

(LSE: APAX)



Apax Global Alpha Limited
Quarterly results for the period ended 30 September 2024

Apax Global Alpha (LON: APAX), the closed-ended investment company providing access to the Apax Private Equity Funds, today announced its third quarter results for the period ended 30 September 2024.

Key highlights

- Apax Global Alpha's ("AGA") Net Asset Value ("NAV") was €1.20bn (H124 €1.24bn) at 30 September 2024, equivalent to a NAV per share of €2.45/£2.04.
- Performance improved in the three months to 30 September 2024 but Total NAV Return per share¹ was broadly flat at -0.2% (+1.7% constant currency) as a result of FX headwinds.
- At the end of Q3 2024, AGA offered shareholders exposure to c.80 Private Equity portfolio companies, making up 83% of AGA's invested portfolio. These companies continued to perform well, posting average Last Twelve Months ("LTM") EBITDA² growth of 16.3% (H124 15.6%).
- Following recent exits, and pro-forma for the take-private of Thoughtworks, the remaining exposure to residual listed holdings in the Private Equity portfolio reduced to c.4% of NAV (H124 c.7%), limiting further potential volatility in the portfolio.
- There was continued good momentum in the period with 5 investments signed or closed with AGA expecting to deploy c.€107m. There have also been 6 full exits signed or closed at an average gross MOIC of 2.7x.
- Since the start of the year, AGA has returned c.€67m to shareholders via the dividends and share buybacks with the latter creating 0.1% NAV per share accretion for shareholders in Q3 2024. At 30 September 2024, the Buyback Pool had available funds of c.€28m, having bought back c.0.3% of the 2024 opening share capital. Having launched the buyback programme at the end of June 2024, the Board keeps under review the allocation to buybacks to enhance value for shareholders.

Karl Sternberg, Chairman of AGA, said:

"Following a challenging start to the year, performance across the portfolio is improving with the underlying Private Equity portfolio companies posting good earnings growth in the period. In addition to the regular dividend which has been a core feature of AGA since IPO, the Board is now able to support further NAV accretion via buybacks, and we remain focused on generating value for shareholders."

Financial highlights

- AGA was well-capitalised at the end of September 2024, with calls in the next 12 months covered 3.0x.
- AGA was 93% invested as at 30 September 2024 and had unfunded commitments to the Apax Funds (together with recallable distributions) of €838m.
- During the period, cash (including net current assets) reduced from €107m at the end of June to €83m following expected calls of c.€52m and distributions of c.€34m from the Private Equity Funds.

	Q3 2024 (EUR)	Q3 2024 (GBP)	H1 2024 (EUR)	H1 2024 (GBP)
NAV	1,199m	999m	1,237m	1,048m
NAV ¹ per share	2.45	2.04	2.52	2.13

	% of NAV	Q3 2024	Q3 2024 constant currency
Total NAV Return per share ¹		(0.2%)	1.7%
Total Return ¹ - Private Equity	77%	0.3%	2.2%
Total Return ¹ - Debt Investments	16%	(2.2%)	0.3%

Total Return ¹ - Derived Equity	0%	5.4%	9.3%
Cash & Others	7%		

Portfolio highlights

- AGA offers access to "Hidden Gems", a global portfolio of mostly private companies that are not available to public market investors elsewhere.
- Apax has sharpened its focus on Tech, Services, and Internet / Consumer where the "Hidden Gems" strategy is best suited. As a result, there will be no dedicated healthcare sector going forward.
- The Private Equity portfolio is well diversified across vintages with exposure to the most recent buyout fund, which will be the future driver of AGA's performance, now representing 6% of NAV, having signed or closed 9 investments. Similarly, the predecessor fund has started exiting portfolio companies and will be a significant source of distributions for AGA in coming periods.
- 83% of AGA's portfolio was invested in Private Equity at 30 September 2024, with the remaining 17% invested in Debt investments. This portfolio is a source of additional returns and income for AGA and provides balance sheet robustness and capital flexibility. The Debt portfolio Total Return was -2.2% / (+0.3% constant currency) in the quarter, with performance primarily impacted by FX headwinds and adverse movements across a small number of debt positions.
- The Debt portfolio maintained a strong income yield³ of c.9% and average yield to maturity³ of c.11% at 30 September 2024.
- The remaining two Derived Equity positions were valued at €5.0m and represented less than 1% of the invested portfolio at 30 September 2024.

For further information regarding the announcement of AGA's Q3 2024 Results, including the Company's results presentation and details for today's analyst and investor webcast at 9.30am (UK time), please visit www.apaxglobalalpha.com.

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APPENDIX

Movements in NAV

NAV movements (€m)	Private Equity	Debt Investments	Derived Equity	Cash	Facility drawn	Other ⁴	Q3 24 Total
NAV at 30.06.24	901.1	224.5	4.6	103.9	-	2.7	1,236.8
+ Investments	52.4	1.0	-	(53.4)	-	-	-
- Distributions/ divestments	(33.5)	(26.9)	-	60.4	-	-	-
+ Interest and dividend income	-	-	-	6.1	-	(0.3)	5.8
+/- Gains/(losses)	20.3	(4.3)	0.5	-	-	-	16.5
+/- FX gains/(losses) ⁵	(17.7)	(5.3)	(0.2)	(0.3)	-	-	(23.5)
+/- Costs and other movements	-	-	-	(2.0)	-	-	(2.0)
- Dividends paid	-	-	-	(32.0)	-	-	(32.0)
+/- Performance fee reserve ⁶	-	-	-	-	-	-	-
+/- Shares purchased	-	-	-	(2.2)	-	-	(2.2)
+/- Revolving credit facility drawn/repaid	-	-	-	-	-	-	-
NAV at 30.09.24	922.6	189.0	4.9	80.5	-	2.4	1,199.4

Private Equity - operational metrics

Private Equity - operational metrics	30 September 2024	30 June 2024
Portfolio year-over-year LTM revenue growth ²	7.1%	8.7%
Portfolio year-over-year LTM EBITDA growth ²	16.3%	15.6%
Enterprise Value / EBITDA valuation multiple ²	17.6x	17.1x
Net debt / EBITDA multiple ²	4.6x	4.3x

Debt Investments - operational metrics

Debt Investments - operational metrics ³	30 September 2024	30 June 2024
Debt average yield to maturity	11.1%	11.3%
Debt average years to maturity	4.0	4.3
Debt average income yield	9.1%	10.0%

Other Invested Portfolio highlights

Invested Portfolio analysis ⁸	€m	€m	%	%
- AEVI	2.3		0%	
- AEVII	21.9		2%	
- AVIII	33.7		3%	
- AIX	228.6		20%	
- AX	460.4		41%	
- AXI	65.7		6%	
- AM	17.2		2%	
- AM II	3.2		0%	
- ADF	61.7		6%	
- ADF II	22.5		2%	
- AGI	5.4		1%	
Private Equity		922.6		83%
Debt Investments		189.0		17%
Derived Equity		5.0		0%
Total		1,116.6		100%

Footnotes

- "Total NAV per share Return" means the movement in NAV per share over the quarter plus any dividends per share paid. "Total Return" reflects the sub-portfolio performance on a stand-alone basis. It excludes items at the overall AGA level such as cash, management fees, and costs.
- Gross Asset Value weighted average of the respective metrics across the portfolio. Investments can be excluded for reasons such as: investments in the financial services sector; companies with negative EBITDA (or moving from negative to positive EBITDA in the case of growth metrics); investments that are written off; companies where EBITDA is not meaningful for company specific reasons. Due to these adjustments, the comparatives may not be on a like for like basis. LTM EBITDA Growth represents 89% of AGA's Private Equity portfolio NAV, Net Debt / EBITDA Multiple and Enterprise Value / EBITDA Valuation Multiple represents 84% of AGA's Private Equity portfolio NAV
- Debt operational metrics excludes Vyaire
- Other reflects net current assets.
- FX on cash includes the revaluation of cash balances and net gain or losses arising from the differences in exchange rates between transaction dates and settlement dates, and unrealised net gains or losses arising from the translation into euro of assets and liabilities (other than investments) which are not denominated in euro
- Movement in the performance fee reserve reflects the performance fee accrued by the Company at 30 September 2024 adjusted for performance fee paid in the period. This does not represent the underlying Private Equity portfolio's carried interest.
- Invested Portfolio excludes cash and cash equivalents, revolving credit facility drawn, net current assets, and performance fee accrued, including these the NAV was €1,199.4m

Notes

- Note that references in this announcement to Apax Global Alpha Limited have been abbreviated to "AGA" or "the Company". References to Apax Partners LLP have been abbreviated to "Apax" or "the Investment Adviser"
- Please be advised that this announcement may contain inside information as stipulated under the Market Abuse Regulations (EU) NO. 596/2014 ("MAR")
- This announcement is not for release, publication or distribution, directly or indirectly, in whole or in part, into or within the United States or to "US persons" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) or into or within Australia, Canada, South Africa or Japan. Recipients of this announcement in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements in their jurisdictions. In particular, the distribution of the announcement may be restricted by law in certain jurisdictions
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- This announcement may include forward-looking statements. The words "expect", "anticipate", "intends", "plan", "estimate", "aim", "forecast", "project" and similar expressions (or their negative) identify certain of these forward-looking statements. These forward-looking statements are statements regarding AGA's intentions, beliefs or current expectations concerning, among other things, AGA's results of operations, financial condition, liquidity, prospects, growth and strategies. The forward-looking statements in this presentation are based on numerous assumptions regarding AGA's present and future business strategies and the environment in which AGA will operate in the future. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of AGA to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond AGA's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as AGA's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which AGA operates or in economic or technological trends or conditions. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. AGA expressly disclaims any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in AGA's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this announcement, or to update or to keep current any other information contained in this announcement. Accordingly, undue reliance should not be placed on the forward-looking statements, which speak only as of the date of this announcement.

About Apax Global Alpha Limited

AGA is a Guernsey registered closed-ended investment Company listed on the London Stock Exchange. It is regulated by the Guernsey Financial Services Commission.

AGA's objective is to provide shareholders with capital appreciation from its investment portfolio and regular dividends. The Company is targeting an annualised Total Return, across economic cycles, of 12-15% (net of fees and expenses).

The Company makes Private Equity investments in Apax Funds, and has a portfolio of primarily Debt Investments, derived from the insights gained via Apax's Private Equity activities.

Further information regarding the Company and its publications are available on the Company's website at www.apaxglobalalpha.com

About Apax Partners LLP

Apax Partners LLP ("Apax") is a leading global private equity advisory firm. For over 50 years, Apax has worked to inspire growth and ideas that transform businesses. The firm has raised and advised funds with aggregate commitments of nearly 80 billion. The Apax Funds invest in companies across three global sectors of Tech, Services, and Internet/Consumer. These funds provide long-term equity financing to build and strengthen world-class companies. For further information about Apax, please visit www.apax.com

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