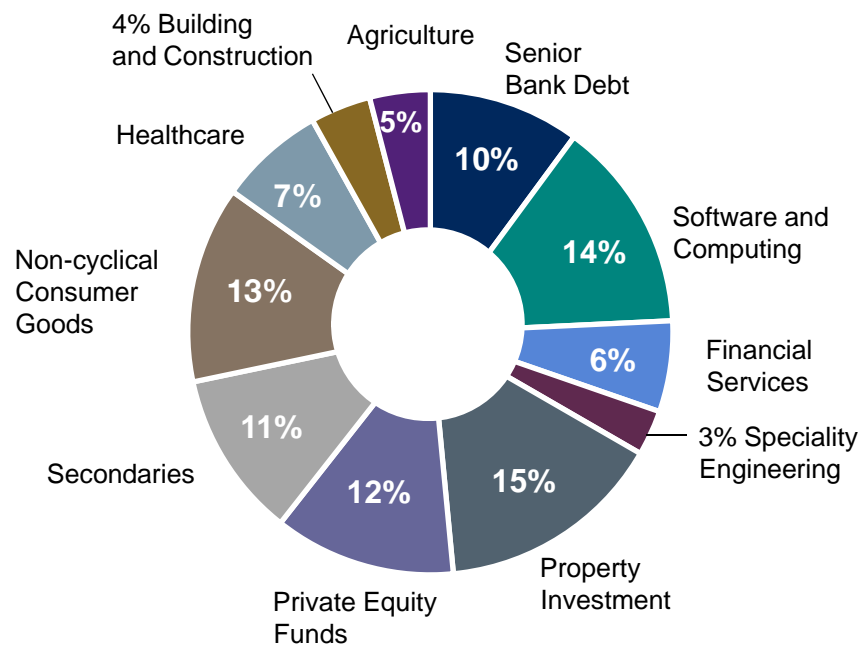
Valuation Basis



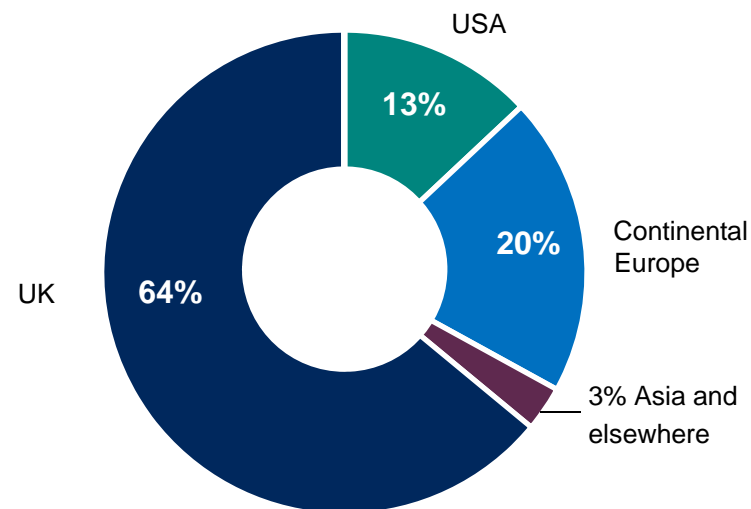
Investment Portfolio

at 30 September 2013

Classification and Distribution



Geographic Split





Listed Portfolio

	Country	No of Shares '000	Cost £m	Value at 30 Sept 2013 £m
LondonMetric	UK	26,292	26.5	31.1
Zensar Technologies	India	10,301	4.1	23.8
Dinamia	Spain	1,700	13.9	8.2
Millicom	USA	116	0.2	6.3
Orthofix	USA	329	0.1	4.2
Hornby	UK	2,995	0.1	2.3
Meghmani	India	28,389	1.1	0.7
Sundry (mainly in process of sale)			3.3	10.3
			49.3	86.9



Investment Team

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

- Experienced
- Senior management have on average 28 years' experience in private equity
 - In private equity long enough to invest through several business cycles
 - Short decision lines

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	Chief Financial Officer, Partner
Alex Cooper-Evans	Investment Partner & Head of Investor Relations
Charles Elkington	Investment Partner
Nigel Elsley	Property Investment Partner

Chris Hanna	Investment Partner
Sarah Williams	Investment Director
Owen Wilson	Investment Director
John Martin	Investment Manager
Ian Wood	Investment Manager
Shakira Adigun-Boaye	Investment Associate
Tom Stenhouse	Investment Associate
Oliver Huntsman	Portfolio Manager, UK
Peter Carnwath	Portfolio Manager, US
John Levack	Portfolio Manager, Asia



The Manager: Electra Partners LLP

Overview

- An independent private equity fund manager with over 30 years' experience in the mid-market
- During the last 25 years we have invested in excess of £3 billion in over 150 deals
- Investment performance consistently superior to the Morningstar PE Index and FTSE All-Share over the long-term
- This track record of investing through numerous economic cycles gives us significant experience across sectors, geographies and business models
- £1.5 billion of funds under management including £450 million to invest at 30 September 2013

The Electra Difference: Flexible Capital

- Electra's structure is different from that of almost every other private equity fund, with two key implications:
 - We can invest across the full range of private equity opportunities meaning we can tailor the investment strategy to suit changing market conditions and invest where many others cannot
 - We are able to provide long-term capital as we don't face expiring investment periods or exit pressures driven by fund raising cycles. This means we can fully support investee companies with a long-term strategy and access to capital thereby exiting only when returns are maximised for shareholders

Investment Strategy

- We apply the disciplines of buyout investing to investment across three areas of private equity:
 - Buyouts & Co-investments: direct investment in good quality businesses with the potential for profits growth. We target £40-100 million investment as lead investor, or £20-60 million for minority positions
 - Secondaries: individual fund positions, portfolio of fund positions, secondary directs
 - Debt: secondary stretched, secondary performing and primary debt
- We are non-sector specific, targeting businesses driven by one or more macro growth themes



Electra Private Equity PLC

Overview

- Private equity investment trust listed on the London Stock Exchange since 1976
- Managed on an exclusive and fully discretionary basis by Electra Partners
- Focused on mid-market private equity opportunities in Buyouts & Co-investments, Secondaries and Debt
- Objective is to achieve a return on equity of 10-15% per annum

Consistent Long-term Performance

- Consistent outperformance of the peer group and benchmark over the long-term. In the 10 years to 30 Sept 2013:
 - 279% increase in Electra's diluted NAV per share; 267% increase in Electra's share price
 - 39% increase in the Morningstar Private Equity Share Price Total Return Index (ex-Electra)
 - 140% increase in the FTSE All-Share

Fully Exploits its Flexible Investment Mandate

- Electra has the most flexible investment mandate in the listed private equity sector meaning it has the ability to invest in the full range of private equity opportunities, in any sector, and across the capital structure
- This allows Electra Partners to tailor its investment strategy to suit changing market conditions, thereby deploying capital where it sees the best relative value for shareholders
- Electra's structure means it can provide long-term capital to portfolio businesses. This means investee companies can be supported with a long-term strategy and access to capital. Exits are sought only when returns can be maximised for shareholders, rather than a forced sale to demonstrate a track record for future fundraisings

Experienced Manager

- Electra Partners has successfully managed Electra for over 25 years
- During this time the firm has accumulated considerable experience of investing across economic cycles, sectors, geographies and business models to built a long and distinguished track record



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